

Struggling with the spoils of Sudan's split

Nobody suggested it would be easy but five months after South Sudan seceded from Sudan, both countries are struggling to come to terms with their new place in the world

By Anne Edwards

- Tensions continue to escalate between the two countries
- Major problems have been triggered by South Sudan's infrastructure
- Without intervention, conflict is likely to spiral and oil revenues could be the touchpaper

South Sudan became the world's newest country on July 9, six years after the 2005 Comprehensive Peace Agreement (CPA) officially ended Africa's longest-running civil war. However, tensions hoped to have been extinguished by the transition are once more on the rise, with conflict flaring up along the border. In addition to giving the south regional autonomy and guaranteeing representation in a temporary power-sharing government, the CPA paved the way for this year's referendum in the south on independence. The South Sudanese electorate's desire was clear, with 99% support in favour of separation.

The region remains a tinderbox, with divisions between the oil-rich south with its underdeveloped infrastructure at odds with the increasingly resource-constrained north. Questions on whether lasting stability can be secured are now being openly aired and observers are becoming increasingly pessimistic.

The issue of oil remains a major concern, not least because of logistical problems resulting from the under-developed infrastructure of South Sudan.

Before the split, the country produced around 500,000 barrels per day, with around 75% of that coming from South Sudan. Output has fallen somewhat following secession as workers fear being trapped in a war zone and further strain comes from reliance on the north for access to export routes via the main port city, Port Sudan, on the Red Sea.

Export crunch

South Sudanese exports had been running under a provisional basis but on November 28 Khartoum halted two shipments, accusing Juba of having run up arrears of US\$727 million between July 9 and the end of October.

South Sudanese Petroleum and Mining Minister Stephen Dhieu Dau said he was surprised by the decision, as two alternatives had already been proposed to help Sudan plug its deficit, estimated by the International Monetary Fund (IMF) at US\$7.8 billion over five years.

"We have offered to pay US\$2.6 billion over five years and forgiveness of arrears of US\$2.6 billion, for a deal in which we would not pay transit fees," Dhieu Dau told Reuters. "This unilateral action taken by Khartoum will have a

negative impact on all of Sudan's oil interests," he added.

Describing the move as "unfortunate," Dhieu said South Sudan would increase its efforts to tap into or build an alternative pipeline so it was not so dependent upon Sudan's infrastructure. The decision came after talks in neighbouring Ethiopia on transit fees failed and Khartoum appears set to seize one quarter of South Sudan's oil exports to cover its costs. South Sudanese representatives denounced the move as "looting."

Chinese wishes

That reliance has already proved a test for China, the main market for Sudanese crudes. Up to October, China had purchased around 81.5 million barrels of oil (270,000 bpd) – around 5% of the Asian state's total crude imports – from Sudan but missed out on a recent 600,000-barrel shipment as a result of the suspension of exports.

China was a mainstay of investment in Sudan during the North African country's years in the wilderness, driven by US sanctions.

Pipeline origin	Destination	Pipeline length	Cost
Blocks 1, 2 and 4	Port Sudan	1,600 km	US\$1.2 billion
Blocks 3 and 7	Port Sudan	1,400 km	US\$1.2 billion
Block 5A	Port Sudan	177 km	
Block 6	Khartoum refinery	740 km	US\$352 million
Khartoum refinery	Port Sudan	805 km	

Source: ECOS report December 2010

It came, therefore, as no surprise that a Chinese foreign ministry spokesman, Hong Lei, called for “normal” oil production to be maintained. The official suggested both Sudan and South Sudan exercise “reason and restraint” and adopt a “flexible and pragmatic approach” to resolve their differences and “ensure the stability and continuity of oil co-operation.”

With violence escalating throughout Sudan and South Sudan, China’s wishes may not be met.

Conflict

On November 3, Sudanese President Omar al-Bashir – who is under an International Criminal Court arrest warrant for orchestrating genocide in Darfur – declared that his regime was ready for war with South Sudan, owing to “provocation” from Juba. Despite the warrant, al-Bashir continues to travel to African states with impunity.

The border states of Blue Nile and South Kordofan fall within Sudan but are home to many that fought for the southern Sudan People’s Liberation Army (SPLA), with those that are refusing to disarm known as SPLA North (SPLA-N).

Various skirmishes during the past few months between SPLA-N and Sudanese army forces have resulted in death, injury and displacement to a population where international aid agencies have been forced to withdraw humanitarian assistance as a result of an embargo imposed by the Sudanese capital Khartoum.

On December 4, Reuters reported that a “key rebel base” in South Kordofan had been overrun by Sudan’s military in a government attempt to subdue the area.

Both sides have issued allegations of support for renegade forces on either side of the border. This includes talk of rebels, possibly funded by Sudan, attacking civilian targets in an attempt to destabilise South Sudan, with allegations that they were armed with Chinese weapons.

On November 17, the China Daily reported that Sudan and China had pledged to “strengthen military relations and deepen potential co-operation” between their forces, acknowledging the assistance offered to Khartoum’s economic and social development.

Given the oil at stake, greater support for South Sudan’s development seems likely to be on the horizon, possibly from the US.

The US’ special envoy, Princeton Lyman, told Darfur’s Radio Dabanga that his country would “promote negotiations,” and some have called for a more active hand in the burgeoning conflict.

In a column for the public affairs magazine The New Republic on November 30, Professor Eric Reeves suggested shutting down debt relief talks with Khartoum and accelerating defensive arms deliveries to South Sudan, among other things. Reeves went on to call for more to be done quickly, warning that the “expansion of war is inevitable.” ■