Appreciating the Contributions of Commercial Banks to the Local Economy in the Republic of South Sudan

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Abstract

The main objective of the study is to critically examine and analyze the contributions of commercial banks to local economic growth in the Republic of South Sudan. The study portrays how loans and credit affect the GDP and consequently the level of economic growth of the Country. The data for this study was collected through secondary sources. Secondary sources included a number of text books and annual reports. The data was analyzed through quantitative analysis using descriptive statistics. At the end of this study, it was revealed that commercial banks have a positive impact on the economic growth of South Sudan. It was also realized that domestic credits from commercial banks have a directly proportional relationship. The recommendations were posted on the fact that, government should encourage the saving culture of South Sudanese, increase the level of deregulation in the banking sector and also reduce the tax burden on commercial banks.

Keywords: contributions of commercial banks, economic growth, Republic of South Sudan

Introduction

Prior to 9th July 2011, when South Sudan attained independence, banking operations in the country were controlled and governed by the Bank of Sudan based in Khartoum. The Sudanese Central Bank operated branches in South Sudan in the cities of Juba, Wau and Malakal. The legal tender was the Sudanese Pound. In 2005, with the signing of the Comprehensive Peace Agreement (CPA), most of the Sudanese banks operating in South Sudan began to close operations. Also, as part of the CPA, the three branches of the Sudanese Central Bank located in South Sudan became known as the Bank of Southern Sudan, from January 2005 until July 2011. Bank of Southern Sudan was headquartered in Juba, with branches in Wau and Malakal. It was estimated that the total Sudanese currency circulating in South Sudan was valued at approximately US$700 million, as of July 2011.

Once South Sudan became independent, the Bank of Southern Sudan was rebranded to be the Central Bank of South Sudan (BoSS), the Central Bank in the country, established by the Bank of South Sudan Act of 2011. The Central Bank of South Sudan is statutorily mandated to regulate the operations of all financial institutions in the country, including commercial banks. The Central Bank fulfills this mandate by issuing prudential guidelines and regulations as provided for under the Act. In theory, the licensed commercial banks are obligated to operate in accordance with these laws and guidelines and the Bank of South Sudan became the national banking regulator. Nine days following Independence Day, the Central Bank of South Sudan released new currency notes of the South Sudanese Pound, to be exchanged at par with the Sudanese Pound for a period of approximately sixty days. In late July 2011, the period to exchange the old Sudanese currency notes was shortened to approximately six weeks, with 31

August 2011 as the last day for the activity (Equity Bank 2014). By Independence Day, the following commercial banks were operating in the country under license from the Central Bank of South Sudan: Agricultural Bank of Sudan, Buffalo Commercial Bank, Commercial Bank of Ethiopia, Equity Bank, Ivory Bank, Kenya Commercial Bank, Mountain Trade and Development Bank, and Nile Commercial Bank. Later on from 2011 up to date, the below banks added to the number of banks operating in the Republic of South Sudan: Afriland First Bank South Sudan Ltd, Bank of Khartoum, Stanbic Bank, Charter One Bank of South Sudan, Cooperative Bank of South Sudan, Eco-bank South Sudan Ltd., Eden Commercial Bank, Equity Bank South Sudan Ltd., International Commercial Bank (ICBSS), Liberty Commercial Bank, National Credit Bank, Opportunity Bank PLC, Phoenix Commercial Bank, South Sudan Commercial Bank, Sudan Microfinance Institution (SUMI), and Qatar National Bank. There were other financial institutions; these include the Investment Banks, Insurance Companies, Foreign Exchange Bureaus, Finance Companies and Leasing Companies operating in South Sudan.

In extending credit, these Commercial Banks in South Sudan play a vital role. In line with their vision to be the preferred financial solutions provider in the country with Global reaches, the banks are continuously looking for innovative ways to deliver services to the people of South Sudan. The banks have grown from one branch in December 2011 to ten in 2015. The Banks also has a cash center across the country to conveniently serve all customers. The Commercial Banks offer a range of attractive and competitive financial solutions in Micro, Advantage, Retail, Small & Medium businesses and corporate banking; that are tailored to meet the needs of their customers. Commercial Banks in the country extend their hands to help the customers travel through and realize their dream of investment. Most competitive rates have made Commercial Banks products popular among the population, especially women. Commercial Banks also offer the following facilities to their customers: Branch banking, ATM banking, Internet banking, Mobile banking, Agent banking and Diaspora banking (Equity Bank 2014). In terms of supervision, the banking system in the country is under supervision and regulation of South Sudan’s Central Bank. The bank maintains its Headquarter in Juba, the country’s capital and largest city. It is responsible for monitoring monetary policies and ensuring price stability and a stable exchange rate. Countries over the world strive to articulate well-meaning policies that would extinct them from obscurity. South Sudan as a nation is also on the queue alongside other countries that quest for economic growth. That is why the country had established various commercial banks to salvage the economy. However, in spite the establishment of the commercial banks, South Sudanese still decry of inadequate capital for investment, high level of unemployment. The reduction in the Gross Domestic Product (GDP) which was the care issues that the concept for the establishment of commercial banks was conceived to address.

Objectives of the Study

The specific objectives underlying this study were:

1. To examine the strategies used by Commercial Banks in promoting private investments in South Sudan.
2. To examine the financial services Commercial Banks extend to private investors in South Sudan.

Research Questions

The study was set to answer the following research questions:

1. What are the strategies used by Commercial Banks in promoting private investments in South Sudan?
2. What financial services are extended by Commercial Banks to private investors in South Sudan?
3. What are the challenges Investors face in accessing credit from Commercial Banks?

Methodology

A cross sectional research design was used, combined with qualitative and quantitative approach because it required an in depth, intensive approach that sought a subjective understanding of economic reality based on statistical descriptions or generalizable predictions. A survey method of data collection through questionnaire and face-to-face interview was used. According to Corlien Varkevisser and Ann Brownlee (1991), the advantage of this method is that it is less expensive and may result in a more honest response. Literature was reviewed from scientific books, journal articles, and through commercial banks documents. The researcher reviewed literature for three reasons; in order to justify the necessity of his proposed study (the contribution of Commercial Banks in promoting private investment) which was justified, it was also adopted to gain an insight on the findings from various literature sources on similar studies which had taken place in the region and in other countries and to contribute to the existing body of knowledge.

According to Mannheim and Rich (1995) population is the set of cases about which one wishes to draw conclusions. The target population for consideration in this study was drawn from Ivory Bank. Therefore a total population of 80 respondents, disaggregated into 20 senior managers, 40 employees and 20 customers from Ivory Bank constituted the total population for the purposes of this study. According to Briggs and Coleman (2004), almost always, one of the first questions a student researcher embarking on a survey is “how big should my sample be”. For these authors, there is no single, straight forward answer to this question but guidance can be given at general levels. According to Bailey (1978) a sample is sub set or portion of the total population under study. The population researched upon was 80 respondents; hence scientific sampling was implied to each member of the population since the number of population was attainable for sampling. The researcher decided to use the unstructured random sampling technique since the population was well in the reach of statistical evaluation.

The study involved a total of 80 respondents comprising of investors and commercial Banks businesses promotion senior managers and employees. The senior managers and employees were selected using purposive sampling and by definition are a non-representative subset of some larger population, and are constructed to serve a very specific need or purpose. These are information rich cases that facilitated in depth interviews. Qualitative data was edited and analyzed using themes derived from the objectives of the study which were the strategies used by commercial banks in promoting private investments in South Sudan; the financial services of commercial banks extended to private investors in the Country, and the challenges investors face in accessing credit from commercial banks. Quantitative data collected from the primary survey were compiled, sorted, edited, cleaned, tabulated and weighted and analyzed using Statistical Package for Social Scientists (SPSS) computer aided program.

Related Literature

This section is critically presenting the review of the existing literature related to banking, commercial banks and their role on promoting economic growth through investments. Commercial Bank refers to a legal entity engaging in the business and receiving of money deposits or other repayable funds from the public and making credits for its own account, and licensed to do business for commercial purposes (Bank of South Sudan Act 2011). However, in the view of Royne (1996), commercial bank is a financial institution that deals with the range of financial transactions and activities with the main objective of making profit**.** A bank is a financial institution where people deposit money and valuable assets, get loans for commercial purposes and transact other financial related issues (Atieno 2001). With regards to term 'investment', Todara and Smith (2006) defined investment as a steady process by which the productive capacity of the economy is increased over time to bring about rising levels of national output and income. There are both theoretical and empirical evidence suggesting that the development of Commercial Banks is the engine for accelerating investment (Munya 2010). Schumpeter (1934) stressed the role of commercial banking as a financier and in that way as an accelerator of productive investments. Basic AK-model developed from endogenous growth theory finds three ways by which the development of commercial banking sector can affect investment level in an economy. First, it can increase the productivity of investments. Secondly, more efficient commercial banks reduce transaction costs and thus widen the share of savings channeled to productive investments. Thirdly, the commercial banks development can affect savings rate either upwards or downwards (Pagano 1993). Greenwood and Jovanovich (1990), Levine (1991), Bencivenga and Smith (1991) as well as Saint-Paul (1992) have constructed theoretical models in which an efficient financial markets improve the quality of investments. In the model of Greenwood and Jovanovich model (1990), financial intermediaries' prime task is to channel funds to the most profitable investments with the help of collected and analyzed information. High rate of return to be earned on capital promotes growth and economic growth in turn provides the means to implement costly financial structures.

In the model Levine (1991), the stock markets improve firm efficiency because they eliminate the premature liquidation of firm capital. In the case of liquidity shocks, the investor can sell the shares to another agent. The stock markets influence growth also by increasing the fraction of resources allocated to firms by allowing agents to diversify productivity risk and thus encouraging risk-averse investors to invest more in firms. Two of these three ways accelerate the investment level. In the model constructed by Bencivenga and Smith (1991), the financial sector increases liquidity of investments and decreases the premature withdrawals of investors which are harmful to economic growth. If the financial market work properly, investments to the non-liquid objects which are more productive to the economy increases. The outcomes of investments are uncertain and commercial banks are needed to diversify the risks. According to Saint- Paul's (1992) model, productivity growth must be achieved through a greater division of labor and specialization of enterprises. The greater specialization however causes a greater risk. The role of financial intermediation by these commercial banks support enterprises in specialization by permitting investors to hedge by holding a diversified portfolio. Without working capital sector, specializing would be too risky for an individual investor and efficiency improving projects would be left without financing. According to the above theories, this study is in support of Basic AK-model developed from endogenous growth theory because financial development enhances and allocate efficiency, reduces liquidity risk, and facilitates risk management by offering savers and investors' investment alternatives for portfolio diversification. It also makes possible maturity transformation, the channeling of short-term assets into more productive long-term assets, all of which enhance investment growth.

South Sudan Economic Status

The economy of South Sudan is categorized into three main sectors: Agriculture, service, and extractive industry (Oil sector). These currently make up respectively 37.4 %, 14.1% and 47.7 per % of the economy (World Bank 2008). Since the year 2008, the Petroleum and Gas (Extractive Industry) sector got expanded and became the largest contributor to GDP, accounting for an average of 98 % in 2005-2010, and the service sector accounts for 0.5 % of GDP (World Bank, 2007). The service and agriculture sectors recorded respectively 2 % of GDP in 2005 and 8 % of GDP in 2007, 37 % in 2005 and 10 % in 2007 (World Bank 2007). Since 2008, Southern Sudan has implemented a comprehensive reform program to support economic growth. These reforms resulted in substantial achievements in the economic sector. For example, in 2008, the GDP growth rate has ranged from 3-9 % per annum and many areas of the Southern Sudan business environment have improved (for example, communication and IT). The construction sector has been responsible for the continued growth in GDP over the past 10 years.

There is evidence of a significant increase in private sector investment following the introduction of a revised tax code and implementation of the doing business reforms since 2005 although there was a downturn due to the World economic crisis in 2009. Both foreign and domestic investments have increased (PSF 2008). With a government that is committed to achieving sustainable economic development coupled with growth in employment opportunities for its people, South Sudan has made impressive progress in rehabilitating and stabilizing its economy to exceed those levels when it was one country with Sudan. The overall economy is developing at a significant rate. The average annual growth rate in GDP was 8.8 % between 2005 and 2009. South Sudan's GDP per capita has increased from less than 200 USD in 2005 to 540 USD in 2012. Although still at an early stage, the GoR has set a set path towards economic development in South Sudan (World Bank 2010).

Investment Policy in South Sudan

With the on-going economic reforms, the role of the government is limited to guiding, promoting, facilitating and being a service provider for investment. The government as a promoter and facilitator of both local and foreign investments put in conducive place, legal framework for protection, promoting, facilitating and guaranteeing investments. As a provider of services, the government provides social and economic infrastructures and investments in human development in undertaking the provision of services, the government encourage and invite both public and private sector participation. The South Sudan Investment Authority (SSIA) was established as the focal point of the promotion, coordination and monitoring of local and foreign investments in South Sudan. In sense, the SSIA is the custodian, a one stop Centre and oversees the implementation of the investment policy and compliance in all institutions (RDB 2003). The authority makes available to all prospective investors the relevant governments that are needed to be completed in respect of the proposed investment in its operations. The authority observes expediency, facilitate consultations with government ministries, non-governmental organizations, business supporting agencies, business communities and other stakeholders. In order to transform the economy of South Sudan, that is, make it more diversified and industrialized, SSIA promote, facilitate and monitor investments so that there occurs orderly development and growth in the economy (RDB 2003).

The strategies used by Commercial Banks in promoting private investments in an economy

Banks promote investments, through the delivery of, responsive, affordable and market oriented financial services tailored to the specific needs of individual or group investors (USAID 2005). Soft loan approach involve provision of low interest loans with an eligibility criteria such as having reasonable equity participation, demonstrating an ability to repay the loan, providing mentors and/or guarantors with generally no collateral requirements (Chigunta 2002). Investment activity occurs in different sectors, enterprise types and business sizes. Banks focus on entrepreneurs as clients and they are sensitive to the needs of individual rather than focusing on them as customers who are offered standardized products. Banks also adopt use of modern information technology which offers more customer focused and cost saving services (Rosen 2003). Enterprise education is directed towards developing in people those skills, competencies, understandings, and attributes which equip them to be innovative, to identify, create, initiate and successfully manage personal, community, business and work opportunities, including working for themselves (Schoof 2006). The main purpose of credit advisory services is to empower the borrower to make informed decisions on the various investment options and hence sureties of nonperforming loans as funds are put into proper use (Karugu et al. 2010). Credit advisory target start-up enterprises by helping them improve their creditworthiness hence making them a desired target for lending.

The financial services Banks extends to private investors in an economy

Loans can be broadly classified into: fund-based lending and non-fund based lending. Fund based lending: This is a direct form of lending in which a loan with an actual cash outflow is given to the borrower by the Bank. In most cases, such a loan is backed by primary and/or collateral security. The loan can be to provide for financing capital goods and/or working capital requirements. Non-fund based lending: In this type of facility, the Bank makes no funds outlay. However, such arrangements may be converted to fund-based loans if the client fails to fulfill the terms of his contract with the counterparty. Such facilities are known as contingent liabilities of the bank. Facilities such as 'letters of credit' and 'guarantees' fall under the category of non-fund based loan. A substantial quantum of loans is granted by banks to small and medium enterprises (SMEs). While granting credit facilities to smaller units, banks often use a cluster-based approach, which encourages financing of small enterprises that have a homogeneous profile such as leather manufacturing units, chemical units, or even export oriented units. For assessing the credit risk of individual units, banks use the credit scoring models. Banks also facilitates the flow of credit at reasonable interest rates to the SME sector (Crowley 2008).

According to Vazakidis et al. (2009), rural and agricultural loans are extended by banks. The rural and agricultural loan portfolio of banks comprises loans to farmers, small and medium enterprises in rural areas, dealers and vendors linked to these entities and even corporate. For farmers, banks extend term loans for equipment used in farming, including tractors, pump sets, among others. Banks also extend crop loan facility to farmers. In agricultural financing, banks prefer an 'area based' approach; for example, by financing farmers in an adopted village. Banks provides Working Capital Finance Loan which is utilized for operating purposes, resulting in creation of current assets (such as inventories and receivables). Working capital finance consists mainly of cash credit facilities, short term loan and bill discounting (Birchwood et al. 1999).

Under the cash credit facility, a line of credit is provided up to a pre-established amount based on the borrower's projected level of sales inventories, receivables and cash deficits. Up to this pre-established amount, disbursements are made based on the actual level of inventories and receivables. Here the borrower is expected to buy inventory on payments and, thereafter, seek reimbursement from the Bank. In reality, this may not happen. The facility is generally given for a period of up to 12 months and is extended after a review of the credit limit. For clients facing difficulties, the review may be made after a shorter period (Birchwood et al. 1999).

According to Vong (2005), banks extend project finance loans; Project finance loan consists mainly of extending medium-term and long-term local and foreign currency loans to the manufacturing and infrastructure sectors. During the recent years, the larger banks are increasingly becoming involved in financing large projects, including infrastructure projects. Project finance extended by banks is generally fully secured and has full recourse to the borrower company. In most project finance cases, banks have a first lien on all the fixed assets and a second lien on all the current assets of the borrower company. In addition, guarantees may be taken from sponsors/ promoters of the company. Should the borrower company fail to repay on time, the lending bank can have full recourse to the sponsors/ promoters of the company. Banks are at the core of the payments system in an economy. A payment refers to the means by which financial transactions are settled. A fundamental method by which banks help in settling the financial transaction process is by issuing and paying cheques issued on behalf of customers. Further, in modern banking, the payments system also involves electronic banking, wire transfers, settlement of credit card transactions, among others. In all such transactions, banks play a critical role (Mugume 2008). According to Odedokun (1998), in addition to acting as financial intermediaries, banks today are increasingly involved with offering customers a wide variety of financial services including: banks collect cheques, drafts, bills of exchange and dividends of the shares for their customers, banks make payment for their clients and at times accept the bills of exchange of their customers for which payment is made at the fixed time, and banks pay insurance premium of their customers. Besides this, they also deposit loan installments, income-tax, and interest as per directions; banks purchase and sell securities, shares and debentures on behalf of their customers; and banks arrange to send money from one place to another for the convenience of their customers.

It is the extent that a business is allowed to overdraw its account. For example, if a firm has 30 million on its account, the bank may allow it to over a maximum of 10 million such that at any one time, the firm can be able to tap a total of 40 million from its account (Stevenson 2001). Most banks know that businesses do not always receive money from sales straight away for example if your business sells electrical equipment to an electrical retailer then you may not get paid straight away when you deliver your goods yet you need the money to pay out on labor, machinery, equipment, distribution and so on (its costs) the firm can be allowed by its bank to overdraw its account (St-Onge 2006). The bank overdraft is the commonest form of business finance. It is used to provide working capital, funding the difference between the time when your business spends money and when it is paid by customers (Munya 2010). Bank bills of exchange are drawn on acceptance, credit facilities granted by commercial banks to their customers, preferably against short term self-liquidating transactions, which realize funds to meet the bills at maturity. They offer the business person a relatively cheap and reliable source of short term credit (Gove et al. 2009). Bank bill finance issued at a discount to its face value. For example, if a discounted bill has a face value of $1,000, it may be issued to the holder at $900. When it matures, the holder receives the full $1,000. A discounted bill, especially a short-term issue, often does not pay a coupon rather, the difference between the discount and the face value takes the place of the coupon (Rama Rao 2008)

The challenges Investors face in accessing credit from Banks

Access to credit does not imply that the demand for credit will be satisfied. Lenders determine how much credit is allocated to clients based on the probability of loan default, often resulting in credit rationing. Credit rationing in this sense refers to the inability for financial institutions to grant as much loans as may be demanded by the clients based on a set of criteria (Stiglitz & Weiss 2001). Musona and Coetzee (2001) have highlighted that the repayment schedule was perceived as too rigid and therefore not adequately taking into account the realities of businesses. Hulme et al. (1999), in the same line of thought, have observed that a long period of waiting for disbursement of a loan, most of the time, pushes clients out of banks (Hulme et al. 1999). This means that the longer the loan disbursement takes the more clients exit from banks. Hulme et al. (1999) have pointed out that many clients voluntarily withdrew from banks due to the loan amount. In fact, the loan amount sanctioned is based mostly on repayment capacity of the borrower. Many things come into picture, when the bank decides how much home loan a person can get. The monthly income, financial history, other unpaid loans with the borrower, past repayment record, credit card usage history if any, bounced checks, average balance with the banks, nature of employment among others. These factors all clubbed together makes the bank to decide on the amount of loan to be sanctioned to the borrower.

Many authors in financial literature found that financial services of banks are inflexible. Guerin (2009) has shown that banks still had difficulties to adapt their offer to the diversity of clients' needs. Hulme and Mosley (1999) have pointed to similar observations and therefore have called banks to more diversification of products and segmentation of the clientele in order to better serve them. Thus, when banks products and services do not meet clients' needs, there is a high inaccessibility rate. Loan size, delays in loan disbursement, repayment schedule, costs of loan, loan eligibility criteria are the variables most cited as proof of this in adaptation. In underdeveloped countries like South Sudan, some investors of Small & Medium businesses have average basic education and access to it. This has important consequences for business's ability to become self-sustainable, develop entrepreneur behaviors, access finances from financial institutions. This may excludes them almost totally from bank financial services as they lack confidence to present bank documents and follow formalities (Shein 2008). Commercial banks and other formal institutions fail to cater for the credit needs of smallholders, however, mainly due to their lending terms and conditions. It is generally the rules and regulations of the formal financial institutions that have created the myth that the poor are not bankable, and since they cannot afford the required collateral, they are considered creditworthy (Adera 1995). Hence despite efforts to overcome the widespread lack of financial services, especially among smallholders in developing countries, and the expansion of credit in the rural areas of these countries, the majority still have only limited access to bank services to support their private initiatives.

According to Stiglitz and Weiss (2001) interest rates charged by a credit institution are seen as having a dual role of sorting potential borrowers (leading to adverse selection), and affecting the actions of borrowers (leading to the incentive effect). Interest rates thus affect the nature of the transaction and do not necessarily clear the market. Both effects are seen as a result of the imperfect information inherent in credit markets. Adverse selection occurs because lenders would like to identify the borrowers most likely to repay their loans since the banks' expected returns depend on the probability of repayment. In an attempt to identify borrowers with high probability of repayment, banks are likely to use the interest rates that an individual is willing to pay as a screening device. In a study done in South Africa, Stark and Nyirumuringa (2002) have shown that the lack of products and services information between management staff and clients lead to clients' inaccessibility to credit. Commercial Banks require the borrower to fund at least 10% to 20% (varying from bank to bank) of the entire loan amount as the down payment for the loan. This amount has to be deposited before the disbursal of the loan. In the absence of such down payment the bank will refuse loan to the borrower. For a loan of 10 dollars this could mean anything between 1 to 2 dollars. This amount must be readily available with the borrower. In a scenario where the valuation of the collateral by bank is considerably lower than the market price, the balance will also have to be paid by the borrower. This effectively increases the down payment (Ghosh et al. 2002).

Discussion of Results

This study aims at assessing the contribution of Commercial Banks to the South Sudanese Economy. Therefore, the purpose of this chapter is to present and discuss the empirical findings of the study and to presents data and analysis on the operations of the Commercial Banks and the respondents' perceptions on the contribution of the commercial Banks on the economic life of the country's population. From the purposive technique used, a total of eighty (80) respondents were targeted and eighty (80) questionnaires were issued out to three categories of respondents, Managers, Investors and Employees. They answered 67 questionnaires and 13 questionnaires were not answered, that make the total of 80 questionnaires of the whole study population. Out of the 80 questionnaires, 67 were representing a response rate of 88.1%, which the study considered adequate for analysis. The completed questionnaires were edited for completeness and consistency. In research the issue of Gender representation has been taken into consideration and presented as discussed below. On gender, the results of the finding indicate that the majority of those people who participated in this research were male respondents, represented by 88.1 % of the whole number of respondents, and followed by females who were represented by 11.9 % of the study population. This suggests that most of the respondents in banking sector were males.

In terms of age, the findings show the age range of the respondents were from age of (35 –40), represented by 53.73 %, (41 – 50) were represented by 25.37 %, followed by age range of (51 – 60) were represented by 10.44 % and lastly age range from (61 and above) represented with 10.44 % of the whole study population.

Table 1.1 this table indicates as to whether the Commercial Banks are contributing to country's economy or not?

Category	Male	Female	Total	Percentage (%)
Yes	48	6	54	80
No	11	2	13	20
Total	59	8	67	100

The table 1.1 above shows the question of whether Commercial Banks contributes to the growth of the country's economy or not, of which the majority were represented with 80% compared to those who responded negatively in their answers and the represented by 20% of the total study population.

Table 1.2 Response showing whether Commercial Banks contribution benefits individual entrepreneurs and businesses in the Republic South Sudan

Category	Male	Female	Total	Percentage (%)
Yes	56	7	63	94
No	3	1	4	6
Total	59	8	67	100

As based on their answers, the greatest number of respondents was represented by 94% which have agreed that Commercial Banks contribution benefited individual entrepreneurs and businesses, while those who did not agreed by giving negative answers were represented with 6% of the study population.

Table 1.3 showing the level of services rendered by Commercial Banks to their clients in the Republic of South Sudan

Category	Male	Female	Total	Percentage (%)
Yes	46	5	51	77
No	13	3	16	23
Total	59	8	67	100

In this section, the researcher wanted idea of the respondents as to how to value the level and rate the services rendered by Commercial Banks to their clients and other parties. The table 1.3 above shows that the majority of respondents were represented by 77%, while the rest of respondents who expressed with the answer No were represented by 23% of total population. In this section, the researcher wanted idea of the respondents as to how do Commercial Banks serve people and what are the services they offer to clients?

In summary, the study shows financial institutions how to increase rural and urban financing for investment in the economy. Financial institutions would be able to understand their impact on investment in the economy and which strategies they can deploy in order to increase investment in the country. The study assesses the contribution of Commercial Banks to the country's economic growth and their benefits to individual businesses. It was established that the Commercial banks have positive effect on activities of individual businesses and have contributed tremendously to the growth of the country's economy. According to the findings, on the average, 80% of the respondents agreed that there is effective role played by the commercial banks in promoting economic growth in the Republic of South Sudan, while 20% disagreed that the commercial banks in South Sudan contributed little on the economic growth of the country. Out of the total population who responded and returned the questions, majority agreed strongly with the assertion that Commercial Banks are the main contributors to the country's economic growth. In other words the findings indicate that the commercial banks have contributed very much on the growth of individual businesses in the Republic of South Sudan.

Conclusion and Recommendations

This section provides a summary of the major findings of the study, conclusion and recommendations. The major objective of this study was to examine the contribution of Commercial Banks operating in South Sudan in promoting private investments in boosting the economic growth. From the research work carried out, the following conclusions were arrived at: the majority of the total respondents agreed that the Commercial Banks contribute to the development and growth of the country's economy and businesses. Finally the challenges facing the commercial banks is under performance and poor customer care services, which if improved may contribute greatly to the booming of the economy in South Sudan and cash management. For the role of the commercial banks to be more effective, the Central Bank and the Boards of Directors should come up with clear prudent policies of more services to be delivered by the commercial banks and establish a robust customer care services to attract more investors and businesses. The commercial banks should have to introduce the interest policy to be paid to the clients instead of taking too many commissions. With regards to taxation, the government of the Republic of South Sudan should review its tax policies towards the banks and provide good environment for the banks to invest in and avoid breaking into and burning of financial institutions by setting up a robust security system to protect the banks and the clients. This study has identified the need to assess the impact of the Commercial Banks in promoting the economic growth of the country's economy through banking in the Republic of South Sudan in order to better understand how these financial institutions contribute to economy and businesses, in the future further researches have to be conducted in broader perspective, future research should be carried out covering the understanding of the population about banking in their respective countries.

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