

BUFF/14/113

December 10, 2014

**Statement by the Staff Representative on the Republic of South Sudan  
Executive Board Meeting  
December 15, 2014**

This statement contains information that has become available since the staff report was circulated to the Executive Board. This information does not alter the thrust of the staff appraisal.

- 1. Foreign exchange reserves remain critically low and the exchange rate in the parallel market has depreciated further.** At end-November 2014, the net foreign assets of the central bank amounted to US\$340 million (less than 3-weeks of imports), compared to US\$379 million at end-September. Reflecting the difficult macroeconomic situation, the exchange rate in the parallel market also depreciated, from SSP 5.3 per U.S. dollar in October to SSP 5.8 per U.S. dollar at end-November.
- 2. Financing the fiscal deficit remains challenging in light of the ongoing conflict and low oil prices.** While production remains subdued, staff estimates that if the most recent oil prices persist for the remainder of the fiscal year, the average price for South Sudanese oil could be about 5 U.S. dollars lower compared to the baseline in the staff report, leading to a further worsening of the fiscal balance equivalent to 1.6 percentage points of GDP (US\$235 million).