

V. XII #14C Nov 8 1

SUDAN

JAZIRA PROJECT FALTERS, PICKS UP

American foodstuff industry have become interested in agro-food projects, but they have met with all kind of difficulties, administrative worries, customs waitings, perishing and disappearance of imported equipment, etc..

In addition to all these ups and downs, agriculture is handicapped by one of the structural vices of the Egyptian economy, that is the false prices, as a result of subsidies for maintaining commodities of first priority. These subsidies will cost the treasury this year around \$3 billion, one eighth of the Gross National Product. They are indispensable for the low income groups that could not afford to buy these goods if the policy of subsidies was stopped, as advised by the International Monetary Fund.

At the level of private Egyptian and foreign investment, Egypt witnessed after the application of economic liberalism, the flow of capital and investments valued at around \$2 billion.

The projects realised are concentrated in touristic, import and export fields, light industry and banks.

However, the Egyptian government criticizes these sectors for not investing in medium and long term projects, and for looking for quick profits.

The most critical problem of the economy and development in Egypt remains the demographic explosion. Egypt which has already a population of 43 million, registers an annual growth of 2.8 percent, that is 1.2 million inhabitants more each year, which does not make easier the government's task, which can not create more than 300,000 jobs per year.

To remedy these deficiencies, Egypt relies on one side on the important increase of oil production as well as the reduction of the birth rate, thanks to family planning programs, to pursue what president Sadat called "the Economic take-off".

However, the disappearance of President Sadat, will not affect in the medium term, the Egyptian economy, which is solidly committed to the liberal way: thus insisted the new leader, Mr. Husni Mubarak at his investiture.

The open door policy towards the Occident and foreign and Egyptian investment has really changed the structure of the Egyptian economy. ■

The Jazira agricultural project in Sudan has always been a successful project. The revenues obtained through the sale of its produce, which was predominantly cotton, were considerable and formed a sizable percentage of the Sudanese Gross National Product. However, recently, and for reasons not yet clearly understood, the project has been running into difficulties with production greatly lowered on what it used to be and the ceasing of plowing and planting in many areas of the project.

The Jazira project is located between the White and the Blue Nile in the Jazira District in the Central Province. It was started in 1925 when the Sanar water storage facilities were opened. At that time, the British authorities planted about one million feddans in the Jazira area with cotton. The raw cotton was then shipped to England and manufactured there. For a while, during the 1930's, production of cotton from Jazira fell, however the reason for the drop in production was soon discovered and rectified. Production was increased and a larger area was farmed.

In 1951 the Jazira project was nationalized by Sudan and an administrative body was set up made up of the government, the farmers and the council for the project. It was agreed that the profits from the

project would be divided among several groups with 49 percent of the profits going to the farmers, 36 percent going to the government, 10 percent going to the council and the remaining 5 percent of profits going to other government bodies.

During the fifties the project flourished and in 1959 a further one million feddans were made suitable for cultivation and a new irrigation canal was dug to supply water to the new areas

Encouraged by the success of the project, it was decided that new intensive methods of farming would be used and output would be diversified to include peanuts and wheat. In the 1975/1976 season serious plans were being made to change planting and harvesting methods. By that time more than one million feddans were under cultivation and cotton had lost its place as the major crop in the project with about half a million feddans planted with peanuts and wheat and another 300,000 feddans planted with corn.

It was at this time things started to go wrong. Production of all types of crops fell drastically and rodents and insects attacked the crops. According to the agricultural director of the project, Dr. Nasr Al Dein Mohammed Nasr Al Dein, the intensive farming attempt failed because the necessary groundwork had not been laid in

SUDAN: MAIN AGRICULTURAL EXPORTS 1976-79
(In millions of Sudanese pounds)

Products	1976	1977	1978	1979*
Cotton, long staple	83.5	100.0	71.2	26.4
Cotton, medium/short	14.3	31.5	33.7	14.1
Groundnuts	38.9	28.8	20.7	5.2
Gum arabic	11.0	13.0	13.9	-
Sesame	17.3	18.3	19.2	1.9
Groundnut oil	0.4	3.2	7.5	2.8
Sheep	0.4	3.0	6.9	1.9
Durra (millet)	3.2	4.8	2.7	-

* First quarter
Source: Bank of Sudan