Statement by Hon. Aggrey Tisa Sabuni, Minister of Finance, Commerce, Investment and Economic Planning, Republic of South Sudan, during the Government of South Sudan Mission to the EAC Secretariat,

November 5th, 2013

Amb. Dr. Richard Sezibera the Secretary General, Hon. Ministers and Deputy Ministers, Distinguished Guests, Ladies and Gentlemen.

First, we would like express our sincere gratitude to Amb. Dr. Richard Sezibera, and the rest of the EAC Secretariat staff for hosting us today in Arusha.

South Sudan welcomes the resolution that was passed at a recent Council of Ministers meeting held here in Arusha that commences a formal process of negotiations for South Sudan’s Accession to the East African Community.

It is also our great pleasure to visit the EAC Secretariat to explore in greater detail the policies and programmes of the EAC. We envisage this visit to be one of many to come and, we hope it will culminate in South Sudan’s full Membership in the Community. South Sudan has always been historically, culturally and ethnically a part of the greater East Africa Region.

In fact, already at the beginning of last century – Juba, South Sudan’s capital – was a part of, the then, East African Customs Union set up by the British. We therefore view South Sudan’s Accession to the EAC as a return of our country to its rightful place - as an integral part of the East African Region.

Furthermore, we believe the EAC will not only be larger with South Sudan as a Member but also stronger. South Sudan is a US$7 billion economy with a significant natural resources base and a large domestic market. Our per capita GDP, although distorted somewhat by oil income, is the highest in the region. In 2013, GDP per capita is forecasted to reach US$ 1500 per person.

Throughout the last century South Sudanese did not have the freedom to choose their own destiny; first as a part of the British colonial system and then as part of the Republic of Sudan. It is only since the Proclamation of Independence in July, 2011 that South Sudan is free to make its regional and foreign policy. As part of this policy we have made a clear statement that we want to join the East African Community. Only 3 months after independence H.E. Salva Kiir Mayardit, the President of the Republic of South Sudan signed a note verbale applying for EAC Membership.

Despite the fact that we are not, as of yet, formally a part of the EAC, de facto, we already have strong economic ties with the EAC. Nearly all of our imports originate or transit through EAC
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countries. In fact recent estimates show that around half of South Sudan’s total imports, worth US$ 3 billion a year, are sourced from EAC Member states.

We are the biggest regional export market for Uganda. Kenyan Banks and Insurance companies are prominent players in our service sector. Thousands of EAC national help to rebuild our economy from the terrible destruction of the years of civil war. Implicitly, we already implement many of the freedoms that are spelled out in the EAC’s Common Market Protocol.

South Sudan is already well integrated with East Africa but this integration is somewhat one-sided. 98% of South Sudan’s exports are one commodity only – oil. Oil is exported predominately to Asian Markets - not regionally.

Excluding timber which is exported for processing to EAC countries South Sudan exports to the region are negligible. While South Sudan shares a common culture and history with the EAC countries our economic development diverges sharply from the rest of the region.

On the contrary to EAC countries, South Sudan’s is one of the world’s most oil dependent economies. Our infrastructure has been either destroyed by years of struggle for independence or has never been developed. At independence, we had nearly no paved road, electricity grids and limited health, education and government systems.

As a result South Sudan’s development challenges and strategies differ from these of the rest of the EAC economies. South Sudan is the world’s youngest nation. We have the world’s newest currency, newest government and society. As often in life, beginnings are difficult, and we continue to work hard to establish fully fledged government institutions, crucial public services and infrastructure.

It is in the area of state-building where EAC Membership and expertise may be most beneficial for my country. EAC Membership will support harmonization of our legal system, customs procedures and standards to those of the Community. We will be able to develop regional infrastructure which currently is lagging behind other regions.

Regional integration efforts are only likely to succeed if benefits from integration are distributed, as far as possible, equally among Member States. Recent experiences of regional integrations show that, unless proper policies are in place, economic integration will strengthen regions that are already strong economically at the expense of those that are lagging behind. South Sudan has only recently emerged from, what many consider to be, the longest conflict of the 20th Century. The conflict essentially stalled the development of any significant industrial activities or modernized agriculture in my country.

In light of the imminent commencement of negotiations for EAC Membership it is important to think through the policies and modalities that can ensure the development of South Sudan’s industrial and agricultural sector so that it will be enhanced rather than constrained by EAC Membership.
Despite some recent setbacks European Union continues to be a model Regional Integration Agreement that developed highly successful policies to mitigate regional disparities within the Union. We believe some of these policies may well be effectively implemented in the East African context.

Finally, South Sudan’s prospective membership in the EAC is central to our regional integration strategy and is likely to become an anchor for our overall trade strategy. Recognizing the problems that some African economies face with overlapping Membership in RTAs, South Sudan would now like to concentrate its efforts on negotiations for EAC Membership. Once we become an EAC Member we will negotiate any new Trade Agreements as a block within the EAC. This is likely to provide clarity and predictability in our trading relations.

Concluding, South Sudan’s Application for EAC Membership shows that we are prepared to adhere to obligations stemming from the Membership. Despite our short history of independence we embrace the idea of East Africa’s economic integration and feel that it is one of the key routes towards prosperity in the region and beyond. However, in order to be successful the EAC needs to implement policies and programs that cater for the needs of the less developed countries/regions, such as South Sudan.

THANK YOU