

UAE-Sudan Economic Tensions: Business Dispute or Battle for Influence?

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The US Israeli war with Iran and the latter's expanding of the conflict to its Arab neighbors are straining Sudan's fragile fuel supply. The Gulf war and resulting closure of the Gulf of Hormuz have already disrupted oil supplies and caused price spikes that hit import-dependent nations like Sudan the hardest. Local officials warn that any route blockages will trigger immediate domestic shortages. Sudan's vulnerability is aggravated by its ongoing conflict.

Sudan was exposed to similar pressures in the recent past. An August 2025 United Arab Emirates (UAE) air and maritime embargo cut off Sudan's primary hub for trade and financing. Without the UAE's logistics, traders must use longer, more expensive routes. Ultimately, Sudan's fuel market and the flow of its strategic consumer goods are trapped between regional geopolitics and its own internal war, making the country highly vulnerable to external economic shocks.

Measures that Sudan adopted to mitigate the effects of the UAE embargo, such as the diversification of trade routes and the building of fuel stockpiles, might prove helpful in helping it adjust to the new supply shortages.

Introduction

On August 7, against the backdrop of increasing diplomatic tensions, the UAE imposed an air and maritime embargo on all flights and maritime traffic between the UAE and Port Sudan—the country's de facto capital and main export hub since the outbreak of the war in April 2023. The embargo barred vessels from utilizing UAE ports for direct shipments to Sudan or for the transshipment of goods from third countries destined for Sudan. CMA-CGM, one of the world's largest shipping companies also confirmed the restrictions.¹

In response, the Economic Emergency Committee, headed by the Prime Minister, undertook a number of decisions aimed at promoting alternative destinations for Sudanese goods and exerting tight control over exports. Unfortunately, most of these responses draw on an old playbook that relies on control and which has already been largely shown to be ineffective.

Both the embargo and the Sudanese government response were exceptional developments, but they have not received much discussion or comment internationally. This paper argues that, despite their emanation from different and largely conflicting political centers, they intersect to negatively impact the Sudanese economy, especially the gold sector. They are likely to reinforce the dominance of parallel and military markets, increase cross-border smuggling, and exacerbate the humanitarian situation in the country.

1 CMA CGM, "[Customer Advisory #28-2025 - Restrictions on Port Sudan Operations](https://www.cma-cgm.com/local/united-arab-emirates/news/333/customer-advisory-28-2025-restrictions-on-port-sudan-operations)," August 11, 2025, available at <https://www.cma-cgm.com/local/united-arab-emirates/news/333/customer-advisory-28-2025-restrictions-on-port-sudan-operations>

The UAE's embargo forced the rerouting of air travel through transit airports of neighboring countries or Turkey, adding to the cost and time of passenger travel and air cargo. Similarly, the maritime embargo on shipments to Port Sudan added time and a cost of transport of goods to Sudan. Together, these measures narrowed formal trade channels while increasing reliance on informal and cross-border networks.²

The embargo impacts a wide-ranging set of both import and export commodities, increasing costs of imports, and reducing earnings from Sudan's key exports, particularly gold, Sudan's leading foreign currency earner and oil, which is both imported and exported through the UAE. This has further weakened the Sudanese pound. The disruption of economic ties between the two countries threatened broader negative economic repercussions in what is already characterized as the world's worst humanitarian crisis.

Restricting economic ties

In May 2025, Sudan severed diplomatic ties with the UAE after officially labelling it as an "aggressor state" for providing military, financial, and diplomatic support to the Rapid Support Forces (RSF).³ These actions were prompted by RSF attacks on Port Sudan and other cities⁴ and followed the initiation of legal proceedings against the UAE before the International Court of



2 Madameek online newspaper, "The economic impacts on Sudan resulting from the severance of relations with the United Arab Emirates and the proposed solutions," August 9, 2025, in Arabic, available at <https://www.medameek.com/?p=180612>

3 Middle East Monitor, "Sudan labels UAE an 'aggressor state' as drone strikes target Port Sudan airport," May 13, 2026, <https://www.middleeastmonitor.com/20250513-sudan-labels-uae-an-aggressor-state-as-drone-strikes-target-port-sudan-airport/>

4 CNN In Arabic, "Sudan cuts diplomatic ties with the UAE over accusations of support for the Rapid Support Forces," May 6, 2025, available at <https://arabic.cnn.com/middle-east/article/2025/05/06/sudan-announces-severance-of-diplomatic-relations-uae>

Justice,⁵ although the Sudanese army made similar accusations since the outbreak of war in April 2023. Abu Dhabi has consistently denied this, despite mounting evidence from numerous independent sources that it is supplying the RSF with advanced weapons such as drones and air defense systems, and even batches of Colombian mercenaries.

In response, the UAE escalated, halting all direct flights to and from Sudan, including both passenger and cargo flights, in the first week of August 2025.⁶ Days after the flight suspension, the UAE further escalated by prohibiting any direct maritime connection with Port Sudan through the Red Sea. The handling of goods entering or transiting through UAE ports from or destined for Port Sudan was suspended, preventing ships flying the UAE flag from docking in Port Sudan and threatening ships trading with Port Sudan with the suspension of their licenses.⁷

Many analysts believe that the UAE's decision was intended to choke off Sudanese gold and oil exports, withholding resources and thereby weakening the de facto government in its confrontation with the RSF. Up to that point, despite escalating diplomatic tensions, trade had remained active, driven by Sudan's high production of, and the UAE's high demand for, gold. Sudan produced between 64 and 80 tons of gold in 2024, and its official exports went mostly to the UAE. This helped the UAE remain Sudan's second-largest trading partner and a pivotal re-export hub for its products. As the war led to a decline in agricultural and other exports, Sudan was forced to rely more heavily on gold as its primary source of hard currency, making its trade a core interest.

Due to these mutual interests, the two sides avoided a deliberate trade rupture until the August embargo. Investors in the UAE familiar with developments reported that Dubai Ports requested an exemption based on their desire to be excluded from political decisions, given their reliance on free trade and the capacity of such decisions to damage their commercial reputation.^{8,9} These requests appear to have led to partial the resumption of shipping from Jebel Ali to Port Sudan, while most cargo carriers continued to be rerouted through other ports in the region, such as Salala in Oman, and Jeddah according to the same sources and observers based in Port Sudan.¹⁰

The impact of Emirati decisions on Sudan

The embargo has the potential to have a huge impact on the Sudanese economy given the close trading relationship that has existed between the two countries. The UAE was Sudan's largest trading partner in 2024 according to United Nations Trade and Development Data Hub (UNCTAD), receiving an estimated four times the exports of the next largest trading partner, Saudi Arabia.¹¹ The UAE has been a key source of imports to Sudan, including 121 Million USD worth of oil in

5 International Court of Justice, "Application of the Convention on the Prevention and Punishment of the Crime of Genocide in Sudan (Sudan v. United Arab Emirates) (Case No. 197)," available at <https://www.icj-cij.org/case/197>.

6 Radio Dabanga, "The UAE to stop flight to and from Sudan amidst escalating tensions," August 8, 2025. <https://www.dabangasudan.org/ar/all-news/article/>

7 Madameek, "Commercial shipping and sailing and transportation: Emirati decision to prevent ships associated with Port Sudan from anchoring at UAE ports," September 5, 2025, <https://www.medameek.com/?p=180590>

8 CMA CGM, "Customer Advisory #36-2025: Update on Port Sudan operations," September 3, 2025, <https://shorturl.at/q7ahw>

9 Ibid.

10 STPT interviews with key informants in Dubai and Port Sudan in November 2025.

11 UNCTAD website, <https://unctadstat.unctad.org/CountryProfile/GeneralProfile/en-GB/729/index.html>



2023.¹²

In this context, the embargo, disrupted vital supply lines that passed through Port Sudan Airport, which has become the country's main air gateway since the outbreak of the war.¹³ These measures exacerbated the impact of physical damage and security concerns following the Rapid Support Forces' military operations against Port Sudan, including the targeting of the airport with repeated drone strikes.

The maritime restrictions, alongside the air embargo, have potential impacts across a range of economic dynamics. They can raise the cost of imports by forcing importers to re-route materials from the UAE to other ports in Saudi Arabia or elsewhere which would increase transport costs. They could also threaten Sudan's key export earnings, in particular from gold and oil, which in turn could threaten the country's foreign currency reserves, devalue the currency and create other disruption.

Increases in importation costs threaten to exacerbate Sudan's difficulties accessing food and medical supplies, causing prices to rise and worsening food insecurity.¹⁴ Increased sea and air transit times and costs to Port Sudan, combined with the depreciation of the local currency, have driven up the prices of medicines rerouted through other regional airports, as well as the cost of imported foodstuffs.¹⁵

12 OEC, "Sudan/United Arab Emirates," <https://oec.world/en/profile/bilateral-country/sdn/partner/are>

13 Wintour, P, "Sudan to cut ties with United Arab Emirates over alleged RSF support," *The Guardian*, May 6, 2025, <https://www.theguardian.com/world/2025/may/06/sudan-to-cut-ties-with-united-arab-emirates-over-alleged-rsf-support>; Sudan Horizon, "Following the UAE's air and sea freight boycott: What possible alternatives for Sudan?," August 2025, <https://sudanhorizon.com/following-the-uaes-air-and-sea-freight-boycott-what-possible-alternatives-for-sudan>

14 Wintour, P, "Sudan to cut ties with United Arab Emirates over alleged RSF support," *The Guardian*, May 6, 2025, at: <https://www.theguardian.com/world/2025/may/06/sudan-to-cut-ties-with-united-arab-emirates-over-alleged-rsf-supportavailable>

15 Sudan Tomorrow, "Some of the consequences of recent Emirati decisions regarding Sudan," August 10, 2025, in Arabic, available at: <https://tinyurl.com/yc8anyxk>

These developments have a direct impact on Sudanese exports, in particular oil¹⁶ and gold, which are among Sudan's largest exports. The UAE embargo could not have come at a worse time for an economy battered by war and displacement. Between 2023 and 2025, gold came to dominate Sudan's exports: official production rose to approximately 64 tons in 2024, with legal export revenues reaching about US\$1.57 billion (for nearly 28 tons officially exported, as the remainder was smuggled or exported off the books). Traditional agricultural exports declined sharply, driven by the large-scale displacement of farming and herding communities. Although prior to the war "other oily seeds" (groundnuts, sesame) were valued at roughly US\$746 million (2020 data), values for the wartime years are unavailable. Wartime exports that remain significant include groundnuts, sesame, livestock, hides, and alfalfa-feed, with trade chiefly directed to China, India, the UAE, Saudi Arabia, and Egypt. Crude oil exports to the UAE and Saudi Arabia also continued. On the import side, wheat imports in 2023 collapsed to ~342,000 tons (~US\$121 million), down from 505 million in 2022.¹⁷ Meanwhile, fuel, pharmaceuticals and agricultural inputs emerged as the principal import categories.¹⁸

The UAE's embargo effectively closed Dubai's gold market to Sudanese gold, sending shockwaves through the market. Official gold exports to the UAE in 2024 accounted for 96.8%¹⁹ of total gold exports. In addition, because gold is Sudan's primary source of foreign currency this intensified existing currency shortages and loss of confidence caused by the war, accelerating the decline in value of the Sudanese pound, which depreciated from an average of 2,650 pounds to the US dollar before the decisions to 3,500 to a dollar less than a month later. This represents one of the highest rates of depreciation the country has experienced since the beginning of the war, when the US dollar fetched 600 pounds.

The embargo also impacted essential inputs to mining operations, including activated carbon, cyanide, thiourea, and machinery. These inputs are largely produced in China and India, and traditionally transit through Emirati ports, particularly the Dubai Free Zone. The halt of direct Sudanese exports, both official and unofficial, to Dubai forced some to use indirect, costly, and risky routes.

Indicative of this latter trend is a widely circulated report in the local media concerning a shipment of 225 kilograms of Sudanese gold that arrived at Cairo International Airport aboard a Sudanese carrier on January 8, 2026, reportedly in transit to Dubai on an Emirati airliner on January 10. The journalist who first broke the story published an airway bill for the cargo identifying the Sudanese Gold Refinery Co. Ltd. in Port Sudan as the consignor and a jewelry company in Dubai as the consignee, and stated that he had submitted all information related to the shipment to the competent authorities. As of this writing, de facto government authorities had yet to respond to

16 Mitchell, C., Lim, N., & Holtmeier, L. "Tanker with crude cargo from Sudan idles off UAE as bilateral ties sour," *S&P Global Commodity Insights*, August 2025, <https://www.spglobal.com/commodity-insights/en/news-research/latest-news/crude-oil/082725-tanker-with-crude-cargo-from-sudan-idles-off-uae-as-bilateral-ties-sour>

17 OEC website, available at <https://oec.world/en/profile/bilateral-product/wheat/reporter/sdn?selector1151id=2022>

18 On the wartime import and export performance, check: Alyurac, "Smuggling Accounts for 52% of Production... Sudan Aims to Produce 80 Tons of Gold This Year," July 17, 2025, available at: <https://www.english.alyurac.com/2025/07/17/smuggling-accounts-for-52-of-production-sudan-aims-to-produce-80-tons-of-gold-this-year/?utm.com> ; Al-Monitor, "Sudan's booming wartime gold trade flows through to the UAE," March 27, 2025, available at: <https://www.al-monitor.com/originals/2025/03/sudans-booming-wartime-gold-trade-flows-through-uae?utm.com>;

19 Center for Environmental and Social Studies (CESS), "Monitoring performance mining gold in Sudan during 2024," April 2025, https://cess-sudan.com/cess_report.pdf

these allegations.²⁰

These conditions narrow formal trade channels precisely when enforcement capacity and price stability are weakest. Under these conditions, efforts to centralize control or restrict access do not reduce trade volumes; instead, they shift them into informal and militarized networks that are better equipped to manage risk, evade regulation, and extract rents. In a fragmented war economy, armed actors and cross-border intermediaries are structurally advantaged over civilian institutions, meaning that chokepoints and monopolies tend to reinforce parallel markets rather than restore state control.

Efforts to circumvent the embargo could thus strengthen cross-border smuggling networks, potentially leading to significant price increases and weakening of controls, particularly relevant for medicines. Even without these measures, the war has increased cross-border smuggling, particularly via Egypt and Eritrea, meaning more goods are moving through ports in these countries than Sudanese ones. Gold smuggled in this way is often exchanged for basic commodities and production inputs from the two countries.²¹

These developments also impact fuel, which is one of the most important export commodities for both Sudan and South Sudan, as it also passes through Emirati ports, and its shipping has been disrupted.²² UAE's refineries halted their handling of Sudanese crude oil, and ports stopped re-exporting it.

A number of sources acknowledge that while it should be possible for export commodities through other ports, this will increase the cost of shipment, cutting into profits on the Sudanese side and pushing some importers to explore alternative sources. The amounts of increase estimated vary from 8%²³ to 15-20%.²⁴ An unpublished Sudanese government report examined by the author indicates that 50% of Sudanese exporters and importers rely on the Dubai Port (the free zone), and that the embargo will increase transport costs by up to 70%.²⁵ This impact, however, will be limited if exporters are able to divert to Saudi, Egyptian, and Qatari ports. The Sudanese government has made efforts to do this, including through the Sudanese Minister of Minerals' visit to Egypt.²⁶

20 See Sudan Independent, "A journalist reveals a shipment of Sudanese gold passing through Cairo en route to the United Arab Emirates," January 9, 2026, in Arabic, available at: <https://tinyurl.com/26ukyadh>. See also, the report Abdelmagid Abdehamid's initial leaking of the information on a post on his personal FaceBook page: https://m.facebook.com/story.php?story_fbid=pfbid-002A5YZZjSoFqMKVg91iGfDrZoRBenE23BxcjZwPCKDGuagbE1Yxz9dGEjxwCjwCnzI&id=100047345951595

21 Baldo S. And Soliman A. "Gold and the war in Sudan: How regional solutions can support an end to conflict," A Chatham House Report, March 2025, available at: <https://www.chathamhouse.org/2025/03/gold-and-war-sudan/04-how-sudans-gold-sector-connects-regional-conflict-ecosystem>

22 Mitchell, C., Lim, N., & Holtmeier, L. "Tanker with crude cargo from Sudan idles off UAE as bilateral ties sour," S&P Global Commodity Insights, August 2025, <https://www.spglobal.com/commodity-insights/en/news-research/latest-news/crude-oil/082725-tanker-with-crude-cargo-from-sudan-idles-off-uae-as-bilateral-ties-sour>

23 Omer Sidahmed, "Sudan's Foreign Trade under Sanctions and War, and the Implications of Recent UAE Measures: Gold as a Case Study," Al Taghyeer, August 14, 2025, <https://www.altaghyeer.info/en/2025/08/14/sudans-foreign-trade-under-sanctions-and-war-and-the-implications-of-recent-uae-measures-gold-as-a-case-study/>

24 See, for example, Josh Zadeh, 'UAE Ban on Sudan Cargoes Reroutes Global Crude Flows,' Discovery Alert, August 27, 2025, <https://discoveryalert.com.au/uae-ban-sudan-cargoes-crude-flows-2025/>;

25 Unpublished government of Sudan report examined by the author.

26 Bloomberg, "UAE ban on Sudan trade spurs hunt for alternative gold markets," September 2025, https://www.bloomberg.com/news/articles/2025-09-04/uae-ban-on-sudan-trade-spurs-hunt-for-alternative-gold-markets?utm_source=website&utm_medium=share&utm_campaign=copy

As noted above, until recently the UAE was a major trading partner for Sudan — and refined petroleum is among the main products imported to Sudan from the UAE.²⁷ 2024 data from the Bank of Sudan indicated that Sudan imported 84.1% of its petroleum supplies from the UAE, with fuel accounting for 78.4% of Sudan’s total imports from the UAE.²⁸ The disruption of oil imports affects not only civilian domestic consumption but also military operations, which require a large and stable supply of fuel. This situation also negatively impacts the UAE, which has lost crude oil that was refined in Fujairah to produce VLSFO fuel used as marine fuel in the port. This has led to a price increase of up to 15% compared to other global ports.²⁹

Petroleum plays a significant role in the overall economy and has therefore been a focus of the warring parties. Numerous military operations have sought to impact oil pipelines, refineries, and production sites. Indeed, during its attack on Port Sudan in August, the RSF targeted strategic oil sites. Following the UAE’s actions, the RSF targeted Heglig, an important oil production hub, with drones on August 26 and 29, prompting oil companies to threaten to halt operations and the flow of oil from South Sudan through the existing pipeline.³⁰ The RSF eventually took control of Heglig but reportedly struck a deal under which South Sudanese forces assumed responsibility for securing the facilities, while technical teams were allowed to continue operations uninterrupted.³¹ Heglig is the only Sudanese oil-producing area that has continued to operate since the war began. This has reinforced rumors that RSF benefited from the oil revenue, by charging fees in exchange for allowing the continued pumping of oil and operation of the Al Jaili Refinery.

The rising trade tensions between the UAE and Sudan have spared the banking relationship to date. The UAE is one of Sudan’s main banking partners, which helped streamline the procedural and logistical flow in trade between the two countries. For decades, Sudanese private businesses have maintained accounts in the Emirati banking system and settled much of their foreign trade in Emirati dirhams rather than US dollars in order to circumvent the sweeping US trade and financial sanctions that crippled Sudan’s banking system from 1997 to 2020. As a result, Sudan’s banks and payment flows have strong links via Dubai and Abu Dhabi, which made of the UAE a convenient strategic partner in spite of sanctions constraints and deteriorating diplomatic ties after the war. Extending the embargo to include banking transactions between the two countries would have resulted in crippling impacts on the private and public sectors in the country.

Sudanese government reactions

In response to the UAE’s embargo, the Sudanese Security and Defense Council and economic ministries held emergency meetings to assess risks and develop plans to continue imports and exports. The *de facto* government sought to rapidly diversify its gold markets, seeking new buyers

27 Observatory of Economic Complexity, “United Arab Emirates-Sudan,” https://oec.world/en/profile/bilateral-country/are/partner/sdn?redirect=true&utm_source=chatgpt.com

28 Bank Sudan Central, “Summary quarter fourth,” 2024, [https://cbos.gov.d/sites/default/files/Summary 2014 Quarter 2014 2024.pdf](https://cbos.gov.d/sites/default/files/Summary%202014%20Quarter%202024.pdf)

29 Altaghyeer online newspaper, “Halting Sudanese oil imports raises marine fuel premiums at Fujairah Port,” in Arabic, <https://shorturl.at/KetU8>

30 Reuters, “Sudan shuts down Heglig oil facilities after drone attacks,” September 1, 2025, available at: <https://www.reuters.com/business/energy/sudan-shuts-down-heglig-oil-facilities-after-drone-attacks-2025-09-01/>

31 Radio Dabanga, “Sudan: Heglig Oil Deal ‘Highlights Economic Drivers Behind Sudan’s War,’” January 2, 2025, available at: https://allafrica.com/stories/202601070031.html?utm_campaign=daily-headlines&utm_medium=email&utm_source=newsletter&utm_content=aans-view-link

in Oman, Qatar, Egypt, and Asia. It also sought to reroute oil and commodity shipments away from UAE ports, using ports in other countries and sending some directly to Asian markets. Internal measures were implemented to amend customs and transportation policies that had previously privileged the UAE to facilitate these alternative routes.

The Economic Emergency Committee, headed by the Prime Minister, issued a series of urgent measures in August 2025 with the stated aim of addressing economic deterioration and the increasing smuggling of gold, which is one of the most prominent sources of foreign currency in the country, making up 50.1% of the country's total exports.³²



The foremost of these decisions was granting the Central Bank of Sudan a monopoly on gold exports. Policy Management Circular 14/2025 established a “gold export window” linked to the Ministry of Minerals and the Standards and Metrology Authority to complete all procedures,³³ and launched a digital platform to track the movement of goods to enhance transparency.³⁴ This mechanism required sellers to sell at the official price, which was lower than the parallel market price. An August 21 decision reportedly criminalized the possession or storage of gold without official documentation as smuggling.³⁵ These measures aimed to strengthen the state's ability to collect foreign currency and address the collapse of the Sudanese pound. They also reflect a growing government interest in centralizing control and management of gold exports.

Unfortunately, this was a rehash of previous policies which counterproductively encouraged smuggling. The gap between official and market prices created a strong incentive for producers and traders to funnel gold away from official channels, costing the country significant foreign exchange resources. Independent reports indicate that between 50% and 80% of Sudanese gold production is smuggled, weakening the Central Bank's ability to control the market and deepening

32 Sudan News Agency, “Kamil Idris Chairs Currency Control and Related Economic Issues Committee's Meeting,” available at: <https://www.msn.com/en-xl/africa/top-stories/kamil-idris-chairs-currency-control-and-related-economic-issues-committees-meeting/ar-AA1KRxoA>

33 Sudan News Agency, “Sudan: Kamil Idris reviews Sudan's single gate gold export's performance,” AllAfrica, August 25, 2025, <https://allafrica.com/stories/202508260603.htm>

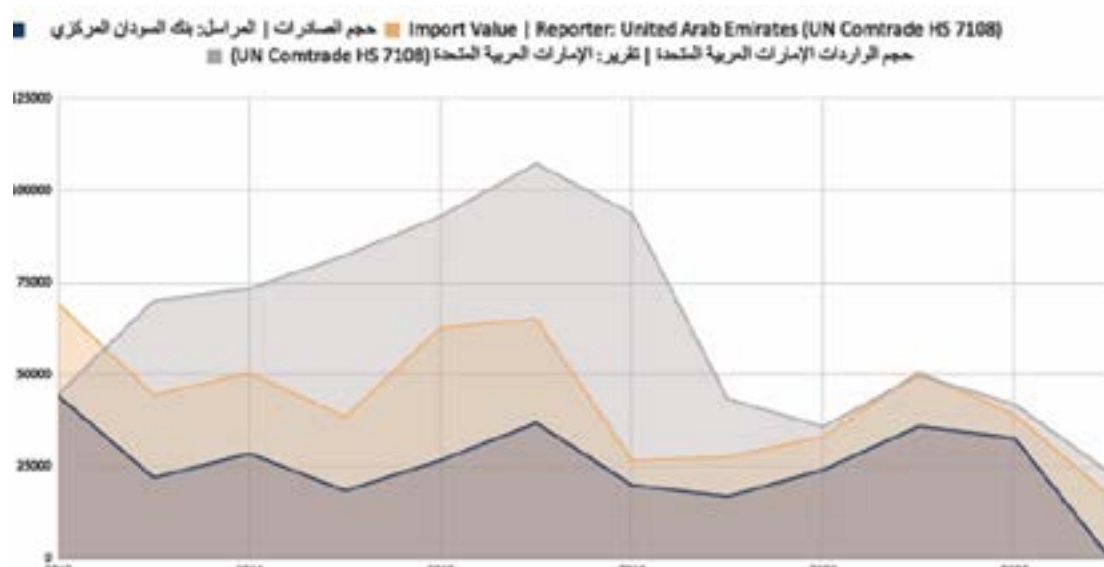
34 Divan Center, “The Sudanese government announces emergency measures to halt the decline of the Sudanese pound and combat gold smuggling,” September 5, 2025, <https://divancentre.org/en/the-sudanese-government-announces-emergency-measures-to-halt-the-decline-of-the-sudanese-pound-and-combat-gold-smuggling>

35 Sudan Tribune, “Sudan bans private gold exports, central bank to be the sole buyer,” September 15, 2025, <https://sudantribune.com/article/305062>

the parallel economy.³⁶ A previous Central Bank monopoly on gold exports³⁷ left the Central Bank with only a small percentage of actual production due to widespread smuggling. For example, between 2012 and 2018, the Central Bank reported exports of approximately 205,446 kg, while Sudan’s trading partners reported imports of 404,732 kg, a gap of 200 tons of smuggled gold, equivalent to 47.7% of the value of declared exports, a loss of US \$4.11 billion.³⁸ This gap, as shown below is calculated by comparing official imports out of Sudan against production figures and UAE import figures.

In January 2020, during the transitional period, this policy was amended in stages, culminating in the opening of exports to the private sector. Private banks and mining companies were allowed to export 70% of their production, with the remaining 30% to be sold to the Central Bank. Exporters were required to sell their foreign exchange earnings to the Central Bank at the official exchange rate, which remained far lower than the black-market rate.³⁹ Although smuggling continued, its rate decreased during certain periods of the partial liberalization, as shown in the graph below. The figure below compares quantities of gold exported through the Central Bank, against official UAE imports and the total official production of Sudan. Source (CESS, 2025).

The Volume of Trade Exchanges Between Sudan and the UAE – 2013-2023



As illustrated in the figure above, the gap between import and export data tends to widen under rigid or monopolistic export regimes, particularly when exchange rate distortions and foreign currency surrender requirements create strong arbitrage incentives. In such contexts, excessive centralized control—especially amid broader macroeconomic imbalances—can push producers and traders toward parallel or informal channels.

At the same time, curbing smuggling cannot be achieved simply by opening exports to private

36 Global Financial Integrity, “Sudan and trade integrity,” May 2020, available at: https://gfintegrity.org/wp-content/uploads/2020/05/Sudan-Report-2020_FINAL.pdf

37 Chevrillon-Guibert, Raphaëlle, “The Gold Boom in Sudan”, International Development Policy | Revue internationale de politique de développement, 2016, accessed on 06 September 2025, available at: <http://journals.openedition.org/poldev/2258>.

38 Global Financial Integrity, “Sudan and trade integrity,” May 2020, available at: https://gfintegrity.org/wp-content/uploads/2020/05/Sudan-Report-2020_FINAL.pdf

39 Reuters, “Sudan further opens gold trade to private sector,” June 17, 2020, <https://www.reuters.com/article/business/finance/sudan-further-opens-gold-trade-to-private-sector-idUSKBN23024R/>

companies. Without broader macroeconomic reforms—particularly exchange rate rationalization, fiscal and monetary stabilization, greater transparency in gold marketing and reporting, and strengthened regulatory oversight—liberalization alone risks generating new forms of rent-seeking and market concentration. Moreover, heavy reliance on a single external trading partner heightens structural vulnerability and weakens bargaining power. A durable reduction in illicit flows therefore requires a coherent macroeconomic framework, diversified trade relationships, and credible transparency mechanisms, rather than a narrow shift from state monopoly to private export participation.

In this context, the government decisions drew strong reactions from gold-exporting companies and major traders seeking to force the government to reverse those policies. This pressure ultimately led to the dismissal of the Governor of the Central Bank of Sudan and the appointment of a new governor, who quickly overturned the policy by issuing Circular 17/2025, reinstating the previous system which allowed private companies and traders to export gold, with a minimum of 10 kilograms per export. The restrictions were eventually reversed in November 2025.

In practice, the wavering of policies and the lack of internal government consensus resulted in an almost complete halt of gold export between August and early November. Even after the government reversed its decision, the difficulties the near-total dependence on a single country persisted. Government efforts have focused on avoiding disruptions to exporters, relying on short-term policy adjustments while sidestepping fundamental issues related to national sovereignty.

Conclusion

The UAE's air and maritime embargo on Sudan has significantly disrupted the movement of goods and passengers through Sudan's principal Red Sea port and airport. The suspension of UAE-flagged vessels and flights, along with the blocking or diversion of cargo flows via UAE hubs, has sharply increased transportation costs, extended delivery times, and reduced Sudan's export capacity—particularly in gold and oil. These disruptions have placed additional strain on humanitarian supply chains and the domestic market. While the full scale of the impact remains difficult to quantify, available evidence points to serious operational and economic repercussions.

Subsequent mitigation measures adopted by de facto government authorities helped moderate the severity of these effects by redirecting Sudan's trade to alternative partners, including Egypt, Qatar, and Saudi Arabia. However, few competitors can match UAE's integration into global markets and cost efficiency. However, Emirati policies have adversely affected several sectors of the Sudanese economy, including oil flows and the movement of essential goods. The banking sector, however, has not faced a comparable level of disruption—likely reflecting the deep financial interdependence between the two countries and the far-reaching consequences that any interruption would entail for the private sector, humanitarian operations, and the wider economy. This underscores the strategic importance of diversifying regional economic relationships to preserve economic autonomy and mitigate structural dependency.

Taken together, these developments highlight a structural feature of Sudan's war economy. Trade restrictions and efforts to centralize export control—particularly in the gold sector—have not reduced economic activity but instead redirected it toward informal, militarized, and cross-border networks. The UAE embargo and Sudan's policy responses illustrate how economic chokepoints, applied amid institutional collapse and price distortions, tend to reinforce parallel markets rather than restore state authority, thereby reshaping trade flows without constraining them.