

***Dangerously fragile commodity over-dependent states, South Sudan and Libya hurdling towards collapse***

***DaMina develops novel commodity price collapse political instability forecasting index for Africa***

***DaMina's 'HADES' Commodity Price Collapse Africa Instability Index identifies two war-torn African countries, South Sudan and Libya at extremely high risk of state collapse***

***The 'Somalization of Libya' will threaten the multibillion dollar Mediterranean Sea shipping lanes; exacerbate Europe's refugee crisis; threaten Egypt's anti-Islamist government and bolster ISIS***

***South Sudan's state collapse will re-trigger an ethnic civil war; re-raise the specter of genocide and pour millions of refugees into Kenya and Uganda diverting Kenya's resources from Al Shabab anti-terror fight***

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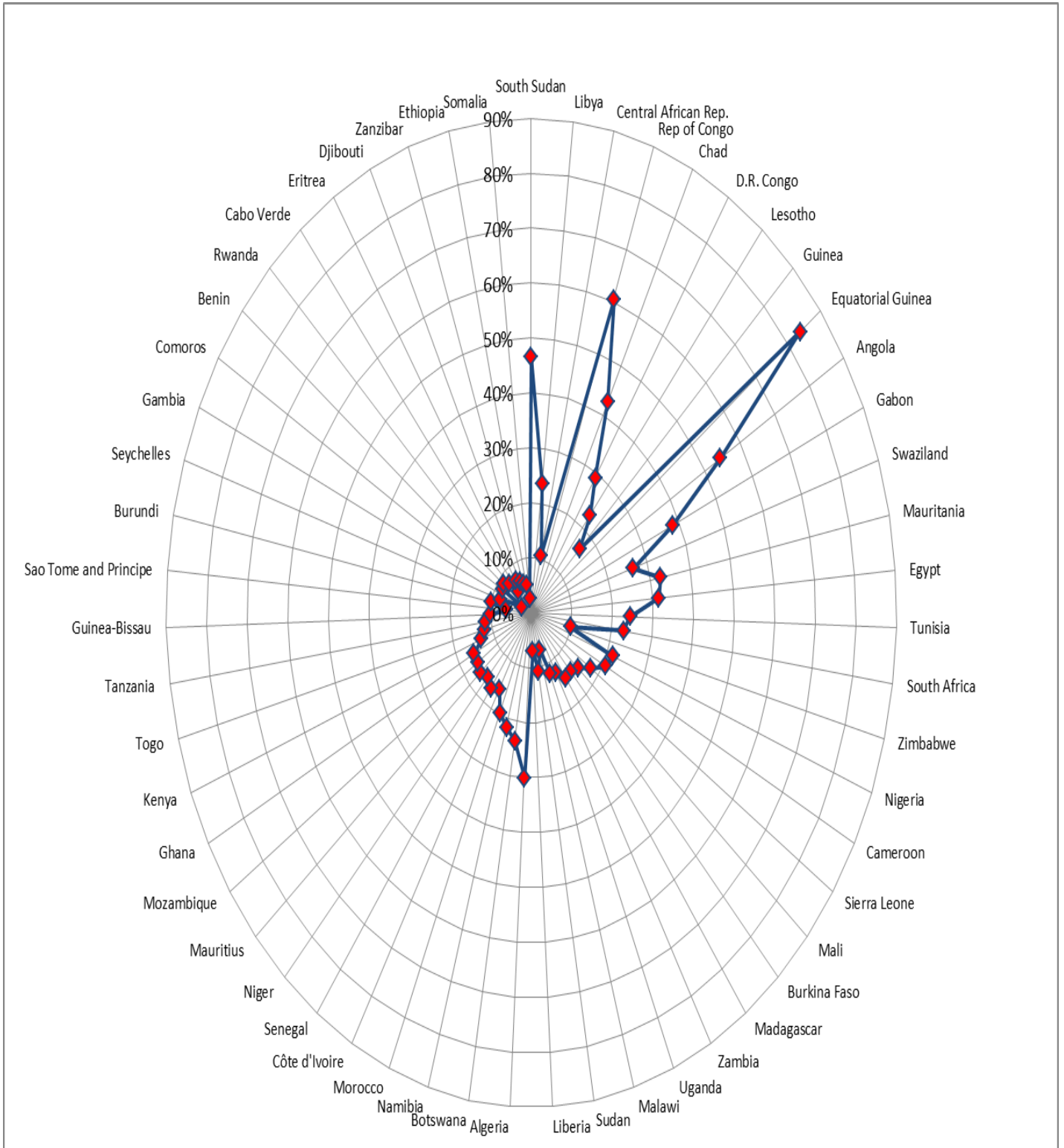
**NEW YORK:** The ongoing natural resources commodities price collapse, combined with pre-existing fragile socio-political and security infrastructure in several commodity over-dependent countries is set to heighten state instability on the African continent. In particular, *DaMina's Advisors 'HADES' Commodity Price Collapse Sovereign Instability Index* has identified three war-torn African countries at risk of near-term state disintegration: South Sudan, Libya and the Central African Republic.

While natural resource commodities accounts for only 23% of Africa's GDP, more than 87% of all central government spending across Africa is directly and indirectly derived from commodity exports revenues. Therefore the ongoing commodity price collapse could push several dangerously weak war-torn nations towards state collapse as government revenues dry up.

Libya, already reeling from more than four years of political chaos, following the NATO-led bombing campaigns which led to the overthrow of President Muammar Gaddafi in 2011 - is poised to see more than \$20 billion in annual oil sector revenues evaporate and a 30% contraction in the local economy as the global oil price route deepens. Already militias control wide swaths of Libya and ISIS has a foothold there. State failure in Libya will threaten the safety of the multibillion dollar Mediterranean shipping sea lanes; exacerbate Europe's refugee crisis; threaten Egypt western border and bolster ISIS in North Africa.

South Sudan's case is probably worse than Libya's. It is the newest state in the world, and yet has already slid back into primeval political chaos and ethnic fragmentation. With the EU, US and possibly China poised to level sanctions on the government in Juba, on the back of falling oil prices, state collapse and an ethnic civil war is increasingly not impossible to rule out. South Sudan's state collapse will re-trigger an ethnic civil war; re-raise the specter of genocide and pour millions of refugees into Kenya and Uganda diverting Kenya's resources from Al Shabab anti-terror fight.

# DaMina 'HADES' Commodity Price Collapse Africa Instability Risk Index



Source: DaMina Advisors

DaMina's proprietary 'HADES' Commodity Price Collapse Sovereign Instability Index measures the statistical sensitivity of GDP and state stability to sustained commodity price declines.

Country	Mining & Energy Sectors as % of GDP (2013)	Correlation: Govt Spending and Mining/ Energy Sector GDP ('90 - '13)	DaMina 'HADES' Commodity Price Collapse Africa Instability Risk Index (Period: Q3 '15 - Q2 '16)
South Sudan	50%	94%	Extremely High
Libya	58%	41%	Extremely High
Central African Rep.	20%	54%	Very High
Rep of Congo	68%	89%	High
Chad	45%	95%	High
D.R. Congo	36%	80%	High
Lesotho	24%	94%	High
Guinea	20%	82%	High
Equatorial Guinea	88%	95%	Medium
Angola	55%	99%	Medium
Gabon	46%	84%	Medium
Swaziland	36%	73%	Medium
Mauritania	36%	91%	Medium
Egypt	32%	99%	Medium
Tunisia	25%	98%	Medium
South Africa	23%	99%	Medium
Zimbabwe	23%	43%	Medium
Nigeria	22%	96%	Medium
Cameroon	22%	96%	Medium
Sierra Leone	21%	84%	Medium
Mali	16%	97%	Medium
Burkina Faso	15%	93%	Medium
Madagascar	15%	98%	Medium
Zambia	13%	92%	Medium
Uganda	13%	94%	Medium
Malawi	13%	56%	Medium
Sudan	11%	96%	Medium
Liberia	8%	86%	Medium
Algeria	35%	86%	Low
Botswana	27%	86%	Low
Namibia	23%	93%	Low
Morocco	20%	98%	Low
Côte d'Ivoire	19%	85%	Low
Senegal	17%	99%	Low
Niger	17%	93%	Low
Mauritius	17%	99%	Low
Mozambique	17%	96%	Low
Ghana	16%	98%	Low
Kenya	13%	99%	Low
Togo	13%	92%	Low
Tanzania	12%	95%	Low
Guinea-Bissau	12%	84%	Low
Sao Tome and Princip	11%	58%	Low
Burundi	11%	93%	Low
Seychelles	10%	77%	Low
Gambia	10%	26%	Low
Comoros	9%	95%	Low
Benin	9%	99%	Low
Rwanda	8%	98%	Low
Cabo Verde	8%	66%	Low
Eritrea	8%	92%	Low
Djibouti	7%	90%	Low
Zanzibar	6%	96%	Low
Ethiopia	6%	94%	Low
Somalia	3%	98%	Low

Source: UN Stats/ DaMina Advisors

*DaMina Advisors is a preeminent Africa-focused independent frontier markets risk research, due diligence and Africa M&A transactions consulting and strategic advisory firm. DaMina Advisors is legally registered and has offices in the US, Canada, Australia and Ghana.*

*DaMina's Senior Africa Advisory Team includes: H.E. Former Malawian President Joyce Banda, H.E. Kobine Komara, former Guinean prime minister; Lord Paul Boateng, former UK High Commissioner to South Africa and UK Treasury Minister (also international legal counsel for DaMina); Dr Babacar Ndiaye, former President of the African Development Bank; Ambassador Isaiah Chabala, former Zambian Ambassador to the UN and EU; Hon. Victor Kasongo, former Deputy Minister of Mines of DR Congo; former Burkina Faso Foreign Minister Dr Ablasse Ouedrago; Ambassador Chris Katsigazi, former Ugandan Ambassador to the UN; former head of the Ugandan Foreign Services and senior foreign policy advisor to President Yoweri Museveni; H.E. Conrad Enill, former energy and finance minister of Trinidad & Tobago; Mr Bismarck Rewane, former advisor to the Nigerian President Yar'Adua's economic team and former chair of the Delta State economic management advisory team; Ms. Rita Gail Johnson, former senior executive at Ernest & Young and Eurasia Group; Mr. Scott Korman, CEO of Nashone Capital; Mr. David Ensor, former chief risk officer at AIG-Chartis.*

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**Contact:** Stephanie Dei  
VP, Corporate Affairs & Media  
[Stephanie@daminaadvisors.com](mailto:Stephanie@daminaadvisors.com)  
Tel: +1 647 808 9671

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**EUROPE**

3 Abercorn Mansions  
17 Abercorn Place  
London NW8 9DY

**AFRICA**

10 Abokobi Road  
East Cantonments, Accra  
Ghana, West Africa

**AMERICAS (HQ)**

55 Fifth Ave,  
Suite 1702, NY 10003  
New York, NY

**ASIA**

Level 11, 535 Bourke Street  
Melbourne, Australia 3000