



University of Bremen

SUDAN ECONOMY RESEARCH GROUP

DISCUSSION PAPERS

EAST-SOUTH AND SOUTH-SOUTH ECONOMIC CO-
OPERATION OF THE DEMOCRATIC REPUBLIC OF
THE SUDAN

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This paper had been presented at the Fourth General Conference of the European Association of Development Research and Training Institutes, September 3-7, 1984, Madrid, Spain. It will be published 1985 in a volume of EADI, edited by I. Dobozi, Budapest.

Contents

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|------|--|-------------|
| I. | Introduction: The Sudan as a Case of East-South and South-South Economic Cooperation | pp. 1 - 6 |
| II. | Sudan's Trade and Aid Relations with the East and the South | pp. 7 - 10 |
| III. | Economic Cooperation with the East | pp. 10 - 18 |
| IV. | Economic Cooperation with the South | pp. 18 - 24 |
| V. | Conclusion | pp. 25 - 26 |

I. Introduction: The Sudan as a Case of East-South and South-South Economic Cooperation

Concerning the Arab and the African countries, there are various studies which analyse the economic relations between the CMEA countries, China and Yugoslavia on the one side and Arab and African countries on the other side at an aggregate level. However, only few studies are available which show in detail the quantity and quality effects of these relations at the country level. Concerning the South-South relations of the Arab and African countries, studies at the aggregate-level and the country-level are accumulating in recent years. Rare is the literature on the East-South and the South-South economic interactions of the Arab and African least developed countries, with the exception of Tanzania.

It is the purpose of this paper to fill this gap partly by presenting the case of Sudan's relations with the East and the South. The Sudan is, because of various reasons, a very interesting case and so it may be possible to draw some general conclusions from these experiences and to identify the relevant factors of East-South and South-South cooperation for a least developed country.

The Sudan is the largest state in Africa and the Arab world, covering over 2,500,000 square kilometers. The cultivable land is assumed to exceed 200 million acres; the water and animal resources are also considered as plentiful. The already exploited area of cultivable land is, however, small covering only about 15 million acres. This huge potential of natural resources (also mineral resources and oil have been discovered) and the proximity to the Middle Eastern markets places the Sudan in a favourable position regarding not only food self-sufficiency, but also agricultural exports. In this context the Sudan is also considered as an attractive partner for the socialist countries.

In the 1960s and in the 1970s the Sudan had expanded rapidly the base of the modern agricultural sector (the irrigated and the mechanized farming sectors) at the expense of the traditional farming sector. The industrial sector also had expanded. Profound changes took place from an earlier concentration on agricultural food and non-food processing industries (relying on domestic resources, mainly agricultural raw materials)

towards non-agricultural manufacturing industries (relying much more on imported inputs). The services sector also expanded rapidly, especially the state services sector and the private trade sector. The expansion of the trade sector was most problematic. This sector benefitted from the policies since 1973 (the consolidation of an open-door policy) and especially from the stabilization-induced scarcities in the country since 1978.

Since 1978 Sudan is pursuing policies of economic stabilization. Up to now all attempts have failed to stabilize the economy and to reverse the trend of negative real rates of growth, of increasing indebtedness, of high inflation rates and of intense dependence on Western, Arab and multilateral financiers to bridge the current account deficit (the imports were for years three times higher than the exports!). Migration from Sudan to the neighbouring Arab countries is high; the remittances - fluctuating widely - cannot close the payments imbalance. A long-term view on Sudan's stabilization policies is therefore recommended (on the structure of the Sudanese economy see Tetzlaff/Wohlmuth 1980, Oesterdiekhoff/Wohlmuth 1983 and Hansohm/Wohlmuth 1984).

A historical review of Sudan's development strategies since independence (1956) reveals that very distinct economic and political phases have to be considered and that the East-South and the South-South relations had great importance between 1969 and 1978. From independence until 1969 first steps were undertaken to diversify the production and the export structure, to expand the productive base of modern agriculture and industry and to expand the social sector. One main consequence of the policies in this period was the strengthening of the trade capital by giving it access to the productive base in agriculture and also to government resources. In 1960 first steps were undertaken to introduce development planning in the country. The Ten Year Plan of Economic and Social Development (1960/61-1970/71) was designed mainly by World Bank staff, although during the plan period intense conflicts became manifest between the Sudan and the World Bank (and the IMF) on economic policy orientations and projects. The Ten Year Plan did not aim at a fundamental structural reform of the economy. However, one aim was the reduction of the

dependence of the economy on exports of cotton from 65 to 61% of the export revenues (see Wahab 1976, 223). The Ten Year Plan turned out to be a public sector plan only, neglecting the development perspectives of the private sector.

In the period of 1965 to 1969, the economic conditions in the Sudan worsened. The cotton prices had an unfavourable trend (the cotton revenues are the main base of the public revenues and of the import capacity), also because of the competition of synthetic fibres. The war in the Southern Sudan and the misuse of the agricultural surplus by the landlords for consumption rather than for investment led to worsening economic conditions (see Collins 1976, 11f). All these factors caused economic uncertainties and instabilities which were responsible for the decline of foreign aid, foreign investments and foreign loans. On the other hand the rapid expansion of the state bureaucracy since independence had already become a factor limiting development.

This was the background for Numeiri's May revolution of 1969, which led to a new phase of political and economic development and to a reorientation of the external relations. The basic principles of the May Revolution were, first of all, the strengthening of commercial and economic cooperation with the socialist bloc and the Arab countries by concluding bilateral agreements, so that the country could be freed from Western dominance; second, the widening of the basis of the public sector in order to replace the foreign-controlled sector; third, the encouraging of a truly national capital; and fourth, the revision of the overseas borrowing policy, so that an undue indebtedness could be avoided. (see Awad 1973a, 215-218). This was the start of a short period of intensive cooperation with the Soviet Union and East European countries. Soviet experts were invited in 1969 to design the Five Year Plan (1970/71-1974/75). The planning procedure relied on the "material balances" approach, used traditionally in socialist economic planning. The socialist countries seemed to be ready to cover a great share of the external finance needed for the realization of this plan. The Soviets also identified suitable projects for development. So the Numeiri regime considered the cooperation with socialist countries as the main instrument to achieve economic

independence after political independence. But this cooperation remained a short period. The coup d'etat of July 1971 against Numeiri brought it to an end. Even before the events of July 1971 took place, the Numeiri regime had already resumed relations with Western and multilateral donors and Arab conservative countries. The purpose was to get access to foreign finance from these sources again. The Sudan had suffered from the international lending embargo from these circles which was introduced after the nationalizations of the foreign capital in 1970. The socialist countries could not compensate the foregone funds by additional lendings so that the Five Year Plan soon became obsolete. The plan was replaced by a Phase Action Programme in 1973 which emphasized the transport and electricity sectors (neglected in the Five Year Plan) and the attainment of self-sufficiency in basic consumption items like sugar, wheat and textiles. This programme had an additional role to play: to secure finance from the Western and the Arab countries.

The policy changes since 1971 towards an open-door economy were to signal to the West and to the Arabs that the period of cooperation with the East was terminated. But Numeiri remained rather flexible in his attitude towards relations with the socialist countries even afterwards (see Wai 1979, 310-311), and did even improve the relations with China and Rumania. The new policy showed first results in mid-1973 when Sudan's net capital inflow grew from only 3 million US dollars in 1972 to 227 million US dollars in 1973. The contribution of Kuwaiti and Saudi Arabian financiers was significant (see Collins 1976, 15). A new era with high reliance on South-South (Oil-South) cooperation was started - the era of the so-called "Breadbasket Strategy".

In fact, the situation of cotton has led to economic policy changes not only in 1969, but also in 1974/75, when the cotton marketing problems (see Table 4) and the price increases of cereals on the world market induced the Sudanese government to reallocate cultivable land towards wheat. An additional causal factor for the economic policy change was the increasing importance given to food self-sufficiency in the Phase Action Programme of 1973. The US threat of a wheat embargo against the Arab countries in 1974/75 to counter future oil embargos gave an additional impetus to reallocate the land towards wheat. The tenant's unfavourable rewards from the cotton crop favoured these moves also.

.The Sudan attempted to become the breadbasket of the Arab world which is an important food importer. The concept of the Breadbasket strategy emerged early in 1974 (see Awad 1983 ,1-3). The basic objective was to reverse the trend of a growing food dependence of the Arab countries by putting to use the natural resources of the Sudan, which were assumed to be huge. In 1980 more than half of the food consumed in the Arab region was imported at a cost of 20 billion dollars, although the cultivable land of the Arab countries is estimated to be 132 million hectares and is used only up to 53 million hectares (Awad 1983 ,7). The Arab Fund's Basic Programme for Agricultural development in the Sudan explored the possibilities of the Sudan to become a major supplier of food, so that the Arab region could become more self-sufficient in food. In the period 1970-1973 on the average 6 million tons of wheat, 500,000 tons of sugar, 400,000 tons of edible oil and 135,000 tons of meat had been imported annually. Sudan was expected to substitute 20% of the region's sugar imports, 48% of the edible oil imports and 58% of the meat imports (Awad 1983 ,11-12). The Six-Year-Plan for Socio-Economic Development (1977/78-1982/83) was based largely on the Programme released by the Arab Fund and assumed that large volumes of foreign finance for this huge expansion programme could be attracted from Arab, Western and multilateral sources (the era of the Breadbasket Strategy has been written up by the Sudan Economy Research Group at the University of Bremen; see especially: Tetzlaff/Wohlmuth 1980, Oesterdiekhoff/Wohlmuth 1983 and Hansohm/Wohlmuth 1984). Although this experiment of Arab regional cooperation has failed as far as the original dimensions are concerned, it is an interesting case to study the quality and the perspectives of South-South economic relations. The Sudan has also traditional relations with Egypt, India, Nigeria and other African countries, but the cooperation with the oil-rich Arab countries had the greatest impact on the economic course of the Sudan. This expansion programme of the Sudan ended abruptly in 1978 when the country had to come to terms with the IMF and the World Bank and had to introduce a harsh programme for Economic Stabilization and Financial Reform. The demand restraint policies required by these institutions along with strategies to increase the export capacity of the country as quickly as possible led to a postponement of most of the proposed Breadbasket Strategy projects, although foreign exchange still was available by the Arab agencies which

were ready to invest in the Sudan. Since 1978 the programmes for stabilization had been designed under the auspices of the World Bank (on the results up to now see Hansohm/Wohlmuth 1984).

These two experiments of "delinking" from exclusive relations with the West (the former colonial power Great Britain and other Western countries) are considered in this paper in more detail, so that it is possible to identify the costs and benefits of Sudan's reorientation towards the East or the South. Many questions are of interest:

What is the potential of delinking, of securing a greater economic independence by such moves? What is the comparative importance of cooperation with the East and the South?

How is the process of cooperation functioning and what is the impact of the traditional relations with the West and of the established production and trade structures?

Is it possible to reduce the basic dependence from cotton, still being the crucial economic policy problem of the country?

To what extent can the cooperation between Sudan and the East or the South be used to transform the traditional division of labour, beyond simply organizing bilateral trading arrangements which are inherently unstable and ineffective?

What is the potential of industrial cooperation if the huge resources of the Sudan for agroindustrial development are considered?

What are the perspectives for technology transfer from the East and the South (e.g. India) to the Sudan in order to support a sustainable model of agricultural and agroindustrial development? Is it possible to avoid new dependences?

In this paper these questions are answered step by step by referring to the historical experiences of the Sudan with relations to the East and the South. In Part II a record of the quantitative evidence is given as far as trade and aid relations are concerned. In Parts III and IV the economic relations with the East and the South are considered in more detail. In the concluding part some perspectives of East-South and South-South cooperation in the case of the Sudan are considered.

II. Sudan's Trade and Aid Relations with the East and the South

Tables 1 and 2 show that there is a close relation between changes in the regional composition of exports and of sources of external resources on the one side and the distinct economic policy changes in Sudan on the other side. Table 1 shows that the total share of the East and the South (Sudan's most important trading partners in the Third World are covered) in Sudan's exports has increased in the 1960s as well as in the 1970s. An acceleration of this trend took place after 1977. This may be linked to the world economic developments and also to the depth of the stabilization crisis of the country. This may reflect a tendency to use the Eastern and the Southern markets as outlets in times of depressed demand in the West. A significant increase of the combined share of the East and the South occurred in the years 1968-72 when the political relations with the West were very bad and an international lending embargo followed the nationalizations of 1970. It may be concluded that the political changes since 1969 have contributed to an export partner diversification which was also intended for by Sudanese politicians and planners since independence.

The share of the socialist countries has fluctuated widely in Sudan's exports, but it can be seen that these countries' trade share had increased in times of Sudan's economic crisis of the years 1965-69. The events of 1969 have caused an acceleration of this trend, so that a share of 33.3% was realized in 1971. The events of 1971 are also highly visible in the significant fall of the respective share, but still the export market of the socialist countries remained important. However, the share of the Soviet Union was replaced by China and East European socialist countries.

The share of the South (included are India, Egypt, other African and other Arab countries) accelerated in the 1970s, but a lot of substitution between these countries took place over the time. In recent years (1980-82) the share of the South has increased considerably. This is mainly due to the other Arab countries' absorptive capacity for Sudan's foodgrains and livestock.

Sudan's import side (see Table 1) reveals that the high partner concentration could be reduced, but not to the extent of the export side. It can be seen that the events of 1969 had a stimulating impact on the trade with socialist countries and India, and that the reorientation of the economic policies in 1971

led to a decreasing importance of the East and the South as suppliers. The share of the other Arab countries (mainly oil exporters) is increasing since 1975 and reached 27% in 1982, what brought

the combined share of the East and the South up to 40.2% in this year. The share of the East has not regained the shares of the period of 1970-73.

A main aim of the May Revolution of 1969 could be realized: The trade partner concentration could be reduced. However, these figures do not say anything about the terms of trade which are realized in relations with various partners.

The picture concerning the external flows is quite different (see Table 2). It is shown that - as expected - a peak of the socialist countries' contribution is reached in 1970 and that the share of the Arab countries is increasing since 1971, especially since 1973, when the open-door policy of the government showed first signs of international and regional acceptance. Western and Arab investors came forward. The Arab share increased from 49.8% in 1973 to 82.3% in 1977, but in the following years the share declined again, mainly because of a very conservative financial attitude of the Arabs and the uncertainties and instabilities of the country amidst a grave stabilization crisis. On the other hand, the Arab financiers lost their confidence in the Breadbasket concept. There were no allocations from the socialist countries of any significance since 1972/1973. The Western countries and the multilateral agencies had to supply the bulk share of the external resources since 1978 (giving them increasing influence in the donors' Consultative Group meetings). However, the West had no interest to follow up the idea of a breadbasket. Instead of pursuing the implementation of their own Arab Fund's Basic Programme with vigour, the Arab countries relied since 1978 completely on the policy prescriptions of the IMF and the World Bank for stabilization so that a restoration of the traditional trade patterns was inaugurated. This turn back seemed to be justified by calculations of the international competitiveness of Sudan's export crops.

Besides the trade partner diversification the commodity composition over time is of interest. What was the impact of the period of 1969-71 and of the Breadbasket era (1974-1978) on the role of cotton as the main export commodity and on the position of the other export crops? Has a diversification taken place towards Breadbasket products like sugar, meat, cereals, edible oils etc. ?

As Table 3 shows, the Sudanese export commodity concentration reveals a high concentration on a few SITC groups (subgroups of SITC 0,2 and 4). An aim of the May Revolution, but also of the Breadbasket Strategy, was it to make the country less suffering from the effects of a high commodity concentration and, more specifically, from the exploitative dependence on the world cotton market. Table 3 shows the overwhelming importance of cotton fibres in exports, but also the fluctuations of the total value of cotton exports. Table 4 shows the shares of the main commodities over the years 1964-82. The figures for cotton do not reveal any consistent pattern of a reduced dependence on this export crop. In the period of 1969-78 there was a slight decrease of the share of cotton, but the shares in 1964-66 were even lower than the average share of the period 1969-78. The behaviour of the share of cotton since 1980 must not be misunderstood as a success of a diversification strategy. Instead, the decline had been caused by a sharp fall of the cotton production due to domestic constraints since 1978/79. Cotton was regaining since 1982. The share of groundnuts has fluctuated widely, whereas the shares of sesame and gum arabicum were more stable.

The significant increase of exports of foodgrains and livestock in recent years is of importance (see Table 3), but only "foodgrains" is a breadbasket commodity, whereas the export of live cattle, camels, sheep, goats and of hides & skins reflects the traditional trade structure. The aim had been to make the Sudan a main supplier of meat to the Arab world. A main consequence of the actual pattern is that Sudan remains dependent on a few export commodities. The 'negative diversification' which took place since 1980 in the case of cotton has created additional problems for public finance and the country's import capacity. So the policies since 1969 were not successful in respect of commodity diversification.

If the perspectives of commodity diversification are considered (using recent World Bank calculations of the international competitiveness of Sudan's export commodities), the pessimistic trend can be further substantiated. The country will depend on the same few export products in the 1980s - under the assumption that the rehabilitation programmes for the irrigated agricultural sector are successful so that cotton can regain the former position. A ranking of the Sudanese export commodities according to

an implicit exchange rate (calculated at domestic resource costs of a certain crop per 1 dollar earned) for 1982 shows that groundnuts, dura and sesame had the highest competitiveness, whereas cotton had the lowest (Source; IBRD). Therefore the rehabilitation of the irrigated cotton schemes is of urgent importance to secure a minimum of import capacity. Concerning agroindustries, only sugar is considered as having a comparative advantage (but based on the production cost conditions of the oldest sugar factories - sugar produced in the new factories established during the Breadbasket era is not competitive). Edible oil industries are not producing with comparative advantage - at the given exchange rate. The same is true for textiles. Because of increasing domestic demand the export potential of sugar may be undermined. The same is true for groundnuts oil, groundnut cake and dura. The increasing rate of population growth (estimated at 2.8-3.0%) may be a factor eroding the future export potential. Thus, an export-oriented policy will require stringent domestic demand restraint measures. However, cotton (if rehabilitation is successful), sesame and groundnuts will remain the agricultural crops with guaranteed export prospects.

On this background the potential of the East-South and the South-South cooperation can be studied in more detail.

III. Economic Cooperation with the East

In this country group we include the USSR, the East European CMEA countries, Yugoslavia and China. While in the middle of the 1970s Nayyar (1975) stated that little attention was paid to East-South relations, in the subsequent years quite a few studies focussing on that subject were published. They concentrate on different spheres - political, military, economic, cultural - and analyse its effects on socialist countries, developing countries or international relations.

While we will try to evaluate the possible benefits of economic cooperation with socialist countries for Sudan, it is necessary both to put economic relations in the wider context of overall cooperation as well as to take the benefits for Sudan's partners into consideration.

Perhaps it is the best to start with summing up what the socialist countries themselves claim to be the benefits of East-South cooperation. For the CMEA countries these include:

- 1) Eastern and Southern countries are "natural allies" in the fight against Western imperialism;
- 2) Their relations have a long-term basis (free of the crisis of the capitalist system) and give both sides a greater degree of certainty necessary for economic planning;
- 3) Socialist countries provide advantageous conditions with regard to financial aid, repayments, making available cadres etc.;
- 4) The economic structures of socialist and developing countries are complementary (Joswig 1975, 15; Fritzsche 1984, 20).

It is interesting to note that CMEA countries do not condemn the existing international division of labour between industrial and developing countries per se, but instead the dominance of Western monopolies; trade with socialist countries is considered as a force to weaken the monopolies and to strengthen the free market play.

In contrast to this China supports the development path of self-reliance in the Third World which assigns only a secondary role to foreign aid and trade.

We will comment on these arguments both from within their own logic and on the basis of our own analysis of Sudan's economy as being severely defected (Hansohm/Wohlmuth 1984). The basic question is: Did the relations with the socialist countries tend to overcome the external dependencies (technological, financial, commercial etc.) and the structural deformations of the reproduction process (the lack of sectoral coherence, the preponderance of a stagnating agricultural sector, the high export commodity concentration)? (Wohlmuth 1975)

In order to answer this question it is not enough to evaluate the gains from foreign trade as Chandra (1977) did, starting from the premise that "some economic relations with the USSR is incomparably more advantageous than exclusive reliance on the Western imperialist group of nations" (Chandra 1977, 349). Beyond an analysis of the quantity and the quality effects of foreign trade - and of the aid activities - a wider perspective of economic development is necessary.

For the relations with all of the socialist countries it is not possible to discriminate between aid and trade perfectly because Sudan's imports largely consisted of machinery and equipment for assistance projects and the exports partly came from projects financed by the socialist countries.

Put in the context of overall trade and aid to Sudan, the economic relations with these countries could not compete with those the country had with the West during all of the different economic policy phases (see Tables 1 and 2). On the climax of economic relations with the CMEA countries in 1971, the total share of socialist countries in Sudan's exports was 33.3%, while the import share came to 23.2% only (see Table 1). The most recent data (for 1982) are 10.6% and 5.0% resp. For the overall period of 1960-82 the average export share is 17.9%, consisting of 4.6% for the USSR, 6.7% for China and 6.5% for the other socialist countries (the difference is due to rounding). For the imports the figures for the overall period are 11.8%, 2.8%, 4.2% and 4.8% resp.

The year with the highest flow of resources from these countries is 1970: 24.3% of the total (see Table 2). This was the year of Numeiri's most pronounced pro-socialist moves (e.g. the nationalization of the foreign capital).

The figures for the total credit commitments give a much better impression of the extent of credits from socialist countries. However, their credits are characterized by much lower rates of disbursement. This is due mostly to their characteristics (tied loans) and to the lack of competitive power of socialist countries (Gasim 1970).

While the figures show that the impact of East-South economic cooperation has been quite limited, especially in recent years, more important for its evaluation is its quality. Is it different from the relations with the Western countries? If yes, in which way?

The first argument concerning the benefits of East-South cooperation (see above p.11) points to an alleged integration of economic policy in the wider context of a political strategy aiming at weakening the dominant Western countries. A similar argument - that economic policy is a part of a Soviet strategy to expand its positions as a world power - has often been put forward

by Western experts, especially from the US (Weinstein/Henriksen 1980; Donaldson 1981). The strategy's targets have been identified as political, military/strategic, revolutionary and economic. While the distribution of CMEA aid makes evident that those countries tried to support "progressive" regimes in the Third World, the example of Sudan clearly shows the limits of this policy. While it can be taken for granted that the USSR tried to gain influence in the Sudan for strategic as well as for political reasons (up to 1971 Sudan had a very strong communist movement), in this regard it failed completely.

Since the independence in 1956 Sudan went through several substantial changes. Up to 1971 the USSR managed to recognize every new government in the Sudan as "progressive" and condemned the preceding government as "reactionary" (Mizan 1968). The first half of the 1960s witnessed the highest flow of resources from the USSR (see Table 2). However, during the same period Sudan benefitted from the American Aid Programme and the government's domestic and foreign policy did not follow the USSR's desires at all.

From 1969 onwards Sudan was ruled by a second military government which pursued a "socialist" policy during the first two years. While its coup d'etat was supported by the Sudanese Communist Party, there are no indications for a Soviet interference. From 1969-71 Sudan called for Eastern aid to a higher degree. In this context Soviet advisors designed a new development plan which was to replace the former "capitalistic" plan (being largely the work of World Bank planners). However, it is difficult to find out the socialist character of the new plan in contrast to the old one. The contribution of the private sector to total investment was fixed at 47%, compared with 40% in the former plan. The leading role of the agricultural sector was enforced: 26% of total investments were earmarked for this sector, compared with only 23% for the industrial sector. The figures in the former plan were 21% and 19% resp. Furthermore, the heavy dependence on the main export crop - cotton - was intensified as well: While the former plan aimed at reducing its contribution to total exports from 65% to 61%, the new plan envisaged a 170% increase in cotton exports,

compared with an overall export increase of 68%. The reason for this is obvious: The CMEA countries in general and the USSR in particular increased their purchases of Sudan's extra-long staple cotton (under bilateral agreements) in the face of the growing interest of Egypt (the only other main supplier of this kind of cotton) to sell her crop for convertible currency (Awad 1973b, 116).

Another example for the predominance of the economic (trade) interest of the USSR is the fact that the Sudanese Communist Party was sacrificed for the sake of good relations to the government. However, in 1971 the Sudanese regime started to persecute the communists and shifted its foreign policy orientation completely to the West and to conservative Arab countries, not impressed by the danger of a complete loss of the socialist countries' support. This reflects also Sudan's ability to play one aid donor off against the other to a certain degree. When the Sudan-USSR relations cooled down in 1971, China promised to fill the gap, and indeed China offered credits for development projects and supplied the spare parts for Soviet weapons. China replaced the USSR as the main socialist trade partner: While the exports to the USSR dropped from 15.7% in 1970 and 16.1% in 1971 to 0.4% and 0% in the following years, China's share rose from 6.0% to 9.4%, 10.0% and 14.4% resp. (see Table 1). However, in the long run the Soviet share in Sudan's exports remained at the former levels and was not influenced at all by another political crisis between the two countries in 1977 (see Table 1).

For the other CMEA countries, the main flow of resources to Sudan was recorded in 1970 and 1971. However, the pure economic character of the trade relations is clearly evident from the lack of correlation between politics and trade figures. In 1975 military aid is reported from the CMEA, Yugoslavia and China at the same time (Friedrich-Ebert-Stiftung 1975).

The second argument for the benefits of East-South cooperation is its alleged long-term character. Indeed, bilateral agreements with most of the East European countries (operating until 1975) guaranteed a relative stability between exports and imports. However, the extent of the trade was fluctuating widely (see Table 1). This was due to changing demand conditions and to changing alternative marketing possibilities.

The trade with the USSR was characterized by considerable fluctuations and an imbalance between exports and imports. Several authors mention a Soviet strategy of maintaining a passive trade balance in order to start economic relations and to open up markets. In the case of Sudan the USSR did never manage to establish a considerable market share and after 1977 its share became insignificant.

The trade with China is characterized by fluctuations and a preponderance of exports as well (see Table 1). One reason for this is the Sudan's tendency to use Eastern markets as an outlet in times of depressed Western demand. This feature gives the East-South trade a residual character. Nevertheless, as being part of a strategy to diversify export partners it benefits Sudan by strengthening its marketing position on the world market.

The third argument for the East-South cooperation is its alleged advantageous conditions. Facts do not prove this unequivocally. All Eastern aid of any significance is provided in the form of repayable credits. In comparison to this the USA implemented a grant programme for part of their aid (up to 1967). Furthermore, Eastern loans are tied to imports from the donor countries. However, the interest rates on the loans from socialist countries are lower (2-3.5% from CMEA countries, interest free from China) than those from most Western countries and from international organizations (except for the favourable loans of the IDA). On the other hand, the repayment periods are shorter (8-12 years) than those for loans of international organizations and of some Western and Arab countries.

Chinese aid differs in several respects from CMEA and Western aid:

- 1) The Chinese workers are paid on the same standards as the Sudanese which ameliorates the cost relationships considerably.
- 2) As China is a developing country itself, the technology implemented is more appropriate to Sudanese conditions.
- 3) For the same reason, the imported project conceptions, but also the workers, the raw materials and the organizational methods may be able to have a positive demonstration effect (rather than projects from industrialized countries).
- 4) An important part of the Chinese projects is the on-the-job training of Sudanese workers who acquire useful qualifications.
- 5) The projects are derived from a development concept which emphasizes self-reliance in contrast to export dependence (cf. Ali 1976)

The last characteristic leads over to the fourth argument of the CMEA countries regarding the benefits of East-South cooperation. In contrast to the Chinese concept this argument points out the complementary nature of the production structures of CMEA countries and developing countries. However, a close look to the commodity structure of Sudan's foreign trade with those countries evidences that this division of labour is not different from the traditional type and did not tend to change, at least for the exports. These comprise only cotton, groundnuts, sesame, gum arabic, fruit and hides&skins.

For the imports, in the 1960s sugar and textiles were among the most important commodities which reflects the classical pattern of export of raw agricultural materials and import of processed agricultural products. Since the 1970s sugar lost in importance. Up to now, textiles and machinery (including tractors, agricultural machines, vehicles, locomotives) have been the leading commodities.

For a detailed evaluation of the benefits of East-South trade it would be necessary to calculate the distribution of gains between the trade partners which goes beyond the scope of this article. In 1971 the Sudanese Minister of Economy accused the USSR of selling Sudanese cotton on the world market at a discount of 10% while charging 30% higher prices for Soviet commodities (USSR and Third World 1971, 477). While there is no evidence for switch trade on a significant scale, it is highly probable that the industrialized socialist countries organizing their trade on the basis of centralized foreign trade monopolies were able to gain better terms of trade with the Sudan as a small raw material exporter. Chandra (1977) summarizes several case studies which reveal this result.

The trade relations with the socialist countries can be summarized in two points:

- 1) Sudan benefits from export partner diversification;
- 2) However, in the long-term perspective the East-South trade tends to strengthen the traditional role of the Sudan as an exporter of agricultural raw materials. In this way, it does not offer a perspective to overcome Sudan's structural deficiencies.

Following their classical development theory, CMEA's aid concentrated on investments in industry rather than agriculture. The projects focussed on processing of Sudan's agricultural re-

sources: tinning factories (fruits & vegetables), onion dehydrating factories, cement factories, milk powder factories, tanneries and textile factories. This approach has - theoretically - the potential to diversify Sudan's exports as well as to substitute imports. However, the projects were designed rather capital intensive and had to suffer from lack of spare parts, lack of inputs, had limited employment effects and were not directed to the domestic mass consumer goods market. All of them are operating with a low degree of capacity utilization (Bhattacharya 1980; German Development Institute 1982).

Other fields of aid were infrastructure (roadbuilding, railway) and the health service. The projects fitted in the government's development policy which neglected the "traditional" agricultural sector, although this sector still gives subsistence to 80% of the population. This strategy reinforced structural rigidities and the economic imbalances and ended up in an unparalleled debt crisis at the end of the 1970s (Hansohm/Wohlmuth 1984).

One main reason for the limited success of the socialist development aid is the fact that it almost exclusively addressed the state as the agent of development. This is problematic in a country like Sudan, where the state does not represent the "general interest" of its citizens, but rather those of small social groups, excluding the producing classes. So the Eastern aid contributed to the growth of an inefficient bureaucracy.

The Chinese aid includes agricultural projects (fish, rice), a spinning and weaving factory and the construction of a conference hall, of roads and bridges. These projects are designed more labour-intensive and thus more appropriate to Sudanese conditions. The only criticism in an enthusiastic article in a semi-official magazine on China's aid hints at a point mentioned above (the tendency of East-South cooperation to reinforce Sudan's deformed economic structure): Local costs of Chinese projects have to be paid through the sale of Chinese goods. These consist of simple consumer goods which could be produced also within the Sudan. In this way local industry is impeded (SUDANOW, Feb. 1982, 19).

The effects and perspectives of socialist aid can be summarized as follows:

- 1) The CMEA aid has - up to now - not contributed to overcome

Sudan's structural problems. This is due to its conception, to the role of the state and to its small - and decreasing - quantity.

2) The Chinese aid supporting self-reliance seems to be more appropriate to Sudan's needs. At the same time it makes evident that the strategy which assigns a secondary role to foreign trade will limit the trade with other developing countries as well as with the socialist countries also (presently China is one of Sudan's most important customers for cotton!).

IV. Economic Cooperation with the South

Economic cooperation between the countries of the South is credited a great number of benefits: Such cooperation is considered as a factor which makes the countries more independent from the business cycles in the industrial countries, from the traditional trading channels, from the traditional sources of supply (capital, technology etc.), and from the transnational corporations as well. South-South cooperation is expected to have trade creation effects, positive terms-of-trade effects, and to stimulate technological progress and technology transfers. South-South cooperation is also considered as a factor in equalizing levels of development, and as a chance to promote collective self-reliance strategies, so that at the level of international negotiations the subjects being of interest to the South can be brought to attention.

Specific factors are mentioned for the cooperation of Arab countries: the potential to realize regional food self-sufficiency, to gain more strength for the global aims of OPEC and to establish a regional division of labour based on the huge natural and human resources of the Arab world. Other arguments refer to the role of using oil surpluses for productive capacity creation in the region, instead of investing outside.

The Sudan has supported all serious integration moves of the Arab countries from the beginning, but also has continued with its traditional links to India, the neighbouring African countries and other developing countries. These traditional links are considered first, then the new policies of South-South cooperation since 1974 (Breadbasket Strategy).

The economic relations with India were important in the 1960s and the peak was reached in 1972 when Sudan's export share to India was 18.4% (see Table 1). The commodity composition of Sudan's exports shows a concentration on few important products, mainly cotton and oilseeds. This concentration has been more pronounced than the overall export concentration of the Sudan. India's exports to the Sudan are more diversified. They include also SITC 5, 6, 7 and 8 products, although most important are sugar, textile yarns and tea. The structure of trade is highly complementary, but the Sudanese sugar import substitution policy may change this structure completely. The textile exports of India are less affected because of the disastrous state of Sudan's textiles industry. The trade relations are very unstable. This has various reasons: most important are, firstly, peculiarities of the bilateral trade and payments agreements and, secondly, the role of cotton as Sudan's main foreign exchange earner. The experiences with bilateral trading between India and the Sudan are mixed (see Rao 1967, Mutalik-Desai, Chishti 1973). The agreement of 1965 has definitely promoted trade expansion, but not trade diversification. The imbalances of the account have created settlement problems. The basic factor responsible for the problems of the bilateral agreement is the changing position of commodities, like cotton, as 'hard' or 'soft' commodities. The Sudan has always used the agreement to the extent that cotton could not be sold profitably on the world market. Cotton was directed to the most rewarding destination, may it be the socialist, developing or Western countries, in order to maximize the free usable foreign exchange earnings. On the other hand, the Sudanese traders often considered the Indian products as soft goods so that their penetration in the Sudanese market was not facilitated. The bilateral agreement may have been of advantage to Sudan in the years 1965 onwards when the cotton prices were depressed, so that the search for alternative customers was very rational. The crisis of the early 1970s as far as the bilateral trading arrangement with India is concerned shows then the preference to sell cotton to the socialist countries and to the West (see Mutalik-Desai 1973, 883). Cotton is directed to those destinations where the greatest return in

terms of import capacity, aid and credits can be expected. It seems that India was motivated mainly to get access to Sudanese cotton for their textiles industries, but had not developed in time new models of cooperation (in the area of industrial cooperation and technical assistance, in factor and services trade). This would have been appropriate because of this country's level of development and the respective comparative advantages. In recent years India has started to follow such a policy and to engage more in technology transfer, consulting services and complete packages of development aid. The Indian technology used in agricultural irrigation systems of the Western Sudan has to be mentioned in this context and shows that this potential can be exploited with mutual benefits. Experiences also show that the weaker partner must not be the loser in the case of bilateral agreements as far as prices are concerned (on the Indian-Sudanese terms of trade see Chishti 1973, 65ff).

The IMF has opposed any further bilateral trade and payments agreements of the Sudan after 1978 (with the exception of the agreement with Egypt all the others had to be phased out as part of the credit packages with the IMF), although in the case of Sudan no trade-inhibiting effects can be taken as proven because of the flexible attitude of the Sudanese side. Under the agreement with Egypt the Sudan is supplying unprocessed products, whereas Egypt has a much higher degree of diversification in its exports to Sudan (see Wohlmuth 1980, 64-70). The bilateral relations under this agreement are much more stable, because cotton is not traded between the two countries. But all other efforts to institutionalize cooperation and integration between these countries have failed (except the Nile Waters Agreement). This may be explained by the unequal level of development (so that S. Amin considers the Sudan as a case of a secondary periphery in relation to Egypt), and also by the statist type of integration. Integration is considered as a process which can be promoted by the creation of joint public companies and institutions, but not as a process which requires the direct cooperation at the enterprise-level. Another factor with disintegrative effects is the concentration on projects like the Jonglei canal in the Southern Sudan (to increase the volume of water resources available for

irrigation in Egypt and Sudan). This project led to suspicion among the Sudanese population about the Egyptian political and economic interests, so that political opposition against any cooperation with Egypt is formed up. This cooperation seems to be more founded on political and military factors than on economic ones. The obvious potential of the Egyptian technology (for agricultural irrigation, transport, textiles and sugar industries) is not exploited up to now.

Traditional links exist also with neighbouring African countries, although the quantitative importance seems to be negligible (see Table 1). Main causing factors for the low level of trade are transport problems, non-complementary production structures and traditional ties in trade with former colonial powers. However, the trade figures underestimate the real extent of trade because of unregistered border trade and smuggling (see Wohlmuth 1980, 56-61). But even estimates that the illegal trade in the African context is three times the officially recorded trade can not bring the trade shares to important proportions. A peculiarity of this trade is, firstly, that main items are food products, so that the exchange of food surpluses across the border can be used for regional food security systems. Secondly, the border trade is more diversified than the trade of African countries over longer distances. A proposal had been made to adapt the concept of the Breadbasket Strategy in such a way that the food needs of the neighbouring African countries are considered and that a regional food security system can be established (see Oesterdiekhoff/Wohlmuth 1983, 29ff). Sudan's trade with Kenya is somewhat an exception, because of the diversified structure of Kenya's exports.

The weight of these traditional trade links has, however, lost in importance during the 1970s when the Breadbasket Strategy was propagated and partly implemented. The growing importance of trade and aid relations with the other Arab countries is highly visible in Tables 1 and 2. The relations with some oil-rich countries (like Saudi-Arabia, Kuwait and the Emirates) are relatively stable since this time, whereas the relations with Jordan, Lebanon and Irak fluctuate considerably. The trade with the Yemen, another least developed country, has some relevance.

The background of the Breadbasket Strategy has been outlined above. Here we will concentrate on the experiences of this type of South-South cooperation, judging the results on the basis of the objectives mentioned above. Table 2 shows increasing export shares of the Sudan in the trade with the other Arab countries, but a closer look is necessary. The exports of the breadbasket crop dura (and of livestock) show a remarkable increase, but there may be only an artificial comparative advantage in the case of dura. The Saudi Arabian market was offering a price for Sudanese dura above the world price level. Low yield Sudanese exports are not competitive at the world market price, but are dependent on the Saudi-Arabian price-premium (see Hansohm/Wohlmuth 1984, 38). The position of the only relevant breadbasket crop in the trade structure of Sudan is therefore ambiguous. The induced expansion of mechanized farming dura production in the Sudan has created social, economic and ecological problems, so that the opportunity costs of this expansion strategy have to be considered as rather high.

The Breadbasket Strategy as a whole has not been successfully implemented for various reasons: first, domestic policies in Sudan, second, regional Arab factors and, third, international factors may be mentioned as causes. These factors have to be identified first, so that the potential of South-South cooperation can be evaluated. The domestic policy factors had been decisive. Sudan emphasized this strategy at a time of already deteriorating macroeconomic proportions. Imbalances between the savings and the investments, between exports and imports and between public expenditures and revenues were already pronounced in the early 1970s and were aggravated by the expansionary policies in the following years. Beyond this, the effects of the Breadbasket Strategy on the other sectors (traditional agriculture, industry and crafts, infrastructure) were not adequately considered. Furthermore, basic assumptions of the strategy - the opportunity costs of land are zero, the expansion programmes are ecologically sustainable - were highly questionable. So the over-ambitious programme, consisting of a great number of projects (some of them gigantic), to be implemented in a short period of time had no chance to take off (see Hansohm/Wohlmuth 1984).

Other factors to explain the failure have relevance to the South-South cooperation per se. First, Arab funds concentrated on the large-scale projects in the field of infrastructure and agro-industries, using heavily modern Western technology. Second, the Arab countries relied on an etatist conception of cooperation and integration. Third, the oil-rich Arab countries followed very conservative financial principles, although they had originally emphasized the necessity of regional self-sufficiency.

Large-scale projects in the Sudan like the Kenana Sugar Project (see Wohlmuth 1983) have contributed greatly to the failure of the whole expansion programme. The Kenana project has aggravated the bottlenecks already manifest (in infrastructure) in the country during the implementation period, used highly inappropriate technologies and has contributed to the country's increasing foreign indebtedness (its investment costs came up to 1 billion dollar). By such a project it was not possible to establish links with agriculture and industry in the Sudan (linkages would have required a more decentralized conception of sugar production).

Last, but not least, the whole project is not producing at competitive conditions given the long-term sugar prices, so that Arab financiers are not ready to incur further investment risks in Sudan. This capital-intensive large-scale project shows the basic weakness of the Arab effort: first, the exclusive reliance on Western technology and on Western consulting firms, and second, the evaluation of such projects by traditional financial criteria only.

All relevant attempts of integration are based on the involvement of the Sudanese government in bilateral and multilateral institutions and companies, so that a direct cooperation at the level of productive units does not take place from the start. A very bureaucratic and expensive type of cooperation had been established. The Sudanese joint venture strategy (see Wohlmuth 1983, 223ff) led to a waste of public resources (also for fiscal incentives) and as in the case of Kenana, to an overcommitment of the state (because the Western partners had reduced their capital risks step by step). Thus the financial position of the state was eroded. The history of the Arab Authority for Agricultural Investment and Development, with headquarters in Khartoum, an authority to channel Arab investment into the Sudanese agriculture, is a case in point. Although the subscribed capital is high, the insti-

tution has not invested to a significant extent to implement the Breadbasket Strategy up to now. This leads to the third point.

The conservative financial attitude of the oil-rich Arab governments and institutions led them to a change of their policies towards Sudan in 1977/78, when they lost their faith in the Sudan as the Breadbasket of the Arab world. In 1977/78 Saudi Arabia joined the IMF in demanding severe demand restraint measures from the Sudan to correct the payments imbalances. Although the Arab financial flows to Sudan were not insignificant in the 1970s the absolute volume was meagre compared with the original intentions laid down in the Arab Fund's Programme of regional food self-sufficiency.

Unfavourable world economic developments (concerning the prices of the breadbasket crops like sugar, the two oil price shocks, the interest rate increase and the depressed demand in the industrial countries) must not be forgotten as factors which made main assumptions and estimates of the Arab Fund and the Sudanese Government planners unrealistic.

Obviously, only a favourable combination of all these factors (sound domestic economic policies, positive Arab attitude over a longer period and a prospering international environment) could have resulted in a success of this experiment of regional Arab cooperation. These determinants may also be relevant for the future, if the idea of the breadbasket is taken up again. This case shows that unrealistic expectations as far as the cooperation with oil-rich Arab countries is concerned have to be avoided. Therefore, a strategy based on Sudan's own resources (as outlined in Hansohm/Wohlmuth 1984) is more relevant than before. In this context a realistic programme of regional food self-sufficiency and of food security (with neighbouring countries) may have relevance. However, the expectation of huge export surpluses of cash crops may remain an illusion. At the moment the pressing problem in relation to the oil-rich Arab countries is the migration of Sudanese skilled and professional workers. The loss of workforce seems to overcompensate all financial flows from these countries and is a burden on the economy by draining off human resources and by perverting the development planning efforts. The causes and effects of migration cannot be discussed here, but any cooperation among Arab countries has to reflect this point. The most urgent step from the side of the oil-rich Arab countries would therefore be the design of an economic support programme for the Arab least developed countries, especially Sudan.

V. Conclusion

In Part I we presented the Democratic Republic of the Sudan as a case of East-South and South-South cooperation by identifying two periods of delinking of this country from exclusive dependence from Western countries. In the years 1969-71 an intensive cooperation with the USSR and other socialist countries took place, but ended abruptly in 1971 after the coup d'état. The reorientation of policies since 1971 towards the conservative oil-rich Arab countries led to an experiment of Arab regional cooperation based on Sudan's agricultural resources. In Part II we found a close correspondence between economic policy changes in Sudan and changes of trade direction and of external resources flows. The events since 1969 had a decisive impact on these flows. In Part III we analysed Sudan's relations with the East by referring to the main arguments socialist countries bring forward to substantiate the benefits of this cooperation. While this cooperation benefits Sudan in terms of export partner diversification, the commodity structure of exports and imports does not differ basically from the trade with the West. Thus the trade with the East does not help Sudan to overcome its deformed economic structure. The aid from CMEA countries differs considerably from the Chinese aid, which seems to be more appropriate to Sudanese conditions.

In Part IV we discussed the problems and perspectives of Sudan's South-South relations by referring, firstly, to Sudan's traditional trade links (India, Egypt and African partners) and, secondly, to the links with countries which had gained in importance as partners since 1973 (Saudi-Arabia, Kuwait and the Emirates), when Sudan tried to implement the Bradbasket Strategy. It was shown that only under highly favourable conditions the perspectives for a sustainable cooperation are good.

The unfavourable projections of Sudan's export potential illuminate the importance of a more self-reliant pattern of development. The present development model based on a high degree of export compulsion to provide the imports needed for the capital-intensive production structure in-

evitably leads to a continuation and acceleration of the economic crisis in Sudan (Hansohm/ Wohlmuth 1984). While the future of South/South cooperation seems to be promising especially in the sphere of technology transfer, no form of cooperation can substitute for an economic policy aiming at more reliance on the country's own resources and the generation of a broad domestic market. Such a development strategy based on the dynamic linkages of agricultural development - a strategy of agricultural demand - led industrialization - may help to overcome the economic crisis in Sudan (see Oesterdiekhoff/Wohlmuth 1983). Within the context of such a strategy of development South-South-cooperation and East-South-cooperation can contribute to sustainable growth.

This study also reveals that there is a close relation between optimal economic policies and the benefits to be derived from East-South-cooperation and South-South-cooperation.

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Table 1: The Shares of Socialist and Developing Countries in
Sudan's Foreign Trade (in %)^x

| | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 1) Shares of Sudan's Main Customers in the Total Value of Exports | | | | | | | | | | | | | | | | | | | | | | | |
| USSR | 3.2 | 5.5 | 4.5 | 6.8 | 2.6 | 6.3 | 3.6 | 1.8 | 5.5 | 4.5 | 15.7 | 16.1 | 0.4 | - | 1.3 | 2.4 | 3.2 | 3.5 | 3.1 | 7.1 | 1.8 | 5.5 | 1.3 |
| China | - | - | - | 5.5 | 2.5 | 7.6 | 5.4 | 3.6 | 5.6 | 7.4 | 6.0 | 9.4 | 10.0 | 14.4 | 9.7 | 8.6 | 4.3 | 8.5 | 10.0 | 17.5 | 9.2 | 4.8 | 5.1 |
| Other Socialist Countries | - | - | 1.4 | - | 8.6 | 8.2 | 7.3 | 2.3 | 9.7 | 8.6 | 6.7 | 7.8 | 7.7 | 5.2 | 3.9 | 9.7 | 9.4 | 10.3 | 13.0 | 13.1 | 8.6 | 4.9 | 4.2 |
| India | 10.3 | 9.8 | 15.5 | 8.3 | 9.2 | 9.4 | 10.5 | 9.1 | 9.8 | 12.2 | 9.9 | 10.5 | 18.4 | 5.8 | 3.8 | 1.5 | 4.3 | 8.9 | 4.0 | 0.3 | 0.4 | 0.4 | 0.3 |
| Egypt | 4.8 | 4.6 | 4.9 | 3.7 | 1.9 | 3.1 | 3.4 | 0.6 | 3.2 | 3.7 | 5.4 | 5.0 | 5.7 | 3.8 | 3.0 | 7.0 | 3.4 | 1.0 | 6.3 | 2.2 | 2.3 | 4.8 | 2.5 |
| Other Arab Countries | - | - | 1.8 | 2.0 | - | - | - | - | - | 4.5 | 2.4 | 3.2 | 4.9 | 7.3 | 11.1 | 5.6 | 4.6 | 8.0 | 9.6 | 11.7 | 25.7 | 28.3 | 41.4 |
| Other African Countries | - | - | - | - | - | - | - | - | - | 0.2 | 0.2 | 1.0 | 0.5 | 2.4 | 1.6 | 0.1 | 0.3 | 0.9 | 0.4 | 0.4 | 0.7 | 1.3 | 0.6 |
| Total Share of Socialist Countries | 3.2 | 5.5 | 5.9 | 12.3 | 13.7 | 22.1 | 16.3 | 7.7 | 20.8 | 20.5 | 28.4 | 33.3 | 18.1 | 19.6 | 14.9 | 20.7 | 16.9 | 22.3 | 26.1 | 37.7 | 19.6 | 15.2 | 10.6 |
| Total Share of the Developing countries | 15.1 | 14.4 | 22.2 | 14.0 | 11.1 | 12.5 | 13.9 | 9.7 | 13.0 | 20.6 | 17.9 | 19.7 | 29.5 | 19.3 | 19.5 | 14.2 | 12.6 | 18.8 | 20.3 | 14.6 | 29.1 | 34.8 | 44.8 |
| Total Share of the East and the South | 18.3 | 19.9 | 28.1 | 26.3 | 24.8 | 34.6 | 30.2 | 17.4 | 33.8 | 41.1 | 46.3 | 53.0 | 47.6 | 38.9 | 34.4 | 34.9 | 29.5 | 41.1 | 46.4 | 52.3 | 48.7 | 50.0 | 55.4 |
| 2) Shares of Sudan's Main Suppliers in the Total Value of Imports | | | | | | | | | | | | | | | | | | | | | | | |
| USSR | 3.6 | 3.7 | 3.3 | 4.5 | 1.4 | 3.4 | 4.6 | 1.0 | 3.3 | 4.9 | 8.6 | 6.8 | 4.5 | 6.0 | 1.0 | 0.4 | 1.8 | 0.5 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 |
| China | - | - | - | 1.5 | 2.5 | 3.1 | 5.6 | 7.4 | 8.7 | 5.5 | 4.3 | 6.7 | 7.5 | 6.7 | 9.1 | 4.5 | 2.8 | 2.7 | 5.0 | 4.1 | 3.3 | 3.6 | 2.2 |
| Other Socialist Countries | - | - | 1.8 | - | 7.3 | 7.4 | 7.6 | 1.7 | 8.4 | 6.6 | 8.4 | 9.7 | 7.7 | 7.0 | 4.7 | 4.7 | 3.7 | 3.4 | 4.2 | 4.8 | 4.6 | 3.0 | 2.7 |
| India | 12.0 | 9.4 | 8.4 | 6.2 | 5.9 | 5.6 | 10.8 | 10.2 | 13.5 | 10.0 | 13.3 | 19.7 | 16.0 | 7.6 | 11.5 | 7.3 | 5.6 | 4.5 | 4.8 | 2.3 | 2.1 | 2.0 | 2.3 |
| Egypt | 8.4 | 6.6 | 6.2 | 3.2 | 4.8 | 3.6 | 3.6 | 4.5 | 4.8 | 4.4 | 5.5 | 5.9 | 4.4 | 2.4 | 2.3 | 1.7 | 1.1 | 1.3 | 2.0 | 3.2 | 1.7 | 1.0 | 5.3 |
| Other Arab Countries | - | - | - | - | - | - | - | - | - | 1.9 | 0.2 | 0.4 | 2.4 | 4.1 | 4.9 | 8.3 | 13.1 | 13.0 | 10.7 | 14.6 | 22.1 | 21.6 | 27.0 |
| Other African Countries | - | - | - | - | - | - | - | - | - | 1.3 | 1.8 | 1.5 | 1.5 | 1.9 | 1.5 | 1.5 | 1.7 | 0.7 | 0.3 | 0.2 | 0.6 | 0.6 | 0.6 |
| Total Share of the East and the South | 24.0 | 19.7 | 19.7 | 15.4 | 21.9 | 23.1 | 32.2 | 24.8 | 38.7 | 34.6 | 42.1 | 44.7 | 44.0 | 35.7 | 35.0 | 28.4 | 29.8 | 26.1 | 27.2 | 29.3 | 34.5 | 31.9 | 40.2 |

^xBefore 1969 the statistics were confined to the 10-14 most important customers/suppliers; thus it was not possible to calculate the foreign trade shares of "Other Arab Countries" and "Other African Countries"

Source: Bank of Sudan, Annual Reports

Table 2: The Shares of Socialist and Arab Countries in Gross Flow of External
Resources to the Sudan (in %)^x

| | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|---|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| USSR | 0.5 | 6.3 | 9.4 | 2.6 | 1.5 | 1.2 | 3.2 | 2.2 | 6.3 | 2.8 | 0.5 | 1.0 | 0.1 | - | 0.6 | - | - | - | - | - | - |
| China | - | - | - | - | - | - | - | - | - | - | 0.3 | 1.7 | 0.7 | - | - | - | - | - | - | - | - |
| Other Socialist Countries | 5.7 | - | 7.1 | 1.3 | 1.9 | - | - | - | 18.0 | 11.1 | 2.5 | 1.4 | - | - | 0.4 | - | - | - | - | - | - |
| Egypt | - | - | - | - | - | - | 4.1 | 4.9 | 3.1 | 6.5 | - | - | 0.2 | - | 0.2 | - | - | - | - | - | - |
| Other Arab Countries | - | 20.6 | 21.3 | 3.9 | 22.3 | 31.9 | 5.7 | 56.0 | 4.7 | 27.8 | 26.4 | 49.8 | 56.6 | - | 65.2 | 82.3 | 40.4 | 54.4 | 27.0 | 36.1 | 53.2 |
| Total Share of Socialist Countries | 6.3 | 6.3 | 16.5 | 3.9 | 3.4 | 1.2 | 3.2 | 2.2 | 24.3 | 13.9 | 3.3 | 4.1 | 0.8 | - | 1.0 | - | - | - | - | - | - |
| Total Share of the Developing Countries | - | 20.6 | 21.3 | 3.9 | 22.3 | 31.9 | 9.8 | 60.9 | 9.8 | 34.3 | 26.4 | 49.8 | 56.8 | - | 65.4 | 82.3 | 40.4 | 54.4 | 27.0 | 36.1 | 53.2 |
| Total Share of the East and the South | 6.3 | 28.9 | 37.8 | 7.8 | 25.7 | 33.1 | 13.0 | 63.1 | 34.1 | 48.2 | 29.7 | 53.9 | 57.6 | - | 66.4 | 82.3 | 40.4 | 54.4 | 27.0 | 36.1 | 53.2 |

^xBefore 1968 the data include grants, afterwards the gross receipts of foreign resources are equal to loan drawings. Included are only public sector loans. No data for 1975 were available.

Source: Bank of Sudan, Annual Reports

TABLE 3
SUDAN: VALUE OF EXPORTS BY COMMODITY, 1974/75-1981/82
(THOUSAND US DOLLARS)

| ITEM | 1974/75 | 1975/76 | 1976/77 | 1977/78 | 1978/79 | 1979/80 | 1980/81 | 1981/82 | |
|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
| * * EXPORTS - VALUES * * | | | | | | | | | |
| COTTON | 1 | 159,345 | 300,368 | 285,689 | 295,891 | 320,815 | 330,253 | 132,068 | 59,244 |
| LONG STAPLE | 2 | 136,647 | 241,420 | 222,096 | 230,257 | 207,470 | 203,478 | 126,948 | 48,307 |
| OTHER COTTON | 3 | 22,698 | 38,937 | 63,593 | 65,634 | 113,343 | 126,775 | 55,120 | 20,937 |
| GUM ARABIC | 4 | 41,285 | 20,598 | 34,105 | 35,265 | 39,955 | 42,923 | 32,832 | 43,112 |
| SESAME | 5 | 55,117 | 32,939 | 62,050 | 55,487 | 27,643 | 40,685 | 34,133 | 41,691 |
| GROUNDNUTS | 6 | 82,369 | 115,520 | 103,363 | 80,155 | 25,598 | 13,097 | 65,611 | 48,070 |
| FOOD GRAIN | 7 | 12,100 | 6,215 | 15,328 | 9,806 | 10,155 | 69,939 | 71,929 | 65,070 |
| DURA | 8 | 11,046 | 5,141 | 12,930 | 8,590 | 9,788 | 68,794 | 71,307 | 64,393 |
| DUKHN | 9 | 98 | 244 | 784 | 158 | 178 | 684 | 239 | 532 |
| PULSES | 10 | 462 | 126 | 442 | 701 | 873 | 60 | 0 | - |
| WHEAT BRAN | 11 | 497 | 704 | 1,149 | 359 | 318 | 399 | 337 | 144 |
| SENNA PODS & KARKADEH | 12 | 4,615 | 3,041 | 5,813 | 2,608 | 2,708 | 4,181 | 3,172 | 3,093 |
| OTHER AGRICULTURE | 13 | 2,751 | 4,572 | 1,861 | 2,329 | 323 | 278 | 1,249 | 3,601 |
| LIVESTOCK | 14 | 21,460 | 11,376 | 23,543 | 26,830 | 29,991 | 35,802 | 42,802 | 56,975 |
| SHEEP & LAMBS | 15 | 6,910 | 462 | 6,993 | 11,390 | 17,470 | 20,423 | 31,314 | 45,485 |
| CATTLE | 16 | 2,668 | 14 | 2,306 | 2,556 | 3,023 | 2,174 | 2,811 | 3,514 |
| CAMELS | 17 | 81 | 793 | 646 | 985 | 583 | 246 | 191 | 356 |
| GOATS | 18 | - | - | 296 | 439 | 113 | 28 | 59 | 234 |
| HIDES & SKINS | 33 | 11,798 | 10,107 | 13,306 | 11,459 | 8,805 | 12,931 | 9,427 | 7,385 |
| SEEDS | 19 | 3,751 | 4,992 | 5,675 | 3,059 | 4,368 | 7,238 | 6,612 | 13,059 |
| OILS | 20 | 15,865 | 2,858 | 5,474 | 8,593 | 26,603 | 8,378 | 11,467 | 10,460 |
| COTTON SEED | 30 | 10,310 | - | - | 0 | - | - | - | - |
| SESAME | 31 | 1,603 | 411 | 49 | 2,444 | 1,095 | 2,118 | 2 | 280 |
| GROUNDNUT | 32 | 3,952 | 2,447 | 5,425 | 6,149 | 25,508 | 6,260 | 11,465 | 10,180 |
| CAKE/MEAL | 21 | 5,152 | 16,215 | 26,264 | 8,803 | 21,075 | 18,165 | 21,544 | 15,805 |
| COTTON SEED | 22 | 2,734 | 7,932 | 10,009 | 2,519 | 5,285 | 2,056 | 96 | 70 |
| SESAME | 23 | 615 | 4,868 | 8,085 | 830 | 4,508 | 1,753 | 4,218 | 4,251 |
| GROUNDNUT | 24 | 1,804 | 3,415 | 8,171 | 5,454 | 11,230 | 14,356 | 17,230 | 11,484 |
| OTHER EXPORTS | 25 | 4,334 | 6,370 | 4,282 | 1,387 | 1,895 | 3,686 | 3,234 | 1,284 |
| MISC EXPORTS | 24 | 1,175 | 1,364 | 1,295 | 1,758 | 1,505 | 5,689 | 6,530 | 9,626 |

Source: IBRD 1982

Table 4: Main Items of Exports as Percentage of the Total Value
of Exports^x

| Items | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|----------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Cotton | 47.5 | 46.2 | 49.2 | 54.8 | 59.9 | 60.0 | 61.3 | 61.1 | 58.6 | 55.4 | 35.5 | 46.0 | 50.7 | 57.2 | 51.8 | 65.0 | 42.5 | 19.2 | 25.1 |
| Dura (Sorghum) | - | - | - | - | - | - | - | - | - | - | 3.6 | 1.4 | 1.7 | 2.1 | 1.3 | 5.8 | 15.8 | 12.0 | 22.2 |
| Livestock | - | - | - | - | - | - | - | - | - | - | - | 0.8 | 0.5 | 1.9 | 4.1 | 3.1 | 6.1 | 10.1 | 12.9 |
| Gum Arabic | 9.9 | 11.1 | 10.2 | 11.0 | 10.3 | 10.0 | 8.8 | 7.0 | 7.3 | 4.9 | 11.7 | 5.0 | 5.8 | 5.9 | 7.3 | 8.0 | 6.7 | 10.0 | 8.3 |
| Sesame | 9.5 | 7.0 | 8.1 | 8.7 | 7.7 | 8.4 | 6.3 | 7.0 | 7.4 | 7.0 | 13.5 | 7.8 | 9.0 | 7.9 | 9.5 | 2.7 | 9.2 | 9.9 | 7.9 |
| Groundnuts | 13.4 | 12.6 | 10.3 | 8.7 | 6.7 | 5.8 | 5.3 | 8.1 | 7.8 | 8.5 | 14.9 | 22.6 | 20.2 | 12.5 | 10.2 | 4.3 | 2.2 | 18.6 | 6.9 |
| Cake and Meal | - | - | 6.2 | 7.2 | 3.1 | 3.5 | 5.4 | 3.9 | 3.5 | 5.2 | 1.8 | 2.7 | 2.6 | 3.4 | 3.3 | 3.2 | 5.0 | 4.1 | 3.0 |
| Others | 19.7 | 23.1 | 16.0 | 9.6 | 12.3 | 12.3 | 12.9 | 12.9 | 15.4 | 19.0 | 19.0 | 13.7 | 9.5 | 9.1 | 12.5 | 7.9 | 12.5 | 16.1 | 13.7 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

^xFrom 1964-1973 Dura and Livestock are included in "Others", in 1974 Livestock is included in "Others".

Source: Bank of Sudan, Annual Reports

Sudan Economy Research Group Discussion Papers

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