Sudan requires US$ 14 billion in investment

The Arab Chamber CEO Michel Alaby is attending the Mining and Food Security Forum in Khartoum. The Arab country wants foreign cooperation and investment to food and mineral production.

Sao Paulo – Sudan requires US$ 14 billion in investment to improve infrastructure and agricultural and mineral production. The estimate from the Economic Department of the General Union of Arab Chambers of Commerce, Industry and Agriculture was presented last Wednesday (10th) at the Mining and Food Security Forum in Khartoum, the Sudanese capital. The event is held by the General Union and will continue this Thursday (11th).

The Arab Brazilian Chamber of Commerce CEO Michel Alaby is attending the forum, along with government officials, delegates from Sudanese private sector organizations, and executives from other chambers of commerce. The US$ 14 billion estimate was presented by the General Union’s honorary president Adnan Kassar. The union’s chairman Mohammed Ould Mohammad Mahmoud was also in attendance.

One of the main topics on the forum’s first day, according to Alaby, was Sudan's food production potential and the need for international cooperation, especially from Arab countries, to develop farming and livestock production. According to figures presented at the meeting, there are over 150 million hectares of land with abundant water in Sudan; all that is needed is for canals to be built from the River Nile and its tributaries.

The partnership between Brazil and Sudan for cotton and soy farming was outlined as a case in point. The Brazilian Agroindustrial Company, established by the Brazilian businessmen Paulo Hegg and Gilson Pinesso, carries out a farming project spanning 11,000 hectares in the Arab country. According to Kassar, higher investment in Sudan would allow the country to supply its own domestic market and export grains to Arab countries, as well as to other African countries.

International cooperation is also required in order to develop the mineral industry. Sudan has reserves of gold, marble, copper and manganese, among others. Gold production reached 50 tonnes last year and should reach 70 tonnes this year. According to information released during the forum and conveyed to ANBA by Alaby, 25 international corporations are interested in mineral extraction in Sudan.

However, according to attendees at the forum, one of the barriers to investment is lack of coordination among all Sudanese organizations when it comes to setting an agricultural policy. In addition to the federal government, the states also enact laws for agriculture and mining, according to Alaby.

Another obstacle to increasing investment is the United States’ embargo on Sudan, which blocks access to financing to purchases of general machinery, a key requisite for the country's development. On the other hand, machinery imports are tax-free. The participants have also mentioned the need for clear rules for repatriation of profits and dividends, for streamlining paperework and for creating one single interface for foreigners to communicate with government.

Also regarding agribusiness, the CEO of the Saudi group Alwadi, Moussa Frizze, discussed the obstacles to investing in the poultry industry in Sudan, such as inadequate refrigerated storage facilities and inefficient transportation systems, which drive up costs and harms local consumers. The high temperature is another issue. For these reasons, according to Frizze, the group is focusing on production in two other Arab countries, Lebanon and Egypt.

The Gulf Cooperation Council (GCC), however, is funding projects in small and medium rural properties in Sudan and other African countries, like Ethiopia and Egypt. The projects focus on subsistence farming and are designed to help farmers develop new technologies for increasing productivity.

*Translated by Gabriel Pomerancblum

Source: ANBA