**Sudan and South Sudan**

**The mother of all divorces**

**By The Economist**

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SIX months after the two Sudan’s formally split into separate countries they are still haggling over the divorce settlement. The tense negotiations, often accompanied by violent clashes along their border, are being described in both capitals as an “oil war” since the main prize is petroleum revenues. Recent South Sudanese threats to cut the north out of them completely have made a return to sustained conflict a real possibility. Sudan’s president, Omar al-Bashir, said war is nearer than peace.

When South Sudan seceded last July following decades of civil war, it took with it three-quarters of the old country’s daily production of around 480,000 barrels. But its only way of getting the oil to market is via the north, which has pipelines, refineries and export terminals.

Talks over how much South Sudan should pay in transit fees have yielded no result. In December Sudan decided to confiscate oil as payment in kind. South Sudan calls this theft. In January it announced the shutdown of all production, even though this will deprive it of 98% of its official revenue. It also signed a memorandum of understanding with Kenya to build a new pipeline to Lamu, an Indian Ocean port, though experts warn this would take years and cost billions of dollars.

The decision has proven very popular in South Sudan. “This is the day we truly became an independent nation,” says one Juba resident. But that feeling is unlikely to last. “South Sudan has set off its economic doomsday machine,” warns Alex de Waal, a Sudan expert who is advising the African Union.

During recent mediation talks the Ethiopian Prime Minister, Meles Zenawi, came close to convincing both sides to sign a temporary deal. But the South Sudanese president, Salva Kiir, in the end refused. The north reacted with outrage but in truth it had employed similar brinkmanship in the past. Both sides fight like alley cats in negotiations. They will risk annihilation to carry a point.

Two years ago when Pagan Amum, South Sudan’s lead negotiator, was pushing for a parliamentary vote in the Sudanese legislature on a referendum law that would eventually pave the way for secession, he and several other politicians goaded the government into arresting them. The resulting flurry of publicity sped up the talks. “It worked perfectly,” he said with a wink.

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