



## BANK OF SOUTH SUDAN (BoSS) Office of the Governor

**Date: 31<sup>st</sup> December 2024**

### **Press Release**

On behalf of the Board of Directors, the Senior Management, and the entire staff of the Bank of South Sudan, allow me to take this golden opportunity to wish the President of the Republic, H.E. Gen. Salva Kiir Mayardit, and the people of South Sudan a happy and prosperous new year, 2025.

We all bear witness that the year 2024 had been a challenging year on both global and domestic fronts. Globally, our planet faces enormous environmental, political, and economic challenges. 2024 recorded some of the extreme weather temperatures, the simmering geopolitical tension thus drawing the world close to World War III. Economically, the rising cost of living is felt by everyone in all countries.

Despite these daunting challenges, the global economy is on the right path to stability, following the disruption of the supply chain by the COVID-19 pandemic, the war in Ukraine, and geopolitical tensions. Growth is projected to hold steadfast at 3.2 percent in 2024 and 2025, respectively. Meanwhile, advanced economies are experiencing disinflation. Global inflation is forecast to fall from 5.7 percent in the fourth quarter of 2023 to 5.5 in 2024 and 5.3 in 2025, attributed to a sustained tightening of monetary policy by central banks. Nevertheless, there are risks remaining as the public debt is on the rise (especially in the emerging and developing economies); world trade is fracturing due to geopolitical tensions. “Trade is no longer the engine of economic growth” (Kristalina Georgieva), (IMF 2024, World Economic Outlook: Policy, Pivot, Rising threats. Washington, DC October). The Managing Director of the IMF, Kristalina Georgieva, in her keynote remarks during the annual meeting in October 2024 in Washington D.C., noted that, “inflation is subdued, but the mood of the people is not so good because families are still hurting from high prices and global growth is anemic.” She stressed that there is “much work to do.” At the global level, countries must work on:

- Rebuilding fiscal buffers (domestic revenue mobilization).
- Investing in growth-enhancing reforms to foster economic growth.
- Work together to tackle global challenges (through cooperation and multilateral actions)





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Domestically, our country has been hit harder by a series of external and internal shocks. Externally, the war in neighboring Sudan and the conflict in the Middle East disrupted the flow of oil into the international market and hence restrained the main source of foreign exchange and revenue inflows. Internally, the extreme weather conditions (floods and droughts in some parts of the country) have caused massive displacement of citizens across many states. This has adversely hit the economic system, and particularly the banking sector, harder. As a result, our country has experienced severe liquidity challenges over the last couple of months. However, the resumption of the oil flow into the international market will alleviate the situation.

Additionally, the Bank of South Sudan Monetary Policy Committee (MPC) met on Monday, December 30th, 2024, to review the monetary policy fundamentals going forward into 2025. The Committee deliberates key monetary and banking policy documents. The meeting noted the macroeconomic challenges facing the country and approved policies intended to guide commercial banks and all stakeholders' operations during the year 2025. These are designed to support the macroeconomic policy objectives of the government and to provide optimal liquidity while maintaining and consolidating gains from the Public Finance Management (PFM) reforms undertaken by the government. This policy is also guided by the spirit of the signed Revitalized Agreement on the Resolution of the Conflict in South Sudan (R-ARCSS), the Vision 2040, the National Development Strategy (NDS), the BoSS strategic plan 2027, and the 2024/2025 budget objectives.

In this context, using the monetary aggregate targeting framework, the Bank of South Sudan Monetary and Banking Policy for the year 2025 will pursue the following objectives:

- a) To achieve **6.8%** projected growth of real GDP in 2025
- b) To maintain the headline inflation at **61.5%** in 2025
- c) To encourage commercial banks to increase lending to the private sector to **40 per cent** of their total deposits.
- d) To build international reserves equivalent to about **4.5** months of import cover.





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To achieve these objectives, the Bank of South Sudan adopts mechanisms to enhance monetary and credit policies, foreign exchange policies, macroprudential policies, national payment & settlement, and currency policies as follows:

- I. All commercial banks in South Sudan are required to maintain a minimum reserve requirement ratio (RRR) of **25%** and **30%** on local and foreign currency-denominated
- II. The MPC unanimously agreed to maintain the Central Bank Rate (CBR) at **15%**.

A handwritten signature in green ink, appearing to read "Johnny Ohisa Damian", is written over a dotted line.

**Hon. Johnny Ohisa Damian,  
Governor and Chairman, MPC,  
Bank of South Sudan- Juba.**

