

If advice is required on the potential of a product within this market, a Tailored Information Report can be commissioned through a local Business Link Office (see Section 11 for a full listing of business links in the UK). The Commercial Section will provide an unbiased assessment of the market potential for a particular product and a list of possible contacts within the market.

4 LOCAL AGENTS

Those looking to export into this market for the first time, are advised to establish ties with a local agent and to consider an agency agreement. Although the market is relatively small, the guidance of a well-established local company is invaluable in negotiating the maze of Government regulations and bureaucracy. Part of the service on offer from the Commercial Section is the Export Representative Service (ERS), which is designed to provide UK exporters with the names, addresses and an assessment of potential local agents, distributors, importers, together with status reports on those considered most suitable/promising.

Such a report would be produced by the Commercial Officer and requires visits to the potential contacts to see and report first hand on the local company's operation and capabilities. The customer is of course required to provide detailed specifications of his requirements to enable the Commercial Officer to address their needs fully. It should also be noted that a refund of upto 50% may be available of the costs of the service, if the customer follows up with a visit to the market within 6 months of receiving the report. For full details of the latest charges and services available please contact Overseas Trade Services, DTI. (See section 10 for details.)

5 METHOD OF PAYMENT

If agreement is reached to export goods or services to Sudan then securing the financial side of the deal is crucial. We recommend an irrevocable confirmed letter of credit, drawn on a UK bank. Even though, a number of contracts were guarantee against crops mainly cotton (called cotton contracts) or a commodity e.g. Gold/Crude Oil (called profit-sharing agreements). Obviously judging the element of risk with an unknown company is difficult, especially in such a volatile market as Sudan. Further advice and details can be obtained from the British Bankers Association (see section 10 for contact details).

6 RESTRICTIONS

There is a European Union "full scope" arms embargo in force against Sudan. This is defined to include "arms, munitions and military equipment", but would also cover any equipment for use by the Sudanese military. If you consider that your exports may fall into this category then please contact the DTI, Export Control Organisation. (see section 10 for contact details), who can provide full details of the embargo.

In mid 1997 the US had imposed economic sanction on Sudan. Any good that contains more than 20% of US parts/components will fall under the US sanctions.

The Sudanese Government also officially prohibits the import of alcohol, weapons/ammunitions and playing cards, but there may be well be the restrictions on other goods and it is advisable to check with the Commercial Section if in any doubt.

7 AID

Although much business in the past has been generated for British companies through aid assistance from organisations such as ODA and the UN, current UK Government policy, in line with other European Union countries, is to offer no developmental aid to Sudan. In 1998 over £ 25 million, were denoted by the UK mostly for Human Relief.

8 GETTING TO SUDAN

At the present the only European airline flying to Khartoum is Lufthansa, departing Tuesday, Thursday and Saturday from Frankfurt. Alternatively there is Gulf Air via Abu Dhabi/Doha or any number of flights to Cairo from where a connection can be made with Egypt Air, Kenya Airways or Sudan Airways (not recommended) to Khartoum. A visa can take a considerable time to obtain. The address of the Sudanese Embassy in London is given in section 10. All foreign visitors must register within 3 days of arrival in Sudan at the Aliens Office, this can often be arranged through your hotel. Details of hotels also given in section 10.

9 USEFULL CONTACTS

<p>a) Commercial Section British Embassy Off Sharia Baladyia Khartoum</p> <p>Tel: 00249 11 777105/780828/770769 Fax: 00249 11 776457</p>	<p>For correspondence: Commercial Section c/o FCO (Khartoum) King Charles St London SW1A 2AH</p>
<p>b) [REDACTED] Country Director, Sudan Overseas Trade Services Department of Trade and Industry Kingsgate House 66-74 Victoria St London SW1E 6SW</p> <p>Tel: [REDACTED] Fax: [REDACTED]</p>	<p>c) British Bankers Association Pinners Hall 105 - 108 Broad Street London EC2N 1EX</p> <p>Tel: 0171 216 8800</p>
<p>d) Export Control Organisation Department of Trade and Industry (address as above)</p> <p>Tel: 0171 215 8070 Fax: 0171 215 8564</p>	<p>e) Sudanese Embassy 3 Cleveland Row London SW1A 1DD</p> <p>Tel: 0171 839 8080 Fax: 0171 839 7560</p>

f) Khartoum Hilton Hotel PO Box 1910 Khartoum Tel: 00249 11 774100/778930 Fax: 00249 11 775793	g) Acropole Hotel PO Box 48 Khartoum Tel: 00249 11 772860/772518 Fax: 00249 11 770898
Khartoum PO Box 148 Khartoum North Tel: 00249 11 330204/330205 Fax: 00249 11 230336	33 Bury Street London SW1 6AU Tel: 0171 839 2137

As from July 1998.

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c/o HoMs
W 25
FCO

4 March 1999

Mr Plumbly
PS/Mr Fatchett

UK/Sudan: Commercial Work and Constraints

I understand that the Minister of State has expressed some doubt about the potential for commercial work in Sudan.

2. Sudan is admittedly a small market compared to others in the Command. But it does have potential. In 1998 UK exports rose by 43% to £72m, a better performance by some way in percentage terms than in any other ME market (apart from the special case of Iraq). This reflects two substantial contracts in connection with the oil pipeline and has been achieved despite our own absence and consequent visa/travel problems in the last four months of the year. The balance of trade is strongly in our favour.
3. If our political problems can be resolved there are good business prospects in the oil, power and civil aviation sectors, as well as ongoing traditional business eg in agricultural machinery, rail spares, and motor vehicles. The proposed visits to Khartoum by the Board of the Arab/British Chamber of Commerce in April, and by [REDACTED] (COMET) may well generate more interest. Sudan's prospects will improve with the beginning of oil exports later this year (import substitution could save them \$300m pa) and continued favourable reviews from the IMF.
4. There are constraints, notably the absence of UK-based staff from Khartoum and strained political relations, which you are now tackling. Our travel advice is acting as a disincentive to visitors: in my view it is over-dramatic and should be amended to permit travel to Sudan on essential business. And a review of our visa restrictions is long overdue to bring our practice into line with that of commercial competitors like the French. Our refusal to grant visas to the Ministers of Energy and Civil Aviation last year (the former visits France regularly) risked important business for our exporters.

Alan Goulty

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