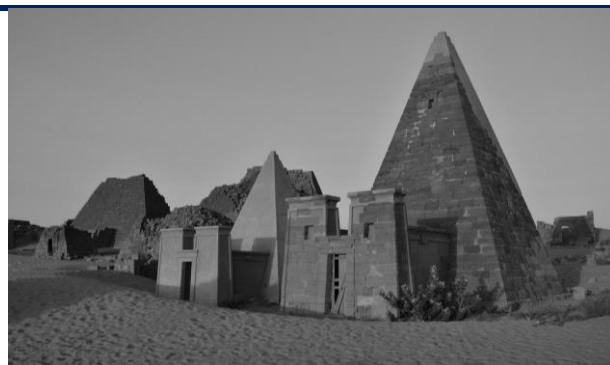


inBrief



Doing Business in Sudan: Investment Opportunities

June 2017

Sudan is one of the largest and most geographically diverse states in Africa, split into two countries in July 2011 after the people of the south voted for independence. It borders Egypt, Libya, Chad, the Central African Republic, South Sudan, Ethiopia and Eritrea. Sudan is also a country of great economic potential: a strategic location, gold reserves, oil & gas fields, other mineral resources, a favourable climate, as well as excellent irrigation and soil conditions.

Lifting of US Sanctions

In 1997, US president Bill Clinton imposed comprehensive trade sanctions against Sudan and blocked the assets of the Sudanese government. In January 2017, the Obama administration took steps to lift such sanctions, unfreeze assets and remove financial sanctions. The Trump administration appears to be continuing such lifting of sanctions. A full lifting of sanctions is expected to occur in the middle of July.

Investment Law

Sudan's National Investment Encouragement Act (the "Act") of 2013 promotes foreign direct investment and prohibits discrimination against foreigners in investments. The Act defines three types of investment projects: national, strategic and state. Sudan has put in place an open investment legislative framework with several laws and regulations that are modern and based on best practices. The Act also establishes the National Investment Council, chaired by the President of Sudan. The focus and objective of this council is to facilitate investment in all sectors of the Sudanese economy. The Act allows foreign and domestic private entities to establish and own business enterprises and to repatriate capital and profits.

The Team



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Shahram's practice consists of corporate law, real estate law, disputes, and advising on the legal aspects of doing business in Sudan and Iran. He also advises on private equity and venture capital transactions. Shahram heads the firm's Sudan, Iran, real estate and venture capital teams and has been highly sought after by boards and shareholders for strategic legal advice. He is active in lobbying for, providing constructive feedback to and advising government organisations regarding regional laws and regulations pertaining to doing business, real estate and venture capital investment.

Shahram's Sudan practice involves advising clients with respect to investments, joint ventures, as well as introduction to sector specific private and public entities in Sudan. Such advice generally involves regulatory and legal compliance and strategies, foreign investment protection regimes, sanctions and anti-money laundering implications.

Investment Opportunities

Sudan offers multiple investment opportunities:

- **Natural Resources/Mining:** Sudan has always been known for its abundant natural resources, especially gold, oil, gas, chrome, manganese, zinc, aluminum, cobalt, and nickel. Gold production in Sudan reached 22.3 tons in 2016, ranking as one of the top producers in Africa.
- **Agriculture:** With the majestic Nile river running through it, Sudan has more than 150 million hectares of arable land. The climate is suitable for all types of crops, and water irrigation is readily available and/or natural. Sudan specializes in cereal production (sorghum, millet, wheat, corn and rice), crops (cotton, sugar, peanuts, sesame, and gum Arabic), and tropical fruit and vegetables.
- **Livestock:** Sudan is highly regarded in both the Middle East and Africa with regards to its livestock and animal resources. Sudan has national animal resources, which include cattle, camels, sheep, goats, poultry, horses, and an annual stock of more than 110,000 tons of fish. The most important animal products in Sudan are milk, meat, poultry, skins, fur and wool.
- **Transport:** As Africa's third-largest country and bordering seven countries, Sudan offers great opportunities for investment in the transport sector. The weakness in the transport network remains one of the greatest constraints to the economy.
- **Industry:** Investment opportunities in industry in Sudan include the following sub-sectors: agro-processing, food, spinning and textiles, leather, chemicals, pharmaceuticals, oil and soap, engineering, building materials and refractories, and printing and packing.

Conclusion

Given the recent lifting of a majority of sanctions and with the impending lifting of the remaining sanctions, Sudan offers unique investment opportunities and a welcoming business climate for the natural resources/mining industry, the agricultural industry, the livestock industry as well as others. Sudan is an emerging investment opportunity, offering access to one of the few internationally untouched markets. ■



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Afridi & Angell

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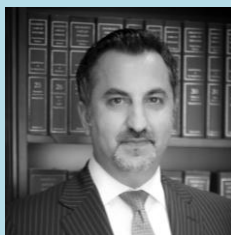
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