



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

### **Press Statement**

October 27, 2023

As we approach the last quarter of 2023, coupled with the recent public sector pay rise, the Bank of South Sudan has observed a modest strengthening of the US dollars against the South Sudanese Pound (SSP) over the last one week. The upward review of the pay rise may pose a potential risk in the growth rate of broad money (M2), which could potentially lead to adverse ramification on the general price level.

To mitigate the adverse effects of these phenomenon, the Bank will work closely with the Ministry of Finance and Planning (MoFP) to ensure macroeconomic stability. Broadly, the Bank has put in place mechanisms to control this effect, by boosting its capacity to intervene in the foreign exchange market through purchase of US dollars from government to pay the salaries of the public employees, and by utilizing provisions of the Treasury Single Account (TSA) agreement that allows the Bank to automatically exchange foreign component of domestic revenue into SSP to build reserves.

The Bank will also scale up the uptake of the Term Deposit Facility (TDF) auctions by increasing the volume and reinstating shorter term tenors that are attractive to the banks. The combination of both direct and indirect monetary policy instruments at our disposal will strengthen our capacity in sterilizing excessive liquidity from the system, and thereby control the adverse effect of excessive money supply.

Accordingly, the Bank will undertake the following specific policy measures:

1. Continuing with tightening of the monetary policy stance by maintaining the 10 percent target for 2023 growth in M2.
2. Maintaining the central bank interest rate (CBR) at 15 percent until further notice.
3. Increasing the volume of the weekly foreign exchange auctions.
4. Strengthening policy coordination with the fiscal authorities.

Going forward, the Bank assures the public that it will keep monitoring developments in the foreign exchange market keenly. It will intervene, when necessary, through increase of the amount of dollars for auction to both forex bureaus and commercial banks to support the balance of payment obligations and combat inflationary pressures.

Dr. James Alic Garang

Governor

Bank of South Sudan

