

# Fueling Sudan's War

## How Gold Exports and Smuggling Are Prolonging Sudan's War



*Hashaba, 2021, Jerome Tubiana, used with permission of the photographer*

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## Introduction

Gold is playing a critical role in funding the ongoing war in Sudan. Portable, with resources diffuse over the country's territory, requiring relatively little investment to mine, and highly sought after, the commodity is a key resource for both sides in providing the resources and transnational connections that allow them to buy weapons and other supplies.

Gold's importance is not new. Gold has been the country's most valuable commodity, top export, and main source of foreign currency since the contraction of the oil sector following the secession of South Sudan in 2011. The Bashir regime exploited a gold rush that began around 2009-2010 and saw hundreds of thousands of unemployed youth descend on artisanal gold mining sites from all over Sudan and put considerable effort into developing the sector to enable it to compensate for the loss of oil revenue. In addition to exploiting artisanal production, the regime contracted a plethora of regional and international gold mining companies to prospect for gold and modernize the industry, aiming to shift production into a more regulated and controlled sector.

Since the outbreak of the devastating war between the Rapid Support Forces (RSF) and the Sudanese Armed Forces (SAF) in April 2023, an estimated 10 million people have been displaced and there has been massive destruction of the economic infrastructure. In this context, it is unsurprising that gold has become a key focus of the belligerents' income generation strategies.

The importance that the parties attach to gold can be seen in the priority placed on attacking gold-producing areas and stashes of gold in the earliest days of the war. The RSF, in particular, [has focused](#) on controlling gold resources. In April 2023, in the first days of the war, the RSF reinstated its control of Jebel Amer, a major gold-producing area in Darfur. On May 24, 2023, the RSF took the Sudan Gold Refinery in Khartoum, seizing what the Minister of Minerals, Mohamed Bashir Abunamo, [estimated](#) to be 1.3 tons of unrefined gold with a value estimated at 150 million and 15 tons of silver that were ready for export. Since then, the RSF has taken over a number of other gold-producing areas across Darfur.

Indeed, it seems that gold was a key source of the tensions that erupted into the current war. In the transitional period, the rapid and aggressive [expansion](#) of the Rapid Support Forces' companies in the gold sector caused consternation in the army and fed tensions between the then-allies. A recently [leaked](#) phone conversation between Mubarak Ardol, the former director of the Sudanese Mineral Resources Company, and one of the main brokers in the gold trade, alleged bribes to senior military and security leaders to side with General Kabbashi, SAF's Deputy Commander, in rejecting and sabotaging the framework political agreement that was under discussion in the weeks leading up to the outbreak of the war. If accurate, this would show that gold revenues have been used to bribe senior military officers, playing a key role in developments leading to the war.

## How has the war impacted gold production in Sudan?

Prior to the war, Sudan was amongst the ten largest gold producers on the continent. Sudan produced a peak of 107 tons of gold, according to official tallies, in 2017. It then took on a downward trajectory during the years 2018-2024 as the country entered into a period of political turmoil, coup d'état, and civil war, at least according to official statistics, with recorded production of 41.8 tons in 2022. However, it seems that the decline in official figures was due not to an actual decrease in production, but rather to weakening government and increasing military control over gold-producing areas and gold production. It was estimated, at the time,

that 50-80% of the country's gold was smuggled rather than exported through official procedures and channels.

Since the start of the war, official production has plunged still further to only two tons produced by the franchise companies in 2023, according to [statements](#) from the Ministry of Mining. Factors responsible for the steep decline in production include the evacuation of foreign nationals in leading international franchise companies following the eruption of the war and the disruption of production in the artisanal mining sector due to increasing insecurity in remote areas and the interruption of supplies essential for production. However, although it is likely that the war has impeded gold production to some extent, it seems likely that the key contributor to these lower numbers is the reduction in tracking and reporting on the usually much higher artisanal mining production.

The disruptions to production include aerial attacks and disruptions in supplies of fuel and other production inputs, including mercury and cyanide. In the Sango area of Darfur and Jebel Marra, gold-producing areas experienced [air attacks](#) by the army, affecting approximately 100,000 artisanal miners at the mines of Thuraya, Darraba, Wad Nyala, Aghbash Sarfaya, and Jumana. In addition, the conflict has disrupted access to supplies. In Radom, an oil-producing area 360 kilometers south of Nyala, the capital of South Darfur, eyewitnesses reported that high fuel prices (the price of a barrel of fuel surged from 165 SDG before the conflict to 750 SDG in the first months of the war) disrupted production.

Similar issues have also affected production in government-controlled areas. In Nile River State and northern Sudan, the breakdown of state security structures has led to general insecurity. As a miner interviewed for this research said, "The area is no longer safe, and anything you obtain can be stolen in minutes, putting your life at risk." This discourages gold production by making it risky to both work concessions and transport the product. Another informant for this research reported that tribal militants have threatened miners in some areas.

The Minister of Minerals, Abunamo, noted that some companies refrained from working in the mining sector since the outbreak of the war due to insecurity. According to the minister's [statement](#), 130 concession companies in the exploration phase, and 19 close to the concession phase, ceased operations since the start of the war following the evacuation and repatriation of foreign workers in the first weeks after the outbreak of the war to ensure their safety. Later, and once the SAF asserted its control over Sudan's largest gold-producing states, namely Red Sea, River Nile, and Northern states, five of the franchise companies restarted production. Those companies were Managem, owned by the Moroccan royal family, operating in the Gbgba area; Ariab, partly owned by SAF's GIAD holding company, operating in the Bohdelia area of eastern Sudan; the Russian-owned Meroe Gold, a subsidiary of the Africa Corps/former Wagner Group operating in the Al-Abidiya area; and the Russian-owned Kush for Exploration and Production and its production subsidiary Alliance Mining Co. operating in the Wadi Ashar area. Where franchise companies have ceased operations, this leaves [space](#) for artisanal producers to take their place, with less ability for the government to track their production and generate income by levying royalties and taxes on artisanal producers. As a result, with less oversight from the publicly-owned Sudan Mineral Resources Company (SMRC), the Ministry of Minerals' regulatory and revenue collection agency, the space for smuggling is increasing, including in SAF areas.

In addition, significant gaps have emerged in gold production inputs in SAF areas. Much of the production in Sudan relies on processing with mercury and cyanide, but since the start of the war, there has been a severe shortage of mercury due to the halt of operations of the state-owned Sudamin, another arm of the Ministry of Minerals, which had previously controlled the distribution of the chemical. This has encouraged the smuggling of mercury, especially from Libya and Egypt. However, since the second half of 2023, the importation of the two materials has picked up briskly through Port Sudan according to reliable sources and documentation reviewed for this article. In artisanal mining areas close to Sudan's porous borders with Egypt and Chad, mercury and cyanide are often purchased by exchanging them for gold.

Despite these disruptions, evidence suggests that the production of and trade in gold remain robust. Although production figures from gold treatment plants and trading companies controlled by RSF commanders are hard to obtain, reports confirm that these facilities and companies continue to operate in Darfur, particularly in Jebel Amer in North Darfur, and Sango in South Darfur.

In SAF-controlled areas, artisanal mining has not ceased despite the security situation. A mining worker interviewed for this research, said, "The war has not stopped mining in Abu Hamad, but it is not as it was before the war due to fears of theft or attacks on mining areas because the miners are from Darfur and fear being accused of collaborating with the Rapid Support Forces, which puts them at risk of death."

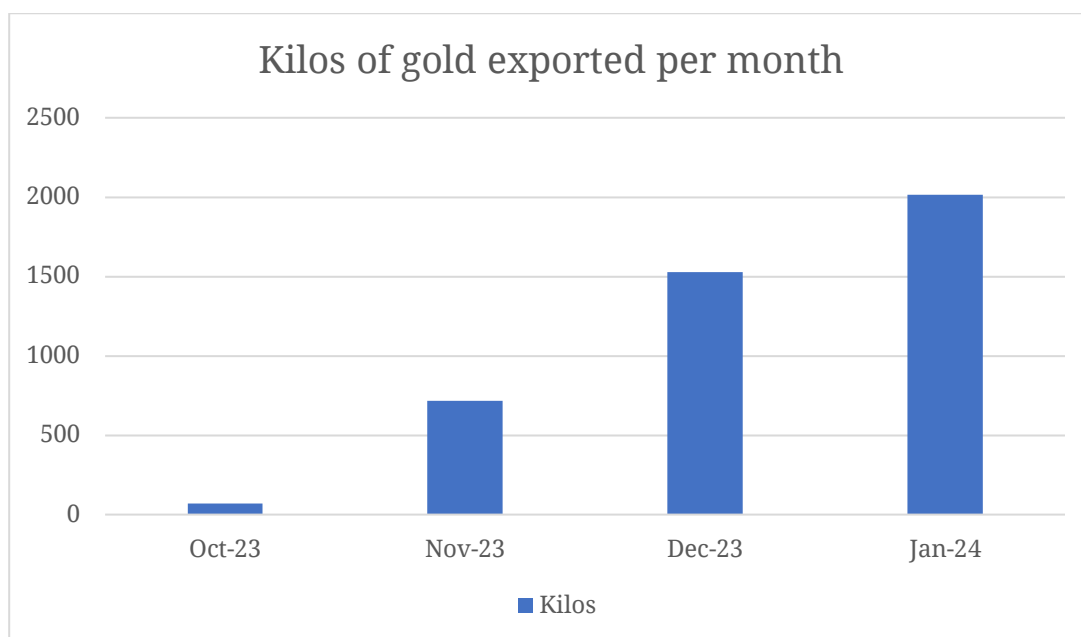
The tracking of official statements by the Minister of Mining Mohamed Bashir Abou Namun and the director of the Sudan Mineral Resources Company indicate a steady increase in the volume and export value of gold production from both the artisanal and modern mining sectors. The increases are attributable to two policies aggressively pushed by the Ministry, on the one hand encouraging foreign mining companies that left the country to return to their concessions, with guarantees of better security and responsiveness to their needs to ensure rapid resumption of production. On the other hand, the Ministry also encouraged Sudanese businessmen and investors in the artisanal gold production to return to their activities.

Thus, from a low of two tons of production in the first six months after the outbreak of the war production rose to:

- 6.4 tons by the end of the year.
- By August 2024, production rose to 29.2 tons, valued at 1.86 billion, for the year, a three-and-a-half-fold increase over 2023, [according](#) to the Minister.

As a result of aggressive Ministry of Mining policies to jumpstart production, official gold exports via Port Sudan airport have risen steadily since October 2023, as shown by the following figures drawn from official government records reviewed for this research:

- October 2023: 70.981 kg
- November 2023: 716.297 kg (a 909% increase over October 2023)
- December 2023: 1,528.900 kg (a 2,053% increase over October 2023)
- January 2024: 2,014.892 kg (a 2,739% increase over October 2023)



## How the RSF is using gold

As noted above, holding gold-producing sites is a major focus of the RSF. As a result, they control at least half a dozen mining sites in Sudan, including Jebel Amer (which they had previously handed over to the transitional government in exchange for a controversial compensation package of more than \$200 million). In addition, the RSF has prioritized holding refined gold, seizing the Sudan Gold Refinery in Khartoum and systematically looting holdings of jewelry stores, and gold markets in Khartoum, Omdurman’s Libya Market, and Wad Medani. RSF fighters have also systematically looted gold jewelry from private homes, where gold is traditionally held as the main medium for guarding family wealth. RSF fighters embrace a culture that considers the gold and other valuables they loot from private homes as their entitlement as triumphant fighters. On the other hand, the RSF leadership, which has not paid soldiers salaries since the onset of the conflict, does little to prevent its soldiers from looting private and public properties. This has become a major incentive for new RSF recruits but also undermines the legitimacy of the RSF’s political claims to be fighting for better governance. Further, according to testimonies received for this article, individual RSF units in artisanal mining areas, such as Jebel Amer and Hashaba in North Darfur, are also known to engage in mining activities for their own benefit, in many instances preying on local miners and forcing them to pay protection money. Traditional miners in Sango area have repeatedly complained about these practices.

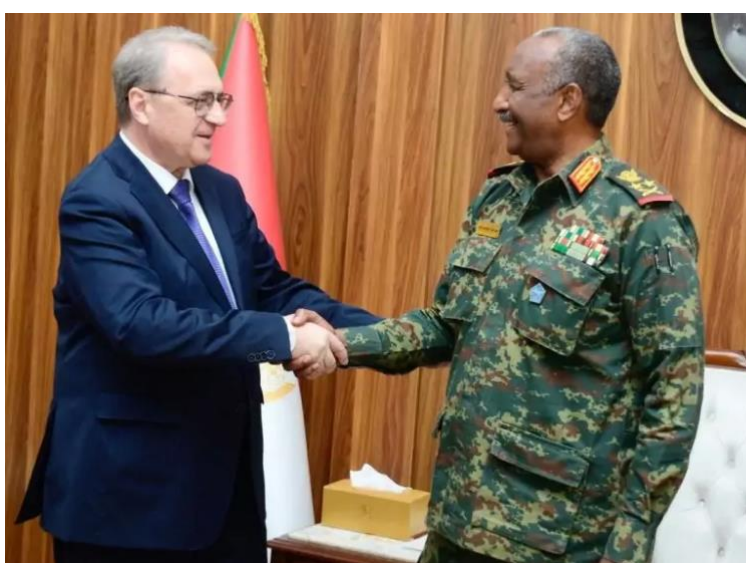
The RSF has reportedly begun smuggling production inputs from Libya. Gold producers in RSF areas such as Darfur and South Kordofan have shifted to exporting large quantities of gold out to Chad, where Hemedti has family relationships with senior Chadian officials [using motorcycles](#), the Central African Republic, where they have had close connections with AfricaCorps/Wagner Group gold outfits and Libya, where Hemedti has [maintained](#) close ties with Haftar, who controls the eastern half of the country. Naturally, this gold, produced in the RSF areas, is [not included](#) in the annual production and export figures announced by the Ministry of Minerals.

## How the SAF is using gold

SAF and the *de facto* government in Port Sudan continue to exploit gold produced in the areas that it controls, including in Red Sea, River Nile, and Northern states. Since the start of the war, the *de facto* government has been eager to expand gold production as they are desperately in need of revenue. For example, the General Manager of the Sudanese Mineral Resources Company, Mohamed Taher Omar, told the media in April 2024 that the company has recently boosted exports and [expects](#) to export \$2.182 billion by the end of this year. The Director of Export Companies' Supervision and Control, Engineer Ayman Ali Hamed, highlighted that in the first quarter, the SMRC managed to export 7.626 tons, considering this a boom in exports.

### Gold diplomacy: Russia

Faced with growing international isolation as a result of targeted economic sanctions on entities controlled by the warring parties, and a steep economic decline due to the near collapse of the formal economy since the start of the war, the SAF leaned on all revenue-generating ministries to maximize their contributions to the war effort. In this context, the *de facto* government has



*SAF meets Russian representation (Sudan Tribune)*

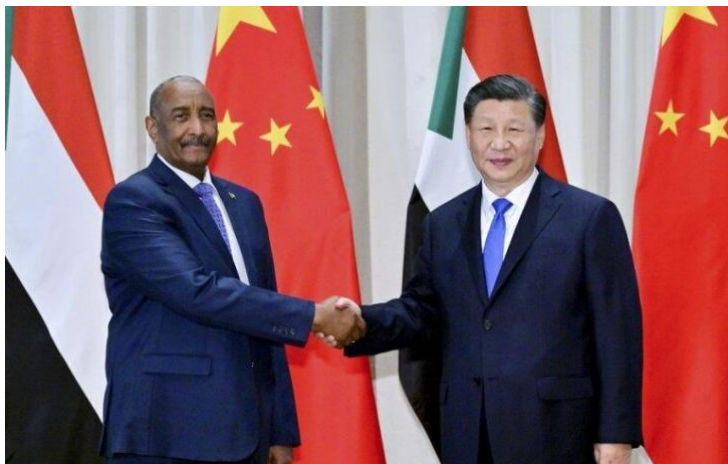
encouraged international gold mining companies to return to or newly invest with a focus on those from countries that provided it with diplomatic and military support after the war. Leading among these countries is Russia as evidenced by the visit to Port Sudan by the Russian Deputy Foreign Minister Mikhail Bogdanov in April 2024.

In June 2024, the Mining Ministry [awarded](#) the Russian company Zarubezhgeologia a gold exploration concession. In August, a delegation from Russia's Central Bank met with the Governor of the Central Bank of Sudan in Port Sudan to discuss setting up corresponding banking ties, opening bank branches, boosting imports and exports, and enabling settlement of transactions in local currencies. They also explored Russian investments in developing precious metals, particularly gold, and the potential role Sudanese and Russian banks could play in financing these initiatives. However, the most likely outcome of these policy discussions between the two central banks is that Russia would pay its gold purchases in rubles, which the SAF would most likely use to pay for significant weapon purchases that began arriving in Port Sudan a few months after the war broke out. In September 2024, officials in Port Sudan [held talks](#) with a Russian trade delegation to encourage new Russian companies to begin gold

extraction before the end of the year. Several other Russian companies responded favorably to the invitation and set up shop in Sudan according to sources interviewed for this paper.

As evidenced by the rapid pace of official visits and involvement of mining interests on both sides of the Sudanese-Russian negotiations since the beginning of the war, the Russians are keenly interested in Sudanese gold and are willing to leverage those interests to achieve other political aims. Russians have long sought to build a naval base on the Red Sea. On May 4, a Russian cargo plane (RA-76370) landed at Port Sudan Airport, as reported by the global flight tracking website Flightradar24. This plane, operated by Abakan Air, is known to be used by Africa Corps/Wagner Group. The Al-Rakoba website reported in May 2024 that an agreement between Russia and the Burhan government included the [return of Africa Corps](#) forces to Sudan and the resumption of their cooperation with military intelligence, which had ceased after the formation of the transitional government in August 2019. It was confirmed that the Russian delegation that signed the agreement included two military officials from the office of Yunus-Bek Yevkurov, the Russian Deputy Defense Minister, who has come to directly control Africa Corps since the death of Yuri Prigozhin. Reflecting this fast-paced rapprochement between Russia and the *de facto* government, [media reports](#) pointed to the presence in Flamengo naval base near Port Sudan of a growing number of Russian crews, including maintenance teams of SAF's warplanes grounded for lack of maintenance and spare parts.

## Gold diplomacy: China



*Burhan meets Chinese representative (Sudan Tribune)*

would add an annual gold production of 6 to 7 tons. He also [met](#) with the association of Chinese mining companies to invite new companies to invest in the gold sector.

It is reported that the companies that restarted production since the start of the war channel 28.5% of their productions as royalties to the Sudanese to the government as provided for under the contractual arrangements for the joint ventures between the government and the franchise companies. These companies reportedly export their share of the production using private jets directly from their concessions to their home countries or on helicopters to the nearest airport.

Activists and anti-corruption campaigners analyzing official gold production after the war, from May 2023 to April 2024, identified the Sudanese leading gold exporting companies from

SMRC's director similarly reached out to Chinese companies during Lt. Gen. Abdel Fattah al-Burhan's visit to China last September to attend the African Chinese Cooperation Forum. He gave assurances to the Chinese company Narinco to encourage them to return to Sudan, anticipating that this

detailed leaked official documents listing these companies, several of which are allegedly fronting for the SAF.

## Gold trade and smuggling: UAE and Egypt

The main recipient of Sudan's gold to date has been the United Arab Emirates. To export gold from Sudan legally, purchasers must make payments in advance equivalent to the proceeds from the exports to the Bank of Sudan which then issues an export certificate. Any gold that is not paid for in advance, or for which revenues are not transferred to the Bank of Sudan, is considered informal or smuggled. Often, gold transactions in Dubai end up in the accounts of the Nilein Bank or Asawer Company in Dubai. Consequently, some of the gold exported by traders to Dubai is official and some is illicit.

According to official gold export records, from October 2023 to January 2024, the top exporting companies exported more than 200 kilograms of gold. These companies deposit the proceeds either in Bank of Khartoum or Bank of Nilein branches in Abu Dhabi, United Arab Emirates.

Two local airlines allegedly play crucial roles in official gold exports and smuggling activities. These companies operate from Port Sudan, officially charging \$70 per kilogram of gold for official exports and undisclosed fees for unofficial gold. The two airlines schedule regular flights to Dubai, Istanbul, and Doha.

Since the start of the war, SAF has also reportedly tried to direct some gold exports to Egypt, in part to keep it from being sent directly to the UAE, which it has accused of supporting the RSF. This has coincided with an [effort](#) by Egypt to reinforce its currency by expanding gold reserves, which has driven up demand. Smuggling continues in areas controlled by the Sudanese Armed Forces, primarily across the northern border with Egypt, and to a lesser extent across the Eritrean-Ethiopian border. Such grey trade allows the SAF to circumvent US, EU, and UK targeted sanctions against its main corporations. Revenue from the smuggling of gold is also used to fund military supplies and essential consumer goods, such as fuel, wheat flour, and medicines, that are necessary to meet the demands of the populations in the SAF-held areas. Prominent gold traders and sources in Dubai have pointed out that the main aspect to monitor is the revenue from gold exports.

Although smugglers are profiting, the country is not. Most artisanal production that moves across Sudan's borders to Egypt is sold at very low prices, leaving Egyptians to reap a larger portion of the benefits since they can resell it on global markets at a higher price. More importantly, the Ministry of Finance receives no revenue from this trade. Indeed, in March 2024, the Minister of Finance, Jibril Ibrahim, reported that the Ministry of Finance's income was reduced to 20% of its pre-war level, driven in part by the lack of income from gold. The Sudanese tax structure taxes gold quite heavily. The government is to be granted 30% of the mining concessions and a 40% tax on any gold sold. This high level of taxation encourages smuggling. However, it also creates opportunities for producers in the war as the state fails to regularly collect its 30% share.

Gold traders have reported that sales to Egypt take place inside Egypt. One trader, known as SH, revealed that they operate through an extensive network of Sudanese and Egyptian security actors, some of whom are in the border guards, manning checkpoints and security patrols. The sales are conducted in Egyptian pounds, and the amount is converted to



Sudanese pounds via the "Bankak" app for digital transfers, which is affiliated with the Bank of Khartoum in Sudan, for traders who want to buy goods and export them to Sudan. Some large transactions are transferred via banking apps to the UAE. Egyptian traders are able to make substantial profits by moving gold from Sudan inside Egypt. The price of one gram of 21-karat gold in Atbara and Abu Hamad in Sudan is 170,000 Sudanese pounds, while in Cairo markets, it is 3,270,000 Sudanese pounds.

The amount of gold traded between Egypt and Sudan reportedly exceeds 280 kilograms per day. One company owner interviewed for this research mentioned that the quantities sold to traders and smugglers in Egypt by his company alone averaged 100-120 kilograms of gold per day. He estimated, based on his own informal monitoring, that more than 25 tons have been exported to Egypt since the outbreak of the war. If correct, this would indicate that most of the stored production in the northern states was smuggled into Egypt in the early days of the war.

There has been a noticeable increase in human trafficking activities along the northern border, which has been linked to gold smuggling, as in the context of the declining value of the Sudanese pound, refugees are increasingly being asked to pay in gold, receiving 2 to 15 grams of gold or US 300-500 per person. Refugees are transported from Atbara and Dongola via two main routes to Egypt. It is estimated that 40 to 50 double-cabin pickups cross the border daily, each carrying up to 16 refugees, costing 30 kilograms of gold. Sometimes, the smugglers use the return journey to smuggle Egyptian fuel to Sudanese miners, who again pay in gold. It is estimated that unofficial and smuggled gold exports to Egypt account for about 60% of the production from areas controlled by the Sudanese Armed Forces.

Reports from the World Gold Council indicate that Egyptians purchased approximately 13.2 tons of gold in the first quarter of 2024, with 8 tons of it processed. At the same time, demand for gold provided through official channels declined, attributed by many to the abundant supply through smuggling.

Although the military has long been involved with corruption and monopolization of state resources, this pattern has only been exacerbated since the war began. Even official government statements, such as from the Minister of Finance, [acknowledge](#) that the financing of the war effort from the limited government revenue collections is the first spending priority, followed by humanitarian aid, health expenses, and then the payment of public sector employees. Further, a contact at the Central Bank of Sudan mentioned that most gold revenues were directed towards the war effort, primarily for the import of weapons, ammunition, and drones. He noted that spending, purchasing, and contracting were not carried out according to legal regulations and did not follow procurement and contracting guidelines. Government funds in the Bank of Sudan are handled by military leaders in the Sovereignty Council, with economic matters under General Ibrahim Jaber. Central Bank employees are [not privy](#) to how money is spent, creating an environment where, instead of distributing income in the interests of all Sudanese, the armed forces are monopolizing funds for their own priorities.

All of this is depriving Sudan of critically needed financial resources at a time of tremendous need among the millions of Sudanese displaced by the war, and the millions having to cope with hunger and epidemics.

# Recommendations

In this context, controlling the gold trade is a critical point of leverage that can constrain the belligerents and push them to the negotiating table. To do this, the international community should:

- ***Classify gold from Sudan as a conflict mineral:*** The international community should classify the gold produced and exported from Sudan as conflict-related gold, and work to limit its connection to the continuation of the war. These efforts could take advantage of the frameworks provided by the EU Regulation on the responsible supply of Tin, Tungsten, Tantalum, and Gold (3TG) and the US Dodd-Frank Act, which could require that companies registered with the Securities and Exchange Commission (SEC) that use these minerals in their products to disclose whether these minerals originated from conflict-affected areas, and whether they fund armed groups in those areas.
- ***Impose stricter penalties for trading conflict gold:*** The US, UNSC, and EU should investigate and potentially sanction refiners and traders involved in conflict gold. Jewelry and electronics companies should avoid sourcing from refiners that fail independent audits. Similar measures have been effective in addressing other conflict minerals.
- ***Work with the UAE and Egyptian authorities to control the gold trade.*** In particular, these key states must be pressured to receive only official exports.
- ***Encourage private companies to create and adhere to due diligence policies that will reduce the possibility of using conflict gold.***
- ***Consider sanctions on trading companies and other actors who facilitate gold exchanges for sanctioned individuals, entities, and companies.***