

REPUBLIC OF SOUTH SUDAN
TRANSITIONAL NATIONAL LEGISLATIVE ASSEMBLY (TNLA)

Press Statement
For Immediate Release

Date: March 26, 2024

SUBJECT: URGENT NATIONAL SECURITY CONCERN
Declaration of Force Majeure and Shut Down of Oil Pipeline by Sudan
Government

Distinguished Leaders of South Sudan,

Today, I write to I address you as we confront an imminent economic crisis following the recent declaration of force majeure and shutdown of the oil pipeline by the Sudanese Government in a letter dated 16th March 2024 by the Hon Minister of Energy and Petroleum of Sudan, Hon. Dr. Mohieldin Naim Mohammed Said (REF: MEP/M/EX/64). The letter also referred to letter earlier sent to the Government of Republic of South Sudan dated REF: MEP/M/EX/58 dated 14 February 2024.

In the letter, GoS, has declared a force majeure which disables Sudan from meeting their obligation in delivering Crude Oil in through the BAPCO Transportation system to Bashayer 2 Terminal. The reason given was pipeline gelling and damages exasperated by the war condition. This development not only threatens the economic stability of our nation but also poses grave implications for the livelihoods and security of our people. Several information indicated that such shut down may extend to a period of one year.

As the Head of the Technical Sub-committee on the Ministry of Petroleum and National Oil and Gas Commission in the, Standing Specialised Committee on Petroleum, I emphasize that this is a critical national economic and security issue that demands immediate and coordinated action from all key stakeholders in the Government. This development poses a significant threat to our nation's economic stability, security, and well-being. In this regard, I urge our government leadership to recognize that this is not merely an industry issue but a critical national concern that demands immediate action.

The implications of the shutdown of the oil pipeline are vast and far-reaching, with severe consequences for South Sudan. Our country heavily relies on revenue from petroleum exports, which account for approximately 90% of our national income. Each day of cessation of Oil exports will lead to losses 105,000 barles per day (amount of at least \$100 Million per month each month Oil from in block 3 &7. This will result in significant losses of income, increase in market prices, fuel shortages, prolonged power outages, disruptions in transportation, and other essential services that are vital for the well-being of our citizens. For the Government of Sudan, it may also result in \$billions of losses.

Therefore, the disruption of the pipeline is a direct attack on our economic lifeline and poses a threat to the peace and stability. In this regard, the South Sudanese government, under the leadership of H.E President Salva Kiir Mayardit, must take decisive steps to address this situation in collaboration with the relevant stakeholders: the Presidency, Parliament, Petroleum Industry, Security Organs, and Oil Operation Companies, etc. Before this crisis, a third of our population was already at risk of famine. With the loss of the majority of our national income, we face the grim prospect of a humanitarian disaster, political instability, and security unrest of our already fragile state.

The energy file is not just an economic issue; it is a matter of national security that must be addressed with utmost urgency and seriousness. It has direct impact on Political and Economic stability. In this regard, the South Sudanese government under the Leadership of our President, H.E. Salva Kiir Mayardit must take decisive actions to mitigate the impact of this crisis and safeguard the well-being of our people.

In conclusion, I urge the government to prioritize the following: To ensure peace and stability return to Sudan and safeguard our national interests, I recommend the following urgent steps be taken:

1. **The Government Response:** The Government, under the Leadership of H.E President should convene an emergency government meeting to discuss and strategize on a comprehensive response to the impending catastrophe, considering the already existing economic crises. This meeting should bring together key stakeholders, including the Presidency, the Petroleum Industry, Security Organs, Parliament, and relevant experts, to develop a coordinated and effective plan of action. This may require H.E President to form a special Task Forces or Think Tank of experts and technocrats dedicated to addressing the crises caused by the Oil shut down/ force majeure as well as economic crises.
2. **Urgent need to open TNLA:** Parliamentary oversight and support is critical at this movement: The South Sudanese Parliament must play a crucial role in providing oversight, support, and guidance to the government in addressing this national, economic and political security issue. We must ensure that Standing Specialised Committees of Parliament are led by highly competent, experts and technocrats who are capable to managing this crisis. The Executive and TNLA should work together to find solutions that safeguard our nation's interests.
3. **Direct Diplomatic engagement with the Sudanese Government:** The South Sudanese leadership must engage in high-level diplomatic talks with the Sudanese Government as well other parties involved to address the root causes of the declaration of force majeure and find a peaceful resolution to the current crisis of Sudan War. The leadership may also wish to consider selecting a neutral, charismatic, person of high integrity and political background to become Special Envoy for Sudan.
4. **Mobilization of the Petroleum Industry:** Collaborate with key stakeholders in the petroleum industry to assess the impact of the shutdown, explore alternative

solutions, and develop contingency plans to mitigate the economic consequences. The government also need to engage oil sector foreign partners as well in this matter, since for sure their investment and interest is vitally affected, we need to hear from them, what is their role in this issue as they have to push their governments to interact strongly in Sudan war.

5. **Reform of Petroleum Industry:** The oil and gas industry in South Sudan faces several challenges that impact its development and sustainability. The Oil Sector is underperforming and underdeveloped since the Independence. Numerous reports confirm that at least 80% of workforces including senior personals are not qualified enough with limited technical expertise. The country lacks adequate infrastructure for oil and gas operations, faces many governance, environmental, and accountability problems in the oil sector. The failure to develop refineries, oil infrastructure and alternative transport infrastructure is clear indication of lack of vision and limited experities.
6. **Strengthened Security measures:** Develop strategies to work with the parties in Sudan to Enhance security along the oil pipeline and critical Oil infrastructure to prevent any further disruptions or attacks that could destabilize the region.
7. **Infrastructure Planning and Development:** The current Oil for Infrastructure has underperformed. The government should under current circumstances consider the design and implement new sustainable infrastructure and transport programs that support economic growth, oil industry operations and agricultural production and development (i.e. new roads to agriculture production areas, Oil refineries, and transporting Oil to port of Djibouti, etc)

It is imperative that the South Sudanese government takes this situation seriously and acts swiftly to protect our national security, economic stability, and regional peace. We cannot afford to overlook the gravity of this crisis, and I urge all stakeholders to prioritize cooperation and collaboration in finding a peaceful resolution.

The resolution of this crisis and take all necessary measures to ensure the safety, security, and prosperity of our nation. We must come together as a united front to overcome this challenge and prevent the looming disaster that threatens our very existence. Let us act decisively and swiftly to avert this crisis and secure a brighter future for South Sudan. Together, we can overcome this challenge and emerge stronger as a nation.

Thank you. End.

HON. ENG. BOUTROS MAGAYA NGBANAGANO, MP
Head, Subcommittee on Ministry of Petroleum, and National Oil and Gas
Commission, Standing Specialised Committee on Petroleum
A/ Professor of Engineering, University of Juba
President, NICOBA Agency