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EXCLUSIVE INTERVIEWS

SARBANANDA SONOWAL
Chief Minister, Assam

SHASHI THAROOR
Chairman, Parliamentary Standing
Committee on External Affairs

DILIP OOMMEN
MD & CEO, Essar Steel India Ltd.

DR. BISWAJIT DHAR
Member, Board of Trade,
Ministry of Commerce, Gol

H.E. SIRAJUDDIN HAMID YOUSIF
Ambassador of the Republic of Sudan

SUMIT DUTT MAJUMDER
Former Chairman, CBEC

...AND MANY MORE!



GST

HOPING FOR 'PROGRESS WITH PURPOSE'

GST should, theoretically, reduce input costs and boost exports. But the devil, as they say, is in the detail. And the detail as to the applicability of various remission and incentive schemes isn't clear. India's exporters are wary that GST may cause more harm than good.

Will the new tax regime mean 'progress with purpose' for India's exim community?

Leather Boots

A 'boot'iful exports idea
China's loss is India's gain

Earphones

The sound of music
Content consumption is driving growth

Eximpedia

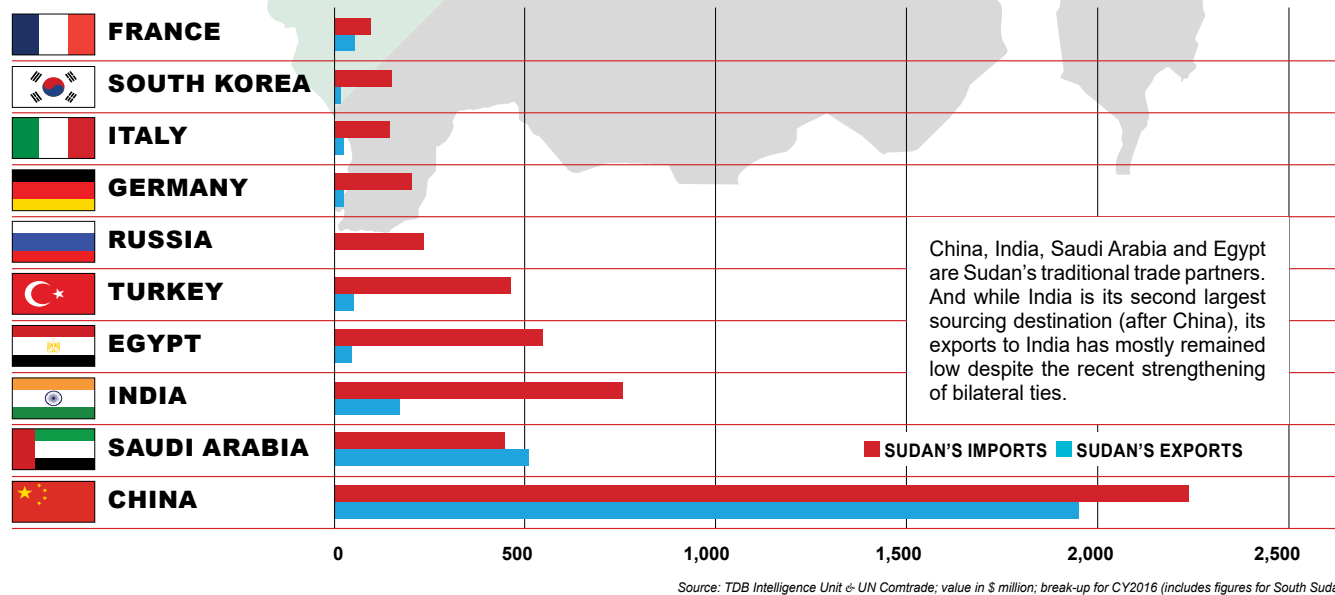
Secret of exports
How to convert prospects to customers

WHEN NATURAL RESOURCES MATTER

Since the secession of South Sudan in July 2011, Sudan has been struggling to stabilise its economy as a majority of oil and gas reserves went to South Sudan. To make up for the loss of foreign exchange earnings, the third-largest country in Africa has been making some serious efforts to expand its exports base by leveraging its extensive agricultural and livestock resources. The results are encouraging.

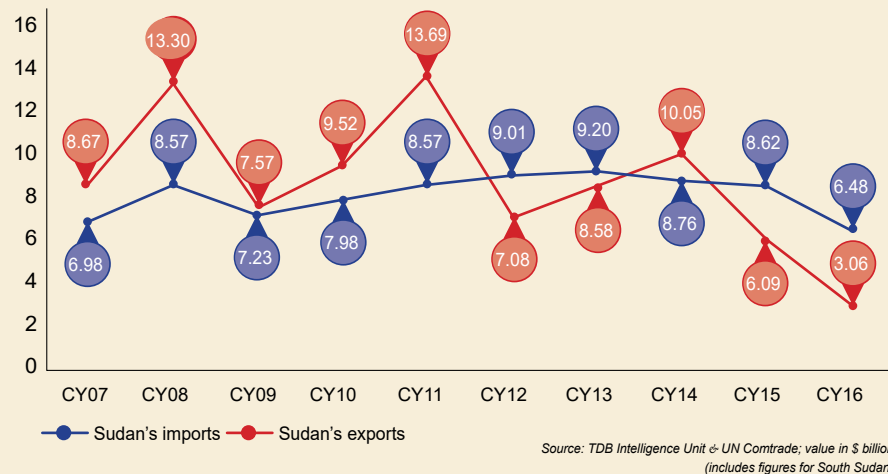
TDB INTELLIGENCE UNIT

SUDAN'S LARGEST TRADE PARTNERS

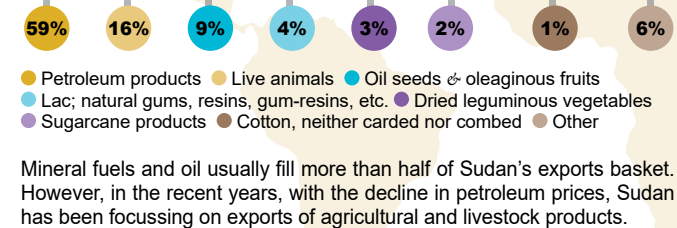


SUDAN'S MERCHANDISE TRADE

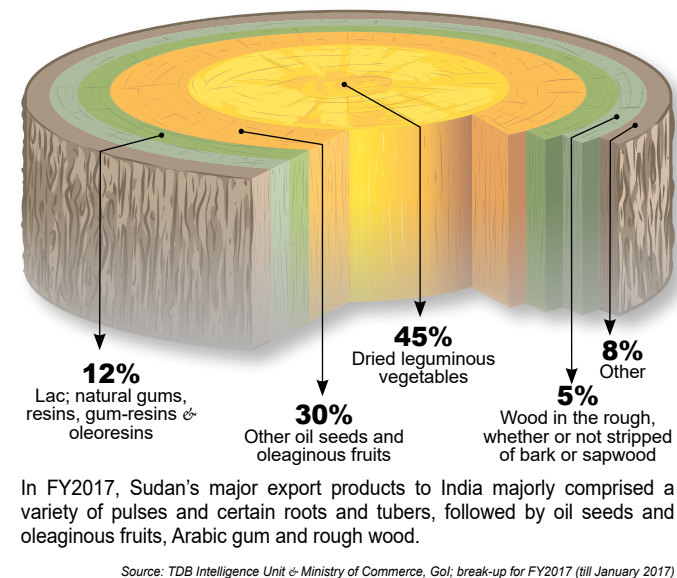
Sudan's exports has been hit hard by the commodity crisis and the decline in crude prices. The conflict and humanitarian crisis in Darfur have only added to its woes and this normally trade surplus country has in recent years run up a huge trade deficit. In CY2016, the country posted the lowest export figures in over a decade.



SUDAN'S EXPORTS TO THE WORLD

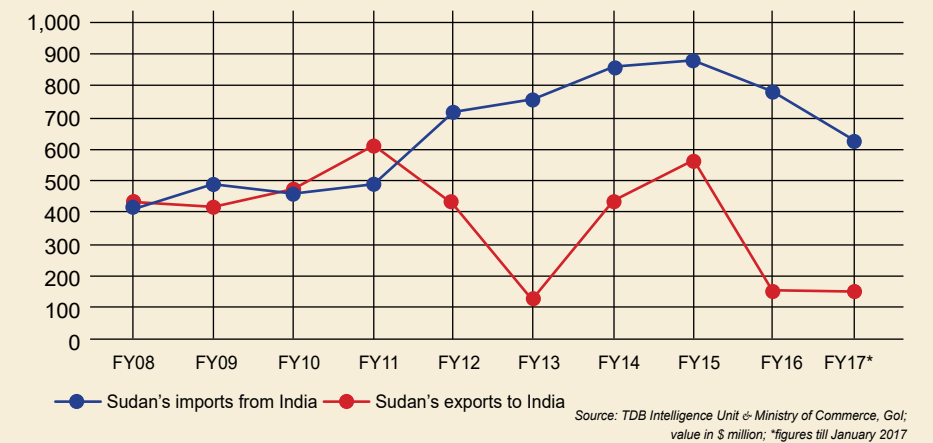


SUDAN'S EXPORTS TO INDIA

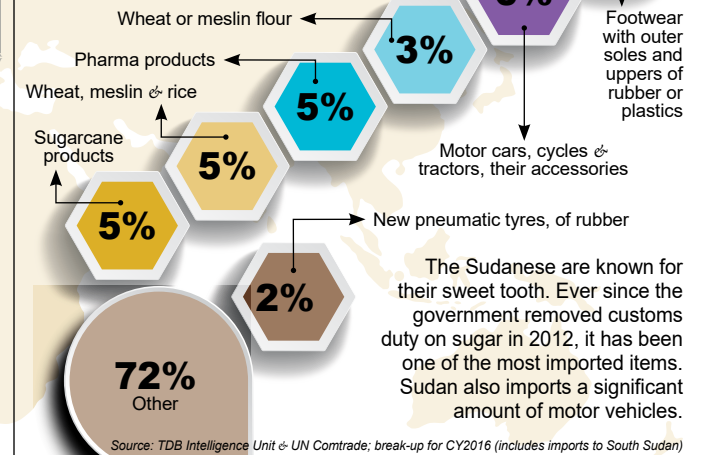


SUDAN-INDIA MERCHANDISE TRADE

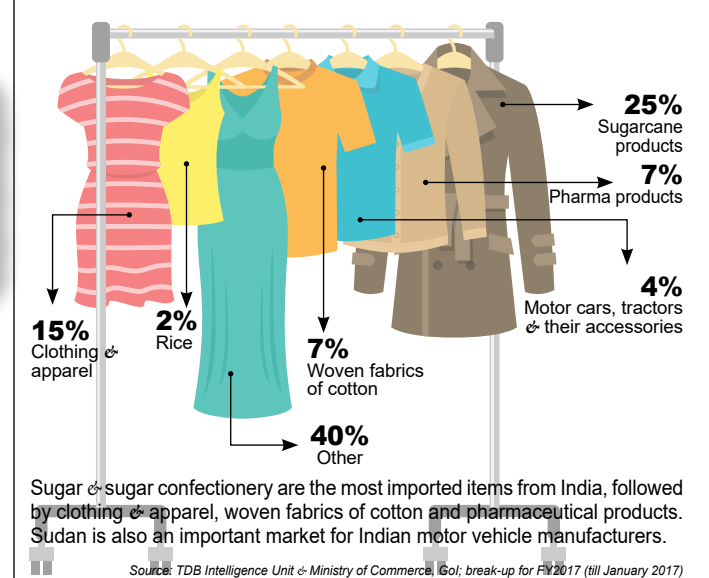
Ever since the secession of South Sudan, Sudan has had a negative trade balance with India. In FY2016, its exports to India dropped sharply, 73.80% y-o-y, widening the trade deficit further. Sudan's imports from India also declined 11.34% y-o-y in FY2016. The two countries are now working towards improving trade ties.



SUDAN'S IMPORTS FROM THE WORLD



SUDAN'S IMPORTS FROM INDIA



“WE CAN BE INDIA’S GATEWAY TO AFRICA”

Sudan is known for its rich gold and oil deposits as well as its vast tracts of arable land. In recent years, the country has emerged as one of India’s largest trading partners in the African continent. In a freewheeling interaction with *The Dollar Business*, H.E. Sirajuddin Hamid Yousif, the Ambassador of the Republic of Sudan to India, explains why his government aspires for a strategic relationship with India when it comes to trade and investment.

BY KANCHI BATRA

TDB: Let’s start with your views on the current state of bilateral relationship between India and Sudan.

H.E. Sirajuddin Hamid Yousif (SHY): Relations between Sudan and India are historical and date back thousands of years, to the time of the Indus Valley and Nilotic civilisations. India’s National Defence Academy and its Sudan Block were partly funded by the Sudanese government in recognition of the sacrifices of the Indian troops in liberation of Sudan in the North African campaign during World War II. We are grateful for India’s support for an independent Sudan and the role it played in conducting our first elections, which paved the way to our independence in 1956. Strengthened by a confluence of cultural and economic ties, Sudan’s relationship with India is set to flourish and move into a higher trajectory in the days to come.

In Khartoum, our capital, if you tell people that you are from India, Sudanese are likely to break into one of their favourite Bollywood songs or tell you about their favourite Indian actor. This clearly displays the profound connect between the people of Sudan and India that has been fortified by shared values and centuries of steady cultural and historical connections.

Furthermore, trade and investment relations are also getting stronger with each passing year. The governments of both the countries are continuously engaging in efforts to enhance bilateral

relations. And because of our historical linkages, Indian businesses and products have an edge over other Asian businesses and products in Sudan.

When it comes to exports from Sudan to India, our usual historical export products are mostly agricultural in nature. But we are committed to expanding our export basket in our trade with India. We have products such as arabic gum, which is a potent material for use in various pharmaceutical formulations. The major buyers of this product are US, Germany, Switzerland and France. And given the fact that India has a very developed and vibrant pharmaceutical industry, I think India should also import this product from Sudan.

TDB: As the new Ambassador, how do you plan to further strengthen trade relations between the two countries?

SHY: Within the embassy, we are soon going to develop a trade and service centre to focus on increasing the trade interactions between the two countries. We have received the approval for this initiative from our headquarters in Sudan and we are trying to seek the permission of the Minister of External Affairs of India. This centre will help strengthen private-to-private sector collaboration and facilitate business visits between stakeholders in Sudan and India. It will also aim to encourage engagement between the private sectors and public sectors in both countries to spur trade.

Sudan aspires for a strategic relationship with India when it comes to trade and investment. Sudan and India can act as a model for South-South cooperation. Sudan has quality economic infrastructure including a good road network and an effective system of international transit. We also have the strategically located Port Sudan, which is an important gateway to the African and the Middle Eastern markets. Further, Sudan shares borders with eight African countries and has zero-tariff access to 34 markets under Common Market for Eastern and Southern Africa (COMESA). All these factors, alongside the fact that Sudan has a large pool of highly qualified and trained yet economically available human resources, favourably render Sudan to be the gateway to Africa and the Middle East markets. India’s recent concerted efforts to expand economic relations with Sudan has been a part of its wider scaling up of business engagement with Africa. And I can very confidently say that Sudan is destined to be India’s gateway to Africa.

TDB: Last year, Sudan offered three more oil and gas blocks to ONGC Videsh Ltd. for exploration and production. What’s the progress so far?

SHY: It’s a well-known fact that India’s entry in Sudan’s oil sector came through ONGC Videsh Limited (OVL) and India has played a significant role in this sector. In fact, our government is interested in negotiating a renewal of OVL’s



SUDAN IS DEVELOPING A TRADE AND SERVICE CENTRE IN INDIA TO BOLSTER TRADE

license for Block 2B. We are also keen on inviting Indian public and private sector firms to set up a coastal refinery to meet not just the local demand but to also export gas to other African countries.

TDB: Investments in Sudan from Indian companies in sectors other than oil and gas are minimal. Which other sectors or areas, according to you, have scope for investments?

SHY: We want to strengthen economic cooperation across sectors. We would like the private sector in both countries to collaborate more effectively. Sudan has an agricultural economy and has vast tracts of arable land and sufficient quantities of surface and underground water. Sudanese economy, as well as its population, mainly depend on the agricultural sector. Fully automated farming, advanced seed technologies and transfer of knowledge represent the core objectives of the Sudanese agricultural policies. The Government of Sudan invites Indian investment in the agriculture sector.

There are also incredible opportunities for investment in cattle breeding farms, transportation of livestock and meat, refrigeration and freezing of meat products, modern slaughterhouses, fish farming, fodder production, veterinary medicine and animal farm services. Sudan has enormous potential – be it in the form of extensive uncultivated farmland or plentiful water resources, differing climatic zones or huge animal wealth. The diverse opportunities that we present are a real advantage.

Apart from the agriculture sector, profitable investment opportunities are available in small and medium scale enterprises, education, pharmaceutical, medical technology, infrastructure and textile industries.

TDB: Sudan has recently emerged as a

major producer of gold. Considering the fact that India is one of the largest consumers of gold, do you see an investment opportunity for Indian firms in the gold mining sector?

SHY: Sudan has been experiencing a gold mining boom over the last few years – thanks to the increase in the gold prices across the globe. Gold production in Sudan continues to grow every year and that makes the country an important gold mining investment opportunity. We are the third-largest producer of gold in Africa, after South Africa and Ghana. In fact, revenues from gold played a huge role in absorbing the shock caused by the secession of South Sudan in 2011 and the loss of oil revenue over the last few years. Likewise, there are opportunities in silver, iron ore, chrome, tin, lead, aluminium and nickel mining as well.

TDB: China and Japan have been operating in Africa for quite some time now. How do you see India fitting in?

SHY: We have many global partners and each partner has its own strengths. India has certain strengths, especially in infrastructure development and technology. India can invest in continental African projects – they present huge investment opportunities. It's important to mention here that India's RITES refurbished our railway infrastructure. Over the years, India has also extended many lines of credit (LoC) to Sudan, which enabled the implementation and commissioning of important infrastructural projects such as Um-Dabakir Thermal Power Plant and the sugar plants in Mashkour, among others. Sudan is amongst the African states which have benefitted greatly from India's LoCs of around \$700 million so far. In 2015, at the third India-Africa Forum Summit in New Delhi, the Indian government pledged to extend a total of \$10 billion in the form of concessional

credit to African countries. And Africa can benefit from this enormously.

TDB: What are your thoughts on 'Make in India' initiative?

SHY: Let me first congratulate Prime Minister Narendra Modi for leading such a praiseworthy initiative. I strongly believe that 'Make in India' is the most important and appropriate initiative aimed at attracting global players to set up their operations in India. The initiative to make India a globally recognised and competitive manufacturing hub is a very strategic move. The 'Digital India' initiative is also a commendable concept – intended to bridge India's digital divide and bring big investments in the technology sector.

TDB: We understand that there are ongoing negotiations between the two countries in the energy sector. Could you shed some more light on it?

SHY: Both Sudan and India are growing fast and energy is vital to accomplishing our developmental goals and to support our expanding economies. I am happy to tell you that India's Bharat Heavy Electricals Limited (BHEL) commissioned the 500MW Kosti Thermal Power Station (TPS) in Sudan. They also constructed a canal from the White Nile River for water supply. The project was funded with a \$350 million LoC from India. We are now working on expanding the capacity of this project to three times of its existing capacity. Negotiations are under way to make this project successful.

Moreover, Sudan is now a part of the International Solar Alliance (ISA) which is headquartered in New Delhi. We are looking forward towards the engagement of Indian companies for solar projects in Sudan. I think both countries should build partnerships for the development of microgrids and off-grids. India could play a key part in creating the solar energy development capacity of Sudan.

TDB: In January this year, US ended the 20-year economic embargo on Sudan, lifting trade and financial sanctions. How soon will Sudan see the benefits of the sanctions being lifted?

SHY: I think the sanctions have hurt the

SUDAN HAS BEEN EXPERIENCING A GOLD MINING BOOM OVER THE LAST FEW YEARS

people more than the government. The sanctions were expanded in 1997 by the Clinton administration, which imposed a comprehensive trade embargo against Sudan. I am sure the economic potential of Sudan will improve with the removal of these sanctions. I believe now there will be more transparency and opportunities for global investors. So far, Arab investments in Sudan have been extremely successful. Soon, we hope to revive trade and investment links with US and other countries. The direct impact of the lifting of sanctions will positively reflect in facilitating financial transactions between Sudan and India as well as with other countries across the globe.

TDB: What is the Sudanese government doing to ensure that it provides a conducive environment to investors?

SHY: Sudan is an attractive destination for investment – both in public and private sectors. The country is best described as one of most secure countries. The well-organised Sudanese banking system, the well-regulated stock and insurance markets, the effective liberalisation of the economy and the opening up of major sectors to private investors represent an important accelerator to the already existing, attractive and flexible policies regarding foreign direct investments (FDI) in the country.

Over the last half a century, Sudan has undertaken significant measures and has emerged as a major player in the present global socio-economic landscape. We have a conducive National Investment Encouragement Act with incentives and privileges for investors. The Comprehensive National Strategy for Sudan too envisages economic, social and investment initiatives. Also, we are making efforts to attract massive FDIs and the recent reformatory steps have freed investment in Sudan from all restrictive acts. **TDB**

SUDAN LOOKS FORWARD TO INDIAN INVESTMENTS IN AGRICULTURE AND MINING SECTORS