South Sudan government has spent more money than its generated revenues, forcing the young nation to constantly solicit loans to close fiscal deficits, an official said on Sunday.

“The current conflict has affected production of oil wells. The wells in Bentiu have stopped production. The only one now production is Paloich and production there has reduced to around 160,000 barrels per day,” said the senior finance ministry official, who spoke on condition of anonymity due to the sensitivity of the matter.

“With the reduction in the oil prices as a result of increase of supply of oil in the international markets with less demands, the government is presently is receiving about 57 million dollars per a month, which is twice lower than the expenditures,” he added.

The government’s current expenditure is reportedly more than $250 million per month.

“To close this fiscal deficit in the budget, the government then resorts to borrowing money from financial institutions at higher terms so that it is able to pay salaries for employees,” explained the official.

The minister of finance is reportedly in dialogue with the International Monetary Fund (IMF) and the World Bank to devise mechanisms to temporarily salvage the economy.

“Debts have risen to an alarming level because there is no unified or one known formal way of seeking loans. Most of the borrowings, are done without following some institutional procedures even without seeking approval of parliament,” the official told *Sudan Tribune*.

He questioned the system of getting money approved at the finance ministry, saying some procedures are not properly followed.

“Sometimes, some people can just bring to you the document of liability and ask for a signature on behalf of the government and if you ask the purpose, they say these are security matters you need not know,” he said.

“The minister knows it and if you don’t want to sign then tell us if you don’t want your job so that we replace you with someone who can do the work,” he added.

“They say there have been people before you who signed similar documents and they never asked. So you begin to wonder the kind of system we are trying to establish”.

Last month, the IMF said South Sudan government had incurred debt equivalent to 50% of its oil reserves, since conflict broke out in 2013.

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