



Editor's Note, September 18, 2020

Sudan's inflation rate hit a record high of 168.8% in August according to figures released this week. This follows the declaration of a three-month economic state of emergency to stabilize a plunging currency on September 11.

Just over a year since Abdalla Hamdok was appointed prime minister to oversee a three-year transition to civilian rule, following the surprise ousting of longtime ruler Omar al-Bashir, Sudan's hopes for a new beginning are being stifled by old economic problems.

They've piled up since South Sudan seceded in 2011, taking most of the country's oil reserves with it, stripping the government of cheap cash and exposing decades of mismanagement.

Things came to a head in 2019, with soaring inflation and a collapsing currency catalysing mass protests that ended 30 years of autocratic rule by Bashir.

The transitional government has rightly identified stabilization and recovery of the economy as a priority, but it's proving to be elusive.

A major barrier is continued inclusion on the U.S. list of state sponsors of terrorism - part Bashir's legacy - which effectively blocks access to desperately needed donor money and foreign investment. This persists despite the easing of sanctions by Washington in recent years.

The coronavirus pandemic hasn't helped, contributing to an expected economic contraction of 7.2% this year.

It's also questionable whether authorities have the capacity to fix the economy while tackling the myriad social and **political issues that must be addressed** as part of the transition.

What's clear is that the clock is ticking.

It took less than 70% inflation to trigger the protests that got rid of Bashir. His successors have the benefit of goodwill, but need to start delivering.

This week's Picks

From The Continent

Kenya's finance ministry has warned that an expected budget deficit of 7.5% of GDP for this year is likely to increase due to revenue shortfalls and the impact of the coronavirus pandemic. East Africa's biggest economy is facing a fiscal crunch amid soaring debt. More: [Reuters](#)

Uganda and Tanzania have signed an agreement for the planned construction of a \$3.5bn, 1,445km pipeline to transport crude oil reserves being developed by the former. No start date for construction has been given, but build time has been estimated at two and a half years. More: [Reuters](#)

THE WEEKLY STAT

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The number of African routes Dubai-based Emirates plans to reopen from October 1. More: [Arab News](#)

The Global Perspective

The International Monetary Fund has approved \$1bn in additional funding for Angola aimed at helping Africa's second-biggest oil producer address the coronavirus pandemic. The oil-dependent economy has been hit hard by the collapse in crude prices, with external borrowing soaring in recent years. **More:** [IMF](#)

Ghana has raised its farm gate price for cocoa by around 21%, to \$400 per metric ton, aimed at ensuring better pay for farmers. This is part of a wider strategy between Ghana and neighbouring Côte d'Ivoire - the world's two leading cocoa producers - to better coordinate around sector development and pricing. **More:** [Bloomberg](#)