



## Macroeconomic Overview

Quarterly report

August 10, 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](mailto: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 August 2020, the analysis can be summarized as follows:

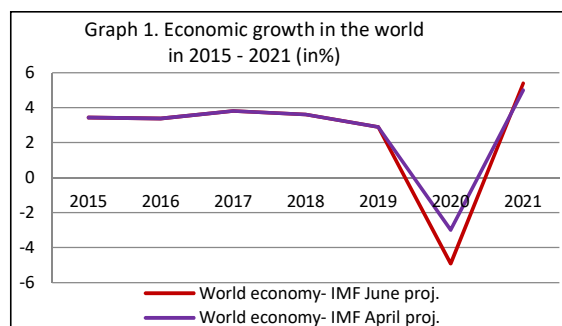
- The estimated contraction of the world economy was adjusted by the IMF by 1.9 percent in June to 4.9 percent due to the disappointing performance in the first half year. The contraction of the Surinamese economy in 2020, estimated by the Bretton Woods institutes at approximately 5 percent, could be much higher if economic activity does not pick up faster in the second half of the year.
- Internationally, commodity prices are somewhat recovering. The average oil price has also gone from USD 21 per barrel in April to USD 42.1 per barrel in July. The increase is the result of production cutbacks by the OPEC countries and the USA.
- In the first quarter of 2020, there was a positive current account balance of the balance of payments of approximately USD 39 million, due to higher growth in exports of goods and services than imports. The capital and financial account, however, shows a negative balance of USD 63.1 million.
- After the elections of May 25, the exchange rates stabilized somewhat, while in May there was an increase in foreign currency deposits with the banks of approximately USD 37.6 million compared to the previous month. Annual inflation up to May has risen to 35.2 percent and has caused real interest rates on SRD credits and deposits to turn negative from March on.
- The government debt, i.e. the debt to the CBvS, was adjusted in April and increased by approximately SRD 5.5 billion. Parts of the debt had already been drawn in 2019 and have been made visible this year. The enormous supply of non-cash SRD transferable deposits with a small increase of SRD currency in circulation, has seriously disrupted the payment system in recent months in the economy due to the many cash transactions in the country.
- Due to the inability to pay the debt burden of approximately USD 24 million on the international notes of USD 125 million at the end of June, the creditworthiness of long-term foreign currency debt by Fitch Ratings and Standard & Poor's was temporarily adjusted to a "Default rating". After the debt was rescheduled, the rating was again adjusted upwards. The country's current long-term foreign currency debt rating by Fitch Ratings, Standard & Poor's and Moody's all fall into the "substantial risk" category.

## Economic growth and investment

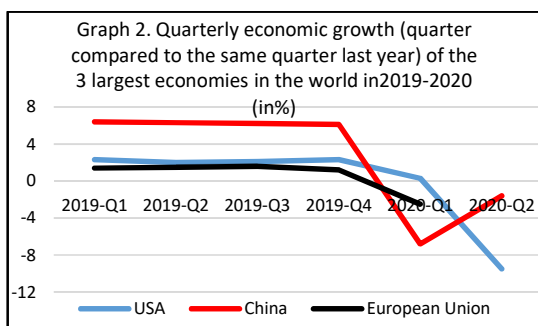
The estimated growth of the world economy was adjusted downwards by the IMF by 1.9 percentage points to -4.9 percent in June (graph 1).<sup>1</sup> In the first half of 2020, the Covid-19 pandemic had a greater impact on the global economy than expected. The growth for 2021 is projected at approximately 5.4 percent. However, the estimated and projected growth figures for 2020-2021 are subjected to great risks and uncertainties. Initially, experts and authorities assume that most countries in the world have already reached a peak in the number of Covid infections. On the other hand, a second wave of infections is also expected in the second half of the year, which could again endanger the (partial) opening of many economies in the world in May and June, which will affect the production negatively. Governments must ensure that the health care sector is adequately monitored and resourced. Multilateral assistance from the international community to various countries is indispensable to address the current financial and health care crisis.

In many countries there is a declining consumption pattern as a result of the lockdown, the loss of income and employment and the declining investment during this period. According to the ILO, approximately 430 million “full-time jobs” were lost worldwide in the first half of 2020.<sup>2</sup> This mainly concerns “low-skilled workers”.

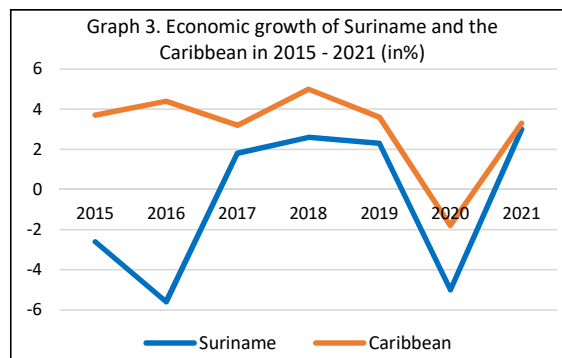
The crisis has seriously affected the survival of many Medium and Small Enterprises (MKOs) worldwide, especially in the transport and tourism sector. Worldwide, MKOs create approximately 70 percent of the jobs in various countries and contribute approximately 50 percent to the production in the countries.<sup>3</sup>



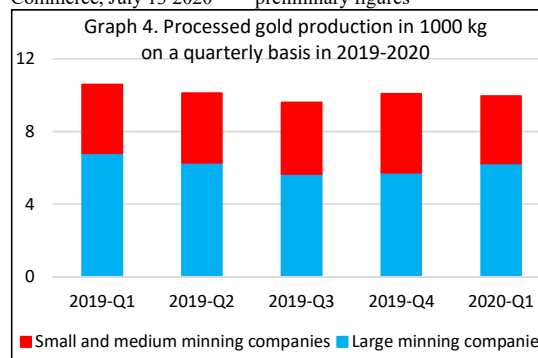
Source: IMF WEO April and June 2020



Source: Eurostat, China Nat. Bureau of Stat., USA BEA dep. of Commerce, July 13 2020 \*preliminary figures



Source Worldbank, June 2020



Source: CBvS

The global financial markets, especially the stock market, which suffered large losses in the first quarter of 2020, recovered enormously in the second quarter due to the accommodative monetary policy of the

<sup>1</sup> The economic growth of the developed countries in 2020-2021 has been adjusted by the IMF to -8 percent and 4.8 percent respectively, while the growth of the emerging and developing countries has been adjusted to -3 percent and 5.9 percent respectively for these years.

<sup>2</sup> Source: IMF, World Economic Outlook update, June 2020.

<sup>3</sup> Source: International Trade Center (ITC), SME competitive Outlook 2020, Geneva, June 2020.

central banks in Western countries and the cautious partial opening of the economies in this period. The commodity markets have also started to recover from May on. World market prices for commodities are rising almost across the board.

Although government financing deficits in both developed and developing countries have exploded in 2020, resulting in rising public debt in the world, the average interest rate on debt is in general quite low due to stimulating monetary policies worldwide.

The three largest economies, namely the USA, China and the European Union (EU), are not only the largest exporters in the world, but also important players in the global supply chains and in the demand of raw materials. These economies influence economic activity in the rest of the world. In the first quarter of 2020, the US economy grew by approximately 0.3 percent compared to the first quarter of 2019, while growth in China and the EU was -6.8 percent and -2.5 percent respectively (graph 2). In the second quarter, the US economy contracted by 9.5 percent<sup>4</sup> compared with the second quarter of 2019, while growth in China was -1.6 percent. The IMF has estimated the growth of the USA, China and the EU this year at -8 percent, 1 percent and -10.2 percent respectively. In recent months, trade tensions between the USA and China have increased again and may further dampen the growth of the world economy.

Both the IMF and the World Bank have estimated the contraction of the Surinamese economy at approximately 5 percent this year. The contraction of the economy will be much worse if economic activity does not pick up faster in the second half of the year. For example, the National Planning Office has estimated the growth for 2020 at -7.6 percent. The average growth of the Caribbean for 2020 has been estimated by the World Bank at -1.8 percent (graph 3) and -3.1 percent if Guyana is excluded. The Guyanese economy is expected to grow by no less than 51.1 percent in 2020, due to massive offshore oil production this year.

The offshore oil discoveries in Suriname also appear to be very promising. This year, 3 major oil findings have been observed in the Block 58 exploration area of Apache Corporation and Total S.A. The potential of these discoveries is approximately 6.5 billion barrels of crude oil.

Gold production in the first quarter of 2020 was somewhat lower, by 6.0 percent compared to the first quarter of 2019 (graph 4). Lower production can be observed for both the large mining companies (-8.6 percent) and the medium and small mining companies (-1.6 percent). The effect of the pandemic on the gold production will be more pronounced in the second quarter when business activities (large mining) were stagnated due to employee infections.

## **International trade and capital flows**

The balance of payments statistics for the first quarter of the year indicate a higher export value of goods and services of USD 667.8 million, compared to the USD 603.9 million in the first quarter of 2019 (graph 5). The export value of minerals (gold and oil) was USD 47.6 million higher than in the first quarter of 2019. Gold exports increased by USD 27.8 million while oil exports increased by USD 19.8 million in this period of time.

The world market price of gold, an important investment asset in times of crisis, will show an upward trend in 2020 (graph 8). The correlation of the trend of the value of the USD on the gold price appears to have much less effect on the development of the gold price<sup>5</sup> this year (graph 9). The average price in

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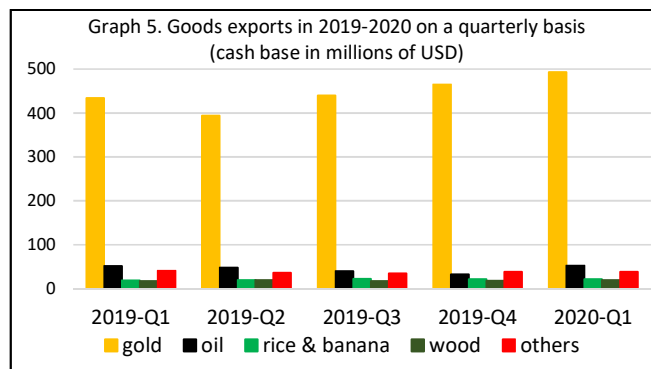
<sup>4</sup> According to preliminary figures from the Department of Commerce's Bureau of Economic Analysis, the U.S. economy contracted by a historic 32.9 percent in the second quarter of 2020, compared with the first quarter of the year. In this growth figure, production in both quarters has been adjusted for seasonal effects, after which the quarterly data is annualized. Filtering out seasonal influences gives a better picture of the strength of the performance of the economy on a quarterly basis.

<sup>5</sup> There is an inverse relationship between the gold price and the US dollar. In the period 1900-1971 there was talk of the gold standard, a currency system in which the value of the US dollar was linked to a certain amount of physical gold and other currencies to the US dollar. In 1971, this currency system was abandoned, the USD became a fiat currency (a currency that derives its value from government regulations and not gold) and was used as a reserve currency. Gold was pegged to floating

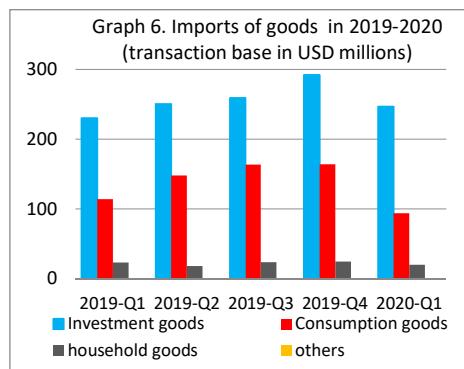
January was still USD 1,560.7 toz. and rose to an average of USD 1,824.5 toz. in July. At the beginning of August, for the first time in history, the price had risen above USD 2000 toz. As of August 6, the price amounted to an average of USD 2,067.2 toz. The prices of other precious metals such as silver are also experiencing significant increases this year.

The world market price of oil, on the other hand, fell sharply in the months of March-April due to the recession in 2020, from an average of USD 61.6 per barrel in January to USD 21 per barrel in April. From May on, the price started to rise again to an average of USD 42.1 per barrel as of July 2020 (graph 8). This increase is the result of a strong reduction in production by the OPEC countries and the USA. Despite these developments, the export value of oil increased in the first quarter due to an increasing export volume and good export prices for crude oil during this period. Due to cleaning of the refinery from mid-February for approximately 6-7 weeks, more crude oil was exported than processed for the local market. Oil imports also increased in this period, causing the oil balance to be more negative in the first quarter than in the previous quarters (graph 7).

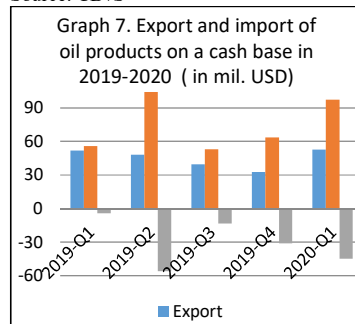
Total imports of goods and services (cash base) were also higher in this period than in 2019 and amounted to USD 572 million. The effects of the currency and covid-19 crisis are noticeable in a large positive gap between exports and imports (graph 10). The preliminary statistics of the ABS regarding imports of goods in the first quarter of 2020 show a decrease of 2.2 percent compared to the same period in 2019. Imports of consumer goods fell sharply by approximately 17.6 percent in this period.



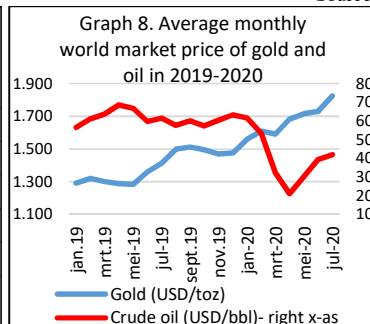
Source: CBvS



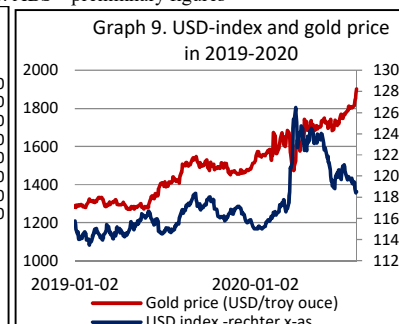
Source: ABS \* preliminary figures



Source: CBvS



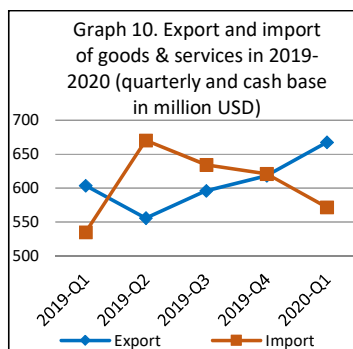
Source: CBvS, [www.kitco.com](http://www.kitco.com), World bank



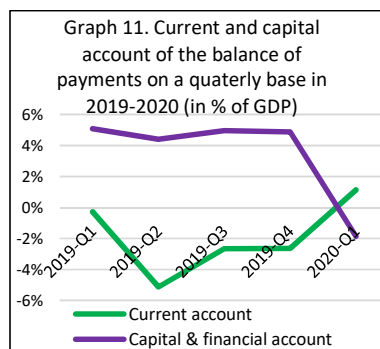
Source: [www.kitco.com](http://www.kitco.com),  
Federal Reserve Bank of St. Louis

Due to the more rapid increase in exports than imports, there was a current account surplus of USD 39 million in the first quarter of 2020. The balance on the capital and financial account was negative and amounted to USD 63 million. The State's creditworthiness had greatly diminished, and it had become increasingly difficult to attract capital from abroad in the form of external government debt. As a result, the balance of the capital and financial account was again negative since 2011. The result of the current account and capital and financial account as a percentage of GDP are presented in graph 11.

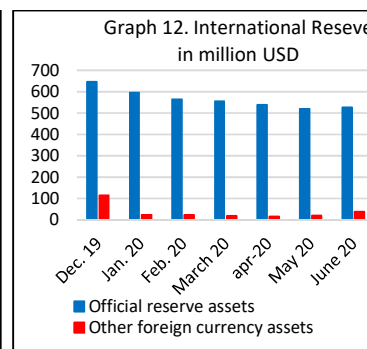
exchange rates, making its price sensitive to the value of the US dollar in addition to supply and demand. When the US dollar rises, the gold price falls and vice versa.



Source: CBvS



Source: CBvS, with calculations of VSB



Source: CBvS

The international reserve decreased by USD 119.9 million in June 2020 compared to the end of 2019 to an amount of USD 527.5 million (graph 12). The “ringfenced” cash reserve and other committed components that are not available for expenditures, made up the bulk of the international reserve position at the end of June.

## Monetary developments and the financial sector

In 2020, the money supply (M2) increased by approximately 3 percent to SRD 20.9 billion at the end of May compared to the end of 2019. This increase is the result of money creation for the government in the form of advances and credits provided by the Central Bank of Suriname. In graph 13 the sources of money creation for the period 2015 until May 2020 is presented.

The graph clearly shows that the money creation in 2019 and May 2020 was for the benefit of the government. The item other sources of money creation relates to Equity (EV) and other assets/liabilities of money-creating institutions.<sup>6</sup> When EV and other assets/liabilities decreases, money creation occurs, while an increase in this item indicates the opposite.

The significant decrease of this source in 2019 (7.1 percent of GDP), which implies money creation, relates to advances provided by the CBvS to the government, which had not yet been made visible in the government debt profile of the bank and in the domestic debt statistics of the government. In April 2020, these advances were converted and integrated in the consolidated long term debt of the government to the CBvS.

Domestic Government debt statistics at the end of May 2020 show that approximately SRD 5.5 billion in credits was provided to the government by the CBvS, mainly in April and May. Money creation to the government has mostly taken place through transferable deposits. Because of this and an increased demand for SRD cash from the public, as a result of the (partial) lockdown in recent months, there was a shortage of SRD banknotes in circulation, which seriously disrupted the general payment system in the economy. In the past month, there was a supply of SRD banknotes by the CBvS, which somewhat addressed this problem, but did not resolve it completely.

Lending by the banking sector has been declining this year. Up to and including May 2020, the decrease in the total credit by the banking sector was approximately 4.3 percent compared to year-end 2019 and amounted to SRD 10.1 billion (graph 17). There was, however, a marginal increase in trade credits (approximately 3 percent) in this period.

Foreign currency deposits (graph 16) declined further in recent months until April. The decrease at the end of April compared to the end of 2019 was approximately SRD 1 billion (approximately USD 143 million). In May, the month of the elections, there was an increase in foreign currency deposits compared to the previous month, of SRD 278.3 million (approximately USD 37.6 million). This could indicate a renewed public confidence in the new government that was elected in May.

<sup>6</sup> Other assets / liabilities are suspense accounts of these institutions, on which funds can temporarily be assignment too.

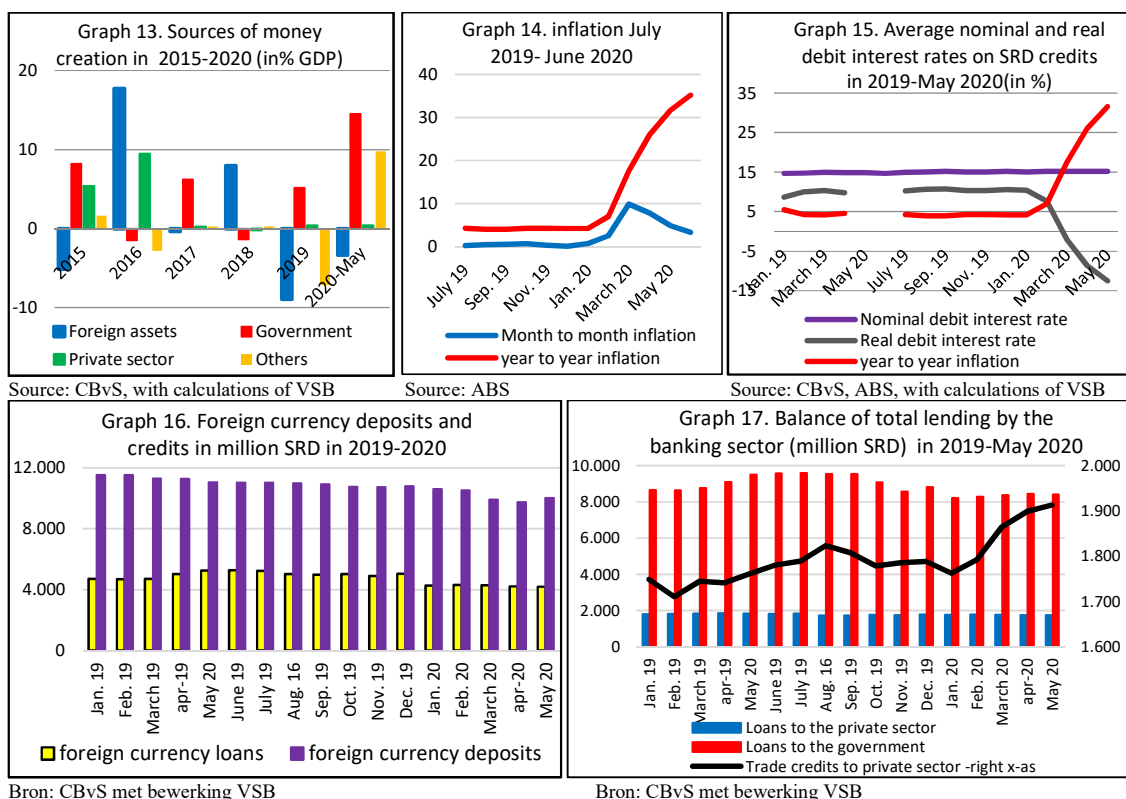


Table 1. Monthly USD index and average exchange rates of selected currencies against the USD in 2020

	2019- Dec.	2020- Jan.	2020- Feb.	2020- March	2020- April	2020- May	2020- June	2020- July
<b>Euro</b>	1,111	1,110	1,091	1,106	1,087	1,090	1,125	1,148
<b>JPY</b>	109,155	109,285	109,974	107,293	107,930	107,292	107,555	106,697
<b>CNY</b>	7,021	6,921	7,000	7,018	7,073	7,111	7,086	7,008
<b>USD index</b>	115,950	115,326	116,762	121,286	123,594	122,967	120,013	n.a.

Source: IMF, [Federal Reserve Bank of St. Louis](#), Index Jan 2006=100 with calculations of VSB n.a.= not available

Due to the currency and covid-19 crisis, inflation has risen considerably (graph14). Month-to-month inflation in the first half year peaked in March (9.9 percent) when the first Covid-19 case was recorded. The annual inflation by the ABS for the period June 2019-June 2020 is estimated at 35.2 percent. Due to increasing inflation, the average real interest rate on SRD credits, which is nominally around 15 percent, has been negative again since March. In May 2020, this amounted to approximately -12.5 percent.<sup>7</sup>

The USD and Euro exchange rates have stabilized somewhat after the May 25 elections. Due to a lack of SRD currency, the cambio rates for cashless transactions are more favorable than for cash transactions. At the beginning of August, selling rates of the USD were between SRD 14.00 - SRD 14.50, while those of the Euro were between SRD 15.00 - SRD 16.50.

The international currency markets still show a strong USD up to and including April on the basis of the rising USD index (table 1). After April, the USD has weakened due to the poor performance of the economy because of the lockdown and the social tensions (protests and riots) that have taken place since May.

<sup>7</sup> The last time the real debit interest rate on SRD loans was negative, was in August 2017 and it amounted to approximately -1.5 percent.

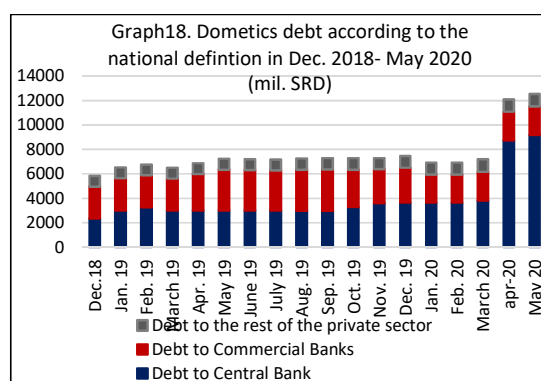
## Public Finance and government debt

It is not possible to review the policy with regard to public finance in the first half of 2020, because no statistics with regard to public finance for the current year are available. Recent and adjusted government debt statistics from the last and current year do show that the government has faced enormous financing deficits in the first half of 2020. The current disrupted socio-economic life that is accompanied by a heavy pressure on the health care sector, the Elections and the establishment of a covid emergency fund in the first half of the year have resulted in a massive decrease of government revenues, while spending has increased significantly.

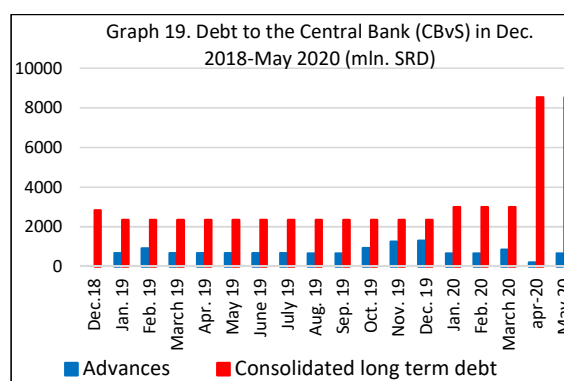
Current deficits in 2019 and in the first 5 months of the year were mostly financed with domestic loans and advances, often provided by the CBvS (graph 18). At the end of May 2020, the debt to the CBvS made up 73 percent of the total government domestic debt of approximately SRD 12.5 billion. The long-term consolidated debt of the government to the CBvS increased to SRD 8.5 billion in April, while the advances amounted to approximately SRD 648.8 million at the end of May (graph 19).

Of the external debt of approximately USD 2 billion, 41 percent is owed to commercial creditors (graph 20). The total government debt at the end of May 2020 amounted to approximately SRD 27.6 billion, which amounts to approximately USD 3.6 billion (figure 21). Of the total debt portfolio of the government, approximately 64 percent is foreign currency debt and is subject to exchange rate risks (graph 22).

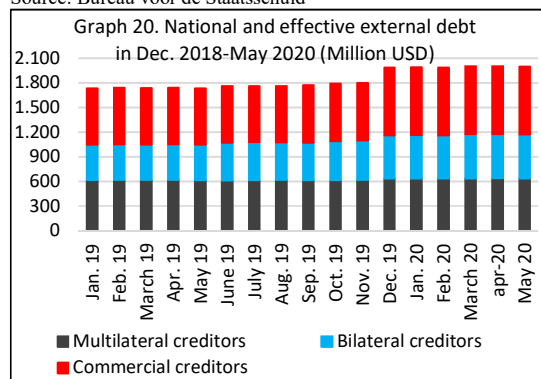
The debt-GDP ratio according to the National Debt Act at the end of May 2020 is above 100 percent and amounted to approximately 107 percent. At the current CBvS exchange rate, the effective debt-GDP ratio is approximately 81 percent (graph 23).



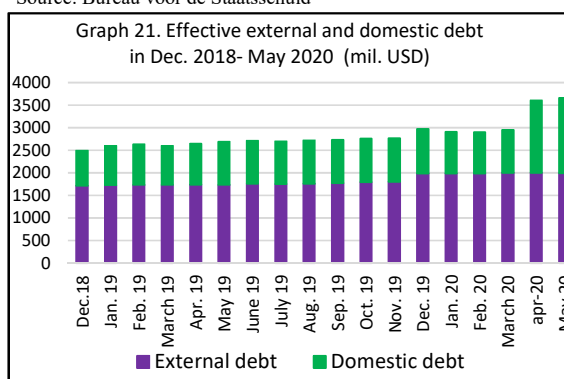
Source: Bureau voor de Staatsschuld



Source: Bureau voor de Staatsschuld

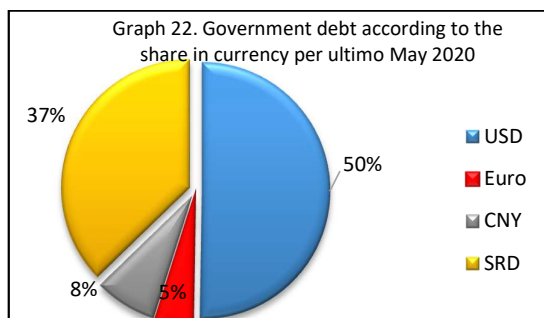


Source: Bureau voor de Staatsschuld

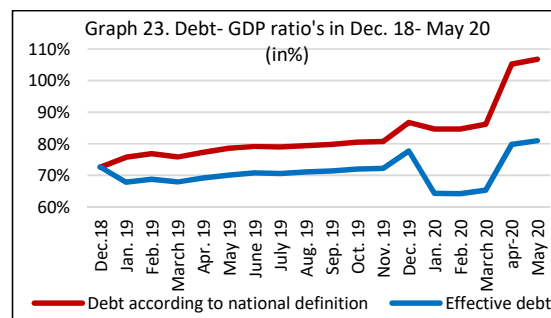


Source: Bureau voor de Staatsschuld with calculations of VSB





Source: Bureau voor de Staatsschuld with calculations of VSB



Source: Bureau voor de Staatsschuld with calculations of VSB

The country's credit rating has been further downgraded in the past 3 months. On June 30, 2020 and in the grace period of 10 days after this date, the Government of Suriname was unable to meet its redemption obligation and interest payments of approximately USD 24 million on the international notes of USD 125 million that was issued in December 2019.

This has led to an adjustment of the long-term foreign currency rating of Fitch from CCC to Restricted Default (RD) and of Standard & Poor's CCC + to Selective Default (SD). After this incident, later in July the debt payment was restructured. Fitch's credit rating was revised to CC, while Standard & Poor's has gone to a CCC rating. At the beginning of July 2020, Moody's also changed the country's long-term foreign currency debt rating from B2 to Caa3. All current ratings relating to the country's creditworthiness fall into the "substantial risk" category.



## Selected macro-economic indicators

<b>Annual statistics 2014-2021</b>									
<b>Real Sector</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b> Est./act.	<b>2020</b> proj.	<b>2021</b> proj.	<b>Source</b>
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 Est. + 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 est./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
<b>Balance of Payments (cash base)</b>									
Total export- Goods & Services (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>2,373.5</u>			CBvS
• Gold	1,169.9	916.2	1,036.7	1,608.9	1,631.6	1,732.2			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	69.5	61.1	51.0	52.6	45.6			CBvS
• Wood and wood products	29.8	32.3	40.0	59.9	70.0	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	163.1			CBvS
Total import- Goods & Services (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	477.4	552.4	657.4			CBvS
Balance current account (mil. USD)	-416.3	-786.4	-160.5	60.9	-118.0	-410.2			CBvS
Balance Cap. + Fin. acc. (mil. USD)**	696.4	771.0	501.9	112.6	297.8	741.3			CBvS
Of which incoming FDI (mil. USD)	164.1	266.7	300.0	98.2	119.2	-19.5			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)**	13.5	16.3	15.5	3.5	8.7	19.4			CBvS/calc. VSB
Statistical differences. (% GDP)**	-8.3	-5.3	-8.4	-4.8	-0.9	-7.5			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
<b>World market prices in USD</b>									
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	Worldbank proj. Apr.20
Crude oil USD/bbl.	96.2	50.8	42.8	52.8	68.3	61.4	35.0	42.0	Worldbank proj. Apr. 20
Crude oil USD/bbl.	96.2	50.8	42.8	52.8	68.3	61.4	35.6	37.9	IMF proj.
<b>Monetary and Financial sector</b>									
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.	Bron
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
<b>Government Finance and Debt (cash base)</b>									
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. SRD)	5,799.0	8,779.6	14,466.1	18,046.4	18,734.7	22,401.3			BSS/calc. VSB
Government debt (national def.) (mil. USD)	1,731.0	2,173.2	1,932.7	2,399.8	2,491.3	2,978.9			BSS/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>2,973.1</u>			BSS/calc. VSB
External debt (mil. USD)	810.0	876.1	1,425.4	1,682.7	1,715.6	1,987.0			BSS/calc. VSB
Domestic debt (mil. USD)	562.4	897.4	56.4	722.2	779.7	986.1			BSS/calc. VSB
Domestic debt to 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	86.8			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	387.9	393.1	212.7	336.2	262.3			BSS/calc. VSB
<b>Quarterly statistics 2018-2020</b>									
<b>Balance of Payments (cash base)</b>	<b>2018 Q3</b>	<b>2018 Q4</b>	<b>2019 Q1</b>	<b>2019 Q2</b>	<b>2019 Q3</b>	<b>2019 Q4</b>	<b>2020 Q1</b>	<b>2020 Q2</b>	<b>Source</b>
Total export- G+S (mil. USD)	<u>544.6</u>	<u>643.2</u>	<u>603.9</u>	<u>555.5</u>	<u>595.9</u>	<u>618.3</u>	<u>667.8</u>		CBvS
• Gold	365.7	482.1	434.1	393.6	439.4	465.1	492.9		CBvS
• Oil	58.5	49.3	51.7	48.3	39.6	32.6	52.4		CBvS
• Rice and banana	15.8	8.2	9.5	10.9	12.9	12.3	13.6		CBvS
• Wood and wood products	16.4	15.3	17.1	19.6	17.3	17.8	20.2		CBvS
• Fish and shrimp	10.7	12.6	9.8	9.1	9.5	9.7	8.5		CBvS
• Other goods	32.5	32.1	40.9	36.4	34.8	38.5	38.6		CBvS
• Services	45.0	43.6	40.8	37.6	42.4	42.3	41.5		CBvS
Total import- G+S (mil. USD)	<u>526.8</u>	<u>579.2</u>	<u>535.0</u>	<u>670.3</u>	<u>634.3</u>	<u>621.2</u>	<u>571.7</u>		CBvS
• Services	125.2	176.6	120.4	186.7	177.8	172.6	166.4		CBvS
Balance current account (mil. USD)	-35.1	-78.6	-10.7	-196.0	-102.2	-101.2	39.0		CBvS
Balance Cap. + Fin. acc. (mil. USD)**	26.2	60.1	194.9	168.6	190.7	186.9	-63.1		CBvS
Of which incoming FDI (mil. USD)	-20.5	26.1	59.5	-23.3	13.4	-69.2	-49.0		CBvS
Balance Current account (% GDP)**	-1.0	-2.3	-0.3	-5.1	-2.7	-2.6	1.1		CBvS/calc. VSB
Balance Cap. + Fin. acc. (% GDP)**	0,8	1.7	5.1	4.4	5.0	4.9	-1.9		CBvS/calc. VSB
Statistical differences (% GDP)**	0.5	1.5	-5.0	1.9	-0.2	-4.1	-1.8		CBvS/calc. VSB

	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	Source				
Total imported goods - transaction base (mil. USD)	397.5	354.0	367.8	416.3	446.8	480.8	359.9		ABS				
• Investment goods	254.6	217.4	229.1	250.1	258.9	291.7	246.3		ABS				
• Consumption goods	121.7	112.1	114.0	147.7	163.4	163.9	93.9		ABS				
• House hold goods	20.5	24.0	23.3	18.0	23.9	24.4	19.8		ABS				
• Other goods	0.6	0.5	0.7	0.5	0.6	0.4	0.4		ABS				
<b>Government Finance and debt (cash base)**</b>													
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				
<b>Monthly statistics 2019 August – 2020 July</b>													
	Aug. 2019	Sept. 2019	Oct.- 2019	Nov. 2019	Dec. 2019	Jan. 2020	Feb. 2020	Mar. 2020	Apr. 2020	May 2020	June 2020	July 2020	Source
<b>Inflation (%)</b>													
Inflation – month to previous month	0.4	0.5	0.6	0.3	0.1	0.7	2.5	9.9	7.8	4.9	3.3		ABS
Inflation – month to month of previous year	4.0	4.0	4.3	4.3	4.2	4.2	7.0	17.6	26.0	31.6	35.2		ABS
<b>International Reserve Position (mil. USD)</b>													
International Reserve	683.7	699.8	674.3	648.6	647.4	596.1	565.3	554.4	537.9	519.6	527.5		CBvS
<b>World market prices in USD</b>													
Gold USD/troz	1,499	1,511	1,495	1,469	1,476	1,561	1,597	1,592	1,683	1,716	1,732	1,825	<a href="http://www.kitco.com">www.kitco.com</a>
Crude oil USD/bbl.	61.5	57.7	60.0	57.3	60.4	61.6	53.4	32.2	21.0	30.4	39.5	42.1	Worldbank
<b>Liquidity ratio (M2 in % GDP)** and balance of credit from the banking sector (mil. SRD)</b>													
Liquidity ratio	68.3	68.4	67.8	68.4	70.4	59.1	59.6	58.7	59.0	61.5			CBvS/calc. VSB
Balance of credit to government	3,131	3,136	2,686	2,260	2,370	1,803	1,785	1,787	1,800	1,760			CBvS/calc. VSB
Balance of credit to private sector	9,519	9,073	8,561	8,817	9,519	8,203	8,280	8,366	8,423	8,419			CBvS/calc. VSB
<b>CBvS Exchange rates – selling rates</b>													
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	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	7.5	7.5	CBvS
SRD/Euro (e.o.p.)	8.2	8.2	8.4	8.3	8.4	8.3	8.2	8.3	8.2	8.5	8.5	8.8	CBvS
SRD/Euro average	8.4	8.3	8.3	8.3	8.4	8.4	8.2	8.3	8.3	8.2	8.5	8.6	CBvS
<b>Average lending interest rate (%) of the banking sector</b>													
On SRD credit	15.1	15.2	15.1	15.1	15.2	15.1	15.2	15.2	15.2	15.2			CBvS
Interbanking SRD rate	9.3	12.6	13.3	13.2	11.7	11.5	11.8	13.8	14.4	14.4			CBvS
On USD credit	8.6	8.5	8.5	8.6	8.6	8.6	8.6	8.6	8.5	8.1			CBvS
On Euro credit	7.9	7.8	7.7	8.4	8.3	8.3	8.5	8.4	8.2	8.2			CBvS
<b>Government finance (mil. SRD) en debt (mil. USD)</b>													
Total revenues	537.7	442.9	666.6										MvF
Total expenditures commitment base	854.5	657.0	1,033.9										MvF
Total expenditures cash base	888.7	731.0	1,035.2										MvF
Government debt (national def.) (mil. SRD)	20,517	20,611	20,778	20,837	22,401	21,868	21,858	22,246	27,169	27,557			BSS
Debt to central bank (mln SRD)	2,992	2,992	3,279	3,592	3,638	3,638	3,638	3,821	8,732	9,173			BSS

	Aug. 2019	Sept. 2019	Oct.- 2019	Nov. 2019	Dec. 2019	Jan. 2020	Feb. 2020	Mar. 2020	Apr. 2020	May 2020	June 2020	July 2020	Source
Domestic debt to banking sector (mil. USD)***	3,334	3,354	3,057	2,782	2,873	2,286	2,293	2,344	2,348	2,348			BSS
Effective debt (mil. USD)	<u>2.723</u>	<u>2.737</u>	<u>2.760</u>	<u>2.767</u>	<u>2.977</u>	<u>2.907</u>	<u>2.905</u>	<u>2.957</u>	<u>3.611</u>	<u>3.664</u>			BSS/calc.VSB
External debt (mil. USD)	1.763	1.772	1.792	1.800	1.987	1.988	1.986	2,003	2,004	1,996			BSS/calc.VSB
Domestic debt (mil. USD)	960	965	968	967	990	919	919	954	1,607	1,668			BSS/calc.VSB
Domestic debt from banking sector (mil. USD)***	79,5	79,9	80,5	80,8	86,8	84,7	84,7	86.2	105.3	106.8			BSS/calc.VSB
Effective debt-GDP ratio (%)	71.1	71.5	72.1	72.3	77.7	64.3	64.3	65.4	79.9	81.0			BSS/calc.VSB
Government debt (national def.)-GDP ratio (%)	22.0	20.7	13.5	200.0	4.1	4.2	1.9	15.8	4.7	0.0			BSS
Disbursements on external debt (mil.USD)	4.0	22.8	33.5	33.2	26.3	94.3	4.1	2.1	26.3	11.1			BSS/calc.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 and 2020 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.

<p>Adres: Prins Hendrikstraat # 18  Telefoon: (597) 475286/87  Fax: (597) 472287  Email: vsbstia@sr.net  Website: <a href="http://www.vsbstia.org">www.vsbstia.org</a></p>	<p><b>Missie</b>  Toegewijd werken aan een competitief ondernemerschap dat hoogwaardige goederen en diensten produceert op een maatschappelijk en milieu verantwoorde wijze.</p> <p><b>Visie</b>  De VSB is de toonaangevende vertegenwoordiger en belangenbehartiger van het Surinaams bedrijfsleven en streeft als werkgeversorganisatie naar een leidende rol in de regio.</p>
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