



Doing business in Sudan



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Are you a member of a UK company wishing to export overseas?

Interested in entering or expanding your activity in the Sudanese market? Then this guide is for you!

The main objective of this **Doing Business Guide** is to provide you with basic knowledge about Sudan; an overview of its economy, business culture, potential opportunities and an introduction to other relevant issues. Novice exporters, in particular will find it a useful starting point.

Further assistance is available from the UKTI team in Sudan. Full contact details are available at the end of this guide.



Important Information - Sanctions and Embargoes

Some countries maybe subject to export restrictions due to sanctions and embargoes placed on them by the UN or EU. Exporting companies are responsible for checking that their goods can be exported and that they are using the correct licences.

Further information is available on the [Department for Business, Innovation & Skills \(BIS\)](#)

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Introduction

Sudan offers profitable business opportunities for companies willing to undertake the preparation and sustained sales effort needed for success. GDP grew by 5.5% in 2010, in part due to oil production and inflows of foreign direct investment from Arab countries.

Apart from an EU arms embargo there are no UK restrictions preventing trade with Sudan. As elsewhere in the region personal relationships and face to face contacts matter in Sudan so doing business from afar is difficult.

Obtaining banking services for Sudan can be a challenge, we advise all UK companies to consider this before embarking on doing business with Sudan. For more information please see the 'getting paid' section of this guide.

Strengths of the market

Investment opportunities exist in the following sectors; agriculture, energy, mining construction, and infrastructure. In all these areas the Sudanese Investment Authority will assist and finalise necessary steps for investor. The 1999 Investment Act is the legal basis for investments in the Sudan. It eases procedures for handling investment affairs, to encourage investment and economic development in Sudan.

Opportunities in Sudan

Oil and gas

Sudan has estimated oil reserves of 5 billion barrels, and produces ½m barrels per day, expected to reach 1m per day by 2012, making it an important player in an energy hungry world. However, domestically it does not have the equipment, personnel, or experience to develop this. The sector is dominated by Chinese, Malaysian and Indian companies. There are existing opportunities in mainland Sudan as well as offshore oil and gas explorations in the Red Sea.

Agriculture and Food Processing

Sudan's agricultural sector is attracting investment from the Middle and Far East. There are opportunities in food processing equipment, fresh fruit and vegetable packaging, greenhouse farming, agricultural machinery, protection pesticides, irrigation machinery, organic agriculture, animal husbandry, poultry production and equipment, animal health and veterinary services, food safety, hygiene and quality control technologies.

There are two annual agricultural trade shows; Sudan Agriculture Fair and Sudan Food Expo.

Construction

The peace agreement and rising oil revenues has led to an increasing number of building projects in Sudan, particularly in Khartoum by local and foreign companies. Turkey, UAE, Qatar, China and Malaysia, have invested in construction projects including road & bridges, airports, oil & gas, power, real estate, telecommunication, seaports, dams and railways.

Some examples of these projects:

- Marawi Dam project in north Sudan
- The new road from Khartoum to Port Sudan via Atbara.
- Rehabilitation of the railway line from Babanosa (central Sudan) to Wau in South Sudan.
- Mek Nimir Bridge and many other projects.

The Sudan Build Fair takes place in December each year.

Textiles

Sudan grows raw cotton and wants to process an increasing amount in country to develop the local industry. Britain was the first country to import cotton from Sudan to meet its needs in Lancashire factories. Demand for textiles products outstrips domestic supply and this creates opportunities for UK companies.

In fact this sector presents some of the most attractive opportunities to UK companies, specifically in:

- Participation in rehabilitation of existing spinning and weaving factories.
- Establishing new factories to produce textile and yarns.
- Establishing factories to produce ready made clothes, Triko and other textile industries to meet the local and external demand.
- Establishing factories to produce sacks from cotton.
- Establishing factories for gauze and absorbent cotton.
- Establishing industries related to spinning and weaving.

**Source: Sudan Ministry of Investment 2010.*

Mining

Sudan is rich in mineral resources and much of the country remains unexplored. Mining companies from France, China and Saudi Arabia now work in the country. Non-hydrocarbon minerals include gold, chrome, copper, iron, manganese, gypsum, mica, limestone and marble.

Trade between the UK and Sudan

Bilateral Trade:

Bilateral trade figure for Goods: (£ million)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
UK Exports	71	89	92	140	155	115	142	123	138
UK Imports	8	6	14	18	10	21	5	18	10
Balance	63	83	77	121	145	94	137	105	128

Source: HMRC and ONS Balance of Payments

Sudan was the UK's 86th largest export market in 2010. It was ranked 141st of the UK's import markets. UK exports to Sudan in 2010 totalled £138m, this represents a 12% increase compared to 2009 figures.

Economic Overview

The Sudanese economy witnessed another year of strong performance in 2009, in spite of the political odds and the withdrawals of several high profile companies who cited the humanitarian situation in Darfur as the reason for their decision. Continuously increasing foreign direct investment (FDIs), inflows of capital, and strong aggregate investment and consumption demand at large contributed to boosting economic growth. The real GDP growth was estimated at 5.5% in 2010 by the IMF.

Sudan's economy continues to grow due to increases in oil production and inflows of foreign direct investment.

Political Overview

Sudan gained independence from Britain and Egypt on 1st January 1956 and has since been ruled by a series of parliamentary governments and military regimes. Under Major General Gaafar Mohamed Nimeiri, Sudan instituted Sharia (Islamic) law in 1983 which led to the outbreak of a civil war between the government and groups in the south of the country, principally the Sudan People's Liberation Army (SPLA)

In 1989 a military coup installed a Revolutionary Command Council chaired by General Omar al-Bashir. Bashir ruled by decree until 1996 when he was elected President and a national assembly was established. Bashir was re-elected in 2000 and then again in 2010.

A cease-fire between the Sudanese government and the SPLA was agreed in July 2002. In 2005 the Comprehensive Peace Agreement was signed between the government and the Sudan People's Liberation Movement (SPLM), the political arm of the SPLA.

Under the terms of the peace agreement the government, under Bashir and the SPLM formed a Government of National Unity. The Agreement stipulates a national election in 2009. However, this was moved to April 2010.

Southern Sudan

Southern Sudan is a landlocked autonomous region in the southern part of the Sudan. The region's autonomous status is a condition of a peace agreement between the Sudan People's Liberation Army/Movement (SPLA/M) and the Government of Sudan represented by the National Congress Party ending the Second Sudanese Civil War.

A referendum on independence for Southern Sudan was held in January 2011, with 98.83% of the electorate opting for secession. The President of Sudan, Omar al-Bashir, accepted the results and issued a Republican Decree confirming the outcome of the referendum. Southern Sudan is expected to become an independent country on 9 July 2011. Upon independence, the country will be named the Republic of South Sudan.

The Government of Southern Sudan is keen to attract investment and has simplified business registration procedures to do so. In addition to the opportunities in oil & gas the Government has identified roads, railways, airports, telecommunications, electricity generation plants and water purification and sanitation network as priorities after years of little investment.

Arabic and English are the official working languages of the government and the languages of instruction at higher education. Arabic, popularly called "Juba Arabic", is spoken by the wider public.

There are several camps and accommodation facilities in Southern Sudan. Rates vary but costs per day are approximately US\$200 in Juba and US\$150 in other towns.

UKTI services for Southern Sudan are provided from the British Embassy in Khartoum.

Population

Sudan is the largest country in Africa with a population of 40m, 6m of whom live in Khartoum. It is divided into 25 administrative regions and has borders with nine countries, including Egypt, Libya, Chad, Central African Republic, Democratic Republic of Congo, Uganda, Kenya, Ethiopia and Eritrea. It has ports on the Red Sea at Port Sudan and Sawakin.

Besides Khartoum major cities include Port Sudan, Wad Madani, Al Gadarif, Halfa, Atbara, Al Obied, Kosti, Al Damazin, Nyala, Juba, Malakal, and Wau.

Getting here and advice about your stay

FCO Travel Advice

The FCO website has travel advice to help you prepare for your visits overseas and to stay safe and secure while you are there.

For advice [please visit the FCO Travel section](#)

Getting here

Several airlines fly directly or indirectly to Khartoum, including BMI, Lufthansa, Kenya Airways, Ethiopia Airlines, Egypt Air, Emirates, Saudi Arabian Airlines, Turkish Airlines and Royal Jordanian.

Visas

A visa is required to visit Sudan, which can be obtained from the Sudanese Embassy in London. Further information is available on FCO Travel Advice.

Getting Around Khartoum

The easiest way to get around Khartoum is by yellow taxi, which can be flagged down on any street. Travellers should agree the fare and ensure the driver knows where he is going before setting off.

Travelling to Khartoum airport from the city centre or one of the main hotels should cost between US\$10-15 equivalent to SDG 20 – 35 in local currency.

There are many local car hire companies in Khartoum, and cars could be hired with or without a driver, but hiring a car with a driver is recommended as driving around Khartoum could prove to be very difficult for visitors. Visitors will require an international driving license in order to drive a car in Sudan.

Public Holidays 2011

1 January 2011	Independence Day (National Day)
15 February 2011	The Prophet's Birthday (Moulid Al Nabi)
25 April 2011	Sham el Nessim (Spring Holiday)
29 June 2011	The Prophet's Ascension (Israa Wal Mi'Raaaj)
30 June 2011	Inqaz Revolution Day
30-31 August 2011	Eid al Fitr *
1 September 2011	Eid al Fitr *
5- 8 November 2011	Eid al Adha *
26 November 2011	Islamic New Year
25 December 2011	Christmas Day

** Dates subject to change*

Mobile and Landline Telephones

Telephones are reliable in Sudan including the landlines. Mobile phones are used more for business than in Europe. It would not be considered unusual if you were to contact someone for the first time on a mobile phone.

The international dialing code for Sudan is +249. Landline numbers in Khartoum are prefixed with 183 and mobile numbers with 091 (Zain), 01 (Sudani) or 02 (Ariba). You can use your UK mobile phone in Sudan if you have the roaming service.

Post

Post is unreliable and sending documents by courier – DHL, TNT - is recommended. Fax is the preferred method of written communication, although there is an increasing use of email. Not everyone has access to the internet, so including a brief summary of website material in print may be necessary.

Money

The unit of currency is the Sudanese Pound (SDG), which is equivalent to 100 Piaster (PT). In circulation are notes of SDG 1, 2, 5, 10, 20 and 50, and coins of PT 5, 10, 20 and 50. Please see the Bank of Sudan website for the current exchange rate (www.bankofsudan.org)

Sudan is a cash society. Credit cards are not accepted, even in hotels.

Electricity

Electricity is supplied at 220 volts. Plug fittings are of the 2 pin round continental variety and light fittings of the screw type.

Hotels

Hotel space is often at a premium. It can be difficult to find good quality hotel accommodation during the busy season from November to March, or around the time of major events, so booking well in advance is necessary.

Language

Arabic is the official language. English is widely used in business circles.

Range between 0800 – 1500. The weekend for most private sector companies and the public sector is Friday and Saturday.

All banks are closed on Fridays & Saturdays

Preparing to Export to Sudan

Northern Sudan and Khartoum in particular are governed according to the tenets of Islamic Sharia law. Those looking to export into this market for the first time are advised to establish ties with a local agent and to consider an agency agreement. Although the market is relatively small, the guidance of a well-established local company is invaluable in negotiating the maze of Government regulations and bureaucracy.

Labelling and packaging regulations

The requirements on the label should be:

- The country of origin
- Manufacturer
- Size and fabric content (when applicable)
- English Language is acceptable
- The product should not contain any pictures or text against Islamic traditions
- Name of end user should be written clearly preferably on more than one side.
- Packaging should allow for the hot weather, rough roads and handling.
- Expiry date usually required on each item, not just on packaging.

Sudan does not apply any quantitative import restrictions. All goods can be imported to Sudan except those that are prohibited by Government rules, Islamic values or security considerations. These include alcohol, narcotics, gambling equipment, arms and ammunition. Importation of second hand clothing is prohibited, except by NGOs.

- Importers must pay the required duties, taxes and receive an official release for the goods.
- Sudan has no mandatory pre-shipment inspection. Importers are advised to have pre-shipment inspection certificates issued by the international cargo inspectors registered by SSMO. Double check inspection might be conducted by SSMO. Any consignments with no quality inspection certificate will be subjected to SSMO inspection at entry points.
- The certificate of origin for imports is mainly required when there are tariff preferences.
- Importers and exporters in Sudan need to register with the Ministry of Foreign Trade.

UKTI Sudan provides a range of services to British-based companies wishing to grow their business in the Sudanese market. These include the provision of market information, validated lists of agents/potential partners, key market players or potential customers; establishing the interest of such contacts in working with the company; and arranging appointments. In addition, we can also organize events for you to meet contacts, or promote a company and its products/services.

You can commission our Overseas Market Introduction Services to assist your company to enter or expand your business in Sudan. Under this service, the Embassy's Trade & Investment Advisers, who have wide local experience and knowledge, can identify business partners and provide the support and advice most relevant to your company's specific needs in the market.

To find out more about commissioning work, please contact your local UKTI office. See also: www.ukti.gov.uk

How to do business in Sudan

Sudan has a long-standing business relationship with the UK. Sudanese people associate the UK products with quality and as such UK brands are favoured. Agents and distributors represent most of major UK companies here. Face to face relationships are important to successfully conduct business.

Sudan is a member of the Common Market for Eastern and Southern Africa (COMESA), a preferential trading area with twenty member states stretching from Libya to Zimbabwe. This will permit duty free access for goods to all member states.

Getting Paid - Terms of Payment

The normal secured payment term in Sudan is a confirmed, irrevocable Letter of Credit. Pricing is left to the local agent who builds in the products cost, freight and local overheads. A different payment arrangement might be offered, such as cash against document or direct/ indirect bank transfer.

Banking services

Normal export control regulations apply to UK companies. The normal secured payment term in Sudan is a confirmed, irrevocable Letter of Credit.

Many UK banks have decided not to process payments linked to Sudan. This is a commercial decision by the banks and numerous factors are taken into account, possibly the current US sanctions against Sudan. Some UK banks do provide services to/from Sudan; companies are advised to check with their UK bank whether banking service are available and contact the UKTI team in London for further assistance if required (contact details at the end of the document).

Gateways/Locations – Key areas for business

- Khartoum— the national capital and main airport in Sudan (central Sudan).
- Juba — capital of Southern Sudan and main airport in South Sudan.
- Port Sudan — Sudan’s main Red Sea port (East Sudan).

Market entry and Start-Up Considerations

- Have a good product or service that really required in Sudan;
- Choose the right local partner;
- Get a good local lawyer;
- Use local knowledge e.g. Sudanese Business Federation, Chamber of Commerce, etc.;
- Persistence and personal relationships are important for success in this market.

Customs and Regulations

Duties are generally applied on the CIF price.

Business Etiquette, Language and Culture

Though Sudan has numerous social customs of its own and most Muslim customs are observed, visitors will find no restrictions or duties other than those imposed by normal courtesy.

Meetings and Presentations

Meetings are less formal than in the UK and a suit is rarely worn, mainly because of the heat. Trousers and a shirt with, or without, a tie is adequate, but for presentations and big meetings light suits and ties are recommended to make a good impression. Women and men are advised to dress with modesty covering shoulders and legs as in Muslim culture. Expect interruptions in meetings, whether from people or mobile phones. You are expected to shake hands with all those who are present, even if they arrive in the middle of a meeting. Punctuality is less important than patience and politeness. Men should avoid wearing visible jewellery, especially around the face and neck.

Language

Arabic is the official language. English is widely used in business circles.

Negotiations

- The social side of business is very important. Sudanese must know and like you to conduct business. Personal relationships are necessary for long-term business.
- Business is hierarchical. The highest ranking person makes decisions, after obtaining group consensus.
- Decisions are reached after great deliberation.
- If the government is involved, discussions will take even longer since approval must often be given by the ministers of several departments.
- Business moves at a slow pace. The society is extremely bureaucratic. It may take several visits to accomplish a simple task.
- It is advisable to include older people with impressive titles in your team since Sudanese respect age and experience.
- Expect a fair amount of haggling. Sudanese seldom see an offer as final.
- Sudanese do not like confrontation and abhor saying 'no'. If they do not respond, it usually is a negative sign.
- Always include research and documentation to support your claims.
- Do not use high-pressure tactics.
- Sudanese are tough negotiators.

Business Cards

- Business cards are given without formal ritual.
- Have one side of your card translated into Arabic if possible.
- Always hand the card so the recipient may read it.
- Make a point of studying any business card you receive before putting into your business card case.

What are the challenges?

- Increased commercial competition from China, India, Malaysia and Gulf countries. Sudan has strategic business relationships with above countries, thus price is a major element. Quality sometimes overlooked when the price difference is significant.
- It is an important advantage if companies are providing financing along with their services.
- Unwieldy bureaucracy, particularly for registration of companies, residential permits, tax clearance and customs.
- Detailed Information, whether statistics, data about institutions, contact information etc., remain hard to find.

However, whilst Sudan is a challenging business environment at times, persistence, patience and optimism are the keys to do successful business here.

Trade embargo

We would like to draw your attention to the current UK and EU arms embargo on Sudan, which prohibits export of arms and arms related products. Apart from that, normal export control regulations apply to UK companies. The USA have imposed sanctions on Sudan, including a trade embargo and UK companies need to be aware of this if exported goods or parts of goods are of US origin. Exemptions to US sanctions have been made for specified regions of Sudan.

How to Invest in Sudan

The incentives include tax breaks, reduced tariffs on imported inputs, and guarantees against confiscation. Foreign investment is managed by the Sudan Ministry of Investment, and Sudan Free Zones, whose role has gradually shifted from investment regulation to investment promotion and facilitation. The Sudan Ministry of Investment applying measures aimed at streamlining bureaucratic procedures for investments, with the aim of upgrading the business environment and introducing further deregulation

Foreign companies can invest under legislation governing investment guarantees and incentives, depending on the advantages they wish to obtain and the field of activity.

The Investment Act passed in 1999 covers investment through joint ventures, limited liability companies and partnerships and governs "inland investments", essentially domestic investment projects and investment in free zones, which are treated as being outside the domestic economy for purposes of taxation, customs and trade.

The Investment Act applies to investment in certain specified activities or sectors and grants investors additional privileges and longer tax holidays if their projects are among those realize the objectives of the national development plans.

Contacts

If you have a specific export enquiry about the Sudanese market which is not answered by the information on this report, you may contact:

UK Trade & Investment Enquiry Service

Tel: +44 (0)20 7215 8000
Fax: +44 (0)141 228 3693
Email: enquiries@ukti.gsi.gov.uk

You will be signposted to the appropriate section on our website, or transferred directly to the British Embassy in Khartoum.

British Embassy Khartoum

Hani Gamal Mubarak

Senior Trade & Investment Officer
British Embassy
Khartoum, Sudan
Tel: + 249 183 777105 ext. 2259
Mobile: + 249 9121 31795
Fax: + 249 183 776457
Email: hani.gamal@fco.gov.uk

Marie-Louise Archer

HM Consul General
(UKTI Sudan Overseas Manager)
British Consulate General
3 Mina Street, Kafr Abdou
Roushdy
Alexandria
Tel: + 20 3 546 7001/02
Email marie-louise.archer@fco.gov.uk

In the UK

Simon Brown

Senior Country Manager for Sudan
UK Trade & Investment
1 Victoria Street
London
SW1H 0ET
Tel: 020 7215 4071
Email: simon.brown@ukti.gsi.gov.uk

Sandrine Jayet

Country Manager for Sudan
UK Trade & Investment
1 Victoria Street
London
SW1H 0ET
Tel: 020 7215 4947
Email: sandrine.jayet@ukti.gsi.gov.uk

Resources/Useful Links

Business Link: International Trade

Business Link's International Trade pages provide an overview of export basics including licensing, customs procedures, classifying and movement of goods, other regulatory information and export paperwork issues. It also introduces exporters to the UK Trade Tariff.

Essential reading for exporters!

Find out more at:

<http://www.businesslink.gov.uk/bdotg/action/layer?r.s=tl&r.lc=en&topicId=1079717544>

Country Information:

BBC Website:

http://news.bbc.co.uk/1/hi/country_profiles/default.stm

FCO Country Profile:

<http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/country-profile/>

Customs & Regulations:

HM Revenue & Customs: www.hmrc.gov.uk

Import Controls and documentation (SITPRO): <http://www.sitpro.org.uk>

Economic Information:

Economist:

<http://www.economist.com/countries/>

Export Control

Export Control Organization:

<http://www.berr.gov.uk/whatwedo/europeandtrade/strategic-export-control/index.html/strategic-export-control/index.html>

Export Finance and Insurance:

ECGD: <http://www.ecgd.gov.uk/>

Intellectual Property

Intellectual Property Office: www.ipo.gov.uk

Market Access

Market Access Database for Tariffs (for non-EU markets only):

<http://mkaccdb.eu.int/mkaccdb2/indexPubli.htm>

SOLVIT – Overcoming Trade Barriers (EU Markets only)

www.bis.gov.uk/EUMarketAccessUnit

Standard and Technical Regulations:

British Standards Institution (BSI):

<http://www.bsigroup.com/en/sectorsandservices/Disciplines/ImportExport/>

National Physical Laboratory: <http://www.npl.co.uk/>

Intellectual Property: <http://www.ipo.gov.uk/>

Trade Statistics:

National Statistics Information: <http://www.statistics.gov.uk/hub/index.html>

UK Trade Info: <https://www.uktradeinfo.co.uk/>

Travel Advice:

FCO Travel: <http://www.fco.gov.uk/en/travel-and-living-abroad/>

NHS: <http://www.nhs.uk/nhsengland/Healthcareabroad/>

Travel health: <http://www.travelhealth.co.uk/>
