



## Media Monitoring

AUHIP-AULOS  
Sudan & Republic of South Sudan



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### **AU urges Sudan & South Sudan to reverse unilateral actions over oil**

January 23, 2012 (ADDIS ABABA) – The African Union has voiced alarm over the dangerous brinkmanship between Sudan and South Sudan over their oil dispute, urging the recently-separated countries to refrain from unilateral actions.

Sudan and South Sudan have been deadlocked in a dispute over the fees the landlocked South should pay to use Khartoum's pipeline infrastructure to bring its oil to Sudan's main Red Sea outlet in Port Sudan.

Khartoum, citing Juba's failure to pay transit fees since the south seceded in July, confiscated and diverted South Sudan's oil to its refineries, prompting the latter to accuse it of stealing.

As talks between the two sides under the mediation of the AU High-Level Panel (AHUIP) led by former South African President Thabo Mbeki in the Ethiopian capital Addis Ababa stalled last week, South Sudan decided to halt oil production in response to Khartoum's unilateral action.

In a statement issued on Monday, the chairperson of the AU's commission, Jean Ping, said he was "gravely concerned" by recent developments which he said brought the relations between Juba and Khartoum to "the point of breakdown."

The statement warned that the current events threaten to destroy the possibility of "achieving the agreed goal of two viable states, friendly and mutually supportive."

"These reciprocal unilateral measures threaten grave damage to the economic prospects of both countries and relations between them" the statement added.

However, the AU expressed confidence that the proposals put forward by Mbeki's panel can bridge the differences between Sudan and South Sudan, noting that these proposals enjoy support from China, the biggest investor in the two countries' oil sectors, and other members of the international community including the US.

Ping urged Sudan and South Sudan to refrain from "unilateral actions with immediate effect" and remain at the negotiation table until an agreement on oil and other financial issues is reached.

"Such an agreement will be beneficial to the Governments and citizens of South Sudan and Sudan and to the region," the statement concluded. [End]

From: <http://www.sudantribune.com/AU-urges-Sudan-South-Sudan-to.41388>

## **Kiir explains decision to halt oil production as Sudan plays it down**

January 23, 2012 (JUBA) - South Sudan's president, Salva Kiir Mayardit, has asked the country's legislature to back his government's decision to halt oil production in the wake of what he described as "looting" by neighboring Sudan of oil revenues worth \$815 million.

The landlocked South Sudan decided last week to shut down oil production countrywide after its officials said that ex-civil war foe Sudan is stealing South Sudan's crude oil flowing through its pipeline infrastructure to export terminals in Port Sudan. Southern officials also accused Sudan of blocking vessels laden with oil from sailing out of Port Sudan.

Khartoum defended its decision to confiscate southern oil, saying Juba has failed to pay any fees for using Sudan's facilities since South Sudan seceded in July last year as per a 2005 peace deal that ended more than two decades of civil wars between the two sides.

Addressing members of the Juba based National Legislative Assembly, President Kiir explained that his government took the decision to halt oil production after exhausting all possibilities of a peaceful settlement, and after there was no guarantee that oil flowing through Sudan would "reach its intended destination."

He went on to recount that Khartoum informed them on December 6 that all oil shipments belonging to South Sudan would only be allowed to leave Port Sudan after paying the "exorbitant" amount of 32.2 dollars per barrel.

South Sudan strongly objects to Khartoum's demands of 32.3 dollars per oil, saying it is "a broad daylight robbery," according to one official, and insisting it will only pay fees in accordance with international standards.

Kiir revealed that last week he sent envoys to Kenya, Uganda and Ethiopia whose presidents reached out to president Al-Bashir and asked him to stop taking "unilateral decisions" about South Sudan's oil.

"The response from Bashir is that he will not stop taking oil until we pay the exorbitant amount of 32.2 dollars per barrel, something that is completely out of international norms and a precedence that we are unwilling to set" Kiir declared.

According to Kiir, the total amount of oil revenues "looted" by Khartoum since December through blocking oil shipments and diversion amounts to approximately 815 million dollars.

"We cannot allow assets which clearly belong to the Republic of South Sudan to be subject to further diversion," he told parliamentarians in explaining his cabinet's decision to halt production with immediate effect.

However, Kiir acknowledged that his country needs to find "other sources of funding" in order to cope with the disruption of oil revenues on which South Sudan's nascent economy heavily relies.

The president revealed that he had already instructed the ministry of finance to devise "contingency plans" to accelerate the collection of non-oil revenues.

He further emitted assurances that the government can survive "for the immediate future" on the existing cash reserves.

"I want to assure the people of South Sudan that all measures will be taken to ensure that any disruption is minimal" he said.

Kiir also warned that the disruption of oil revenues "could last many months" in light of what he termed as the Sudanese government's failure to negotiate "in good faith."

He however did not shut the door before continued negotiations with Sudan, saying his

government would do everything possible to resolve the impasses and restore the flow of oil.

"I call upon this august house to support the decision of the Council of Ministers to stop the flow of oil and search for alternative sources of funding to manage government projects," Kiir told the MPs.

Concurrently, demonstrations backing South Sudan's decision to halt oil production erupted in the capital Juba on Monday.

Meanwhile in Khartoum, the Sudanese government has downplayed the impact of South Sudan's decision to suspend oil production, and suggested that the demonstrations in Juba were contrived.

The media secretary of Sudan's ruling National Congress Party (NCP), Ibrahim Gandor, said that the biggest loser from the disruption of oil production is South Sudan itself, not Khartoum.

He further said that Juba demonstrations were "concocted" by the government of South Sudan to send a message saying that the South Sudanese public supports the decision.

Gandor said that the government in Juba believes that the decision is a way of exerting economic pressure on Khartoum coupled with Juba's support for armed groups in order to change the government in Sudan.

"This is a big delusion," he added.

However, the state minister for media in Sudan, Sana Ahmad, struck a conciliatory tone, saying her country is still keen to reach a negotiated settlement under the mediation of the AUHIP.

She added that Sudan had taken all precautions to avert the negative impact of South Sudan's decision to stop oil production. [End]

From: <http://www.sudantribune.com/Kiir-explains-decision-to-halt-oil.41387>

## **Government Regrets Statements of Salva Kiir and Affirms its Keeness to Make Success the Mediation Efforts (Sudan)**

Khartoum, Jan. 23 (SUNA) - The government has regretted the statements given by the President of South Sudan State, Salva Kiir, before South Sudan Parliament on halting the oil production.

In a statement to SUNA, the State Minister at the Ministry of Information, Ustaza Sana Hamad, said that Sudan government remained dealing with transparency and positivity with the controversial issues with South Sudan government, especially the oil issue, with evidence expressed by the international community and the mediators.

She said that Sudan government is still keen to achieve a formula of joint cooperation between it and South Sudan government - to be under auspices of the African Union High-Level Panel on Sudan headed by the former South African president, Thabo Mbeki.

The minister said that Sudan government did not receive since last July up to November any financial or in kind fees against the services and facilities for the crossing of South Sudan oil through its territories to the international markets, adding that despite this issue, the national economy was able to absorb the shock resulting from such a behavior of South Sudan government.

The minister affirmed that Sudan government has dealt seriously with the repeated threats of South Sudan government to adopt such a conduct and taken the required administrative, technical and economic precautions so as to avoid any harms to the oil industry and

infrastructures that would be inflicted from such a decision, taking into consideration that Sudan oil production covers the country's need after pumping the produced oil to Khartoum and Al-Obeid refineries, besides the fact the fact that the implementation of the plan for increasing the oil production in cooperation with the partners is progressing as planned.

The minister said that Sudan government remained repeating since the secession of South Sudan that it is keen to establish good neighborliness relations with the new state that are based on mutual cooperation for the interest of the two sister nations who have been linked to each other with historic and social ties and mutual interests. [End]

From: [http://suna-sd.net/suna/showNews/-fwmqJAqTE9EcEHUbZwQI9AE0p\\_ZJd96Z8OsC6ydbiA/2](http://suna-sd.net/suna/showNews/-fwmqJAqTE9EcEHUbZwQI9AE0p_ZJd96Z8OsC6ydbiA/2)

## **Machar says oil shutdown implies "economic independence" for South Sudan**

January 24, 2012 (JUBA) – The Vice President of the Republic of South Sudan, Riek Machar, has criticized the government of Sudan which he said behaved as if South Sudan is still part of Khartoum and not an independent country.

Khartoum unilaterally decided to take millions of barrels of oil belonging to South Sudan that passes through the 1,610km long pipeline from South Sudan to Port Sudan. It claims that South Sudan has not paid a number of fees amounting to a billion US dollars.

However, South Sudan refuted the claims by Sudan, saying it has been paying fees for Khartoum's facilities such as central processing facility and marine terminal and that the action by Khartoum was "a pure theft".

The payment by Juba to Khartoum for usage of such facilities was confirmed by the international oil companies operating in the oil sector.

The two countries have however not yet agreed on the amount of fee South Sudan should pay as transit fee per barrel.

Khartoum demands more than 30 dollars per barrel while South Sudan wants to pay an amount which other countries in the region pay for transit fees in similar situations which is always about one dollar per a barrel.

Before the oil shutdown South Sudan had also offered to assist Sudan with billions of dollars as grant to help the latter keep its economy from collapsing, which Machar said Khartoum unfortunately did not show appreciation of.

According to the Vice President's Press Secretary, James Gatdet Dak, on Monday Machar in his meeting with the Special Representative of the United Nations Secretary General, Hilde Johnson, said despite South Sudan's territorial, political and administrative independence as a sovereign nation from Sudan since July 9, 2011, Khartoum in its actions continues to pretend that Juba is still its dependent.

The Vice President defended the decision taken by his government to shut down the oil operations, saying this would also imply the new country's "economic independence."

He however added that if Khartoum could return the "looted oil" and reach an agreement with Juba on transit fee, the two countries could get back to their normal economic cooperation.

Although he acknowledged hiccups of financial constraints in South Sudan as a result of the shutdown, Machar said the decision was worth it because the country should not continue to pump South Sudan's property, the oil, in order to be looted by Khartoum.

He further explained that a pipeline to a neighboring country will be constructed in less than one year and resume the oil operations, adding that the government would make sure that the salaries and some important services will be maintained during the year. [End]

From: <http://www.sudantribune.com/Machar-says-oil-shutdown-implies.41386>

## **President Kiir appreciates RSS citizens for supporting government decision on oil**

JUBA, 23 January 2012 – The President of the Republic H.E. Gen Salva Kiir Mayrdit has appreciated the people of South Sudan – the youth, women civil society and religious leaders for supporting the decision made by the government to shut down the oil production.

H.E Kiir made these remarks when addressing a peaceful public procession at the National Legislative Assembly, organized today on Monday January 23rd, 2012 by the civil society organizations and South Sudan Students' Union, to support the government's decision of shutting down the oil production.

President Kiir assured the people of South Sudan that South Sudan will not allow Khartoum to loot its oil again. He also asserted that the pipeline to Khartoum is not the only lifeline and that there are other alternatives available. "We do not have problems with the people or citizens of Sudan but we have problems with the ruling government in Khartoum", he clarified. He described the ruling class as Al-Asaba (gangs). President Kiir called on the South Sudanese citizens not to harm any citizen of Northern Sudan living in South Sudan explaining that they are innocent citizens.

On his part, the deputy governor of Central Equatoria state (CES) Hon Manasi Lomule read to the procession a memo from the people and government of his state that the CES is hundred percent supports the National Council of ministers decision of shutting down the oil production and look for other alternatives for exporting South Sudan Oil, and CES stands firm with the President of the Republic H.E Gen. Salva Kiir Mayardit and will follow the developments keenly. [End]

From: <http://www.goss-online.org/>

## **South Sudan starts shutting down oil production AP - January 23**

JUBA, South Sudan (AP) — South Sudan has ordered oil companies to shut down oil production within two weeks, a response to the new country's allegations that Sudan has stolen \$815 million worth of the south's oil, government officials said Monday.

The shutdown could lead to a tightening of the world's oil supply and cause prices to rise.

Oil companies in South Sudan began shutting down operations on Sunday and have two weeks to complete the process, since oil production cannot be easily stopped, South Sudan Minister of Information Barnaba Marial Benjamin said.

South Sudan — which broke away from Sudan last July to form the world's newest country — must pump its oil through Sudan's pipelines. However, the two countries have never agreed on the transit fees that South Sudan should pay Khartoum.

Over the last several weeks South Sudan has made repeated accusations that Sudan is stealing massive amounts of its oil, which Benjamin cited as the reason the south has decided to halt production.

In an address Monday to the South Sudan's National Assembly, President Salva Kiir said Sudan has already taken \$815 million worth of southern oil. He said the decision to stop oil production came only after his country approached Kenya, Uganda and Ethiopia for help in economic negotiations between Sudan and South Sudan.

"The presidents of those countries reached out to President Bashir asking him to stop taking unilateral decisions in regards to our oil. The response from President Bashir is that he will not stop taking oil until we pay what he says — \$32.20 per barrel," Kiir said.

A research note from Commerzbank said South Sudan produces about 350,000 barrels of oil per day.

"Any prolonged discontinuation of South Sudan's oil production, in combination with the partial shortfall in Iranian oil exports, could lead to a tightening of supply on the oil market and cause prices to rise still further," Commerzbank said.

In December, Sudan began taking southern oil arriving at Port Sudan as an "in kind" payment. This month, a tie-in pipeline was built that South Sudanese officials say is diverting around 120,000 barrels of southern oil per day.

South Sudan originally offered 70 cents per barrel to use Sudan's pipelines. Oil Minister Stephen Dhieu Dau said on Friday that South Sudan was willing to pay up to \$1 for the use of the pipelines.

Almost all of South Sudan's government revenue — 98 percent of it — comes from the oil sector.

It is not immediately clear how South Sudan will manage during the shutdown. But Kiir said the shutdown was necessary to protect South Sudan's natural resources.

"At this time we have no guarantee that oil flowing through the Republic of Sudan will reach its intended destination," he said.

Kiir asked parliament to enact an austerity program in anticipation of the shortfall. He did not give specifics. In the short term, Kiir said the government would be able to function.

"On existing cash reserves, rest assured that the government can operate for the immediate future depending on which cuts are made," he said.

In a separate statement, South Sudan said it was beginning investigations into the stolen oil and put ship owners and potential buyers of stolen oil on notice. It said the stolen oil is undermining its economic development and its rights under international law and national security.

The owners of four vessels that the oil was loaded onto, the South Sudan government said, "are being treated as trafficking in stolen goods."

The oil negotiations taking place in Ethiopia are part of a host of unresolved issues left from the 2005 Comprehensive Peace Agreement, a deal that ended decades of civil war between the two countries. The talks have continued for over one year with little progress. [End]

From: <http://www.sudan.net/completenews.php?nsid=2461&cid=1>

## **Youth back oil shut down in Unity state**

January 23, 2012 (BENTIU) - A large group of protesters took to the streets of Bentui, the capital of South Sudan's oil-rich Unity State in support of the governments decision to stop exporting oil through north Sudan as the dispute between Juba and Khartoum shows no signs of abating.

More: <http://www.sudantribune.com/Youth-back-oil-shut-down-in-Unity,41385>

## **South Sudan accuses Sudan of \$815m oil theft, Sudan says its compensation for using pipeline**

### **MEO - January 23**

JUBA - South Sudanese President Salva Kiir accused Sudan on Monday of stealing \$815 million of the crude oil that makes up the new nation's economic lifeblood, as it begins a production shutdown in protest.

More: <http://www.sudan.net/completeneews.php?nsid=2460&cid=1>

## **New pipeline plan for South Sudan**

### **Energy Global - January 23**

The government of South Sudan is set to unveil plans for a new East African pipeline next week. The decision to build the new line comes after statements that South Sudanese oil is "no longer safe in Sudan." This most recent dispute between Sudan and South Sudan rose out of disagreements over transit fees.

According to one source, Khartoum was demanding a pipeline fee of US\$ 36 per barrel, a figure that analysts say is 10 times the international norm for such a fee. It perhaps comes as no surprise then, that South Sudan is looking for alternative routes by which to export its oil.

Barnaba Marial Benjamin, the South Sudanese information minister and government spokesperson has been quoted as saying that South Sudan has begun to make "practical steps" towards the construction of a pipeline through Kenya and Uganda. Benjamin also added that the construction of a refinery in South Sudan would begin immediately.

Though none have been mentioned specifically so far, there are a number of companies that could be involved in the construction of a new pipeline and refinery: China National Oil Corp., Sinopec, and Natural Gas Corp. of India are all currently active in South Sudan. Another company, Total, discussed the possibility of constructing such a pipeline in December of last year but mentioned that the idea remained nothing more than "just thoughts." [End]

From: <http://www.sudan.net/completeneews.php?nsid=2459&cid=1>

## **South Sudan confident and identifies alternative oil routes**

South Sudan's government Spokesperson Barnaba Marial Benjamin has identified four alternative routes for transporting the crude oil to the international markets.

More: [http://www.radiomiraya.org/index.php?option=com\\_content&view=article&id=7668:south-sudan-confident-identifies-alternatives&catid=90&Itemid=298](http://www.radiomiraya.org/index.php?option=com_content&view=article&id=7668:south-sudan-confident-identifies-alternatives&catid=90&Itemid=298)

## **Medvedev orders Russian troops out of South Sudan**

January 24, 2012 (KHARTOUM) – The Russian president Dmitry Medvedev issued a decree on Tuesday ordering his country's troops to withdraw from the newly established nation of South Sudan who were serving with the United Nations Mission in South Sudan (UNMISS).

More: <http://www.sudantribune.com/Medvedev-orders-Russian-troops-out,41390>

## Airlifting of returnees from Khartoum starts on Sunday

The airlifting of southerners still in Khartoum is expected to start on Sunday according to the Sudanese Ministry of Humanitarian Affairs and the International Organization for Migration (IOM).

More: [http://www.radiomiraya.org/index.php?option=com\\_content&view=article&id=7665:airlifting-of-returnees-from-khartoum-starts-on-sunday&catid=85&Itemid=278](http://www.radiomiraya.org/index.php?option=com_content&view=article&id=7665:airlifting-of-returnees-from-khartoum-starts-on-sunday&catid=85&Itemid=278)

