Research Title: Impact of Inflation on South Sudan Economy

Case study: Juba Main Market - South Sudan

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Abstract

This study is carried out to investigate about the impact of inflation on South Sudan economy .The aims of this study to know the impact of inflation on south Sudan economy and money supply. The researcher used qualitative and quantitative methods for collected data and the data was analyzed by (SPSS) statistical package for social science. The researcher has reached to a numbers of findings: the study revealed mismanagement economics resources, high taxes rates, the study revealed that the inflation increases cost of living because of price increase, political instability in the country and devaluation of country currency, lack of feeding roads. The research suggested a number of important recommendations which are the following: the government should change the policy of depending on imported goods and services and encourage export of local products, bank of South Sudan should adopt strong monetary policy, government should combat corruption and implement transparency and accountability, government should encourage domestic production and small industries by giving loans and grants.

1.1-Background of study:

Inflation: is a key measurement of where the economy might be headed, how consumers are doing day-to-day. Or is a general and ongoing rise in the level of prices in an entire economy. According to Bernholz. P inflation: occurs when momentary policy is governed by a strict gold or other metallic standard, for working of his types of momentary regime allow money supply to expend only and to the extent that new stock of precious metals are discovered. According to Milton Friedman inflation is always and every where a monetary phenomenon in the sense that it is and can be produced only a more rapid increase in the quantity of money that in output .the initially expected rate of inflation, the time path of the actual rate of inflation (positive and negative) can also derived a dynamic mechanism by inflation rate a justs gradually over time to actual inflation rate. According to economist Philip Cagan, hyperinflation defined as a period in which prices raise by more than 50% a month .Hyperinflation occurs when inflation rates quickly and uncontrollably. If inflation happened for one year and then stopped, it would not be inflation any more. Inflation is divided into three types: Demand- Pull inflation, Cost- Push and Build in inflation. Demand – Pull Inflation: it occurs when the demand for goods or services is higher when compared to production capacity. Cost-Push Inflation: it occurs when the cost of production increases in prices of inputs (labour, raw materials, etc).Built – in inflation: is related to adaptive expectations, the idea that people expect current inflation rates to continue in the future.

[i] https;// www.marketplace.org[ii].https://repo.unand. ac.id..Steven A.GreenLaw, David Shapiro2011. Principles of Macroeconomics 2e 2nd edition, published by Timothy Taylor.Benrnholz,P .2003:Monetray Regimes and Inflation, published by EdardELgar P272..https//scripbox.com. Aritle by shivari Chaluvadi updated on 25 Agug 2021.

Philip Cagan .1956 ,the monetary Dynamics of Hyperinflation p 25.https:// investpedia.com article by Jason Fernando upated June 17, 2021.

Measures of inflation: the commonly used inflation indexes are consumer price index (CPI) and the whole sale price index (WPI).

Inflation can be caused by multi factors with demand- pull and cost – push inflation among the most common. Also there is other causes can be increased money supply, Devaluation, Rising wages, policies and regulations. Inflation has effects on distribution of income and wealth, effect on production and economic growth. Inflation is general controlled by Control Bank and/ or government. The main policy used is monetary policy (changing interest rates).Also fiscal policy or measures are high effective for controlling government expenditures, personal consumption expenditure and private and public investment.

The main policy used is monetary policy (changing interest rates) a Monetary Policy that reacts to changes in the inflation by changing the interest rate causes changes in expenditures. Robert J. Barro points to need for a monetary standard that stabilizes some dollars- denominated quantity in the economy as the key feature of an economy with stable prices.

Also fiscal policy or measures are high effective for controlling government expenditures, personal consumption expenditure and private and public investment.

https:// ww.investopedia.com., article by Jason Fernand upated June17,2021.

https//.www.raba.gov.au. October 8, 2021.https://www.businesssider.com article by Kevin L. Matthews. Sep 10,2021

https://gdcmpore.edu.n.2020. https:www.economichelp.com.

https://www.yourarticlelibrary.com. Macroeconomics. Article, shared by Smriti chand.

Diuglas Curtis and Ianjrvine, 2017. Principles of macroeconomics.

Robert E.Hall. 1982, inflation: causes and effects published by university of Chicago press P1.

The countries with the highest inflation:

Venezuela is in the top list of countries with the highest levels of inflation, with rate estimated at almost 300.000% in (April 2019). Zimbabwe – 176,66% (March2019), South Sudan 56.10%-(March2019),Argentina – 55.80% (June 2019),Iran 50.40%(June2019), Sudan 47.80(June 2019), Liberia 23.30 %(April 2019), Haiti 18.00%(May 2019), Sierraleone), and Angola 16.94% (June2019).

South Sudan Inflation:

South Sudan Inflation: after independence of the country in July 9, 2011. The period from 2011- 2013. The economic situation of the country was stable. The inflation rates from 2013 – 2020: Inflation rates in 2013- -0.06%, 2014 – 1.67%, 2015- 52.77%, 2016- 380.00%, 2017- 187.85%, 2018- 83.50%, 2019- 87.24%, 2020 29.68%. From 2015 to 2019. The inflation was very high, in 2020. It has decease. In the long-term, the South Sudan inflation rate is projected to trend around 27.00 percent in 2022 and 24.00 percent in 2023, according to econometric models. Inflation Rate in south Sudan increased to 18.96 percent in March from 18.30 percent in February. Source: National Bureau of statistics, South Sudan. In south Sudan, the inflation rate measures a broad rise or fall in prices that consumers pay for a standard basket of goods.

Douglas Curtis and Ianjrvine 2017. Principles of macroeconomics. Robert E.Hall1982, Inflation: Causes and Effects. Published by University of Chicago Press P1.

https://www.weforum.org/agenda/2019/8/inflation.

https;// wwwdocuments world data.info/Africa/ southsudan/inflation.

https;// www.world data.info/Africa/ southsudan/inflation. .

.https://www.tradingeconomics.com.https://statista.com/statstic.

Gross Domestic Product (GDP): Measures the monetary domestic**.** Or is the total monetary or market of all the finished goods and produced within a country's borders in a specific time period.

Gross Domestic Product (GDP) of South Sudan 2021: in 2020, GDP for South Sudan was 4.07 US dollars. Though South Sudan GDP fluctuated substantially in recent years, it tended to increase through 2011- 2020 period ending at 4.07 billion US dollars in2020.

GDP in South Sudan expected to reach to 2.00 USD Billion by end of 2021. According to trading economics global macroeconomic models the South Sudan GDP is projected to trend around 2.00 USD Billion in 2022 and 3.28 USD Billon in 2023, according to our their econometrics models.

GDP Per Capita (current US$)- South Sudan: the Gross Domestic Product per capita in South Sudan was last recorded at 730.93 US dollars in 2015. The GDP Per capita in south Sudan is equivalent to 6 percent of the world average. Source: Nation Bureau of Statistics- South Sudan.

The inflation in South Sudan was causes by the following: War and conflict, mismanagement of resources, depending on oil production, Corruption in the Country, high level of unemployment. Increase in prices of fuel, goods and services. The South Sudan inflation is affecting individuals and firms in the country. Or rising prices impact people's welfare through reduced purchasing power and tend to causes increased food security and poverty.

https:www.ivestopedia.org Sep 8.2021

https://www.knoema.com.atias.GDP.

https://www.tradingeconomics.com. https:www. data.worldbank.org.

1.2-Statement of the problem:

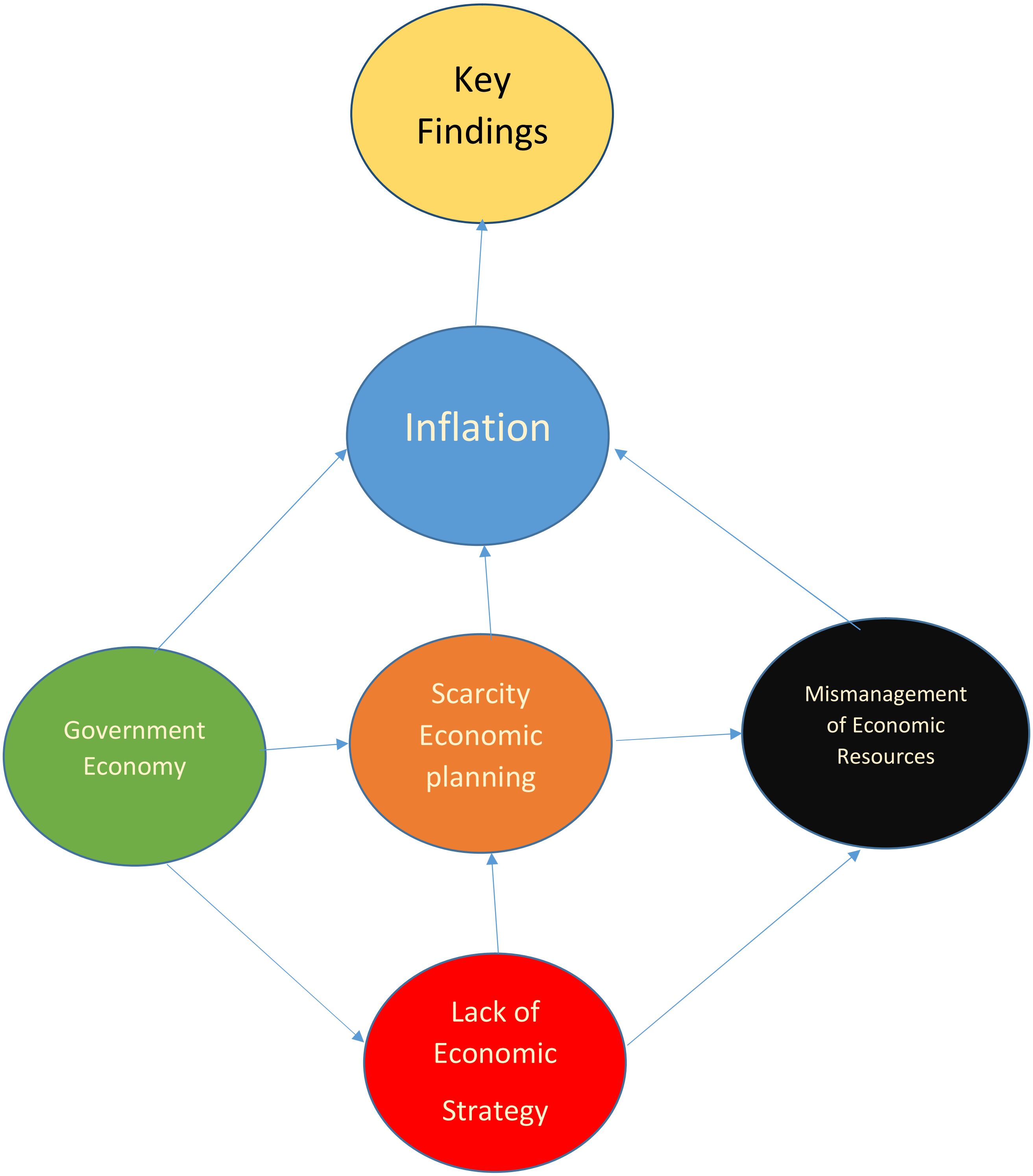
The impact of inflation on South Sudan economy especially its resulting on Bank activities ,the services Provided will rise and its will a effects commercial banks operations. The case for study is Ivory Bank of South Sudan.

1.3-Objectives of the study:

1. To examine the impact of inflation on South Sudan Economy.
2. To examine the impact of money supply on inflation in South Sudan.

3. To analyze the GDP growth rate on inflation in South Sudan.

1.4-Conceptual Framework



1.5-Significant of the study:

The study will help a bank and the policy makers. This research will be used by the bank and other stakeholders to find out the problems facing the market system in South Sudan and how they can find suitable solutions to the problem. The study is intended to be a reference to motivate other researchers in the future to conduct more research on the inflation on South Sudan economy, with purpose of coming up with concrete solutions to problems.

CHAPTER FOUR

Result presentation and Discussions

4.0. Introduction

In this chapter the results obtained will displayed in Tabular and chart forms the results will be discussed. This chapter will presents the demographic characteristic of the respondents; gender, age, marital status, work experience, educational level. The chapter will also presents the opinion of respondent on inflation and spending of more money , continuous rise in prices of goods and services can cause the inflation, high inflation often leads to longer growth and less stability. The chapter will also the solution to the inflation in the country.

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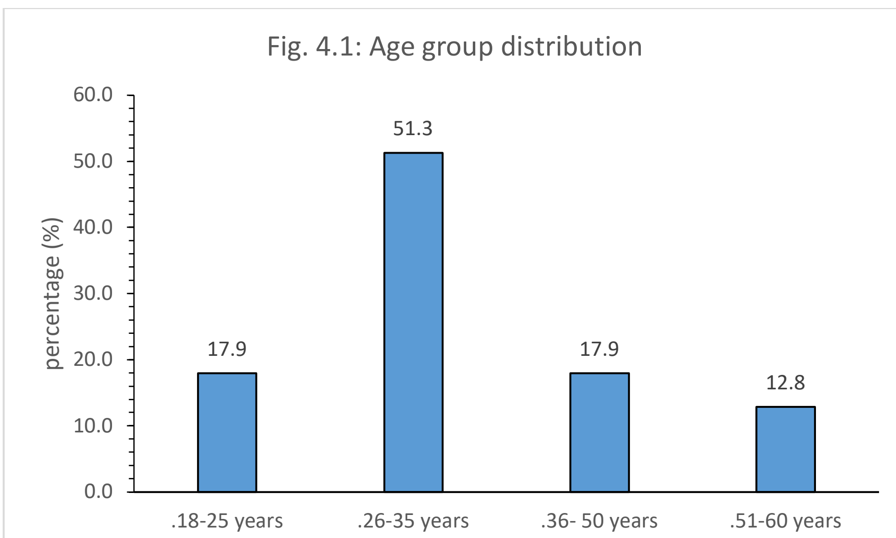
Table 4.1: Age group distribution

Age group	Frequency	Percent
18-25 years	7	17.9
26-35 years	20	51.3
36- 50 years	7	17.9
51-60 years	5	12.8
Total	39	100.0



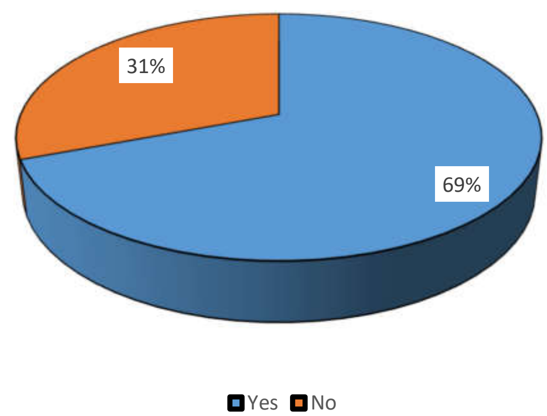
4.1. Age Group

As can be noted from the Table 4.1 above, the majority of respondents (51.3%) were in age range of 26-35 years. This was followed by217.9% represent those in the age range of 18 -25 years, also another 17.9% were in age range of 36-50 years. Those in age range of 51-60 years were 12.8%. This result implies respondents were in their youth hood age, it means they are still economic productive.

Table 4.2: Gender Distribution of the respondents

Gender	Frequency	Percent
Male	32	82.1
Female	7	17.9
Total	39	100.0

Fig.4.2: Gender Distribution of the respondents



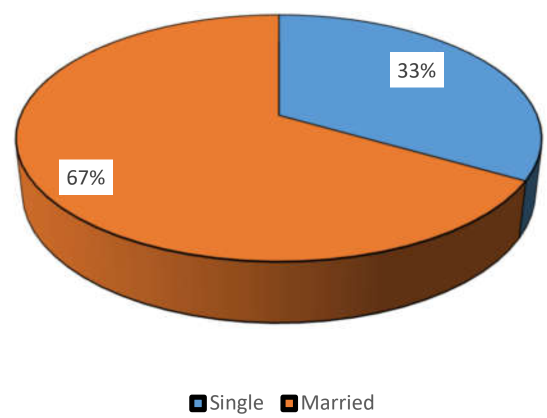
4.2. Gender

As can be noted rom the Table 4.2, the majority of the respondents were Male (82.1%) and the Female accounted for 17.9% only. This results implies there disparity in gender as regard the employment in Ivory Bank.

Table 4.3: Marital status distribution of the respondents

Gender	Frequency	Percent
Single	13	33.3
Married	26	66.7
Total	39	100.0

Fig. 4.3:Marital status distribution of the respondents

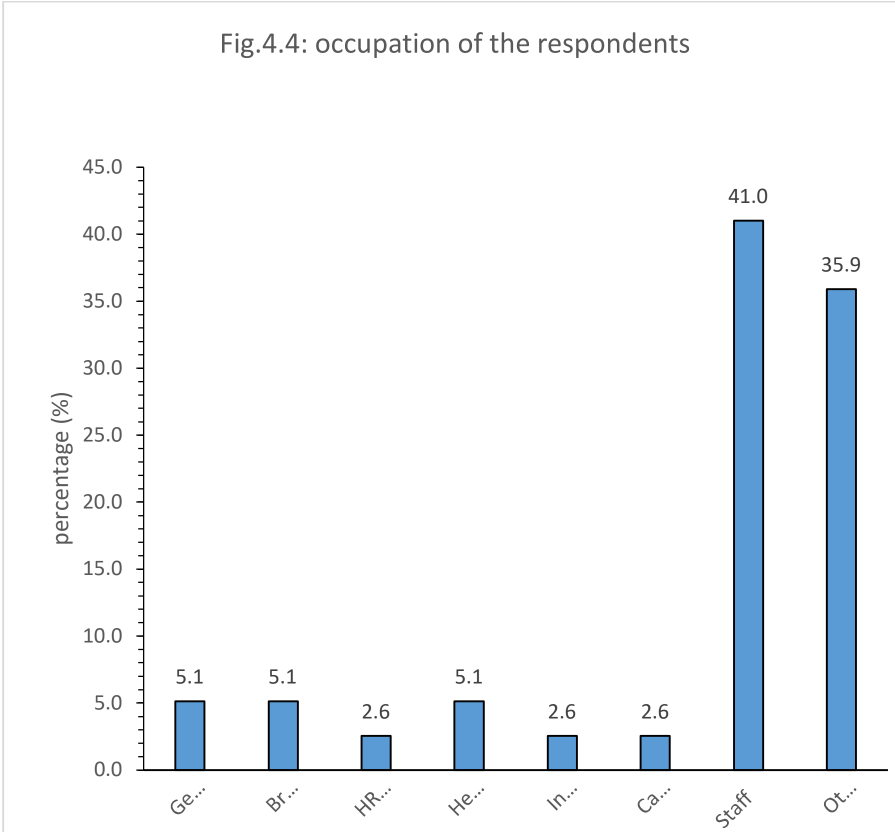


4.3. Marital status

As can be noted rom the Table 4.3, the majority of the respondents were married (66.7%) and the single accounted for 33.3%. This results implies large number of respondents were married could be because they monthly income that can sustain situation perfectly.

Table 4.4; Occupations

Occupation	Frequency	Percent
General manager	2	5.1
Branch manager	2	5.1
HRM	1	2.6
Head of Dept	2	5.1
Investment department	1	2.6
Cashier	1	2.6
Staff	16	41.0
Other	14	35.9
Total	39	100.0

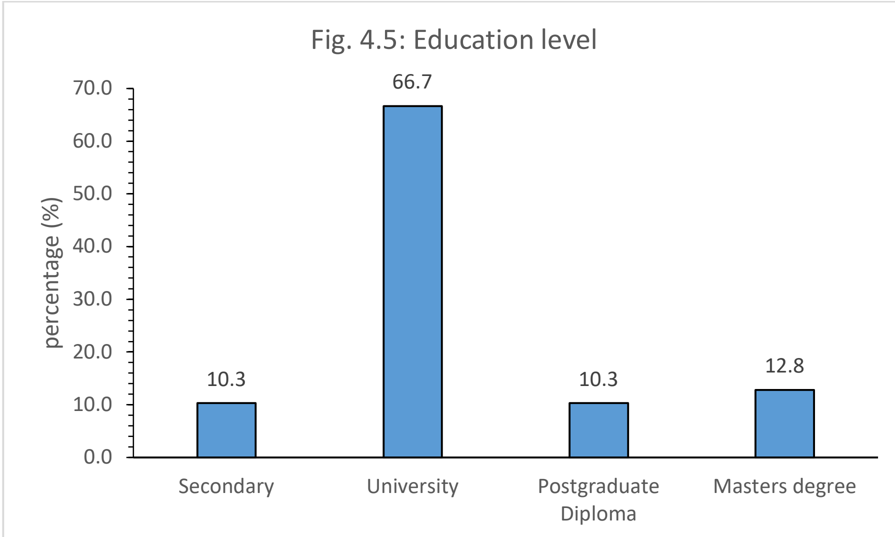


4.4. Occupation

As can be noted from Table 4.4 above, the majority of the respondents (41%) were members of staff of the bank, this was followed by 35% who were from other employees of the bank. The general manager were 5.1%, Branch managers, 5.1%, Human Resource mangers 2.6%, Head of departments 5.1%, Cashiers were 2.6%, Investment department were 2.6.%. This eresult implies that the sample size was comprehensive and it has included all the stakeholders.

Table 4.5: Education level

Education Level	Frequency	Percent
Secondary	4	10.3
University	26	66.7
Postgraduate Diploma	4	10.3
Master's degree	5	12.8
Total	39	100.0

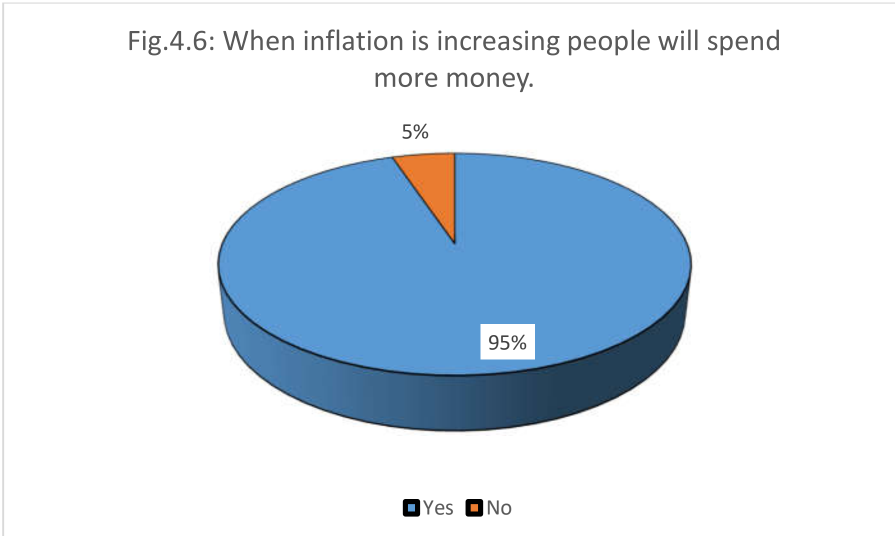


4.5. Educational Level

As can be noted from the Table 4.4 above, the majority of the respondents were Degree holders or university graduate(66.7%) and the Diploma holders accounted for 10.3% , those of masters Holders were 12.8% and lastly those who are Secondary certificate Holders were 10.3%. This result implies that the respondents were highly educated, therefore, their response are highly credible.

Table.4.6: When inflation is increasing people will spend more money.

Response	Frequency	Percent
Yes	37	94.9
No	2	5.1
Total	37	100.0

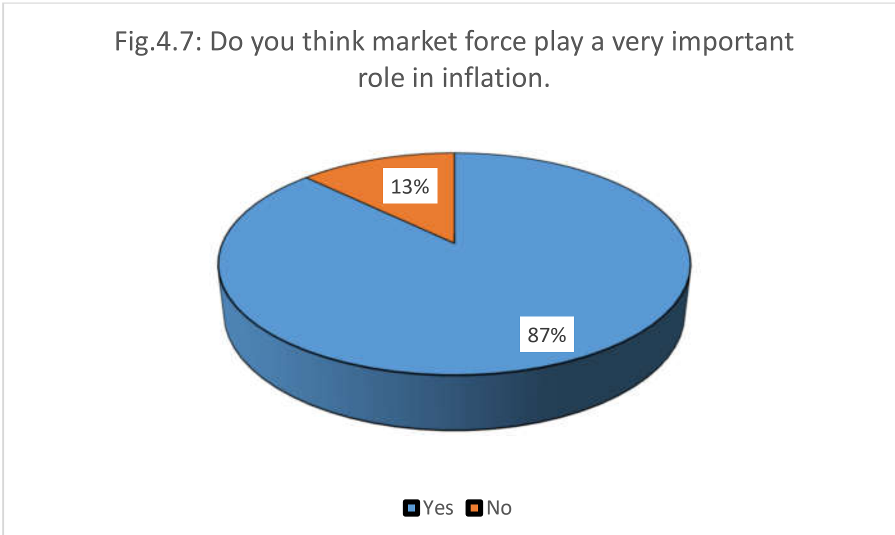


4.6. Inflation and Money spending

As can be noted from Table 4.6 above, overwhelming majority (95%) of the responded said yes, when inflation is increasing people will spend more money. On the other hand, 5% only, said No, when inflation is increasing people will spend more money. The result implies that Inflation is link to availability of liquid money hand of the people but this money is value less that is why will pay large money to buy little goods and services.

Table 4.7: Do you think market force play a very important role in inflation.

Response	Frequency	Percent
Yes	34	87.2
No	5	12.8
Total	37	100.0

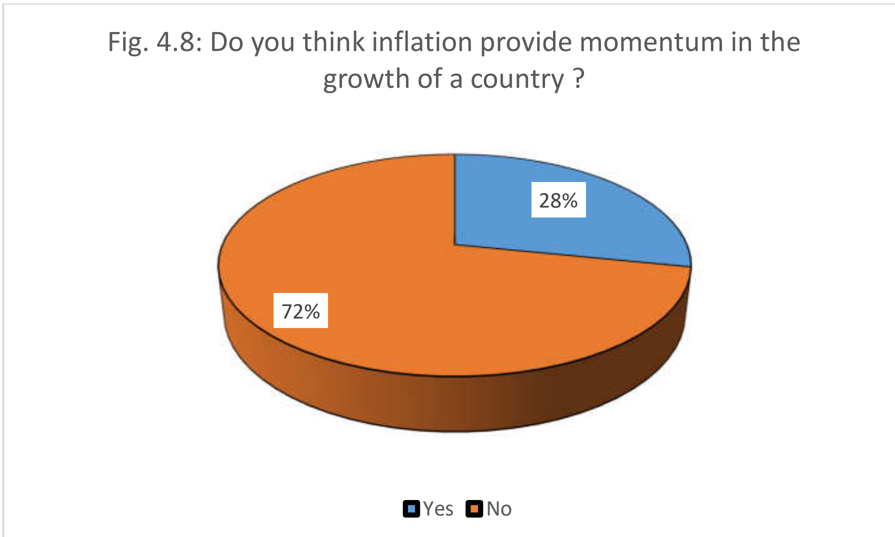


4.6. Inflation and Market forces

As can be noted from Table 4.7 above, overwhelming majority (87%) of the responded said yes, they think that market force play a very important role in inflation. On the other hand, 13% only, said No, they think that market force do not play a very important role in inflation..The result implies that market forces such as demand and supply and the purchasing power has a great impact on Inflation, could be due to market force cause prices to rise, inflation I actually a market forces that you cannot control.

Table 4.8: Do you think inflation provide momentum in the growth of a country?

Response	Frequency	Percent
Yes	11	28.2
No	28	71.8
Total	37	100.0

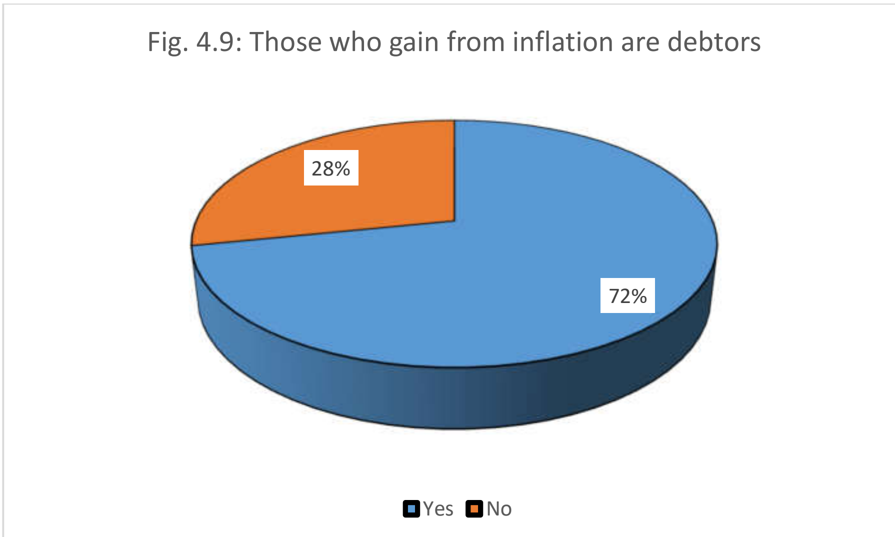


4.8. Inflation and economic growth of the country.

As can be noted from Table 4.8 above, majority (72%) of the responded said No, they do not think that inflation provide momentum in the growth of a country. On the other hand, 28% only, said Yes, they think that inflation provide momentum in the growth of a country. The result implies that inflation will never help in economic development, could be due to inflation weaken devaluate the country currency and make exchange rate very poor, no higher income.

Table 4.9: Those who gain from inflation are debtors

Response	Frequency	Percent
Yes	28	71.8
No	11	28.2
Table	39	71.8



4.9. Inflation and Debtors
As can be noted from Table 4.9 above, majority (72%) of the responded said yes, they think that those who gain from inflation are debtors. On the other hand, 28% only, said No, they do not think that those who gain from inflation are debtors. The result implies that inflation will be for benefit of the debtors, could be because the will get high interest when their debts are refunded. They repay creditor dollars that are worth less in terms of purchasing power

Table 4.10: Continuous rise in prices of goods and services can cause the inflation.

Response	Frequency	Percent
Yes	37	94.9
No	2	5.1
Total	39	100.0

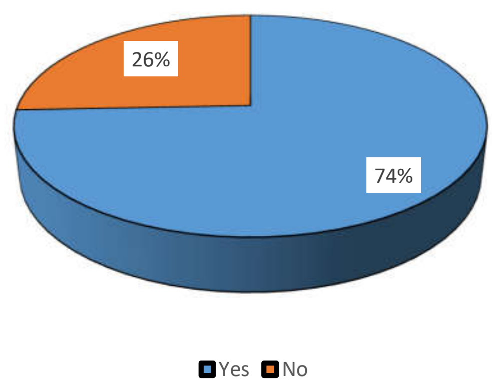
4.10. Inflation and rise on goods and services prices.

As can be noted from Table 4.10 above, overwhelming majority (95%) of the responded said Yes, they think that Continuous rise in prices of goods and services can cause the inflation.. On the other hand, 5% only, said No, they do not think that Continuous rise in prices of goods and services can cause the inflation. The result implies that inflation will happen could be due availability of large amount of money in hands of people and can buy anything at any price..

Table 4.11: Low inflation means countries exports relatively more competitive.

Response	Frequency	Percent
Yes	29	74.4
No	10	25.6
Total	39	100.0

Fig. 4.11: Low inflation means countries exports relatively more competitive

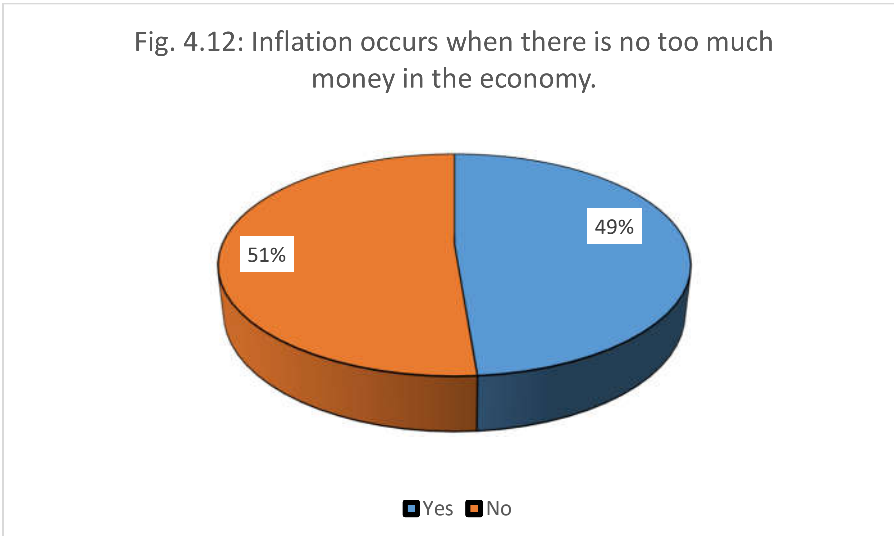


4.11: Low inflation and exports.

As can be noted from Table 4.10 above, majority (74%) of the responded said Yes, they think that low inflation means countries exports relatively more competitive. On the other hand, 26% only, said No, they do not think that low inflation means countries exports relatively more competitive. The result implies that low inflation mean the country has sufficient amount of hard currency and the local currency has strong value.

Table 4.12: Inflation occurs when there is no too much money in the economy.

Response	Frequency	Percent
Yes	19	48.7
No	20	51.3
Total	39	100.0

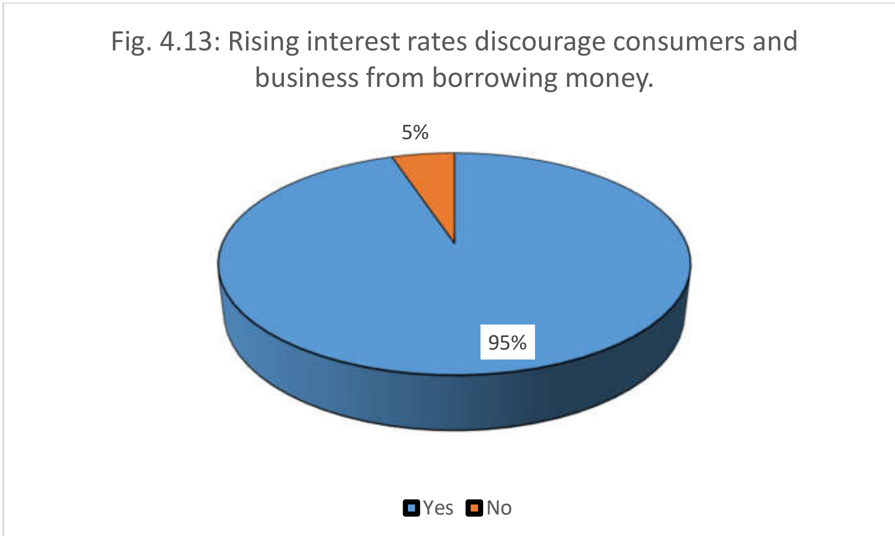


4.12: Inflation occurs when there is no too much money in the economy.

As can be noted from Table 4.12 above, majority (51%) of the responded said Yes, they think that inflation occurs when there is no too much money in the economy .On the other hand, 49% only, said No, they do not think that Inflation occurs when there is no too much money in the economy. The result implies that too much money in the country or little money in the country is not the only cause of inflation, there could be other causes such a poor economic production.

Table 4.13: Rising interest rates discourage consumers and business from borrowing money.

Response	Frequency	Percent
Yes	37	94.9
No	2	5.1
Total	39	100.0

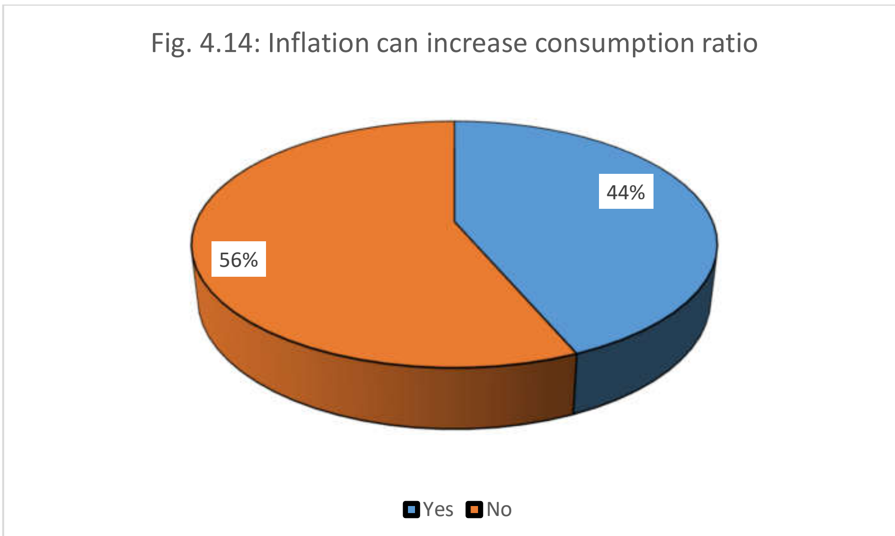


4.13: Rising interest rates discourage consumers and business from borrowing money.

As can be noted from Table 4.12 above, majority (51%) of the responded said yes, they think that rising interest rates discourage consumers and business from borrowing money. On the other hand, 5% only, said No, they do not think that Rising interest rates discourage consumers and business from borrowing money. The result implies rising interest rate means increase in taxes rate consequently, lower benefits from the business and high rate of interest hen pay back the borrowed money.

Table 4.14: Inflation can increase consumption ratio.

Response	Frequency	Percent
Yes	22	56
No	17	44
Total	39	100.0

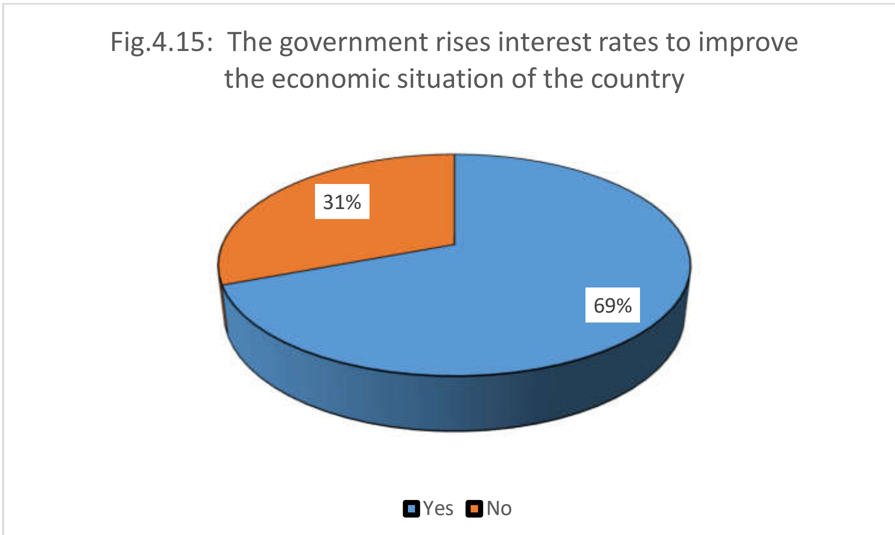


4.14: Inflation can increase consumption ratio

As can be noted from Table 4.14 above, majority (56%) of the responded said Yes, they think that Inflation can increase consumption ratio. On the other hand, 44% only, said No, they do not think that Inflation can increase consumption ratio. The result implies that inflation could increase consumption rate because there will be large amount of money in hand people but it is not the only thing that increase consumption rate.

Table 4.15: The government rises interest rates to improve the economic situation of the country.

Response	Frequency	Percent
Yes	27	69.2
No	12	30.8
Total	39	100.0

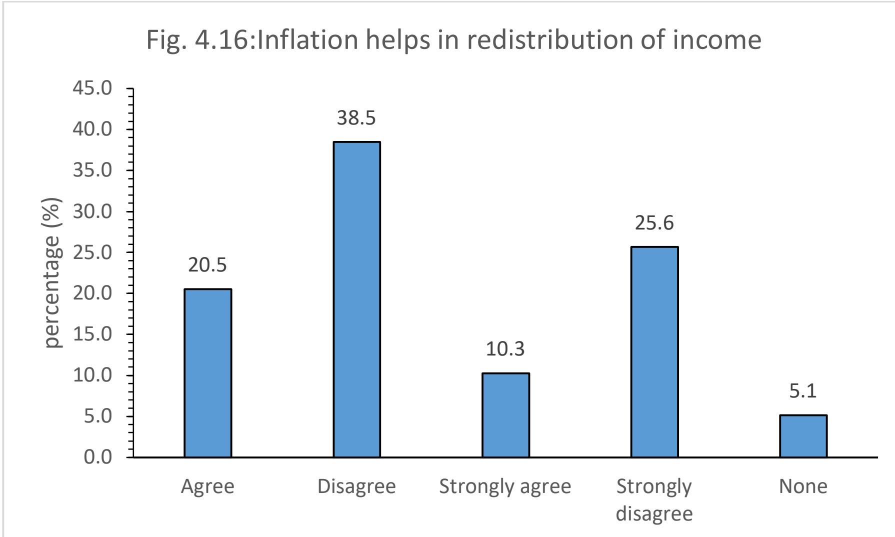


4.15: The government and rises interest rates.

As can be noted from Table 4.14 above, majority (69%) of the responded said yes, they think that The government rises interest rates to improve the economic situation of the country. On the other hand, 31% only, said No, they do not think thatthe government rises interest rates to improve the economic situation of the country. The result implies that increase of interest rates it is of double standard or has to side effects, it can be of benefit to the government and in the other hand it can cause inflation. Inflation could increase consumption rate because there will be large amount of money in hand people but it is not the only thing that increase consumption rate.

Table 4.16: Inflation helps in redistribution of income.

Response	**Frequency**	**Percent**
Agree	8	20.5
Disagree	15	38.5
Strongly agree	4	10.3
Strongly disagree	10	25.6
None	2	5.1
Total	39	100.0

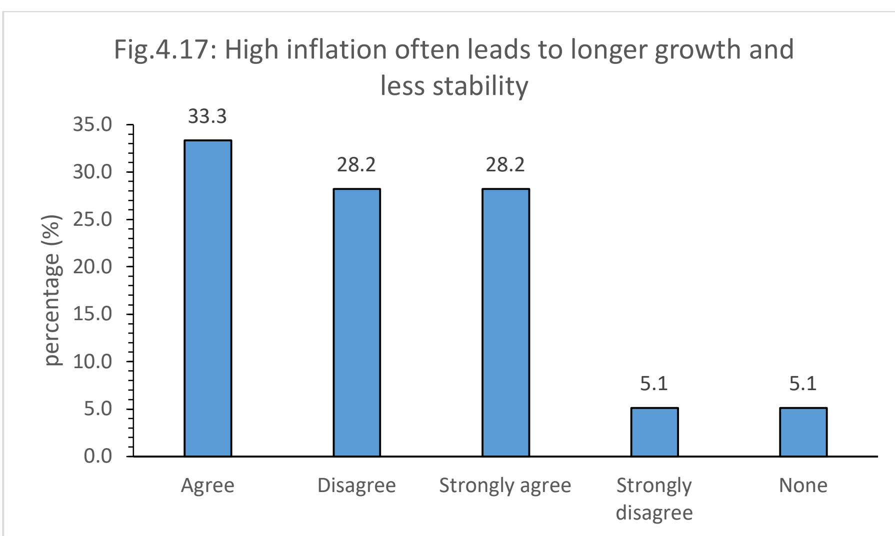


4.16: Inflation and redistribution of income

As can be seen from Table 4.16 above, the respondents who are strongly agreed that the Inflation helps in redistribution of income, were 10.3% followed by those who agreed that Inflation helps in redistribution of income, were 20.5%. This result shows that at least 30% agreed that Inflation helps in redistribution of income. On the other hand 25.6% stronglydisagreed and those disagreed that Inflation helps in redistribution of income, were 38.5%. This result implies that income redistribution is not done by inflation conflict absolutely there other factors help in income redistribution, might be unexpected inflation can help in income redistribution

Table 4.17: High inflation often leads to longer growth and less stability

Response	Frequency	Percent
Agree	8	20.5
Disagree	15	38.5
Strongly agree	4	10.3
Strongly disagree	10	25.6
None	2	5.1
Total	39	100.0

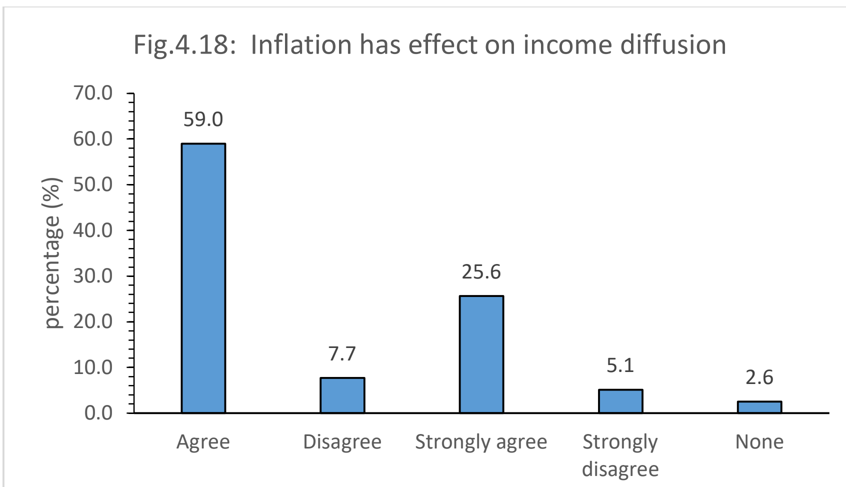


4.17: High inflation effects on longer growth and less stability

As can be seen from Table 4.17 above, the respondents who are strongly agreed that the High inflation often leads to longer growth and less stability, were 28.2% followed by those who agreed that High inflation often leads to longer growth and less stability, were 33.3%. This result shows that at least 61% agreed that High inflation often leads to longer growth and less stability. On the other hand 5.1% strongly disagreed and those disagreed that High inflation often leads to longer growth and less stability, were28.2%. This result implies that High inflation Increases Growth and inflation discourages saving, since the purchasing power of deposits erodes over.

Table 4.18: Inflation has effect on income diffusion

Response	Frequency	Percent
Agree	23	59.0
Disagree	3	7.7
Strongly agree	10	25.6
Strongly disagree	2	5.1
None	1	2.6
Total	39	100.0



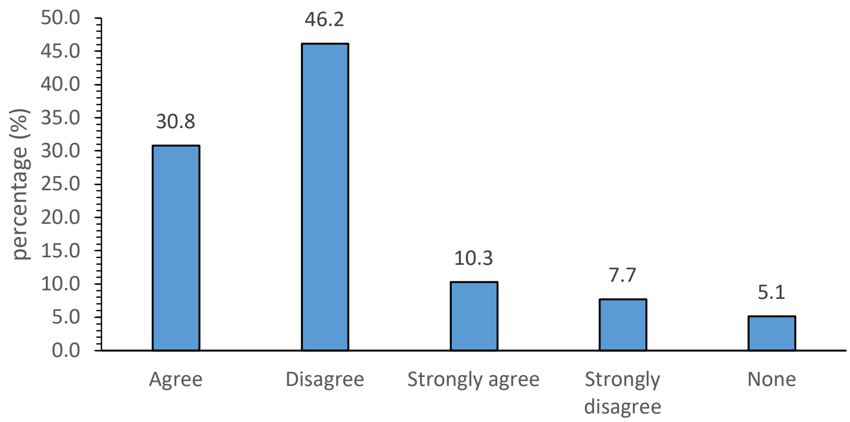
4.18: Inflation and effect on income diffusion

As can be seen from Table 4.18 above, the respondents who are strongly agreed that the Inflation has effect on income diffusion, were 25.6% followed by those who agreed that Inflation has effect on income diffusion, were 59%. This result shows that at least 79% agreed that Inflation has effect on income diffusion. On the other hand 5.1% strongly disagreed and those disagreed that Inflation has effect on income diffusion, were 7.7%. This result shows that only about 12% at least disagreed that Inflation has effect on income diffusion. This result implies that income diffusion is strongly link to inflation. This result shows that that least 79% agreed that Inflation has effect on income diffusion. On conclusionit is very clear that inflation has strong link with income diffusion.

Table 4.19: Infrastructure reduces the purchasing power of money

Response	Frequency	Percent
Agree	12	30.8
Disagree	18	46.2
Strongly agree	4	10.3
Strongly disagree	3	7.7
None	2	5.1
Total	39	100.0

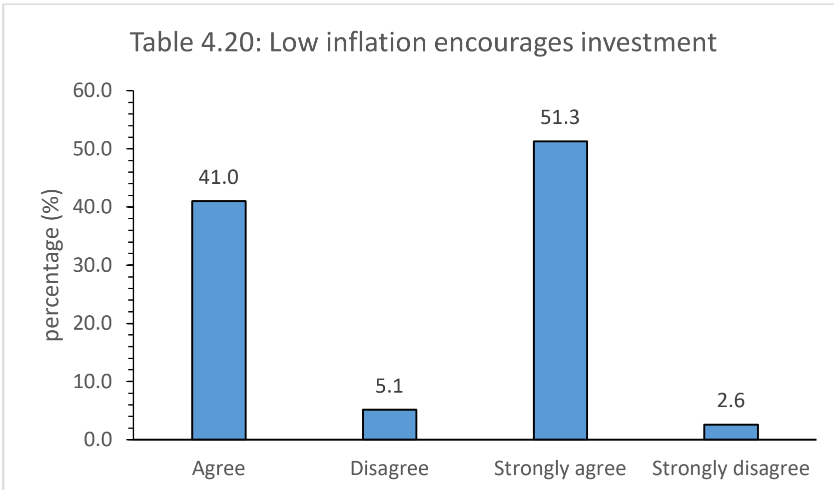
Fig. 4.19: Infrastructure reduces the purchasing power of money



As can be seen from Table 4.19 above, the respondents who are strongly agreed that Infrastructure reduces the purchasing power of money, were 10.3% followed by those who agreed Infrastructure reduces the purchasing power of money, were 30.8%. This result shows that at least 40% agreed that Infrastructure reduces the purchasing power of money. On the other hand 7.7% strongly disagreed and those disagreed that Infrastructure reduces the purchasing power of money, were 46.2%. This result shows that only about 61% at least disagreed Infrastructure reduces the purchasing power of money. Infrastructure reduces the purchasing power of money Consumers lose purchasing power when prices increase and gain purchasing power when prices decrease. Causes of purchasing power loss include government regulations, inflation, and natural and manmade disasters

Table **4.20: Low inflation encourages investment**

Response	Frequency	Percent
Agree	16	41.0
Disagree	2	5.1
Strongly agree	20	51.3
Strongly disagree	1	2.6
Total	39	100.0

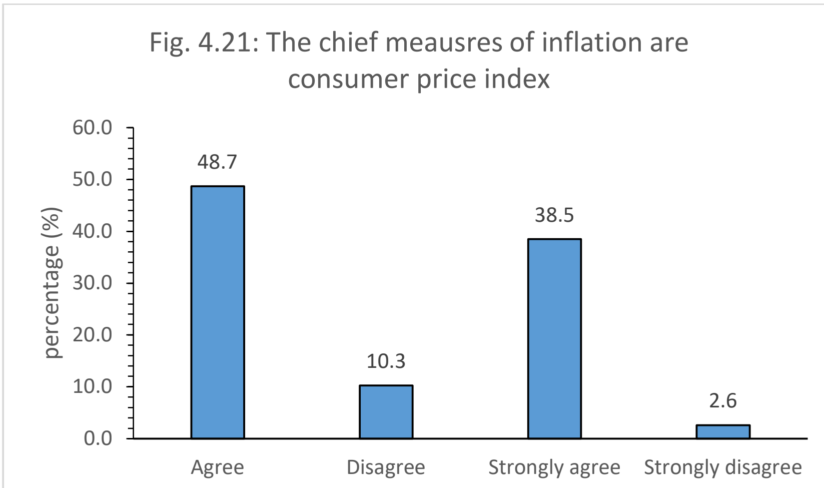


4.20: Low inflation encourages investment

As can be seen from Table 4.20 above, the respondents who are strongly agreed that the Low inflation encourages investment, were 51.3% followed by those who agreed that Low inflation encourages investment, were 41%. This result shows that at least 92% agreed that Low inflation encourages investment. On the other hand 2.6% strongly disagreed and those disagreed that Low inflation encourages investment, were 5.1%. This result shows that only about 7% at least disagreed Low inflation encourages investment. This result implies thatthe respondents are contrary to realities because investments do tend to suffer most in a low inflation environment. Interest rates are down due to low inflation, meaning cash savings are earning pitiful returns. Certain stocks may be delivering impressive returns but they could carry far more risk than you should be considering.

Table 4.21: The chief measures of inflation are consumer price index

Response	Frequency	Percent
Agree	19	48.7
Disagree	4	10.3
Strongly agree	15	38.5
Strongly disagree	1	2.6
Total	39	100.0

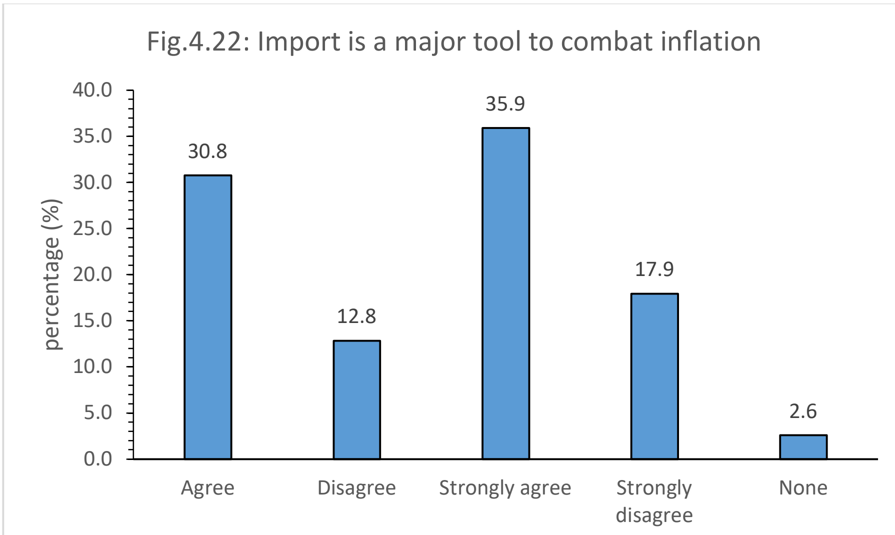


4.21: The measurements of inflation

As can be seen from Table 4.21 above, the respondents who are strongly agreed that the chief measures of inflation are consumer price index, were 51.3% followed by those who agreed that the chief measures of inflation are consumer price index, were 41%. This result shows that at least 92% agreed that the chief measures of inflation are consumer price index. On the other hand 2.6% strongly disagreed and those disagreed that the chief measures of inflation are consumer price index, were 5.1%. This result shows that only about 7% at least disagreed that the chief measures of inflation are consumer price index. This result implies that the most commonly used measure of inflation is based on something called the consumer price index. Simply put, the index is the average price of a basket of goods and services that households typically purchase.

Table 4.22: Import is a major tool to combat inflation

Response	Frequency	Percent
Agree	12	30.8
Disagree	5	12.8
Strongly agree	14	35.9
Strongly disagree	7	17.9
None	1	2.6
Total	39	100.0

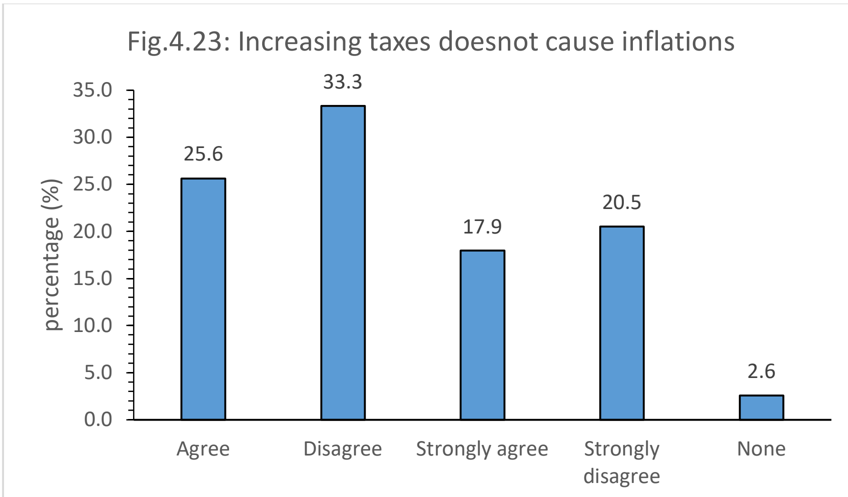


4.22: Import and combating inflation

As can be seen from Table 4.22 above, the respondents who are strongly agreed Import is a major tool to combat inflation, were 35.9% followed by those who agreed that Import is a major tool to combat inflation, were 30.8%. This result shows that at least 65% agreed that Import is a major tool to combat inflation. On the other hand 17.9% strongly disagreed and those disagreed that Import is a major tool to combat inflation, were 12.8%. This result shows that about 30% at least disagreed that Import is a major tool to combat inflation. This result implies import can combat inflation by; lower price of imported goods and reduce export.

Table 4.23: Increasing taxes does not cause inflations

Response	Frequency	Percent
Agree	10	25.6
Disagree	13	33.3
Strongly agree	7	17.9
Strongly disagree	8	20.5
None	1	2.6
Total	39	100.0

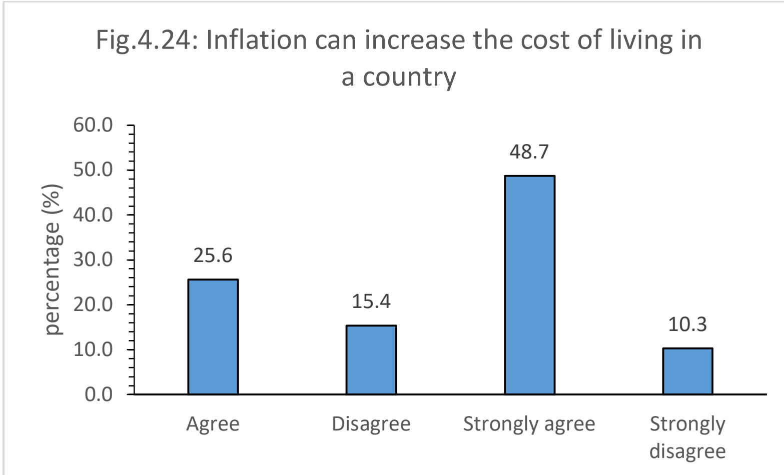


4.23: Increasing taxes does not cause inflations

As can be seen from Table 4.23 above, the respondents who are strongly agreed increasing taxes does not cause inflations, were 17.9% followed by those who agreed that increasing taxes does not cause inflations, were 25.6%. This result shows that at least 42% agreed that increasing taxes does not cause inflations. On the other hand 20.5% strongly disagreed and those disagreed that increasing taxes does not cause inflations, were 33.3%. This result shows that about 53% at least disagreed that increasing taxes does not cause inflations. This result implies that increase of taxes increase inflation, this could be due to its effect on household income implies.

Table 4.24: Inflation can increase the cost of living in a country

Response	Frequency	Percent
Agree	10	25.6
Disagree	6	15.4
Strongly agree	19	48.7
Strongly disagree	4	10.3
Total	39	100.0

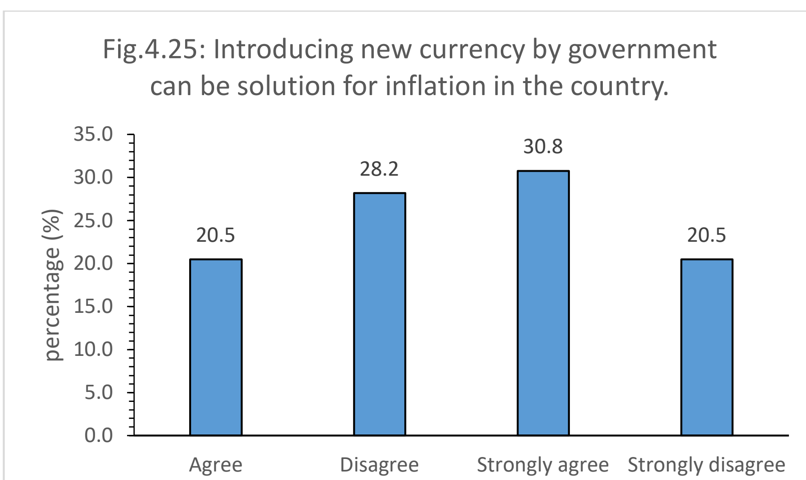


4.24: Inflations and cost of living

As can be seen from Table 4.24 above, the respondents who are strongly agreed Inflation can increase the cost of living in a country, were 48.7% followed by those who agreed Inflation can increase the cost of living in a country, were 25.6%. This result shows that at least 72% agreed that Inflation can increase the cost of living in a country. On the other hand 10.3% strongly disagreed and those disagreed that Inflation can increase the cost of living in a country, were 15.4%. This result shows that about 25% at least disagreed that Inflation can increase the cost of living in a country. This result implies inflation increases cost of living because price increase, the fixed income ill come poor to meet the cot at the market, reducing purchasing power and pending more.

Table 4.25: Introducing new currency by government can be solution for inflation in the country

Response	Frequency	Percent
Agree	8	20.5
Disagree	11	28.2
Strongly agree	12	30.8
Strongly disagree	8	20.5
Total	39	100.0



4.24: Introducing new currency by government can be solution for inflation in the country.

As can be seen from Table 4.24 above, the respondents who are strongly agreed that Introducing new currency by government can be solution for inflation in the country., were 30.8% followed by those who agreed that Introducing new currency by government can be solution for inflation in the country, were 20.5%. This result shows that at least 50% agreed that Introducing new currency by government can be solution for inflation in the country. On the other hand 20.5% strongly disagreed and those disagreed that Introducing new currency by government can be solution for inflation in the country, were 28.2%. This result shows that about 48% at least disagreed that Introducing new currency by government can be solution for inflation in the country. This result implies inflation can be reduced inflation by introducing new currency, this could be due import become cheaper, imports become more attractive, and local productivity increase.

CHPTER FIVE

Conclusion and recommendations

5.0. Introduction

In This Chapter, conclusion and recommendations will be included. The conclusion will be drawn based on the objectives of the research and recommendations will be listed based on the findings of the research.

4.1. Conclusion

Based on the objectives of the research the following were drawn as conclusions;-

- The study found out that Inflation has a multiple of factors for causing it; such as depending on oil revenue and neglecting non- oil revenue, entire depending on imports of good and services, corruption and mismanagement economics of resources, No economic production or poor exports, High taxes rate, huge amount of liquid money in circulation, Poor fiscal policy, Insecurity and war which causing political instability in the country and devaluation of country currency.
- The study revealed that Inflation increases cost of living because price increase, the fixed income will come poor to meet the cost at the market, reducing purchasing power and pending more. Inflation discourages saving, since the purchasing power of deposits erodes over.
- The study found out that income redistribution is not done by inflation conflict absolutely, there other factors help in income redistribution, might be unexpected inflation can help in income redistribution.
- The study also revealed that the most commonly used measure of inflation is based on something called the consumer price index. The index is the average price of a basket of goods and services that households typically purchase.
- **5.2. Recommendations**
  The research suggested the following as recommendations to South Sudan government or stakeholders as solutions to avoid inflation**;-**
  1. The government should change the policy of depending on imported goods and services and encourage export of local products.
  2. Bank of South Sudan should adopt strong monetary policy.
  3. Bank of south Sudan should reduce the interest rate.
  4. The government should control printing of currency or change the currency.
  5. The government should encourage domestic production such as agricultural production and small industries by giving loans and grants.
  6. The government should reduce the taxes rate and control markets.
  7. The government should reduce government expenditure.
  8. The local currency should be used in all commercial deals in the market instead of usage of foreign currency e.g. USD
  9. The government should combat corruption and implement transparency and accountability.
  10. The government should improve its fiscal policy (good financial policy).
  11. The government should implement investments rules.
  12. The government should diversify it national incomes sources (developing non-oil sources of national revenue)
  13. the government should implement real peace in the country to stop insecurity and achieve political stability.
  14. Government should control the budget to avoid the deficit in the budget.
  15. Government should establish strategy plan council under the council of ministers.

5.3 -Areas for further study:

1. The effect of inflation on unemployment.
2. The impact of inflation on interest rate.
3. The impact of inflation on economic growth.

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