



## **BANK OF SOUTH SUDAN (BOSS)** **Office of the Governor**

11<sup>th</sup> January 2023

Press release

### **Monetary and Banking Policies for the year 2023**

The Monetary Policy Committee (MPC) of the Bank of South Sudan, convened an extraordinary Meeting, chaired by the Governor Hon. Johnny Ohisa Damian, on Wednesday January 11<sup>th</sup>, 2023. The objective of the meeting was to release summary of key monetary and banking policies intended to guide economic activities in the Republic of South Sudan during the period from January 1<sup>st</sup> to December 31<sup>st</sup>, 2023. These policies are also issued after careful consideration of both the global and domestic economic environment/developments.

The MPC observed that the global economy is expected to slowdown in 2023 amidst rising inflation, tightening financial conditions in most regions, attributed to the war in Ukraine, the persistent COVID-19 pandemic, among others. On the domestic front, the MPC noted that, drought, persistent flooding, inter/intra-communal violence, surging prices of food items will pose a real threat to the nascent economy recovering from years of conflict and still heavily dependent on imports for most of its goods and services.

In addition, the 2023 Monetary and Banking policies are specifically designed to provide optimal liquidity directed towards achieving and maintaining price and financial stability, to support growth in real Gross Domestic product (GDP), low and stable levels of general prices. They are also aligned with macroeconomic policies outlined in National Development Strategy (NDS), Bank of South Sudan strategic plan 2023-2027 and the implementation by the revitalized transitional government of national unity (R-TGONU) peace and the macroeconomic reforms agenda.

In this regard, the MPC unanimously voted to maintain tight monetary policy stance and set the targets summarized below:

- i. Maintain the central bank rate of interest (CBR) at **12 per cent per annum;**



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- ii. Maintain the minimum reserve requirement ration (RRR) at **20 per cent** of commercial bank deposit both in local and foreign currency.
- iii. Maintain a nominal growth of broad money at around **11 percent**, with a margin of **(+/-) 1 percent**;
- iv. Headline inflation of a single digit of **8%** with a margin of  $\pm 1$  per cent.
- v. Encourage commercial banks to increase lending to the private sector to up to **40 per cent** of their total deposits;
- vi. Build international reserves equivalent to about **4.5** months of import cover;
- vii. Maintain a liquidity ratio of at least twenty percent (20%) of local and foreign currencies denominated deposits.

The Bank of South Sudan wants to assure the public that the situation will be under control as these policies are revised in accordance with the prevailing circumstance. The Bank will also intervene with its direct and indirect monetary policy instruments that are available at its disposal. The Bank further assures the citizens and specifically the business fraternity of its ability and commitment to sterilize the foreign exchange market.

A handwritten signature in green ink, appearing to read "Johnny Ohisa Damian".

**Hon. Johnny Ohisa Damian**

**Governor and Chairman, Board of Directors  
Bank of South Sudan**

