



**CENTRAL BANK OF SUDAN
47TH ANNUAL REPORT
2 0 0 7**



P.O. Box : 313, Khartoum, Sudan
Telephone : +249 187056058

Website : <http://www.cbos.gov.sd>
E-mail : publications@cbos.gov.sd

His Excellency
The President of the Republic,

It is my pleasure to present to Your Excellency, according to Article (59/1) of the Central Bank of Sudan Act for the year (2002), amendment (2005), the Balance Sheet of the Central Bank of Sudan for the year ending 31st December 2007 as approved by the Auditor General, along with the Annual Report for the year 2007.

Dr. Sabir M. Hassan

*Governor and Chairman of the board of
Directors of the Central Bank of Sudan*



BOARD OF DIRECTORS OF THE CENTRAL BANK OF SUDAN

Dr. Sabir Mohamed Hassan

Governor and Chairman of the Board of Directors

Mr. Elijah Malok Aleng

Deputy Governor,

President of the Bank of Southern Sudan and Member of the Board

Mr. Badr El-Din Mahmoud Abbas

Deputy Governor and Member of the Board

Prof. Mohamed El-Fatih Hamid

Member of the Board

Prof. Awatif Yousif Mohamed

Member of the Board

Dr. Andarew Malek Madut

Member of the Board

Dr. Ibrahim Abdel Moneim Sobahi

Member of the Board

Mr. John Rossy

Member of the Board

Mr. Gindeel Ibrahim Gindeel

Member of the Board

Mr. El Gaili Mohamed El-Bashir

Secretary of the Board

TABLE OF CONTENTS

7	Chapter One
	Major International Economic Developments during 2007
21	Chapter Two
	Central Bank of Sudan Policies
31	Chapter Three
	Money Supply
39	Chapter Four
	Banks and Financial Institutions
61	Chapter Five
	The Central Bank of Sudan Accounts
67	Chapter Six
	Government Finance
77	Chapter Seven
	Gross Domestic Product
85	Chapter Eight
	Production
101	Chapter Nine
	Balance of Payments
121	Appendices

CHAPTER ONE

**MAJOR INTERNATIONAL
ECONOMIC DEVELOPMENTS
DURING 2007**



CHAPTER ONE

MAJOR INTERNATIONAL ECONOMIC DEVELOPMENTS DURING 2007

The world economy witnessed a major rise in oil prices due to rises in demand and political instability in most oil producers of the Middle East countries. This led to a decline in international economic performance during 2007. As a result it recorded a growth rate of 5.2% compared with a growth rate of 5.4% in 2006. Moreover the world Gross Domestic Product growth was influenced by the growth decline in the United States economy, which dominates the world economy, recorded a decline from 2.9% during 2006 to 1.9% in 2007 due to the decline in industrial product, housing activity and the rise in oil prices. Also most economies of the industrial countries and countries of the EURO area registered a slowdown in economic performance in addition to Japan, while emerging economies such as China, India and the developing countries registered a distinguished performance by benefiting from basic goods prices rise. Although the rising growth in the emerging economies resulted in the appearance of inflationary pressures in the economies of these countries but was maintained within moderate rates.

The Sudanese economy was influenced by the current world economic developments, particularly with regards to the rise in oil prices. This led to the increases in oil earnings which contributed greatly to the public budget finance, and the increase in the petroleum exports volume, and the appreciation of the national currency value against other foreign currencies. This led to the increase in Gross Domestic Product growth rate from 9.3% in 2006 to 10.5% by the end of 2007.

Despite of the good performance of these indicators there were noticeable increases in inflation rates during the last quarter of 2007.

The following is a review of some economic indicators in the industrial and developing countries:

1. The Growth, Inflation, Unemployment Rates and Current Account Position in Major Industrial Countries:

The major industrial countries, as a whole, registered a decrease in their growth rate in 2007 compared with the growth rate in 2006. unemployment and inflation rates in addition to the current account deficits as a percentage to the Gross Domestic Product showed some improvement in these countries

Table (1.1) and Figure (1.1) show details of the developments in the respective indicators.

Table (1-1)
Growth, Inflation, Unemployment Rates and Current Account Position in the Major Industrial Countries for the years 2006 and 2007

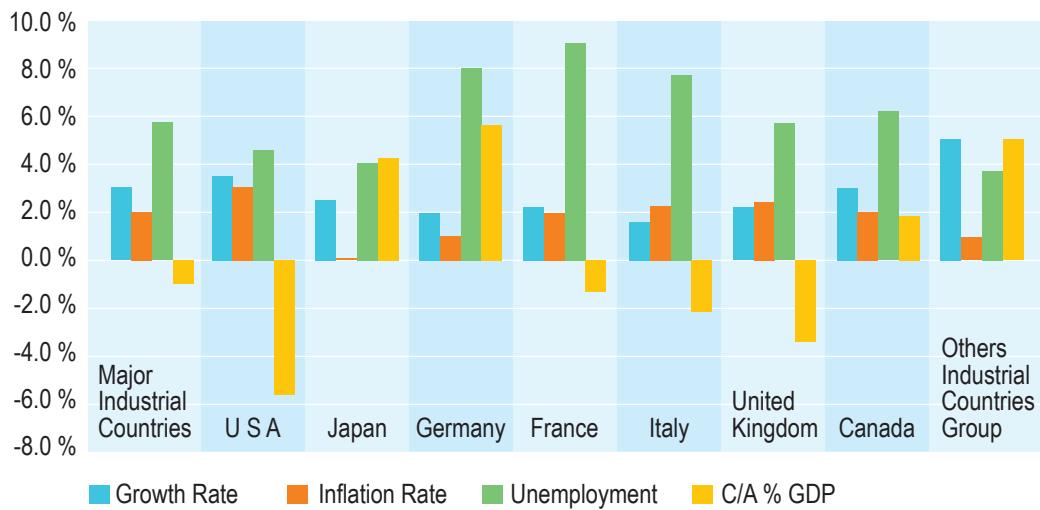
Country	Indicators	Growth Rate %		Inflation Rate %		Unemployment Rate %		Current A/C% of GDP	
		2006*	2007**	2006*	2007**	2006*	2007**	2006*	2007**
Major Industrial Countries		2.9	2.5	2.3	2.1	5.6	5.3	(1.4)	(1.3)
U.S.A.		2.9	1.9	3.2	2.7	4.6	4.7	(6.2)	(5.7)
Japan		2.2	2.0	0.3	0	4.1	4.0	3.9	4.5
Germany		2.9	2.4	1.8	2.1	8.1	6.5	5.0	5.4
France		2.0	1.9	1.9	1.6	9.5	8.6	(1.2)	(1.6)
Italy		1.9	1.7	2.2	1.9	6.8	6.5	(2.4)	(2.3)
United Kingdom		2.8	3.1	2.3	2.4	5.4	5.4	(3.2)	(3.5)
Canada		2.8	2.5	2.0	2.2	6.3	6.1	1.6	1.8
Other Industrial Countries Group		5.3	4.9	1.6	2.0	3.7	3.5	5.6	5.4

Source: IMF-World Economic Outlook-Oct, 2007.

* Actual.

** Estimates. () Indicates a minus.

Figure (1-1)
**Growth, Inflation and Unemployment Rates and
 current account position in the Major Industrial Countries
 for the year 2007**



The growth rate of the major industrial countries declined from 2.9% in 2006 to 2.5% in 2007. The inflation rates for these countries as a whole improved from 2.3% in 2006 to 2.1% in 2007, and the unemployment rate improved to 5.3% in 2007 compared with 5.6% in 2006, Also their current account deficit position as a percentage of GDP improved to 1.3% in 2007 compared with 1.4% in 2006.

2. Growth, Inflation Rates and Current Account position in the Developing Countries:

The growth rate of the Gross Domestic Product of the developing countries in Africa, and the Middle East increased from 5.6% to 5.7% and 5.9% respectively in 2007, while developing countries in Asia kept the same growth rate of 9.8% in 2006, and receded in south America countries from 5.5% in 2006 to 5.0% in 2007.

Table (1-2) and figure (1-2) show details of the mentioned indicators: -

Table (1-2)
Growth Rates, Inflation Rates and Current Account
Position in the Developing Countries
for the years 2006 and 2007

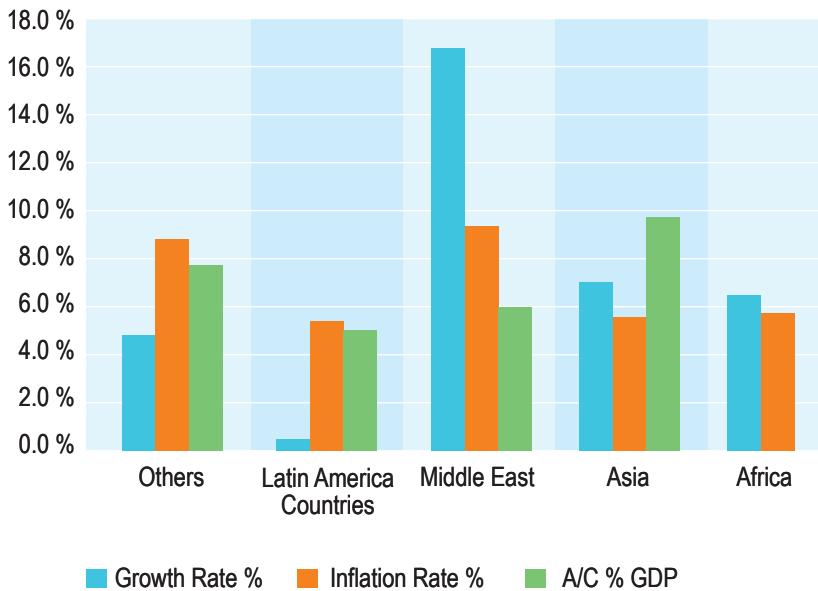
Country	Indicators		Growth Rate %		Inflation Rate %		Current A/C % of GDP	
	2006*	2007**	2006*	2007**	2006*	2007**	2006*	2007**
Africa	5.6	5.7	7.2	6.5	3.1	-		
Asia	9.8	9.8	4.1	5.7	5.9	6.9		
Middle East	5.6	5.9	9.4	9.2	19.7	16.7		
Latin American Countries	5.5	5.0	5.0	5.4	1.5	0.6		
Others	7.7	7.8	9.3	8.8	7.6	4.8		

Source: IMF-World Economic Outlook Oct, 2007.

* Actual.

** Estimates.

Figure (1-2)
Growth and Inflation Rates and Current Account
Position in the Developing Countries
for the Year 2007



External Debt of Developing Countries:

The majority of developing countries met the conditions of the Heavily Indebted Poor Countries (HIPC) Initiative, and benefited from debt relief. This led to a decrease in debt and its services percentage to the Gross Domestic Product.

Table (1-3) shows details of the external debt and its services as percentage of GDP for the developing countries for the year 2006 and 2007.

Table (1-3)
External Debt and its services as percentage of Gross
Domestic Product for the Developing Countries
(For the years 2006 and 2007)

Indicator	Year	2006*	2007**
Debt percentage of gross Domestic Product	27.0	25.7	
Debt service percentage of gross Domestic Product	5.7	4.7	

Source: IMF-World Economic Outlook Oct 2007.

* Actual.

** Estimates.

Major Economic Conferences, Regional and International Meetings During 2007:

1. The Annual Meetings of the Arab Financial Institutions:

The Joint Annual Meetings of the Arab Financial Institutions were held in Beirut, Lebanon with the participation of the Arab Finance Ministers, Governors of the Central Banks, in addition to Members of the Boards of the Arab Financial Institutions which include (Arab Economic and Social Development Fund, Arab Institution for Investment Guarantee, Arab Bank for Economic Development in Africa, Arab Corporation for Agriculture Development and the Arab Monetary fund).

The meetings focused on the financial performance of these Institutions in general according to their submitted annual reports and reviewed their administrative structures and approved their budgets and final audited accounts.

The Institutions concluded their meetings by adopting decisions, important among which were :

- Election of the Governor of Elbahrain kingdom as Chairperson of the Governing Council of the Arab fund for Economic and Social Development and the election of the Governor of Qatar State as Vice-Chairperson for the next Annual Meeting.
- Election of Qatar state as Chairperson for the Arab Corporation for Investment and Agriculture Development and Somalia as Vice-Chairperson.

- Election of the Governor of Lebanon as Chairperson of the Governing Council of Arab Monetary Fund and Governor of the State of Kuwait as Vice-Chairperson
- The next annual meetings will be held in Elyamen Arab Republic.
- Approval of the allocation of 10% from the net income of all institutions for year 2007 for the benefit of the Palestinian people.

2. The Twelfth Summit of the COMESA Heads of State and the meetings of inter-government organs:

These meetings were convened during the period (11th-23rd May, 2007) in Nairobi -Kenya, at the level of experts, ministers and government organs of Member States, under the banner of (deepening regional integration for diversity and value addition) with the participation of all member states, along with representatives of international and regional organizations and institutions as well as representatives of COMESA organs and institutions.

The summit concluded by adopting decisions, important among which were:

- Encourage the member states to remove the remaining customs constraints.
- Approve the external custom tariffs as follows: 0% for crude items, 10% for intermediate goods, 25% for final goods and 0% for capital goods.
- Work to complete trade in services programme in order to enhance economic growth of the region countries.
- Expedite establishing joint authority between member states of COMESA and Southern Africa Development Community and Eastern Africa Community regarding air transportation regulations.
- Approval of the electronic acts, which include computer crimes, electronic transactions and continue the efforts to enhance COMESA Justice Court's role.
- Invite the member countries to quicken the executing of the comprehensive programme for agricultural development to achieve food security in the area.
- Establish the executive council for ministers and head of states as follows: -
 - Kenya chairperson
 - Zimbabwe vice -chairperson
 - Djibouti reporter
- Agreement on holding the next Summit in Zimbabwe state in May 2008.

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

This Meeting was convened in Shanghai-China during 16th -17th May, 2007 in the presence of the Heads of State of China (the Host Country), Rwanda, Madagascar, Green cape and Mozambique in addition to the Governors of the central banks and representatives of 77 countries of member states.

This is the first time in which the annual meetings of the bank is convened outside of the region.

The Meeting discussed several issues, important among which were: -

- Approval of the report and activities of the three institutions of the bank group (Development Bank, Development Fund and Nigeria Trust Fund).
- Continuation of the Bank's temporary Headquarters in Tunisia for another one year until the situation is stable in Cote d'Ivoire the original headquarter of the Bank. An advisory committee is formed to look in to the matter.
- Approve the opening of an office for the bank in Khartoum.
- Provide a grant to Sudan of about 9.62 million special drawing unit. Executing procedures to begin after appointment of the manager for the project and establish the focal points and open current accounts for the flow of the grant in North and South to secure exploitation of the grant in the defined time
- Constituents of the new Bureau of the group for the period 2007-2010 as follows:
 - Sirloin chairperson
 - Liberia executive manager
 - Sudan vice- executive manager
 - Ghana advisor
 - Gambia assistant to executive governor
- It was agreed to hold the next annual meeting of the African Development Bank Group in Mozambique in May 2008.

4. The Thirty Two Annual Meeting of the Islamic Development Bank Group:

The Thirty Two Annual Meeting of the Islamic Development Bank Group was held in Dakar-Senegal during (29th and 30th May, 2007) with the participation 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 fourteenth Annual Meeting of the Board of Governors of the Islamic Corporation for Investment insurance and Export Credit was held as well as the Seventh Meeting of the General Assembly of the Islamic Corporation for Development of the Private Sector.

The meetings concluded decisions Important among which were: -

- 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.
- Allocation of an amount equivalent to 5% of the Bank's net income expected for the financial year 1428 H, for financing of technical assistance for the year 1429 H and it shall not be less than US \$ 5 million.
- Allocation of an amount equivalent to 2% of the Bank's expected net income for any financial year for the finance of intellectual scholarships in year 1429 H.
- Establishment of a special fund called Islamic solidarity Fund and the original amount targeted shall be ten billion USA dollars to be kept as a conditional endowment and the return of the endowment to be used to provide assistances and credit for the fund goals.
- Constituents allocation of money from bank's resources in any financial annual budget in limit of current quota to provide soft finance.
- Constituents of the Bureau of the Governor's Council for the next session as follows:

– Governor for Bahrain kingdom	Chairperson
– Governor for the Republic of Sirloin	Vice-Chairperson
– Governor for the Somalia Republic	Vice-Chairperson
- The Thirty third Annual Meeting shall be held in the Saudi Arabia kingdom- Jeddah in May 2008

5. The Fourteenth Meeting of the African Export Import Bank:

These meetings were held in Acra -Ghana during (12th -15th September, 2007), with the participation of the most member countries.

The agenda of the Meeting were consist of Approval of the Minutes of the Thirteenth Meeting of the shareholders in addition to the following focal points.

- Discussion of the new headquarters location after the withdrawal of Egypt (The prior Host Country).
- Reappointment of the external auditor
- Amendment of the bank Treaty regarding selection and reselection of the chairperson.

The meetings were concluded by ratifying a number of financial and commercial agreements between the African Export Import Bank and a group of financial institutions in the region.

6. The Thirty first Annual Meeting of the Association of African Central Banks (AACB):

The Thirty-First Meeting of the Association of African Central Banks was held during the period (13th -15th August, 2007) in Tripoli- Arab Jamaheria of Libya, with the participation of representatives of 33 African Central Banks besides representatives of a number of Regional and International Organizations.

The Association agreed through this meeting to establish a joint committee with African Union Commission to discuss the establishment of the three financial institutions of the African union (African Central Bank, African Monetary Fund, African Investment Bank). It is worth mentioning that the countries of the African Union have already approved the establishment of these financial institutions in the Treaty of the African Union. Nigeria shall host the central bank headquarter, Libya Investment Bank headquarter and Cameroon the African Monetary Fund headquarter.

The Meeting concluded with the selection of the governor of Libyan Central Bank as chairperson for the year 2007, and the Governor of Burundi Central Bank as vice-chairperson and the Governor of Mauritius, Tunisia, Ghana, Botswana and São Tomé and Principe.

On the sidelines of the Meeting the annual symposium was held under the title of the role of the credit institutions in finance of small projects to reduce poverty in Africa.

7. Meetings of the Thirty- First Ordinary Session of the Board of Governors of the Arab Central Banks and Monetary Authorities:

These meetings were held in Damascus the capital of Syria, on the 11th of September, 2007, with the participation of the Governors of the Arab Central Banks and Monetary Authorities, the General Manager of the Arab Monetary Fund and representative of the International Monetary Fund, in addition to observers from the Regional and International Organizations. The Session concluded with a number of decisions among which were: -

- Election of the Governor of the Central Bank of Iraq as Chairperson for the Session and Governor of the Central Bank of Sudan as Vice-Chairperson.
- Approval of the report and recommendations of the Arab Committee for Banking Supervision including the recommendations of the working papers on the preparatory arrangements for implementing the second pillar of Basel II resolutions.
- Approval of the report and recommendations of the Arab Committee on Payment Systems.
- Invitation of the central banks and Arab Monetary Authorities to complete and update their data contained in the united statistical booklet with regards to payments reconciliation operations, which is to be issued in the nearest possible time.

8. The Joint Meetings of the World Bank and the International Monetary Fund:

These meetings were held in Washington during 17th-22nd October 2007.

Among the most important issues handled were the challenges which confront the developing countries and which stands as an obstacle to achieve the millennium objectives, which include: -

- Problems of external debt and poverty
- Challenges confronted by the countries from the past- conflicts and wars.
- Finance problems and international financial sector challenges such as exchange rates, current account and inflation.
- Problems and risks, which confront the central banks.

After discussing all these issues, the meetings emphasized the necessity of helping the developing countries and improving investment environment in these countries to attract foreign direct investment.

9. The Twelfth Meeting of the Committee of Governors of the Central Banks of the COMESA Countries:

These Meetings was organized in Tripoli- Arab Jamaheria of Libya during the period 5th -9th November 2007, with the participation of delegations of 14 COMESA Member States, beside the representatives of COMESA Clearing House, African Union and Association of African Central Banks, the Central Bank of Tanzania was participated as an observer.

The Executive Bureau was elected for the next session as follows: -

- Libya	chairperson
- Madagasgar	vice-chairperson
- Egypt	second vice-chairperson
- Malawi	first rapporteur
- Sudan	second rapporteur

During the meetings representatives of the central banks (Experts) reviewed reports about their countries position regarding the execution of the COMESA Monetary Harmonization Programme, also the meeting listened to reports from COMESA Clearing House about the progress in the regional payment system. It was explained that all required operational procedures of the programme were executed, and the commercial transactions expected to begin between the member states through this programme in the first quarter of 2008.

10. The twenty fourth annual meetings of the Inter-Governmental Organs and the Council of Ministers of the COMESA Countries:

These meetings were convened in Lusaka- Zambia during the period (19th-27th November, 2007) with the participation of 14 countries of Member States, in addition to representatives of some international and regional organizations as well as representatives of COMESA organs and institutions.

These meetings were conducted at two levels:

A: Meetings of the experts of Inter-Governmental Organs (19th -24th November 2007):

These meetings discussed budgetary and administrative matters of the secretariat regarding employment and expenditure items in the budget, contributions payments position, plan and budget of COMESA for the year 2008. These meetings also discussed the performance of different COMESA institutions and the Regional Integration Programmes position.

B: Meetings of COMESA Council of Ministers (25th-27th November 2007):

These meetings discussed the report of the experts committee of Inter-Governmental Organs, which focused on the next stage of regional integration, and targeted end of 2008 for the application of the COMESA Customs Union. The meetings requested the member countries to quick the ratification of the COMESA free trade area.

CHAPTER TWO

**CENTRAL BANK OF SUDAN
POLICIES**



CHAPTER TWO

CENTRAL BANK OF SUDAN POLICIES

The Central Bank of Sudan Policies for the year 2007 were issued comprising the following four policy pillars namely: monetary and credit policy, foreign exchange policies, banking policies, currency issuance and management policies.

First: Monetary and Credit Policy

1. Objectives of the Policy:

The monetary and credit policy for the year 2007 – in coordination with fiscal and other related policies, were aimed to achieve the objectives of the macro economic policy, which were incarnated in: achieving 10% GDP growth rate, and 8% average inflation rate, through targeting a nominal growth rate of 24% in the money supply, and maintaining a stable and flexible exchange rate.

The Central Bank of Sudan during the year 2007 has effectively managed the liquidity in the economy by using the indirect monetary policy instruments, in a manner, which led to availability of adequate liquidity to meet the requirements of economic activity, as well as containing the inflationary pressures and maintaining economic stability.

With respect to the actual performance of the macroeconomic indicators for the year 2007, the average inflation rate reached 8.2% compared with the targeted rate of 8%, whereas, the real GDP growth rate recorded 10.5% compared with the targeted rate of 10%. The money supply growth rate reached 10.3% less than the targeted rate of 24%. The Central Bank of Sudan undertook some measures during the year 2007 to avail additional resources for the private sector, these measure could be summarized in the followings:

- Reduction of the legal reserve requirements from 13% to 11%, buying of Government Musharaka Certificates (GMCs) and Government Investment Certificates (GICs) from some Commercial banks for SDG 132.3 millions and depositing SDG 867.8 millions as investment deposits in other commercial banks to increase their loanable funds. The decrease in the growth rate of the money.

2. The Monetary Policy Instruments:

a. Open Market Operations:

The policy focused on employing the government Sukouk as a tool of open market operations. These Sukouk were represented in: Government Musharaka Certificates (GMCs), Government Investment Certificates (GICs), Central Bank Igarah Certificates (CICs). In addition to foreign currency swaps that were used in managing the liquidity during the year 2007.

b. The Legal Reserve Requirements:

The monetary policy for the year 2007 initially directed the banks to maintain cash balances with the Central Bank of Sudan in the form of legal reserve requirement in local and foreign currencies of not less than 13% of the total deposits in the two currencies. In May 2007, the ratio of the legal reserve requirements was reduced to 11%, and the banks have given option to keep 8% as cash balances and 3% as central Bank Ijarah Certificates. The purpose of this amendment is to avail more resources for the banks to increase their loanable funds.

c. Internal Liquidity Ratio:

The matter of determining the internal liquidity ratio was left to the banks, while taking into consideration the ratio of 10% as an indicator. The actual ratio of internal liquidity of the banks reached 18.5% on average at the end of December 2007 compared with 13.2% at the end of 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 11.4% and 12.6% and the monthly average ranged between 6.7% and 18% during the year 2007.

3. Inter-Banks Market:

This market is still inactive and ineffective in the management of the liquidity in spite of the encouragement of the Central Bank of Sudan to the operating banks to maintain deposits and finance in local and foreign currencies in addition to 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 2007 through the finance windows mainly through investment deposits in some banks and purchase of financial papers from others to overcome their liquidity shortages during the second half of 2007, 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 central bank's policy for the year 2007 helped in increasing the finance extended from the banks to the private sector by 16.4% in the year 2007. 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 90.5% by the end of December 2006 to 93.2% by the end of December 2007.

Second: Foreign Exchange Policies

The foreign exchange policies for the year 2007; aimed at maintaining the stability of the exchange rate by adopting the managed floating exchange rate regime, enhancing the building up of foreign exchange reserves, and completing the unification, organization, and liberalization of the foreign exchange market.

The performance of the Foreign Exchange Policies for the year 2007 is as follows: -

A number of amendments have been undertaken in the foreign exchange regulations to ensure the existence of an effective policy as shown below: -

- Free accounts in foreign currency were allowed to be opened with transfer from abroad only, but their replenishment in cash, or exchange purchased from banks, foreign exchange bureaus, or transferred or paid from special accounts were not allowed.
- Prohibition of sales by exchange bureaus for import purposes only.
- Allowing Banks to sell cash to public within the limit of ten thousand US dollars or the equivalent in other foreign currencies.
- The receivable margins on the letter of credits have been cancelled, and Banks were allowed to decide the suitable ratio according to client's creditability status.

- Central Bank of Sudan and the Government decided to shift from the US\$ to the other foreign currencies in all their transactions.
- To avoid any risk emanating from dealings in US\$, the Central Bank of Sudan advised the Banks and their clients to shift from using the US\$ to the other foreign currencies.
- Regarding the purchase of foreign currencies brought on foreign currency rates, the prior approval of the central bank was abolished, on condition that the foreign correspondent quoted should be a highly reputed world wide.
- The exchange rate of the Sudanese pound against the US\$ was stable during the year 2007, at 2.0248 pounds per dollar at the end of December 2006, compared with 2.0308 pounds per dollar at the end of December 2007.

Third: Banking Policy

To complete the restructuring of the banking system and the financial institutions in the manner which achieves the safety and soundness of the banking system as well as building strong banking system to provide efficient services, the Central Bank of Sudan adopted the following policies during the year 2007: -

1. Restructuring of banks to strengthen and enhance their financial positions.
2. Launching the bank's merger program. The grouping of banks will be the first step in this program.
3. Continuing the privatization of the public sector banks.
4. Encouraging foreign investors to invest in the existing banks, instead of establishing new ones.
5. Continuing the licensing of the conventional banks, and the branches of foreign banks in the Southern Sudan.
6. Formulating the policies and working towards developing regulatory and supervisory tools, to finance small and medium enterprises.
7. Preparing the regulating laws of banks licensing and setting-up national rating agencies and credit information and evaluation companies.
8. Raising the efficiency of the control institutions to comply with the International Accounting Standards (IAS), the Accounting and Auditing Organization for

Islamic Financial Institutions (AAOIFI) and completing of the implementation of the Financial Sector Assessment Program (FSAP).

9. Upgrading the clients risk units within commercial banks.
10. Setting up the RTGs system, beside expanding the use of the Automated Teller's Machine (ATM), points of sales and uses of the electronic returns in all states.

The following is a review of the performance of the Banking and Supervision Policy for the year 2007: -

1. Banking Supervision and Development:

- With the aims of enhancing and maintaining the safety and soundness of the banking system, the preparation and issuance of the rules and regulations governing the Islamic and Conventional banking business was completed, in addition to the development and activation of the procedures of corporate governance in the banks and financial institutions. In this context, the credit information agencies were formulated and the promotion of the Information Units in all banks to complete credit risk departments was done. Accordingly several directives were issued to enhance the functioning of those departments as regards the developments and the strengthening of the Banking System Risk Management Administrations. The year 2007 witnessed the development and the widening of the data base programme of clients credits and linking banks with the electronic database, and the concerned departments in the Central Bank of Sudan to receive the data electronically.
- Regarding the rules and regulations for the non financial institutions, the circular number 19/2007 dated 22/10/2007 was issued to branches of foreign companies and exchange bureaus to increase there paid-up capital and authorized capital, and for the exchange bureaus to keep insurance deposit in the Central Bank of Sudan and restructure their position during one year from the date of the circular.
- The Central Bank of Sudan Started to implement the Standard of Capital Adequacy Ratio (Basel II for the Islamic Bank) in the year 2006. In year 2007 in its effort to implement the strategic plan targets, the Central Bank continued rehabilitation of the banking environment in order to apply the requirements of this plan. These efforts were as follows:

- a. Requesting the technical mission of the International Monetary Fund during its visit in May 2007 to prepare a study about the position of the implementation of Basel II standards, and the Standards of the Islamic Financial Services (SIFS) board to present suggestions on how to facilitate the implementation.
- b. The Central Bank of Sudan formulated a committee to undertake and follow-up the implementation of Basel II standards in the Sudanese banks. The committee consisted of representatives from CBOS, commercial banks, deposits insurance fund and an audit house of expertise, to formulate policies and plans to facilitate the implementation process.
- c. A study and a survey were conducted for gap analysis evaluation as required by the risk management according to the questionnaire designed by the IMF mission.
- d. In consultation with the Islamic Financial Services Council, a workshop was organized for the staff of the commercial banks and the CBOS during the period 15-17/12/2007, under the title (Facilitating the Implementation of IFSB Standards). The workshop discussed the capital adequacy standards, disclosure and financial transparency standards.
- e. The start of capacity building for commercial banks' employees through organizing a number of workshops in some banks to help in understanding the requirements of Basel II standards.

CBOS adopted in 2007 a strategic plan for the development and growth of micro-finance as an instrument for addressing poverty issue, through the cooperation of the concerned units in the Government and the private sector with a number of different international and regional institutions.

Accordingly a micro-finance unit was established at the CBOS in March 2007.

The micro finance unit accessed the banks and the financial institutions to provide financing using the Musharka mode based on the following:

- a. The bank's or the financial institution's contribution should not be less than 50% of the musharka investment capital.
- b. To present a working program for the implementation of the micro finance projects.
- c. To present the organization and the management structure of each micro finance unit in every bank.

- d. To specify the branches implementing the micro finance projects.

According to the above mentioned prerequisites seven banks were chosen to undertake micro-finance, in addition to the social development institution. The micro-finance, until December 2007, was amounted 1.5 million SDG out of a total of 60 million SDG, which represents the amount of musharka credit determined between the banks and the micro-finance unit. Also in October 2007 a circular was issued directing the banks to apply the 12% specified for the micro-finance sector in the CBOS policy for 2007, whereas in November 2007 a draft was made discussing the alternate guarantees for micro-finance.

2. Restructuring and Reforming of the Banking Sector:

A number of banks succeeded in meeting the specified requirements during 2007. Concerning the strengthening and reinforcing of the financial positions of the banks, 95% of them were able to increase their capital to 40 million SDG in accordance with the restructuring program in the next stage of 2007. Also the first stage began in which banking groupings were made, through the division of banks into six groups giving them the choice of switching from one group to another, also government ownership in the banking sector was reduced through privatization.

3. The Banking Technology:

In terms of the domestically fostering the banking technology, the year 2007 witnessed the complete implementation of the targeted banking technology projects, including the National Payment Switch System (NPSS), the Electronic Clearing System (ECS) and the Electronic Reporting System (ERS). Also the branches working in the west side of the country were linked with the new banking system of the CBOS, and those working in the southern were linked with the unified banking network.

In addition to the above, a number of projects related to the banking technology were implemented which, include:

- a. Specifications and Standards:

The specifications regarding the banking payments tools were updated, and a plan was formulated for licensing banking technological projects and programs.

- b. Protection and Insurance:

The appropriate qualifications regarding insurance, protection and coding were requested and a plan has been formulated to implement the National Coding Scheme.

c. Standards for Development of the Banking System and Auditing its Implementation:

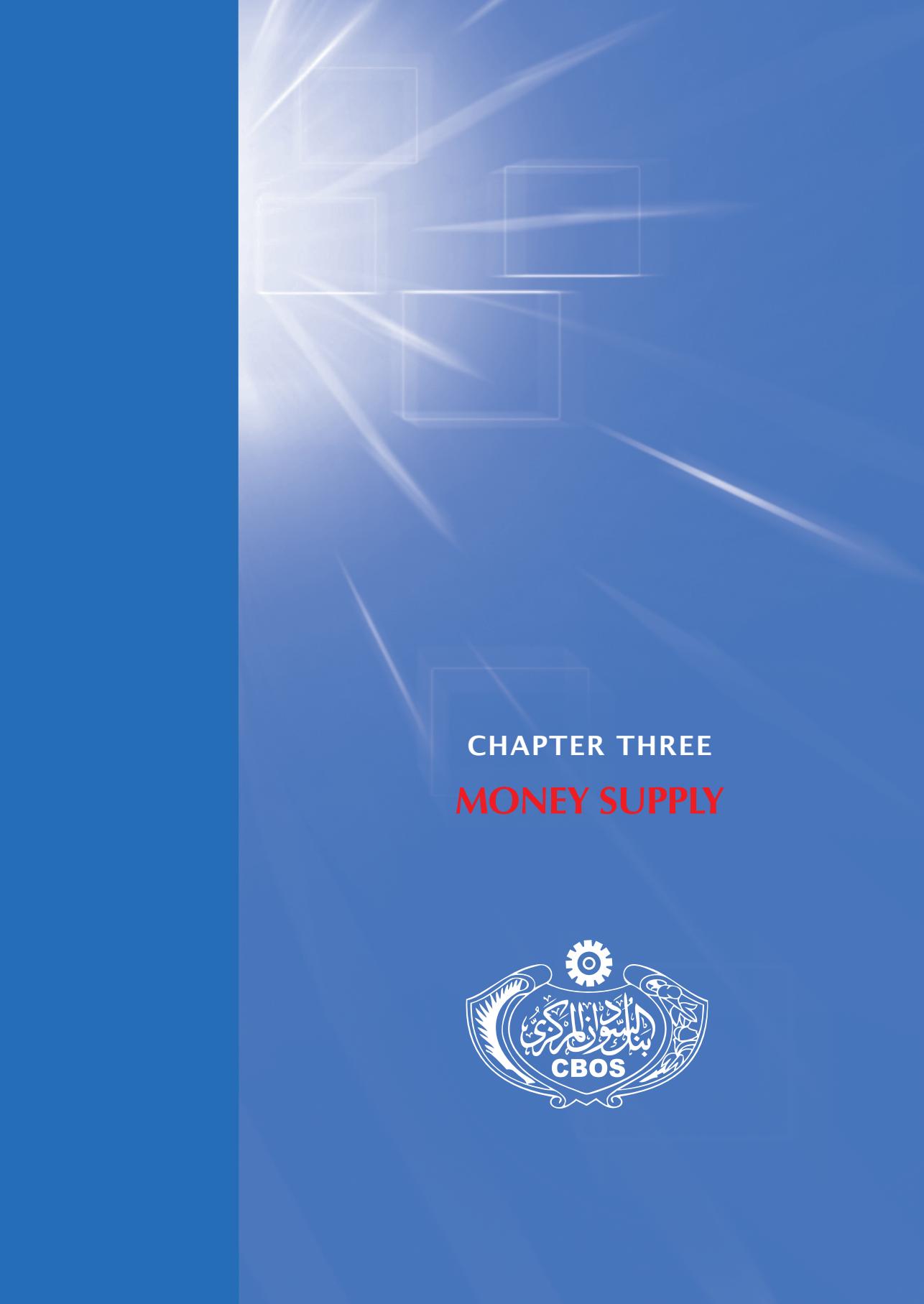
The international standards in this respect were specified and steps were taken to acquire them for the preparation of the relevant data bases.

d. The Electronic Cheque Clearing in the States:

The data was collected from different states regarding the amount of exchanged Cheques and the infrastructure and locations were chosen to start implementation of the project.

Fourth: Currency Issuing Policies

The Central Bank of Sudan implemented Article (14-9) of the protocol of wealth sharing which emphasizes the 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. The Sudanese Pound was adopted instead of the Sudanese Dinar and other currencies circulated in the south. The first stage of replacement through banks started on 10/1/2007 until 31/5/2007. The second stage where the direct replacement of the old currency continued through certain centers from 1/6/2007 up to 30/6/ 2007. The replacement of the banknotes was completed successfully on 31/8/2007, where the coins replacement was completed on 31/12/2007, and the pound became the only legal tender currency.



CHAPTER THREE

MONEY SUPPLY



CHAPTER THREE

MONEY SUPPLY

Money supply in its broad meaning (M2), consists of demand deposits, currency with the public and quasi money (margins on documentary letters of credit, margins on letters of guarantee, time deposits and investment deposits).

Table (3-1) and chart (3-1) presents the money supply and the factors affecting it for 2006 and 2007.

Table (3-1)
**Money Supply and the Factors
 Affecting It for the years 2005 and 2006**

(SDG Millions)

Particulars	Years		Changes During 2007	
	2006	2007*	Change	%
A. Money Supply (M2)	17,871.8	19,714.6	1,842.8	10.3
Means of Current Payments	10,524.1	11,374.6	850.5	8.1
- Currency with the Public	5,355.3	5,639.7	284.4	5.3
- Demand Deposits	5,168.8	5,734.9	566.1	11.0
Quasi-Money	7,347.7	8,340.0	992.3	13.5
B. Factors Affecting Money Supply				
Net Foreign Assets	(1,843.6)	(2,533.9)	(690.3)	(37.4)
Revaluation	7,331.1	7,451.5	120.4	1.6
Net Domestic Assets	12,384.2	14,797.0	2,412.8	19.5
1. Claims on Public Sector	3,963.1	4,941.7	978.6	33.8
1.1. Central, State and Local Governments	3,109.9	3,959.5	849.6	27.3
1.2. Public Enterprises	853.2	982.2	129.0	15.1
2. Claims on Private Sector	10,322.4	11,759.4	1,437.0	13.9
3. Claims on Non-Banking Financial Institutions	265.0	552.0	287.0	108.3
4. Other Items Net	(2,166.2)	(2,456.1)	(289.8)	(13.4)
TOTAL (A + B)	17,871.8	19,714.6	1,842.8	10.3
C. Indicators of Money Supply				
Currency with the public / Money Supply	30.0 %	28.6 %	-	-
Demand Deposits / Money Supply	28.9 %	29.1 %	-	-
Quasi Money / Money Supply	41.1 %	42.3 %	-	-

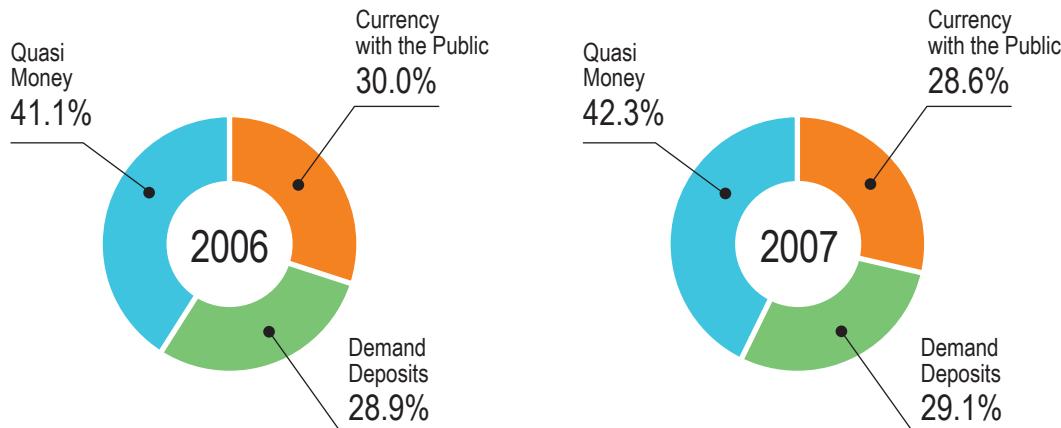
Source: Central Bank of Sudan.

* Include conventional banks operating in Southern Sudan.

Money Supply (M2):

The increase in money supply at the end of 2007 amounted to SDG 1,842.8 million, that is, by a growth rate of 10.3% compared to growth rate of 27.4% for the year 2006. This increase resulted from the rise in current payment instruments by SDG 850.5 million and quasi-money by SDG 992.3 million. The increase in current payment instruments was attributed to the increase in currency with the public and demand deposits by SDG 284.4 million and SDG 566.1 million respectively.

Chart (3-1)
**Components of Money Supply
 for the years 2006 and 2007**



Factors Affecting Money Supply:

The main expansionary factors affecting the money supply were represented in the increase of the net domestic assets by 2,412.8 SDG million, and the increase in revaluation account by 120.4 SDG million. "This item represents net movements in the foreign assets and foreign liabilities when converted into local currency".

On the other hand net foreign assets which consist mainly of the foreign assets less foreign liabilities of the banking system had a contractionary effect on the money supply amounted SDG 690.3 million, also other items net had a contractionary effect on the money supply amounted SDG 289.8 million

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

Table (3-2) shows reserve money and the corresponding assets during 2006 and 2007.

Chart (3-2) indicates the components of the reserve money as a percentage of total reserve money by the end of December 2007.

**Table (3-2)
Reserve Money and Corresponding
Assets in 2006 and 2007**

(SDG millions)

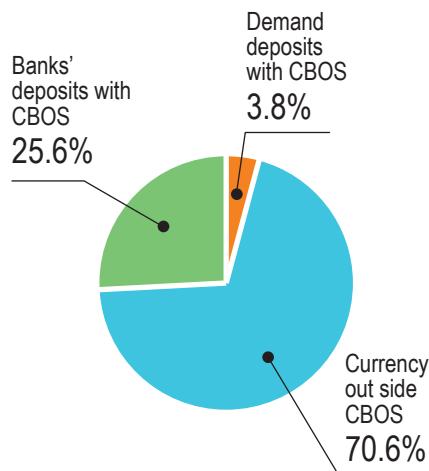
Particulars	Years		Change during 2007	
	2006	2007	Change	%
A. Assets:				
1. Net Foreign Assets	(3,146.9)	(4,057.1)	(910.2)	28.9
2. Revaluation	7,240.9	7,471.6	230.7	3.2
3. Net Domestic Assets	3,721.5	5,398.7	1,677.3	45.1
3.1. Net Claims on Government	1,597.9	2,592.6	994.8	62.3
3.1.1. Claims on Government	1,990.5	2,680.1	689.6	34.6
3.1.2. Government Deposits	392.6	87.5	(305.1)	(77.7)
3.2. Claims on Commercial Banks	1,037.5	1,361.3	323.8	31.2
3.3. Claims on Public Enterprises	301.0	295.1	(5.9)	(2.0)
3.4. Instruments of Liquidity Management (Shihab) *	132.2	115.9	(16.3)	(12.3)
3.5. Other Items Net	652.8	1,033.8	381.0	58.4
Total Assets (1+2+3)=Liabilities	7,815.5	8,813.3	997.8	12.8
B. Liabilities:				
Reserve Money	7,815.5	8,813.3	997.8	12.8
1. Currency in Circulation	5,670.8	6,221.8	551.0	9.7
1.1. With the Public	5,355.3	5,639.8	284.4	5.3
1.2. With the Commercial Banks	315.5	582.0	266.6	84.5
2. Banks' Reserves with the Central Bank of Sudan	1,743.1	2,253.8	510.7	29.3
3. Current Deposits with the Central Bank of Sudan	401.6	337.7	(63.9)	(15.9)

Source: Central Bank of Sudan

* Central Bank of Sudan Ijara Certificates.

The reserve money (monetary base) increased from SDG 7,815.5 million in 2006 to SDG 8,813.3 million in 2007, by 12.8%. This increase resulted from the rise in currency in circulation by SDG 551.0 million, and commercial banks' reserves with the Central Bank of Sudan by SDG 510.7 million. Demand deposits with the Central Bank of Sudan declined by SDG 63.9 million.

Chart (3-2)
**Components of the Reserve Money
 by the end of December 2007**



Assets:

The main reason for the rise in assets corresponding to reserve money was the increase in net domestic assets from SDG 3,721.5 million in 2006 to SDG 5,398.7 million in 2007, by 45.1%, the increase in revaluation item from SDG 7,240.9 million in 2006 to SDG 7,471.6 million in 2007, by 3.2% despite the fall in the net foreign assets from a negative (-) 3,146.9 million in 2006 to a negative (-) SDG 4,057.1 million in 2007, by 28.9%. This increase in net domestic assets was caused by the substantial decrease in government deposits from SDG 392.6 million in 2006 to SDG 87.5 million in 2007, by 77.7%. Also, claims on the government increased from SDG 1,990.5 million in 2006 to SDG 2,680.1 million in 2007, by 34.6%. Claims on commercial banks and claims on public enterprises by 31.2% and -2.0% respectively. This in addition to the increase in the other items net of 58.4%.

Liabilities:

Currency in circulation, which is among the main reasons for the increase in reserve money, rose from SDG 5,670.8 million in 2006 to SDG 6,221.8 million in 2007. This was attributed to the increases in currency with the public from SDG 5,355.3 million in 2006 to SDG 5,639.8 million in 2007 by 5.3%, currency with the commercial banks from SDG 315.5 million in 2006 to SDG 582.0 million in 2007 by 84.5%.

In addition, banks reserves with the Central Bank of Sudan rose from SDG 1,743.1 million in 2006 to SDG 2,253.8 million in 2007 by 29.3%. Also, demand deposits with the Central Bank of Sudan dropped from SDG 401.6 million in 2006 to SDG 337.7 million in 2007 by 15.9%.

Money Multiplier and Velocity of Circulation:

The money multiplier¹ dropped from 2.287 in 2006 to 2.237 in 2007, the velocity of circulation², increased from 4.477 in 2006 to 4.733 in 2007 based on a GDP of SDG 80,015,8 million and SDG 93,299,7 million for 2006 and 2007 respectively.

Table (3-3) and chart (3-3) show the money multiplier and velocity of circulation for the years 2002-2007.

Table (3-3)
Money Multiplier and Velocity of Circulation
during the period 2002-2007

Particulars	Year	2002	2003	2004	2005	2006*	2007**
Money multiplier		2.010	2.092	2.139	2.294	2.287	2.237
Velocity of Circulation		6.816	5.663	4.509	4.585	4.477	4.733

Source: Central Bank of Sudan.

* Revised figures.

** Primary figures

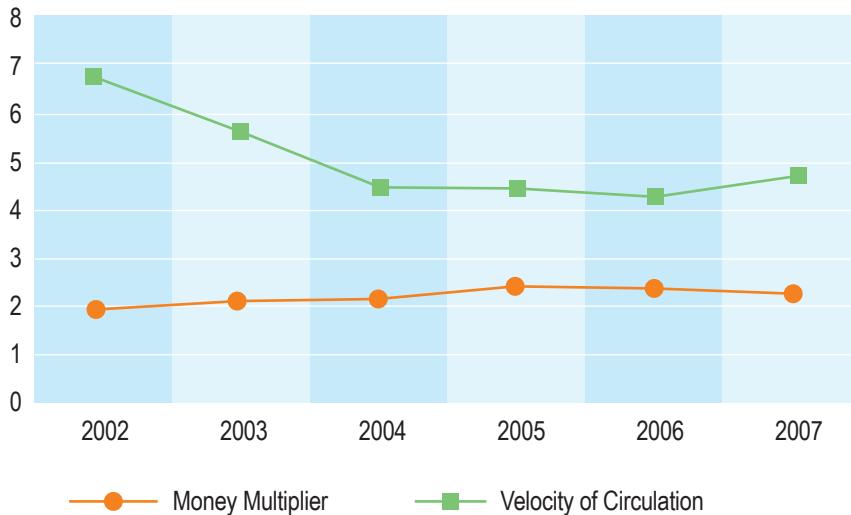
All data in 2006, 2007 is in Sudanese Pound (SDG)

100 SDD = 1 SDG

¹ Money Multiplier = Broad Money Supply/Reserve Money.

² Velocity of Circulation = Gross Domestic Product at Current Prices/Board Money Supply

Chart (3-3)
**Money Multiplier and Velocity of Circulation
during the period 2002-2007**



CHAPTER FOUR

**BANKS AND FINANCIAL
INSTITUTIONS**



CHAPTER FOUR

BANKS AND FINANCIAL INSTITUTIONS

This Chapter throw lights on the performance of the banking system (Central Bank of Sudan and the operating 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 year (2006) article (6) can be summarized in the following : 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, and advisory authority.

The branches of the central bank of Sudan remained at twelve, as in the year 2006.

Table (4-1) shows the Central Bank of Sudan balance sheet for the year 2006 and 2007.

Table (4-1)
Central Bank of Sudan Balance Sheet
For year 2006 and 2007

(SDG Millions)

Particulars	31/12/2006	31/12/2007	Change	%
Assets:				
Bank Notes and Banks Balances	4,215.3	3,468.8	(746.5)	(17.7)
Foreign Securities	78.2	78.2	-	-
Other Foreign Assets	2.7	3.2	0.5	18.5
Loans and Advances to Banks	795.4	940.1	144.7	18.2
Temporary Advances to Government under Article (48-1)	589.9	591.5	1.6	0.3
Long Term Loans to Government	1,051.0	1,326.0	275	26.2
Loans and Advances to Public Enterprises	23.0	14.4	(8.6)	(37.4)
Contributions in Local Banks Capital	242.2	421.2	179	73.9
Other Contributions	198.2	220.2	22	11.1
Other Accounts	6,874.1	8,349.7	1,475.6	21.5
Total Assets	14,070.0	15,413.3	1,343.3	9.5
Liabilities:				
Notes and Coins in Circulation	5,670.8	6,221.8	551.0	9.7
Sight Liabilities	2,766.2	3,289.0	522.8	18.9
Federal Government	392.6	87.5	(305.1)	(77.7)
State and Local Governments	201.6	149.7	(51.9)	(25.7)
Public Enterprises	193.1	181.0	(12.1)	(6.3)
Local Banks	1,978.9	2,870.8	891.9	45.1
Foreign Correspondents	418.2	367.1	51.1	(12.2)
Time Liabilities	1,929.5	2,019.2	89.7	4.7
Payment Agreements	99.5	89.1	(10.4)	(10.4)
Capital and Reserves	165.9	221.2	55.3	33.3
Other Accounts	3,019.9	3,205.9	186.0	6.1
Total Liabilities	14,070.0	15,413.3	1,343.3	9.5

Source: Central Bank of Sudan.

1.1. The Central Bank of Sudan Balance Sheet:

As it can be observed from Table (4-1), assets (liabilities) of the Central Bank of Sudan increased from SDG 14,070.0 Million in 2006 to SDG 15,413.3 million in 2007 by 9.5%.

On the assets side, banknotes and banks balances declined from SDG 4,215.3 million in 2006 to SDG 3,468.8 million in 2007 by 17.7%. Loans and advances to banks rose from SDG 795.4 million in 2006 to SDG 940.1 million in 2007 by 18.2%.

The contribution in domestic banks capital and other contributions rose from SDG 242.2 million in 2006 to SDG 421.2 million in 2007, by 73.9%.

On the liabilities side, the Federal Government deposits decreased sharply from SDG 392.6 million in 2006 to SDG 87.5 million in 2007, by 77.7%. Deposits of state and local government and public enterprises dropped from SDG 201.6 million and SDG 193.1 million in 2006 to SDG 149.7 and SDG 181.0 million in 2007 by 25.7% and 6.3% respectively. Deposits of domestic banks rose from SDG 1,978.9 million in 2006 to SDG 2,870.8 million in 2007, by 45.1%.

2. Banks Operating in Sudan:

The number of banks operating in Sudan totaled thirty two banks whose branches spread throughout the different States of Sudan. During 2007, Nile Bank and Kenya Bank joined the system of banks operating in Sudan.

Appendix (9) shows distribution of commercial banks branches all over the different states

2.1. The Consolidated Balance Sheet of Banks:

On the liabilities side, federal government deposits decreased sharply from SDG 392.6 million in 2006 to SDG 87.5 million in 2007, by 77.7% deposits of states and local government and public enterprises dropped from SDG 149.7 and SDG 181.0 million in 2007 by 25.7% and 6.3% respectively.

Table (4-2)
The Consolidated Balance Sheet of Banks
For 2006 and 2007

(SDG Millions)

Particulars	31/12/2006	31/12/2007*	Change	%
Assets:				
Local Currency	315.4	582.0	266.6	84.5
Balances with Central Bank of Sudan	1,781.3	2,353.6	572.3	32.1
Other Banks	257.0	298.2	41.2	16.0
Foreign Correspondents	1,779.5	2,114.4	334.9	18.8
Total Advances	11,139.6	12,998.5	1,858.9	16.7
Other Assets	7,871.5	7,850.7	(20.8)	(0.3)
Total Assets	23,144.3	26,197.4	3,053.1	13.2
Liabilities:				
Deposits:	12,308.6	13,942.4	1,633.8	13.3
Public	10,087.6	11,685.2	1,597.6	15.8
Government	462.9	320.1	(142.8)	(30.9)
Public Enterprises	1,758.1	1,937.1	179.0	10.2
Banks	753.9	1,217.5	463.6	61.5
Central Bank of Sudan	146.2	389.6	243.4	166.5
Other Banks	131.5	236.7	105.2	80.0
Foreign Correspondents	476.2	591.2	115.0	24.2
Capital and Reserves	3,890.9	4,606.9	716.0	18.4
Other Accounts	6,190.9	6,430.6	239.7	3.9
Total Liabilities	23,144.3	26,197.4	3,053.1	13.2

Source: Central Bank of Sudan.

* includes the balance sheet of conventional banks operating in the south.

Table (4-2) above shows the consolidated balance sheet of banks as at the end of 2007 compared with 2006. Total assets (liabilities) of banks rose from SDG 23,144.3 million by the end of 2006 to SDG 26,197.4 by the end of 2007, by 13.2%.

On the assets side, the local currency rose from SDG 315.4 million in 2006 to SDG 582 million in 2007, by 84.5%. Balances with the Central Bank of Sudan rose from SDG 1,781.3 million in 2006 to SDG 2,353.6 million in 2007, by 32.1%.

On the other hand, total bank advances rose from SDG 11,139.6 million in 2006 to SDG 12,998.5 million in 2007, by 16.7%.

On the liabilities side, total bank deposits rose from SDG 12,308.6 million in 2006 to SDG 13,942.4 million in 2007, by 13.3%. Out of these, deposits of the public rose from SDG 10,087.6 million in 2006 to SDG 11,685.2 million in 2007 by 15.8%, whereas amounts due to the Central Bank of Sudan and the capital and reserves rose

from SDG 146.2 million and 3,890.9 in 2006 to SDG 389.6 million and SDG 4,606.9 million in 2007 by 166.5% and 18.4% respectively.

Deposits in Local Currency

Total local currency deposits in the banks rose from SDG 9,918.7 million in 2006 to SDG 11,341.1 million in 2007, by 14.3%. As depicted by the table (4-3)-A. Deposits of the Federal and States Governments constituted 2.1%, and those of public enterprises and the private sector contributed by 9.5% and 88.4% of the total deposits respectively.

Table (4-3)-A
Deposits in Local Currency
For 2006 and 2007

(SDG Millions)

Depositors Years	Dec. 2006		Dec. 2007		Change	
	Current Accounts	Savings, Investment And Others	Current Accounts	Savings, Investment and Others	Current Accounts	Savings, Investment And Others
Federal and State Govern- ments	315.3	31.5	225.8	11.0	(89.5)	(20.5)
Public Enterprises	38.3	919.0	81.0	995.0	42.7	76
Private Sector*	4,554.1	4,060.5	5,301.5	4,726.8	747.4	666.3
Total	4,907.7	5,011.0	5,608.3	5,732.8	700.6	721.8
Grand Total	9,918.7		11,341.1		1,422.4	

Source: Central Bank of Sudan.

* Including Financial Institutions

Deposits in Foreign Currency

Total foreign currency deposits in the banks rose from SDG 2,389.9 million in 2006 to SDG 2,601.3 million in 2007, by 8.8%. as depicted by the table (4-3)-B This was attributed to the appreciation in the exchange rate of the Sudanese Pound against the US dollar.

Deposits of the Federal Government and the States, deposits of the public enterprises and the private sector deposits constituted 3.2%, 2.8% and 94% of the total deposits respectively as shown by table(4-3)-B.

Table (4-3)-B
Deposits in Foreign Currency
For 2006 and 2007

(SDG Millions)

Depositors	Years	Dec. 2006		Dec. 2007		Change	
		Current Accounts	Savings, Investment And Others	Current Accounts	Savings, Investment and Others	Current Accounts	Savings, Investment And Others
Federal and State Governments		97.3	18.8	76.6	6.7	(20.7)	(12.1)
Public Enterprises		2.1	83.6	14.5	57.3	12.4	(26.3)
Private Sector*		737.6	1,450.5	972.8	1,473.4	235.2	22.9
Total		837.0	1,552.9	1,063.9	1,537.4	226.9	(15.6)
Grand Total		2,389.9		2,601.3		211.4	

Source: Central Bank of Sudan.

* Including Financial Institutions, private sector and companies..

The Indicators of the Consolidated Balance Sheet of the Commercial Banks:

Some indicators of the consolidated balance sheet of banks rose as can be observed, the percentage of total bank finance to total assets, In addition to the increase in the percentage of total finance to deposits, the percentage of liquid assets local cash, balances at bank of Sudan to deposits from 48.1%, 90.5% and 17.0% in 2006 to 49.6%, 93.2% and 21.0% in 2007 respectively.

Table (4-4)
Commercial Banks Balance Sheet Indicators
for 2006 and 2007

(%)

	2006	2007
1. Total Deposits to Total Liabilities	53.2	53.2
2. Capital and Reserves to Total Liabilities	16.8	17.6
3. Total Finance to Total Assets	48.1	49.6
4. Total Finance to Total Deposits	90.5	93.2
5. Total Liquid Assets to Total Deposits	17.0	21.0

Source: Central Bank of Sudan.

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 (4-5) A
Position of Commercial Banks' Advances
by Sector in Local Currency
during 2006 and 2007**

(SDG Millions)

Sector Period	Agriculture	Industry	Exports	Imports	Local Trade	Others	Total	Annual % Change
31/12/2006	993.9	776.2	338.3	211.0	1,888.4	4,169.0	8,376.8	58.7
	11.9%	9.3%	4.0%	2.5%	22.5%	49.8%	100.0%	
31/12/2007	1,052.0	1,110.8	272.3	1,672.3	2,233.7	4,909.1	11,250.2	34.3
	9.3%	9.9%	2.4%	14.9%	19.9%	43.6%	100.0%	

Source: Central Bank of Sudan

**Table (4-5) B
Position of Commercial Banks' Advances
By Sector in Foreign Currency
in 2006 and 2007**

(SDG Millions)

Sector Period	Agriculture	Industry	Exports	Imports	Local Trade	Others	Total	Annual % Change
31/12/2006	1.1	162.3	17.9	2,117.3	134.9	329.3	2,762.8	14.6
	0.0%	5.9%	0.7%	76.6%	4.9%	11.9%	100.0%	
31/12/2007	0.0	281.7	10.0	1,071.4	78.1	307.2	1,748.4	(36.7)
	0.0%	16.1%	0.6%	61.2%	4.5%	17.6%	100.0%	

Source: Central Bank of Sudan

Tables (4-5)-A and (4-5)-B show the rise in the stock of banking finance from SDG 11,139.6 million in 2006 to SDG 12,998.5 million in 2007, by 16.7%. The stock of banks finance in local currency rose from SDG 8,376.8 million in 2006 to SDG 11,250.2 million in 2007 by 34.3% finance in foreign currency decreased from SDG 2,762.8million in 2006 to SDG 1,748.4 million in 2007 by (36.7) %.

Flow of Banks Finance by Mode:

The finance extended by the banks according to the different finance modes rose from SDG 10,415.3 million in 2006 to SDG 12,582.5 million in 2007, by 20.8%.

Table (4-6)
Flow of Banks Finance by Mode of Finance
in Local Currency for 2006 and 2007

(SDG Millions)

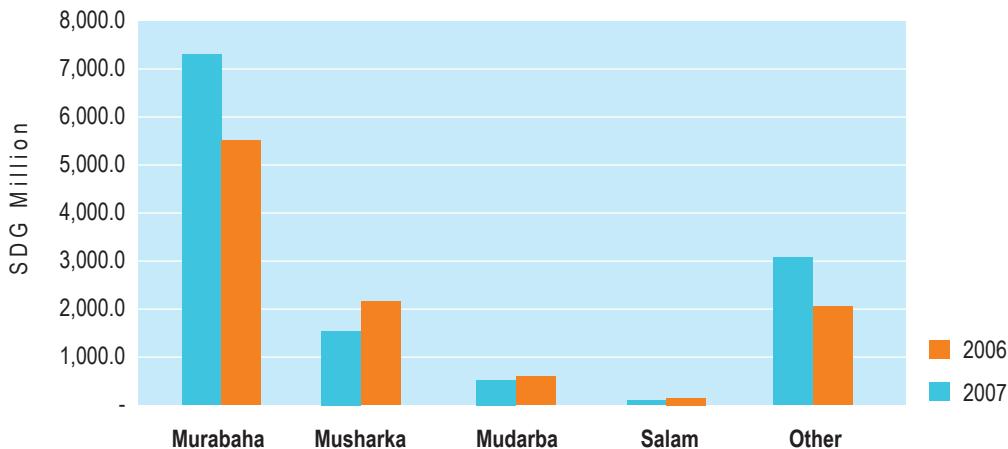
Mode of Finance	2006	% Share	2007	% Share	% Change
Murabaha	5,559.1	53.4	7,311.6	58.1	31.5
Musharaka	2,122.3	20.4	1,630.3	13.0	(23.2)
Mudaraba	546.6	5.2	497.6	3.9	(9.0)
Salam	133.0	1.3	81.7	0.7	(38.6)
Others*	2,054.3	19.7	3,061.3	24.3	49.0
Total Finance	10,415.3	100.00	12,582.5	100.00	20.8

Source: Central Bank of Sudan.

* Including Ijarah and Mugawla Modes.

Table (4-6), shows the increase in the percentages of financing via the Murabaha and Other modes and the decrease in the percentages of financing via the Musharaka, Mudaraba and Salam modes. Evidently, the flow of finance through Murabaha rose from SDG 5,559.1 million in 2006 to SDG 7,311.6 million in 2007, by 31.5%. Similarly, finance through the “others modes” went up from SDG 2,054.3 million in 2006 to SDG 3,061.3 million in 2007, by 49%. Finance via the Musharaka mode fell from SDG 2,122.3 million to SDG 1,630.3 million in 2007, by (23.2%).

Figure (4-1)
Flow of banks Advances by Mode of Finance
For 2006 and 2007



Flow of Banks Finance by Sectors:

Table (4-7) and chart (4-2) show the flow of banks finance according to the economic activity during 2006-2007. Finance to all the activities rose except to the export, transport and storage activities. It is to be noticed that most of the finance went to the import sector which rose from SDG 529.3 million in 2006 to SDG 2,451.5 million in 2007, by 363.1%, followed by the local trade activity for which finance rose from SDG 1821.1 million in 2006 to SDG 2092.3 million in 2007, by 14.9%.

Table (4-7)
Flow of Finance by Sectors in Local Currency
For 2006 and 2007

(SDG Millions)

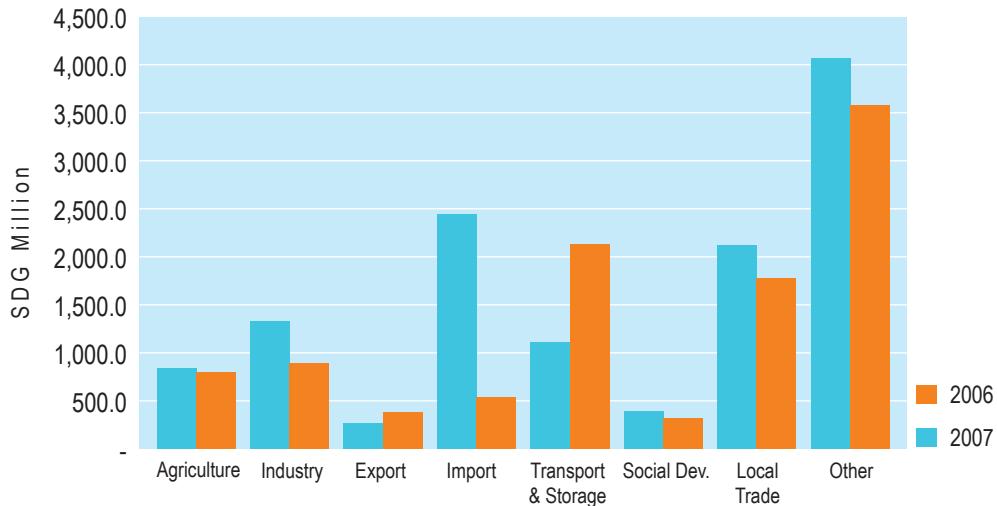
Sector	2006		2007		% Change
	Flow of Finance	% Share	Flow of Finance	% Share	
Agriculture	786.1	7.6	836.9	6.7	6.5
Industry	848.5	8.2	1,314.2	10.4	54.9
Exports	351.3	3.4	264.9	2.1	(24.6)
Imports	529.3	5.1	2,451.5	19.5	363.1
Storage and Transport	2,136.7	20.5	1,119.6	8.9	(47.6)
Social Development*	334.3	3.2	381.7	3.0	14.2
Local Trade	1,821.1	17.5	2,092.3	16.6	14.9
Others**	3,608.0	34.6	4,121.4	32.8	14.2
Total	10,415.3	100.00	12,582.5	100.00	20.8

Source: Central Bank of Sudan.

* Including Small Producers, Professionals and Craftsmen.

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

Figure (4-2)
**Flow of Finance by Sectors
 In Local Currency for 2006 and 2007**



The Banking Activity in the Southern Sudan:

Regarding the banking activity in the southern Sudan in 2007, the number of the banks operating in the south in both systems Islamic and conventional was amounted to forty three branches as shown in the table (4-8):

Table (4-8)
**Banks Operate in Southern Sudan
 According to the directives in the policy of 2007**

Bank's name	Number of the branches	Bank's window
Faisal Islamic bank	3	Islamic window
Omdurman national bank	2	****
Agriculture bank	4	****
Islamic co-operative development bank	1	****
Farmer's commercial bank	1	****
El Nilein industrial development	1	****
Khartoum bank	2	****
Ivory bank*	4	****
Nile commercial bank	23	Conventional window
Kenya commercial bank	2	****

Source: bank of southern Sudan

* Ivory bank worked during 2007 as an Islamic window in southern Sudan

Table (4-8), shows that the number of the Islamic banks' were amounted to eighteen branches, according to the directives in the policy of 2007 these branches played a great role in preparing Southern Sudan for the banking activity. according to the directives in the policy of 2007, and broadening the base of the banking services and attracting deposits and savings.

The banking operations took the form of depositing and cash withdraw besides banking transfers between the North and the South, the branches of the conventional banks were amounted to twenty five representing two banks: the Nile commercial bank and Kenya commercial bank which worked mainly in depositing, cash withdraw and financing construction, transport, local trade and other sectors.

The exchange bureaus operating in the Southern Sudan deal in selling and buying of foreign exchange, and their number amounted to six as shown in table (4-9)

**Table (4-9)
Bureaus operating in Southern Sudan in 2007**

Bureau's name	Authorization
El Yamama	Central bank of Sudan
El Arous	"""
Bab el Mandab	"""
Juba	Bank of Southern Sudan
55 Exchange	"""
Southern States' Corporation	"""

Source: Bank of southern Sudan

The bank of Southern Sudan (BOSS) contributed substantially in supervising and guiding the conventional banks and the branches of the Islamic banks beside the nonbank financial institutions work in the south, in addition to that it supervised the successfully replacement of currency, i.e. the Sudanese Dinar and other currencies circulated in the south, and therefore enabled the economy of the Southern Sudan to enter in the macroeconomic system through the circulation of the Sudanese pound as one national currency.

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 only a part of the banking services. The

number of these foreign exchange bureaus rose from seventeen in 2006 to Eighteen in 2007.

Table (4-10) shows the monthly total purchases and sales of the foreign exchange bureaus in 2007. The purchases of the foreign exchange bureaus declined from USD 2.6 billion in 2006 to USD 2.5 billion in 2007, by 3.8%. The total sales also declined from USD 2.6 billion in 2006 to USD 2.5 billion in 2007, by 3.8%.

Table (4-10)
Total Purchases and Sales of the Foreign Exchange Bureaus
during January – December 2007

(US\$ millions)

Month	Purchases	Sales
January	295.7	298.2
February	273.4	274.1
March	312.9	313.9
April	272.9	272.6
May	281.5	278.7
June	149.0	150.7
July	163.8	162.7
August	122.3	123.4
September	148.6	147.5
October	156.3	154.8
November	185.4	186.6
December	175.1	174.0
Total	2,536.9	2,537.2

Source: Central Bank of Sudan.

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.

The Company continued, during 2007, the setting up of auctions to sell and buy 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 the Government Musharaka Certificates (GMCs) rose from 7,288,000 certificates by the end of 2006 to 8,446,201 certificates by the end of 2007, by 15.9%.

Table (4-11)
Position of the Government Musharaka Certificates (GMCs)
by the end of 2007

Entity	Number of Selling Certificates	Value in SDG Millions	Percentage from total %
Bank of Sudan	211,993	106.0	2.5
Banks	3,405,174	1,702.6	40.3
Companies & Funds	2,766,590	1,383.3	32.8
Public	2,062,444	1,031.2	24.4
Total	8,446,201	4,223.1	100.0

Source: Sudan Financial Services Company

Table (4-11), shows that the banks' share of the Government Musharaka Certificates (GMCs) was the highest, by 40.3% while the share of the Central Bank of Sudan was the lowest, at 2.5%.

Table (4-12)
The Returns of the Government Musharaka Certificates (GMCs)
during 2007

No.	Date of Issue	Maturity (years)	Rate of Return (%)
1	01/01/2006	One	16.0
2	01/04/2006	One	14.3
3	01/07/2006	One	17.8
4	01/07/2006	One	15.5
5	01/10/2006	One	16.2
6	01/10/2006	One	15.5

Source: Sudan Financial Services Company.

Returns on government Musharaka Certificates(GMCs):

Table (4-12) shows that the average rate of return on the Government Musharaka Certificates (GMCs) reached 15.9% for one-year maturity.

Government Investment Certificates (GICs):

The balance of the Government Investment Certificates (GICs) rose from 12,990,816 certificates by the end of 2006 to 17,050,795 certificates by the end of 2007, by 31.2%.

Table (4-13)
Position of Government Investment Certificates (GICs)
By the end of 2007

Entity	Number of selling Certificates	Value in SDG Millions	Percentage from total%
Central Bank of Sudan	2,054,227	205.4	12.0
Banks	5,125,988	512.6	30.1
Companies and Funds	8,580,007	858.0	50.3
Public	1,290,573	129.1	7.6
Total	17,050,795	1,705.1	100.0

Source: Sudan Financial Services Company.

Table (4-13), shows that the companies and funds share in government Certificates (GICs) accounted for the highest percentage, at 50.3% while the share of the public constituted the lowest percentage, at 7.6%.

Rates of Return on Government Investment Certificates (GICs):

Table (4-14)
The Rate of Return on Government Investment Certificates (GICs)
during 2007

No.	Date of Issue	Maturity (years)	Rate of Return (%)
1	Third	Six	16
2	Fourth	Five	16
3	Fifth	Five	16
4	Sixth	Six	16
5	Seventh	Six	16
6	Eighth	Six	16
7	Ninth	Six	16
8	Tenth	Six	16
9	Eleventh	Six	16
10	Twelfth	Two	15

Source: Sudan Financial Services Company.

Table (4-14), shows that the average rate of return on Government Investment Certificates (GICs) reached 16% annually.

The Central Bank of Sudan Ijarah Certificates (Shihab):

The Central Bank of Sudan introduced the Ijarah Certificates (Shihab) in September 2005 as an instrument of liquidity management and a substitute for the Central Bank of Sudan Musharaka Certificates (CMCs), table (4-15) shows the performance of the Ijarah certificates (Shihab) during the year 2007.

**Table (4-15)
Position of Central Bank of Sudan Ijarah Certificates (Shihab)
by the end of 2007**

Particulars	Number of Certificates	Value in SDG Millions
Total Certificates held with Banks	243,871	243.9
Certificates Sold	867,000	867.0
Certificates Purchased	682,600	682.6
Net balance of Certificates with Banks	184,400	184.4

Source: Sudan Financial Services Company

3. Banks Deposits Security Fund:

The Banks Deposits Security Fund was established according to its Act of 1996 to provide Islamic insurance service to bank deposits.

**Table(4-16)
The contribution to the Fund Resources
for 2006-2007**

(SDG million)

Contributors	2006	Total contribution%	2007	Total contribution%	Growth%
Banks	14.1	67	24.8	61.2	76
Ministry Of Finance	0.5	2	1.0	2.5	100
Central Bank Of Sudan	1.4	7	2.5	6.2	76
Depositors	5.2	24	12.2	30.1	136
Total	21.2	100	40.5	100	91

Source: Bank Deposit Security Fund

The resources of the Fund rose from SDG 21.2 million in 2006 to SDG 40.5 million in 2007, by 91%. Accordingly, The Board of Directors decided in its meeting number (4)(2/2007) to reduce the annual contribution of the banks to 2.5 per thousand instead of 3 per thousand of the total secured deposit, And to raise the maximum limit of the current and saving secured deposits up to SDG 3000 to cover 88.5% of depositors. And the investment deposits up to SDG 40000 to cover 65% of the total depositors starting from 2007.

4. Khartoum Stock Exchange:

The Khartoum Stock Exchange was established in 1994, and the secondary market started its work in 1995.

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 (4-17)
**Volume of Trading in Khartoum Stock Exchange
for 2006 and 2007**

SECTOR	2006					2007				
	No. of Shares Traded (in thousand)	Volume of Trading (SDG millions)	Executed Contracts	No. of Listed Co's	(%)	No. of Shares Traded (in thousand)	Volume of Trading (SDG millions)	Executed Contracts	No. of Listed Co's	(%)
Banks	7,146,344.6	91.4	809	19	4.4	9,283,037.1	139.7	926	19	7.8
Insurance	1.8	0.0	5	8	0.0	8,039.7	1.9	9	8	0.1
Commerce	316,016.1	22.3	248	8	1.1	22,604.6	22.0	76	7	1.2
Industry	28,036.3	57.0	88	2	2.8	2,056.0	4.0	55	2	0.2
Agriculture	0.0	0.0	0.0	2	0.0	43.5	0.1	3	3	0.0
Communication	.	.	.	.	.	88,573.6	432.2	1,783	5	24.0
Services	.	.	.	.	.	1,995.4	0.8	55	5	0.0
Funds	1,433.4	120.2	338	0	5.8	2,717.2	130.3	457	.	7.3
Certificates	1,472.4	799.9	2,579	0	38.8	2,016.5	1,068.5	3,764	.	59.4
Others	74,477.1	977.3	1,775	13	47.1	475.0	0.1	67	4	0.0
Total	7,567,782.0	2,068.1	5,842	52	100.0	9,411,558.6	1,799.6	7,195	53	100.00

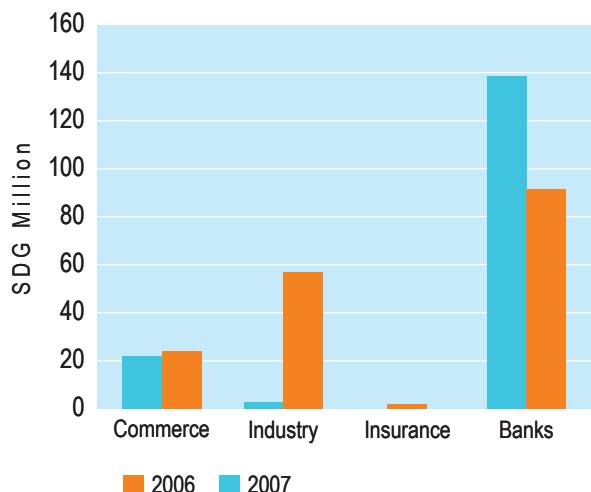
Source: Khartoum Stock Exchange.

Table (4-17), shows that the volume of trading in the Stock Exchange declined from SDG 2,068.1million in 2006 to SDG 1,799.6 million in 2007, by 13%, and the number of traded shares increased from 7,568 million shares in 2006 to 9,412 million shares in 2007, by 24.4%. The number of listed companies in the Stock Exchange rose from fifty two in 2006 to fifty three by the end of 2007, of which nineteen from the banking sector, eight from the insurance sector, seven from the commercial sector, two from the industrial sector, three from the agriculture sector, five from each of the communication and services

Moreover fifteen investment fund and twenty government Musharakah certificates were registered sectors and four from other sectors. The number of the operating brokerage companies in the Stock Exchange reached thirty-five in 2007 compared with twenty-

nine in 2006. Furthermore, fifteen investment funds were listed, in addition to twenty of Government Musharaka Certificates (GMCs).

Figure (4-3)
The Volume of Trading in
Khartoum Stock Exchange
during 2006 and 2007



5. Insurance Market:

The number of companies operating in the field of insurance and reinsurance remained at fifteen as it was in 2005. These companies render insurance services and invest in 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 (4-18)
Gross and Net Insurance Premiums
For 2005 and 2006

Particulars	2005	2006*	Change (%)
Gross Insurance Premiums	371.1	467.0	25.8
Net Insurance Premiums	245.4	313.8	27.9

Source: Insurance Supervision Authority. * preliminary figures

Table (4-18) above, shows that gross insurance premiums rose from SDG 371.1 million in 2005 to SDG 467 million in 2006, by 25.8%. As for net insurance premiums they increased from SDG 245.4 million in 2005 to SDG 313.8 million in 2006, by 27.9%.

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 (4-19)
Gross and Net Insurance Claims
In 2005 and 2006

Particulars	2005	2006*	Change (%)
Gross Insurance Premiums	187.1	258.2	38.0
Net Insurance Premiums	122.7	173.4	41.3

Source: Insurance Supervision Authority.

* preliminary figures

Table (4-19) shows the rise in gross insurance claims from SDG 187.1 million in 2005 to SDG 258.2 million in 2006, by 38%, while net insurance claims rose from SDG 122.7 million in 2005 to SDG 173.4 million in 2006, by 41.3%.

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 & National Economy, with an authorized capital of SDG 60 million, of which SDG 40 million were paid up capital till 31/12/2007. The Ministry of Finance and the Central Bank of Sudan contributed to the capital by a percentage not less than 25% for each while the rest of the capital was contributed to by banks and insurance companies, The start of the

operations of the Agency was scheduled for January 2006. 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 include the following:

- a. To broaden the base of the national economy and avoid dependence on oil.
- b. To boost the volume of Sudanese non-oil exports regarding quantity, quality and revenues.
- c. To create foreign markets for exporters and enable them to obtain adequate information about the requirements of international markets for Sudanese commodities.
- d. To expand the sources of financing for Sudanese exporters.
- e. Increase the competitiveness of the Sudanese non-oil exports sector.

CHAPTER FIVE

**THE CENTRAL BANK
OF SUDAN ACCOUNTS
(for the year 2007)**



CHAPTER FIVE

THE CENTRAL BANK OF SUDAN ACCOUNTS (for the year 2007)

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 2007, which were approved by the Chamber of the Auditor General.

1. The Balance Sheet:

Table (5-1) shows the balance sheet of the Central Bank of Sudan as at 31st December 2007 which was previously analyzed in Chapter Four of this Report.

Table (5-1)
The Central Bank of Sudan
Financial Position as at 31/12/2007

(SDG 000's)

Particulars	2006	2007
Assets:		
Total Government indebtedness	6,882,362	7,254,945
Foreign Assets	4,296,130	3,550,280
Advances to Banks and Financial Institutions	279,152	252,565
Long-term Investments	1,526,995	2,274,473
Other Accounts	1,071,163	2,073,109
Fixed Assets	1	40
Total Assets	14,055,805	15,405,412
Liabilities:		
Currency in Circulation	5,670,764	6,221,786
Current Accounts	4,153,393	4,708,216
Foreign Liabilities	2,812,771	2,975,412
Other Liabilities	685,101	769,290
Provisions and Claims	232,480	404,762
Sub-Total	13,554,510	15,079,466
Capital and Reserves	221,074	255,600
Profits	280,220	70,346
Sub-Total	501,295	325,946
Total Liabilities, Capital and Reserves	14,055,805	15,405,412
Contra Accounts	6,776,096	7,614,677

Ibrahim Adam Habib

Asistant Governor
Management and Services Wing

Badr El-Din Mahmoud Abbas

Acting Governor and
Member of the Board of Directors

2. The Income Statement:

Table (5-2) shows the Profit and Loss Account for the year 2007.

Table (5 -2)
The Central Bank of Sudan
The Profit and Loss Account
for the year ending 31/12/2007

(SDG 000's)

Particulars	2006	2007
Income:		
Foreign Exchange Operations Income	498,896	412,032
Investments Income	208,687	136,645
Other Income	48,813	53,736
Total Income	756,396	602,413
Expenses:		
1. Currency Issuance Expenses	4,260	5,427
2. Administrative Expenses	175,050	218,779
3. Capital Expenses (Depreciation)	4,680	5,312
Provisions and Claims	229,914	266,364
Total Expenses and Provisions	413,904	495,882
Total Profit for Distribution	342,492	106,531
Transfer to Reserves	62,272	36,185
NET Profit due to the Government According to Article (18) of the Act of the Central Bank of Sudan.	280,220	70,346

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

1. Income:

Income decreased from SDG 756.4 million in 2006 to SDG 602.4 million in 2007, by (20.4)% as a result of the decrease in the income from foreign exchange dealings of SDG 86.9 million, investment income by SDG 72.0 million.

2. Expenses:

The Bank's expenses (Items 1 + 2 + 3 of Table "5-2") increased from SDG 184.0 million in 2006 to SDG 229.5 million in 2007, by 24.7% as a result of the increase in the administrative and capital expenses and also the expenses of issuing the currency.

3. Profits:

Net profits decreased from SDG 342.5 million in 2006, compared with SDG 106.5 million in 2007, by (68.9)%. Profits were distributed by replenishing the reserve accounts by SDG 36.2 million and transferring SDG 70.3 million to the Government Account in accordance with Article (18) of the Central Bank of Sudan Act, 2002.

3. Auditor's Opinion:

We have audited the attached balance sheet of the Central Bank of Sudan as at 31/12/2007 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 31/12/2007, 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

CHAPTER SIX

GOVERNMENT FINANCE



CHAPTER SIX

GOVERNMENT FINANCE

The budget for the year 2007, 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%, an average inflation rate 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 Peace Agreements, 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 2007:

The actual performance of the budget for 2007, showed total public revenue at SDG 17,941 million, which was less than the budget estimates by 1.7% and accounted for 19.2% of GDP. Total current expenditure stood at SDG 15,986 million, a decrease of SDG 1,615 million 9.2% from the estimated target. As a result, the performance of current budget registered a surplus of SDG 1,955 million.

On the other hand, development and investment expenditure amounted to SDD 3,606 million, representing 91.5% of the estimated amount of SDG 3,941 million for 2007. The public sector overall deficit declined from SDG 3,178 million in 2006 to SDG 2,509 million in 2007, by 21.1%. The deficit was financed from external sources to the tune of SDG 1,732 million and from domestic sources by SDG 777 million.

Table (6-1) shows the financial performance of the public sector for the years 2006 and 2007.

Table (6-1)
The Public Sector Fiscal Performance
For the year (2006 and 2007)

(SDG Millions)

Items	Year			2006			2007		
	Estimated	Actual	% of Performance	Estimated	Actual	% of Performance			
Total Ordinary Revenue	17,094	15,075	88.2	18,246	17,941	98.3			
Total Current Expenditure	17,200	14,713	85.5	17,601	15,986	90.8			
Surplus (+) Deficit (-)	(106)	362	(341.5)	645	1,955	303.1			
Development and Investment Expenditure	3,652	3,540	96.9	3,941	3,606	91.5			
Total Public Sector Deficit	(3,758)	(3,178)	84.6	(4,783)	(2,509)	52.5			
Deficit Finance	3,758	3,178		4,783	2,509				
a. External Financing	1,678	967	57.6	2,238	1,732	77.4			
b. Domestic Financing	2,080	2,211	106.3	2,545	777	30.5			

Source: Ministry of Finance & National Economy.

Public Revenue:

Table (6-2) and Figure (6-1) illustrate the actual performance of revenue during 2007, compared to 2006.

Table (6-2)
Actual Performance of the Public Revenues
For the years 2006 and 2007

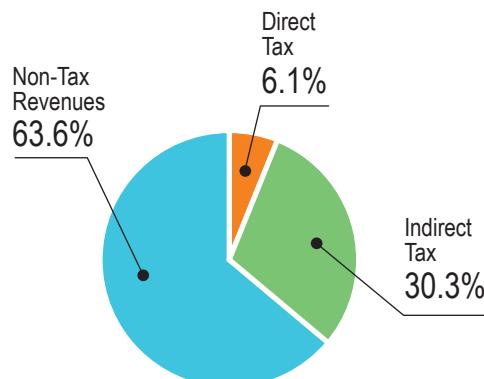
(SDG Millions)

Particulars	2006				2007			
	Esti-mated	Actual	% of Perform-ance	% of Total Revenue	Esti-mated	Actual	% of Perform-ance	% of Total Revenue
I. Tax revenue (a+b)	6,760	5,881	87.0	39.0	7,365	6,530	88.7	36.4
a. Direct Taxes	1,050	951	90.6	6.3	1,195	1,097	91.8	6.1
- Income Tax	105	139	132.4	0.9	110	231	210.0	1.3
- Development Tax	720	628	87.2	4.2	870	686	78.9	3.8
- SNWA	60	25	41.7	0.2	15	27	180.0	0.2
- Stamps	165	159	96.4	1.1	200	153	76.5	0.9
b. Indirect Taxes(1+2+3)	5,710	4,930	86.3	32.7	6,200	5,433	87.6	30.3
1. Customs Duties	2,135	2,104	98.5	14.0	2,540	2,189	86.2	12.2
- Imports Duties	1,765	1,629	92.3	10.8	1,943	1,744	89.8	9.7
- Exports Duties	0.0	1.0	0.0	0.0	1.0	1.0	100.0	0.0
- Others	370	474	128.1	3.1	596	444	74.5	2.5
2. Excise Duties	1,210	1,055	87.2	7.0	1,260	1,162	92.2	6.5
3. VAT	2,365	177	74.9	11.7	2,400	2,082	86.8	11.6
II. Non Tax Revenue	10,344	9,194	89.0	61.0	10,851	11,411	105.2	63.6
Total Ordinary Revenue (I + II)	17,094	15,075	88.2	100.0	18,246	17,941	98.3	100.0

Source: Ministry of Finance and National Economy.

Total public revenue increased from SDG 15,075 million to SDG 17,941 million, by 19%. This was due to the increase of non-tax and tax revenue by 24% and 11% respectively.

Figure (6-1)
Actual Performance of Public Revenues
for the year 2007



Revenue from Public Corporations, Enterprises and Government Investments:

Table (6-3) presents the actual revenue of public corporations, enterprises and government investments in 2007 compared to 2006.

Table (6-3)
**Public Corporations, Enterprises, and
 Government Investments Revenue
 For the year 2006 and 2007**

(SDG Millions)

Items	Year	2006			2007		
		Estimates	Actual	% of Performance	Estimates	Actual	% of Performance
a. Profits of Public Enterprises and Corporations.		650	604	92.9	700	306	43.7
b. Proceeds of Government Investments		180	228	126.7	220	213	97.0
Total		830	832	100.2	920	519	56.4

Source: Ministry of Finance and National Economy.

Actual revenue of public corporations and enterprises and the government investments, decreased from SDG 832 million to SDG 519 million, by 37.6%.this was attributed to the decrease in their profit by 49%.

Public Expenditure:

Table (6-4) and figure (6-2)A & (6-2)B reflect the actual performance of public expenditure during 2007, compared with 2006 :

Table (6-4)
Public Expenditure for the years 2006 and 2007

(SDG Millions)

Items	Year	2006			2007		
		Estimates	Actual	% of Performance	Estimates	Actual	% of Performance
Part One: Expenditure of the Federal Government		12,880.0	11,703.0	64.1	14,604.0	13,233.0	63.1
Chapter One: Wages, Salaries, and Benefits		4,183.0	3,957.0	21.7	5,208.0	4,901.0	23.4
Chapter Two: Centralized Items, Operational Expenses and General Social Subsidies		5,045.0	4,206.0	23.0	5,222.0	4,537.6	21.6

Table (6-4) Cont'd

(SDG Millions)

Items	Year	2006			2007		
		Estimates	Actual	% of Performance	Estimates	Actual	% of Performance
Chapter Three: National Development Projects and Contribution in Capital		3,652.0	3,540.0	19.4	4,174.0	3,794.0	18.1
Part Two: Transfers to the Government of the Southern Sudan		3,194.0	2,956.0	16.2	2,697.0	3,351.5	16.0
Part Three: Transfers to the Governments of the Northern States		4,778.0	3,594.0	19.7	6,023.0	4,386.5	20.9
Total		20,852.0	18,253.0	100.0	23,589.0	20,971.0	100.0

Source: Ministry of Finance and National Economy.

Total actual public spending reached SDG 20,971 million, an execution rate of 88.9% of the estimates and an increase of 14.9% over that of the previous year. This included SDD 15,986 million as current expenditure, representing 90.8% of the estimated total expenditure for 2007, and an increase of 8.7% over 2006.

Figure (6-2) (A)
Actual Performance of
Public Expenditure
For the year 2007

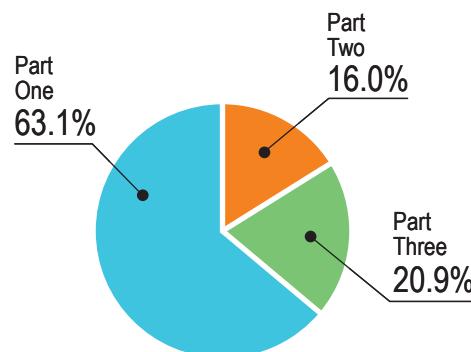
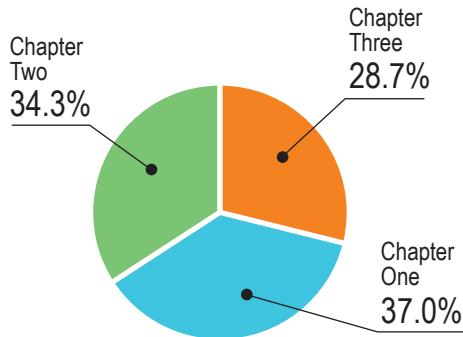


Figure (6-2) (B)
**Actual Performance of Public Expenditure
For the year 2007**



Development Expenditure:

Table (6-5) and Figure (6-3) present actual spending on development in 2007 compared to 2006.

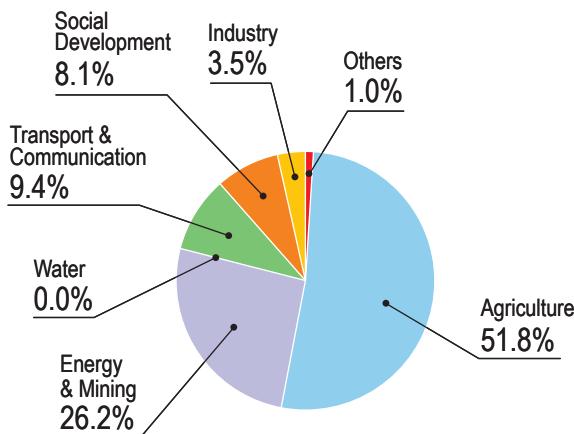
Table (6-5)
**Actual Development Expenditure
for the years 2006-2007**

(SDG Millions)

Sector	Year	2006				2007			
		Estimates	% of Estimates	Actual Performance	% of Total Performance	Estimates	% of Estimates	Actual Performance	% of Total Performance
1. Agriculture		1,027.0	38.9	1,112.0	43.5	1,505.4	44.2	1,644.2	51.8
2. Energy and Mining		368.0	14.0	410.0	16.0	609.1	17.9	833.5	26.2
3. Water		4.0	0.1	0.0	0.0	7.4	0.2	1.1	0.0
4. Transport and Communications		433.0	16.4	336.0	13.1	545.8	16.0	297.3	9.4
5. Social Development		687.0	26.1	345.0	13.5	580.1	17.0	256.8	8.1
6. Industry		76.0	2.9	323.0	12.6	131.7	3.9	112.0	3.5
7. Development Reserve		42.0	1.6	35.0	1.3	28.5	0.8	32.1	1.0
Total		2,637.0	100.0	2,561.0	100.0	3,408.0	100.0	3,177.0	100.0
Sources of Finance:									
Domestic		1,454	55.1	1,809	70.6	2,503.0	63.5	2,429.3	67.4
External		1,183	44.9	752	29.4	1,438.0	36.5	1,176.5	32.6

Source: Ministry of Finance and National Economy.

Figure (6-3)
Actual Spending on Development
For the year 2007



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 2007 amounted to about SDG 591.5 million of which SDG 290 million was granted during 2007 by 1.6% of the ordinary revenue estimates.

Foreign Exchange Budget:

Table (6-6) illustrates the 2007 foreign exchange budget compared to 2006.

Table (6-6)
Foreign Exchange Budget
For the year 2006 and 2007

(US\$ Millions)

Items	Years	2006*			2007**		
		Estimates	Actual Per-form.	% of Perform.	Estimates	Actual Per-form.	% of Perform.
Exports		5,937.4	5,656.6	95.3	8,840.5	8,879.2	100.4
Invisible Receipts		2,304.4	2,767.4	120.1	2,179.0	3,068.5	140.8
Drawings of Loans		303.6	276.7	91.1	422.7	592.4	140.1
Short-term Capital Movements(net)		2,086.6	724.6	34.7	454.5	503.5	110.8
Direct Investment(net)		3,657.0	3,532.6	96.6	2,552.9	2,425.6	95.0
a. Total Receipts		14,289.0	12,957.9	90.7	14,449.6	15,469.2	107.1
Imports		7,564.0	7,104.7	93.9	7,518.6	7,722.4	102.7
Invisible payments		5,486.8	6,238.7	113.7	5,486.4	7,493.4	136.6
Loans Repayment		80.2	176.5	220.1	140.2	138.7	98.9
b. Total Payments		13,131.0	13,517.9	102.9	13,145.2	15,354.5	116.8
Foreign Exchange Budget Balance (a – b)		1,158.0	(560)		1,304.4	114.7	

Source: Central Bank of Sudan.

* Revised figures

** Preliminary

The year 2007 foreign exchange budget witnessed a rise in total receipt from US\$ 12,957.9 million to US\$ 15,469.2 million, by 19.4%. Total payments, also increased from US\$ 13,517.9 million to US\$ 15,354.5 by 13.6%. This led to surplus in the budget amounted to \$ million in US\$ 114.7 million in 2007 compared to the deficit of US\$ 560 million in 2006.

CHAPTER SEVEN

**GROSS DOMESTIC
PRODUCT**



CHAPTER SEVEN

GROSS DOMESTIC PRODUCT

Gross Domestic Product (GDP) is the sum of the market value of all produced final goods and services 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 excluding the value of intermediate goods and services used in the production process.

Table (7-1) presents the Gross Domestic Product at constant prices (based on 1981/82 prices) and the current prices (2007 prices).

Table (7-1)
Real Gross Domestic product by Economic Sectors
 (Value in Thousands Sudanese Pounds)

Sector	2006*			2007**		
	Value	Growth Rate %	Share %	Value	Growth Rate %	Share %
A. Agriculture	8,177.0	8.4	36.8	8,670.0	6.0	35.3
Agrarian Component:	4,476.0	15.9	20.1	4,895.0	9.4	19.9
Irrigated agriculture	2,309.0	11.7	10.4	2,586.0	12.0	10.5
Mechanized rainfed agriculture	320.0	18.0	1.4	345.0	7.8	1.4
Traditional rainfed agriculture	1,345.0	30.0	6.0	1,452.0	8.0	5.9
Forestry and others	502.0	4.0	2.3	512.0	2.0	2.0
Livestock Component:	3,701.0	0.4	16.7	3,775.0	2.0	15.4
Livestock	3,701.0	0.4	16.7	3,775.0	2.0	15.4
B. Industry:	6,110.0	12.5	27.5	7,500.0	22.8	30.6
i. Mining and Quarrying	3,500.0	16.0	15.7	4,710.0	34.6	19.2
a. Petroleum	3,360.0	16.5	15.1	4,570.0	36.0	18.6
b. Others	140.0	5.0	0.6	140.0	0.0	0.6
ii. Manufacturing	1,440.0	7.0	6.5	1,540.0	6.9	6.3
iii. Electricity and Water	280.0	8.0	1.3	300.0	7.1	1.3
iv. Building and Construction	890.0	10.0	4.0	950.0	6.7	3.9
C. Services:	7,930.0	10.3	35.7	8,383	5.7	34.1
Government services	2,833.0	10.8	12.8	3,031.0	7.0	12.3
Other Services	5,097.0	10.0	22.9	5,352.0	5.0	21.8
GDP at constant prices	22,217.0	10.0	100.0	24,553.1	10.5	100.0
GDP Deflator	360,181.0			379,991.4		
GDP at current prices	80,015,780.0			93,299,650.0		

Source: Ministry of Finance and National Economy (MFNE)

* Amended figures

** Preliminary figures

It is evident from table (7-1) that GDP growth rate at constant prices has increased from 10.0% in 2006 to 10.5% in 2007 mainly due to the rise in the growth rates of the industrial sector from 12.5% to 22.8%.

A. Agricultural Sector:

The share of the agricultural Sector, both the agrarian and livestock in the GDP has slightly dropped from 36.8% in 2006 to 35.3% in 2007. GDP growth rate of agriculture declined from 8.4% in year 2006 to 6.0% in year 2007. This was attributed to the large decrease in the growth rate of traditional rain fed agriculture from 30.0% in year 2006 to 8.0% in year 2007. The growth rate of mechanized rainfed agriculture also decreased noticeably from 18.0% in year 2006 to 7.8% in year 2007 and the

growth rate of forestry and others has also declined from 4.0% in year 2006 to 2.0% in year 2007. The growth rate of irrigated agriculture rose slightly from 11.7% in year 2006 to 12.0% in year 2007.

B. Industrial Sector:

The growth rate of the industrial sector noticeably increased from 12.5% in year 2006 to 22.8% in year 2007. This was attributed to the rise in the growth rate of mining and quarrying sector from 16.0% in year 2006 to 34.6% in year 2007. The percentage share of this sector in GDP rose from 27.5% in year 2006 to 30.6% in year 2007.

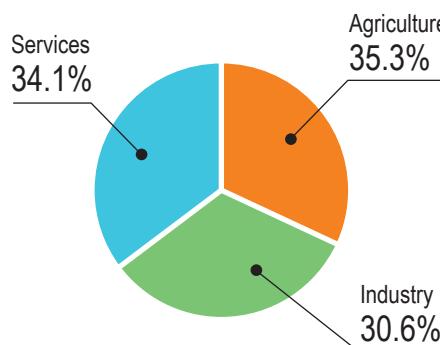
The growth rate of manufacturing sector decreased from 7.0% in year 2006 to 6.9% in year 2007. Similarly, the electricity and water sector has witnessed a decline in its growth rate from 8.0% in year 2006 to 7.1% in year 2007, whereas its share in GDP remained constant at 1.3% during the last two years. Also the growth rate of building and construction sector declined from 10.0% in year 2006 to 6.7% in year 2007, with a slight decrease in its share in GDP from 4.0% in year 2006 to 3.9% in year 2007.

C. Services Sector:

The share of services sector in GDP declined from 35.7% in year 2006 to 34.1% in year 2007 as a result of the decrease in the growth rate of government services and other services from 10.8% and 10.0% in year 2006 to 7.0% and 5.0% respectively in year 2007.

Chart (7-1) depicts the percentage share of the economic sectors in GDP during 2007.

Chart (7-1)
Percentage Share of the Economic Sectors
in GDP in 2007



Inflation:

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

Inflation has registered a relatively lower rate during 2007 at one digit level since February 2007 up-to September 2007. It increased to two digits level in October and reverted to one digit level. Despite this, the annual average inflation rate has risen from 7.2% in 2006 to 8.1% in 2007.

Table (7-2) shows the annual average inflation rate computed by the Consumer Price Index (CPI) during 2006 and 2007.

Table (7-2)
Inflation Rates (%)
Base year 1990 = 100

	2006		2007	
	End December %	Annual Average %	End December %	Annual Average %
Higher income	16.3	8.1	8.1	8.7
Medium income	15.4	7.1	8.8	8.1
Lower income	15.7	6.5	8.2	7.6
Geometric Mean	15.8	7.2	8.4	8.1

Source: Central Bureau of Statistics

Chart (7-2) illustrates the trend of inflation during 2007, while Chart (7-3) depicts the geometric mean of the average annual inflation rate during 2006 and 2007 while Appendix (XI) presents the inflation rates and consumer price index (CPI) during the period (1997 – 2007).

Chart (7-2)
Inflation Rate During 2007 (end period)

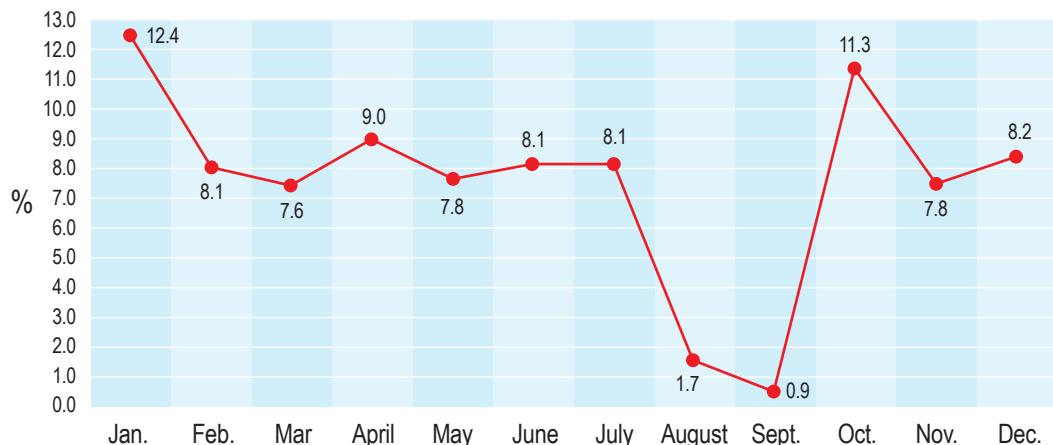
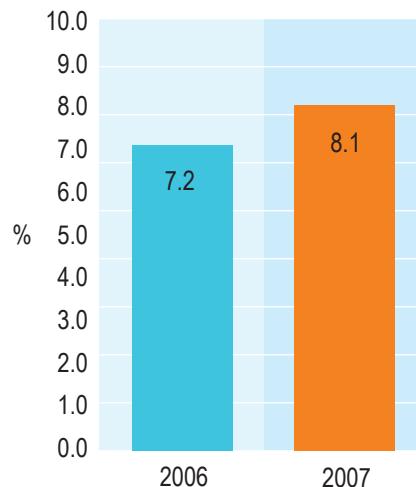


Chart (7-3)
Geometric Mean the Annual Average
Inflation Rate During 2006-2007



The 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 in addition to net receipts of the national factors of production from abroad and payments to foreigners.

Table (7-3)
Gross National Product at 1981/82 Constant Prices
 (Value in Thousands Sudanese Pounds)

	2006*	2007**
A. GDP at 1981/1982 Prices*	22,217.0	24,553.1
B. Net invisible Receipts and Payments At 1981/82**	(20.09)	(23.52)
Gross National Product (A + B)	22,196.1	24,549.6
GNP Annual Growth Rate (%)	9.3%	10.5%

Source: * Ministry of Finance and National Economy (MFNE) ** Central Bank of Sudan (CBOS)

Table (7-3) shows that the growth rate of the Gross National Product (GNP) at 1981/82 constant prices increased from 9.3% in 2006 to 10.5% in 2007. This was attributable to the rise in the growth rate of GDP at constant prices from 10.0% in 2006 to 10.5% in 2007, and to the improvement in the average exchange rate of the Sudanese Pound viz-a-viz the US dollar from SDG 2.17 in 2006 to SDG 2.02 in 2007, despite the rise in the deficit in net receipts and invisible payments from USD 3,471,270 Thousands in 2006 to USD 4,335,900 Thousands in 2007 as a result of the rise in foreign transfers in income, foreign direct investment and private sector transfers items.

CHAPTER EIGHT
PRODUCTION



CHAPTER EIGHT

PRODUCTION

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

The agricultural sector remained in the forefront of the productive sectors in the Sudan for many years, contributing a substantial share of 30%, to the GDP, despite the decline in its growth rate during the last years. As far as the industrial sector (including petroleum), its growth rate has continued to increase since 1999 to become major productive sectors in terms of its large contribution on export proceeds of 95.1%. 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 contributions to the gross domestic products is given below: -

First: The Agricultural Sector

The country's agricultural policy in 2007 was directed towards supporting the agricultural sectors to achieve economic safety, food security, self sufficiency, import reduction and supporting the producers.

A. The Agrarian Production:

The agrarian production includes mechanized, and traditional rain fed agriculture, the irrigated agriculture, the forestry and the pastoral. The agrarian production contributed with 56.5% of the total agricultural sector in 2007.

Table (8-1)
The Cultivated Areas
during 2005/06 and 2006/07 seasons

(Area in Millions Feddans)

Season	The irrigated agr.	The mechanized rain fed agr.	The traditional rain fed agr.	The total cultivated areas
2005/06*	2.0	15.2	24.1	41.3
2006/07	2.7	13.9	25.3	41.9

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

*Amended figures.

Table (8-1) shows a slight increase in the cultivated areas in 2006/07 season, due to the expansion in the irrigated and the traditional rain fed agriculture, the decline in the mechanized rain fed agricultural was due to the decline in the Sorghum cultivated areas.

Below are the details of the production of the important crops during 2006/2007 season, and include :

i. The Main Cash Crops

The production of the main cash crops decreased in 2006/2007 season compared with the preceding one as a result of the drop in the cultivated areas.

1. Cotton:

Table (8-2) shows Cotton production.

Table (8-2)
Cotton Production
during 2005/06 and 2006/07 Seasons

2005/06			2006/07		
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)
406.4	3.9	393.9	381	3.2	321.2

Source: Sudan Cotton Company.

Cotton production declined from 393.9 thousand bales in 2005/06 season to 321.2 thousand bales in 2006/07 season by 18.5% due to the decrease in the cultivated areas from 406.4 thousand feddans to 381 thousand feddans by 6.3% and the decline in average productivity from 3.9% to 3.2 %quintal/ feddan.

2. Gum Arabic:

Gum Arabic was considered as one of the main cash crops in Sudan beside cotton. Table (8-3) explain the production of Gum Arabic.

**Table (8-3)
Gum Arabic Production
during 2005/06 and 2006/07 Seasons**

(000's Tons)

Crops	2005/06	2006/07	Percentage Change%
Hashab Gum	11.6	10.1	(13)
Talh Gum	0.3	1.1	(266.7)
Total	11.9	11.2	(5.9)

Source: Gum Arabic Company.

The production of Gum Arabic dropped from 11.9 thousand tons in 2005/06 season to 11.2 thousand tons in 2006/07 season by 5.9%, due to liquidity shortage and an increase in the domestic cost.

ii. The Main Food Crops

The production of the main food crops in 2006/07 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 (8-4) below shows the production of the important main food crops.

**Table (8-4)
Production of the Main Food Crops
in 2005/06 and 2006/07 Seasons**

Crops 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
2005/06*	20,453	4,327	423	10,892	675	210	433	416	740
2006/07	20,594	4,999	492	10,667	796	228	728	669	745

Source: Ministry of Agriculture-Agricultural Statistics Estimates.

* Amended figures.

1. Sorghum (Dura):

The production of sorghum increased from 4,327 thousand tons in 2005/06 season to 4,999 thousand tons in 2006/07 season by 15.5%. This is due to the increase in the cultivated areas from 20,453 thousand feddans to 20,594 thousand feddans as well as the increase in the productivity from 423 kg/feddan to 492 kg/feddan.

2. Millet (Dukhun):

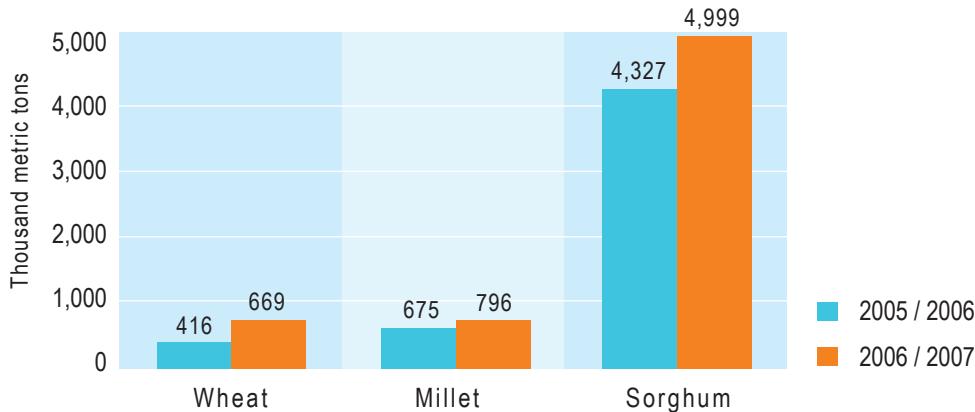
The production of millet was increased from 675 thousand tons in 2005/06 season to 796 thousand tons in 2006/07 season by 17.9% This resulted from the rise in productivity from 210 kg/feddan to 228 kg/feddan.

3. Wheat:

The production of wheat witnessed anoticeable increase from 416 thousand tons in 2005/06 season to 669 thousand tons in 2006/07 season, by 60.8%. This is was due to the increase in the area under cultivation from 433 thousand feddans to 728 thousand feddans.

Figure (8-1) Illustrates the production of the important main food crops.

Figure (8-1)
Production of the Main Food Crops
in (2005/06 and 2006/07) Seasons



iii. The Main Oil Seeds

Table (8-5) shows the production of the main oil seeds.

Table (8-5)
Production of the Main Oil Seeds
in 2005/06 and 2006/07 Seasons

Season	Crops	Groundnuts			Sesame			Sunflower		
		Cultivated Area in 000's Feddan	Production in 000's Metric Tons	Productivity KGs/Feddan	Cultivated Area in 000's Feddan	Production in 000's Metric Tons	Productivity KGs/Feddan	Cultivated Area in 000's Feddan	Production in 000's Metric Tons	Productivity KGs/Feddan
2005/06*		1,615	555	687	5,311	400	91	87	44	509
2006/07		1,932	564	667	3,348	242	85	161	73	511

Source: Ministry of Agriculture-Agricultural statistics estimates.

* Amended figures

1. **Groundnuts:**

The production of groundnuts increased from 555 thousand tons in 2005/06 season to 564 thousand tons in 2006/07 by 1.6%. This was due to the increase in the area under cultivation from 1,615 thousand feddans to 1,932 thousand feddans by 19.6%. Despite the drop in the productivity per feddan from 687 kg. to 667 kg.

2. **Sesame:**

The Production of sesame decreased from 400 thousand tons in 2005/06 season to 242 thousand tons in 2006/07 season by 39.5%. This was due to the drop in cultivated areas from 5,311 to 3,348 thousand feddans.

3. **Sunflower:**

Sunflower Production increased from 44 thousand tons in 2005/06 season to 73 thousand tons in 2006/07 season by 65.9%. This was due to the increase in the areas under cultivation from 87 thousand feddans in 2005/06 to 161 thousand feddans in 2006/07 season by 85.1%.

B. **Animal Production:**

Sudan is regarded as a major Arab and African country in terms of animal resources and its products, which contributes in achieving food security by providing various types of meat, eggs as well as milk by-products for domestic consumption and exports.

Table (8-6) shows the estimated total national livestock from Ministry of animal resources for the years 2006/2007.

Table (8-6)
Animal Resources Estimates
During tow 2006 and 2007

(Thousands Heads)

Type	2006	2007	% Change
Cows	40,994	41,138	0.35
Sheep	50,390	50,651	0.52
Goats	42,756	42,938	0.43
Camels	4,078	4,238	3.9
Total	138,218	138,965	0.54

Source: Ministry of Animal Resources

Table(8-6) Shows a small increase in the approximated estimates issued by Ministry of Animal Resources generally. It increased from 138,218 in 2005/06 to 138,965 in 2006/07 by 5.4%

Second: The Industrial Sector

This sector comes after the agricultural sector in terms of importance. It includes mining and manufacturing. Its growth rate increased noticeably from 12.5% in 2006 to 22.8% in 2007. Also its contribution to the GDP rose from 27.5% in 2006 to 30.6% in 2007.

The following details depicts the important industries.

1. Oil:

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

Total production of crude oil increased from 132,737.5 thousand barrels in 2006 to 176,573.1 thousand barrels in 2007 by 33%. Also the total production of petroleum products rose from 3,911.8 thousand metric tons in 2006 to 4,374 thousand metric tons in 2007 by 11.8%.

Table (8-7) shows the production of crude oil and Petroleum Products.

Table (8-7)
Production of Crude Oil and Petroleum Products
During the years 2006 and 2007

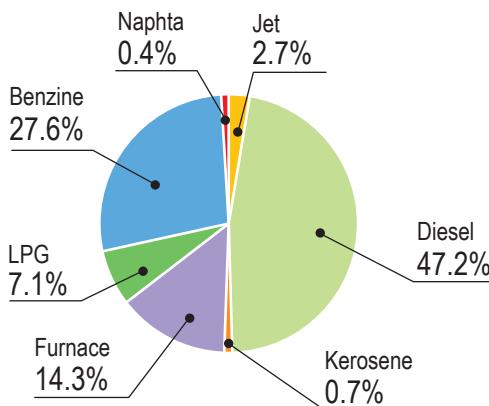
(M T)

Petroleum Products Particulars	2006		2007		Change%
	Production 000's MT	% Share of Total	Production 000's MT	% Share of Total	
Diesel	1,816.9	46.45	2,065.7	47.23	13.7
Kerosene	41.4	1.06	30.9	0.71	(25.4)
Furnace	385.3	9.85	626.9	14.33	62.7
Butagas	322.6	8.24	309.2	7.07	(4.2)
Benzine	1,139.1	29.12	1,205.0	27.55	5.8
Naphtha	24.3	0.62	19.1	0.44	(21.4)
Jet	182.2	4.66	117.2	2.68	(35.7)
Total	3,911.8	100.00	4,374.0	100.00	11.8

Source: Ministry of the Energy and Mining.

Figure (8-2) shows percentage shares of petroleum by-products.

Chart (8-2)
Shares of Petroleum by Products
in 2007



2. Sugar Industry:

The government paid a great attention to sugar as a strategic product.

Table (8-8) shows the production of the sugar factories during the years 2006/07.

The total production of sugar increased (the Sudanese Sugar Company and Kenana) from 728.1 thousand tons in 2006 to 756.8 thousand tons in 2007 by 3.9%. This was due to the increase in the production of all sugar factories except New Halfa.

Table (8-8)
Production of the Sugar Factories
in 2006 and 2007

(Thousands Tons)

Factory	Designed Capacity	Actual Production		Change%
		2006	2007	
Kenana	300.0	400.2	405.0	1.2
New Halfa	75.0	84.8	83.1	(2.0)
Gunied	60.0	81.1	87.2	7.5
Sennar	110.0	80.6	92.0	14.1
Hajar Assalaya	110.0	81.4	89.5	10.0
Total	655.0	728.1	756.8	3.9

Source: The Sudanese Sugar Company and Kenana Sugar Co.

3. Cement Industry:

The public sector has started its production of cement By establishing Atbara Cement Factory 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 Company in September, 2002 and Rabak Cement Factory was sold to Star Emirates Company in December, 2004.

Table (8-9) shows the actual production of Atbara and Rabak Cement Factories.

Table (8-9)
Production of Cement
in 2006 and 2007

(Thousands Metric Tons)

Factories	Actual Production		% Rate of Change
	2006	2007	
Atbara	114.2	231.8	103.0
Rabak	88.0	94.4	7.3
Total	202.2	326.2	61.3

Source: The above mention Factories.

Cement production has increased noticeably from 202.2 thousand tons in 2006 to 326.2 thousand tons in 2007 by 61.3%, This was due to the large increase in Atbara Factory production by 103% in 2007 compared to 2006, and the increase in Rabak factory by 7.3 % compared to the year 2006.

12. Other Processing Industries:

It concentrated mainly in food, and chemical materials industry, The average of its contribution in the export is amounted to 8%. This sector has witnessed a noticeable development in the last years.

Third: Electricity and Water Sector

The rate of growth of the electricity and water sector decreased from 8.0% in 2006 to 7.1% in 2007.

1. The National Electricity Corporation:

It was one of the public sector Corporations, which generates and distributes electricity.

a. Generated Power

Table (8-10) and figure (8-3) shows the generated electricity power in the Sudan.

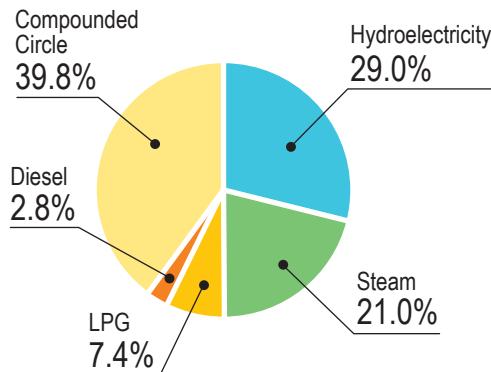
Table (8-10)
**Electric Power Generated in the Sudan
 During the years 2006 and 2007**

(gega watt/hr)

Power generated	2006	2007	% Change
Hydro electric generation	1,368.2	1456.6	6.5
Thermal electric generation:	3,153.2	3,664.4	16.2
a. Steam generation	1,107.7	1,056.5	(4.6)
b. Gas generation	500.9	371.4	(25.9)
c. Diesel generation	352.9	140.0	(60.3)
Compounded Circle	1,191.7	1,996.5	67.5
Total power generation	4,521.4	5,021.0	11.1

Source: The National Electricity Corporation

Figure (8-3)
**Sources of Electric Power Generated
 during 2007**



The total power generated increased from 4,521.4 gega watt/hr, in 2006 to 5,021.0 gega watt/hr in 2007 by 11.1%. That thermal generation constituted with 69.7% and 73% of the total power generated during 2006 and 2007, respectively.

b. Consumed Power:

The total consumed power increased from 3,457.1 gega watt/hr in 2006 to 3,836.3 gega watt/hr in 2007 by 11.0%.

Table (8-11) shows the power consumption by sectors.

Table (8-11)
**Electric Power Consumed by Sector
 During the years 2006 and 2007**

(gega watt/hr)

Sector	2006	2007	The consumption share of each sector (%)	Change%
Residential	1,736.6	1,906.6	49.7	9.8
Industrial	565.7	608.4	15.9	7.5
Agricultural	123.6	120.2	3.1	(2.8)
Governmental	508.6	573.4	14.9	12.7
Other Sectors *	522.6	627.7	16.4	20.1
Total	3,457.1	3,836.3	100.0	11.0

Source: National Electricity Corporation

* Includes Commercial and light freight Sector

2. The National Water Corporation:

The National Water Corporation meets up the international requirements related to the water supply to rural and urban areas.

Table (8-12) shows total water produced during the years 2006 and 2007.

**Table (8-12)
Water Production by Sectors
during 2006 and 2007**

(Thousands Cubic Meters Per Day)

Sector	2006	2007	% Rate of Change
Urban	1,439.5	1,583.4	10.0
Rural	1,302.5	1,432.8	10.0
Total	2,742.0	3,016.2	10.0

Source: National Water Corporation.

The total production of the National Water Corporation increased from 2,742 thousand cubic meters per day in 2006 to 3,016.2 thousand cubic meters per day in 2007 by 10.0%. This was detailed as follows :

- Total production of water in the urban area increased from 1,439.5 thousand cubic meters per day in 2006 to 1,583.4 thousand cubic meters per day in 2007 by 10.0%.
- Total production of water in the rural area increased from 1,302.5 thousand cubic meters per day in 2006 to 1,432.8 thousand cubic meters per day in 2007 by 10.0%.

Fourth: The Services Sector

The services sector includes: government services and other services, important among them : transport, roads,bridges and communications.

The Sudan was able to achieve progress in this sector which contributed to increase its rate of growth.

1. Transport:

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

Table (8-13) below shows the goods and the number of passengers transported via these modes.

Table (8-13)
**Goods and Passengers Transported
During the years 2006 and 2007**

Mode of Transport	2006		2007		% change	
	Goods (in thousand tons)	Passengers (in thousands)	Goods (in thousand tons)	Passengers (in thousands)	Goods%	Passengers%
Land Transport *	8,000.0	19,200	5,555.8	22,400.0	(30.6)	16.7
River Transport	79.4	25.0	71.1	14.3	(10.5)	(42.8)
Sudan Railways	1,318	61.0	1,091.0	51.3	(17.2)	(15.9)
Sudan Airways **	17.0	520.1	11.4	476.1	(49.1)	(8.5)
Sudan Shipping Line	181.7	-	168.9	0	0.0	7.0

Source: The Above-mentioned Authorities.

*(Includes Lorries, Trucks, Minibuses and Buses).

**Amended figures

The number of passengers and the transported goods via all the modes of transport decreased in 2007, except for the small increase in the Land Transport this was due to factors related to rehabilitation and maintenance

2. Roads and Bridges:

Table (8-14) shows the plan and the executed part.

Table (8-14)
**Status of Execution of the Plan
Of the National Corporation for Roads and Bridges in 2007**

a. road execution	Length(km)			b. road rehabilitation	Length(km)		
	planed	executed	Rate%		planed	executed	Rate %
Length of Executed roads	1,539.3	934.1	60.7	Total of Achieved rehabilitation during the year	757.7	544.5	71.9

Source: National Corporation for Roads and Bridges

3. Communications:

The communication services in Sudan witnessed a noticeable progress due to competition and entrance of an international companies such as Sudanese Mobile Phone Company (Zain), Bashayer mobile phone company (MTN) and Canar telecommunication company (Canartel), In addition to the Sudan Telecommunications Company (Sudatel)

which added mobile services(Sudani).This strengthened and raised the competition between these companies in the fixed telephone, mobile and the internet using the modern technology.

Table (8-15) and Figures (8-4) show the number of subscribers of telecommunications companies and the range of coverage.

**Table (8-15)
Subscribers of Telecommunications Companies and
the Range of Coverage during the years 2006,2007**

Company	Network Capacity	Number of Subscribers		Change%	Number of areas Covered by the end of 2007
		2006	2007		
Sudan Telecommunications Co. (Sudatel)*	2,300,000	300,000	2,958,203	886.0	205
Sudanese Mobile Telephone Co. (Zain)	4,870,0000	2,464,430	3,877,474	57.3	284
Bashayer mobile phone services (MTN)	4,500,000	1,027,300	2,089,618	103.4	172
Canar telecommunications company (Canartel)	470,000	143,466	244,607	70.5	41

Source: The National Telcom. Corporation.

* Includes fixed phone subscribers (In Sudan) & (Sudani) subscribers

a. Sudan Telecommunications Company (Sudatel):

The number of subscribers increased substantially from 300,000 in 2006 to 2,958,203 (fixed+Sudani) by the end of 2007 by 886%, due to dependence on Sudani phone service whereas the network and sector capacities remain the same as before.

b. Sudanese Mobile Telecommunications Co. (Zain):

The number of subscribers increased by 57.3% from 2,464,430 by the end of 2006 to 3,877,474 by the end of 2007.

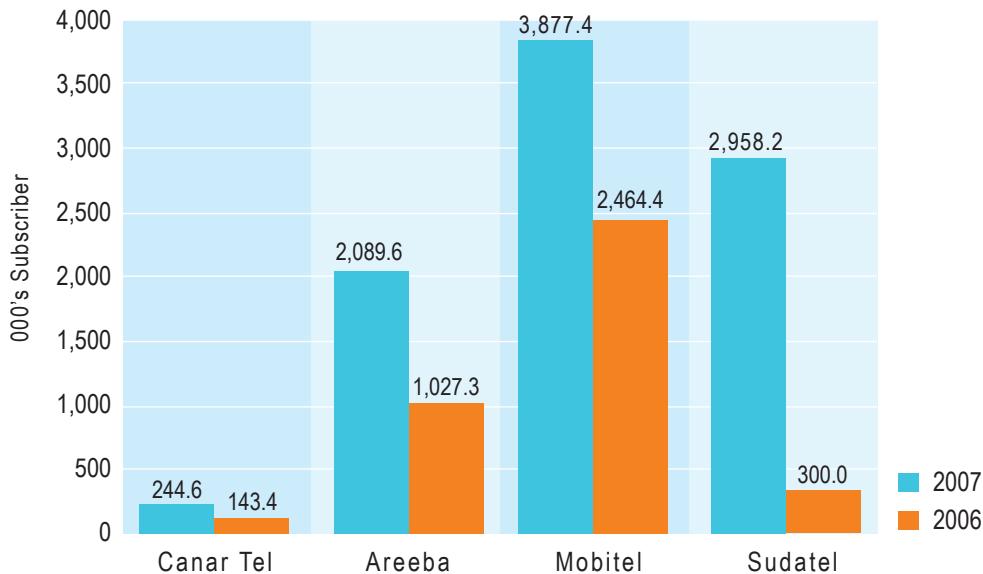
c. Bashayer Co. for Mobile Phone Services

The number of subscribers increased from 1,027,300 by the end of 2006 up to 2,089,618 by the end of 2007 by 103.4%

d. Canar Telecommunications Co. (Canartel)

The number of subscribers increased from 143,466 by the end of 2006 up to 244,607 by the end of 2007 by 70.5%

Figure (8-4)
**Telecommunications Subscribers
for the years 2006 and 2007**



CHAPTER NINE

BALANCE OF PAYMENTS



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 Chart (9-1) present a summary of the balance of payments for the two years, 2006 and 2007.

Table (9-1)
Balance of Payments for 2006 and 2007

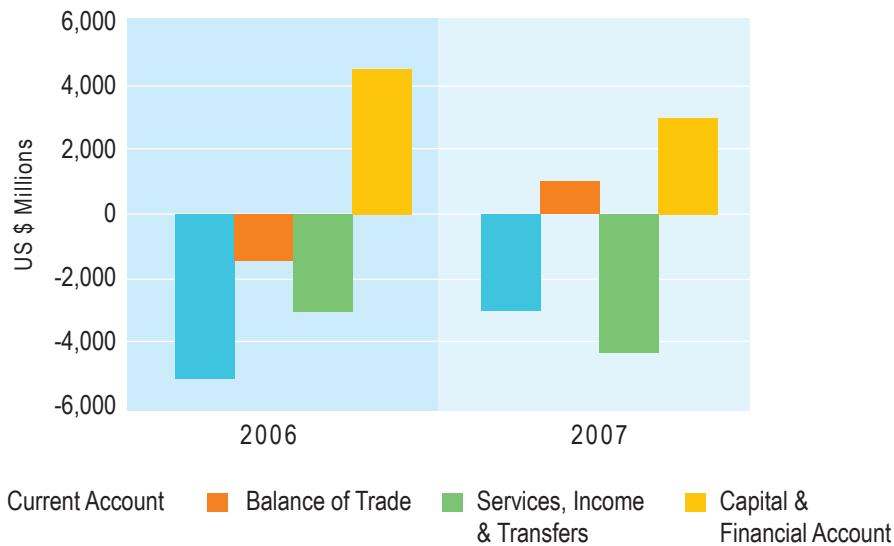
(US\$ Millions)

	2006*	2007**
A. Current Account (1+2)	(4,919.4)	(3,268.2)
1. Trade Balance (FOB***)	(1,448.1)	1,156.8
2. Services, Income and Transfers	(3,471.3)	(4,425.0)
B. Capital and Financial Account	4,611.0	2,945.5
Deficit or Surplus in Current Account and Capital and Financial Account (A + B)	(308.4)	(322.7)
C. Errors and Omissions	99.8	40.7
D. Convertible Currencies Reserves	208.6	282.0

Source: Central Bank of Sudan.

* Real Data ** Preliminary Data *** Exports and Imports on FOB basis

Chart (9-1)
Balance of Payments for 2006 and 2007



The overall position of the balance of payments deficit increased from US\$ 208.6 million in 2006 to a deficit of US\$ 282.0 million in 2007, this was attributed to the decrease in the capital and financial account surplus from US\$ 4,611.0 million in 2006 to US\$2,945.5 million in 2007, by 36.1%.

Furthermore the current account deficit decreased from US\$ 4,919.4 million in 2006 to US\$ 3,268.2 million in 2007 by 33.6%, this was attributed to the change in trade balance from a deficit of US\$ 1,448.1 million in 2006 to a surplus of US\$ 1,156.8 million in 2007.

Table (9-2) presents the details of the balance of payments for 2006 and 2007 while Appendix Eighteenth presents the balance of payments for the last three years (2005 – 2007).

Table (9-2)
Balance of Payments for 2006 and 2007

(US\$ Millions)

	2006*	2007**
A. Current Account:	(4,919.4)	(3,268.2)
Visible Transactions:		
Exports (FOB):	5,656.6	8,879.2
Petroleum	5,087.2	8,418.5
Others	569.4	460.7
Imports (FOB):	(7,104.7)	(7,722.4)
Government Purchases	(1,142.8)	(1,372.8)
In Convertible Currencies	(891.9)	(1,283.3)
Others Commodity Aid	(250.9)	(89.6)
Private Sector Purchases	(5,961.9)	(6,349.6)
Trade Balance	(1,448.1)	1,156.8
Invisible Transactions:		
Services, Income and Transfers Account:	(3,471.3)	(4,425.0)
a. Receipts	2,767.4	3,068.4
b. Payments	(6,238.7)	(7,493.4)
B. Movements in Capital and Financial Account:	4,611.0	2,945.5
Direct Investment (Net)	3,534.1	2,425.6
Investment Portfolio (Net)	(35.3)	45.6
Other Investments (Net)	1,112.2	474.3
1. Official Loans (Net):	100.2	453.7
a. Drawings	276.7	592.4
b. Repayments	(176.5)	(138.7)
2. Trade Facilities (Net)	724.9	503.5
3. Commercial Banks Net Foreign Assets***	36.4	(96.6)
4. Central Bank of Sudan Other Assets (Non-Reserves)	174.3	121.5
5. Central Bank of Sudan Short-Term Liabilities.	156.4	24.8
6. Other Foreign Assets (Net)***	(80.0)	(532.5)
Deficit or Surplus in Current, Capital and Financial Accounts	(308.4)	(322.7)
Errors and Omissions	99.8	40.7
C. Official Reserve Assets of Convertible Currencies:	208.6	282.0

Source: Central Bank of Sudan.

* Real Data ** Preliminary Data

*** The minus foreign assets sign means increase

The Current Account:

The current account consists of visible and invisible transactions.

First: Visible Transactions

The visible transactions include exports and imports of commodities. The trade balance switched from a deficit of US\$ 1,448.1 million in 2006 to a surplus of US\$ 1,156.8

million in 2007, this was due to the increase in the exports proceeds by 57%, this in turn was attributed to the increase in the exports proceeds of Petroleum products from US\$ 5,087.2 million in 2006 to US\$ 8,418.5 million in 2007, while other exports decreased from US\$ 569.4 million in 2006 to US\$ 460.7 million in 2007. Imports (FOB*) increased from US\$ 7,104.7 million in 2006 to US\$ 7,722.4 million in 2007, by 8.7%, due to the increase in government imports by 20.1% (including commodity aid amounting to US\$ 89.6 million), and the increase in private sector imports by 6.5%.

A. Exports:

Since 1999 oil and its by products became the most important Sudanese export. In 2007, the exports of oil and it's by products constituted 94.8% of total exports. Crude petroleum registered an increase of 71.2%, while natural gas increased by 253.3%. Furnace, mixed gas and fuel oil showed up again in the list of petroleum products.

The agricultural products with its agrarian and animal sub-sectors ranked second followed by manufactured materials such as sugar followed by minerals, the most important of which is gold, non-oil exports dropped by 19.1% in 2007 due to the noticeable decrease in export proceeds of sesame, cotton, livestock and meat by 44.4%, 16.7%, 33.7% respectively.

Table (9-3) below highlights the proceeds of oil and non-oil exports for 2006 and 2007.

* Excluding cost of transportation and insurance

Table (9-3)
Commodity Exports for 2006 and 2006

(Value in US\$ Millions)

Commodity	Unit	2006		*2007	
		Quantity	Value	Quantity	Value
Crude Oil	Barrel	90,085,298	4,704.0	137,785,872	8,052.7
Benzene	M.T.	502,541	356.3	478,189	324.2
Kerosene	M.T.	26,596	13.4	-	-
Natural Gas	M.T.	14,657	4.5	29,808	15.9
Naphtha	M.T.	20,932	8.9	2,399	1.0
Furnace	M.T.	-	-	47,784	5.8
Mixed Gas	M.T.	-	-	8,256	4.1
Sesame	M.T	219,047	167.0	111,798	92.8
Livestock	Head	1,545,197	121.7	1,006,849	80.6
Meat	M.T.	1,345	4.9	1,046	3.3
Cotton	Bale	482,492	82.3	268,521	68.5
Gold	K.G.	6,219,350	64.3	6,049,259	63.2
Gum Arabic	M.T.	20,618	50.2	30,875	51.9
Dura	M.T.	4,550	1.0	149,142	27.6
Sugar	M.T.	17,856	10.1	29,045	19.2
Molasses	M.T.	209,409	17.6	131,658	9.6
Hides and Skins	Value	-	4.9	-	2.8
Groundnuts	M.T.	343	0.3	1,167	0.8
Others	Value	-	45.2	-	55.2
Total			5,656.6		8,879.2

Source: Sudan Customs Authority.

* Preliminary Data

B. Imports:

The major imports included: machineries and capital equipments, manufactured goods, means of transport, chemicals, foodstuffs, textiles and other materials.

Table (9-4) and chart (9-2) exhibit the imports by commodity for 2006 and 2007 (Imports on (CIF) basis).

Table (9-4)
Imports by commodity for 2006 and 2007

(USD Millions)

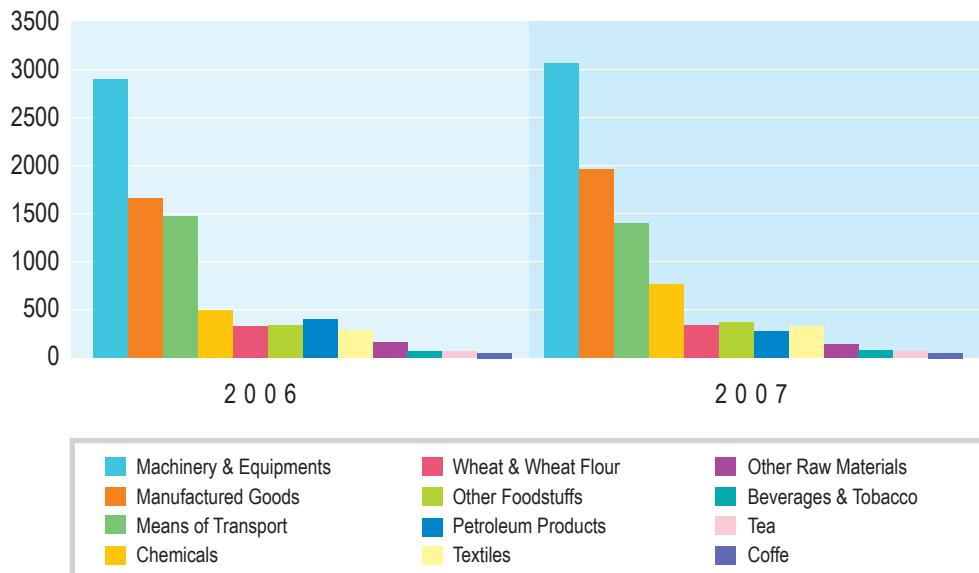
Commodity	2006		2007	
	Value (CIF*)	% Total Imports	Value (CIF*)	% Total Imports
Machinery and Equipment	2,810.5	34.8	3,195.4	36.4
Manufactured Goods	1,640.8	20.3	1,941.6	22.1
Means of Transport	1,490.5	18.5	1,463.1	16.7
Chemicals	490.5	6.1	574.6	6.5
Petroleum Products	414.2	5.1	291.4	3.3
Wheat and Wheat Flour	341.7	4.2	363.6	4.1
Coffee	36.4	0.5	33.6	0.4
Tea	35.2	0.4	47.6	0.5
Other Food-stuffs	332.5	4.1	377.1	4.3
Textiles	295.3	3.7	315.9	3.6
Other Raw Materials	138.2	1.7	115.3	1.5
Beverages and Tobacco	47.7	0.6	56.3	0.6
TOTAL	8,073.5	100	8,775.5	100

Source: Sudan Customs Authority.

* include cost of transportation and insurance.

The value of imports (CIF) went up from US\$ 8,073.5 million in 2006 to US\$ 8,775.5 million in 2007 i.e. a rise of 8.7%, this was due to the noticeable rise in the majority of key imports items. Manufactured goods, beverages and tobacco, chemical products, the machineries and equipments, the food-stuffs and textiles registered increases of 18.3%, 18 %, 17.2%, 13.7%, 13.4%, respectively, while petroleum products and other raw materials registered a drop by 29.6% and 16.6% respectively.

Chart (9-2)
Imports Structure for 2006 and 2007



Direction of Sudan's Foreign Trade:

The Asian non-Arab countries remained the main market for the Sudanese exports during the last nine years, They also represented the main source of Sudan imports during the period (2004-2007).

Direction of Exports:

Table (9-5) reflects the direction of Sudan's exports and its percentage of total exports during 2007 compared to 2006.

Table (9-5)
Direction of Exports by Value for 2006 and 2007

(US\$ Millions)

Importers	2006		2007*	
	Value	% Total Exports	Value	% Total Exports
Asian Countries (Excluding Arab Countries)	4,872.8	86.1	8,158.8	91.9
China	4,244.0	75.0	7,276.9	81.9
Japan	522.6	9.2	756.4	8.5
South Korea	6.2	0.1	49.6	0.6
India	22.5	0.4	16.4	0.2
Other Asian Countries	77.5	1.4	59.5	0.7
Arab Countries (Excluding Comesa Countries)	452.7	8.0	365.7	4.1
United Arab Emirates	227.4	4.0	224.9	2.5
Kingdom of Saudi Arabia	126.4	2.2	98.1	1.1
Lebanon	17.3	0.3	17.2	0.2
Syria	18.0	0.3	10.6	0.1
Yemen	44.2	0.8	1.9	0.0
Other Arab Countries	19.4	0.4	13.0	0.2
Comesa Countries	150.1	2.7	86.8	1.0
Egypt	96.8	1.7	54.4	0.6
Ethiopia	50.3	0.9	28.5	0.3
Other Comesa Countries	3.0	0.1	3.9	0.0
European Countries:	102.1	1.8	188.0	2.1
European Union Countries	61.3	1.4	154.5	1.7
United Kingdom	19.0	0.3	29.4	0.3
Other European Countries	21.8	0.1	4.1	0.1
The United States of America	4.9	0.1	9.4	0.1
Other Countries	74.0	1.3	70.5	0.8
Total	5,656.6	100	8,879.2	100.0

Source: Sudan Customs Authority.

* Estimated Data.

The group of Asian non-Arab countries constituted the largest market for the Sudanese exports (especially oil) during 2007 as they stood at US\$ 8,158.8 million i.e. 91.9% of the value of exports compared to 86.1% in the previous year. China topped the list by 81.9% followed by Japan 8.5% of the total exports.

During 2007 the value of Sudanese exports to Arab countries (except Comesa) witnessed a decline as their value reached US\$ 365.7 million i.e. 4.1% of the total exports compared to 8.0% in the previous year. The United Arab Emirates ranked first by 2.5%, followed by the Kingdom of Saudi Arabia 1.1% of the total exports.

During 2007 the value of Sudanese exports to Comesa countries witnessed a decline as their value reached US\$ 86.8 million compared to US \$ 150.2 million in the previous year. The Arab Republic of Egypt ranked first by 0.6%, followed by Ethiopia 0.3% of the total exports.

Exports to the European countries in 2007 increased to US\$ 188.0 million representing 2.1% of the total exports compared to 1.8% in the previous year, the European Union countries topped the list representing 1.7% followed by the United Kingdom 0.3%, and other European countries 0.1% of the total exports.

Exports to the United States of America representing 0.1% of the total exports in the year 2007.

2. Direction of Imports:

Table (9-6) illustrates the sources of Sudanese imports and their percentages for 2006 and 2007 (Imports on (CIF) basis).

Table (9-6)
Sources of Imports for the years 2006 and 2007

(USD Millions)

Sources of Imports	2006		2007	
	Value (CIF)*	%Total Imports	Value (CIF)*	% Total Imports
1. Asian Countries: (Excluding Arab Countries):	3,513.3	43.5	4,058.9	46.3
China	1,679.4	20.8	2,436.2	27.8
India	599.0	7.4	546.5	6.2
Japan	535.8	6.6	367.8	4.2
South Korea	335.4	4.2	305.6	3.5
Indonesia	71.6	0.9	79.1	0.9
Other Asian Countries	292.1	3.6	323.7	3.7
2. Arab Countries: (Excluding Comesa Countries)	1,375.2	17.0	1,407.5	16.0
Saudi Arabia	649.3	8.0	654.6	7.4
United Arab Emirates	444.7	5.5	480.4	5.5
Other Arab Countries	281.2	3.5	272.5	3.1
3. Comesa Countries	595.3	7.4	720.5	8.2
Egypt	428.2	5.3	493.0	5.6
Swaziland	59.9	0.7	87.0	1.0
Kenya	39.8	0.5	57.2	0.6
Uganda	42.2	0.5	33.8	0.4
Libya	0.0	0.0	23.7	0.3
Ethiopia	13.4	0.2	16.0	0.2
Other Comesa Countries	11.8	0.2	9.8	0.1
4. European Countries:	1,720.8	21.3	1,598.3	18.2
European Union Countries	1,082.2	13.4	986.1	11.2
United Kingdom	307.8	3.8	250.6	2.9
Other European Countries	330.8	4.1	361.6	4.1
5. Australia	223.1	2.8	178.1	2.0
6. United States of America	104.0	1.3	154.4	1.8
7. Other Countries	541.8	6.7	657.8	7.5
Total	8,073.5	100	8,775.5	100

Source: Sudan Customs.

* include cost of transportation and insurance.

The group of Asian non-Arab countries represented the major source of Sudan's imports in 2007 (for the fourth consecutive year), these imports reached US\$ 4,058.9 million i.e. 46.3% of the total value of imports, China topped the list by 27.8%, followed by India and Japan by 6.2% and 4.2% respectively of the total imports.

Sudan's imports from the European countries ranked second in 2007 their value was US\$ 1,598.3 i.e. 18.2% of the total imports, the European Union countries ranked first as their exports to Sudan remained at 11.2 % of the total imports. Sudan's imports from Australia and the United States of America 2.0% and 1.8% respectively. Imports from other countries stood at 7.5% of the total imports.

On the other hand, Sudan's imports from the group of Arab countries (Excluding Comesa Countries) reached US\$ 1,407.5 million i.e. 16.0 % of the total imports. The Kingdom of Saudi Arabia ranked first among the group as its exports stood at 7.5 %, followed by United Arab Emirates by 5.5% of the total imports in 2007.

As for imports from COMESA countries reached US\$ 720.5 million by 8.2% of the total imports, the Arab Republic of Egypt topped the list of these countries by 5.6% followed by Swaziland 1.0 % of the total imports

Second: The Invisible Transactions

Invisible transactions include receipts and payments for non merchandise trade. The deficit in the services, income and transfers account rose from US\$ 3,471.3 million in 2006 to US\$ 4,425 million in 2007, by 27.5%. Table (9-7) shows that this deficit resulted from the increase in invisible payments by 20.1% whereas invisible receipts increased by 10.9%.

Table (9-7) presents details of the invisible transactions for 2006 and 2007.

Table (9-7)
Invisible Transactions for 2006 and 2007

(US\$ Millions)

	2006*	2007**		2006*	2007**
Invisible Receipts	2,767.4	3,068.4	Invisible Payments	6,238.7	7,493.4
Services	332.3	384.6	Services	2,800.8	2,938.7
Travel	252.4	261.8	Travel	1,414.1	1,476.8
Transport:	18.7	10.5	Transport	1,243.8	1,310.5
Petroleum transport	0.0	0.0	Petroleum transport	436.5	433.0
Commodity transport	0.0	0.0	Commodity transport	807.4	877.6
Communication Services	7.9	19.9	Communication Services	5.7	22.2
Construction Services	0.0	3.6	Construction Services	0.9	2.9
Insurance	0.0	0.1	Insurance	2.1	2.5
Financial Services	25.1	26.9	Financial Services	7.5	5.4
Computer Services and Information	0.0	1.0	Computer Services And Information	3.5	2.3
License and Privilege Fees	0.0	0.3	License and Privilege Fees	0.0	0.0
Other Business Services	0.3	13.4	Other Business Services	51.1	45.1
Personal, Cultural and Recreational Services	0.2	4.5	Personal, Cultural and Recreational Services	0.0	5.2
Unclassified Government Services	27.4	42.7	Unclassified Government Services	72.0	66.0
Income:	89.3	183.7	Income:	2,103.3	2,436.8
Compensations of Employees.	1.8	2.5	Compensations of Employees.	2.4	2.0
Investment Income:	87.4	181.2	Investment Income:	2,100.8	2,434.8
Direct Investment	0.0	12.9	Direct Investment Returns	2,030.6	2,319.3
			Income from Debt (Interests)	62.7	84.8
Others	87.4	168.3	Others	7.6	30.7
Current Transfers	2,345.9	2,500.1	Current Transfers	1,334.6	2,117.9
Government:	387.5	178.7	Government:	22.8	5.2
Grants(Commodity)	250.9	89.6	Grants(Commodity)	0.0	0.0
Grants(Cash)	122.1	89.1	Grants(Cash)	0.0	0.0
Other transfers	14.5	0.0	Other transfers	22.8	5.2
Private Sector	1,958.4	2,321.4	Private Sector	1,311.9	2,112.7
			Deficit (-) or Surplus (+)	(3,471.3)	(4,425.0)

Source: Central Bank of Sudan.

* Real Data ** Preliminary Data

Invisible receipts increased from US\$ 2,767.4 million in 2006 to US\$ 3,068.4 million in 2007 as a result of the increase in receipts in each of the services, income and transfers by 15.7%, 105.7% and 6.6%, respectively. Resulted for the increase in other business services, portfolio investment income and current transfer, inspite of the decrease in receipts of official grants by 53.9%, (commodity grants by 64.3% and cash grants by 27%).

Invisible payments rose from US\$ 6,238.7 million in 2006 to US\$ 7,493.4 million in 2007 due to the increase in each of the services, income and current transfers by 4.9%, 15.9% and 58.7%, respectively, due to the increase in payments for travel and transport by 4.4%, 5.4% respectively, and increase in investments income for the foreign oil companies by 14.2%, and increase private sector transfers by 61%.

The Capital and Financial Account:

A. 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.

B. The Financial Account:

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

Table (9-8) shows items of the capital and financial account for the years 2006 and 2007.

The movements in net capital and financial account decreased from US\$ 4,611 million in 2006 to US\$ 2,945.5 million in 2007 as a result of the increase in foreign direct investment and other investments by 31.4% and 57.4% respectively.

Table (9-8)
Capital and Financial Account
(2006-2007)

(US\$ Millions)

		2006 *	2007**
1.	Capital and Financial Account:	4,611.0	2,945.5
1.1	A. Capital Account	0.0	0.0
	Exemption from Debt	0.0	0.0
	Acquisition of Non-Financial Assets	0.0	0.0
	Others	0.0	0.0
1.2	B. Financial Account	4,611.0	2,945.5
1.2.1	Direct Investment:	3,534.1	2,425.6
	In Sudan	3541.4	2,436.3
	Abroad	(7.3)	(10.7)
2.2.1	Portfolio Investments:	(35.3)	45.6
	Assets	10.1	62.2
	Liabilities	(45.4)	(16.6)
3.2.1	Other Investments:	1,112.2	474.3
	1. Net Government Loans Inward (+) Outward (-)	100.2	453.6
1.3.2.1	Government Loan Flows	276.7	592.4
	Government Loan Repayments	(176.5)	(138.8)
1.2.3.2	2. Trade Credits and Facilities (Short-term Movements):	724.8	503.5
	Assets	1303.4	1157.6
	Liabilities	(578.5)	(654.1)
1.2.3.3	3. Monetary Authorities Net Foreign Assets***	330.8	146.3
	Assets (non reserve)	174.3	121.5
	Liabilities (short term borrowing)	156.5	24.8
1.2.3.5	4. Commercial Banks Net Foreign Assets***	36.4	(96.6)
	Assets	33.9	(124.3)
	Liabilities	2.5	27.7
1.2.3.6	5. Other Net Foreign Assets*** Net Foreign Assets	(80.0)	(532.5)
	Assets	(80.0)	(532.5)
	Liabilities	0.0	0.0

Source: Central Bank of Sudan.

* Real Data ** Preliminary Data *** () Minus Sign Represents an increase in External Assets

Net direct investment decreased from US\$ 3,534.1 million in 2006 to US\$ 2,425.6 million in 2007. Net portfolio investments switched from outflows amounting to US\$ 35.3 million in 2006 to inflows amounting to US\$ 45.6 million in 2007.

Net other investments decreased from US\$ 1,112.2 million in 2006 to US\$ 474.3 million in 2007 as a result of the decrease in the net trade facilities by 30.5% and the decrease in the net foreign assets of the Monetary Authority by 55.8%.

Drawings on Loans:

Drawings from foreign loans rose from US\$ 276.7 million in 2006 to US\$ 594.2 million in 2007, by 114.1%.

Drawings from loans extended by the Arab Fund for Economic and Social Development amounted to US\$ 134.1 million, were used to finance Atbara-Port Sudan-Haya Highway Project, the construction of Merawi Dam Project and White Nile Sugar project. Drawings from the loans extended by Abu Dhabi Development Fund amounted to US\$ 51.9 million, which were used on construction of Merawi Dam, Saudi Fund for Development loan of US\$ 79.6 million was used for the construction of Merawi Dam, White Nile Sugar, Export Development project and the Kuwaiti Fund for Development loan of US\$ 37.6 million was used on the construction of Merawi Dam. Drawings from the loan of the Islamic Development Bank amounted to US\$ 31.1 million was used on Khartoum State Water Purification Project, Malaria eradication, reduction of drought effects in Darfur, building of the Lower Gates of the Rosairis Dam, in addition to other projects. The loan from China, amounted to US\$ 132.7 million was utilized in the Rehabilitation of the Electricity Project of the National Capital and other projects, also drawings from the International Fund for Agricultural Development (IFAD) of US\$ 11.2 million, were used in the rural development schemes of Northern Kordofan, Southern Darfur and other projects. Drawings from the OPEC Fund loan amounted to US\$ 2.3 million, was utilized for financing rehabilitation of irrigation infra-structure in the Gezira Scheme.

Drawings from the Indian Finance Facility during 2007 amounted to US\$102.5 million and was used for Rehabilitation of Kosti Electricity, solar energy project (Northern Korofan), Higher education (lab. equipments), Power line (Singa-Elgadarif).

Drawings on the loan from Turkey amounted to US\$ 9.2 million and was utilized in funding Al-Mek Nimir Bridge Project.

Repayment of Loans:

Total repayments of external debt decreased from US\$ 176.5 million in 2006 to US\$138.8 million in 2007, by 21.4%.

Repayments of loans to International Monetary Fund amounted to US\$ 51 million, China US\$ 32.1 million, Arab Fund for Economic and Social Development US\$ 15.7 million, Kuwaiti Fund for Development US\$ 10.1 million, Islamic Development Bank US\$ 8.4 million, Saudi Fund for Development US\$ 5.9 million, Abu Dhabi Fund US\$ 4.2 million, OPEC Fund US\$ 2.7 million, Arab Monetary Fund US\$ 1.0 million, the International Fund for Agricultural Development (IFAD) US\$ 2.4 million, Indian (Export and Import Bank) US\$ 3.1 million and Turkey US\$ 1.4 million.

Total foreign debt repayments represents 1.6 % of the value of total exports. Appendix Nineteenth (A) shows the position of the public sector loans as at 31st December 2007.

Loans and Grants Contracted During 2007:

Total loans and grants contracted during 2007 amounted to US\$ 1505.4 million, consisting of loans amounted to US\$ 1490.5 million and grants of US\$ 14.9 million, respectively.

Appendix Nineteenth (B) and Nineteenth (C) shows the loans and grants concluded during 2007.

Commodity Grants Contracted During 2007:

Commodity Grants concluded during 2007 reached US\$ 245.2 million from the World Food Programme US\$ 6.1 million, United Nation Development Programme US\$ 116.8 million, United Nation for Population US\$ 13.4 million, the United Nations Children's Fund (UNICEF) US\$ 108.8 million (Appendix Nineteenth (D) shows the Commodity Grants Concluded During 2007).

Sudan External Obligations:

Sudan's total external obligations reached US\$ 31.8 billion by the end of 2007, compared to US\$ 28.4 billion by the end of 2006.

Table (9-9) below illustrates the position of Sudan external obligations for the year 2006 and 2007.

Table (9-9)
Position of Sudan External Obligations
for the years 2006 – 2007

(US\$ billions)

Items	2006	2007	
	Total Obligations	Principal Amount	Total Obligations
International and Regional Institutions	4.8	3.6	5.1
Non-Paris Club Countries	11.0	4.9	11.6
Paris Club Countries	9.2	2.5	10.3
Foreign Commercial Banks	3.6	1.9	3.9
Foreign Suppliers	0.8	0.9	0.9
Total	28.4	13.8	31.8

Source: Central Bank of Sudan (External Debt Unit)

Sudan's external debt to members of the Paris Club amounted to US\$ 10.3 million at the end of 2007. Four rescheduling agreements were previously concluded with members of the Club in 1979, 1981, 1983 and 1984 respectively, 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. The obligations of Sudan towards the non-Paris Club Countries totaled US\$ 11.6 billion at the end of 2007, these debts are dealt with through political lobbying to obtain terms that take into consideration the economic situation of Sudan. On the other hand, there are international endeavors to convert these debts into contributions in national currency in economic and development projects.

Also, the obligations to foreign commercial banks and foreign suppliers at the end of 2007 amounted to about US\$ 3.9 billion and US\$830 million respectively. This debt is to be refinanced. A refinancing agreement was signed on 31st December 1980 concerning debts owed to the commercial banks and it was amended twice (the amendment called for adding up arrears of the principal and interest and rescheduling of these under new non-concessional conditions) Sudan did not make use of this arrangement.

*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.

APPENDICES



Appendix (I)
Khartoum Banks Clearing House
(1997-2007)

(SDG Thousands)

Period	Clearings		Settlements	
	Daily Rate	Total	Daily Rate	Total
1997				
January – March	6,640	435,600	27,470	1,799,400
April – June	6,390	434,790	28,040	1,910,130
July – September	6,460	478,140	29,070	2,150,730
October - December	6,380	478,260	32,940	2,473,500
1998				
January – March	8,070	562,350	36,850	2,588,340
April – June	8,310	542,130	95,080	6,244,410
July – September	7,740	586,740	34,970	2,653,950
October - December	9,270	706,710	38,990	2,979,270
1999				
January – March	10,141	689,159	45,221	3,080,369
April – June	10,749	783,394	48,659	3,553,547
July – September	9,113	646,090	42,710	3,023,250
October - December	8,487	628,700	48,740	3,631,280
2000				
January – March	10,363	724,550	51,310	3,419,370
April – June	11,130	823,610	50,943	3,770,730
July – September	12,697	951,310	53,047	3,979,210
October - December	13,150	980,310	57,520	4,289,670
2001				
January – March	14,263	979,660	60,730	4,178,670
April – June	15,823	1,168,340	65,423	4,837,750
July – September	33,473	1,382,110	112,000	4,938,740
October - December	14,807	1,079,110	67,930	4,937,940
2002				
January – March	18,853	1,355,310	71,753	5,164,440
April – June	19,925	1,513,053	77,931	5,915,375
July – September	12,560	1,538,480	53,573	6,106,169
October - December	12,560	1,617,345	53,573	6,322,638
2003				
January – March	12,560	1,691,970	53,573	6,541,760
April – June	22,968	1,722,618	95,660	7,174,500
July – September	23,869	1,863,120	94,625	7,382,619
October - December	28,250	1,911,860	110,173	7,455,380

Appendix (I) Cont'd

(SDG Thousands)

Period	Clearings		Settlements	
	Daily Rate	Total	Daily Rate	Total
2004				
January – March	31,741	2,200,568	119,165	8,273,730
April – June	31,837	2,363,390	126,617	9,481,970
July – September	35,370	2,720,340	138,500	10,654,920
October - December	41,576	2,864,810	141,815	10,324,326
2005				
January – March	40,103	2,696,560	152,533	10,692,260
April – June	44,316	3,288,180	166,283	12,312,490
July – September	46,035	3,362,907	175,600	12,816,730
October - December	45,583	3,400,130	184,360	13,816,180
2006				
January – March	46,083	3,263,360	188,293	13,421,750
April – June	54,898	3,897,860	212,298	15,074,636
July – September	71,456	4,840,067	240,213	16,328,646
October - December	74,020	5,187,850	241,357	16,894,780
2007				
January	61,890	1,299,640	196,380	4,123,880
February	71,010	1,704,190	218,640	5,247,320
March	57,690	1,442,310	202,390	5,059,850
April	57,290	1,432,239	207,371	5,184,269
May	65,384	1,765,373	217,408	5,870,017
June	58,708	1,409,001	207,871	4,988,892
July	60,894	1,644,138	189,578	5,118,610
August	69,440	1,736,011	227,219	5,680,481
September	64,120	1,667,118	207,918	5,405,857
October	68,359	1,640,615	200,782	4,818,780
November	67,941	1,698,529	220,112	5,502,789
December	72,470	1,521,872	262,006	5,502,129

Note ; The data changed from Sudanese Dinar (SDD) to Sudanese Pound (SDG)
100 Sudanese Dinar (SDD) =1 Sudanese Pound (SDG)

Appendix (II)
Currency in Circulation
1997–2007

(SDG Thousands)

End of Month	With Banks	With Public	Total
December, 1997	51,230	584,944	636,174
December, 1998	43,318	821,398	864,716
December, 1999	58,000	1,081,080	1,139,080
December, 2000	134,030	1,420,820	1,554,850
December, 2001	128,010	1,538,360	1,666,370
December, 2002	119,930	1,935,820	2,055,750
December, 2003	118,460	2,402,070	2,520,530
December, 2004	147,910	3,048,969	3,196,879
December, 2005	221,080	3,761,340	3,982,420
2006			
March	260,980	4,011,280	4,272,260
June	297,370	4,089,950	4,387,320
September	391,370	4,269,640	4,661,010
December	315,460	5,355,320	5,670,780
2007			
March	394,006	4,570,549	4,964,555
June	479,062	4,442,051	4,921,113
September	485,124	4,574,854	5,059,978
December	582,026	5,639,760	6,221,786

Note ; The data changed from Sudanese Dinar (SDD) to Sudanese Pound (SDG)

100 Sudanese Dinar (SDD) =1 Sudanese Pound (SDG)

Appendix (III)
Coins in Circulation
1997 – 2007

(SDG Thousands)

End of Month	With Public	With Banks	Total
December, 1997	-	813	813
December, 1998	-	2,997	2,997
December, 1999	-	4,846	4,846
December, 2000	-	7,642	7,642
December, 2001	-	9,523	9,523
December, 2002	-	11,142	11,142
December, 2003	-	17,379	17,379
December, 2004	-	25,885	25,885
December, 2005	-	31,853	31,853
2006			
March	-	32,772	32,772
June	-	35,168	35,168
September	-	35,904	35,904
December	-	36,843	36,843
2007			
March	-	37,709	37,709
June	-	39,225	39,225
September	-	24,249	24,249
December	-	40,756	40,756

Note ; The data changed from Sudanese Dinar (SDD) to Sudanese Pound (SDG)
100 Sudanese Dinar (SDD) =1 Sudanese Pound (SDG)

Appendix (IV)
**Analysis of Currency in Circulation by Denomination
as at 31st December, 2006 and 31 December, 2007**

(SDG Thousands)

	2006	2007
Notes:		
5000 Dinar	1,222,900.9	2,352,602.5
2000 Dinar	1,437,946.9	1,703,973.7
1000 Dinar	2,349,069.2	1,639,401.7
500 Dinar	393,159.9	231,954.3
200 Dinar	61,709.6	72,318.9
100 Dinar	129,300.6	141,595.2
50 Dinar	29,836.8	29,239.7
25 Dinar	1,855.7	1,852.0
10 Dinar	4,257.1	4,223.8
5 Dinar	1,557.7	1,528.0
Others	2,340.4	2,340.4
Total	5,633,934.8	6,181,030.2
Coins:		
50 Dinar	16,488.2	17,944.7
20 Dinar	10,543.0	11,655.2
10 Dinar	7,204.3	8,123.6
5 Dinar	2,357.6	2,783.1
2 Dinar	180.7	233.9
1 Dinar	6.7	7.4
Others	62.0	8.1
Total	36,842.5	40,756.0
Grand Total	5,670,777.3	6,221,786.2

Note ; The data changed from Sudanese Dinar (SDD) to Sudanese Pound (SDG)
100 Sudanese Dinar (SDD) =1 Sudanese Pound (SDG)

Appendix (V)
Money Supply 1997-2007

PARTICULAR	31/12/97	31/12/98	31/12/99	31/12/2000*	31/12/2001	31/12/2002	31/12/2003	31/12/2004	31/12/2005**	31/12/2006**	31/12/2007
	(SDG Million)										
Money Supply:											
Currency With Public	584.9	821.4	1,081.1	1,420.8	1,538.4	1,935.8	2,402.1	3,049.0	3,740.4	5,355.3	5,639.7
Demand Deposits	431.5	487.2	615.1	925.1	1,175.5	1,586.8	2,182.7	2,994.7	4,447.6	5,168.8	5,734.9
Quasi-Money	580.6	760.9	883.1	1,120.8	1,608.3	2,110.0	2,756.1	3,560.8	5,843.4	7,347.7	8,340.0
Total	1,597.1	2,069.5	2,579.2	3,466.7	4,322.1	5,632.7	7,340.9	9,604.5	14,031.4	17,871.8	19,714.6
Net Foreign Assets:											
BOS External Assets	140.5	215.5	486.3	731.0	412.5	1,198.0	2,297.2	4,203.6	5,804.3	4,298.1	3,552.3
Fund Accounts	(2,694.9)	(3,667.3)	(3,987.6)	(3,738.3)	(3,583.7)	(3,843.3)	(4,153.8)	(4,118.5)	(3,473.7)	(3,180.0)	(3,293)
Short Term Loans	(197.8)	(279.4)	(256.8)	(278.5)	(260.8)	(264.8)	(267.3)	(264.7)	(251.5)	(306.2)	(490)
Payment Agreements	(170.0)	(233.0)	(249.1)	(246.2)	(196.4)	(191.2)	(153.1)	(141.0)	(120.9)	(99.5)	(89)
Rescheduling Accounts	(839.9)	(1,159.9)	(1,254.3)	(1,243.7)	(1,263.4)	(1,264.6)	(1,257.2)	(1,211.2)	(1,114.1)	(972.9)	(992)
Time Liabilities	(976.2)	(1,343.8)	(1,701.2)	(1,812.6)	(1,951.5)	(2,073.3)	(2,186.3)	(2,217.2)	(2,159.1)	(1,933.7)	(2,023)
Other Liabilities	(590.6)	(824.1)	(915.7)	(890.5)	(929.4)	(947.3)	(1,133.3)	(980.2)	(877.2)	(955.1)	(728)
Net Foreign Assets (Commercial Banks)	400.9	592.0	651.2	698.4	806.2	1,142.0	1,154.8	1,230.6	1,611.9	1,303.3	1,523.2
Total	(4,928.1)	(6,699.9)	(7,227.1)	(6,780.2)	(6,966.3)	(6,244.5)	(5,699.1)	(3,498.6)	(580.3)	(1,846.0)	(2,540)
Evaluation Adjustment	5,293.1	7,311.4	7,961.3	7,775.5	7,663.0	7,943.2	8,169.8	7,997.6	7,635.2	7,333.5	7,457.6
Domestic Credit											
Net Claims on Government	574.6	718.1	1,009.7	1,061.0	1,373.6	1,307.6	1,116.7	325.1	459.8	3,109.9	3,959.5
Claims on State and Local Governments	0.0	0.0	0.7	0.1	5.3	13.3	12.8	12.8	6.3	4.4	26.3
Claims on Puplic Enterprises	18.9	27.8	81.8	227.9	238.7	173.1	286.4	288.5	449.3	853.2	982.2
Total	593.5	745.9	1,092.2	1,289.0	1,617.6	1,493.9	1,415.9	626.5	915.5	3,967.4	4,968.0
Claims on Private Sector											
Private Sector	395.1	448.6	438.5	849.7	1,298.7	1,784.2	2,797.2	4,211.6	7,335.9	10,322.5	11,759.3
Non bank Financial Institutions	3.6	4.3	3.5	20.9	6.2	18.9	24.6	5.8	95.2	260.6	525.7
Total	398.7	452.9	442.0	870.6	1,304.9	1,803.1	2,821.8	4,217.4	7,431.1	10,583.1	12,285.0
Other Items Net	240.0	259.2	310.8	311.8	702.9	636.9	632.5	261.5	(1,369.8)	(2,166.2)	(2,456.1)

* Revised figures according to the new presentation of Central Bank of Sudan Balance Sheet
** Amended figures
Note : The data changed from Sudanese Dinar (SDD) to Sudanese Pound (SDG)

(SDG Million)

Appendix (V) A
Assets and Liabilities of the Central Bank of Sudan (1997-2007)

										(SDG Thousands)						
Assets	Foreign Notes, Cheques and Bank Balances	Foreign Securities	Other External Assets	Government Main A/C	Government Musharaka Certificates	Loans and Advances	Temp. Advances	Term Loans to Govt.	Long- Term Loans to Public Enterprises	Central Bank Musharaka Certificates	Advances to Public Enterprises	Participation in Bank	Other Participations	Non Transferable Treasury Bills	Other Accounts	Total
End of Period																
Dec-97	140,358	105	5,753	61,251	0	21,977	595,765	9,319	0	2,171	1,912	420	5,930	2,992,215	3,837,176	
Dec-98	214,462	1,004	7,944	61,251	0	56,207	685,765	9,319	0	2,171	5,230	42,614	5,930	4,105,897	5,197,794	
Dec-99	485,340	1,000	4,060	0	0	66,600	120,000	950,800	0	34,530	5,480	63,030	0	4,594,370	6,325,210	
Dec-00	717,210	7,020	4,060	0	0	60,700	80,000	1,073,030	0	129,290	6,410	71,210	0	4,762,490	6,891,420	
Dec-01	367,843	25,000	4,124	0	212,565	105,900	180,000	1,073,030	47,010	135,713	19,930	12,400	0	4,966,290	7,149,805	
Dec-02	1,153,310	37,966	4,128	0	39,050	150,712	308,754	1,073,030	48,818	55,493	20,770	15,901	0	5,131,838	8,039,760	
Dec-03	2,252,112	38,972	4,100	0	28,955	266,649	374,937	1,073,030	-7,386	135,672	68,264	37,756	0	5,255,040	9,528,101	
Dec-04	4,132,666	64,689	3,950	0	37,627	213,638	374,937	1,073,030	0	113,615	86,214	41,204	0	5,205,168	11,347,047	
Dec-05	5,709,340	89,320	3,637	0	209,580	156,373	274,940	1,051,030	0	108,580	193,330	89,080	0	5,933,470	13,818,630	
Dec-06 **	4,215,315	78,153	2,670	0	348,075	795,364	589,837	1,051,030	132,247	102,773	242,176	198,238	0	6,316,380	14,072,358	
2007																
January	3,897,562	78,146	2,663	0	352,439	905,133	689,937	1,051,030	93,247	102,561	242,176	198,001	0	6,567,289	14,180,184	
February	3,574,313	78,143	3,164	0	317,343	1,009,575	838,437	1,051,030	62,247	98,755	242,176	197,900	0	6,625,280	14,098,363	
March	3,224,771	78,142	3,163	0	332,912	1,000,777	866,937	1,051,030	114,247	97,983	252,736	197,863	0	6,197,678	13,418,239	
April	2,775,728	78,142	3,163	0	336,354	960,301	590,500	1,325,967	80,247	99,097	278,736	197,863	0	6,336,036	13,062,134	
May	2,683,764	78,144	3,165	0	366,076	958,168	589,000	1,325,967	158,247	115,000	298,604	197,918	0	6,237,771	13,012,044	
June	2,875,919	78,142	3,163	0	461,723	958,168	589,000	1,325,967	119,647	113,335	298,604	197,859	0	6,348,549	13,370,076	
July	2,925,992	78,142	3,163	0	494,070	956,873	587,500	1,325,967	60,247	93,307	339,853	197,868	0	6,306,356	13,369,338	
August	3,253,990	78,144	3,165	0	736,083	936,646	584,500	1,325,967	45,876	89,036	339,853	217,923	0	6,684,787	14,285,970	
September	2,917,334	78,186	3,215	0	799,489	928,290	583,000	1,325,967	2,247	91,987	339,853	219,372	0	6,970,964	14,259,904	
October	3,494,034	78,183	3,210	0	809,479	955,306	583,000	1,325,967	62,247	89,940	339,853	219,248	0	7,146,546	15,107,013	
November	3,339,465	78,177	3,204	0	811,735	933,442	591,500	1,325,967	36,947	89,548	421,237	219,251	0	7,099,235	14,049,708	
December	3,468,844	78,206	3,238	0	761,264	940,071	591,500	1,325,967	115,947	74,888	421,237	220,216	0	7,411,974	15,411,332	

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

** Amended figures

Note : The data changed from Sudanese Dinar (SDD) to Sudanese Pound (SDG)

100 Sudanese Dinar (SDD) = 1 Sudanese Pound (SDG)

Appendix (VI) B
Assets and Liabilities of the Central Bank of Sudan (1997-2007)

Liabilities							(SDG Thousands)				
End of Period	Currency in Circulation	Government A/Cs	Central Bank Musharaka Certificates	Bank's Ac-counts	Other Ac-counts	Payment Agree-ments	Other Sight Liabilities	Time Liabilities	Capital and Reserves	Others	Total
Dec. 1997	636,174	85,913	0	209,388	1,468,906	170,041	28,628	984,414	6,784	246,928	3,837,176
Dec. 1998	864,716	30,121	0	234,193	2,035,576	232,994	23,432	1,355,078	10,440	411,244	5,197,794
Dec. 1999	1,139,080	40,190	0	333,080	2,303,810	249,130	25,160	1,707,060	12,510	515,190	6,325,210
Dec. 2000	1,554,850	68,070	0	420,550	2,486,400	246,160	42,600	1,812,560	16,670	263,560	6,911,420
Dec. 2001	1,666,370	96,150	53,400	550,840	2,395,570	196,370	36,870	1,951,470	27,260	175,505	7,149,805
Dec. 2002	2,055,747	272,740	56,380	654,292	2,261,110	191,185	52,010	2,073,284	27,820	395,192	8,039,760
Dec. 2003	2,520,525	647,840	20,122	805,696	2,441,298	153,117	206,644	2,186,334	43,921	502,605	9,528,101
Dec. 2004	3,196,876	1,515,488	0	1,217,230	2,225,900	140,980	151,663	2,217,230	58,370	623,310	11,347,047
Dec. 2005	3,982,420	1,751,230	135,000	1,934,290	2,050,430	120,890	23,860	2,159,120	140,340	1,521,100	13,818,680
Dec. 2006*	5,670,777	392,640	0	1,978,807	2,183,630	99,447	53,283	1,933,662	165,873	1,594,239	14,072,358
2007											
January	5,074,997	636,912	0	2,119,958	2,228,012	98,285	39,985	1,928,342	165,873	1,887,820	14,180,184
February	5,040,166	566,974	0	1,995,609	2,201,637	96,476	49,720	1,926,540	165,873	2,055,368	14,098,363
March	4,964,555	588,645	0	1,676,646	2,329,659	95,634	41,914	1,926,039	228,145	1,567,002	13,418,239
April	5,025,226	690,070	0	1,630,588	2,148,252	94,505	43,454	1,926,542	221,074	1,282,423	13,062,134
May	4,928,509	738,311	0	1,653,510	2,210,828	93,892	48,630	1,927,346	221,074	1,188,745	13,012,044
June	4,921,113	831,119	0	1,707,607	2,131,218	92,488	70,547	1,925,855	221,074	1,469,055	13,370,076
July	4,900,832	1,059,793	0	1,724,079	2,100,044	92,168	44,954	1,926,673	221,074	1,299,721	13,369,338
August	4,977,643	848,736	0	2,258,553	2,412,024	90,997	47,772	1,927,761	221,074	1,511,410	14,295,970
September	5,059,978	831,397	0	2,262,062	2,230,730	91,781	48,847	1,959,239	221,074	1,554,796	14,259,904
October	5,306,023	828,833	0	2,705,800	2,209,670	90,699	48,874	1,956,833	221,074	1,739,207	15,107,013
November	5,345,879	562,292	0	2,602,175	2,342,161	89,966	58,991	1,953,607	221,255	1,773,382	14,949,708
December	6,221,786	87,484	0	2,866,562	2,175,051	89,113	39,333	2,023,427	221,255	1,689,321	15,413,332

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

** Amended figures

Note : The data changed from Sudanese Dinar (SDD) to Sudanese Pound (SDG)
100 Sudanese Dinar (SDD) = 1 Sudanese Pound (SDG)

Appendix No. (VII) A
Consolidated Balance Sheet of The Commercial Banks (1997-2007)

Assets	End of Period	Cash	Due From Central Bank of Sudan	Foreign Correspondents	Claims on Central Government	Advances	Other Accounts	Total
	Dec. 1997	51,230	229,490	1,041	444,993	315	415,559	1,232,452
	Dec. 1998	43,318	262,924	7,381	639,221	1,322	473,828	1,853,770
	Dec. 1999	58,000	321,090	26,880	685,660	1,590	487,320	2,667,940
	Dec. 2000	134,020	437,465	59,410	736,570	42,160	792,235	3,570,680
	Dec. 2001	128,010	446,090	41,510	897,300	73,320	1,113,390	1,853,860
	Dec. 2002	119,920	556,900	64,960	1,279,160	208,770	1,600,199	2,282,470
	Dec. 2003	118,450	791,650	92,250	1,302,730	350,440	2,160,230	3,080,220
	Dec. 2004	147,910	1,036,420	128,670	1,411,890	466,370	2,859,640	4,384,160
	Dec. 2005	242,060	1,566,180	334,830	2,145,630	931,1670	7,689,120	10,435,060
	Dec. 2006	315,460	1,781,290	256,990	1,779,490	1,680,860	8,376,823	8,953,368
								23,144,281
	2007							
	January	448,936	1,933,474	249,810	1,548,416	1,725,849	8,267,202	8,914,635
	February	428,086	1,753,547	241,750	1,404,480	1,705,771	8,380,764	9,806,312
	March	394,005	1,675,130	288,021	1,405,770	1,653,515	9,045,670	9,389,138
	April	461,195	1,646,600	251,218	1,630,654	1,585,676	10,136,841	7,356,941
	May	433,125	1,617,250	253,803	1,595,274	1,564,865	10,381,903	7,614,425
	June	479,062	1,456,021	247,280	1,719,680	1,638,495	10,556,144	7,223,539
	July	406,229	1,545,829	252,283	1,660,335	1,644,263	10,467,007	8,320,834
	August	442,726	1,862,089	467,107	1,787,278	1,528,238	10,226,007	8,369,921
	September	485,124	1,932,602	273,912	1,886,196	1,612,526	10,343,181	8,732,655
	October	488,221	2,171,658	285,390	1,894,947	1,617,367	10,655,047	7,962,427
	November	403,014	1,878,874	274,357	2,059,546	1,541,753	10,894,503	8,557,118
	December	582,026	2,353,619	298,206	2,114,382	1,533,035	11,250,201	8,065,956
								26,197,425

Note ; The data changed from Sudanese Dinar (SDD) to Sudanese Pound (SDG)
100 Sudanese Dinar (SDD) = 1 Sudanese Pound (SDG)

Appendix No. (VII) B
Consolidated Balance Sheet of The Commercial Banks (1997-2007)

Liabilities							(SDG Thousands)	
End of Period	Federal Government Deposits	State & Local and Private Deposits	Bank of Sudan	Others Banks	Foreign Banks	Capital Reserves	Other Accounts	Total
Dec. 1997	3,995	963,540	1,090	1,687	44,138	147,677	1,212,953	2,375,080
Dec. 1998	4,241	1,196,887	3,187	6,775	47,224	203,384	1,820,066	3,281,764
Dec. 1999	35,270	1,419,920	30,150	14,020	34,430	244,640	2,470,050	4,248,480
Dec. 2000	63,520	1,908,720	25,100	16,910	38,140	322,000	1,196,290	3,570,680
Dec. 2001	70,762	2,671,120	25,060	12,760	91,060	476,400	1,206,318	4,553,480
Dec. 2002	50,878	3,579,873	72,630	32,050	137,180	736,920	1,502,847	6,112,379
Dec. 2003	64,437	4,665,083	149,100	21,560	147,920	1,103,080	1,744,790	7,895,970
Dec. 2004	112,870	6,353,610	106,460	48,070	181,270	1,437,110	2,195,670	10,435,060
Dec. 2005	258,000	9,829,500	113,790	81,860	533,760	2,336,320	3,826,480	16,979,710
Dec. 2006	168,861	12,139,797	146,240	131,480	476,190	3,890,890	6,190,823	23,144,281
2007								
January	227,270	12,296,140	152,892	164,865	542,450	4,170,546	5,534,159	23,088,322
February	217,853	12,582,428	146,757	125,178	471,148	3,728,015	6,499,331	23,720,710
March	211,464	12,464,638	146,476	154,788	440,067	3,770,266	6,663,550	23,851,249
April	184,724	12,740,056	154,895	178,385	480,443	3,746,322	5,584,300	23,069,125
May	201,222	12,691,779	147,118	174,507	488,358	3,716,802	6,040,859	23,460,645
June	210,011	12,782,340	147,737	151,555	541,726	3,754,657	5,732,195	23,320,221
July	194,398	12,759,513	149,981	189,338	517,882	3,822,188	6,663,480	24,296,780
August	199,944	12,954,033	147,087	189,781	454,306	3,851,392	6,886,823	24,683,366
September	197,792	13,193,747	244,102	204,884	432,916	3,897,761	7,094,994	25,266,196
October	200,699	13,356,269	269,115	221,499	407,090	3,912,904	6,707,481	25,075,057
November	160,814	13,242,293	242,156	186,494	602,519	4,035,473	7,139,416	25,609,165
December	166,193	13,776,281	389,617	236,758	591,173	4,606,905	6,430,498	26,197,425

Note : The data changed from Sudanese Dinar (SDD) to Sudanese Pound (SDG)
100 Sudanese Dinar (SDD) = Sudanese Pound (SDG)

Appendix (VIII) A
Position of Commercial Banks Advances in Local Currency (1997-2007)

End of Period	Agriculture	Industry	Exports	Imports	Local Trade	Others	Total
Dec. 1997	125,218	72,843	83,873	8,577	17,383	107,665	415,559
Dec. 1998	157,626	89,084	81,140	3,251	20,380	122,353	473,834
Dec. 1999	148,330	71,840	83,590	15,190	28,160	140,210	487,320
Dec. 2000	178,070	83,430	168,390	11,250	82,430	268,670	792,240
Dec. 2001	196,050	164,450	218,320	41,070	209,000	284,500	1,113,390
Dec. 2002	228,370	208,500	219,704	70,777	362,300	510,348	1,600,199
Dec. 2003	268,510	246,370	275,160	11,070	697,350	661,770	2,160,230
Dec. 2004	273,390	328,030	291,920	33,280	1,038,320	894,700	2,859,640
Dec. 2005	303,390	694,100	301,610	121,580	1,494,370	1,785,200	4,700,250
Dec. 2006	993,910	776,240	338,300	210,970	1,888,440	4,168,960	8,376,820
2007							
January	894,212	776,045	330,936	226,264	1,837,954	4,201,790	8,267,201
February	884,619	792,516	312,330	252,296	1,928,553	4,210,450	8,380,764
March	1,009,672	771,373	314,315	278,451	1,962,812	4,709,047	9,045,670
April	1,005,611	830,639	291,333	1,886,327	1,966,327	4,156,604	10,136,841
May	1,036,951	825,927	275,405	2,145,719	1,952,208	4,145,693	10,381,903
June	929,585	687,744	283,616	2,168,941	1,893,791	4,592,468	10,556,145
July	967,363	879,072	220,125	2,185,363	1,832,496	4,382,588	10,467,007
August	918,797	935,110	221,425	1,818,948	1,833,006	4,498,721	10,226,007
September	976,801	893,429	214,917	1,789,048	1,913,906	4,555,080	10,343,181
October	971,558	903,283	227,773	1,885,241	2,010,414	4,656,778	10,655,047
November	994,922	1,014,844	229,561	1,694,907	2,172,593	4,787,676	10,894,503
December	1,051,988	1,110,805	272,335	1,672,288	2,233,730	4,909,055	11,250,201

Note: The data changed from Sudanese Dinar (SDD) to Sudanese Pound (SDG)
100 Sudanese Dinar (SDD) = 1 Sudanese Pound (SDG)

Appendix (VIII) B
Position of Commercial Banks Advances in Foreign Currency (1997-2007)

End of Period	Agriculture	Industry	Exports	Imports	Local Trade	Others	Total
Dec. 1997	0	0	0	0	0	0	0
Dec. 1998	0	0	0	0	0	0	0
Dec. 1999	148,360	84,250	98,140	57,970	39,190	183,290	611,200
Dec. 2000	178,070	105,170	184,580	56,380	102,110	300,840	927,150
Dec. 2001	0	57,700	84,350	86,990	10,280	47,970	287,290
Dec. 2002	8,410	45,580	12,980	189,980	31,950	42,910	331,810
Dec. 2003	4,710	48,810	830	643,020	21,810	68,180	787,360
Dec. 2004	13,020	72,820	0	1,280,270	42,160	96,000	1,504,270
Dec. 2005	3,220	142,590	0	1,890,950	49,470	213,710	2,299,940
Dec. 2006	1,074	162,295	17,873	2,117,296	134,870	329,330	2,762,738
2007							
January	1,023	244,213	13,638	2,097,780	124,523	304,716	2,785,893
February	865	238,388	12,614	2,088,227	131,739	311,987	2,783,820
March	709	262,425	15,165	1,856,476	121,573	177,409	2,433,757
April	507	344,682	5,462	903,194	51,796	193,759	1,499,400
May	11,657	354,589	5,434	758,111	90,919	193,411	1,414,121
June	11,546	398,841	4,982	733,563	92,039	194,180	1,435,151
July	229	400,875	10,162	727,644	68,589	213,752	1,421,251
August	184	384,200	3,858	1,043,633	72,020	196,192	1,700,107
September	16	329,479	7,469	1,053,435	91,902	188,254	1,670,555
October	8	332,899	7,829	1,090,450	90,323	191,977	1,713,486
November	8	326,408	8,374	1,080,992	97,813	221,335	1,734,930
December	0	281,669	10,044	1,071,396	78,049	307,185	1,748,343

Note : The data changed from Sudanese Dinar (SDD) to Sudanese Pound (SDG)
100 Sudanese Dinar (SDD)=1 Sudanese Pound (SDG)

Appendix (VIII) C
Flow of Banking Finance According to Sectors (1999-2007)

End of Period	Agriculture	Industry	Exports	Imports	Local Trade	Others	Total
1999	165,410	143,300	144,530	55,630	70,080	158,260	737,210
2000	182,840	179,860	245,910	72,660	116,560	215,420	1,013,250
2001	227,446	229,861	205,502	96,550	313,864	390,596	1,463,820
2002	327,295	280,010	343,080	91,430	405,620	620,375	2,067,810
2003	450,214	299,140	340,331	122,930	651,000	955,641	2,819,256
2004	460,920	477,260	457,340	196,430	1,040,870	1,657,876	4,290,696
2005	571,110	830,490	339,490	247,390	1,493,610	3,471,590	6,953,680
2006	786,090	848,520	351,300	334,310	1,821,080	6,273,990	10,415,290
2007	861,558	1,314,181	264,893	399,654	2,092,353	7,657,489	12,590,128

Note : The data changed from Sudanese Dinar (SDD) to Sudanese Pound (SDG)
100 Sudanese Dinar (SDD) =1 Sudanese Pound (SDG)

Appendix (VIII) D
Flow of Banking Finance According to Modes of finance (1997–2007)

(SDG Thousands)

Period	Murabaha	Musharaka	Mudaraba	Salam	Others	Total
1997	217,000	94,700	22,600	35,000	48,500	417,800
1998	254,600	99,000	28,400	30,600	56,400	469,000
1999	362,030	227,170	30,250	37,270	80,490	737,210
2000	341,880	434,460	35,550	33,970	167,390	1,013,250
2001	578,690	453,290	91,480	72,990	267,370	1,463,820
2002	742,650	576,510	95,690	68,560	584,400	2,067,810
2003	1,258,591	654,586	160,927	135,211	609,940	2,819,256
2004	1,652,970	1,372,384	246,250	126,526	892,566	4,290,696
2005	3,010,033	2,143,300	292,333	145,159	1,362,856	6,953,680
2006	5,559,130	2,122,280	546,590	133,000	2,054,290	10,415,290
2007	3,044,572	82,279	496,882	1,630,339	7,336,056	12,590,128

Note ; The data changed from Sudanese Dinar (SDD) to Sudanese Pound (SDG)
100 Sudanese Dinar (SDD) =1 Sudanese Pound (SDG)

Appendix (IX)
Spread of Banks During (2006-2007)

States	Banks	Central Bank of Sudan		Specialized Banks		Commercial Banks				Total			
		Dec	Dec	Dec	Dec	National Banks	Joint Venture Banks	Dec	Dec	Dec	Dec	Dec	Dec
		2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
Khartoum State	1	1	18	20	11	22	157	151	4	6	190	199	
Central States (Sinar, Gazira, Blue Nile and White Nile)	2	2	35	29	9	11	66	65	1	1	111	106	
Eastern States (Gadarif, Kassala and Red Sea)	2	2	15	16	2	5	48	45	1	1	66	67	
Northern States (Northern and River Nile)	2	2	22	23	2	3	30	29	0	0	54	55	
Kordofan States (North, Southern and Western Kordofan)	1	1	15	15	7	8	26	23	1	1	49	47	
Darfur States (Northern, Southern and Western Darfur)	2	2	13	14	3	4	20	22	0	0	36	40	
Southern States (Bahr Elgazal, Upper Nile and Equatoria)	2	2	4	4	0	7	12	7	0	0	16	18	
Total	12	12	122	121	34	60	359	342	7	9	522	532	

Appendix (X)
Public Sector Operations (1997-2007)

(Billions)

Particulars	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	*2007
A. Ordinary Public Revenues	1,086	1,592	2,052	3,340	3,652	4,722	7,036	10,239	12,184	15,075	17,941
Direct Taxes	217	312	361	381	408	412	523	746	951	951	1,097
Indirect Taxes	609	850	1,179	1,221	1,472	1,725	2,145	3,457	4,056	4,930	5,433
Others	260	430	512	1,738	1,772	2,585	4,368	6,036	7,177	9,194	11,411
B. Current Public Expenditure	1,244	1,575	1,975	3,125	3,428	3,770	5,633	7,936	10,435	14,713	15,986
Economic Services	24	58	99	97	127	76	127	2,733	3,011	2,078	4,901
Social Services	33	232	328	324	364	327	208	271	327	582	669
Loans Repayments	936	147	202	402	345	292	571	87	489	470	950
Defence & Security	154	522	1,085	1,510	1,004	1,276	1,039	3,200	2,838	3,338	1,044
State Governments	48	99	128	242	250	389	387	842	3,638	7,972	7,738
Others	48	517	133	550	1,338	1,410	3,301	803	132	273	683
Surplus (+) Deficit (-)	158-	17	77	215	224	952	1,403	2,304	1,749	362	1,955
C. National Develop-Expenditure	60	180	295	397	474	1,408	1,729	3,103	3,412	3,540	4,985
Agricultural Sector	18	55	95	130	115	114	388	896	938	1,112	1,644
Energy and Mining	25	56	31	55	105	193	171	376	319	410	834
Water	-	18	23	19	15	11	13	72	6	-	1
Transport and Communication	9	-	18	47	40	38	88	205	347	336	297
Social Development	-	-	43	28	73	13	55	128	140	345	257
Industrial Development	-	6	71	66	98	141	112	181	73	323	112
Development Reserve	-	-	2	30	6	3	6	6	26	1	32
Peace and Settlement Program	-	-	12	22	22	36	49	91	-	-	-
Services sector	-	20	-	-	-	-	-	-	-	-	-
Others	7	25	-	-	-	859	847	1,148	1,563	1,013	1,808
D. Public Sector Overall Pos	(218)	(163)	(218)	(182)	(250)	(456)	(326)	(799)	(1,663)	(3,178)	(2,509)
Deficit Finance	218	163	218	182	250	456	326	799	1,663	3,178	2,509
Foreign Loans	24	34	105	116	54	83	224	499	481	967	1,732
Banking Finance (Net)	194	129	113	66	196	373	102	300	1,182	2,211	777
Self-Finance (Net)	79	39	-	-	-	-	-	-	-	-	-
Local Resources	115	90	113	66	196	373	102	300	1,182	2,211	777

Source: Ministry of Finance and National Economy.
* Preliminary Data

Appendix (XI) A
Inflation Rates During (1997-2007)
(Base Year 1990 = 100)

Year	Higher Income	Medium Income	Lower Income	Geometric Mean
1997				
End December	31.8	32.0	31.1	31.4
Annual Average	46.5	46.7	46.5	46.6
1998				
End December	9.2	7.9	8.0	8.2
Annual Average	16.8	17.1	17.6	17.4
1999				
End December	16.0	17.0	16.8	16.7
Annual Average	16.7	16.0	15.7	15.9
2000				
End December	3.9	3.3	4.0	3.7
Annual Average	7.9	8.0	8.4	8.1
2001				
End December	8.3	7.4	6.6	7.4
Annual Average	5.0	4.9	4.8	4.9
2002				
End December	7.9	8.3	7.8	8.0
Annual Average	9.4	8.3	7.4	8.3
2003				
End December	7.5	8.3	8.6	8.1
Annual Average	6.6	7.7	7.9	7.4
2004				
End December	7.9	7.3	7.4	7.5
Annual Average	9.3	8.5	8.5	8.8
2005				
End December	5.1	5.6	6.1	5.6
Annual Average	7.0	8.5	9.9	8.4
2006				
End December	16.3	15.4	15.7	15.8
Annual Average	8.1	7.1	6.5	7.2
2007				
End December	8.1	8.8	8.2	8.4
Annual Average	8.7	8.1	7.6	8.1

Source: Central Bureau of Statistics

Appendix (XI) B
Consumer price index during the period (1997-2007)
(Base Year 1990 = 100)

Year	Higher Income	Medium Income	Lower Income
1997			
End December	18,188.5	18,754.4	18,619.3
Annual Average	16,179.1	16,604.3	16,491.1
1998			
End December	15,144.3	15,449.5	15,369.9
Annual Average	15,099.3	15,329.9	15,220.4
1999			
End December	16,004.8	16,462.0	16,400.0
Annual Average	16,485.0	17,021.9	16,899.4
2000			
End December	23,939.3	24,478.0	24,416.7
Annual Average	23,787.4	24,366.9	24,206.3
2001			
End December	25,918.9	26,283.7	26,034.2
Annual Average	25,918.9	25,554.0	25,370.1
2002			
End December	27,962.5	28,454.1	28,066.6
Annual Average	27,331.5	27,683.7	27,253.5
2003			
End December	30,068.1	30,803.9	30,479.8
Annual Average	29,122.7	29,818.1	28,394.9
2004			
End December	32,435.1	33,042.3	32,732.9
Annual Average	31,828.1	32,328.2	31,871.1
2005			
End December	34,078.3	34,909.4	34,730.7
Annual Average	34,058.6	35,081.5	35,041.4
2006			
End December	39,629.8	40,392.1	39,968.1
Annual Average	36,840.0	37,606.3	37,306.1
2007			
End December	42,854.7	43,948.4	43,258.6
Annual Average	39,998.0	40,605.7	40,099.6

Source: Central Bureau of Statistics

Appendix (XII)
Estimates or Production of the Main Crops
During 2005/06 and 2006/07 Seasons

Season	Crop	Sector	Cultivated Area Thousand Feddans	Harvested Area	Production Thousand Metric Tons	2005/06		2006/07		Productivity Kg./Feddian
						Productivity	Cultivated Area	Productivity	Harvested Area	
1. Sorghum (Dura)	a. Irrigated Sector		1,105	1,038	803	778	1,368	1,262	1,201	952
	b. Mechanized Sector		11,607	8,879	1,877	211	11,247	7,970	1,868	234
	c. Traditional Sector		7,741	5,888	1,642	279	7,979	6,423	1,930	290
Total			20,453	15,805	4,327	423	20,594	15,655	4,999	492
2. Wheat	a. Irrigated Sector		427	415	414	980	724	674	667	989
	b. Mechanized Sector									
	c. Traditional Sector		6	4	2	500	4	2	2	500
Total			433	419	416	740	728	676	669	745
3. Millet	a. Irrigated Sector		16	15	6	400	18	17	6	364
	b. Mechanized Sector		537	409	60	147	638	489	82	168
	c. Traditional Sector		10,339	7,259	609	84	10,011	7,408.7	708	152
Total			10,892	7,683	675	210	10,667	7,915	796	228
4. Sesame	a. Irrigated Sector									
	b. Mechanized Sector		2,781	2,211	198	86	1,721	1,436	133	90
	c. Traditional Sector		2,530	2,128	202	95	1,627	1,236	109	80
Total			5,311	4,339	400	91	3,348	2,672	242	85
5. Groundnuts	a. Irrigated Sector		208	200	220	1100	256	250	272	1,088
	b. Mechanized Sector									
	c. Traditional Sector		1,407	1,227	335	273	1,676	1,185	292	246

Appendix (XII) Cont'd

Season	Crop	Sector	Cultivated and Harvested Areas			Production			Productivity		
			Thousand Feddan	Harvested Area	Production	Productivity	Cultivated Area	Harvested Area	Production	Productivity	
											2005/06
											2006/07
6. Cotton			1,615	1,427	555	687	1,932	1,435	564	667	
	a. Irrigated Sector		192	175	122	697	220	210	116	550	
	b. Mechanized Sector		237	205	129	629	201	187	124	660	
	c. Traditional Sector		45	38	4	105	47	38	4	110	
Total			474	418	255	477	468	435	244	440	
7. Sunflower											
	a. Irrigated Sector		70	57	39	684	73	66	43	652	
	b. Mechanized Sector		17	15	5	333	88	81	30	370	
	c. Traditional Sector										
Total			87	72	44	509	161	147	73	511	
9. Others											
	- Gaur		10	8	2	250	9	9	2	220	
	- Maize		277	250	109	436	95	88	70	793	
	- Hibiscuses		391	328	16	49	900	641	24	37	
	- Mellon Seeds		1,066	684	16	23	2,645	1,738	26	15	
	- Soya Bean		289	153	11	71	319	219	17	78	
Total			2,033	1,423	154	167	3,968	2,695	139	229	
Grand Total											
	a. Irrigated Sector		2,018	1,900	1,609	4,639	2,659	2,479	2305	4,595	
	b. Mechanized Sector		15,179	11,719	2,269	1,406	13,895	10,163	2237	1,522	
	c. Traditional Sector		24,101	17,967	2,948	1,503	25,312	18,988	3184	1,607	
Total			41,298	31,586	6,826	7,548	41,866	31,630	7,726	7,724	

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

Sugar Production During 1991/92-2006/07
Appendix (XII)

(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	71,636	86,378	64,522	54,193	387,044	667,833
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
2006/07	87,211	83,050	92,038	89,510	405,040	756,849

Source: Sudan Sugar Company and Kenana Sugar company

Appendix (XIV)
**Modes of Transport and communication
during (2006–2007)**

Particulars	2006	2007	Change%
Sudan Airways:			
Passengers On International & domestic Flights (Thousands)	520.1	476.1	(8.5)
Goods on International& domestic Flights (Thousand tons)	17.0	11.4	(33.0)
Sudan Shipping Line:			
Goods Carried (Thousands Tons)	181.7	168.9	(7.0)
Passengers (Thousands)	0	0	0.0
Sudan Railways:			
Goods Carried (Thousand tons)	1,318.0	1,091.0	(17.2)
Passengers (Thousands)	61.0	51.3	(15.9)
River Transport Corporation:			
Goods Carried (Thousand tons)	79.4	71.1	(10.5)
Passengers (Thousands)	25.0	14.3	(42.4)
Land Transport:			
Goods Carried (Thousand tons)	8,000.0	5,555.8	(30.5)
Passengers (Thousands)	19,200.0	22,400.0	16.6

Source: The Above mentioned Sources

Appendix (XV)
Other Manufacturers Industries

Type	unit	real production		change%
		2006	2007	
Oils	S/M/Tone	140	150	7.1
Soap	S/M/Tone	75	80.0	6.7
sweets & *	S/M/Tone	54.5	52.0	(4.6)
flour	S/M/Tone	1,200	1,245	3.8
Biscuits	S/M/Tone	48.0	53.4	11.3
Other Sweets	S/M/Tone	8.0	9.0	12.5
Milk products	S/M/Tone	7.0	7.5	7.1
Jouice	S/M/Tone	39.0	35.4	(9.2)
SoftDrinks	S/M/Tone	382.2	384.0	0.47
Metal Products	S/M/Tone	260	478	83.8
Ceramic	Mitic Square/Million	6.3	9.0	42.8
Paints	S/M/Tone	34.6	22.4	(35.3)
Skin	Million Peace	9.4	4.9	(47.9)
Shoes	Million Unit	17.2	20	16.3
Match	Southhand Unit	530	688	29.8
Carton	S/M/Tone	4.5	5.5	22.2
Dry Baterries	Million Unit	16.8	NA	NA

* Source : Ministry of industry

Appendix (XVI) A
Sudan's Foreign Trade
1. Exports by Commodity during (2005-2007)

(Value in US\$ 000's)

Commodity	Unit	2005	2006	2007			
		Qty	Value	Qty	Value	Qty	Value
Petroleum and Minerals							
Crude Oil	Barrel	79,243,100	4,268,186	90,085,025	5,161,910	137,785,872	8,493,586
Benzine	M.T	480,424	220,728	502,541	356,331	189,478	8,052,734
Kerosene	" "	-	-	26,596	13,389	-	324,254
Light Petroleum Gas	" "	30,858	9,984	14,657	4,517	29,808	15,866
Naphtha	" "	21,538	8,330	20,932	8,949	2,399	1,053
Furnace	" "	-	-	-	-	47,784	5,796
Mixed butagas	" "	-	-	-	-	8,256	4,094
Gasolene	" "	-	-	-	-	-	-
Others Petroleum Products							
Gold	K.G	8,517,287	63,648	6,219,350	64,284	6,049,259	63,201
Lead waste and Scrap	M.T	7,758	940	6,192	970	6,130	883
Iron waste and Scrap	" "	80,609	12,402	54,107	7,688	43,047	7,063
Copper Waste and Scrap	" "	2,972	3,836	1,138	1,757	174	183
Chromium	" "	-	-	-	-	24,703	3,725
Agricultural Products:							
Cotton	Bales	456,614	107,286	482,492	82,256	264,521	68,498
Groundnuts	M.T	3,214	2,014	343	247	1,167	793
Sesame	" "	154,675	118,575	219,047	167,039	111,798	92,787
Gum Arabic	" "	29,213	107,556	20,618	50,174	30,875	51,873
Dura	" "	2,336	492	4,550	1,028	149,142	27,658
Melon Seeds	" "	37,260	9,978	20,047	5,126	16,637	4,306
Hibiscus Flower	" "	18,773	15,406	19,469	19,477	16,438	17,315
Senna pods	" "	1,590	1,487	1,532	1,349	1,236	1,226
Henna	" "	668	839	422	376	49	24
Lubban	" "	305	240	162	140	182	172

Appendix (XVI) A Cont'd

(Value in US\$'000's)

Commodity	Unit	2005		2006		2007	
		Qty	Value	Qty	Value	Qty	Value
Sun Flower Seeds	"	-	-	-	-	-	-
Vegetables	"	2	1	165	64	68	22
Fruits	"	4,934	1,452	3,556	1,082	1,780	542
Animal Resources:				155,358	131,629	86,808	
Sheep and Lambs	Heads	1,266,388	95,401	1,321,464	99,087	846,791	63,279
Goats	"	111,490	2,789	123,095	2,973	43,656	1,778
Cattle	"	1,327	159	-	-	22,242	1,730
Camels	"	86,915	16,441	100,181	19,513	69,881	13,647
Gazal	"	269	85	457	158	24,279	140
Meat	M.T	5,647	18,158	1,345	4,899	1,046	3,351
Hides and Skins	Value	-	21,573	-	4,925	-	2,814
Fresh Fish or Frozen	M.T	2,978	752	1,560	74	62	69
Manufactured Goods:				27,150	28,078	29,823	
Unrefined Groundnuts Oil	M.T	2,045	2,107	2	2	-	-
Sesame Oil	"	100	151	110	110	36	45
Sugar	"	24,109	13,482	17,856	10,116	29,045	19,182
Molasses	"	137,513	11,133	209,409	17,590	131,658	9,624
Yarn	"	-	-	-	-	-	-
Shells	"	350	277	323	260	308	306
Cotton Textiles	Yard	-	-	-	-	-	-
Cake and Meal	M.T	-	-	-	-	4,709	666
Others	Value			8,258	6,593	3,817	
Grand Total		4,824,278		5,655,568		8,879,250	

Source: Central Bank of Sudan and Customs Authority

Appendix (XVI) B
Sudan's Foreign Trade
2. Imports by Commodity During 2005-2007

(Value in US\$ 000's)

Commodity	Unit	2005		2006		2007	
		Qty.	Value	Qty.	Value	Qty.	Value
Food Stuffs:							
Wheat	M.T	1,452,658	373,912	1,369,042	336,512	1,122,804	359,421
Wheat Flour	" "	54,701	9,722	13,258	5,160	9,095	4,208
Sugar	" "	16,987	7,586	17,913	6,995	3,081	1,839
Tea	" "	25,765	36,974	22,315	35,216	32,614	47,576
Coffee	" "	17,132	26,289	22,196	36,435	24,822	33,576
Dairy Products	" "	24,714	47,787	29,905	62,976	29,781	69,408
Fish and Canned Fish	" "	390	368	1,879	1,830	2,524	2,395
Meat and Meat Products	" "	122	46	203	382	761	959
Fruits and Vegetable Products	" "	22,488	15,834	36,685	23,658	32,188	22,327
Vegetables & Veget. Products	" "	11,425	12,964	13,189	14,725	18,547	18,969
Confectionery, Sweets & Biscuits	" "	20,920	16,703	19,535	16,244	21,419	20,754
Lentils	" "	47,622	20,372	70,831	41,570	43,942	29,060
Animal and Vegetable Oils	" "	56,278	33,319	49,24	32,770	54,221	52,593
Spices	" "	4,874	6,145	5,599	8,832	4,431	8,342
Rice	" "	48,068	12,478	48,058	13,354	48,078	14,936
Others	Value	-	190,298	-	109,110	0	135,497
Total			810,796		745,769		821,860
Beverages and Tobacco:							
Soft Drinks	M.T	8,134	21,887	7,460	22,612	9,535	27,563
Cigarettes	" "	124	6,876	244	5,063	262	5,397
Tobacco	" "	2,153	13,782	2,930	20,009	2,984	23,265
Others	Value	-	0	-	-	0	0
Total			42,545		47,684		56,225

Commodity	Unit	Qty.	2005	Value	Qty.	2006	Value	Qty.	2007	Value
Crude Materials										
Petroleum Products	M.T.	984,220	322,006	1,280,316	414,182	550,203	291,406			
Crude Plastic	""	54,580	61,292	64,403	63,259	65,146	94,354			
Crude Rubber	""	1,594	18,191	2,349	29,446	1,708	3,300			
Tallow	""	28,579	13,343	66,818	28,897	15,448	11,232			
Seeds for Sowing	""	4,041	4,760	6,680	7,381	3,851	6,059			
Packing Paper	""	1,236	6,875	1,208	9,189	3,444	96			
Others	Value	0	16	-	7	0	228			
Total			426,483		552,361		406,675			
Chemicals										
Medical & Pharmaceutical Products	Value	0	137,743	-	159,183	-	213,497			
Chemicals Products	Value	0	104,032	-	94,020	-	127,419			
Fertilizers	""	318,318	83,237	153,332	41,896	173,563	83,715			
Tanning and Dyeing Materials	M.T.	14,304	14,917	15,313	12,260	17,706	20,296			
Perfumes and Cosmetics	""	17,840	59,556	23,688	93,077	27,369	57,890			
Explosives	""	5,516	18,027	6,311	19,445	4,547	12,231			
Insecticides	""	992	6,605	1,240	7,759	121	229			
Others	Value	0	69,724	-	62,825	-	59,351			
Total		-	493,841	-	490,465	-	574,628	-		
Manufactured Goods										
Leather Products	M.T.	5,006	10,848	8,247	20,395	7,727	11,910			
Manufactured Rubber	""	6,147	31,435	1,613	32,913	1,398	4,849			
Manufactured Plastic	""	107,420	73,341	55,571	85,124	53,790	98,072			
Manufactured Wood and Cork	""	139,387	52,321	85,109	44,005	66,728	38,966			
Glass and Glassware	""	143,581	39,283	68,834	41,759	49,825	28,420			
Iron and Steel	""	2,657,597	716,624	804,367	656,555	752,243	671,641			
Manufactured Metal	M.T	50,134	86,375	50,650	116,874	47,207	198,243			
Footwear	Value	0	32,661	-	47,012	-	55,437			
Jute and Sacks	No.	18,369,284	46,065	27,208,835	57,278	23,349,529	37,511			
Books, Magazines, and Newspapers	M.T	3,395	44,732	4,697	56,015	5,440	67,341			

(Value in US\$ 000's)

Commodity	Unit	2005		2006		2007	
		Qty.	Value	Qty.	Value	Qty.	Value
Cement and Asbestos Pipes	"	1,144,251	109,956	915,451	111,464	837,185	183,521
Scientific Equipments	Value	0	104,948	-	92,200	-	116,406
Paper Products	M.T	98,851	64,575	64,079	78,702	61,801	78,358
Ceramic Products	"	67,232	50,244	98,533	58,846	101,317	35,252
Toys and Sport Goods	Value	0	50,339	-	41,117	-	10,500
Others	"	0	114,117	-	100,574	-	305,191
Total			1,627,864		1,640,833		1,941,618
Machinery and Equipments:							
Non-Electrical Appliances	M.T	189,497	524,902	113,783	529,190	108,322	975,758
Electrical Appliances	"	60,492	241,100	95,707	553,417	81,614	918,945
Refrigerators	No.	184,620	15,632	59,055	24,337	194,684	42,483
Air Conditioners	"	183,579	85,752	170,415	143,787	135,982	43,695
Machinery Spare Parts	Value	0	370,922	-	565,019	0	871,639
TV, Radios and Recorders Etc.	No.	0	369,050	-	495,390	0	107,171
Dry Batteries	"	708,500	114	47,810	268	238,319	361
Accumulators	"	459,244	15,149	443,752	13,905	643,039	27,768
Tractors	"	31,554	281,327	17,645	356,682	107,004	202,595
Ovens	"	30,400	14,456	62,457	124,409	58,838	2,049
Others	Value	0	53,479	-	4,131	0	2,944
Total			1,971,883		2,810,535		3,195,408
Transport Equipments:							
Railway Locomotives	No.	8	9,917	384	21,298	232	61,659
Railway Wagons	"	2,220	1,823	353	10,053	432	8,353
Motor Cars	"	44,465	164,769	43,750	255,628	47,626	341,484
Trucks and Lorries	"	29,212	342,765	21,596	438,494	375,828	375,121
Buses	"	145	6,063	271	23,216	582	24,407
Tyres and Tubes	"	2,168,959	42,787	1,814,498	35,166	2,158,264	88,300
Auto-Spare Parts	Value	0	310,418	-	604,227	0	471,519
Motor-Cycles	No.	5,942	8,558	9,688	10,527	59,334	14,624
Bicycles	"	274,509	8,333	370,445	10,043	81,686	9,062
Aircrafts	"	2,006	2,595	17	7,342	2,044	11,150

Appendix (XVII) B Cont'd

(Value in US\$ 000's)

Commodity	Unit	2005		2006		2007	
		Qty.	Value	Qty.	Value	Qty.	Value
Aircrafts Spare Parts	Value	0	124,827	-	17,937	0	12,893
Locomotive Spare Parts	"	0	15,944	-	39,907	0	16,853
Ferries and Steamers	No.	1,696	819	2,212	16,706	715	27,697
Others	Value	0	110,121	-	-	0	0
Total			1,149,739		1,490,544		1,463,122
Textiles:							
Yarn	M.T	1,041	3,330	1,592	5,995	10,132	6,396
Sewing Threads	"	349	1,130	407	1,228	342	1,274
Woven Synthetic Fabrics	"	18,687	91,404	22,512	120,358	15,656	96,128
Woven Cotton Fabrics	"	133	322	345	1,241	259	1,643
Woven Flax Fabrics	"	1,957	1,792	55	131	108	212
Man-Made Filament and Staple	"	96	504	130	431	110	332
Wadding of Textile Materials	"	1,360	3,081	2,097	4,299	1,648	5,274
Carpets	Value	0	2,176	-	2,319	0	2,574
Special Woven Fabrics	M.T	1,182	9,985	1,065	7,798	1,264	9,562
Knitted or Crocheted Fabrics	"	19	31	27	109	3	22
Ready Made Clothes	Value	0	113,881	-	151,203	0	192,364
Others	"	0	6,033	-	195	0	140
Total			233,669		295,307		315,921
Others			-	-	-	-	-
Grand Total			6,756,820		8,073,498		8,775,457

Source: Central Bank of Sudan and Customs Authority

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

(US\$ Millions)

Importers	2005	2006	2007
Asian Countries:	4,155.2	4,872.8	8,158.8
China	3,427.1	4,243.9	7,276.9
Japan	577.5	522.6	756.4
India	30.8	22.5	16.4
South Korea	7.9	6.2	49.6
Indonesia	40.1	2.4	1.6
Other Asian Countries	71.8	75.2	57.9
Arab Countries:	377.8	549.5	423.2
United Arab Emirates	90.0	227.4	224.9
Saudi Arabia	136.4	126.4	98.1
Egypt	78.7	96.8	54.4
Other Arab Countries	72.7	98.9	45.8
European Countries:	140.3	102.1	187.7
European Union Countries	109.8	61.3	39.8
United Kingdom	21.8	19.0	29.4
Other West European Countries	8.7	21.8	118.5
Canada	63.0	63.2	60.3
U.S.A.	12.3	4.9	9.4
Other Countries	75.7	64.1	39.8
Total	4,824.3	5,656.6	8,879.2

Source: Central Bank of Sudan and Customs Authority

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

(US\$ Millions)

Exporters	2005	2006	2007
Asian Countries:	2,560.1	3,522.5	4,073.3
China	1,383.0	1,679.4	2,436.2
India	317.8	599.0	546.5
Japan	341.8	535.8	367.8
South Korea	149.8	335.4	305.6
Indonesia	49.9	71.6	79.1
Other Asian Countries	317.8	301.3	338.1
Arab Countries:	1,765.5	1,804.8	1,924.5
Saudi Arabia	627.5	649.3	654.6
United Arab Emirates	394.7	444.7	480.4
Egypt	369.5	428.2	493
Other Arab Countries	373.8	282.6	296.5
European Countries:	1,526.1	1,735.0	1,598.3
European Union Countries	751.8	1,096.2	1,014.8
United Kingdom	221.9	307.8	250.6
Other West European Countries	552.4	331.0	332.9
Australia	221.8	223.1	178.1
U.S.A.	129.7	104.0	154.4
Other Countries	553.6	684.1	846.8
Total	6,756.8	8,073.5	8,775.4

Source: Central Bank of Sudan and Customs Authority.

Appendix (XVIII)
Balance of Payments

(US\$ Millions)

	2005	2006	2007
A. Current Account:	(2,830.3)	(4,919.4)	(3,268.2)
Exports (FOB)	4,824.3	5,656.6	8,879.2
Petroleum	4,187.4	5,087.2	8,418.5
Others	636.9	569.4	460.7
Imports (FOB)	(5,946.0)	(7,104.7)	(7,722.4)
Government Purchases	(646.7)	(1,142.8)	(1,372.8)
Private Sector Purchases	(5,299.3)	(5,961.9)	(6,349.6)
Trade Balance	(1,121.7)	(1,448.1)	(1,156.8)
Services, Income and Transfers A/C	(1,708.6)	(3,471.3)	(4,425.0)
Receipts	2,162.1	2,767.4	3,068.4
Payments	(3,870.7)	(6,238.7)	(7,493.4)
B. Capital and Financial A/C	2,427.2	4,611.0	2,945.5
1. Direct Investment (Net)	2,304.6	3,534.1	2,425.6
2. Portfolio Investment (Net)	11.1	(35.3)	45.6
3. Other Investment (Net)	111.5	1,112.2	474.3
a. Official Loans:	10.4	100.2	453.7
Drawings	222.4	276.7	592.4
Repayments	(212.0)	(176.5)	(138.7)
b. Trade Credit and Facilities (Net)	676.7	724.9	503.5
c. Commercial Banks (Net Foreign Assets)	(173.9)	36.4	(96.6)
d. Central Bank of Sudan (Net Foreign Assets)	(359.7)	174.3	(121.5)
e. Central Bank of Sudan Foreign Liabilities Shortterm	42.9	156.4	24.8
f. Other Net Foreign Assets	(85.0)	(80.0)	(532.5)
Current and Capital and Financial A/Cs Deficit (-) or Surplus (+)	(403.1)	(308.4)	(322.7)
Errors and Omissions	933.6	99.8	40.7
Convertible Currency Reserve (Overall Balance)	(530.53)	(208.6)	(282.0)

Appendix (X) A
Position of the Public Sector Loans as at 31.12.2007

(US \$)

Item	Principal	Total Drawings up to 31/12/2007	Drawings during 2007	Repayments during 2007	Cumulative Repayments as at 2007	Debt outstanding as at 31/12/2007	Balance to be drawn as at 31/12/2007
International Organizations:							
World Bank and IDA Loans	1,326,571,564	0,000	1,323,990,017	0,00	70,825,001	1,253,165,017	2,581,546
I.F.A.D	208,687,252	12,740,000	169,401,372	2,690,000	40,260,481	129,140,890	39,285,880
I.M.F	1,463,733,635	0,000	1,463,733,635	50,960,000	946,125,000	517,608,635	0,000
Islamic Development Bank	229,436,469	31,140,000	194,101,138	7,660,000	52,471,188	141,629,950	35,335,331
O.P.E.C Fund	147,336,664	2,290,000	134,704,842	2,700,000	108,444,501	26,260,341	12,631,822
Arab Monetary Fund	339,874,655	0,000	334,135,893	1,600,000	20,139,000	313,996,893	5,783,761
Arab Fund for Social and Economic Development	842,190,223	134,140,000	757,955,812	15,740,000	292,424,162	465,531,650	84,234,411
African Development Fund	286,914,885	0,000	271,945,256	0,000	12,436,000	259,509,256	14,969,629
African Development Bank	120,180,348	0,000	111,615,822	0,000	37,817,000	73,798,822	8,564,526
European Investment Bank	70,289,412	0,000	70,289,412	0,000	915,003	69,374,409	0,000
Sub-Total	5,035,215,107	180,290,000	4,831,873,199	81,350,000	1,581,857,336	3,250,015,863	203,386,906
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
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	728,127,832	0,000	0,000	728,127,832	0,000

Item	Principal	Total Drawings during 2007	Drawings up to 31/12/2007	Repayments during 2007	Cumulative Repayments as at 2007	Debt outstanding as at 31/12/2007	Balance to be drawn as at 31/12/2007
Arab Countries:							
Abu Dhabi Fund	247,175,217	52,190,000	233,763,277	4,180,000	18,707,545	215,055,732	13,411,940
Kuwaiti Fund	397,653,308	37,620,000	387,513,608	12,020,000	244,621,589	142,892,019	10,139,699
Saudi Fund for Development	1,471,526,000	79,640,000	1,446,626,994	5,900,000	95,162,245	1,351,464,749	24,899,006
Egypt	73,344,114	0,000	73,344,114	0,000	6,498,000	66,846,114	0,000
Abu Dhabi Gov.	55,000,000	0,000	55,000,000	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
Algeria	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	0,000	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
Arab Banking Corp.	4,147,257	0,000	4,147,257	0,000	4,147,000	257	0,000
Sub-Total	3,445,644,784	169,450,000	3,397,182,138	22,100,000	608,322,379	2,788,859,759	48,462,645
Other Countries:							
Czechoslovakia	38,693,798	0,000	38,693,798	0,000	20,000,000	18,693,798	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	2,694,710,000	51,830,000	2,115,770,000	38,090,000	672,736,000	1,157,697,062	578,940,000
India	441,900,000	105,020,000	127,549,490	3,130,000	7,950,000	119,599,490	314,350,511
Malaysia	250,000,000	0,000	200,000,000	0,000	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	9,210,000	55,654,000	1,420,000	17,013,000	38,641,000	1,280,000
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	206,032,930	0,000	206,032,930	0,000	0,000	206,032,930	0,000
Commodity Loans	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Sub-Total	3,015,765,192	166,060,000	2,640,527,917	42,640,000	797,998,000	1,842,529,917	375,609,512
Grand Total	12,224,752,914	515,800,000	11,597,711,086	146,090,000	2,988,177,715	8,609,533,371	627,459,063

Appendix (XIX) B
Loans and Grants Contracted During the Year 2007

(US\$ Millions)

Institution	Project	Amount	Loan Fees	Repayment Period
I.F.A.D	Botana Project for rural Development	24,800,000.00	0.75%	30 Years
	Finance to RAHAD Project	20,600,000.00	1.00%	15 Years
O.P.E.C	Finance to import goods / services – White Nile sugar company	50,000,000.00	5.75%	8 Years
	Finance to import goods / Marawi Dam	50,000,000.00	75.5%	11 Years
	Finance to import goods / services – White Nile sugar company	56,101,365.59	6.00%	10 Years
	Darfur Emergency relief programme	8,933,333.33	0.75%	30 Years
Saudi Development Fund	Institutional support for the National Programme to Combat Malaria	177,333,333	0.00	-
	Malaria control in central Sudan	6,933,333.33	0.75%	30 Years
	Finance the establishment of three regional hospitals	12,246,666.67	2.50%	25 Years
China	Solar energy project – North khordofan	6,788,992.00	5.00%	3.5 Years
	Parallel Line Khartoum - port Sudan	1,098,132,680.00	4.00%	19.5 Years
India	Purchase of goods and services EXIM bank	48,000,000.00	1.75%	20 Years
	Purchase of goods and services EXIM bank	52,000,000.00	1.75%	20 Years
Fund donors	Draft Micro finance	15,000,000.00	0.00	-
	National Currency	22,300,000.00	0.00	-
	Catch – up project – South Kordofan	7,800,000.00	0.00	-
	Project to support livestock production and marketing	4,000,000.00	0.00	-
	Catch – up project – Blue Nile state	7,300,000.00	0.00	-
TOTAL		1,491,113,704.25		

Source : Ministry of Finance

Appendix (XIX) C
Grants Contracted During the Year 2007

Institution	Project	Amount (US\$ Millions)
Arab fund for economy and social development	Finance a project to develop the institutional support and capacity-building of women's Republic of the Sudan	300,358.55
Islamic Development Bank	Finance a project for the development of institutional support for the rehabilitation of the National Institute for Research in manufacturing oil seeds	285,000.00
African Development Fund	Capacity-building project in poverty sector - good governance	14,300,000.00
Japan	Reconstruction of the existing water village No. four - New Halfa	750,000.00
	Total	15,635,358.55

Source : Ministry of Finance

Appendix (XIX) D
Drawings of Loans and Grants For the years 2006 and 2007

(US\$ Millions)

Particulars	2006	2007
Loans:		
OPEC Fund	276.69	515.82
Arab Monetary Fund	4.12	2.29
IFAD	0.00	0.00
Islamic Development Bank	5.93	12.74
Kuwaiti Fund	27.63	31.13
Abu Dhabi Fund	22.31	37.62
Arab Fund for Economic And Social Development	37.31	52.19
Saudi Fund	116.66	134.14
Oman	33.43	79.64
China	0.58	0.00
India	18.04	51.83
Turky	6.72	105.02
	3.96	9.21
Grants:	370.63	178.08
Commodity Grants	250.87	89.57
IFAD	0.04	0.11
Islamic Development Bank	0.26	0.26
Arab Fund for Economic And Social Development	5.08	3.62
Saudi Fund	0.00	0.00
African Development Bank	105.55	0.00
United Nations Organizations	8.83	46.64
The Donors Fund	8.83	37.88
Total	647.32	693.90

Source: Central Bank of Sudan.

Appendix (XIX) E
Grants Contracted During the Year 2007

(US\$ Millions)

Project	Institution	Amount
World Food Programme	Country programme - school feeding project - water harvesting project	6,100,000.00
U.N.D.P	Basic social services	19,489,693.06
	Human development and capacity building	3,274,272.03
	Economic Polices	84,429.77
	Development of good governance	13,795,211.87
	Information and Statistics	171,303.78
	Dependency and social protection	74,543,611.77
	Clerical support	5,396,515.96
	Productivity support	81,457.53
Total		116,836,495.77
U.N.P.F	Basic social services	2,430,416.64
	Human development and capacity building	1,812,117.15
	Information and Statistics	6,301,955.80
	Dependency and social protection	2,635,690.12
	Clerical support	255,549.16
Total		13,435,728.87
U.N.C.F	Basic social services	83,596,402.29
	Human development and capacity building	1,003,781.96
	Information and Statistics	1,693,501.84
	Dependency and social protection	22,409,205.24
	Clerical support	114,474.84
Total		108,817,366.17
Grand Total		245,189,590.81

Source : Ministry of International Cooperation.

