



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

### **Press Release**

10<sup>th</sup> February 2023

The Bank of South Sudan (BoSS) is aware of the strong appreciation of the United States of American dollars against all major currencies globally. The depreciation of the local currency, the South Sudanese Pound (SSP) vis-à-vis the US dollars is exacerbated partly by the Federal Reserve's hikes of the interest rate to curb surging inflation, rising prices of imported essential commodities in international market and speculative motives. The Bank has accumulated sufficient foreign exchange reserves boosting its capacity to intervene in the foreign exchange market occasionally to smoothen high volatility. These reserves are generated through successful operationalization of the Treasury Single Account (TSA) and liquidation of part of the country's Special Drawing Rights (SDR) from the International Monetary Fund (IMF). The BoSS calls upon the licensed forex bureaus and commercial banks to display their exchange rates, so that the public can deal with authorized dealers, rather than risking with umbrella or street dealers which are unreliable.

The Bank of South Sudan, in collaboration with the treasury, reiterates its strong commitment to implementing the Revitalized Transitional Government of National Unity (R-TGONU) reforms agenda aimed at restoring macroeconomic stability. Specifically, the reforms focus on Public Finance Management (PFM) to create adequate fiscal space for the government to prioritize social spending, strengthening governance, and enhancing monetary and financial sector developments. With respect to monetary operations, the Term Deposit Facility (TDF) auction tenors of 28 and 48 days has been embraced by commercial banks and is working extremely well in draining excessive liquidity from the banking system. As a result, growth in the money supply has been controlled and hovers within Monetary Policy Committee (MPC) targets. Growth in broad money decreased by 3.16 per cent in the month of December 2022 compared to 2.6 per cent increase in the month of November 2022.

Regarding financial stability, the BoSS enforced the minimum paid up capital requirement policy intended to insulate the banking sector to remain safe,





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sound, and resilient. In this connection, the BoSS revoked licenses of two undercapitalized commercial banks, and warned those struggling to recapitalize either to merge, or face revocation of the licenses too. Going forward, commercial banks are encouraged to promote the culture of saving by paying interest on deposits, while mobilizing resources to participate in the term deposit facility auction.

The BoSS is aware of the increased demand for US dollars for domestic payments by some public and private agents. This is illegal. To relief the pressure on demand for US dollars, we strongly reiterate our commitment to enforce the SSP as the only legal tender in the Republic of South Sudan. In addition, we are monitoring developments in the foreign exchange market and will intervene, when necessary, through forex exchange auction to support balance of payment obligations and combat inflationary pressures.

**Hon. Johnny Ohisa Damian**  
**Governor.**  
**Bank of South Sudan-Juba.**

