



BANK OF SOUTH SUDAN MACROECONOMIC REVIEW

First Quarter Report 2025

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DIRECTORATE OF RESEARCH AND ECONOMIC ANALYSIS

Jondoru - Juba, South Sudan

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Table of Content

Abbreviations.....	v
Forewordvi	
Executive Summary	vii
1. Global and Regional Outlook	1
1.1. Global Outlook.....	1
1.2. Sub-Saharan Africa	3
1.3. Risks to Global and Regional Outlook	4
1.4. Global Outlook for Oil.....	5
1.4.1. Oil Price	5
1.4.2. Oil Supply	6
1.5. Eastern Africa Region.....	7
2. Domestic Outlook	9
Overview.....	9
2.1. Fiscal Sector.....	9
2.1.1. Revenues	10
2.1.3. National Debts.....	12
2.1.4. Domestic Debt.....	12
2.1.5. Foreign Debt.....	13
2.2. Monetary Sector.....	14
Overview14	
2.2.1. Money Supply	14
2.2.2. Net Foreign Asset.....	15
2.2.3. Monetary Base	16
2.2.4. Lending and Deposit Interest Rates	16
2.2.5. Developments in Credit to Private Sector	17
2.3. Real Sector.....	19
Overview19	
2.3.1. GDP Performance	19
2.3.2. Inflation Developments	20
2.4. External Sector.....	22
Overview22	

2.4.1.	Current Account Developments	23
2.4.2.	Exchange Rate Development	24
2.4.3.	Gross International Reserve Position	25
3.	Appendix1: Summary of Monetary Aggregates Developments	26

List of Figures

Figure 1:	Annual Inflation Rate for Some Selected Regions	4
Figure 2:	Selected Crude Oil Prices, US\$/barrel	6
Figure 3:	GDP Growth Rate for selected Eastern Africa Region Member States	7
Figure 4:	Summary of Revenue Outturns Compared to Fiscal Budget Estimates.	10
Figure 5:	Historical budget expenditure verse actual expenditure	12
Figure 6:	Real GDP Growth Rate	20
Figure 7:	Month-on-month changes in South Sudan Inflation.....	21
Figure 8:	South Sudan Trade Balance 2023-2025 (USD millions).....	23
Figure 9:	Quarterly Exchange Rate Fluctuations.....	24
Figure 10:	Gross International Reserves Vs Days of Import Cover (percentage change)	25

List of Tables

Table 1: Global GDP Growth Rate	2
Table 2: Inflation Rate for some selected EAC Member States	8
Table 3: Exchange Rates for some selected EAC Member States	8
Table 4: Summary of Revenue Outturns Compared to Fiscal Budget Estimates 2024/2025	11
Table 5: Composition of Net Claim on Central Government	13
Table 6: South Sudan Outstanding Public Debt.....	13
Table 7: Money Supply and its Components	15
Table 8: NFA Components	15
Table 9: Monetary Base and its Components	16
Table 10: Average Lending and Deposit Interest Rates.....	17
Table 11: Private Sector Credit by Economic Activities	18
Table 12: Summary of Some Key National Accounts Aggregates.....	19
Table 13: South Sudan Trade Statistics (USD millions).....	22
Table 14: South Sudan Current Account Components (USD millions).....	23
Table 15: Exchange Rate Dynamics	24

Abbreviations

BoSS	Bank of South Sudan
NFA	Net Foreign Assets
Mb/d	Millions of Barrels per Day
ODCs	Other Depositary Corporations
SSNBS	South Sudan National Bureau of Statistics
CAR	Capital Adequacy Ratio
OPEC	Organization of the Petroleum Exporting Countries
CI	Credit Institutions
EAC	East African Community
EMEs	Emerging Market Economies
EU	European Union
GDP	Gross Domestic Product
IMF	International Monetary Fund
MoFP	Ministry of Finance and Planning
MoP	Ministry of Petroleum
SSRA	South Sudan Revenue Authority
UGX	Uganda Shillings
USD	United States Dollar
GIR	Gross International Reserves
CAB	Current Account Balance
Ksh	Kenyan Shillings
WEO	World Economic Outlook
Tb/d	Thousands of Barrels per Day
ROW	Rest of the World

Foreword

The Bank of South Sudan (BoSS) is pleased to share with the public the First quarter 2025 report on macroeconomic developments in the country. The document is on a continuous process of improvement so that the quality of production and dissemination of these essential macroeconomic updates meet international standards.

The quarterly report is one of the Bank of South Sudan's prime documents. Through this, information on some selected macroeconomic variables derived from the four sectors (Real, Fiscal, Monetary and External) of the economy is disseminated.

The BoSS would like to take this opportunity to earnestly appreciate the continued support of the members of the Macro Framework Working Group (MFWG) comprising of Ministry of Finance and Planning (MoFP), Ministry of Petroleum (MoP), South Sudan National Bureau of Statistics (SSNBS), South Sudan Revenue Authority and other government agencies for providing their insights with forecast on the general macroeconomic situation of the country. This includes the sharing of the data that had helped in producing this publication. The Bank of South Sudan welcomes constructive comments from stakeholders which will enhance the quality of future publications.

Copies of this publication are available at the Bank of South Sudan's head office Juba, Jondoru, Juba, South Sudan. They can also be obtained from the official Banks' website: www.boss.gov.ss



Hon. Johnny Ohisa Damian

Governor,

Bank of South Sudan

Executive Summary

The global economy is at a critical juncture according to the IMF (WEO April 2025). Forecasts for global growth have been revised markedly down to 2.8 percent in 2025 before recovering to 3.0 percent in 2026 compared to 3.3 percent in fourth quarter of 2024. The downgrades in growth are broad-based across countries and reflect in large part the direct effects of the new trade measures and their indirect effects through trade linkage spillovers, heightened uncertainty, and deteriorating sentiment. However, the landscape has changed as governments around the world reorder policy priorities and uncertainties have climbed to new peaks. The Advanced economies, for example growth level scaled down from 1.8% in 2024 to 1.4% in quarter one of 2025, both the emerging market and developing economies and Sub-Saharan Africa growth rate reduced from 4.3% to 3.7% and from 4.0% to 3.8% respectively.

Economic performance within the East African region is projected to be at 5.4 percent despite the recent global geopolitical uncertainty. This growth is largely driven by Uganda, Rwanda, Kenya, Ethiopia and Tanzania, attributed to GDP contributions from the service sector, Agriculture, infrastructure development and robust industrial activities.

South Sudan has persistently experienced both internal and external shocks that has significantly affected its economic performance. The government projected output to grow by about 4.0 per cent in 2024/2025 Fiscal year. The country's trade balance deficit has narrowed by 383.75 percent at the end of the first quarter of 2025 as compared to 88.01 percent in the previous quarter (Q4 2024). This is due to the resumption of the DAR crude oil production which was previously disrupted by the ongoing conflict in the Sudan.

Broad money (M2) has increased by 9.60 percent at the end of the first quarter of 2025, driven mainly by the continued depreciation of the South Sudan pounds against the US dollars and also increase in the currency held outside the depository corporations.

The government of South Sudan has continued with implementation of the reforms that are designed to promote economic growth and development, these reforms are clearly specified in the public finance management act (PFM). Examples of such reforms include tax administration where non-oil revenues are expected to contribute to about 50 per cent of FY 2024/2025 fiscal budget.

1. Global and Regional Outlook

1.1. Global Outlook

The global economy is at a critical juncture according to the IMF (WEO April 2025). Forecasts for global growth have been revised markedly down to 2.8 percent in 2025 before recovering to 3.0 percent in 2026 compared to 3.3 percent of both January 2025 World Economic Outlook (WEO) Update and fourth quarter of 2024. The downgrades in growth are broad-based across countries and reflect in large part the direct effects of the new trade measures and their indirect effects through trade linkage spillovers, heightened uncertainty, and deteriorating sentiment. Please see Table 1 below.

Much as signs of stabilization were emerging through much of 2024 after a prolonged and challenging period of unprecedented shocks, the landscape has changed as governments around the world reorder policy priorities and uncertainties have climbed to new elevations. For instance, Since February 2025, the United States has announced multiple waves of tariffs against its trading partners provoking some of which to invoke counter measures for example, China.

For **Advanced Economies**, growth projected to drop from an estimated 1.8 percent in 2024 to 1.4 percent in 2025 and 1.5 percent in 2026. In the United States for example, growth is projected to decrease in 2025 to 1.8 percent, 1 percentage point lower than the rate for 2024. The downward revision is a result of greater policy uncertainty, trade tensions, and a softer demand outlook, given slower-than-anticipated consumption growth (EWO April 2025). Tariffs are also expected to weigh on growth in 2026, which is projected at 1.7 percent amid moderate private consumption. Hence economic growth has been drawn down from 2.8 percent in the fourth quarter of 2024 to 1.8 percent in the first quarter of 2025.

Growth in the **Euro Area** is expected to decline slightly to 0.8 percent in 2025, before picking up modestly to 1.2 percent in 2026. Rising uncertainty and tariffs are key drivers of the subdued growth in 2025.

For **Japan**, the growth projection for 2025 is 0.6 percent. The effect of tariffs announced on April 2nd, and associated uncertainty offset the expected strengthening of private consumption, with above inflation wage growth boosting household disposable income. For the **United Kingdom**, the growth projection for 2025 is 1.1 percent reflecting a smaller carryover from 2024.

For **Emerging Market and Developing Economies**, growth under the reference forecast is projected to drop to 3.7 percent in 2025 and 3.9 percent in 2026, following an estimated 4.3 percent in quarter four 2024. This is 0.5 and 0.4 percentage points lower, respectively.

Growth in **Emerging and Developing Asia** is expected to decline further to 4.5 percent in 2025 and 4.6 percent in 2026 from 5.3 percent in the fourth quarter of 2024. The Association of Southeast Asian Nations (ASEAN) countries have been among the most affected by the April tariffs. For **China**, 2025 GDP growth is revised downward to 4.0 percent from 5.0 percent in the last quarter of 2024. This reflects the impact of recently implemented tariffs, which offset the stronger carryover from 2024 (as a result of a stronger-than-expected fourth quarter) and fiscal expansion in the budget.

Table 1: Global GDP Growth Rate

	2023	2024	Projections	
			2025	2026
World	3.3	3.3	2.8	3.0
Advanced economies	1.7	1.8	1.4	1.5
United States	2.9	2.8	1.8	1.7
Euro Area	0.4	0.9	0.8	1.2
Japan	1.7	0.1	0.6	0.6
United Kingdom	0.3	1.1	1.1	1.4
Emerging Market and Developing Economies	4.4	4.3	3.7	3.9
Emerging and Developing Asia	5.7	5.3	4.5	4.6
China	5.2	5.0	4.0	4.0
India	8.2	6.5	6.2	6.3
Emerging and Developing Europe	3.3	3.4	2.1	2.1
Russia	3.6	4.1	1.5	0.9
Latin America and the Caribbean	2.2	2.4	2.0	2.4
Brazil	2.9	3.4	2.0	2.0
Mexico	3.2	1.5	1.5	1.3
Middle East and the Central Asia	2.1	2.4	3.0	3.5
Saudi Arabia	-0.8	1.3	3.0	3.5
Sub-Saharan Africa	3.6	4.0	3.8	4.2
Nigeria	2.9	3.4	3.0	2.7
South Africa	0.7	0.6	1.0	1.3
World Consumer Prices	8.7	5.7	4.3	3.6
Advanced Economies	4.6	2.6	2.5	2.2
Emerging Market & Developing Economies	8.1	7.8	5.5	4.6

Source: IMF World Economic Outlook database (WEO, April 2025)

1.2. Sub-Saharan Africa

The IMF estimates growth in **Sub-Saharan Africa**, growth is expected to slightly decline from 4 percent in 2024 to 3.8 percent in 2025 and recover modestly in 2026, lifting to 4.2 percent. The recent events in the global outlook have clouded the region's short-term prospects and significantly complicated policy making. The shock is in the form of high borrowing costs, additional constraints on external funding, low prices for some key commodities and a steep increase in economic uncertainty. IMF Regional Economic Outlook April 2025.

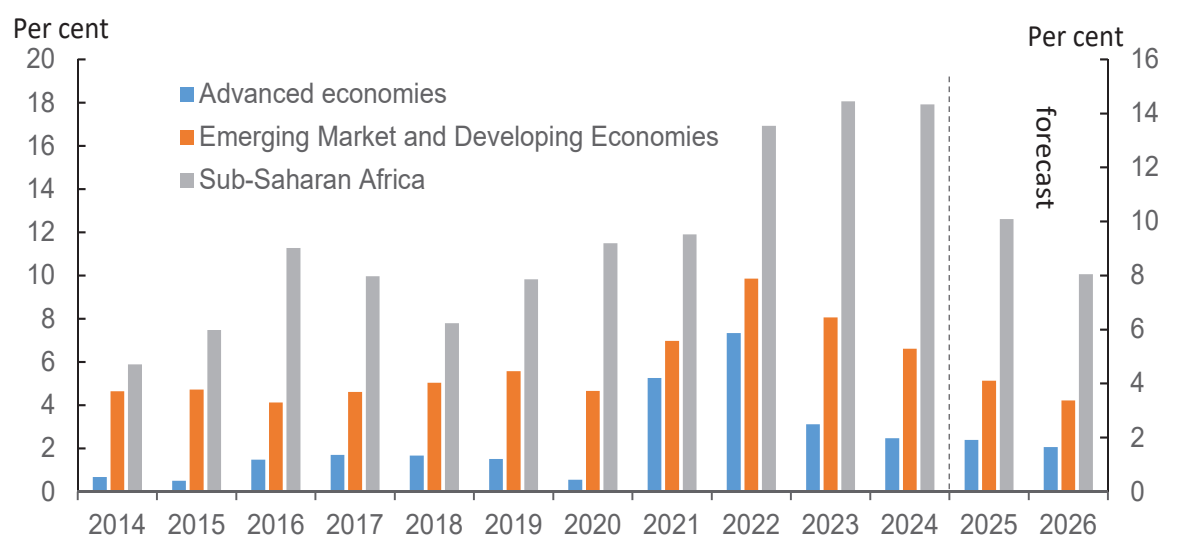
Among the larger economies, the growth forecast in **Nigeria** is revised downward by 0.2 percentage point for 2025 and 0.3 percentage point for 2026, owing to lower oil prices.

Economic growth in **South Africa** is revised downward by 0.5 percentage point for 2025 and 0.3 percentage point for 2026, reflecting slowing momentum from a weaker-than-expected 2024 outturn, deteriorating sentiment due to heightened uncertainty, the intensification of protectionist policies, and a deeper slowdown in major economies. **South Sudan** has a downward revision of 31.5 percentage points for 2025 on account of the delay in the resumption of oil production from a damaged pipeline.

The inflation outlook as a whole has improved but has not yet fully returned to pre-pandemic patterns (See Figure 1. Below) and it is subject to high uncertainty. In particular, the effects of recently imposed tariffs on inflation across countries will depend on whether the tariffs are perceived to be temporary or permanent, the extent to which firms adjust margins to offset increased import costs, and whether imports are invoiced in US dollars or local currency.

Global **headline inflation** is expected to decline to 4.3 percent in 2025 and to 3.6 percent in 2026 from 5.7 percent in quarter four 2024. Inflation is projected to converge back to target earlier in advanced economies, reaching 2.2 percent in 2026, compared with emerging market and developing economies, for which it declines to 4.6 percent over the same time horizon according to IMF WEO April 2025.

Figure 1: Annual Inflation Rate for Some Selected Regions



Source: IMF World Economic Outlook database (WEO, April 2025)

1.3. Risks to Global and Regional Outlook

The overall risks to the outlook are tilted to the downside both in the short and medium term. The escalating trade measures and prolonged trade policy uncertainty would negatively affect the global GDP much as the impact varies across countries. Those countries directly targeted by the new tariffs would be most affected such as China and the USA though a large set of countries in Asia and Europe in the medium term would be affected.

The trade war could also provoke inflationary pressures mainly through rising import prices, local currency depreciation over the US dollars, financial market volatility and restrictions on commodities may lead to significant price shifts. Scaling back international cooperation could jeopardize progress toward a more resilient global economy for example if lack of financial support were suddenly to materialize, living and health conditions would deteriorate in low-income and fragile countries. The macroeconomic consequences for aid-receiving countries might be substantial, including worsening of current accounts, decline in foreign reserves, pressure on exchange rates and prices, and lower consumption and investment.

Despite the increased prevalence of negative risks, Continued elevated trade policy uncertainty could spark new momentum toward regional, plurilateral, and multilateral agreements, which

could mitigate risks and foster policy predictability. Nondiscriminatory agreements that cover a broad set of areas, including digital and services trade and investment, could facilitate broad-based gains without introducing new distortions. A resolution or mitigation of ongoing conflicts could lead to a decrease in global commodity prices and reallocate resources for productive uses.

1.4. Global Outlook for Oil

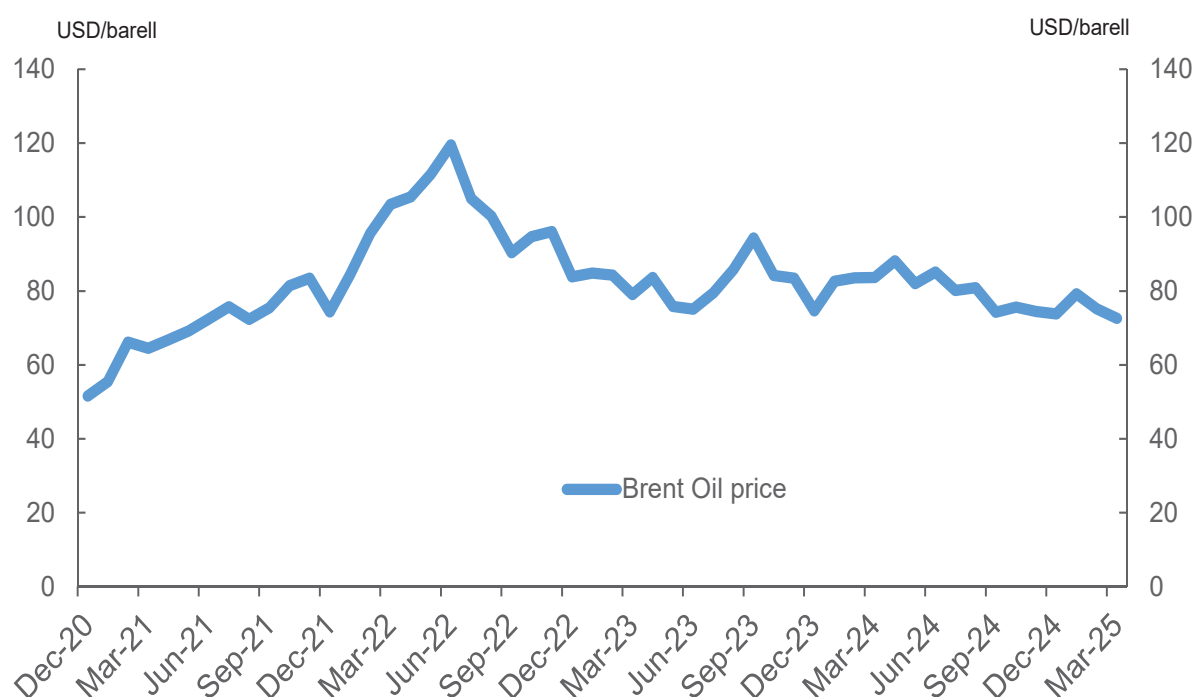
1.4.1. Oil Price

Oil prices declined by \$2.81 or 3.7%, m-o-m to stand at \$74.00 per barrel at the end of Q1 2025. All OPEC Reference Basket component values decreased alongside their respective crude oil benchmarks in the first quarter of 2025 as compared to \$76.77 per barrel in the previous year March 2024. The downward trend of oil prices according to OPEC World Oil Outlook April 2025 report is due to escalating geopolitical tensions in the Middle East and the US decision to impose tariffs on imports from its major importing trading partners. These tariffs heightened fears of a broader trade war, raising concerns about its potential repercussions on global economic growth and energy demand.

(See Figure 2 on developments in selected oil prices).

The global oil demand growth forecast for 2025 is revised down slightly to 1.3 mb/d, y-o-y. This minor adjustment is mainly due to the data received for first quarter of 2025 and the expected impact on oil demand given recently announced US tariffs. In the OECD, oil demand is expected to grow by 0.04 mb/d, while non-OECD demand is forecast to expand by almost 1.25 mb/d in 2025. (OPEC World Oil Outlook April 2025).

Figure 3: Selected Crude Oil Prices, US\$/barrel



Source: Ministry of Petroleum and Bank of South Sudan calculations

1.4.2. Oil Supply

Global oil supply decreased in 2024 due to weather related shock compounded by declines in Nigeria and Libya. However, the global oil supply is on track to increase by 1.6 mb/d to 104.5 mb/d in 2025, with non-OPEC+ producers accounting for the bulk of the increase if OPEC+ voluntary cuts remain in place (figure 2).

Liquids supply from countries not participating in the Declaration of Cooperation (Non-DoC) is forecasted to grow by about 0.9 mb/d, y-o-y, in 2025. The main growth drivers are expected to be the US, Canada, Brazil and Argentina with the main decline projected from Angola. Meanwhile, natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to grow by 0.1 mb/d, y-o-y, in 2025, to average 8.4 mb/d. Crude oil production by the countries participating in the DoC dropped by 37 tb/d in March 2025 as compared to 14 tb/d in December 2024, m-o-m, averaging about 41.02 mb/d, as reported by OPEC World Oil Outlook April 2025 report.

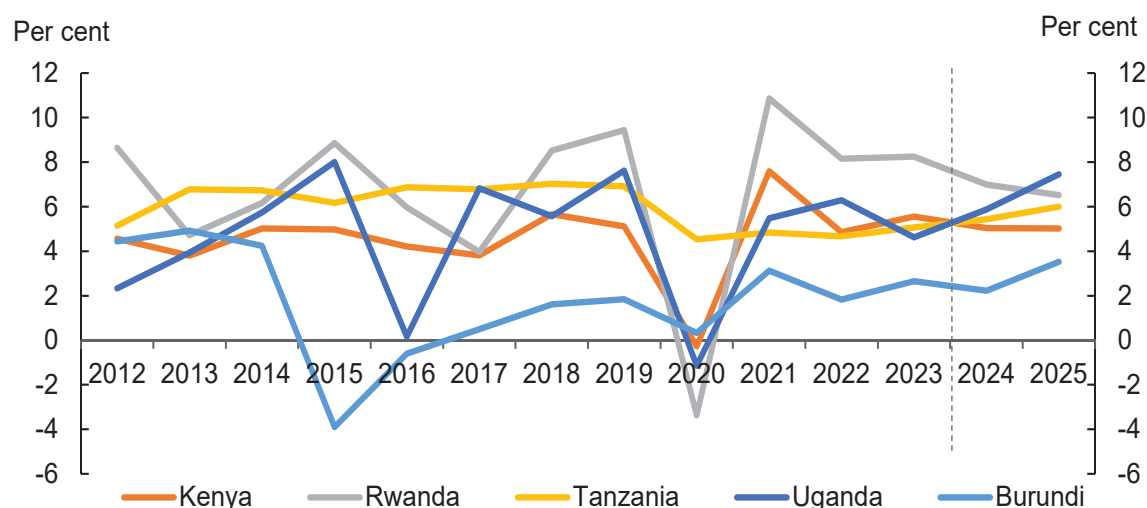
1.5. Eastern Africa Region.

Economic performance within the Eastern Africa region is projected to be at 5.4 percent in 2025 despite the recent global geopolitical uncertainty. This growth is largely driven by Uganda, Rwanda, Kenya, Ethiopia and Tanzania. GDP contributions from the service sector, Agriculture, infrastructure development and robust industrial activities are the key drivers to the economic performance

In **Uganda**, economic activity continues to thrive amid global uncertainty and standing at 6.7 percent (Bank of Uganda). This is due to a robust recovery in the industrial sector and also performance from the Agricultural activities. In **Kenya**, the Central Bank of Kenya forecasts growth rate at 5.5 percent for 2025 boosted by agriculture, financial services and infrastructure development.

Growth in **South Sudan** has deteriorated due to the war in Sudan. As a result, the pipeline transporting South Sudan's crude oil to the international market was bombed, extreme weather conditions and the internal conflict in the country.

Figure 4: GDP Growth Rate for selected Eastern Africa Region Member States



Source: IMF World Economic Outlook database (WEO, April 2025)

Inflation in most of the Eastern Africa member states has remained stable and below the 8 per cent benchmark for the region at the end of the first quarter of 2025. This is mainly due to the contractionary monetary policy in the region. See table 2 below. In **South Sudan**, the monthly

inflation has been slightly stable in the first quarter of 2025 (quarterly average of 6.21 percent) due to the update of the CPI basket rebase to August 2024.

Table 2: Inflation Rate for some selected EAC Member States

Selected EAC Countries	2024				2025
	Q1	Q2	Q3	Q4	Q1
Uganda	3.3	3.9	3	3.3	3.4
Kenya	5.7	6.22	3.56	2.99	3.62
Tanzania	3.02	3.09	3.14	3.11	3.3

Source: Bank of Tanzania, Bank of Uganda and Central Bank of Kenya

On the **foreign exchange market**, the US dollar has continued to appreciate against the South Sudan Pounds and the Kenyan shilling, while the Ugandan shilling appreciated slightly at the end of the fourth quarter of 2024 through first quarter of 2025 (see table 3 below).

Table 3: Exchange Rates for some selected EAC Member States

Selected EAC	2024				2025
	Q1	Q2	Q3	Q4	Q1
Ksh/USD	131.8	129.53	129.2	129.29	129.32
Ugx/USD	3885	3706.7	3690	3681.1	3661.6
SSP/USD	1578.96	1564.59	2955.04	3802.24	4462.33

Source: Bank of Uganda, Central Bank of Kenya and Bank of South Sudan

Despite recent events such as global uncertainty and tight financial conditions, currency performance varied in the Eastern Africa region. For example, both the Uganda and Kenya shillings have remained relatively stable in the first quarter of 2025 standing at 3661.6 Ugx and 129.32 Ksh respectively driven by capital inflows from remittances, NGO receipts, offshore investor activity (the issuance of Eurobond by Kenya) and export earnings from coffee and tea.

South Sudan has experienced significant depreciation of the SSP standing at 17.36 percent (from SSP 3802.24 in Q4 2024 to SSP 4462.33 in Q1 2025) due to limited inflow of foreign currency caused by the decline in the global crude oil prices, disruptions on the oil pipeline through Sudan and some restrictions applied on the country. See table 3 above.

2. Domestic Outlook

Overview.

South Sudan has persistently experienced both internal and external shocks that has significantly affected its economic performance. The government projected output to grow by about 4.0 per cent in 2024/2025. The country's trade balance deficit has narrowed by 383.75 percent (BoSS - statistics) at the end of the first quarter of 2025 due to the resumption of the DAR crude oil production which had come to halt for the entire 2024 due to the continued conflict in the Sudan. Broad money (M2) continued to increase at the end of the fourth quarter of 2024 through to first quarter 2025 by 9.60 percent, driven mainly by key components such as currency outside depository corporations, transferable deposits, and other deposits amidst sharp depreciation of the SSP against the US Dollar. At the same time, the government of South Sudan has continued with implementation of the reforms that are designed to promote economic growth and development. These reforms are clearly specified in the Public Finance Management act (PFM). Examples of such reforms include tax administration where non-oil revenues are expected to contribute to about 50 per cent of FY 2024/2025 fiscal budget.

However, the country is adjusting to the impact of the pause on oil production at the oil wells and the recent disruptions of oil facilities in Port Sudan hence facing a downturn on the economic performance in South Sudan at the end of the first quarter 2025.

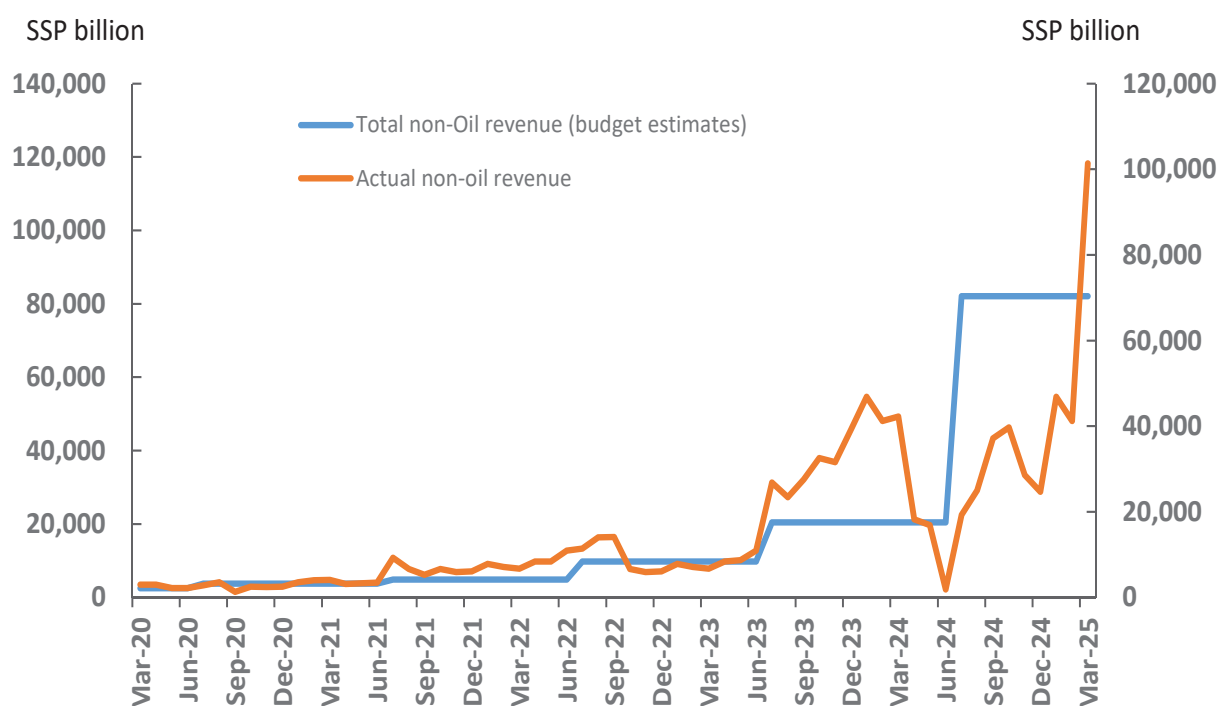
2.1. Fiscal Sector

The government of South Sudan has continued with implementation of the reforms that are designed to promote economic growth and development. These reforms are clearly specified in the public finance management act (PFM) that the government has embarked in its implementation. The 2024/2025 budget is aimed at addressing most of the challenges that the country is going through and specifically, there is increased government spending aimed at boosting consumption and investment in Agriculture. However, some challenges are expected to persist such as inadequate funds as the war continues in the neighboring Sudan disrupting export of crude oil, inter-communal violence, trade wars and natural disaster such as floods and prolonged droughts.

2.1.1. Revenues

The Government of the Republic of South Sudan through the South Sudan Revenue Authority has embarked on improving the administration of non-oil revenue at the end of the first quarter of 2025. This follows the government commitment to increase non-oil revenue to more than 50 per cent of the 2024/2025 budget. Preliminary data shows that non-oil revenue amounted to SSP 101.37 billion in quarter one 2025. See figure 4 below.

Figure 5: Summary of Revenue Outturns Compared to Fiscal Budget Estimates.



Source: Ministry of Finance and Planning, Ministry of Petroleum and BoSS Calculations.

The oil sector, which remains the dominant sector in terms of its contribution to total government revenue and the total oil proceeds of the first quarter of 2025, stands at SSP 395.02 billion, which is above the quarterly targets of SSP 284.61 billion. See table 5 below.

Table 4: Summary of Revenue Outturns Compared to Fiscal Budget Estimates 2024/2025

SSP (Billion)	FY 2024/2025	Quarterly Target	Outturn Q1 2025
Total Revenue	2123.31	530.83	496.45
Net Oil Revenue	1138.43	284.61	395.02
Non-Oil Revenue	984.88	246.22	101.43
Of which;			
<i>PIT</i>	385.22	96.31	40.6
<i>Sales Tax/VAY</i>	11.2	2.8	2.06
<i>Excise</i>	14.41	3.6	1.25
<i>Business Profit Tax</i>	9.05	2.26	5.28
<i>Customs</i>	552.28	138.07	37.03
<i>Other Revenue (fees, licenses)</i>	12.72	3.18	15.21
Memorandum Item			

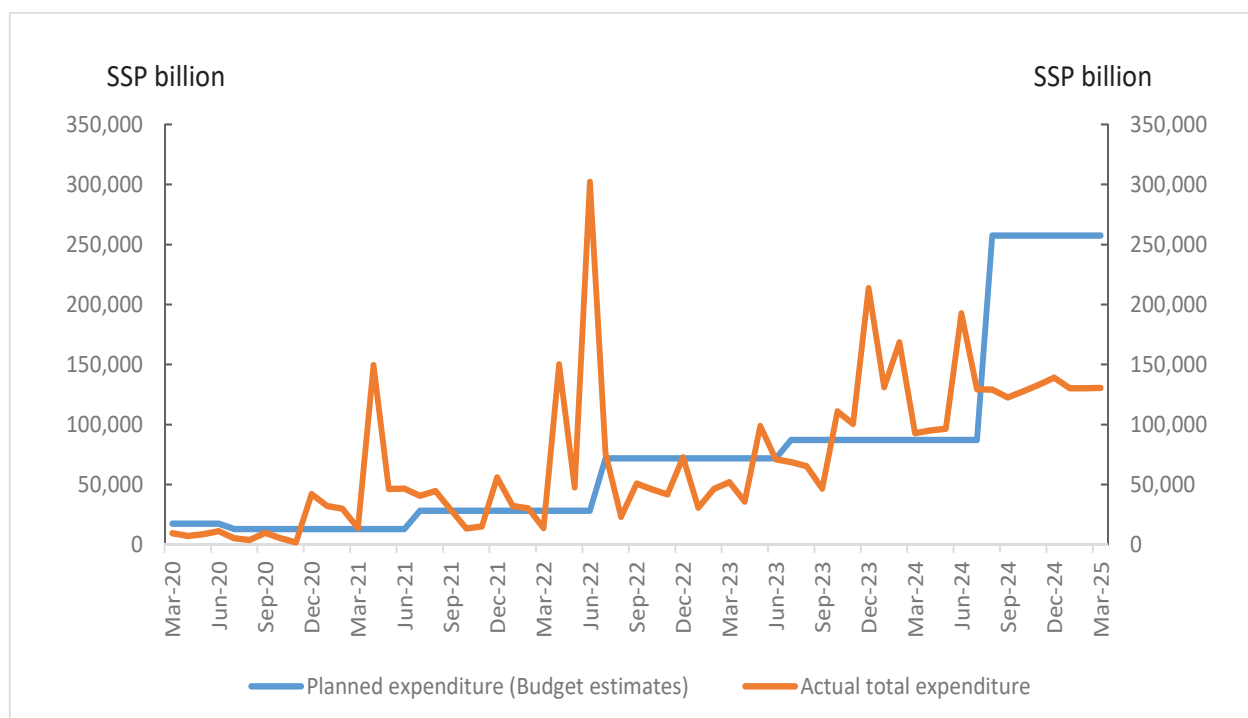
Source: SSRA, Ministry of Finance and Planning, and Ministry of Petroleum and BoSS Calculations

2.1.2. Expenditure

General government expenditures still face the major challenge of a huge deficit as a result of low oil revenue collected from the sale of the country's oil to the international market. The recent fluctuations in the global oil markets due to the escalating conflict in the Middle East and the conflict in the Sudan have significantly affected the domestic economy through widened fiscal deficit. Due to the lower prices in the global oil market, the domestic economy has experienced acute major budget deficits which need effective or prompt action through fiscal policy reform in line with the Public Finance management Act.

The Ministry of Finance and Planning/Republic of South Sudan has targeted the total quarterly amount of 526.28 billion SSP at the end of every quarter in 2025 and the actual total current expenditure outturn is at about 138.34 billion SSP at the end quarter one 2025 which is by far below the quarterly expenditure target. This comprises of spending on wages or salaries at 51.26 billion SSP, capital expenditure 7.60 billion SSP, use of goods and services at 54.38 billion SSP and transfers to states marked at 23.72 billion SSP which is below the quarterly targets of each item as planned. (See figure 5 below comparing planned expenditures to actual expenditure up to March 2025).

Figure 6: Historical budget expenditure verse actual expenditure



Source: Ministry of Finance and Planning and Bank of South Sudan

From the figure, there is significant underspending especially in the month of July 2024 to March 2025. This can be attributed to the accrued Salaries and Wages payments, reduced spending on other operating expenses, minimal spending on capital Expenditure and other contributors. There is therefore a need for prioritization of spending, especially key components like clearance of salary arrears consistent with the Public Finance Management act that the government is currently implementing (see figure 4 above).

2.1.3. National Debts

South Sudan national official debt consists of domestic and foreign borrowings by the Central Government. The domestic debt comes primarily from financial institutions, including the Bank of South Sudan and the private sector. Meanwhile, foreign debt comprises of multilateral and bilateral credit.

2.1.4. Domestic Debt

Domestic borrowing by the Central Government is growing partly due to revaluation of foreign currency-related loans as the SSP continues to lose value in the market. It increased from SSP 9.5 billion in the fourth quarter of 2024 to about SSP 10.5 billion at the end of the first quarter of 2025.

In this regard, it is worth noting that the government is still committed to the policy of zero borrowing from the Central Bank in the 2024/2025 fiscal year budget

Government Loans from financial institutions and private sectors also slightly increased at the end of the first quarter of 2025 by 13.52 percent mainly on account of accumulated interest as shown in table 5 below.

Table 5: Composition of Net Claim on Central Government

SSP billion	2024				2025
	Q1	Q2	Q3	Q4	Q1
Net Claims on Central Government (NCG)	3,073.66	3,753.38	7,318.53	9,584.35	10,560.31
CG(BoSS)	1,140.90	1,688.29	1,659.16	2021.507	1,975.01
CG(ODCs)	2,448.61	2,572.60	5,659.37	7,562.84	8,585.30
Quarterly growth, percentage					
NCG	30.93	22.11	94.99	30.96	10.18
CG(BoSS)	18.89	47.98	-1.73	21.84	-2.30
CG(ODCs)	76.42	5.06	119.99	33.63	13.52

Source: Bank of South Sudan

2.1.5. Foreign Debt

Government of South Sudan foreign debt comprises of multilateral and bilateral loans. The multilateral debts include concessional and non-concessional loans from the World Bank, IMF, African Development Bank (AfDB), China Exim Bank, etc., while the bilateral debts come from Qatar National Bank, and oil companies (in the form of oil advances) among others. See Table 6 below.

Table 6: South Sudan Outstanding Public Debt

Million USD	2024Q3
World Bank Loan	104
IMF Loans	227
African Development Bank	19
Other creditors	2,082
Total External Debt in USD	2,432

Source: Ministry of Petroleum and Ministry of Finance and Planning.

2.2. Monetary Sector

Overview

In the first quarter of 2025, the growth of the money supply (broad money), experienced a significant increase. This rise was mainly driven by components such as currency outside depository corporations, transferable deposits, and other deposits. According to the money multiplier model, an increase in the monetary base can lead to a proportional increase in the overall money supply as bank deposits increase. Therefore, banks can lend a portion of the increased money to the public and private sectors. However, during the same period, in Q1 of 2025, the country's net foreign assets (NFA) appreciated, as there was a decline in claims on nonresidents and liabilities to nonresidents.

In Q1, 2025, private sector credit continued to expand, with Financial Services experiencing a decline. Overall, private sector credit growth increased to about 42.70 percent at the end of Q1, 2025. The increase in credit advances to certain private sectors is likely due to high demand in household services, building and construction, transport and communication, energy and water, domestic trade, restaurants and hotels, and manufacturing.

2.2.1. Money Supply

The growth rate of the money supply (M2) moderately increased at the end of Q1 2025 compared to Q4 2024. M2 has increased by 9.60 percent in Q1, 2025 compared to 21.44 percent in Q4 2024. In nominal terms, M2 increased from SSP 3,220.15 billion in Q4, 2024 to SSP 3,529.39 billion in Q1, 2025. This increase is mainly driven by growth in transferable deposits, which increased from SSP 2,328.88 billion at the end of Q4, 2024 to SSP 2,493.39 billion at the end of Q1, 2025, and other deposits increased from SSP 196.19 billion in Q4 2024 to SSP 234.34 billion at the end of Q1, 2025, and currency outside depository corporations has increased from 695.08 billion in Q4, 2024 to 801.66 billion in Q1 2025. (See **Table 7** below on developments in money supply and its components).

Table 7: Money Supply and its Components

<i>SSP Billion</i>	2024			2025
	Q2	Q3	Q4	Q1
Money Supply	1,779.29	2,651.65	3,220.15	3,529.39
Currency outside depository corporations	455.40	550.64	695.08	801.66
Transferable deposits	1,221.70	1,933.97	2,328.88	2,496.39
Other deposits	102.20	167.04	196.19	234.34
Percentage change (Quarterly Growth)				
Money Supply	23.13	49.03	21.44	9.60
Currency outside depository corporations	35.99	20.91	26.23	15.33
Transferable deposits	19.93	58.30	20.42	7.19
Other deposits	11.78	63.44	17.45	19.45

Source: Bank of South Sudan

2.2.2. Net Foreign Asset

The Net Foreign Assets (NFA) of the country have appreciated from negative SSP 6,851.97 billion at the end of Q4, 2024 to negative SSP 6,033.70 billion at the end of Q1 2025. This is mainly due decreased in claims on non-residents from SSP 2,098.53 billion in Q4, 2024 to SSP 1,929.04 billion in Q1, 2025, and liabilities to non-residents decreased from SSP 8,950.50 billion in Q4, 2024 to SSP 7,962.74 billion in Q1, 2025.

Table 8 below shows Net Foreign Assets' quarterly movements and other components over the last four quarters.

Table 8: NFA Components

<i>SSP Billion</i>	2024			2025
	Q2	Q3	Q4	Q1
Net foreign assets	- 2,566.97	- 5,202.70	-6851.97	-6033.7
Claims on nonresidents	871.42	1,618.79	2098.53	1929.04
Less: Liabilities to nonresidents	3,438.39	6,821.50	8950.5	7962.74
Percentage change (Quarterly Growth)				
Net foreign assets	47.25	102.68	31.70	-11.94
Claims on nonresidents	-50.93	85.76	29.64	-8.08
Less: Liabilities to nonresidents	-2.29	98.39	31.21	-11.04

Source: Bank of South Sudan

2.2.3. Monetary Base

The monetary base has increased by 12.09 percent in Q1 2025. This growth is driven by an increase in monetary base components, such as liabilities to other depository corporations (ODCs), which increased by 3.97 percent at the end of Q1,2025, and currency in circulation increased by 15.42 at the end of Q1,2025. Liabilities to other sectors increased by 197.54 percent at the end of Q1 2025. (See **Table 9** below.)

Table 9: Monetary Base and its Components

<i>SSP Billion</i>	2024			2025
	Q2	Q3	Q4	Q1
Monetary Base	1,367.87	2,252.58	2,774.14	3,109.66
Currency in circulation	514.43	598.17	740.68	854.53
Liabilities to ODCs	698.40	1,337.80	1,960.77	2,038.52
Liabilities to other sectors	155.05	316.61	72.69	216.28
Percentage change (Quarterly Change)				
Monetary base	18.11	64.68	23.15	12.09
Currency in circulation	39.24	16.28	23.82	15.37
Liabilities to ODCs	12.83	91.55	46.57	3.97
Liabilities to other sectors	-8.65	104.20	-77.04	197.54

Source: Bank of South Sudan

2.2.4. Lending and Deposit Interest Rates

There is a substantial difference between deposit and lending rates in the South Sudan financial system. The interest paid on deposits has reduced from about 0.11 percent in Q4 2024 to 0.08 percent in Q1, 2025. Therefore, this rate is not competitive enough to attract significant deposits into the banking system. On the other hand, the average interest rate on loans also reduced from about 13.78 percent at the end of Q4, 2024 to 13.26 percent at the end of Q1, 2025. To address liquidity challenges, it is encouraged for South Sudan's financial institutions to implement effective management strategies.

The spread between lending and deposits rates decreased from 13.67 percent in Q4 2024 to 13.18percent at the end of Q1 2025, as indicated in **Table 10** below.

Table 10: Average Lending and Deposit Interest Rates

<i>Percentage Points</i>	2024			2025
	Q2	Q3	Q4	Q1
Interest rate on deposit	0.16	0.14	0.11	0.08
Interest rate on loans	15.94	11.96	13.78	13.26
Interest rate spread	15.78	11.82	13.67	13.18

Source: Bank of South Sudan

2.2.5. Developments in Credit to Private Sector

Private sector credit has continued to expand at the average phase as it increased by 42.70 percent at the end of Q1 2025, compared to an increase of 4.47 percent at the end of Q4, 2024. The increase is largely driven by Household Services 397.67 percent, Building and Construction 45.82 percent, Transport and Communication 35.27 percent, Energy and Water 32.84 percent, Domestic Trade, Restaurants and Hotels 30.10 percent, Manufacturing 29.67, and Real Estate 25.50.

The Financial Services sector has declined with negative credit growth of 39.11 percent at the end of Q1 2025. Also, Mining and quarrying has dropped a negative credit growth of 43.51 percent at the end of Q1 2025.

Therefore, commercial banks are encouraged to innovate within the financial sector and enhance financial literacy to attract more deposits. (Refer to **Table 11** for loans to the private sector by economic activity).

Table 11: Private Sector Credit by Economic Activities

<i>Sector (million SSP)</i>	2024			2025
	Q2	Q3	Q4	Q1
Agriculture	4,257.57	5,687.86	5,646.34	5,725.62
Manufacturing	24,140.99	37,543.43	40,387.92	52,372.42
Building and Construction	36,150.53	63,741.07	67,511.99	98,448.71
Real Estate	49,676.71	73,628.64	79,523.16	99,800.08
Energy and Water	19,801.02	10,169.67	9,995.10	13,277.97
Mining and quarrying	0.00	0.00	11,818.76	6,676.13
Domestic Trade, Restaurants & Hotel	68,258.06	112,058.85	144,380.56	187,845.44
Foreign Trade	6,495.87	603.93	658.37	658.37
Transport and Communication	19,441.60	30,811.09	30,593.86	41,384.07
Financial Services	13,534.69	1,695.08	11,545.64	7,030.40
Household Services	41,774.08	65,240.21	17,053.91	84,872.58
Total	283,531.12	401,179.83	419,115.61	598,091.79
<i>Percentage Change (Quarterly)</i>				
Agriculture	-14.36	33.59	-0.73	1.40
Manufacturing	19.46	55.52	7.58	29.67
Building and Construction	11.87	76.32	5.92	45.82
Real Estate	25.17	48.22	8.01	25.50
Energy and Water	1.10	-48.64	-1.72	32.84
Mining and quarrying	0.00	0.00	0.00	-43.51
Domestic Trade, Restaurants & Hotel	23.21	64.17	28.84	30.10
Foreign Trade	1194.38	-90.70	9.01	0.00
Transport and Communication	-4.34	58.48	-0.71	35.27
Financial Services	15.50	-87.48	581.13	-39.11
Household Services	29.75	56.17	-73.86	397.67
Total	19.49	41.49	4.47	42.70

Source: Bank of South Sudan

2.3. Real Sector

Overview

GDP growth according to the National Ministry of Finance and Economic Planning forecasts at 4.0 per cent in 2025. Environmental warning from Ministry of environment on the extreme climate change in South Sudan forecasting that flooding will occur at the beginning of second quarter of 2025. As a result, there will be massive displacement of population and animal's death. Agriculture as a major economic activity may decline this year 2025. Additionally, the political instability in the country continues to worsen economic retardation by letting the prices of goods and services skyrocket all over the country.

The recent drone attack by the Rapid Support Forces (RSF) at the oil processing unit in Port Sudan contributes significantly to the expected downturn on the economic performance in South Sudan.

2.3.1. GDP Performance

The Ministry of Finance and Planning projected Real GDP to grow by 4.0 per cent in the financial year 2024/2025. Output growth is expected to be boosted by the resumption of oil production and its subsequent flow to the international market.

Economic activities are expected further to improve as agricultural sectors starts to pick up supported mainly by relatively stable political environment and the voluntarily return of South Sudanese from refugee camps from both internal and external camps (in the neighboring countries). The table below shows the annual percentage changes in the National Accounts Aggregates at the 2009 constant prices.

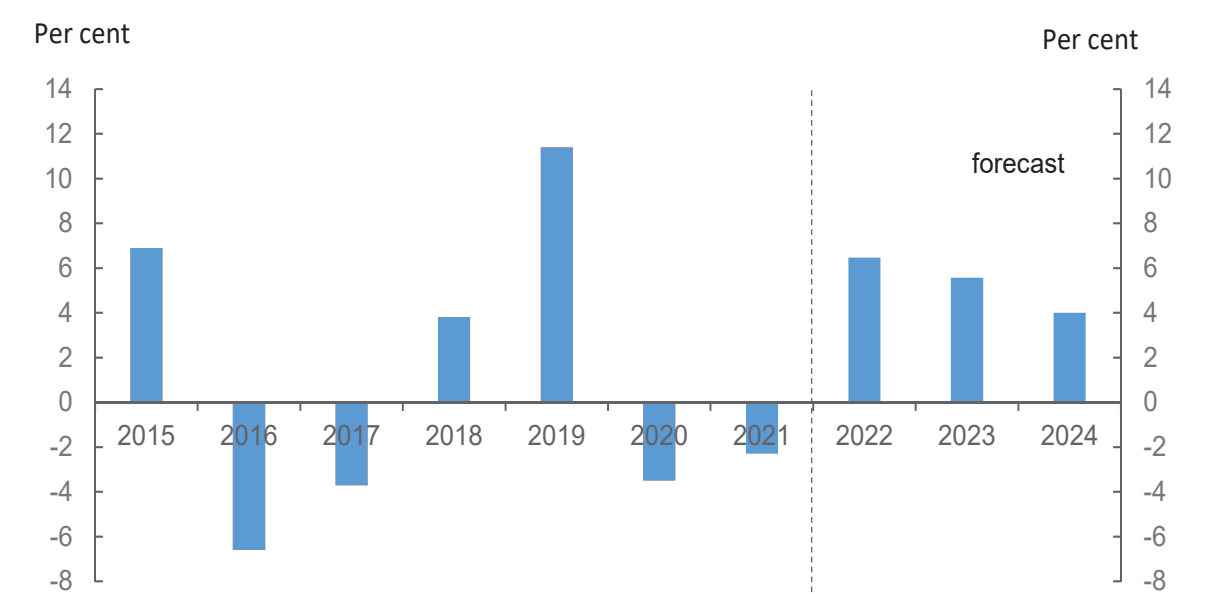
Table 12: Summary of Some Key National Accounts Aggregates

<i>National Accounts Aggregates</i>					
<i>2009 constant prices</i>	2017	2018	2019	2020	2021
Gross Domestic Product	-3.50	3.84	11.38	-3.36	-2.3
Oil sector	-8.92	5.75	10.12	-8.30	0.1
Non-oil GDP	-1.83	3.30	11.75	-1.94	-2.9
<i>Memorandum Item</i>					
Population (million)	11	11.4	11.9	12.4	12.9

Source: National Bureau of Statistics

Output growth is projected to average 6.47 per cent, 5.58 per cent and 4.0 per cent for the year 2022, 2023 and 2024 respectively (See figure 7 below illustrating the real GDP growth of South Sudan).

Figure 7: Real GDP Growth Rate



Source: National Bureau of Statistics and Bank of South Sudan Estimates

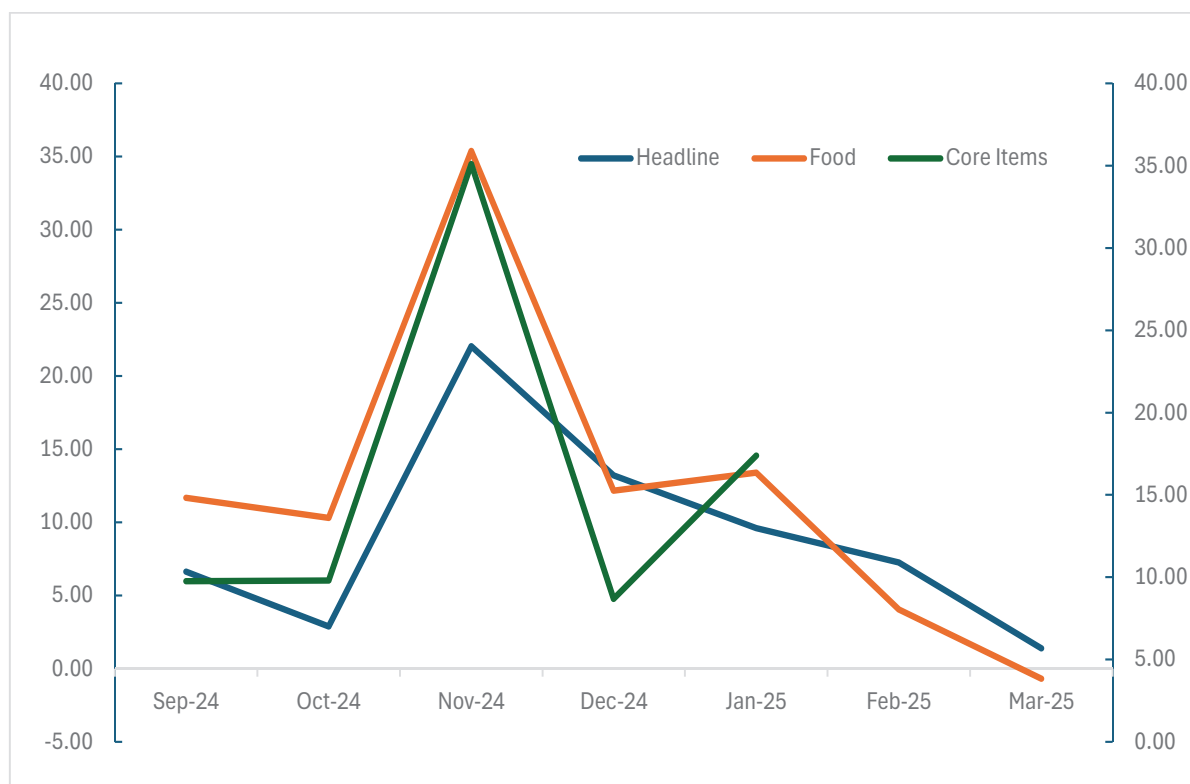
The oil sector remains the dominant sector in term of its national contributions to GDP in the South Sudan economy. The agriculture sector, which employs the highest percentage of the total labor force in the country, contributes less to GDP partly due to ongoing conflicts and flooding in areas that have forced citizens to flee.

However, efforts are being made to diversify the economy into other sectors such as the service sector, tourism and manufacturing.

2.3.2. Inflation Developments

Headline and food inflation stood at 1.38 percent and -0.68 percent respectively at the end of the first quarter of 2025. The monthly headline inflation was higher in the first and second months of quarter one 2025 standing at 9.61 percent and 7.61 percent respectively attributed to the limited domestic production of goods (food). See Figure 6 below shows the monthly inflation in the economy. South Sudan continues to be frequently affected by the impact of the imported inflation from the neighboring countries as it is a net importer from Kenya and Uganda,

Figure 8: Month-on-month changes in South Sudan Inflation



Source: South Sudan National Bureau of Statistics and Bank of South Sudan calculation

Note: August 2024 =100

The BoSS needs to sustain operationalization of FX auction as well as TDF to help maintain growth in Money supply within the target range, this will further help in containing inflation in the country (See figure 7 above on illustration of the month-on-month changes of inflation in South Sudan).

2.4. External Sector

Overview

South Sudan trade balance deficit has narrowed by 383.75 per cent in Q1 2025, compared to a deficit of 88.10 per cent in Q4 2024. This is attributed to a slight surplus in Q1 2025 resulting the resumption in the DAR crude oil production which was shut down due to the conflict in Sudan. See Table 13 below.

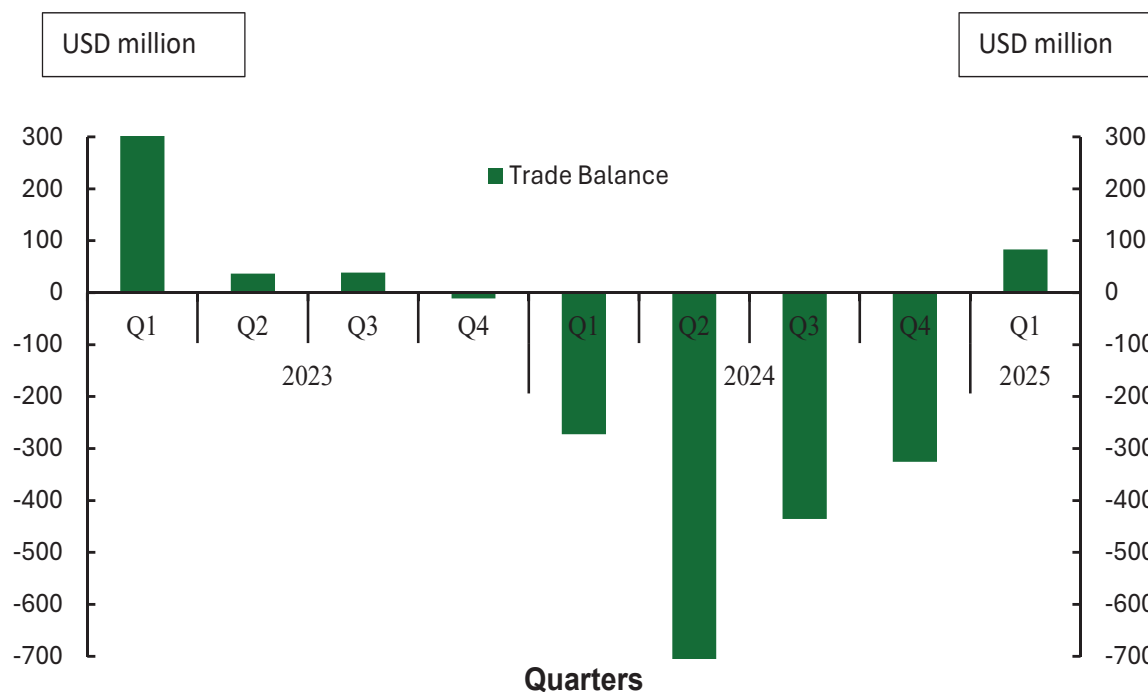
Table 13: South Sudan Trade Statistics (USD millions).

Year	2024				2025
Quarter	Q1	Q2	Q3	Q4	Q1
Total Exports	644.70	432.25	639.67	287.90	564.19
Total Imports	916.98	1,689.61	1,074.98	339.70	814.77
Trade Balance	- 272.28	- 1,257.36	-435.31	- 51.80	- 250.58
<i>Percentage Change</i>					
Total Exports	-41.23	- 32.95	47.99	- 54.99	95.97
Total Imports	-36.72	84.26	-36.38	- 68.40	139.85
Trade Balance	-21.43	361.79	-65.38	- 88.10	383.75

Source: Bank of South Sudan.

South Sudan's trade balance has experienced a persistent deficit for all the four quarters in 2024 except for the first quarter of 2025. This reflects the economy's dependence on imports of goods and services, for instance crude oil as a major export commodity, hence limited foreign currency proceeds. See figure 8 below.

Figure 9: South Sudan Trade Balance 2023-2025 (USD millions)



Source: Bank of South Sudan

2.4.1. Current Account Developments

South Sudan current account balance deficit has narrowed by 85.13 percent in Q1 2025. The deficit is drawn downward to 208.75 in Q1 2025 as compared to 1403.63 in Q4 2024. This is as a result of the resumption of the DAR crude oil production which has slightly improved the export receipts to South Sudan. (See table 14 below).

Table 14: South Sudan Current Account Components (USD millions)

	2023		2024			2025
	Q4	Q1	Q2	Q3	Q4	Q1
CAB	-223.77	50.71	-2.41	127.57	-1403.63	-208.75
Trade in goods	317.19	125.24	426.71	639.67	-785.91	83.60
Trade in Service	-663.75	-397.53	-678.61	-725.52	-739.69	-259.67
Primary Income	-112.11	-37.21	-53.36	-87.84	-56.54	-105.00
Secondary Income	234.90	360.21	302.85	301.26	178.51	72.32

Source: Bank of South Sudan.

2.4.2. Exchange Rate Development

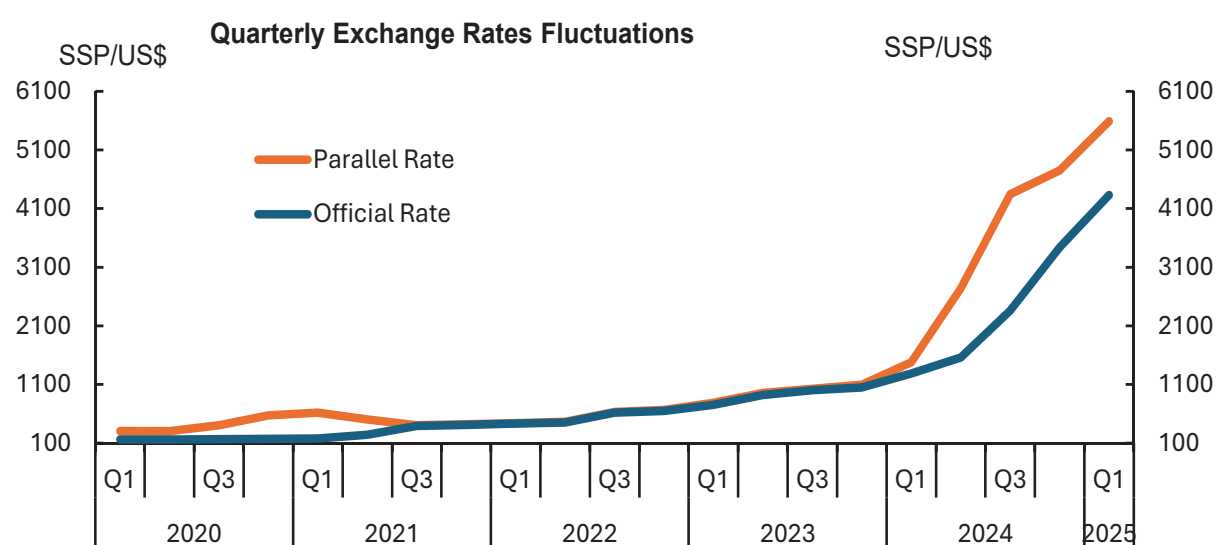
The South Sudanese Pound has **depreciated by 17.62 percent** on average against the US dollar in the market in Q1, 2025; **1US\$ selling at 5,589.34 SSP** up from **4,751.81 SSP/1US\$** in Q4, 2024. The official rate has also **depreciated by 25.84 percent** on average against the US dollar in Q1, 2025; **1US\$ selling at 4,331.55 SSP/1US\$** up from **3,442.18 SSP/1US\$** in Q4, 2024. The spread between the market and the official rate has significantly **decreased by 3.96 percent** in Q1 2025. The fluctuations in the exchange rates are attributed to high demand for the scarce dollars. See figure 16 below.

Table 15: Exchange Rate Dynamics

Exchange rate (USD/SSP)	2024				2025
	Q1	Q2	Q3	Q4	Q1
Indicative rate	1,289.45	1,560.86	2,359.92	3,442.18	4,331.55
Parallel rate	1,478.93	2,735.76	4,344.04	4,751.81	5,589.34
Spread	189.48	1,174.90	1,984.12	1,309.63	1,257.79
Percentage (Quarterly change)					
Indicative rate	23.12	21.05	51.19	45.86	25.84
Parallel rate	35.35	84.98	58.79	9.39	17.63
Spread	317.63	520.07	68.88	-33.99	-3.96

Source: Bank of South Sudan

Figure 10: Quarterly Exchange Rate Fluctuations



Source: Bank of South Sudan

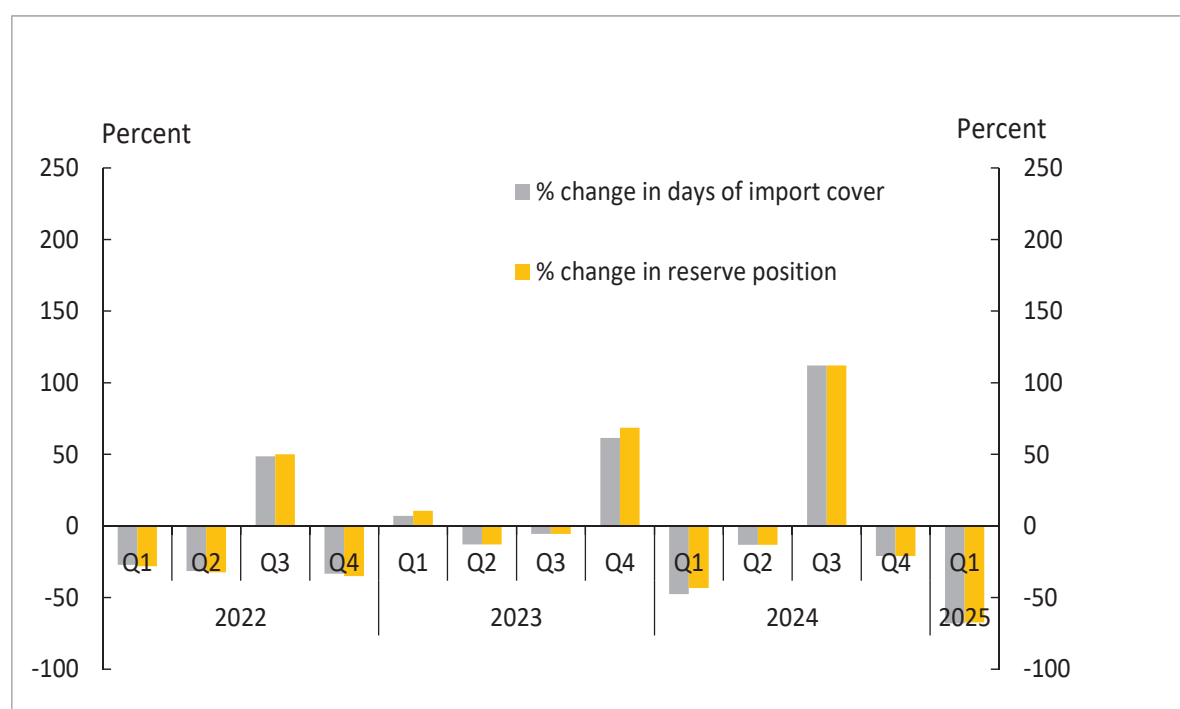
Figure 9 above shows the gap between the official and parallel rates narrowing by **3.96 percent**.

2.4.3. Gross International Reserve Position

The gross international reserve position of South Sudan comprises of its foreign currency reserves. This includes currency & deposits, securities, IMF reserve position, special drawing rights (SDR) and other assets. The foreign reserves are used for financing of the balance of payments and for maintaining exchange rate stability of the Bank of South Sudan.

South Sudan's foreign reserve position has decreased by 67.21 percent in Q1, 2025; this is equivalent to 5 days of import cover. This reserve position is below the required benchmark of 4.5 months of import cover set by EAC for the convergence criteria. See figure 10 below.

Figure 11: Gross International Reserves Vs Days of Import Cover (*percentage change*)



Source: Bank of South Sudan

The South Sudan import cover has decreased by 67.98 percent in Q1, 2025; from 20 to 16 days.

3. Appendix1: Summary of Monetary Aggregates Developments

	2022	2023	2024	2025
Depository Corporations Survey (all eop)				
		-		
Net foreign assets	-591969.88	1266298.30	-6854621.14	-6033695.77
Net domestic assets	1209777.10	2275768.65	10072709.24	9563085.16
Domestic claims	1129674.12	2151205.52	10127049.25	11159400.90
Net claims on government	1061450.14	1983799.01	9584347.61	10560311.00
Central Bank	533165.46	606100.38	2021507.00	1975006.92
Commercial banks	528284.68	1377698.62	7562840.61	8585304.08
Net claims on other sectors	68223.98	167406.52	542701.64	599089.89
Other items (net)	80102.97	124563.13	-54340.01	-1596315.74
M1	581020.45	931697.58	3026912.33	3295051.80
M2 Broad money	617807.22	1009470.35	3223088.10	3529389.38
Currency outside Banks (COB)	156762.08	271940.11	695064.75	801659.77
Deposits (DEP)	461045.14	737530.24	2528023.35	2727729.61
COB / DEP (yr avg)	0.34	0.37	0.27	0.29
Reserve requirement	0.20	0.20	0.20	0.20
Excess reserves (experimental)	201712.98	259435.62	1125105.51	1289264.83
Excess reserves / M2	0.33	0.26	0.35	0.37
Central bank (all eop)				
Net foreign assets	-296301.14	-744838.30	-3971230.95	-2378142.98
Net domestic assets	291828.75	-221580.02	-2659810.18	-1492716.19
Domestic claims	536860.36	616357.30	2042778.80	1997542.25
Claims on ODCs	2142.30	3489.85	12171.62	13122.18
Net claims on government	533165.46	606100.38	2021507.00	1975006.92
Claims on government	506042.19	693192.63	2146247.50	2220144.79
Net claims on other sectors	1552.59	6767.07	9100.18	9413.15
Other items (net)	-245031.61	-837937.33	-4702588.98	-3490258.44
Shares and other equity	-193282.33	-433448.20	-1825895.39	-1754363.54
Monetary Base (BM)	485590.83	709456.33	2774136.84	3109657.71
Currency in circulation (CIC)	185384.82	312785.77	740676.94	854853.29
Liabilities to ODCs (LODC)	280173.95	354787.39	1960768.86	2038520.96
Liabilities to Other (LO)	20032.06	41883.17	72691.04	216283.46
M1 Money Multiplier	1.20	1.31	1.09	1.06
M2 Money Multiplier (M2 / BM) (yr. avg)	1.27	1.42	1.16	1.13
CIC / DEP (yr. avg)	0.40	0.42	0.29	0.31
LODC / DEP (yr. avg)	0.61	0.48	0.78	0.75
LO / DEP (yr. avg)	0.04	0.06	0.03	0.08

Commercial banks (all eop)				
Net foreign assets	-295668.74	-521460.00	-2883390.20	-3655552.79
Net domestic assets	852641.61	1442553.94	5975282.48	6858120.30
Domestic claims	910448.58	1964731.83	9728601.14	10984755.59
Claims on central bank	315492.51	426393.76	1632159.07	1809774.76
Net claims on government	528284.68	1377698.62	7562840.61	8585304.08
Claims on government	540503.14	1387916.77	7605625.08	8644752.02
Claims on other sectors	66671.39	160639.45	533601.46	589676.74
Other items (net)	-57806.98	-522177.89	-3753318.66	-4126635.29
Liabilities	556972.87	916812.75	3096892.29	3202567.51
Central bank	1253.57	1404.22	794.17	539.95
Other sectors	555719.30	915408.52	3096098.12	3202027.56



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