



BANK OF SOUTH SUDAN (BOSS)

Office of the Governor

August 04, 2022

Press Conference:

Possible causes of SSP depreciation or USD appreciation:

1. Due to international factor USD is appreciating worldwide against major currencies such as Sterling pound, Euro, Yen.
2. The continuing war in Europe and the pandemic have rendered the global macroeconomic outlook highly uncertain. Countries are facing unexpectedly high inflation including food inflation, supply chain disruptions and demand-supply imbalances in product and labour markets. Central bank is tightening monetary policy at a rapid pace, raising fears of imminent recession. Commodity prices have eased somewhat from their high but remain elevated.
3. Higher interest rates in the US along with increased risk aversion among global investors have fuelled safe haven demand and strengthening the US Dollar. Currencies of Emerging Market Economies (EMEs) and even of some Advanced Economies (AEs) are depreciating vis-à-vis the US dollar.
4. Consequently, inflationary pressures are building up and external funding conditions are becoming tighter, posing financial stability challenges in emerging market economies. Overall, the global situation remains grim amidst fluid geopolitical situation while the pandemic adds to the forces of disintegration and fragmentation of the global economy.
5. Short term advances given to the Ministry of Finance and Planning to pay salary arrears.
6. Some critical issues of graduation of unified forces are agreed to expedite the implementation of peace process.



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The way forward,

- We have secured Dar blend cargo monthly to pay salaries and stabilize the FX market, and possibly to build the reserves.
- We have 85,000,000 forms of SDR equivalent to USD 120 Million as a reserve. That means there will be consistent supply of USD that can be used to stabilize FX market to the desired level of 1 USD = 420. Cargo for salaries program will start from September.
- Implementation of TSA will streamline the exchange of FX received and these increase supply of FX to the bank and hence its ability to intervene in the FX market.
- As of August 15, 2022, we are increasing auction amount to 20M USD.
- Introduction of other instruments like central Bank bills and term deposit to mop the SSP in the system.

A handwritten signature in blue ink, appearing to read "Moses Makur Deng", is positioned above the printed name.

Moses Makur Deng
Governor,
Bank of South Sudan

