Turkey, Sudan Launch $10 Billion Agriculture Partnership

Ankara – Turkey and Sudan took the first steps to establish a bilateral partnership to implement agriculture projects worth $10 billion.

Turkey-Sudan Business Council’s (DEIK) Chairman Mehmet Ali Korkmaz said “Turkish investors have an appetite for agricultural investment in Sudan.”

He added that the partnership agreement was signed in April 2014 and was published in the Official Gazette on November 19, 2015. According to the agreement, Turkey will lease a total of 793,000 hectares in six different regions in Sudan, of which 12,500 hectares will be allocated to the joint company. The rest will be leased to private sector firms.

The General Directorate of Agriculture of Turkey (TİGEM) will represent Turkey in the company, and the Ministry of Agriculture and Irrigation will represent Sudan. Korkmaz noted that Turkish entrepreneurs will build domestic routes and irrigation channels for the Sudanese locals.

The lease period of the properties that will be allocated to entrepreneurs will be a maximum of 99 years. Investors will be responsible for the protection of the territorial integrity of the land, the removal of the third party claims, and the safety of the land, buildings, machinery and personnel.

Korkmaz pointed out that both parties have agreed on establishing an “Agriculture Zone”, and committed to facilitate procedures such as visas, residence and work permits in order to create the appropriate climate for economic and trade cooperation between them.
He said the lands are not suitable for agriculture in its current state. In order to operate these areas as agricultural fields, mutual agreements should be made, he noted.

The Turkish official explained that some lands are located nine hours outside of the Sudanese capital, Khartoum, and can only be reached through by land. Korkmaz added that transportation, how to sell and tax the goods, and exemptions, such as customs, should be considered.

Korkmaz revealed that the Turkish party has established flour factories in various regions of Sudan, and many opportunities in different sectors in the country are available. Investments in the dairy industry can be among those opportunities.

The Turkish official highlighted the investments of Turkish businessmen in the fabric industry in Sudan. In January, Sudanese President Omar al-Bashir inaugurated the new headquarters of “Sur”, a Turkish-Qatari clothes factory.

This factory was established in 2004. The Qatari and Sudanese armies each own 33 percent of its shares, while the remaining shares are owned by Turkish businessman Oktay Argan. The new headquarters saw the expansion of production lines to increase production from 2,000 to 4,000 units daily. Starting 2017, the factory plans to use 60 percent of the Sudanese cotton production, which reaches 410,000 tons annually.

Since the Justice and Development Party came to power in Turkey in 2002, Ankara’s ties with Bashir improved remarkably and the Turkish investments in Sudan doubled to $2 billion.

The trade exchange between both countries is over $400 million. Ankara and Khartoum stress on their need to enhance their economic cooperation so it can meet their outstanding political ties.

Since 2016, both countries have been negotiating a new trade partnership, which is expected to be signed in July, following a third round of discussion set to be held in Ankara.