

**BANK OF SOUTH SUDAN**

**15<sup>th</sup> Edition**

# The INFOSPOT



❖❖❖ Edition No. 015 ❖❖❖

❖❖❖ Dec 2022 ❖❖❖



Party of Opening of  
Egyptian National Bank



Christmas Party  
2022



Reception of new governor  
2022

Republic of South Sudan

# KNOW YOUR CURRENCY



COAT OF ARMS



NATIONAL FLAG





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### Our vision

To be a credible Central Bank in fostering price and financial system stability

### Our mission

To ensure price stability and sound financial systems in support of sustainable economic growth in South Sudan”.

### Core values



#### Transparency:

We make our decisions and actions clear to customers and stakeholders and stand scrutiny



#### Accountability:

We take responsibility for our decisions and actions



#### Efficiency:

We deliver quality results on time and on budget



#### Professionalism:

We strive to be skillful and competent and deliver quality results with integrity



#### Team Work:

We work in cooperation and synergy and share skills, knowledge and experience





## Editor's Note



Welcome to this end of the year fifteenth edition of the Infospot. The year 2022 has come to an end. As we retrospect to the beginning of the year, it was both challenging and rewarding.

It was challenging in the sense that new strains of Corona virus keep popping up putting the virus on international headlines. However, it was rewarding because most of the restrictions were eased returning life to normal.

Nonetheless socio-economic activities have been struggling because of inflation in the local markets, occasioned by the fluctuation of prices locally as well as regionally and internationally.

Prominent stories in this edition include the participation of the Hon. Johnny Damian Ohisa Governor of the bank in a regional forum of Sub-Saharan Africa group discussion on global and regional vulnerabilities, in addition to climate-related risks

and cross-border payments, in Mombasa - Kenya.

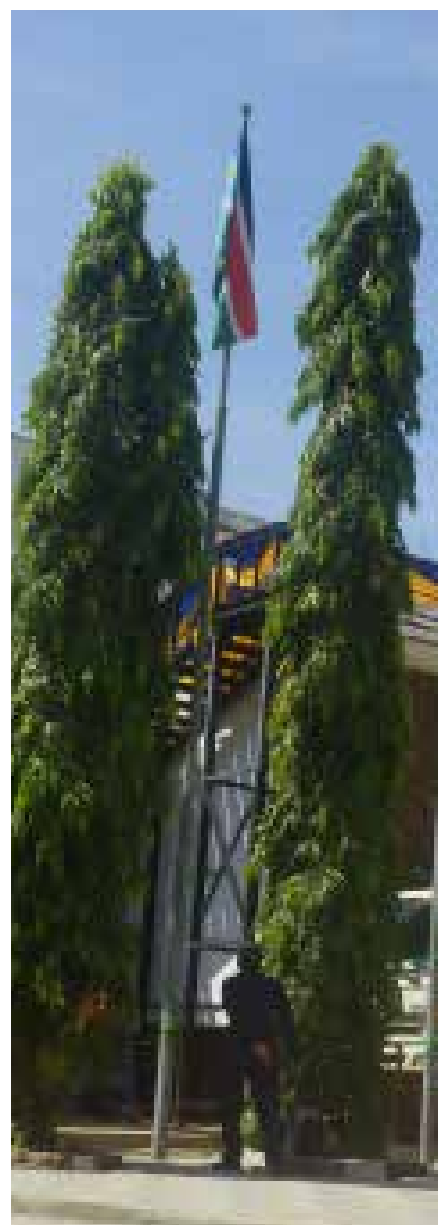
Featured in this magazine are a few articles including but not limited to the role of strategic planning in enhancing the efficiency and effectiveness of service delivery in the institution: The role of SSEs in economic growth and development of South Sudan in addition to the role of Agriculture to spur economic development in South Sudan.

Meanwhile the participation of the Hon. Governor Johnny Ohisa Damian in the Financial Stability Board (FSB) Sub Saharan Africa group discussion on global and regional vulnerabilities, climate-related risks and cross-border payments was commendable.

Finally, the Christmas Carol party that took place in the premises of the Bank of South Sudan was a joyful occasion and commendable indeed.

Enjoy this latest edition.

**Chance Baniko**  
Information Officer



## Editorial Team

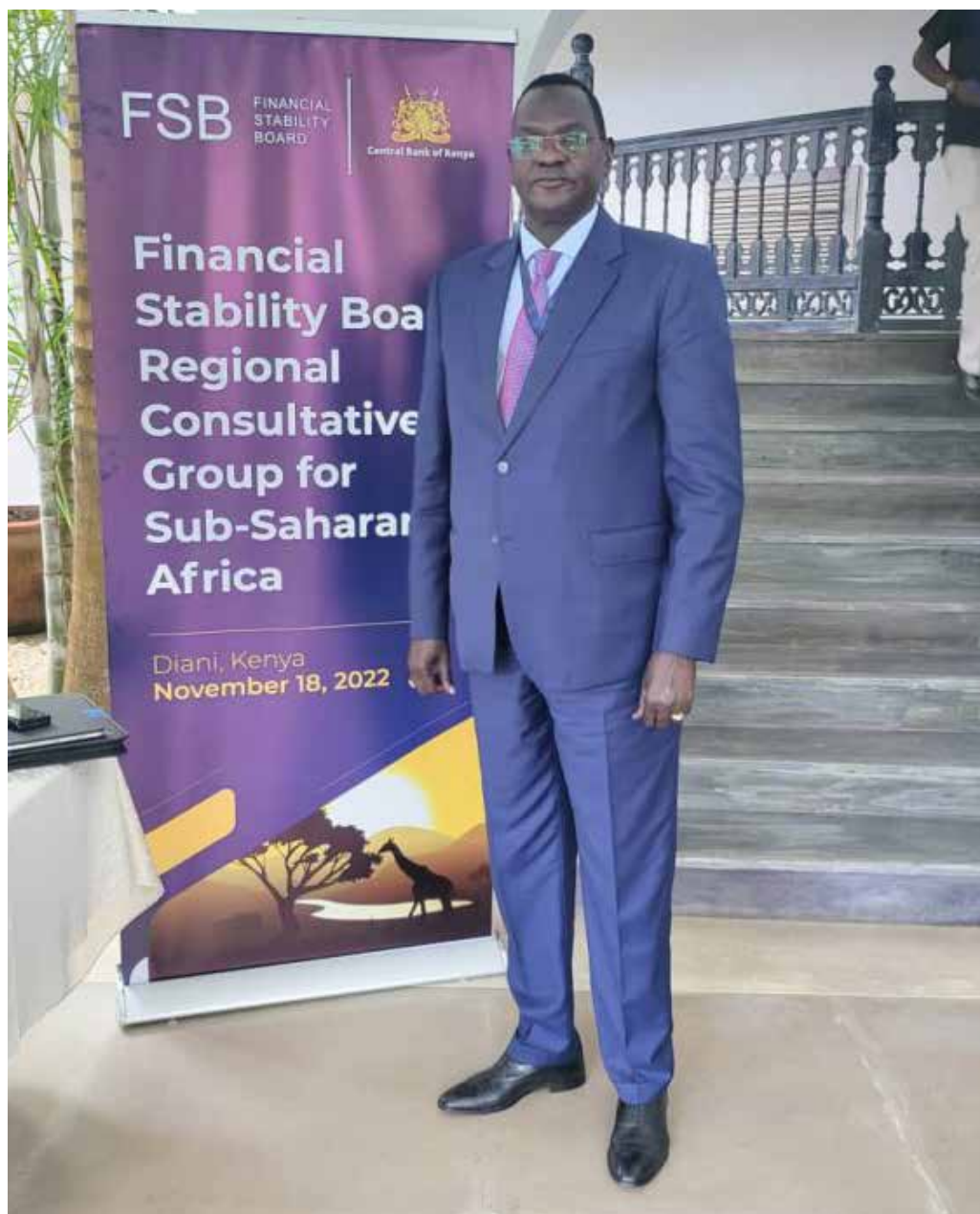
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## Governor participates in Sub- Saharan Africa group discussion



BOSS Governor Hon. Johnny Ohisa Damian

*By Akot Arthur Akuien*

The Governor of the Bank of South Sudan, Hon. Johnny Ohisa Damian participated in the Financial Stability Board (FSB) Sub-Saharan Africa group discussion on global and regional vulnerabilities, in

addition to climate- related risks and cross- border payments.

The (FSB) Regional Consultative Group for Sub-Saharan Africa met in Diani, Ukunda, hosted by the Central Bank of Kenya, to discuss global and regional

economic and financial market challenges, as well as progress in strengthening arrangements for crisis preparedness and management. Members also received an update on the FSB's work plan for 2023.

The Bank of South Sudan, along

with the Bank of the Republic of Burundi, Central Bank of Congo and National Bank of Rwanda are not members of FSB, however they participated on the invitation of the Governor for the Central Bank of Kenya Hon. Patrick Njoroge.

The group discussed the increasing challenging outlook for financial stability in the region arising from volatile commodity markets, high inflationary pressures, and tighter global financial conditions.

The group also discussed episodes of illiquidity in various financial markets and other vulnerabilities affecting the region, such as, the stress in global energy prices and rising debt levels.

The limited fiscal policy space of many authorities in the region preparedness and management in the region and the importance of cross-border cooperation.

It was noted that food insecurity is a growing issue both because of short-term supply constraints and more fundamentally through climate change.

Hon. Johnny Ohisa Damian and the Deputy Governor for the Central Bank of Kenya Hon. Sheila M' Mbijjewe were lead discussants in seminar chaired by the Governor for the South African Reserve Bank on Food insecurity and climate change.

The Governor of Bank of South Sudan highlighted the grave



BOSS Governor Hon. Johnny Ohisa Damian

impacts of climate change related risks, with Sub-Saharan Africa bearing the brunt of these impacts.

He further warned that studies have shown that Sub-Saharan Africa will be the most food insecure region in the coming years and more must be done collectively to mitigate the looming scenarios.

Hon. Johnny touched on the impacts of climate related issues in the context of the Republic of South Sudan, where he highlighted the floods which has affected most of South Sudan and the subsequent displacements, crop destructions and the financial costs that have contributed in greater food

insecurity.

In his closing remarks, Hon. Johnny stressed the need for mitigation and adaption, and warned that if we continue discussing this matter without tangible actions, these situations will continue to get worst and reach dire levels.

“Therefore, governments must collectively adopt policies for mitigation and adaptation, and it should not be confined to a certain institution.”



# National Bank of Egypt opens in Juba



Vice President Dr. James Wani Igga cutting the ribbon to mark the opening of NBE 28<sup>th</sup> June 2022

*By Chance Baniko Simon*

Vice President Dr. James Wani Igga opened the branch of the National Bank of Egypt NBE, subsidiary in Juba June 28<sup>th</sup>.

Dr. Igga said this was a great day in the history of the country as the facility will improve banking services in the country amongst other activities.

The opening of the branch of the National Bank of Egypt comes in the wake of the visit of the President of the Republic Gen. Salva Kiir Mayardit to Egypt in October 2021

resulting into the signing of bilateral trade and investment agreements between the Republic of Egypt and South Sudan.

President Gen. Dr. Kiir said that Egypt agreed to help South Sudan in many fields including requesting that Sisi regularly sends delegations to South Sudan to monitor the progress of the agreements.

On his part, Sisi said, several agreements on irrigation, trade, and industry have been inked, and that a joint committee will convene regularly to monitor

the progress made on all the agreements.

Trade exchange will be increased, and access to Egyptian investments and goods into South Sudan will be facilitated, and Egypt will provide capacity building programs in different fields, Sisi said, in addition to offering and increasing scholarship opportunities for more South Sudanese students to study at Egyptian universities.

National Bank of Egypt was founded since 1898 during British colonial administration of Egypt.

## NBE delegation at Bank of South Sudan



From right to left former Governor Hon. Moses Makur, Director of Malakal Branch John Bullen and Governor Hon. Johnny Ohisa Damian

Earlier the Egyptian delegation paid a courtesy call to the former Governor of BoSS Hon. Moses Makur Deng, to extend an invitation to the institution to attend the opening of the NBE branch in Juba.

The delegation exchanged views with the former Governor in the areas of training and capacity building of commercial banks operating in the country.

The training opportunities will also benefit the Bank of South Sudan's staff capacity

through training in Cairo. The former Governor appreciated the Egyptian cooperation in the banking sector but chipped in that lack of capital and of infrastructure impedes development countrywide.

The meeting also touched on other areas of mutual concerns particularly the current economy crisis the country is transiting through, and how Egypt can render assistance to beat the crisis.

Hon. Makur Deng said that plans are underway to build

airport infrastructure at Tali to ease or facilitate air services in the country.

The Egyptian delegation underscored the importance of the markets in South Sudan and expressed interest to invest noting that South Sudan has the potential to become a huge market in the region.

## NBE hosts dinner at Radisson Hotel



Director General for Admin and Finance Samuel Yanga and Egyptian delegates

*By Majok Nikodemo*

Central Bank's former Governor Hon. Moses Makur Deng congratulated the managing director of National Bank of Egypt for opening its subsidiary in Juba.

He spoke at a dinner reception hosted by the NBE to mark the start of its operations in South Sudan. The former Governor said the bank would facilitate business within South Sudan, stressing that the Central Bank of Egypt would provide training opportunities to commercial banks in the country.

The former Governor noted that the subsidiary bank unlike the branch, which must take orders from the mother bank, would

work better in South Sudan. He urged the foreign banks to abide by local Act and laws, among others, noting that 90 percent of workforce would be local staff. On the other hand, the Vice President Dr. James Wani Igga hailed South Sudan-Egypt relations, citing that the inauguration of the subsidiary of National Bank of Egypt would usher in mutual banking transactions and activities. He noted that South Sudan has a high rate of unemployment, and that the subsidiary has already employed 27 South Sudanese and six Egyptians.

Dr. Wani Igga lamented that over 90 per cent of South Sudanese live under poverty line. He called for more cooperation between the

monetary and fiscal policies, with a view to resolve current economic problems facing the country.

He decried that most of commercial banks in South Sudan do not provide loans.

He praised Egypt for offering 300 scholarships annually, noting that he had been educated in Egypt. He added those scholarships date back to 1960s and have been cementing the bilateral relations between the two countries, calling for all to stand up for a minute's silence for the late minister of water and irrigation.

He said Manawa Peter never called for resumption of the Jonglei Canal digging, but only called for dredging the river to enhance the river transport. Wani



***“The freedom we have attained would be meaningless if we remain hungry.”***



said we had stopped the river transport because we believed it used to provide weapons to the Sudanese army. As a result, the river with time became shallow, Wani said.

Dr. Wani made a strong case for the river dredging. He underscored that sorghum and other commodities are accumulated in Renk but couldn't be transported to the rest of the country because of

shallow rivers.

He added that the flooding has affected many areas in Bentiu, Fangak, Bor and other areas, “let's not destroy our country because of lack of information,” he said.

He noted that “the freedom we have attained would be meaningless if we remain hungry.”

***“Let's not destroy our country because of lack of information,”***

# Monetary policy and banking strategy



*By Majok Nikodemo*

The Bank of South Sudan (BoSS) must engage stakeholders through deliberate and effective communication if it plans to support its mission and vision. This is because communication has become an increasingly important aspect of monetary policy.

The evidence suggests that communication can be an important and powerful part of the central bank's toolkit since it could move financial markets, to enhance the predictability of monetary policy decisions, and potentially to help achieve central banks' macroeconomic objectives.

Today, no significant institution, be it public or private, be it a central bank or a sports club, can survive without a press office.

Monetary policy actions are most effective in promoting good macroeconomic performance, especially when the public understands their rationale to predict how the monetary authority will respond to changes in the economic outlook.

This requires clarity about the central bank's policy objectives as well as the central bank's policy reaction function. Clear communication of an independent central bank's strategy disciplines the use of discretion, which is essential for ensuring that policy remains systematic. Furthermore, transparency fosters accountability, which is critical for protecting the central bank from political interference and other factors that threaten to steer policy away from what would best serve the public interest.



Community-centered strategic planning is part of implementation, monitoring, and evaluation.

A central bank's monetary policy strategy and its communication are shaped by its statutory mandate and expectations about the central bank's role in the economy. It is argued that central bank communication enhances market efficiency and calms down market volatility.

Overall, the results suggest that policy makers and market observers could pay much more attention to the informal communications, such as speeches of the bank's officials, besides formal ones, such as the bank's report and minutes. Procedural and policy implementation has been

handled with greater transparency than in the past. In line with this, BoSS should continue to disclose information to the public on its activities, such as rationales behind policy decisions, economic outlook, and monetary policy inclination.

This is not only in response to demand for more transparency by the markets, but the usefulness of central bank communication in promoting the effectiveness of monetary policy, is quite crucial.

The important role played by the communication is to manage market expectations, which

matters for financial markets and the entire economy.

Therefore, well-communicated information makes markets become more efficient as it reduces uncertainty and lowers volatility.

In a word, building capacity of BoSS staff in monetary policy communication is of paramount importance. Further, optimising use of BoSS website and Infospot magazine, with a view to publish reports and press releases of Monetary Policy Committee to keep stakeholders posted about the monetary policy and market trends.



# Swearing in ceremony of BoSS Governor and Deputies



BoSS Governor Hon. Johnny Ohisa Damian and first Deputy Governor Hon. Addis Ababa Othow Akongdit

The President of the Republic His Excellency Gen. Salva Kiir Mayardit on 26<sup>th</sup> August 2022 Friday morning conducted the swearing in ceremony of Hon. Johnny Ohisa Damian as the Governor of the Bank of South Sudan along with Hon. Addis Ababa Othow Akongdit, 1st

Deputy Governor and Hon. John Maciek Acuothe, Deputy Governor of the Bank of South Sudan.

The oath taking ceremony was administered in the Office of the President by the Chief Justice, Chan Reech Madut.

During the ceremony, H.E. President Salva Kiir Mayardit urged the new appointees to do what is right for the interest of the people of South Sudan, regardless of some people don't like it.

The President assured the new appointees that is not an easy task they are taking on. Congratulating them before they perform their duties successfully is needless.

He encouraged them to let their work speak for itself. The Minister of Cabinet Affairs, Hon. Dr Martin Elia Lomoro said “You are a team of young professionals and if you don’t succeed, it will be unfortunate.

The Minister continued to advise the group to join hands with the President, in his priority to provide the necessary financial services to the people, “The President is making changes because he wants services to be delivered to the people.” Hon. Dr Martin Elia Lomoro. concluded by saying “We don’t want to hear stories of reforms; all we need to hear and see are the results in the financial sector.”

The Minister of Finance and Planning Hon. Dier Tong Ngor commented on his in-depth understanding of the challenges that face the Bank of South Sudan.

From his experience as former Governor of the bank, he pledged to create a strong work relationship with the team to ensure that the bank meets the priorities of the People of South Sudan.

He congratulated the president for choosing professionals with extensive experience in the banking sector.



First Deputy Governor Hon. Addis Ababa Othow Akongdit and Deputy Governor Hon. John Maciek Acouth.

He believed that they will correctly manage the public finances to overall achieve economic growth for the country.

The newly appointed Governor of the Bank of South Sudan Hon. Johnny Ohisa Damian acknowledged that it is a big responsibility, and assurance that they will manage the resources

correctly.

He said that they are aware of the expectations of the people of South Sudan and will work united as a team to fulfil them.

The Governor concluded by saying “We can make changes that will advance the people within the next two years. This can be done by implementing the monetary policies.”



# Central Bank staff welcome Governor and Deputies



*By Majok Nikodemo*

The Bank of South Sudan staff welcomed on Friday 26<sup>th</sup> August 2022 during a rainy day amid ululations from the female staff, the newly appointed Governor Hon. Johnny Damian Ohisa, First Deputy Governor, Hon. Addis Ababa Othow, and 2nd Deputy Governor Hon. John Machiek.

At arrival the newly appointed three top management officials waved to the staff in a very wet cool weather day. Then they headed to the board room, where they were accorded a warm welcome by the senior staff.

Addressing the senior staff, the Governor said, “gone are the days when the Governor takes his decisions alone. We need your unwavering support as we shall work as a team. If we fail, we fail

as a team, and if we succeed, we succeed as a team.”

He reflected on the reception accorded to them in a rainy day, describing it as “so touching.” Governor Ohisa urged the staff to observe the rules and regulation to deliver, pledging that a three-month salary would be sanctioned by the Board of Directors to the staff.

The first Deputy Governor, Hon. Othow said, “receiving us in the rain is a blessing and a sign of good omen.” He added, “it’s not only us to succeed, but would do so together with you as a team. We shall work together to see a brighter future.”

On his part, Deputy Governor Hon. John Machiek, thanked the President of the Republic, His Excellency, General Salva Kiir Mayardit for appointing the top

management team. “It’s difficult to express this happiness in words, but for such an institution to succeed, we need a political support.”

Board member, Prof. Nyiel Gordon, said leaders don’t choose to become leaders, but God chooses them, indicating that it has gone down in history that Hon. Johnny Ohisa has led the Bank alone for couple of weeks as the Acting governor.

She also greeted the deputy governors, who would team up together with the Governor to lead the Bank.

Director General for Admin and Finance, Samuel Mikaya, brought to the attention of the Governor that a certain staff requested an incentive for the staff because they received him with his deputies in the rainy day, a request warmly accepted by the Governor, who referred it to the board to act on.



# Minister of Finance pledges to continue with reforms



Minister of Finance and Planning Hon. Dier Tong Ngor, BoSS, Governor Hon. Johnny Ohisa Damian and first Deputy Governor Hon. Addis Ababa Othow, Juba, August 2022

The Minister of Finance and Planning, Hon. Dier Tong Ngor, said South Sudan would continue with the reform agenda amid IMF's satisfaction on the progress made. Dier was speaking during a virtual meeting with the IMF staff, held at the board room at the Central Bank.

While expressing his satisfaction to work again with the IMF, the minister pledged to provide the IMF with documents it needs. He underscored that the ministry and Bank of South Sudan (BoSS) would sign MoU to resume the Cash Management Committee activities.

In a statement, Tong said, "As a new Minister of Finance, I'm pleased to re-engage with the IMF" and added that he would work in tandem with the Central Bank to address the volatility of the exchange rate, with a view to stabilize the market, stop

deficit finance and overdraft as well.

The minister pledged to resume negotiations with the IMF to access resources, as well as strengthen ties with the world's monetary body. On his part, the then Acting Gov. now Governor Hon. Johnny Ohisa Damian, said the Central Bank is ready to work with the IMF as before, noting that the current exchange rate volatility is due to certain domestic policies.

The IMF Mission Chief for South Sudan, Mr. Niko Hobdari, said 60% of the population need help. He appreciated the current reforms being undertaken by South Sudan but acknowledged the IMF board of experts expects more efforts in this respect.

Hobdari noted that there is a spending gap regarding the oil

revenues, adding that the reports should be published on the website so that the public realise what is going on in the Bank.

He noted that the Ministry of Finance and the Bank should activate the cash management committee activities.

Senior Advisor to Executive Director at International Monetary Fund, James Alic, said that South Sudan made some progress though there were things to carry forward. He noted that the IMF Board of Directors expects a lot from BoSS, which has done a lot so far.

Director General for Admin and Finance, Samuel Mikaya Yanga, said the audit report has delayed and would be shared with the IMF once completed hopefully by mid of September 2022.

# The role of strategic planning in enhancing efficiency and effectiveness of service delivery.

*By Corporate Planning Department*

The year 2022 marks the end of the first strategic plan implementation period. As a continuation of the effort to manage its performance strategically and transform the bank into a mission, vision-oriented strategy-led organization, the Top Management of the bank envisaged developing its second Strategic Plan (2023-2027).

Bank of South Sudan (BoSS) came into existence as soon as South Sudan got its independence in July 2011. It was established by the Bank of South Sudan Act, 2011 in accordance with the provisions of Article 53(3)(b) and Article 85(1) of the Transitional Constitution of the Republic of South Sudan (RSS), 2011.

Accordingly, the bank was established as an autonomous body with the primary objective to maintain monetary and domestic price stability. Other objectives that are subordinated to this primary objective are to:

- Foster the liquidity, solvency, and effective functioning of a stable market-based financial system.
- Promote a safe, sound, and

efficient national payment system, which aims to maintain the stability of the financial system.

- Without prejudices to the primary objectives, the bank is also entrusted with the objective of supporting the general economic policies of the GOSS in promoting sustainable economic growth of the RSS.

To meet the primary and other objectives, BoSS developed its first strategic plan (2018-2022) and launched it in March 2018.

Since then, the bank has been exerting efforts to implement its strategy in a context filled with a multiplicity of internal and external challenges. Apart



from the experience gained with respect to strategy formulation, the bank was able to implement some projects, realize certain results and learn from its successes and implementation weaknesses/challenges.

Adhering to the first six (6) steps of the BSC Framework (Figure 1), the bank:

- Carried out an assessment, which is an analysis of the internal and external environment (SWOT/PESTEL analysis); mandate analysis; customer/stakeholder analysis; identified the enablers,

challenges; and identified the strategic issues.

- Laid down the Strategic Foundations (Strategy), including identification of the Strategic Focus Areas, Strategic Results and Perspectives, and validation of BoSS Vision, Mission and Core Values.
- Developed the Strategic Objectives, Objective Commentary.
- Crafted a Strategy Map, which is the diagrammatic representation of the cause-and-effect relationships among the

Strategic Objectives and a tool for telling the story of how BoSS intends to create value to its customers and stakeholders.

- Identified Performance Measures or Key Performance Indicators (KPIs) for each Strategic Objective; and, set Performance Targets.
- Identified and prioritized relevant Strategic Initiatives (Enabling Projects) that help realize the Strategic Objectives.

### *The planning approach and process*

In developing the 2023-2027 Strategy, BoSS followed a hybrid approach in which it employed a professional support from an external Consultant and a team of internal Balanced Scorecard Champions. In order to engage the internal Stakeholders in the strategic planning process and ensure common understanding, buy-in and ownership, the Bank delivered trainings on strategic management to the Champions and the management.

It also conducted several workshops to validate the SWOT/PESTEL analysis report and the draft strategy at various levels.



*In developing this Strategic Plan, the Bank adopted the nine-step to Success Balanced Scorecard (BSC) Framework of the Balanced Scorecard Institute (Figure 1). It is an integrated planning, communication as well as measurement tool.*



# The role of SSEs in economic growth and development of South Sudan

*By Akoon Maluil Akoon*

Small Scale Enterprises (SSEs) refer to businesses with small number of employed workers with a low volume of sales. Businesses under private ownership in SSEs include:

- a. Sole proprietorship**
- b. Corporations**
- c. Partnership.**

In other words, SSEs are defined as business entities whose market shares are relatively low. They are businesses which are not managed in a formalized market structure by owners or part of owners. Moreover, they are referred to businesses which are independent by the virtue of having no plans to join large enterprises.

Dr. Ayanda (2011) describes small scale businesses as the engine of economic growth that promotes and promulgates economic development. Important Roles of Small Business Entities

According to Oshunbiyi (1989), the important role of small scale industries or small businesses is that they get their raw materials locally and large scale enterprises or industries use them as inputs in the production of their output.

Small Scale Enterprises tend to increase output and per capita



income as well as creation of jobs and enhancement of regional economic balance. They are also known for the promotion of resource utilization essential for the generation of economic growth and development.

Iwuoha (1993) shed lights on the importance of Small Scale Enterprises as follows:

a. Efficient Utilization of resources; he postulated that small business entities make good use of resources and as a result an increase in income is achieved. They properly utilize what is considered as waste materials by large

business entities for instance the production of cartons using big papers. They are efficient in the sense that they mobilize resources that could be idle in the hands of those who don't have the technical knowhow or the ones who could not utilize them effectively.

b. Small business entities always afford to train their managers and entrepreneurs. They devise their own mechanism by selecting highly talented men and women who have zeal and possess leadership skills to undergo training in order to become efficient managers and brilliant entrepreneurs.

According to Thunell (2011), Small firms play a unique contribution in building local economies. This is reflected in the emerging of new businesses, creation of job and job retention, innovative ideas, increase in production and value added role. Apart from the positive contributions of SSEs mentioned above, it is vital to encourage indigenous South Sudanese to venture into this kind of business due to the following positive roles it impacts on our economy:

- a. Creation of jobs opportunities to a great number of people
  - b. It leads to creation of wealth to self- employed individuals
  - c. It is an effective instrument that attempts to minimize or reduce poverty
  - d. It reduces income disparities prevalent in an economy
  - e. Encouragement of individuals to be entrepreneurs fosters equitable distribution of income
  - f. They are sources of revenue collections for the tax authority. Government levy taxes on business activities of SSEs
  - g. They have more labor intensity than larger enterprises
  - h. They create employment opportunities at low capital costs
  - i. Growth of SSEs consequently leads to the expansion of the banking industry.
- Problems faced by Small Business Entities in South Sudan

In as far as commercial banks are concerned in terms of administering loans to SSEs to grow and contribute positively for the growth of economies, there are challenges encountered by small business entities and these include:

There is high transaction costs involved for small scale businesses in getting loan compared to larger enterprises.

One of major obstacles in receiving funding from financial institutions is unfavorable macroeconomic environment.

This forces financial institutions to be risk averse in administering loans.

The only source of funding for the operations of small business entities are banks, however, shocks in the banking sector retard their growth when there is a significant decrease in the supply of credits. These shocks in the business environment in which banks and small business entities operate affect the willingness and capacity to supply credits to the able and well established small business entities.

These shocks come in the forms of technological innovation, regulatory regime shifts and changes in macroeconomic environments. In response to these changes, financial institutions tend to create strict lending rules which provide information about the firm and its owner and as well try to establish whether there exist

guarantees of investment for the firm in both short and long runs.

Lee (2004) talks of poor management practices as one of hindrances for the development of SSEs. The flows of finances to borrowers of small business entities have not been forthcoming due to lack of sufficient information.

Internal problems of Small business entities include:

- a. Poor management practices; this type of business is owned by a family and it makes it hard to enforce internal control system. Improper keeping of financial record is an element of poor management.
- b. Lack of technical and economic counseling due to recruitment of unqualified consultants
- c. Lack of access to external finances due to their weak capital base
- d. Lack of effective decision making skill, sound management and accounting practices hamper the growth of small business entities.
- e. Shortages of skilled manpower
- f. Availability of financial indiscipline; firms tend to divert funds mobilized for specific businesses to fund other projects.

# Agriculture can spur economic development in South Sudan



*By Joss Chol Dut*

Agricultural production is the backbone of economy in South Sudan, that should have been given the priority to propel the economic growth. Indeed, South Sudan is endowed with wonderful fertile land that could be fully harnessed to address food insecurity in the region at large.

“Increase in agricultural production and the rise in the per-capita income of the rural community, together with the industrialization and urbanization, lead to an increased demand in industrial production,” Dr. Bright Singh commented.

The history of England is clear evidence that Agricultural Revolution preceded the Industrial Revolution there.

In U.S.A. and Japan, the agricultural development has helped largely in the process of industrialization. Similarly, various under-developed countries, which engaged in the process of economic development have learnt the limitations of putting over-emphasis on industrialization as a means to attain higher per capita real income.

Thus, industrial and agricultural developments

are not alternatives but are complementary and mutually supporting with respect to both inputs and outputs.

According to Prof. Kinder Berger agriculture makes its contribution to economic development in several ways.

The agriculture sector is the backbone of an economy, which provides the basic ingredients to humankind and now raw material for industrialization.

There are many lessons drawn from the economic history of many advanced countries tell us that agricultural prosperity



contributed considerably to fostering economic advancement.

It is correctly observed that, "The leading industrialized countries of today were once predominantly agricultural, while the developing economies still have the dominance of agriculture, and it largely contributes to the national income. In India, still 28% of national income comes from this sector.

South Sudan undergoes the food insecurity triggered by political instability. If there is surplus agricultural production, then the country can export to other countries whether underdeveloped, developing or even developed.

Due to heavy pressure of population in underdeveloped and developing countries, the demand for food is increasing at a faster rate. If agriculture fails to meet the rising demand of food products, it will adversely affect the growth rate of the economy.

Increase in demand for food in an economy is determined by the following equation pre-requisite for raw material:

Agricultural advancement is necessary for improving the supply of raw materials for the agro-based industries especially in developing countries. The shortage of agricultural goods has its impact upon industrial production and a

consequent increase in the general price level. It will impede the growth of the country's economy.

The flourmills, rice sellers, oil & dal mills, bread, meat, milk products sugar factories, wineries, jute mills, textile mills and numerous other industries are based on agricultural products.

In the earlier stages of development, an increase in the exports earning is more desirable because of the greater strains on the foreign exchange situation needed for the financing of imports of basic and essential capital goods.

Initially, agriculture absorbs a large quantity of labor force.

In India still about 62% labour is absorbed in this sector.

Agricultural progress permits the shift of manpower from agricultural to non-agricultural sector. In the initial stages, the diversion of labor from agricultural to non-agricultural sector.

The development of agriculture requires roads, market yards, storage, transportation railways, postal services, and many others for an infrastructure creating demand for industrial products and the development of commercial sector.

However, the development of agricultural sector has minimized the burden of several

developed countries which were facing the shortage of foreign capital. If foreign capital is available with the 'strings' attached to it, it will create another significant problem.

Agricultural sector requires less capital for its development thus it minimizes growth problem of foreign capital.

In a country, predominantly agricultural and overpopulated, there is greater inequality of income between the rural and urban areas of the country.

To reduce this inequality of income, it is necessary to accord higher priority to agriculture.

The prosperity of agriculture would raise the income of majority of the rural population and thus the disparity in income may be reduced to a certain extent. In fact, most of the developing countries are exporters of primary products.

These products contribute 60 to 70 per cent of their total export earnings.

Thus, the capacity to import capital goods and machinery for industrial development depends crucially on the export earning of the agriculture sector.

If exports of agricultural goods fail to increase at a sufficiently high rate, these countries are forced to incur heavy deficit in the balance of payments resulting in a serious foreign exchange problem.

Agriculture provides employment opportunities for rural people on a large scale in underdeveloped and developing countries.

It is an important source of livelihood. Generally, landless workers and marginal farmers are engaged in non-agricultural jobs like handicrafts, furniture, textiles, leather, metalwork, processing industries, and in other service sectors. These rural units fulfill merely local demands. In India, about 70.6% of total labour force depends upon agriculture.

It is time that rural economy depends on agriculture and allied occupations in an underdeveloped country.

The rising agricultural surplus caused by increasing agricultural production and productivity tends to improve social welfare, particularly in rural areas.

The living standard of rural masses rises and they start consuming nutritious diet including eggs, milk, ghee, and fruits.

They lead a comfortable life having all modern amenities, better house, motorcycle, radio, television and better clothes.



## Non-oil revenues increase from 3 to 16 billion SSP



*By: Joseph Lino Wuor*

**A commentary published in the media recently asserted and revealed a sharp increment of non-oil tax collections from 3 billion to 16 billion SSP as of November 2022 amidst resistance by some tax collecting agencies.**

The Deputy Minister of Information and Postal Services, Dr. Jacob Maijo Korok, reportedly encouraged public institutions to co-operate with Crawford Capital Company which is tasked with assisting to speed up implementation of the electronic system in the country.

In view of the resistance posed by some institutions, Dr. Korok urged tax collecting institutions to embrace digitization of their systems to boost non-oil revenues collection, and transfer all revenues collected to the coffers of the ministry of finance and planning.

Dr. Korok revealed that currently total taxes collected have increased sharply after introduction of the electronic tax collection system.

### *What may this mean*

It means that billions of SSP in non-oil revenues were either not collected or may have not been reported. Then why do some taxes collecting agencies and institutions resist cooperating with Crawford Capital Co. Ltd to instal the electronic system.

Perhaps they may not know that electronic taxes collecting system is much faster, much easier, much more credible, and more

reliable, and therefore it removes any element of doubt not to mention suspicion. This money belongs to public coffers in the sense that the ministry of finance and planning shall have constant liquid financial resources to spend to provide some of the urgent basic needs and services like procuring medicines and paying civil servants salaries amongst others.

But why are some tax collection institutions resisting, or refusing to cooperate with Crawford Capital Co. Ltd as mentioned by Dr. Korok to install the electronic tax collection system? Do the staff of the tax collection agencies have the right, or power



to resist, or refuse to cooperate with Crawford Company?

### ***Calls for emolument's harmonization and salaries***

In connection to the issue above, recently the Governor of Eastern Equatoria State Hon. Louis Lobong Lojore, made a critical statement as reported by the City Review newspaper published on November 30, 2022, and December 1, 2022, respectively expressing the need for harmonisation of emoluments across the country because employees are all equal before God and the law.

He furthermore said, the emolument must be equal, centralized, and sent to all levels of government, and people must be paid equally based on merits. Then he asked, "Why do civil servants in the states receive less salaries than those in Juba, should all of us come to Juba?"

While calling for equal pay because citizens are all equal before God and the law, the Governor drew attention to the fact that Eastern Equatoria State is host to the main non-oil revenues collection points, and that he demands that a percentage of the taxes collected within his borders be allocated to his State similar to the percentage allocated to the oil producing States.

Pertinent questions arise as to whether or not Hon. Louis Lobong Lojore was right in his

call to harmonize civil servants' salaries, so that civil servants receive equal pay for equal job across the country, and across the board irrespective of any consideration?

How about the governor's call for allocating a percentage of total non-oil revenues collected within the borders of his State? These points amongst others are best discussed and answered within the context of a proper federal system of government versus a centralized system of government discussed below.

### ***Historical perspective of federal system of governance***

South Sudan has copied the administrative structure of government of the Sudan verbatim, that Sudan is divided into States, and related lower levels of government which means it is some sort of a decentralized system, a sort of a federal system in name.

That system in Sudan was tailored and implemented just to address the grievances of South Sudan which used to call for "federation" since 1955. By implementing this kind of a "federal system" President Jaafar M. Nimeiri thought that he had addressed the demand of the South for federalism in full.

However, under a federal system as genuinely practised in federal countries, States become fully autonomous in all aspects of government, especially regarding

industry, tourism, tax collection and spending within the context of a free economy, that is the private sector. In these areas, the central government does not interfere at all. Each State is free to collect its taxes and spend as they deem necessary, and no interference from the central government at all.

In Sudan, the central government is in total control of every aspect of life, from collecting taxes, planning, to spending on behalf of the States. During the recent Governor's Forum, Louis Lobong Lojore was claiming the share of the national wealth that belongs to his state. What can the other Governors and Heads of the Administrative Areas do, keep quiet, are they satisfied and do not need any share of the national wealth?

All this means that, like in Sudan, the system of government applied here is fully centralized. And therefore, Governors have to come to Juba to claim their share of the national wealth, because under a genuine federal system, it is the central government which usually resorts to the state governments for financial borrowing in emergency cases. Because under a federal system, the "national government" is concerned with foreign affairs and the defence only, but it has its own source of income.

Therefore, under a federal system, States are largely free in running their affairs, they are competing, which state would

like to be more prosperous, more stable, more advanced in economic and technological terms.

Governor Louis Lojore is reported to have complained that salaries of his civil servants are much lower than the salaries paid in Juba, and he called for harmonization of civil servants' salaries to be equal to those paid in Juba.

Under a federal system of government, Governor Lojore would have not called for harmonization of the salaries, because, he could have been collecting those 16 billion South Sudanese Pounds non-oil revenues within his State.

In the same Governors' forum again, Governor Denay Chagor of Jonglie State stressed that the country is solely relying on oil leaving gold and diamond to be owned by individuals and said that "If we do not nationalise gold and diamonds, then those states that produce oil should own oil..." Where is the issue?

This is exactly the essence of a federal system, or free economy, private sector within which individuals own resources in their respective states, invest these resources for their sole benefit, then pay due taxes.

These collective private investments increase the GDP of this state. In the end all collective states' GDPs make up

the national GDP. Probably, that is why a lot of third world young and old peoples are migrating to Europe and America, seeking employment and good life.

Therefore, under a centralised government, all resources are national. But under a properly decentralised or a federal system, resources are owned by individuals in their respective states which they invest to gain from and pay taxes to the coffers of their respective local governments which indirectly benefit the country at large through payment of due taxes, and investment in local, national, and inter-state mega projects. All these are privately owned.

What could be the political impact of a genuine federal system? It encourages individualism in ownership of economic resource. Therefore, it encourages total competition in all aspects of economic development called the private sector.

Therefore, it often results in social stability based on total utilization of all the natural resources each state is endowed with. Or it may not guarantee political stability as is the case in some countries where there is corruption.



### *What are the benefits of a centralised system of government?*

- Centralised decision-making mechanism, harmonization of pay system, safeguarding unity of the country.
- Under this system, national resources are owned by the "government" and national wealth is supposed to be divided and shared equitably.
- Who divides this wealth, and how is it divided amidst corruption. This means that in each system there are cons, and pros; which one is preferable?

# The role of portfolio management in an efficient market



*By Dau Kur Bol*

The basic principle in portfolio management is the diversification of securities.

Even if all stocks are priced fairly, each still poses firm-specific risk that can be eliminated through diversification.

Therefore, rational security selection, even in an efficient market, calls for the selection of

a well-diversified portfolio, providing the systematic risk level that the investor wants. Even in an efficient market investor must choose the risk-return profiles they deem appropriate.

The Efficient Market Hypothesis (EMH) states that a market is efficient if security prices immediately and fully reflect all available relevant information.

If the market fully reflects in-

formation, the knowledge therein would not allow an investor to profit from the information because stock prices already incorporate the information.

In an efficient market, no securities are consistently over-priced or underpriced.

While some securities will turn out after any investment period to have provided positive alphas (i.e., risk-adjusted abnormal re-





turns) and some negative alphas, these past returns are not predictive of future returns.

Proponents of the efficient market hypothesis believe that active management is largely wasted effort and unlikely to justify the expenses incurred.

Therefore, they advocate a passive investment strategy that makes no attempt to outsmart the market.

A passive strategy aims only at establishing a well-diversified portfolio of securities without attempting to find under or over-valued stocks.

Passive management is usually characterized by a buy-and-hold strategy.

Because the efficient market theory indicates that stock prices are at fair levels, given all available information, it makes no sense to buy and sell securities frequently, which generates large brokerage fees without increasing expected performance.

Rational investment policy also requires that tax considerations be reflected in security choices.

High-tax-bracket investors generally will not want the same securities that low-tax-bracket investors find favorable.

At an obvious level, high-bracket investors find it advantageous to buy tax-exempt municipal bonds despite their relatively low pre-tax yields, whereas those same bonds are unattractive to low-bracket or tax-exempt investors.

At more subtle level, high-bracket investors might want to tilt their portfolios in the direction of capital gains as opposed to interest income, because capital gains are taxed less heavily and because the option to defer the realization of capital gains income is more valuable the higher the current tax bracket.

They will also be more attracted to investment opportunities for

which returns are sensitive to tax benefits, such as Konyokonyo bus park venture.

A third argument for rational portfolio management relates to the particular risk profile of the investors.

For example, a Trinity energy company whose annual bonus depends on oil's profits generally should not invest additional amounts in oil stocks. To the extent that his or her compensation already depends on oil's well-being. The Trinity is already over-invested in oil and should not exacerbate the lack of diversification.

There is a role for portfolio management even in an efficient market. Investors optimal positions will vary according to factors such as age, tax bracket, risk-aversion, and employment.

The role of portfolio management in an efficient market is to tailor the portfolio to these needs, rather than to attempt to beat the market, which requires identifying the client's return requirements and risk tolerance.

In conclusion, rational portfolio management also requires examining the investor's constraints, including liquidity, time horizon, laws and regulations, taxes, and unique preferences and circumstances such as age and employment.

# Christmas Party at BoSS



*By Chance Baniko Simon*

Bank of South Sudan celebrated Christmas Carol on Monday 12<sup>th</sup> December 2022 under the theme “For unto us a child is born...”

Gracing the occasion on behalf of the top management, the Acting Director General for Administration and Finance David Manyuon commended the bank for a good service delivery to the country through the years up to date.

He appealed for peaceful coexistence to solidify unity in the country. Quoting from Galatians 5:22, the acting DG stressed the importance of peace as one of the fruits of the Holy Spirit mentioned in this text.

Manyuon encouraged all employees to work together and cooperate to achieve the objectives of this great

institution. “Work with others and as one army, he said to achieve great things. Wisdom comes from putting others first.”

The acting DG appreciated God for bringing the bank to the end of the year. Furthermore, David thanked the employees for their dedication and hard work to this institution.

In a homily delivered by Dr. Tabitha Elioba Kenyi to the bank's congregation, she quoted from Isaiah's prophecy 9:6 “For to us a child is born, to us a son is given, and the government will be on his shoulders. And he will be called Wonderful Counselor, Mighty God, Everlasting Father, Prince of Peace.”

Tabitha challenged the congregation to be good counsellors and peaceful in all areas of life. It takes dedication

and humility to reach at this, she said.

The occasion also witnessed a Christmas carol presentation by BoSS Christian Choir, Joy to the World the Lord is come...

The occasion ended with a general praise and worship witnessing staff taking to the stage to dance for the Lord Jesus whose birth was foretold by the prophets of long ago including the minor prophet Micah 5:2 “But as for you, Bethlehem Ephrathah,

Too little to be among the clans of Judah, from you One will go forth for Me to be ruler in Israel. His goings forth are from long ago, From the days of eternity”



MERRY  
*Christmas*  
& HAPPY NEW YEAR



On behalf of the Board of Directors, Management and the staff of the Bank of South Sudan (BoSS), I take this opportunity to congratulate H.E. General Salva Kiir Mayardit, President of the Republic of South Sudan, on the advent of Christmas. I also extend my congratulations to his deputies and the great people of South Sudan. May the Almighty God bestow upon the more wisdom to lead this great nation to prosperity.

Christmas is a season of spiritual reflection on the important foundation of the Christian faith. It is a time to celebrate GOD's love for the world through the birth of our Lord and Savior Jesus Christ with the people of the faiths and cultures.

The birth of Jesus is the most powerful sign and message of hope in the world that is darkened by the shadows of fear and uncertainty.

This year 2022 still, remains a challenging year for the government and the people of this nation as a whole. In the beginning of the year. Just as we thought we have gotten rid of COVID-19, other disasters emerged such as communal conflicts among people, and severe floods as a result of Climate change. All these affected the delivery of services and economic development of this great nation.

We extend our special festive greetings to all South Sudanese, and sincerely hope that your celebrations during this Christmas will be peaceful, joyous and merry.

One American writer, Helen Stainer Rice once said and I quote "Peace on earth will come to stay, when we live Christmas every day"





MERRY  
**CHRISTMAS**  
& HAPPY NEW







**MAS**  
YEAR





# Republic of South Sudan

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NATIONAL FLAG

 <p>DESERT OIL DRILLING RIG</p>	 <p>SHOEBILL STORK</p>	 <p>NORTHERN WHITE RHINO</p>	 <p>NUBIAN GIRAFFE</p>	 <p>AFRICAN SHIELD</p>
<p><b>10</b></p> <p>PIASTER</p>	<p><b>20</b></p> <p>PIASTER</p>	<p><b>50</b></p> <p>PIASTER</p>	<p><b>1</b></p> <p>POUND</p>	<p><b>2</b></p> <p>POUND</p>
				
<p>COPPER PLATED STEEL</p>	<p>BRONZE PLATED STEEL</p>	<p>NICKEL PLATED STEEL</p>	<p>BI-METAL PLATED INNER: BRONZE PLATED STEEL OUTER: NICKEL PLATED STEEL</p>	<p>BI-METAL PLATED INNER: NICKEL PLATED STEEL OUTER: BRONZE PLATED STEEL</p>
<p>ACTUAL SIZE</p>	<p>ACTUAL SIZE</p>	<p>ACTUAL SIZE</p>	<p>ACTUAL SIZE</p>	<p>ACTUAL SIZE</p>



Republic of South Sudan

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