South Sudan Sees Oil Output Rise Limited by Damage to Fields

Okech Francis
May 5, 2016 — 7:05 PM EDT
Updated on May 6, 2016 — 1:56 AM EDT

Damage to South Sudan's oil fields after more than two years of civil war will hamper plans to boost output, Petroleum Minister Dak Duop Bischok said.

The government is currently assessing the extent of repairs that need to be made to production facilities in the northern Unity and Upper Nile states, Bischok said Thursday in an interview in the capital, Juba. The country needs the revenue from pumping more oil to tame an economic crisis, he said.

"Our interest is to increase production to improve our economy and in one week's time we will go to the sites to assess the damages," Bischok said.

Conflict in the world's newest country cut oil output by a third to about 160,000 barrels per day. The country is currently only pumping oil in Upper Nile state after Unity production stalled in 2014. Before the war, China National Petroleum Corp., Malaysia's Petroliam Nasional Bhd. and India's Oil & Natural Gas Corp. produced most of the oil.

The violence left tens of thousands of people dead and 2 million displaced. A transitional government was formed at the end of April to improve economic management, boost security, reduce corruption and stamp out human-rights abuses before elections within 30 months.

The government is almost bankrupt due to sliding crude revenue, while inflation in the capital, Juba, is raging at more than 240 percent. The economy shrank 5.3 percent last year and millions of people face starvation. If the state can't find the cash to pay the thousands of government soldiers and rebel fighters, violence could flare again.

South Sudan has sub-Saharan Africa's biggest oil reserves after Nigeria and Angola, according to **BP Plc** data. Its low-sulfur crude is prized by Japanese buyers as a cleaner-burning fuel for power generation.

Bischok replaced Stephen Dhieu Dau as petroleum minister in the cabinet announced last week.

Terms of Service Trademarks Privacy Policy

©2016 Bloomberg L.P. All Rights Reserved

Careers Made in NYC Advertise Ad Choices Website Feedback Help

VIDEO

Options Insight: How to Play the S&P 500 Index

AUDIO

Odd Lots: The Unbearable Brightness of Being a Shadow Bank

Live TV Schedules+Shows

Updated 2 days ago

Bloomberg Businessweek Interview Issue 2016

Subscribe

LIVE TV

AUDIO

Stocks
Currencies
Commodities
Rates + Bonds
Economics
Magazine
Benchmark
Watchlist
Economic Calendar

Silicon Valley
Global Tech
Venture Capital
Hacking
Digital Media
Bloomberg West

Donald Trump: Obama-Clinton Foreign Policy Unleashed Islamic State

Aug 15, 2016

With All Due Respect
Delegate Tracker
Culture
Caucus Podcast
Masters In Politics Podcast
What The Voters Are Streaming
Editors' Picks

This Is the Year for New World Wines. Here's What to Buy

Aug 15, 2016

Cars & Bikes
Style & Grooming
Spend
Watches & Gadgets
Food & Drinks
Travel
Real Estate
Art & Design

Go Ahead and Lie, Donald Trump. Your Speech Is Protected.

Aug 15, 2016

View
Gadfly

Southwest's Old Technology Causes Big Headaches

Updated 2 days ago

Subscribe
Cover Stories
Opening Remarks
Etc
Features
85th Anniversary Issue
Behind The Cover

Industries
Science + Energy
Graphics
Game Plan
Small Business
Personal Finance
Inspire GO
Board Directors Forum
Sponsored Content