



**BANK OF SOUTH SUDAN (BoSS)**  
**Office of the Governor**

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**Press Conference**

**Good afternoon, ladies, and gentlemen of the press.**

Considering the recent development in the market; particularly on the exchange rate, the SSP has been depreciating rapidly over the last two weeks. This trend is a repeat of a year ago and numerous factors, others internal and the rest are external, which the country does not have control over them.

We call the media fraternity today, to enlighten you so that you can also disseminate accurate information to the public on what reasons are responsible for the depreciation of SSP and the strategies the Bank of South Sudan is taking to curb down the further fall in the exchange rate.

Over the last year, South Sudan has seen a very significant decline in inflation. The inflation fell into single-digit figures in recent months. This was made possible by improved economic conditions and macroeconomic reforms that have sought to stabilize prices and bring greater transparency and predictability to the foreign-exchange market. These reforms have helped reduce inflation in South Sudan at a time when it was rising in many other countries.

The war in Ukraine has been a major shock for global commodity markets. South Sudan's oil revenues are increasing and the country is not directly dependent on imports of grain from Ukraine and Russia. But we are still seeing rising prices of refined petroleum products and food items which are imported from our regional countries. These developments are expected to contribute to a rise in inflation in the coming months.

**Way Forward:**

The Government is taking steps to reduce the impact of higher prices on people's livelihoods. As of this week, the Ministry of Finance and Planning has begun to clear salary arrears, which will help increase households' purchasing power. The Bank of South Sudan is closely coordinating with the Ministry Finance to ensure that this is done while maintaining macroeconomic and price stability.





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**FX market developments:**

**a. Possible reasons for the recent depreciation of the SSP.**

- Speculation by market dealers.
- The ongoing payment of civil servants' arrears.
- High demand for FX to meet high cost of imports (fuel, food items, building materials, medicine, others)
- Too many public holidays since December last year to May 2022 have also affected the BoSS schedule for FX Auctions to off-set the parallel markets through CBS and Forex Bureaus).
- Increase in Broad money brought by increase in currency outside DC by 13% in April 2022.

**b. BoSS plans to manage market expectations through auctions or public communication.**

- To increase the frequency and volume of auction i.e Commercial banks from USD 3M to USD 5M and Forex Bureaus from USD 2M to USD 3M totaling to USD 8M per week
- Technical Assistance (TA) on improving communication skills

**c. Prospects for improving reserve coverage considering higher oil prices.**

- Increasing oil production
- Strict adherence to MOU between BoSS, Ministry of Petroleum, and Ministry of finance and planning regarding oil receipts (transparency)

**2. Monetary policy:**

**a. BoSS assessment of recent price and financial developments in South Sudan.**

- High prices of food and fuel
- Global shortage of food and fuel which has caused food prices to hike because of Russia invasion of Ukraine
- Low lending because of lack of collateral

**b. Update on BoSS plans to operationalize term deposit facility, or other new monetary tools.**

- Term Deposit Facility (TDF) has been conducted once in which one commercial bank participated





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- Term Deposit Facility (TDF) has been conducted once in which one commercial bank participated
- Most commercial banks failed to participate because of low interest rate on TDF
- BoSS is planning to start central bank bills

The Bank remains committed to the unified exchange rate, and to keep the FX market free from other impediments, to ensure that business and household remain able to purchase foreign currency at predictable and competitive rates.

The Bank is keeping money growth below its growth ceiling of 10% per year, to ensure that the external pressures on prices in South Sudan are not compounded by excessive money growth domestically.

Moses Makur Deng  
Governor,  
Bank of South Sudan

