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Statement by the Hon. **ALI MOHMOUD MOHOMED ABDELRASOUL**,
Governor of the Fund and the Bank for **SUDAN**

Sudan Statement

By Minister of Finance and National Economy

Hon. Ali M. Abd Alrasoul

Economic Performance

The period 1998 – 2009 witnessed the highest and longest growth episode in the history of Sudan. Averaging 8% per annum, the gross domestic product (GDP) supported higher per capita income, and prudent macroeconomic management decelerated inflation to a manageable level and reduced the current account imbalance. However, the global crisis significantly undermined Sudan's social and economic development and progress towards the MDGs.

Peace Building

The political leadership deserves credit for committing to peace and democracy. The government signed a comprehensive peace agreement (CPA) that ended decades of internal fighting, and gave way to self-autonomy in southern Sudan. Implementation of The CPA is well advanced, and will be concluded in January 2011 with a referendum which would allow the citizens of the southern region to choose between staying in a united Sudan and seceding.

Political Progress

Moreover, in transitioning to multi-party democracy; general elections, the first after more than twenty years, have brought to power elected federal and state governments and parliaments. Not only that, but a decentralized system has also been entrenched with more devolution of authorities to the states.

Debt Distress

Regrettably, the picture is not invariably rosy. With about thirty six billion US dollar in foreign debts, mostly in past due arrears, Sudan is severely debt-distressed and its development is quite vulnerable. Due to debt arrears, Sudan has been deprived from any concessional financing from the international organizations. This financing is considered to be vital to prop up its development and poverty reduction efforts. Not even during the recent global crises has Sudan received any

support. While eligible for debt relief under the highly indebted poor countries initiative (HICP), the country has not been able to access these vital resources due to unfair political pressures. Ironically, this happens despite strong commitment to economic and structural reforms for more than a decade, and good track record that is recognized by the IMF. Should the lack of international support persist, particularly for debt relief, peace, progress and development will never be consolidated despite limited oil revenues. Vulnerability to external shocks, as well as risk of falling back into conflicts will remain high.

In September 24th, 2010 the United Nations Secretary General convened a High Level Meeting on Sudan attended by fourteen Heads of States and Governments; and sixteen ministers beside other dignitaries. The summit issued a communiqué urging all the development partners to support peace in Sudan. In his speech, the President of the US clearly stated that fulfilling obligations will lead to improved relations between Sudan and the US including supporting agricultural development, expanding trade and investment; exchanging ambassadors; and eventually lifting sanctions. Noteworthy, Mr. Obama also urged the international community to support the peace in order for the people of Sudan to reap its rewards in terms of schools for the children, homes and farms for the families, trade and exports of goods, and elevated standard of living.

The stakes are high, and the people of Sudan believe that the moral imperative for the international community is to step up to the plate to assist Sudan in consolidating its peace and development, and avoid falling into the violence trap. It is in that vein that we urge the Breton Woods Institutions to be vigilant to seize the opportunity to re-engage and normalize fully their relationships with Sudan by providing technical and concessional financial aid from IDA, IFC, MIGA and IMF's various facilities. This can only be possible after availing debt relief to Sudan on equal footing with the African countries who have received support long time ago.