



Macroeconomic Overview

Quarterly report

May 8, 2020

Introduction

The macroeconomic overview is produced by the VSB Bureau. The Policy Officer of the Bureau drs. Malty Dwarkasing, is responsible for the report. If you have any questions regarding the content please contact Ms. Dwarkasing as follow: email: malty.dwarkasing@vsbstia.org, telephone: +597474090 of +597 475287/475286 extension 106.

Summary

Based on the available updated and corrected statistics, information and outlook ahead until the beginning of May 2020, the analysis can be summarized as follows:

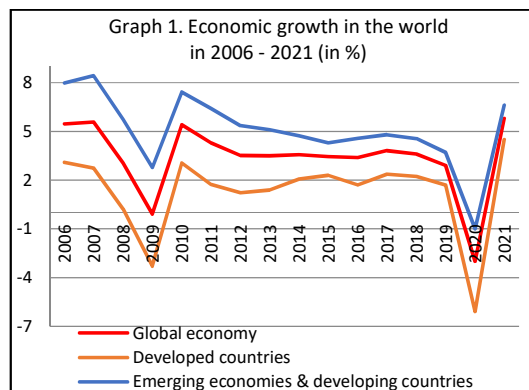
- Due to the outbreak of the Covid-19 pandemic around the world, the IMF expects the global economy to fall into recession in 2020 and contract by 3.0 percent.¹ World market prices of commodities, in particular oil prices, will fall sharply this year. For example, the price of oil is projected at an average of USD 35 per barrel, a decrease of approximately 43 percent compared to 2019, while the gold price is expected to increase by approximately 15 percent to USD 1,600 per toz. The effects of the currency crisis, the global recession and the Covid-19 pandemic on the Surinamese economy in 2020, is a contraction of the economy by approximately 4.9 percent, an average domestic inflation of 27.9 percent and an increase of the unemployment rate by 1 percent to 9.5 percent.
- Due to the use of cash reserves and time deposits without consent of the banking sector and the damaged confidence in government policy, there is an indication of foreign exchange capital flight in the first two months of 2020 in the form of a decrease of approximately USD 125 million in foreign currency deposits with the banks. By closing the borders and the air for almost 1.5 months, the supply of foreign exchange from tourist activities has become even more scarce, resulting in rising exchange rates. The adoption of the Act on Currency Control and Transaction Offices has caused a great deal of controversy in society and has also contributed to the re-emergence of a black market for currencies. The selling rates on the black market for USD and Euro are around SRD 15. In the meantime, this law has been suspended by a judge and the legislator has been referred to the Constitutional Court for the further enactment of the law.
- In addition to the Fitch Ratings, Moody's Rating Agency and Standard & Poor's have also revised the country's credit rating last month to a "non-investment grade, high / substantial credit risk junk" status. The deterioration of the creditworthiness not only affects government access to foreign financing, but also increases the cost for the private sector when attracting supplier credits from abroad.

¹ Graphs presented in this report will reflect time series of data as much as possible from 2006 onwards. This is done to compare the effects of the world recession of the financial crisis of 2008-2009 with the expected consequences of the Covid-19 pandemic in 2020.

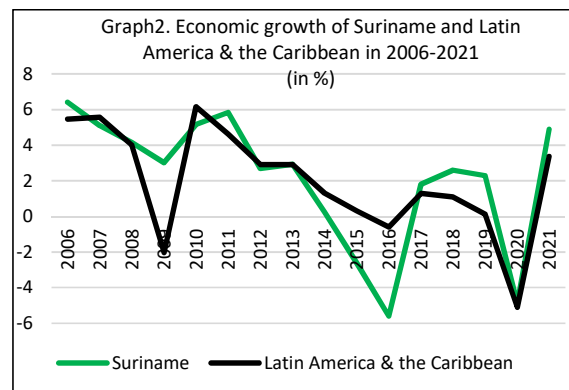
Economic growth and investment

In the first months of 2020, the global economy is in lockdown because of the Covid-19 pandemic. In the last World Economic Outlook (WEO) of April 2020, the IMF indicates that in 2020 there is likely to be a global financial crisis and recession as a result of this pandemic. Due to the great uncertainty surrounding the duration of this unusual situation with the observance of the social distancing protocols, it is not possible to quickly start stimulating production in order to ease the recession. If the situation lasts longer, this may eventually lead to a decrease in the international supply of goods if the global value chains of industries in the various countries, cannot produce optimally. During this crisis, the emphasis is mainly on saving as many lives as possible.

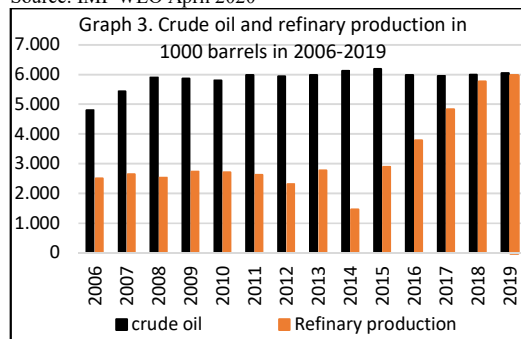
The IMF suspects that the recession in 2020, will be the worst one since the great depression of 1929 and will be worse than the 2008-2009 financial crisis when the global economy contracted by 0.1 percent in 2009. The global economy is expected to contract by 3.0 percent in 2020 if the normalization process begins in the second half of the year and growth will probably recover to around 5.8 percent in 2021 (graph 1).² However, the global GDP value in 2021 will be below the pre-pandemic level.



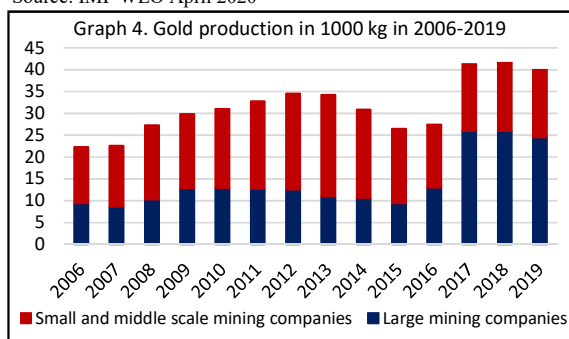
Source: IMF WEO April 2020



Source: IMF WEO April 2020



Source: Staatsoilie



Source: CBvS

To overcome the crisis, countries will first of all have to stabilize the contagion situation and then work to restore health care and the overall economy. In order to keep the economy going, governments will also have to implement a stimulus program with transfers to families and companies, in addition to health care expenditures. This is necessary to stop the even greater disruption of the economy with low investment and rising unemployment rate.

Monetary policy measures in the form of lower interest rates, as well as measures by the banking sector to renegotiate lending agreements to companies and households, will contribute to a faster recovery of the economy. However, fiscal stimulus packages will put even more pressure on government finances

² For developed countries, who are more severely affected by the Covid-19 pandemic and are already growing much more slowly, is the growth rate for 2020 estimated at -6.1 percent and projected at 4.5 percent for 2021. For emerging economies and developing countries, is the growth rate for 2020 estimated at - 1 percent for 2020 and projected at 6.6 percent for 2021.

and countries' debt positions. This makes the necessity to cooperate at both bilateral and multilateral levels in the form of medical, technical and financial support, to emerge from the crisis, even more significant. The necessity to use digital services is becoming increasingly evident due to the crisis. As a result, ethical issues like how to deal with “personal data privacy” and the security of digital databases must also be properly examined and determined at both the local and international level.

As for emerging economies and developing countries, the regions of Latin America and the Caribbean and the emerging economies of Europe will be hit hard in 2020. Their economic growth is below the average level of the global economy and in both regions is estimated at -5.2 percent in 2020. Growth in Latin America and the Caribbean is expected to recover in 2021 and is projected at approximately 3.4 percent. This may not, or to a lesser extent, apply to the smaller island economies, which are completely dependent on tourism.

In 2019 the Surinamese economy grew by approximately 2 percent. This growth can mainly be attributed to the growth of the local (non-mineral) economy and a marginal growth of the oil industry. For example, crude oil and refinery production increased in 2019 by 0.9 percent and 3.1 percent, respectively, compared to 2018 (graph 3).³ The growth of the local economy is the result of an increase in the domestic demand for goods and services, which is reflected in the increase of the USD import value of consumer goods in the past year of approximately 28.4 percent and of investment goods of approximately 4.4 percent.

In 2019, the total gold production decreased marginally by about 2.7 percent (graph 4). This decrease is mainly the result of a lower production for the multinationals in the sector. For example, the production of Rosebel Gold Mines N.V. decreased by approximately 12.5 percent in 2019 due to the forced discontinuation of its activities for approximately 1.5 months in the middle of the year. This was necessary due to illegal activities of porknokers in the concession area of the company. Lower gold content in the mined gold ore also contributed to lower production in the past year.

As a result of the Covid-19 pandemic, the IMF has projected a contraction of 4.9 percent of Surinam's economy in 2020 and a recovery in the growth rate of 4.9 percent in 2021. The effect of the pandemic and the global economic recession in 2020, will have a serious impact on Suriname. This was not the case during the financial crisis of 2008-2009 (graph 2).⁴ Due to the pandemic, production and services in certain sectors, especially the tourism sector, transportation (air and land) and supply companies for tourism and the aviation sector, has come to a complete standstill. Most other sectors do not operate optimally; shops and companies have limited their business hours. The limited availability of foreign currencies, resulting in an unstable rising exchange rate in 2020, will also lead to high inflation, which in turn will affect domestic demand and economic growth. According to the IMF, the expected contraction of the economy in 2020 will lead to a reduction in jobs and an increase in the unemployment rate by about 1 percent to 9.5 percent. When the economy picks up in 2021, jobs will possibly again be created and the unemployment rate will be reduced to around 8.6 percent.

In order to assist the business community and society during the Covid-19 pandemic and to mitigate the negative effects of this event, the government has approved the creation of an emergency fund of SRD 400 million. The situation has already led to the unemployment of workers and, in particular of small self-employed businesses and persons currently, who are completely deprived of any form of income. To set up the fund the government is talking with multilateral organizations to see how this fund can be implemented. The general banks in collaboration with the CBvS, are also looking at different measures to see how the business community can be supported in 2020 to survive the crisis.

³The major economies in Latin America, in particular Brazil and Mexico, are expected to contract by 5.3 and 6.6 percent respectively in 2020, while Russia, which is in the region of emerging and developing countries in Europe, is expected to contract by 5.5 percent this year.

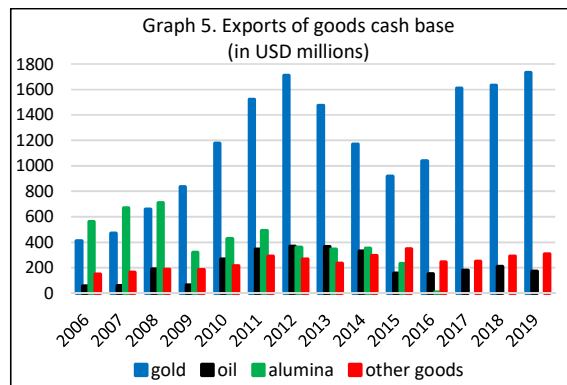
⁴ When the international financial crisis broke out in 2008-2009, this had little effect on the Surinamese economy, due to the very limited integration of the local financial sector and economy with the international money and capital markets. The effect of sharply falling commodity prices was evident a few years after the crisis, did greatly affected the Surinamese economy.

International trade and capital flows

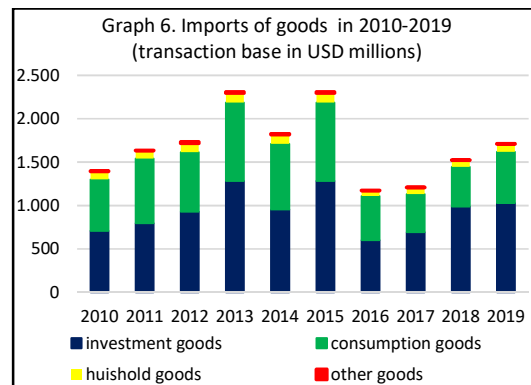
The balance of payments information for 2019 is fully available. In 2019, the trade balance (goods and services) shows an increase in exports of 3.1 percent compared to 2018, to a value of approximately USD 2.4 billion. This increase is largely the result of an increase of the export value of gold with 6.2 percent up to USD 1,732.2 million and of other goods excluding oil, shrimp and banana with 11.4 percent up to USD 287.5 million in 2019 (graph 5).⁵ The export value of oil, shrimp and banana sharply declined in the past year by 16.8 percent, 30.2 percent and 53.2 percent, respectively.

The increase in the gold export value despite a decreasing export volume, is due to the increase of the gold price in 2019 by 9.7 percent on average to USD 1,392.9 per toz.⁶ Due to the current global situation, the gold price continues to rise to an average price of USD 1,607.2 per toz in the first 4 months of the year and is expected to average at USD 1,600 for 2020 (graphs 7 and 8).⁷

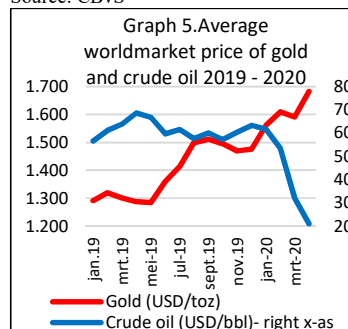
According to the World Bank, the outbreak of the Covid-19 pandemic and the world recession in 2020 will be accompanied by falling world market prices for commodities (graph 9). Both the price of oil and ordinary metals will decrease sharply. The world market price of oil, which declined by 10.1 percent in 2019 and averaged USD 61 per barrel, is expected to decline further to USD 35 per barrel in 2020 (graph 8).⁸ The prices of agricultural products may be less affected in 2020 and may even rise if food security problems arise due to disruptions in the world's food supply chains.



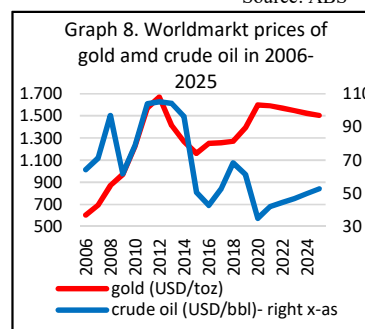
Source: CBvS



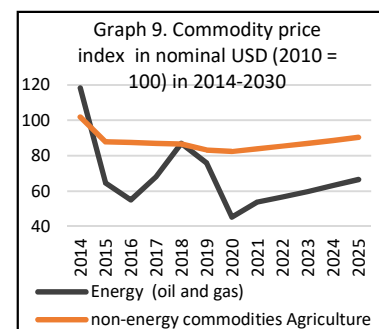
Source: ABS



Source: www.kitco.com, World Bank



Source: World Bank



Source: World Bank

⁵ The increase in the export value of other export products mainly concerns foodstuffs, stone / glass goods (especially granite stone, mirrors, stone works, ceramics and statues) and the export of a used patrol boat and empty tank container.

⁶ The increase of the gold price in 2019 was the result of the trade war between the two largest economies the USA and China, Brexit and the uncertainty about world economic growth.

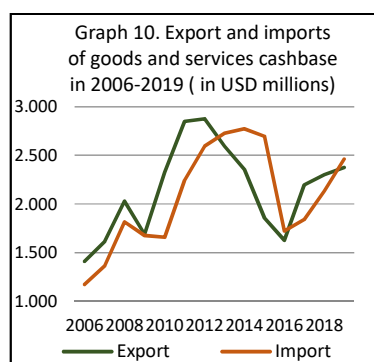
⁷ The international gold price on April 29, 2020 was USD 1,691.6 per toz (source: www.kitco.com).

⁸ Due to the supply surplus of oil in the world, a decrease in demand this year because of the crisis situation, a decrease in storage depots for the already oil extraction and the high production costs of US shale oil, the new future oil prices in the USA have fallen sharply and even turned negative in the second week of April 2020. Futures are contracts that determine the price at which a commodity can be bought or sold on a specific future date. Futures are entered into to reduce the risk of fluctuating prices.

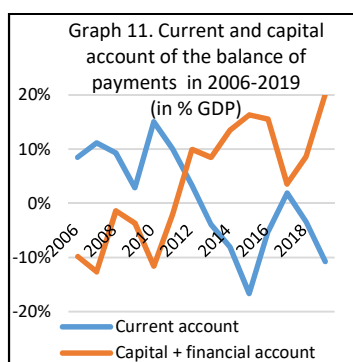
In 2019, imports of goods and services rose by 15.3 percent up to USD 2.5 billion. Imports of consumer goods in particular rose sharply and amounted to approximately USD 590 million (graph 6). In 2019, imports were slightly higher than exports (graph 10). The balance of the current account was negative and amounted to approximately -10.7 percent of GDP (graph 11). In addition to a negative trade balance, the transfers of profits from foreign companies and interest payments on foreign government and private sector debt have also contributed to the negative current account balance.

The balance of the capital and financial account of approximately 20.2 percent of GDP more than offset the negative balance of the current account. *Capital inflows of approximately USD 770 million are a result of approximately USD 380 million transfers of the foreign currency cash reserve from banks to the international reserve, approximately USD 260 million in proceeds from the international bond of December 2019 and net capital inflows from other external government loans and approximately USD 120 million from an inflow of earmarked foreign currency funds from the monetary authorities abroad, as well as foreign currency funds from mining companies at foreign banks.*

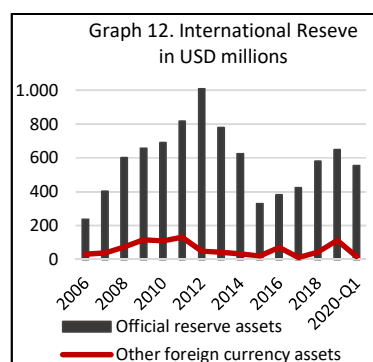
Imports are expected to decrease sharply in 2020, due to the rising exchange rate and the expected contraction of the economy. This was also the case in 2016 when the Surinamese economy contracted by 5.6 percent. If gold production and exports in particular, continue to be guaranteed this year against the background of the rising world market gold price, the current account of the balance of payments will possibly improve this year.



Source: CBvS



Source: CBvS, with calculations by VSB



Source: CBvS

The international reserve at the end of March 2020 was USD 554.5 million, a decrease of USD 92.9 million compared to the end of 2019 (graph 12). The decrease is the result of payments made in the first quarter, especially for oil imports and government debt service payments. The international reserve position includes the approximately USD 330 million “ring-fenced” cash reserve of the general banks and other committed components.

In the case of the use of the foreign currency cash reserve and term deposits of the banks at the CBvS, the remaining cash reserve of USD 330 million has already been “ring-fenced”. At the beginning of May, the Finabank, Volkskredietbank, Surinamaanse Postspaarbank, Godo Bank and Trustbank Amanah signed individual agreements with the CBvS regarding the repayment of their share of the funds.⁹ The DSB N.V., which had taken legal actions against the bank withdrew the lawsuit and also reached a settlement with the CBvS. The Surichange Bank and Republic Bank will also enter into a settlement with the bank, while the Hakrinbank has settled a debt to the CBvS with its part of the used cash reserve funds.

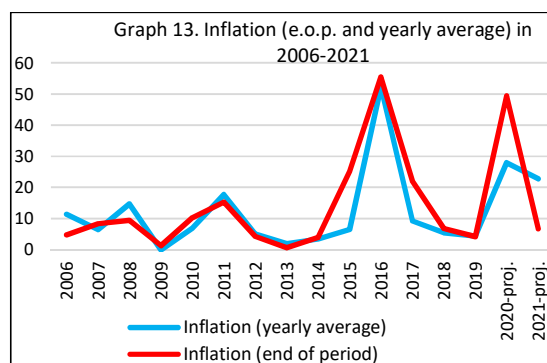
⁹ In order to guarantee the repayment of the funds, future government revenues from the local gold companies and from Rosebel Gold Mines, in the form of the royalties and 2 percent gold payment from Rosebel Gold Mines to Grassalco are earmarked for these payments.

Monetary developments and the financial sector

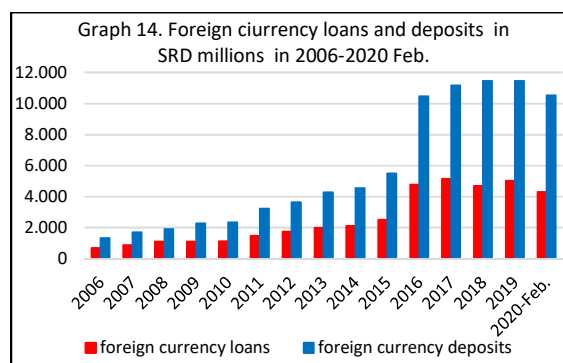
Due to the Covid-19 situation, the airspace and the borders have been completely closed for 1.5 months. As a result, no tourists has entered the country, making the supply of foreign currency even more precarious. On March 23, 2020, the Act on Currency Control and Transaction Offices came into effect. This law has caused a lot of controversy in society and has exacerbated rather than resolved the foreign exchange crisis. Important aspects of the law include:

- Foreign currency transactions at a different exchange rate than that published by the CBvS are prohibited (art.2);
- Cash transactions in foreign currency and agreements with cash payments / receipts in foreign currency are prohibited (art. 3);
- exchange offices may only buy and not sell foreign currency; sale must take place to the CBvS (art. 4);
- Repatriation of 50 percent export earnings to the CBvS from the gold sector and 60 percent from the other sectors is mandatory (art. 5);
- Banks may not charge any cost on foreign currency transactions and may only sell to the public for special purposes, while importers can only obtain their foreign currency from banks (art. 2,5);
- The Ministry of Trade, Industry and Tourism will create a list of essential imports for a temporary moderation / cessation of imports (art. 5)
- There will be a Supervisory Body for Currency Transactions and Currency Offices, which will include the CBvS, representatives of various ministries, the foreign exchange committee and other government bodies (Article 6,7);
- The Ministers of Trade, Industry and Tourism and of Justice and Police have the right to designate officers in the Supervisory Body, who will have the power of supervision and investigation (art. 8).

Although the officially published CBvS selling exchange rates for the USD and Euro at the end of April 2020 were SRD 7.52 and SRD 8.16, no transactions take place at these rates. Currently, banks sell USD and Euro to the business community on the basis of availability, at a maximum rate of SRD 10.00 and SRD 10.50 respectively. Cambios buy foreign exchange and sell it to the CBvS at the same rate as the general banks. Due to the scarcity of foreign currencies and the regulations arising from the Law, including the restrictions imposed on cambio's, a black market has developed with selling rates for the USD and Euro of around SRD 15.



Source: ABS, IMF proj.



Source: CBvS

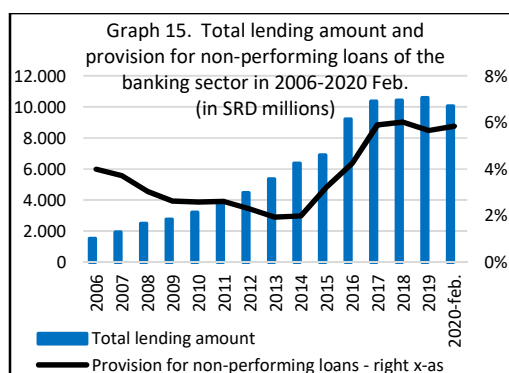
The VSB, in collaboration with other business organizations such as the Manufacturers Association (ASFA), Surinamese Bankers' Association, the Surinamese Insurance Companies and others, have had discussions with Parliament in the past 1.5 months to amend the law, which has not led to any results yet. In addition to that, the VSB together with some of its partners, has taken legal actions in the form of a lawsuit against the government of Suriname regarding this law. Six members of the opposition

coalition in Parliament have also done so. On May 5 2020, the judge ruled in the case of the political parties and determined that the law should be suspended.

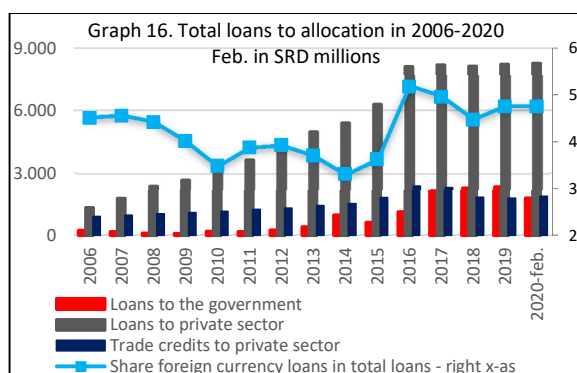
The scarcity of foreign currencies and rising exchange rates will strongly influence inflation this year. In the last WEO of April 2020, the IMF projected the average inflation for Suriname in 2020-2021 at 27.9 and 22.7 percent respectively, while the year-end inflation for this year is set at approximately 50 percent (graph 13).

In the first two months of 2020, there is a decrease of approximately SRD 940 million (approximately USD 125 million) in foreign currency deposits with the banks (graph 14). *This is an indication of capital flight, due to the currency crisis and a lack of confidence in current government policy.*

Due to the scarce availability of foreign currencies and rising exchange rates, but also to the projected contraction of the economy this year, the number of non-performing loans in the banking sector will increase. Profitability and thus also the solvency and liquidity indicators of the banking sector, which improved somewhat in 2019, will deteriorate again in 2020. The provision for non-performing loans at the end of February 2020 represents approximately 6 percent of total lending portfolio, while the level of loans extended in the first two months of the year decreased by approximately 5.1 percent compared to the end of 2019 (graph 15, 16).



Bron: CBvS, with calculations by VSB



Bron: CBvS with calculations by VSB

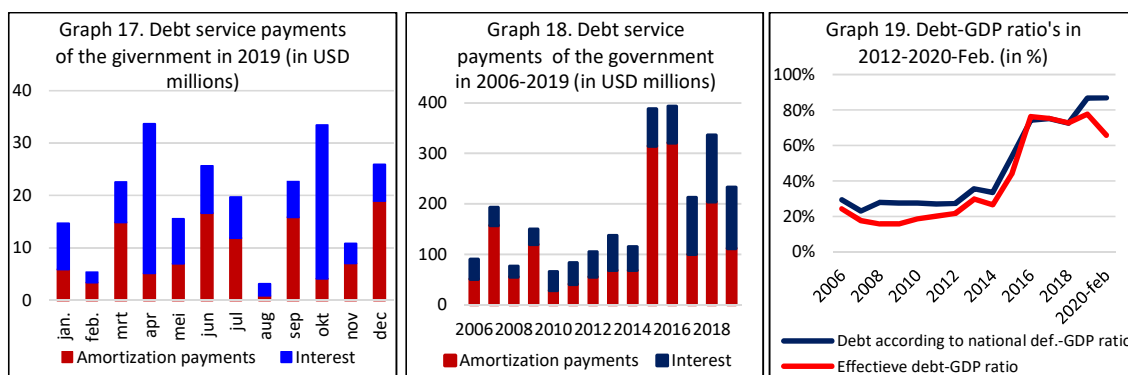
Public finances and government debt

Statistics on actual government finances data for 2019 are available up to October 2019. Until October, total government revenues were SRD 5.5 billion (approximately USD 729 million), while total expenditures were SRD 8, 0 billion (approximately USD 1.1 billion). The financing gap, including statistical differences up to October 2019, is estimated at approximately 8.8 percent of GDP, while the commitment deficit was approximately 6.6 percent of GDP up to that point.

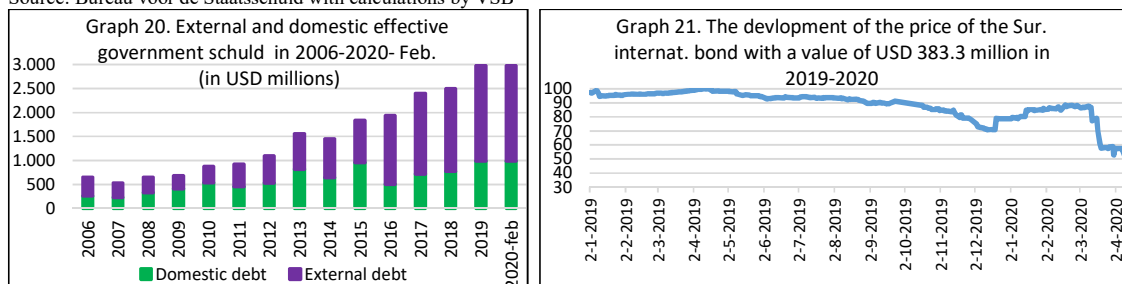
It is clear that the government has been diligently looking for financial means to meet its obligations in the first four months of 2020. The weekly balance sheet of 24 April 2020 of the CBvS, indicated that at that time there was an amount of approximately SRD 564.5 million overdrawn on one of the government accounts at the central bank. Something that has not happened in the past 3 years.

The government this year also attracted new domestic loans at the Hakrinbank for Euro 11 million ¹⁰and USD 6.9 million and new external loans at various multilateral organizations for USD 78 million for expenditures in various sectors.

¹⁰ This loan agreement was signed on December 30, 2019.



Source: Bureau voor de Staatsschuld with calculations by VSB



Source: Bureau voor de Staatsschuld with calculation by VSB

Source: Luxembourg Stock Exchange

In 2019, total debt payments amounted to approximately USD 233.1 million and was lower than the USD 336 million in 2018 (graph 17, 18). Of the total debt service payments in 2019, approximately 52 percent was intended for interest payments. The total effective government debt and debt according to the national definition at the end of February 2020 was USD 3.0 billion, which amounts to approximately SRD 22.4 billion (graph 20). The effective debt-to-GDP ratio at that time is estimated to be 65.8 percent, and is lower than the 77.6 percent at end of 2019, due to a higher estimated nominal GDP for 2020 (graph 19).

However, approximately 80 percent of the effective government debt is denominated in foreign currency. The official exchange rates for the USD and the Euro published by the CBvS on its website, do not reflect the true value of the SRD against these currencies. A devaluation of the exchange rate will increase the effective government debt in SRD and the debt-GDP ratio.

Table 1. Sovereign credit ratings for Suriname of different international rating Bureau's in 2015-2020

Most recent rating of the year	2015	2016	2017	2018	2019	2020
Fitch RatingsBureau						
Foreign Currency long/ short term	BB-/ Stable/B	B+/Neg./B	B-/Neg./B	B-/Stable /B	B-/Neg. /B	CCC/C
Local Currency long/ short term	BB-/ Stable/B	B+/Neg./B	B-/Neg./B	B-/Stable /B	B-/Neg. /B	B-/Neg./B
Senior Unsecured Foreign Currency Bond	BB-/ Stable/B	B+/Neg./B	B-/Neg./B	B-/Stable /B	B-/Neg. /B	CCC/C
Standards & Poor's						
Foreign Currency long/ short term	BB-/ Stable/B	B+/Neg./B	B+/Neg./B	B/Stable/B	B/Stable/B	CCC+/Neg
Local Currency long/ short term	BB-/ Stable/B	B+/Neg./B	B+/Neg./B	B/Stable/B	B/Stable/B	CCC+/Neg.
Moody's Ratings						
Foreign Currency long/ short term	Ba3/Stable	B1/Stable	B1 /UR*	B2/Negative	B2/Stable	B3/neg.
Local Currency long/ short term	Ba3/Stable	B1/Stable	B1/UR*	B2/Negative	B2/Stable	B3/neg.

Source: Bureau voor de Staatsschuld, <https://tradingeconomics.com/suriname/rating>

* Under Review

Our country's creditworthiness is deteriorating. After Fitch, also Moody's Ratings Bureau and Standard & Poor's downgraded the country's credit rating in 2020 to a status of "non-investment grade, high / substantial credit risk junk" (Table 1). The deterioration of creditworthiness has further led to the

decline of the price of the government bond of USD 550 million attracted from the international capital market (graph 21) ¹¹ and the issuance of USD 125 million ¹² in securities in December 2019.

Due to deteriorating government finances, rising debt position, pressure on the exchange rate and deteriorating economic situation because of the covid-19 pandemic, it is likely that the government will not be able to pay off its debts (on time) in the coming months.

Access to foreign financing for the government has become increasingly difficult and expensive. This massive "downgrade" of the country's creditworthiness will also have an impact on the foreign private sector supplier credits in the form of an increase in the freight insurance costs. If the government is unable to repay its debts to the local banking system ¹³ and to other domestic creditors, this will also lead to an increase in the non-performing loans of the banking system. The consequences of this, will be an increase of the vulnerabilities within the very fragile financial sector and the economy as a whole.

¹¹ The development of the price of the other part of the USD 166.6 million of the international bond, has the same outcome as that of the USD 383.3 million part of the bond.

¹² Because the government was unable to provide the creditors with an overview of its repayment capacity 90 days after the issuance of these notes on the international capital market, the interest on this debt was increased with 3% to 12.875%. This places an additional burden on the government budget of USD 3.75 million annually for the next three years.

¹³ The debt of the government at the domestic banks was at the end of February 2020 approximately USD 458 million.

Selected macro-economic statistics

Annual statistics 2014-2021									
Real Sector	2014	2015	2016	2017	2018	2019 Est./act.	2020 proj.	2021 proj.	Source
Economic growth (%)	0,3	-3,4	-5,6	1,8	2,6				ABS
GDP nominal market pr. (mil. SRD)*	17.294	16.357	19.489	24.047	25.806				ABS
Economic growth (%)	0,3	-3,4	-5,6	1,8	2,6	2,3	-4,9	4,9	ABS/IMF proj.
GDP nominal market pr. (mil. SRD)*	17.294	16.357	19.720	22.978	25.806	28.800	34.000	37.000	ABS/IMF /VSB proj.
GDP per capita in USD**	9.239,0	8.309,5	5.390,1	5.459,4	5.811,5	6.490,1	5.745,9	5.982,3	ABS/IMF /VSB proj.
Inflation rate – average (%)	3,4	6,9	55,5	22,0	6,8	4,4	27,9	22,7	ABS
Inflation rate – e.o.p. (%)	3,9	25,1	52,4	9,2	5,4	4,2	49,4	6,7	ABS/IMF
Unemployment rate (%)	0,3	7,0	10,0	7,0	9,0	8,6	9,5	8,6	IMF
Balance of Payments (cash base)									
Total export- G+S (mil. USD)	<u>2.356,0</u>	<u>1.856,5</u>	<u>1.625,2</u>	<u>2.195,1</u>	<u>2.301,2</u>	<u>2.373,4</u>			CBvS
• Gold	1.169,8	916,2	1036,8	1608,8	1631,6	1732,2			CBvS
• Alumina	351,1	232,7	7,1	0,0	0,0	0,0			CBvS
• Oil	328,4	156,4	150,3	178,7	206,8	172,1			CBvS
• Rice and banana	87,7	69,8	61,1	51,0	52,6	45,6			CBvS
• Wood and wood products	29,8	32,3	40	59,9	70	71,8			CBvS
• Fish and shrimp	37,1	37,8	33,0	39,0	43,2	38,1			CBvS
• Other goods	141,4	207,3	110,4	97,1	124,9	150,6			CBvS
• Services	210,7	204,2	186,5	160,6	172,1	163,0			
Total import- G+S (mil. USD)	<u>2.773,1</u>	<u>2.695,0</u>	<u>1.721,1</u>	<u>1.839,9</u>	<u>2.134,4</u>	<u>2.460,7</u>			CBvS
• Services	760,8	666,8	469,1	477,3	552,4	657,4			CBvS
Balance current account (mil. USD)	-416,4	-786,4	-160,5	60,9	-118,0	-410,6			CBvS
Balance Cap. + Fin. acc. (mil. USD)**	696,5	771,0	501,9	112,6	297,8	772,1			CBvS
Of which incoming FDI (mil. USD)	164,1	266,7	300,0	98,2	119,2	7,2			CBvS
Balance Current account (% GDP)**	-8,1	-16,7	-5,2	1,9	-3,4	-10,7			CBvS/calc. VSB
Balance Cap. + Fin. acc. (% GDP)**	13,6	16,3	15,5	3,5	8,7	20,2			CBvS/calc. VSB
Statistical differences. (% GDP)**	-8,3	-5,3	-8,4	-4,8	-0,9	-8,3			CBvS/calc. VSB
Total imported goods - transaction base (mil. USD)	<u>1.826,7</u>	<u>2.309,5</u>	<u>1.174,9</u>	<u>1.209,5</u>	<u>1.526,9</u>	<u>1.711,4</u>			ABS
• Investment goods	952,1	1.283,7	601,1	692,0	987,2	1.030,6			ABS
• Consumption goods	761,3	904,7	509,1	441,2	459,4	589,0			ABS
• House hold goods	105,5	106,2	61,0	73,3	75,9	89,6			ABS
• Other goods	7,9	14,9	3,7	3,0	4,4	2,2			ABS
International Reserve (mil. USD)	625,1	330,2	381,4	424,4	580,7	647,5			CBvS
World market prices in USD									
Gold USD/troz	1.266,4	1.160,1	1.250,7	1.257,5	1.268,8	1.392,6	1.600	1.590	World Bank proj.
Crude oil USD/bbl.	96,2	50,8	42,8	52,8	68,3	61,4	35,0	42,0	World Bank proj.
Crude oil USD/bbl.	96,2	50,8	42,8	52,8	68,3	61,4	35,6	37,9	IMF proj.
Monetary and Financial sector									
Liquidity ratio (M2 in % GDP)	55,0	65,0	83,1	73,2	74,4	70,4			CBvS/calc. VSB
Balance of credit by banking sector to the government (mil. SRD)	978,0	608,8	1.116,1	2.191,6	2.312,4	2.259,2			CBvS/calc. VSB
Balance of credit by banking sector to private sector (mil. SRD)	5.394,6	6.275,5	8.096,3	8.163,9	8.107,6	8.329,1			CBvS/calc. VSB

	2014	2015	2016	2017	2018	2019 schat./real.	2020 proj.	2021 proj.	Source
Selling rate SRD/USD (e.o.p.)	3,4	4,0	7,5	7,5	7,5	7,5			CBvS
Selling rate SRD/USD average	3,4	3,5	6,3	7,6	7,5	7,5			CBvS
Selling rate SRD/Euro (e.o.p.)	4,1	4,4	7,8	8,9	8,6	8,4			CBvS
Selling rate SRD/Euro average	4,5	3,8	7,0	8,5	8,9	8,4			CBvS
Average SRD lending interest rate	12,5	13,4	14,1	14,3	14,4	15,2			CBvS
Interbank SRD interest rate	5,8	8,1	10,9	17,4	10,1	10,6			CBvS
Average USD lending interest rate	9,5	9,8	9,5	9,1	8,3	8,6			CBvS
Average Euro lending interest rate	9,6	9,2	9,0	8,8	8,5	8,3			CBvS
Government Finance and Debt (cash base)									
Overall balance including statistical differences. (% GDP)	-5,9	-9,8	-11,3	-9,3	-11,5				MvF/calc. VSB
Commitment balance including statistical differences. (% GDP)	n.b.	-9,8	-10,7	-8,8	-7,9				MvF/calc. VSB
Primary non-mineral balance in % of non-mineral GDP	-12,1	-11,7	-14,6	-17,9	-21,2				MvF/calc. VSB
Fiscal impulse (%)	-3,1	-0,3	2,9	3,2	3,4				MvF/calc. VSB
Government debt (national def.) (mil. USD)	1.731,0	2.173,2	1.932,7	2.399,8	2.491,3	2.975,4			MvF/calc. VSB
Effective debt (mil. USD)	<u>1.372,4</u>	<u>1.773,5</u>	<u>1.986,8</u>	<u>2.404,9</u>	<u>2.495,3</u>	<u>2.973,2</u>			BSS/calc. VSB
External debt (mil. USD)	810,0	876,1	1.425,4	1.682,7	1.715,6	1.987,1			BSS/calc. VSB
Domestic debt (mil. USD)	562,4	897,4	561,4	722,2	779,7	986,1			BSS/calc. VSB
Domestic debt from banking sector (mil. USD)***	280,1	145,3	121,4	285,8	348,1	457,6			BSS/calc. VSB
Effective debt-GDP ratio (%)	26,6	43,8	76,3	75,2	72,7	77,6			BSS/calc. VSB
Government debt (national def.)-GDP ratio (%)	33,5	53,7	74,2	75,1	72,6	86,7			BSS/calc. VSB
Disbursements on external debt (mil.USD)	110,9	113,8	758,8	291,8	186,5	357,9			BSS
Debt service payments (mil. USD)	114,9	387,7	393,1	212,7	336,0	233,1			BSS/calc. VSB
Quarterly statistics 2018-2019									
Balance of Payments (cash base)	2018	2018	2018	2018	2019	2019	2019	2019	Source
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Total export- G+S (mil. USD)	<u>563,2</u>	<u>550,3</u>	<u>544,6</u>	<u>643,2</u>	<u>603,9</u>	<u>555,5</u>	<u>595,9</u>	<u>618,3</u>	CBvS
• Gold	410,5	373,3	365,7	482,1	434,1	393,6	439,4	465,1	CBvS
• Oil	45,4	53,6	58,5	49,3	51,7	48,3	39,6	32,6	CBvS
• Rice and banana	13,0	15,7	15,8	8,2	9,5	10,9	12,9	12,3	CBvS
• Wood and wood products	19,2	19,2	19,1	16,4	15,3	17,1	19,6	17,3	CBvS
• Fish and shrimp	9,0	9,0	10,9	10,7	12,6	9,8	9,1	9,5	CBvS
• Other goods	23,2	37,1	32,5	32,1	40,9	36,4	34,8	38,5	CBvS
• Services	42,9	40,6	45,0	43,6	40,8	37,6	42,4	42,3	CBvS
Total import- G+S (mil. USD)	<u>476,3</u>	<u>516,3</u>	<u>503,6</u>	<u>554,9</u>	<u>510,6</u>	<u>649,5</u>	<u>607,1</u>	<u>589,0</u>	CBvS
• Services	129,9	120,7	125,2	176,6	120,3	186,7	177,8	172,6	CBvS
Balance current account (mil. USD)**	3,0	-7,3	-35,1	-78,6	-10,7	-196,0	-102,2	-101,6	CBvS
Balance Cap. + Fin. acc. (mil. USD)**	14,9	196,5	26,2	60,1	195,1	168,6	190,7	217,9	CBvS
Of which incoming FDI (mil. USD)	67,0	46,5	-20,5	26,1	59,5	-23,3	13,4	-42,5	CBvS
Balance Current account (% GDP)	0,1	-0,2	-1,0	-2,3	-0,3	-5,1	-2,7	-2,7	CBvS/calc. VSB
Balance Cap. + Fin. acc. (% GDP)**	0,4	5,7	0,8	1,7	5,1	4,4	5,0	5,7	CBvS/calc. VSB
Statistical difference (% GDP)**	-0,02	-2,9	0,5	1,5	-5,0	1,9	-0,2	-4,9	CBvS/calc. VSB

	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	Source
Total imported goods - transaction base (mil. USD)	<u>315,1</u>	<u>460,3</u>	<u>397,5</u>	<u>354,0</u>	<u>367,8</u>	<u>416,3</u>	<u>446,8</u>	<u>480,8</u>	ABS
• Investment goods	204,1	311,1	254,6	217,4	229,1	250,1	258,9	291,7	ABS
• Consumption goods	96,6	129,0	121,7	112,1	114,0	147,7	163,4	163,9	ABS
• House hold goods	13,5	17,8	20,5	24,0	23,3	18,0	23,9	24,4	ABS
• Other goods	0,9	2,4	0,6	0,5	0,7	0,5	0,6	0,4	ABS
Government Finance and debt (cash base)**									
Overall balance including statistical differences. (% GDP)					-2,7	-2,8	-3,0		MvF/calc. VSB
Commitment balance including statistical differences. (% GDP)					-1,6	-2,0	-2,4		MvF/calc. VSB

Monthly statistics 2019 July – 2020 June

	July 2019	Aug. 2019	Sept. 2019	Oct.- 2019	Nov. 2019	Dec. 2019	Jan. 2020	Feb. 2020	Mar. 2020	Apr. 2020	May 2020	June 2020	Source
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Inflation (%)

Inflation – month to previous month	0,2	0,4	0,5	0,6	0,3	0,1	0,7	2,5					ABS
Inflation – month to month of previous year	4,3	4,0	4,0	4,3	4,3	4,2	4,2	7,0					ABS

International Reserve Position (mil. USD)

International Reserve	713,1	683,7	699,8	674,3	648,6	647,4	596,1	565,3	554,4				CBvS
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World market prices in USD

Gold USD/troz	1.413	1.499	1.511	1.495	1.469	1.476	1.561	1.609	1.591				www.kitco.com
Crude oil USD/bbl.	59,8	61,5	57,7	60,0	57,3	60,4	63,4	61,6	53,4				World Bank

Liquidity ratio (M2 in % GDP)** and balance of credit from the banking sector (mil. SRD)

Liquidity ratio	68,0	68,3	68,4	67,8	68,4	70,4	59,1	59,6					CBvS/calc. VSB
Balance of credit to government	3.127	3.131	3.136	2.686	2.260	2.259	2.259	2.364					CBvS/calc. VSB
Balance of credit to private sector	8.278	8.111	8.106	8.140	8.048	8.329	8.329	7.602					CBvS/calc. VSB

CBvS Exchange rates – selling rates

SRD/USD (e.o.p.)	7,5	7,5	7,5	7,5	7,5	7,5	7,5	7,5	7,5	7,5			CBvS
SRD/USD average	7,5	7,5	7,5	7,5	7,5	7,5	7,5	7,5	7,5	7,5			CBvS
SRD/Euro (e.o.p.)	8,4	8,2	8,2	8,4	8,3	8,4	8,3	8,2	8,3	8,2			CBvS
SRD/Euro average	8,4	8,4	8,3	8,3	8,3	8,4	8,4	8,2	8,3	8,3			CBvS

Average lending interest rate (%)

On SRD credit	15,0	15,1	15,2	15,1	15,1	15,2	15,1	15,7					CBvS
Interbanking SRD rate	10,5	9,3	12,6	13,3	13,2	11,7	11,5	11,8					CBvS
On USD credit	8,1	8,6	8,5	8,6	8,5	8,6	8,6	8,6					CBvS
On Euro credit	7,9	7,9	7,8	7,7	8,4	8,3	8,3	8,5					CBvS

Government finance (mil. SRD) en debt (mil. USD)

Total revenues	906,4	537,7	442,9	666,6									MvF
Total expenditures commitment base	838,4	854,5	657,0	1.033,9									MvF
Total expenditures cash base	899,0	888,7	731,0	1.035,2									MvF
Effective debt (mil. USD)	<u>2.707</u>	<u>2.727</u>	<u>2.739</u>	<u>2.783</u>	<u>2.771</u>	<u>2.973</u>	<u>2.974</u>	<u>2.974</u>					BSS/calc. VSB
External debt (mil. USD)	1.758	1.763	1.772	1.795	1.801	1.987	1.988	1.989					BSS
Domestic debt (mil. USD)	949	965	967	991	970	986	986	985					BSS/calc. VSB

	July 2019	Aug. 2019	Sept. 2019	Oct.- 2019	Nov. 2019	Dec. 2019	Jan. 2020	Feb. 2020	Mar. 2020	Apr. 2020	May 2020	June 2020	Source
Domestic debt from banking sector (mil. USD)***	437	444	447	467	446	458	458	458					BSS/be- wer. VSB
Effective debt-GDP ratio (%)**	70,7	71,2	71,5	72,7	72,4	77,6	65,8	65,8					BSS/be- wer. VSB
Government debt (national def.)-GDP ratio (%)	79,1	79,6	79,9	80,5	80,9	86,7	86,8	86,8					BSS/be- wer. VSB
Disbursements on external debt (mil.USD)	4,0	13,3	22,0	20,7	13,5	200,0	4,1	1,9					BSS
Debt service payments (mil. USD)	19,7	3,1	22,7	33,4	10,8	25,9	5,3	1,6					BSS/be- wer. VSB

e.o.p. = end of period n.a.= not available FDI = Foreign Direct Investment; a negative FDI balance is to a claim of the subsidiaries (multinationals) on the parent company.

ABS- Algemeen Bureau voor de Statistiek, IMF- Internationale Monetaire Fonds, CBvS- Centrale Bank van Suriname, MvF-Ministerie van Financiën, BSS- Bureau voor de Staatsschuld

* IMF GDP estimates and projections for 2019-2021, are based on the GDP figure of 2018 from the Statistical Bureau (ABS). The nominal GDP for 2019 is based on the IMF figure from the IMF 2019 Article 4 Mission Report for Suriname. Based on the projected inflation rate (e.o.p) and the real growth forecast of the IMF, the nominal GDP figures are projected in SRD for 2020 and 2021 by VSB.

** Calculated GDP ratios (indicators in percentage of GDP) in 2019 are based on the nominal GDP projection of the IMF and VSB.

*** Government domestic debt of the banking sector includes treasury paper and loans.

**** This is the balance of capital transfers and the financial account of the balance of payments

Explanation of certain terms:

1. Government overall balance is government income minus expenditure. If the balance is a deficit, then this deficit will have to be financed by attracting into debts and thereby will lead to an increase of the government debt.
2. Government Commitment balance is the overall balance minus government arrear payments related to previous financial years.
3. Primary government balance is the overall balance excluding interest payments on government debt. The primary balance indicates the extent to which the current government policy contributes to attracting new debts, without taking into account payments on old debt.
4. To indicate the fiscal impulse for pro-cyclicality, income from the mineral sector is deducted from the primary deficit and the whole is expressed as a percentage of GDP, excluding the mineral sector.
5. The difference between the effective debt (government debt according to the international definition) and government debt according to the national definition, is the exchange rate that is use to convert foreign currency debts to SRD. When compiling the government debt according to the national definition, foreign currency debt must be converted to SRD at the year-end exchange rate of the last published GDP by the ABS. The effective debt calculation, which is based on the international debt definition, uses the exchange rate of the moment to which the debt relates.

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Missie

Toegewijd werken aan een competitief ondernemerschap dat hoogwaardige goederen en diensten produceert op een maatschappelijk en milieu verantwoorde wijze.

Visie

De VSB is de toonaangevende vertegenwoordiger en belangenbehartiger van het Surinaams bedrijfsleven en streeft als werkgeversorganisatie naar een leidende rol in de regio.