

# Sudan Factsheet

Human Rights & Oil workshop – January 31, 2003

## Total Oil Revenues (Billions Sudanese Dinar<sup>1</sup>)

1999	2000	2001	2002
15.7	140.9	149.7	158.5*

\* indicates projected value

## Oil (% GDP)

1999	2000	2001	2002
.6	5.0	5.1	4.6*

**Name of National Petroleum Company or Agency:** Sudapet

**Foreign Companies Involved in Oil Production:** Talisman Energy (Canada), OMV (Austria), China National Petroleum Corp. (CNPC), Gulf Petroleum Corp. (GPC), Lundin Oil AB, Petronas (Malaysia), Royal Dutch/Shell (runs Khartoum refinery), TotalFina Elf (owns concession).

**Major Oil Fields (Production - bbl/d)<sup>2</sup>:** Heglig/Unity (205,000), Adar (10,000), Muglad Basin, Merut Basin.

**Oil Refineries (Capacity - bbl/d):** Khartoum (50,000), El Gily (50,000), Port Sudan (21,700), El Obeid (10,000)

**Proven Reserves:** Sudan's proven reserves are estimated at 270 million barrels, yet projections for exploration in the Muglad basin boost the estimation of possible total reserves to 700 million to 1 billion barrels. Exploitation of oilfields within this region would require at least 5-15 years for infrastructural development. Khartoum officials claim that proven reserves account for only 15% of national oil reserves.

**Employment Statistics:** In 1990, the Sudanese non-manufacturing industrial sector employed 327,000 people (94.5% men) and accounted for 4.54% of the economically active population.

**Structure of Oil Sector:** The oil industry is regulated by the Ministry of Energy and Mining, yet the Ministry of Finance and Planning is also involved. The representatives of the ministry are members of the Petroleum Affairs Board which is responsible for final approval of petroleum contracts. Control over daily proceedings in oil industry is exercised by the Exploration and Production Authority, a state-owned entity.

The board grants concessions for oil exploration and development, yet critics claim that the concessions are distributed in a corrupt manner. Corruption in Sudan is most evident in its distribution of newly-privatized assets, grants of import/export licenses, and allowance for monopoly controls on strategic commodities for individuals with ties to the ruling party, National Islamic Front (NIF) which recently changed its name to National Congress. The IMF reports that the discrepancies in accounting over the first few years of production "seemed to be due to start-up snags in the accounting procedures and have already been corrected" and that all government agencies involved in the energy sector are subject to audit.

From 1959 to 1974, Agip, Oceanic Oil Company, Total, Texas Eastern, Union Texas and Chevron drilled in concessions granted in the Red Sea area with few results. Since 1991, the main Red Sea concession has been held by Lundin Oil. In March 1999, Lundin Oil reported a substantial find in Block 5A with minority stakeholders Petronas, OMV of Austria, and Sudapet. Petronas acquired a 40% share in block 5B; neither Block 5A nor 5B is in production due to war. Chevron began exploration in concessions in southern Sudan in 1975 made its first discovery in the Unity oilfield north of Bentiu in 1978. The war began again in 1983 and rebels attacked Chevron's southern headquarters killing three expatriates. Chevron suspended all southern activities then and never returned. Chevron surrendered all of its concessions in 1992.



<sup>1</sup> Exchange rates (Dinar/\$1 US): 1999: 256; 2000: 256.4; 2001: 258.7; 2002: 258.7.

<sup>2</sup> Production statistics as of September 2001; bbl/d denotes barrels per day.

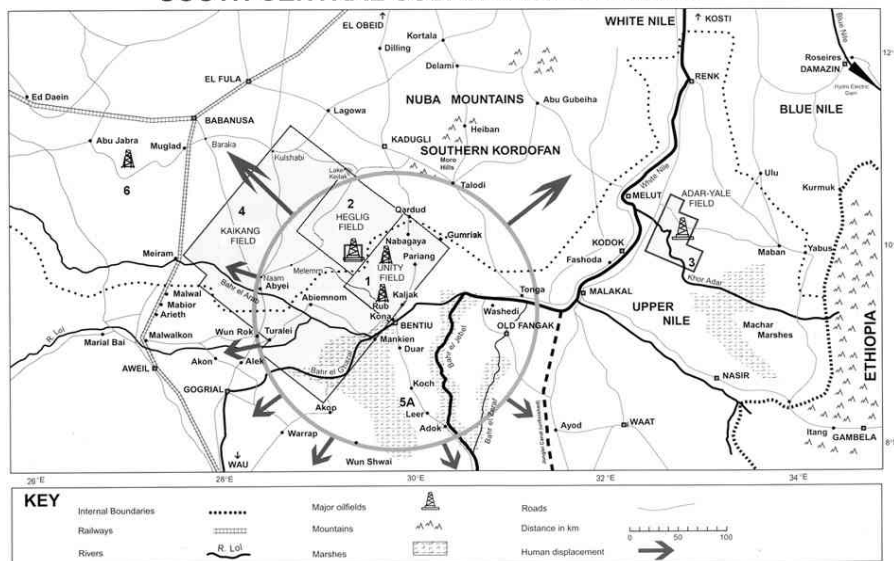
Arakis Energy Corp bought the Heglig and Unity concessions in 1993, but was unable to raise the capital for a pipeline project alone. It created a joint-operating company in 1996 called the Greater Nile Oil Project (China National Petroleum Corporation 40%; Petronas Malaysia 30%; Arakis 25% and Sudapet 5%) to construct the pipeline, build the supertanker port on the Red Sea and develop the project. Talisman (formerly BP-Canada) took over the Arakis' interest in 1998, but faced a backlash of human rights protest. Most recently, India's Oil & Natural Gas Corporation Ltd. Agreed to acquire Talisman's interest for \$758 million.

**Distribution of Revenues:** The regime spends 1 million dollars a day on the civil war. In April of 1999 Hassan Al-Turabi, the NIF leader bragged that the oil revenues would be utilized to buy and build tanks for the war and by August 1999, 20 Polish-built T-55 tanks were imported via Yemen. Oil revenue was at least 20 percent of government income in 2001, and the military budget consumed about 60 percent of oil revenue in that year. In 2001, Russia sold twelve attack helicopters and twenty tanks to Sudan. The government strongly maintains that oil revenues are earmarked for development projects.

**Organized Non-Government Political Activity Resisting Oil Extraction:** On 30 August 1999, Sudan's pipeline with a capacity for 100,000 barrels/day filled the first tanker at the supertanker port on the Red Sea. Not one month later, on 20 September, anti-government forces exploded a portion of the pipeline outside the town of Atbara. The main southern-based rebel group, the Sudan People's Liberation Movement/Army (SPLM/A) lauded this attack and threatened that conflict would continue until "oil exploration, exploitation and development come to a halt." The NIF used its oil revenues to fund the war against the SPLA. Over 4.3 million Sudanese have been displaced and 2 million dead since the 1989 military coup that overthrew the elected government: the army has specifically targeted civilians inhabiting concession blocks (see below). Omar Beshir, President of the NIF that formed in 1983, declared in December 2002, "if peace will not come through negotiations in Machakos, we will bring it through the barrel of the gun".<sup>3</sup>

Sudan-Specific Resistance NGOs include: Democratic Forces Front (Khartoum, Sudan); Sudan Human Rights Organization (Washington, DC, USA); Sudan Human Rights Group (Khartoum); National Alliance for the Restoration of Democracy (Khartoum); The Sudan Organization Against Torture (Khartoum); Sudan Human Rights Organization - Cairo (Egypt); Sudan Council of Churches (Khartoum); National Democratic Alliance, a rebel political-military umbrella group (Eritrea); Sudanese Australian Human Rights Association (Australia); New Sudan Council of Churches (Nairobi, Kenya); South Sudanese Friends International, Association of Sudanese Women Abroad.

**SOUTH CENTRAL SUDAN - Active Oilfields**



<sup>3</sup> Reuters and Associated Press, December 29, 2002.

Sources: Human Rights Watch World Report Sudan 2002 [www.hrw.org](http://www.hrw.org); International Labor Organization [www.ilo.org](http://www.ilo.org); Sudan Country Reports [www.imf.org](http://www.imf.org); Sudan Country Report [www.eia.doe.gov](http://www.eia.doe.gov); Mbendi Profile [www.mbendi.co.za](http://www.mbendi.co.za); Raising the Stakes: Oil and Conflict in Sudan [www.vitrade.com](http://www.vitrade.com); "Talisman Sells Controversial Oil Stake" UN IRIN. October 31, 2002 [www.irinnews.org](http://www.irinnews.org); Special thanks to Jemera Rone for assistance on this factsheet. Maps from: [www.eia.doe.gov](http://www.eia.doe.gov) and [www.vitrade.com](http://www.vitrade.com)