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Extractive Industries and Sustainable Job Creation

**Investment Climate in Sudan
(Laws & Regulations)**

By

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The views expressed are those of the author and do not necessarily reflect
the views of UNCTAD.



Republic of Sudan
Ministry of Investment

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Cubic Globe



Out lines

- **General Facts about Sudan including location**
- **Economic Performance and policies**
- **Investment laws & Incentives**
- **Resources and Infrastructural build up**
- **The way forward**





Basic Information about Sudan

■ **Area: 1.86 million sq. kilometers**

■ **Population: 37 million**

■ **Federal government system**

■ **Capital : Khartoum**

■ **Currency:- Sudanese Pound**

■ **Language:- Arabic is the main**

language (English is also widely used).

■ **Time Zone:- GMT+3**





STRATEGIC LOCATION

- **Outlet to landlocked neighbouring countries**
- **Neighbours Key Food Deficit SSA Region**
- **8 hours sea navigation from Port Sudan to Jeddah**
- **Smooth asphalt roads to Egypt & Ethiopia and the one to Chad is in progress**
- **Trade Agreements:**
 - **GAFTA 200 million inhabitants**
 - **COMESA: FTA 400 million inhabitants**





Economics Indicators

GDP in billion US\$

Item	2013		2014	
	value	%	Value	%
GDP	57.2		79.3	
<i>Agricultural sector</i>	19.3	33.8%	25.0	32 %
<i>Industrial sector</i>	8.7	15.2%	17.2	21 %
<i>Services sector</i>	29.2	51%	37.2	47 %

Inflation Rate :

2014	25.7 %
<i>May 2015</i>	19.8 %
<i>June 2015</i>	18.3 %
<i>July 2015</i>	14.1 %



Economic policies:

The 5 years economic program(2015—2019) targets a 7.1% growth rate by:

- **leveraging the market mechanism to allocate resources**
- **Empowering the private sector to take hold of 70% of the economic activities**
- **Enhancing trade liberalization policies and removing consumption subsidies**
- **4- Strengthening FDIs attraction measures.**





Investment Laws & Regulations

- **Important Aspects of the Investment Encouragement Act**
- **Non-discrimination between invested capital whether local or foreign.**
- **Non-discrimination between similar projects with regard to concessions.**
- **Freedom of transfer of profits and employees savings and re-exportation of machinery and equipment.**





Investment Guarantees

- **Investors are guaranteed against:**
- **nationalization or expropriation of their projects.**
- **confiscation or sequestration of any invested money.**





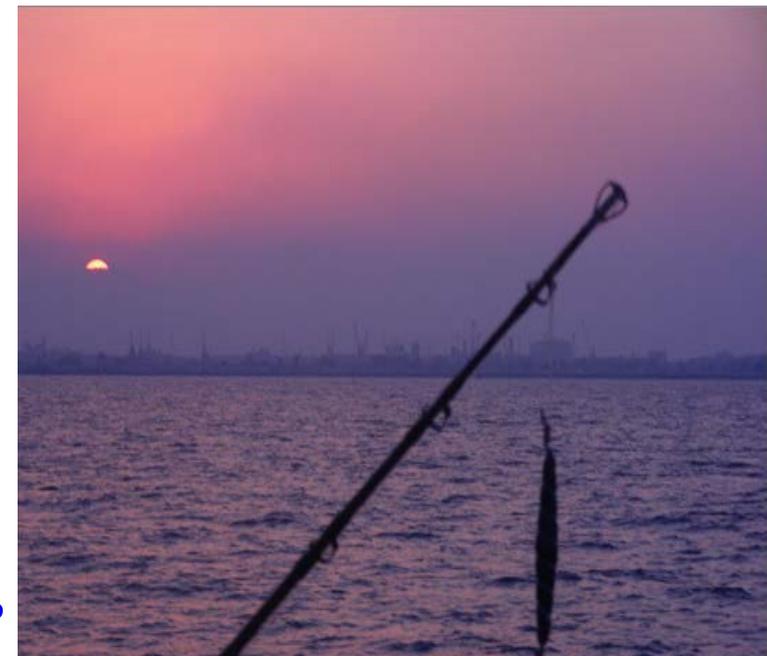
Incentives Package:

- **Industrial projects are subject to 10% tax on business Profit and enjoy full exemption from custom duties on capital goods.**
- **Agricultural projects are taxed at 0% rate on business Profit Tax and fully exempted from custom duties on imported capital equipment.**
- **Service sector projects profits are taxed at 15 % and enjoy full exemption from custom duties.**
- **Capital equipment and production inputs are exempted from V.A.T upon the list accredited by the Ministry of Investment**



Free zones incentives and privileges:

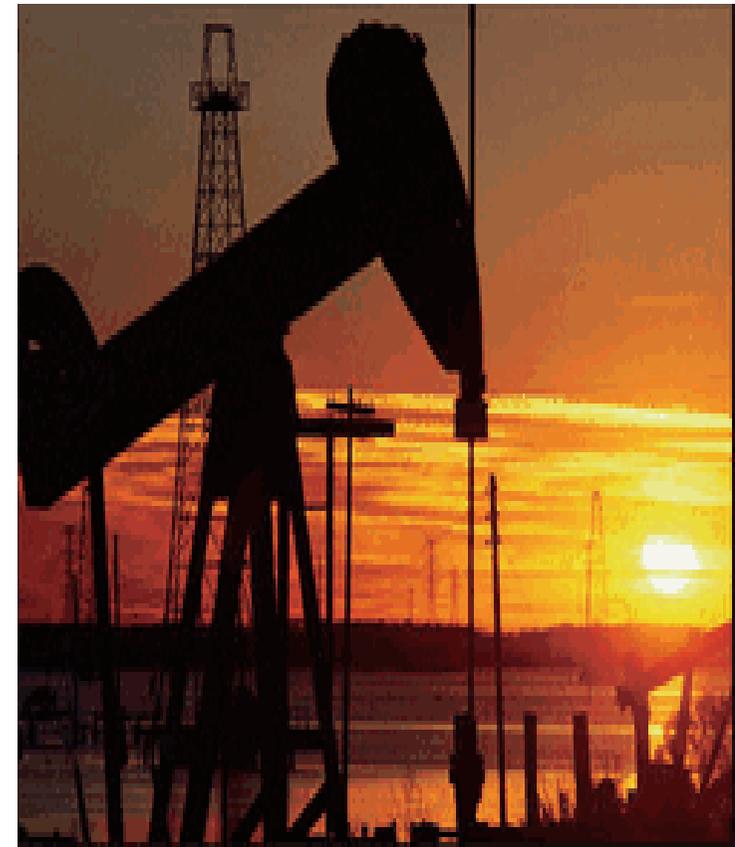
- **100% ownership**
- **100% repatriation of capital and profits**
- **No personal income tax**
- **No corporate tax**
- **No currency restriction**
- **No restriction on staff recruitment.**





Mineral Resources

Numerous mineral ores including gold, Silver, Chrome, Iron, Zinc, Cupper and Tin. Also the country has considerable reserves of Petroleum and Gas.





AGRICULTURE RESOURCES

DIVERSE ECOSYSTEMS TRAVERSED BY THE RIVER NILE AND TRIBUTARIES

Conducive for diversified sustainable agriculture *production*

Total Area: 88 million hectares

Arable Lands: 60 million hectares

Only 20% cultivated

Renewable Water

Resources:

River Nile, Blue Nile, White Nile, Atbara River

Seasonal streams

Rain-fall

- **Under-ground aquifers**
(80% Sudan lies in Nile Basin)



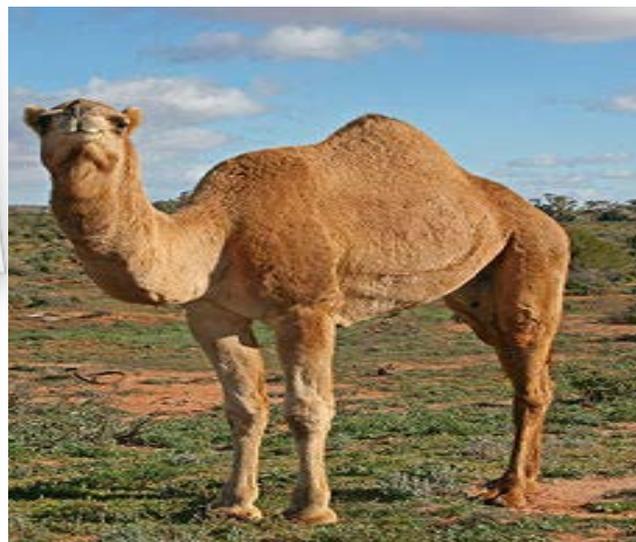


Animal Resources:

- Varieties of livestock amounting to over 100 million heads

**including Cattle ,Sheep ,Camels and Goats in addition
to wildlife.**

**- Over 100000 tons annual fish reserves in rivers and Red
Sea.**



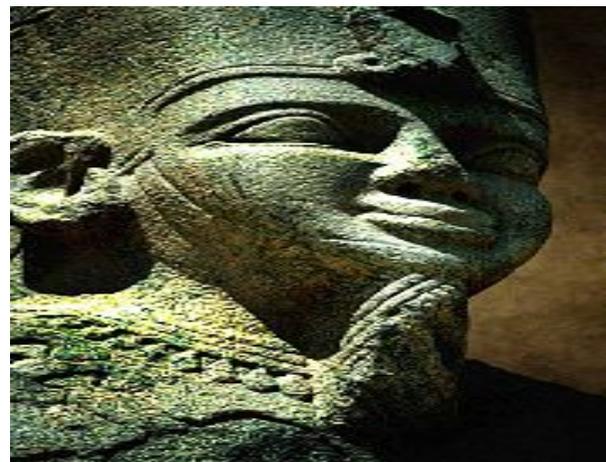
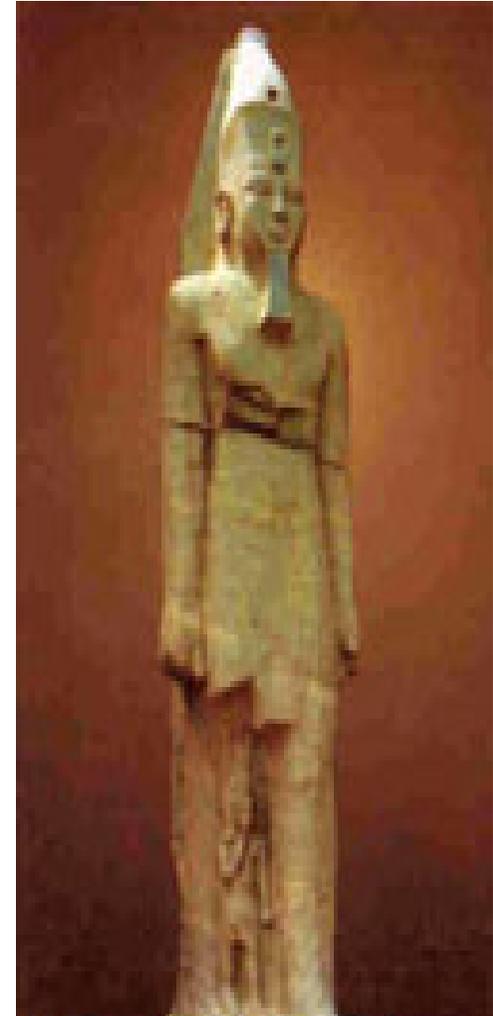


Tourism



Availability Of attractive tourist sites :-

- Red sea coast , Gebel Marra western Sudan
- Archeological sites of the old Kushite kingdom,
Blue Nile state and River Nile banks.





Infrastructural buildup :-

- **The country has installed modern technologies in telecommunication.**
- **Railways rehabilitation programs are in progress.**
- **Existing sea and river ports are rehabilitated and supplemented**

by new ones

- **Highways joining different parts of the country have been**
- constructed.**





Infrastructural buildup :-

- **The National electricity grid is enlarged to include Blue Nile, Cordofan and Darfur states.**
- **Plans for employing mixed electricity generation sources are in progress.**





Free zones:

The Red Sea Free Zone :

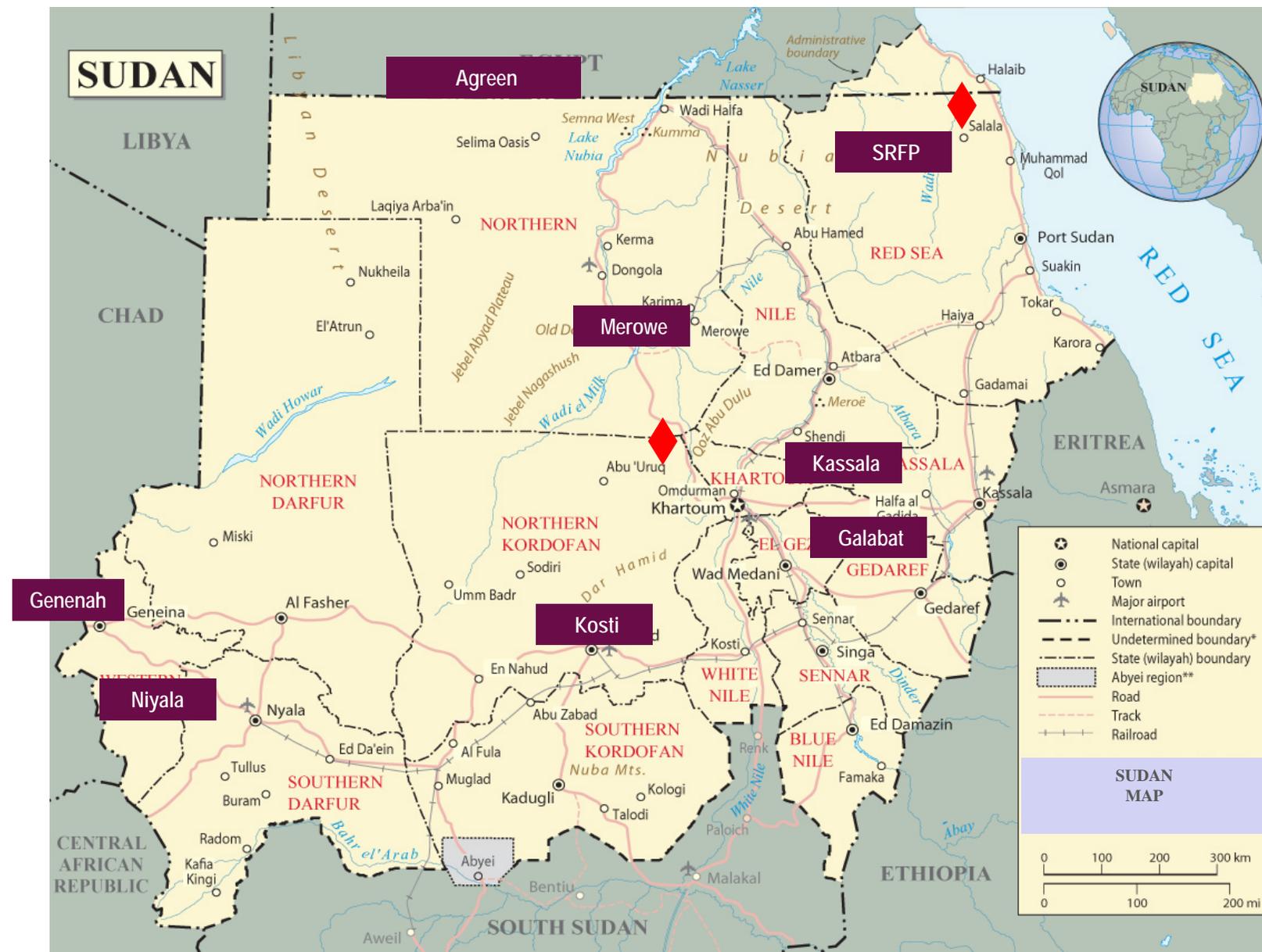
- located on the Red Sea coast 17 kilometers south of Port Sudan International Airport,
- 38 kilometers south of Port Sudan
- 20 kilometers north of the port of Suakin (Osman Digna).
- located between the two ports (Port Sudan - Sawakin)
- Total area is 26 square kilometers

Garri Free Zone:

- located north of the capital Khartoum
- 70 kilometers west of Khartoum refinery of Sudanese oil
- Total area is about 26 square kilometers

Expected New Free Zones

- Agreen
- SRFP
- Merowe
- Kassala
- Kosti
- Galabat
- Genenah
- Niyala





The way forward:

- **The task ahead is to address the infrastructural deficiencies by attracting additional private investments to power generation and railways modernization**
- **Additional efforts are now being exerted to cut down the cost of doing business and improving Sudan's rank in the ease of doing business.**



