South Sudan
Country Note

Located in East Africa, South Sudan is the world’s youngest nation with incredible, untapped potential across a number of sectors. Endowed with enormous natural resources and surrounded by five of the largest and fastest growing economies in Africa—which combined represent more than US$100 billion in annual economic output and an average growth rate of 7% —South Sudan is ideally situated to access key regional and international markets.

While South Sudan’s political, economic, and social development is in its infancy, a legal framework for investors, co-developed with a team from the International Monetary Fund (IMF) and the World Bank, has been established to encourage the nascent private sector.

Why invest in South Sudan:

Six new laws, including an Investment Promotions Act, have been passed covering contracts, limited partnerships, and business entry. An additional eight laws are ready for promulgation.

The South Sudan Investment Authority was created to offer businesses clear guidelines for investing in the country.

The existing business registry has been strengthened, with streamlined procedures, enabling businesses to incorporate within one day.

Development partners are working to implement additional investment climate reforms, increase capacity building, and improve access to finance.

Economic Drivers:

- **Oil**: South Sudan sits on the third-largest oil reserves in Africa, 98% of the government’s revenue comes from oil production royalties.
- **Agriculture**: Estimates suggest that at least 90% of South Sudan’s land is suitable for farming.
  - Only 4.5% of South Sudan’s arable land is under cultivation, and the nation imports more than 90% of its food.
  - Opportunities exist across the value chain, particularly with storage and processing facilities. Significant resources are also needed for agricultural inputs (fertilizers, machinery, etc.) to fully develop the sector.
- **Infrastructure**: Government of South Sudan (GoSS) is developing an infrastructure investment plan that will devote $500 billion over the next five years to infrastructure development, emphasizing public-private partnerships.

Capacity constraints

- South Sudan’s human development indicators, including health and education, are extremely low as a result of decades of conflict and displacement.
- South Sudan’s maternal mortality rate is the worst in the world.
- 73% of the population is illiterate.
- The country has less than 60 miles of paved roads.
**Trade & Investment:**

India's trade with South Sudan is small. The main items of Indian imports from South Sudan are oil and timber and India's exports mainly comprise of consumer and household goods, food items, pharmaceuticals, two & three wheeler motorcycles.

ONGC of India - Videsh Ltd. (OVL) has made an investment of around US$ 2.5 billion (spread over South Sudan and Sudan) in the hydrocarbon sector since 2003.

**East Africa Community:**

Government of South Sudan became the sixth partner state in the East African Community (EAC), a move that will expand the market for the country’s exports. The EAC is a market of 130 million people with a GDP of $75 billion; it is expected to grow by 5.8% in 2011. East African countries are already responsible for 80% of South Sudan's trade, and merchants from Kenya and Uganda have been flooding into Juba to capitalize on the new market.

**Sources:**

Ministry of Economic Affairs, India:  

Embassy of the Republic of South Sudan: http://embassy-southsudan.de/geschaft-wirtschaft/investoren/?lang=en