



Editors: Paul Rivlin and Joel D. Parker

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# Sudan's Predicament and the Israeli Connection

Paul Rivlin



Map: [WikiCommons](#).

The meeting in February 2020 between the head of Sudan's Sovereignty Council, Abdel Fattah al-Burhan and the prime minister of Israel, Benjamin Netanyahu, in Entebbe, Uganda, should be seen in the context of the dramatic developments that have been taking place in Sudan in recent months, and in terms of the economic and political predicaments that have plagued Sudan for most of its recent history.

Since independence in 1956, Sudan has been ruled by a series of unstable parliamentary governments and the military. Gaafar Nimeiry, who was president from 1969 to 1985, was originally a socialist and pan-Arabist, but in 1983 he instituted Islamic law. This exacerbated the rift between the Islamic north, including the capital, Khartoum, and Christians and Animists in the south. As a result of differences in language, religion, and political power, a civil war erupted between government forces, strongly influenced by the National Islamic Front (NIF), and the southern rebels, whose most influential faction was the Sudan People's Liberation Army (SPLA).

In June 1989, a coup d'état was launched by Umar Hasan al-Bashir which ended a three-year-old democratically elected government. Bashir's regime developed ties with Qadafi's regime in Libya, Iran and even al-Qa'ida, whose leader, Osama bin Laden, who was based in the country from 1991 to 1996.<sup>1</sup> All this earned it the hostility of the US.<sup>2</sup>

In 2003, conflict in Sudan began when rebels in Darfur launched an insurrection to protest what they contended was the government's disregard for the western region and its non-Arab population. In response, the government equipped and supported Arab militias, known as Janjaweed, to fight against the rebels. These militias terrorized civilians in the region and prevented international aid organizations from delivering much-needed food and medical supplies. Despite a 2004 cease-fire and the presence of troops from the African Union that followed it, by 2007 the conflict and resulting humanitarian crisis had left hundreds of thousands of people dead and more than two million internally and externally displaced.

In January 2005, the Comprehensive Peace Agreement was signed by the Sudan People's Liberation Movement (SPLM) and the Sudanese government. It aimed to end the civil war, develop democratic governance share oil revenues and set a timetable for

a Southern Sudanese independence referendum. In 2011, this resulted in the independence of South Sudan.

In July 2008 an International Criminal Court (ICC) prosecutor stated that Bashir, as president of Sudan, bore criminal responsibility for the crisis in Darfur. He accused Bashir of orchestrating genocide, war crimes, and crimes against humanity in the region and sought a warrant for his arrest; the Sudanese government denied the charges and proclaimed Bashir's innocence. In March 2009, the ICC issued an arrest warrant for Bashir on charges of war crimes and crimes against humanity but not genocide. The warrant marked the first time that the ICC had sought the arrest of a sitting head of state. A year later, another warrant was issued for Bashir on the charge of genocide.<sup>3</sup>

The aftermath of civil war, the secession of the South and sanctions caused massive economic damage. These pressures led to a 70 percent inflation rate (by the end of 2018) and shortages of foreign currency. Finally, on December 19, 2018, massive protests began after the government tripled the price of bread.<sup>4</sup>

The protests continued after the overthrow of his government on 11 April 2019, when Bashir was arrested, and a state of emergency was enacted. Over 100 people died in the June 2019 clashes between pro-democracy protesters and security forces, resulting in Sudan's suspension from the African Union. The protests came to an end when the Forces for Freedom and Change (an alliance of groups organizing the protests) and the ruling Transitional Military Council signed the July 2019 Political Agreement and the August 2019 Draft Constitutional Declaration. In February 2020, Sudan agreed to hand over Bashir to the ICC to face genocide and war crimes charges.<sup>5</sup>

The transitional institutions included the creation of a joint military-civilian Sovereignty Council of Sudan. The chair for the first 21 months is a military member, Abdel Fattah al-Burhan, and for the remaining 18 months the chair is to be a civilian member. Before assuming this role in August of 2019, he was the *de facto* head of state of Sudan as Chairman of the Transitional Military Council. His record is considered cleaner than that of other Sudanese generals and he is said to have met with protesters to hear their views.<sup>6</sup>

The new Prime Minister, Abdalla Hamdok, an economist who worked previously for the UN Economic Commission for Africa, was sworn in on August 21, 2019. He has talks with the IMF and World Bank aimed at stabilizing the economy, which was in crisis because of shortages of food, fuel and hard currency. Hamdok estimated that Sudan needed \$10 billion over two years to halt the panic and said that over 70 percent of the 2018 budget had been spent on civil war-related measures. In September 2019, he appointed 14 civilian ministers, including the first female foreign minister and the first Coptic Christian, also a woman.

Sudan is a very poor country. In 2018 its national income (GDP) was \$ 41 billion and its population was estimated at 42 million, with income per capita of \$978, according to the World Bank. Moreover, in 2018 it was ranked 168 out of 189 in the UN's human development index.<sup>7</sup> According to the UN Food and Agriculture Organization (FAO), in the period January-March 2019, about 5.8 million people were estimated to be severely food insecure. Major concerns remain for most vulnerable households in conflict-affected areas in the Darfur Region and in Blue Nile, as well as South Kordofan states, and for newly food insecure people in urban and areas around Khartoum.<sup>8</sup>

For most of its independent history, the country has been beset by conflict. Under the terms of the 2005 peace agreement, the southern states seceded, and in 2011 formed the Republic of South Sudan. Due to the succession, Sudan lost about 75 percent of its oil production. This had a dramatic effect on the economy as oil revenue had accounted for more than half of Sudan's government revenue and 95 percent of its exports. As a result, economic growth slowed to an average annual rate of 0.4 percent in 2014-18, and double-digit consumer price inflation developed.<sup>9</sup>

Unemployment is estimated at 18 percent. Over 130,000 young people a year enter the labor market, but only 30,000 positions are available, posing a serious challenge for the country. External debt stock—which increased from \$18 billion in 1995 to \$54 billion in 2016 and to \$56 billion in 2018 (over 60 percent of GDP)—is unsustainable and servicing it is a heavy burden on the economy.<sup>10</sup>

In 2013, the outbreak of civil war in South Sudan deprived Sudan of much needed pipeline revenues. It also resulted in a significant increase in the number of

refugees and internally displaced persons in Sudan. The country became a source, destination and transit country for irregular migration, including refugees and asylum-seekers fleeing through Libya to Europe. Sudan hosts an estimated 763,000 South Sudanese refugees and about 160,000 refugees from Eritrea, Syria, Yemen, and Chad.

Following the global oil price slump in 2015-2016, Sudan and South Sudan agreed to lower oil transit fees for South Sudanese oil via Sudan's pipeline, as it became uneconomic to export it. In December 2016, they extended their 2012 agreement on oil for three years on the same terms, except for provisions for the adjustment of transit fees in line with global oil prices.

Armed conflict in Darfur has subsided but many parts of the region remain precarious because of the proliferation of arms and banditry. Efforts to settle another conflict in South Kordofan and the Blue Nile region remain deadlocked.

In October 2017, US sanctions on Sudan, which began in 1997, and were expanded in 2006, were cancelled. This generated initial optimism, but foreign investors and commercial banks have hesitated to reengage. Trade and financial transactions between Sudan and the rest of the world remain very limited because Sudan remains designated by the US as a state sponsor of terrorism.<sup>11</sup>

This prevents the government obtaining funds from the World Bank and International Monetary Fund. It also hinders efforts to negotiate debt relief and attract Western investors. The Sudanese government believes that delisting is necessary to enable them to address urgently deep economic problems that have resulted from the country's international economic isolation. The new government has forged ahead with the kinds of initiatives designed to reduce US hostility. It has already made overtures to rebel groups from Darfur, Blue Nile and South Kordofan. Hamdok has also proposed an economic rescue plan—to curb inflation and improve the supply of basic goods—and has sought investment from Arab states in the Gulf. The oil minister has urged energy companies to increase exploration efforts.

The government's ability to deliver could be undermined by supporters of the former Islamist regime, especially those in the military with vested economic interests. Tension

between the latter and their civilian counterparts could arise over opening the economy up to foreign investors; oversight of the country's gold trade and currency reserves; as well as control of foreign policy with neighboring and Arab countries and peace negotiations with the rebels.<sup>12</sup>

Sudan has distanced itself from Iran and its relations with Saudi Arabia and the UAE have improved. According to Sudan's finance minister, by October 2019, Sudan had received half of the \$3 billion in aid promised by Saudi Arabia and the United Arab Emirates in April 2019 and expects the remainder to be paid by the end of 2020.<sup>13</sup>

At the end of 2019, the IMF stated that

“... the challenges facing the new government are daunting. The economy is shrinking, fiscal and external imbalances are large, inflation is high, the currency is overvalued, and competitiveness is weak. The humanitarian situation is dire with large numbers of internally displaced people and refugees..... Limited access to external financing continues to constrain the economy. Large arrears block financing from international donors while prospects for securing large external financing from bilateral donors remain uncertain.

In 2018, economic activity contracted by an estimated 2.3 percent, and GDP is projected to contract by 2.5 percent in 2019. Inflation increased to 60 percent in November 2019, and the parallel exchange rate continues to depreciate rapidly. The fiscal position has deteriorated because of ballooning fuel subsidies and weak revenue mobilization, and the fiscal deficit rose from 7.9 percent in 2018 to 9.3 percent of GDP in 2019. The economic outlook remains bleak absent policy adjustment and comprehensive reforms.”<sup>14</sup>

This is the background against which the al-Burhan-Netanyahu meeting should be seen. Sudan is trying to gain favor with the US and significant groups in the country see Israel as a route to Washington. A senior Sudanese military official has said the meeting was orchestrated by the United Arab Emirates and aimed at helping to remove Sudan from the United States' terror sponsor list.<sup>15</sup> The Sudanese Republican Party voiced its

support for rapprochement with Israel and condemned the lack of clarity in the positions of some pro-democracy forces while the National Umma Party of Sadiq al-Mahdi and nationalist groups declared their opposition to any normalization of relations with Israel.<sup>16</sup>

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<sup>1</sup> *Sudan Tribune*, "[Al-Qa'eda](#)" [explanatory note by editors].

<sup>2</sup> Yehudit Ronen, "[Sudan and the United States: Is a Decade of Tension Winding Down?](#)" *Middle East Policy Council*, Vol. 9, No. 1, Spring, 2002.

<sup>3</sup> *Encyclopaedia Britannica*, Sudan, "[Conflict in Darfur](#)" Editors, viewed online February, 2020.

<sup>4</sup> *Al-Jazeera* [English], "Several killed in Sudan as protests over rising prices continue," December 21, 2018.

<sup>5</sup> *BBC*, "[Omar al-Bashir: Sudan agrees ex-president must face ICC](#)," February 11, 2020.

<sup>6</sup> *BBC*, "[Sudan coup leader Awad Ibn Auf steps down](#)," April 13, 2019.

<sup>7</sup> *United Nations Development Program* (UNDP), "[Human Development Report 2019](#)," no date.

<sup>8</sup> *Food and Agriculture Organization of the United Nations* (FAO), "[Sudan: Country Brief](#)," March 29, 2019.

<sup>9</sup> *Federal Reserve Bank of St. Louis* (FRED), "[Consumer Price Inflation for Sudan](#)," Updated October 28, 2019.

<sup>10</sup> *African Development Bank* (AFDB), "[African Economic Outlook 2019](#)" no date.

<sup>11</sup> *The World Bank*, "[Country Overview: Sudan](#)," April 2, 2019.

<sup>12</sup> Yigal Chazan, "[U.S. Weighs Lifting Terror-Related Sanctions on Sudan](#)," *Lobe Log*, October 17, 2019.

<sup>13</sup> Nafisa Eltahir, "[Sudan has received half the \\$3 billion promised by Saudi Arabia and UAE](#)," *Reuters*, October 8, 2019.

<sup>14</sup> *International Monetary Fund*, "[IMF Staff Completes 2019 Article IV Mission to Sudan](#)," December 23, 2019.

<sup>15</sup> *Associated Press*, "[Netanyahu Meeting With Sudan's Leader Was Set Up by UAE, Sudanese Official Says](#)," February 4, 2020.

<sup>16</sup> *Sudan Tribune*, "[Sudan's Republican Party backs normalization with Israel](#)," February 7, 2020.