The authorities in Port Sudan have allowed an oil shipment to leave for its destination after several days of delay over the non-payment of custom duties.

The oil cargo belonged to the newly independent state of South Sudan which has no way to export its oil except through the pipelines that run through its northern neighbor.

"We have made consultations with Khartoum and at the end of the day yesterday [Friday] the shipment that was detained sailed to its destination," South Sudan Energy and Mining Minister Garang Deng told Agence France Presse (AFP) in an interview.

He did not say how much South Sudan had to pay so that Khartoum unblocks the shipment. Juba said this week that it could incur penalties in the event that they miss the delivery date specified in the contract with the buyer.

The two countries are grappling over much South Sudan should pay for using the oil infrastructure in Sudan.

Khartoum has proposed at least $22.8 per barrel which was labeled as "daylight robbery" by Juba. The latter said afterwards that Sudan dropped this figure.

Both sides are negotiating this item under the auspices of an African Union (AU) panel headed by former South African president Thabo Mbeki. Little progress has been made so far in breaking the deadlock on pricing the transit fees.

"Currently the oil negotiations are stalled. This is because NCP [Sudan’s ruling National Congress Party] are demanding what they call financial transitional arrangements, in which they are asking a sort of contribution of wealth sharing" Deng said.

"We are ready to assist Khartoum in recovering its economic loss... [But the government] is asking us to pay 32 dollars per barrel from the oilfield up to Port Sudan. We are saying that this is too high," he added.

Last month, Sudan’s parliament approved an alternative 2011 budget that lawmakers said included an annual income of $2.6 billion for transit fees — the same amount expected for the loss of South Sudan’s oil production.

South Sudan officials have threatened to seek other venues to export their oil and rejected any revenue sharing similar to the one that was in place prior to July 9th.

(ST)