THE REPUBLIC OF SOUTH SUDAN

Ministry of Finance & Economic Planning

Press Office

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PRESS RELEASE

South Sudan expedites transition to non-oil revenue, aims for 300% increase in six months

JUBA, South Sudan (February 8, 2012) – With the recent drawdown of oil production and sales in South Sudan, the Directorate of Taxation at the Ministry of Finance is launching a campaign that aims to expedite the country's transition to non-oil revenue and to a more independent economy. Within six months, the campaign aims to increase non-oil revenue collection by 300%. Long-term, the effort relies on encouraging trade, business growth and creation of financial opportunity in South Sudan.

"Right now we're collecting about 13 million SSP a month in non-oil revenue, not including customs," commented Finance Minister Kosti Manibe, "In the next six months we want to increase that to 40 million SSP a month. That's still only about 5% or less of pre-shut down monthly expenditures by the government, but it's enough for some essential services. After that, we'll assess performance against planning and, hopefully, increase collections at an even greater rate after that."

For now, the initiative involves no new taxes. The ministry is just enforcing regulations that have been on the books since passage of the Taxation Act of 2009, but not enforced widely. In part due multiple and sometimes unofficial collections, and in part due to taxpayer confusion over Unity government obligations and Republic of Southern Sudan obligations during administration of the Comprehensive Peace Agreement (CPA), collections were difficult to process.

In the first phase of the campaign, taxpayer education teams will ensure that taxpayers (businesses and income earners) across South Sudan get plain-language information about their rights and obligations under the Taxation Act of 2009, which includes personal income tax, excise (luxury goods) tax and business profits tax.

"If we're able to create a friendly business environment in South Sudan, the tax rates themselves are quite reasonable compared to other countries," commented Minister Kosti Manibe, "which can increase compliance. Compared to the national budget at full oil production, initially collections may not look like much, but if we focus what we have where it's needed most, we believe the non-oil revenue collections can make a big difference in areas of critical funding and for people who need it the most."

The campaign includes production of print materials, training of taxpayer education officers, radio public service announcements and establishing a customer service number that can provide fast, easy answers. Over the coming weeks the ministry plans a series of sessions with journalists to review how effort is progressing, as well as provide explanations on tax regulations.

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