



Macroeconomic Overview

Quarterly report

November 23, 2020

Introduction

The macroeconomic overview is produced by the VSB Bureau. The Senior 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 follows: 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 until the third week of November 2020, the analysis can be summarized as follows:

- The contraction of the Surinamese economy in 2020 is downwards adjusted by the IMF and is estimated at approximately 13.1 percent, while the growth for 2021 is projected at a marginal 1.5 percent.
- In generally the International commodity prices continue to recover. The average oil and gold price felt marginally in the months of September and October.
- In the first half year of 2020 there was a positive current account on the balance of payments of approximately USD 37.1 million, due to increasing exports of goods and services and decreasing imports. The capital and financial account, however, shows a negative balance of USD 171.6 million due to minimal drawdowns on foreign (government) debt and negative FDI. The international reserve at the end of September 2020 is USD 96.5 million lower than at the end of 2019.
- On September 22, the CBvS devalued the exchange rate of the SRD against the USD by approximately 90 percent to SRD 14.29. Due to the continuing scarcity of foreign currencies because of the closed borders among other things, there is an active black market with much higher selling rates for both the USD and the Euro.
- Based on the published statistics on government finances, the overall deficit for 2019 was 21.2 percent of GDP, of which the deficit in the last quarter of 2019 amounting to no less than 11.5 percent of GDP. The deficit was the result of increasing expenditure on the purchase of goods and services, subsidies and contributions and to a lesser extent capital expenditure. The overall deficit for 2020 is estimated at 17.2 percent of GDP. At the end of September 2020, the effective debt-GDP ratio was approximately 116 percent.
- On October 26, 2020, the international credit rating agency Fitch Ratings downgraded the country's long-term foreign currency credit rating from a CC rating to C because Suriname had failed to pay its interest charges on the USD 550 international bond in October. There is a period of 30 days after the payment date, in which the government can still meet its debt obligation. Suriname is expected to receive a Default rating this year. The government, with the help of law firm White & Case LLP and the international financial consultancy Lazard Frères, is investigating how to restructure its debt situation.

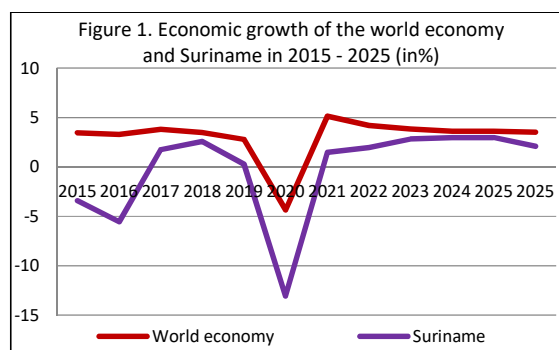
Economic growth and investment

The global economy appears to be slowly emerging from the depths of the recession due to the global lockdown in April of this year. However, in recent months we have seen an increase of the number of Covid-19 infections in the developed countries, especially the USA and the European Union, but also in other countries such as England, India, Brazil and Russia. In Suriname, the number of active cases has declined sharply since mid-September (Figure 3).

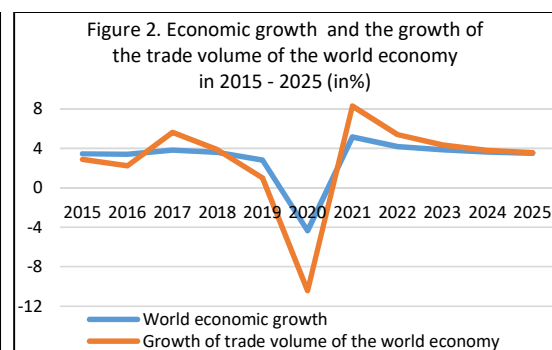
In the latest IMF World Economic Outlook of October 2020, the estimated growth of the world economy has again been adjusted, this time upwards compared to the June estimate. Some economies such as China, USA, and Brazil recovered faster in July and August than expected. However, the recovery varies greatly from country to country and in the different regions. Growth for the world economy in 2020 is currently estimated at -4.4 percent and projected at 5.2 percent for 2021. After 2021, the global economy is expected to grow steadily in the medium term by approximately 3.5 percent on an annual basis (figure 1).

The risks of these growth projections are still the uncertainty regarding the duration and intensity of the pandemic. There are good prospects that a vaccine to combat the virus could soon be released. The contraction of the global economy this year means that the unemployment rate in both developed and developing countries has increased and will be still quite high in 2021, leading to an increase in global poverty. According to the IMF, there is a good chance that this year, about 90 million people will have to make do with an income of less than USD 1.90 per day.

Figure 2 shows the correlation between economic growth and international trade. World trade volume is expected to contract by approximately 10.4 percent this year and increase by 8.3 percent in 2021. Commodity markets continued to recover in the third quarter. Crude oil prices have doubled since their low in April due to severe oil supply constraints introduced by OPEC and other oil-producing countries. Prices, however, are lower than their pre-pandemic level. Metal prices are recovering faster due to the faster than expected recovery in industrial activities in China. Some food prices such as consumption oils have also risen due to production shortages.

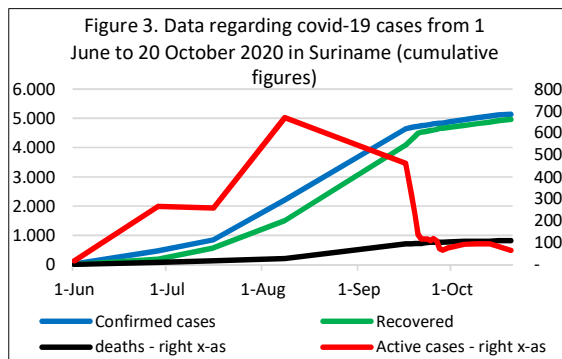


Source: IMF WEO October 2020

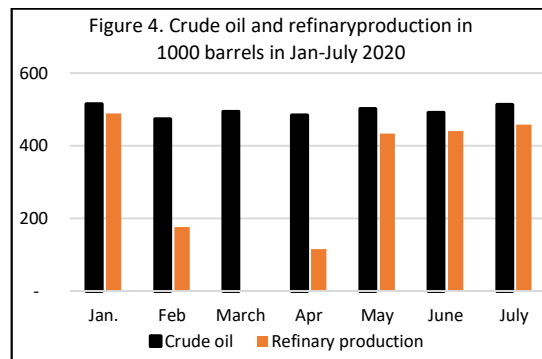


Source: IMF WEO October 2020

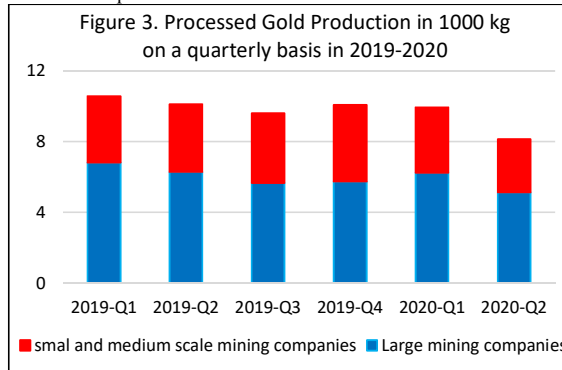
In most countries there have been expansionary government policies to accommodate the population in the form of financial transfers, including capital injections for businesses, asset purchases, loans, credit guarantees and other expenditures. In the developed countries this form of contribution is enormous and amounts to about 20 percent of GDP, while in the developing countries it is much lower to about 5.5 percent of GDP. This has further led to a massive increase of the public debt in the world. However, it appears that in the long term there will be low international interest rates due to accommodative monetary policies in many countries. Global financial markets have generally continued to improve since June, despite the recession. This is a reflection of the unprecedented stimulants from fiscal and monetary policy in the world.



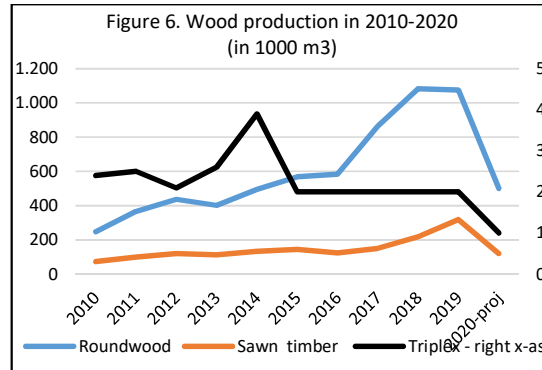
Source: Occupational Health Foundation



Source: Staatsolie N.V.



Source: CBvS



Source: SBB, 2020 projection VSB

In August the General Bureau of Statistics (ABS) released the economic growth and GDP figures for 2019. According to the ABS, the economy grew by 0.3 percent in the past year. The growth was largely driven by the government (6.2 percent), due to the enormous expenditure in the past year. Due to the decline in gold production, the growth of the mineral sector in the past year was negative (approx. -4 percent), while the rest of the economy grew marginally by approx. 2 percent. Especially the hotel and restaurant sectors and the agricultural sector including forestry performed much better than the other sectors.

For 2020, the IMF has adjusted the estimated growth rate for our country down to - 13.1 percent and projected it to 1.5 percent in 2021. In the medium term, annual economic growth is projected at an average of 2.3 percent. The growth forecast of the Surinamese economy is below that of the world economy (figure 1). Due to the Covid-19 pandemic, the entire tourism sector has been severely affected. The closure of the airspace and land borders has been going on for some time and the (partial) lockdown has severely affected international traffic and the total tourism services. The production of the petroleum sector, namely the processed petroleum production, was also disappointing in the first months of the year, due to cleaning activities at the refinery (figure 4).

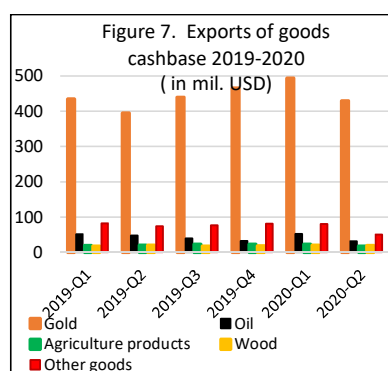
In the first half of 2020, gold production was approximately 13 percent lower than in the first half of 2019 (figure 5), while round wood production is expected to decrease by approximately 54 percent in 2020 compared to 2019 (figure 6).

The enormous offshore oil discoveries offer good prospects in the medium term. Suriname will have more spin-off effects from the offshore oil and gas industry, if a single shore base is set up in a strategic location to supply the offshore oil platforms in both Suriname and Guyana with goods and services. Investments in such a shore base amount to approximately USD 150 million and this project will have to be done in a Public Private Partnership (PPP) for the most effective outcome. It will take approximately 2.5 years to set up such a shore base. Guyana is also exploring where it can set up its Shore base for its oil and gas industry. On November 16 Staatsolie Hydrocarbon Institute NV (SHI), a subsidiary of Staatsolie Maatschappij Suriname, has opened the bidding round for international gas and

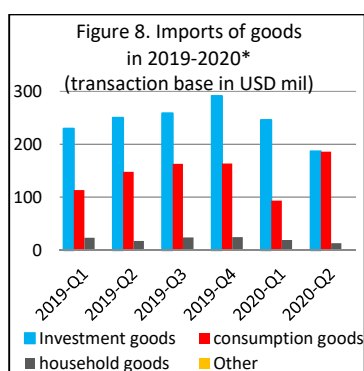
oil companies for exploration activities in eight blocks of the shallow offshore area, south of the recent deep water discoveries in Block 58. The bid round lasts until April 30, 2021.

International trade and capital flows

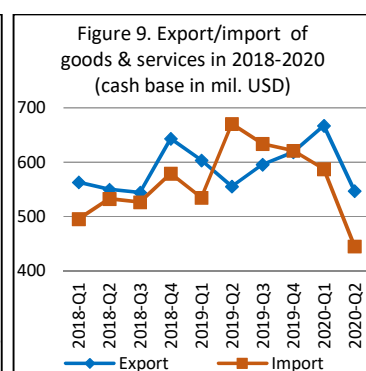
In the first half of 2020, the export value of goods and services was 4.8 percent higher (USD 55.4 million) than the first half of 2019. This is due to a higher realized export value in the first quarter of the year (figure 11).). The total export and import value of goods and services in the first half of 2020 was USD 1,214.8 million and USD 1,004.7 million respectively. From the balance of payments statistics in this period, rising exports mainly relate to gold exports and rice (figure 7). The rising rice exports are a result to increased export volume of rice in the first half year, due to excess stocks from 2019.



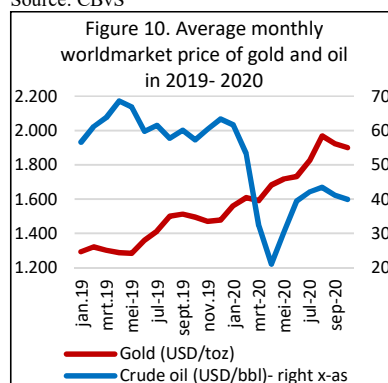
Source: CBvS



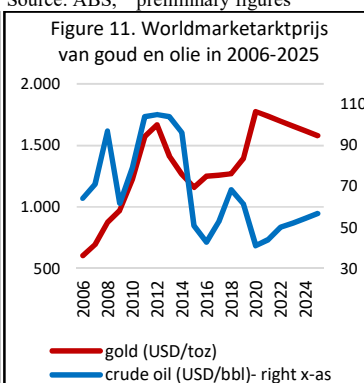
Source: ABS, * preliminary figures



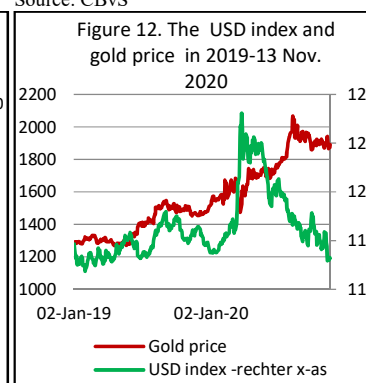
Source: CBvS



Source: CBvS, www.kitco.com, World bank



Source: World bank



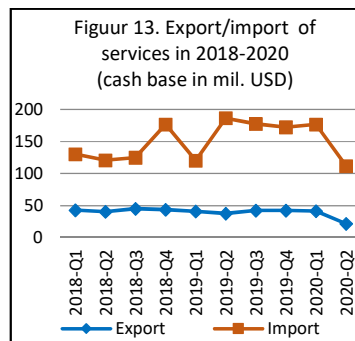
Source: www.kitco.com,
Federal Reserve Bank of St. Louis

In general, world commodity prices have been slowly recovering from the second quarter on. In September and October, both the world oil and gold prices are declining (figure 10). According to the World Bank, the marginal drop in oil prices in these months is due to growing concerns of an intensification of a second wave of infections in many countries, including countries in the Northern Hemisphere (Asia, Middle East, Africa and South America). According to the World Bank, the oil price will average USD 44 per barrel this year and will slowly rise to USD 57 per barrel by 2025 (Figure 11).

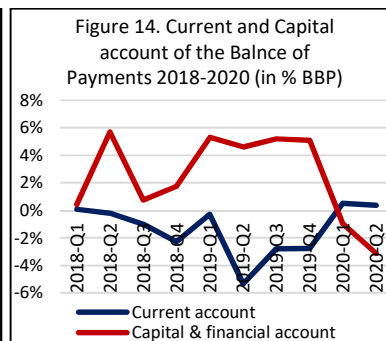
The rising trend of the world market price of gold, as an important investment asset in times of crisis, peaked at USD 2,067 per toz. on August 6 of the year. The weak US dollar since April of this year is also the reason for the sharp increase in gold prices. In the months of September and October, both the gold price and the USD index are somewhat volatile, the average gold price is declining marginally (1-2 percent) (figure 12). According to the World Bank, the average gold price in 2020 will be USD 1,775 toz and afterwards it will decrease to USD 1,580 toz in the medium term (Figure 11). As of November 18, 2020, the average gold price was USD 1876 toz.

Imports of goods and services have shown a decreasing trend since the third quarter of 2019 (figure 11). In the second quarter of the year imports fell sharply by approximately 24.8 percent. The currency crisis and the covid-19 situation, i.e. rising exchange rates and contraction of the economy this year, are the reason for the sharply declining imports. Figure 8 shows that imports of consumer goods almost doubled in the second quarter compared to the first quarter. This should be seen as compensation of the quite low import of consumption goods in the first quarter.

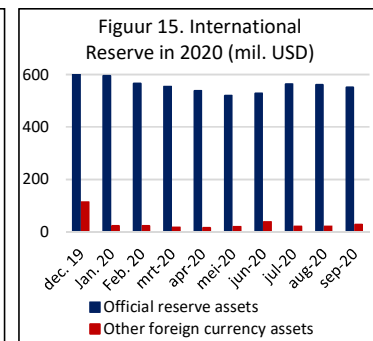
Figure 12 presents the services balance for 2018-2020. In 2020 there will be a downward trend. The trend of export services is fairly stable. This concerns services in the field of “travel” and “other business services” such as management, consultancy and other technical services. In 2019, the import of services saw an increasing turnover of mainly “other business services”, namely specific technical services that mostly relate to the large mining companies (oil and gold).



Source: CBvS



Source: CBvS, calculation VSB



Source: CBvS

Due to the sharp decline in imports, the current account outcome of the balance of payments has improved this year and amounted to approximately 0.5 percent and 0.4 percent of GDP in the first and second quarters (figure 14). The capital and financial account has turned negative, among other things, due to minimal disbursements on foreign (government) debts and negative FDI. In the first and second quarter of 2020, the capital and financial account balances amounted to approximately -1 and -3.1 percent of GDP respectively.

The developments in the balance of payments resulted in a drop of the international reserve compared to year-end 2019. At the end of September 2020, this amounted to a reserve of USD 551 million, a decrease of USD 96.5 million compared to the end of 2019 (figure 15).

Monetary developments and the financial sector

An important development in recent months has been the unification of the exchange rate. The flexible exchange rate system that was determined on May 10, 2016 by which the rate was decided by supply and demand, was abandoned on April 15, 2020. A controlled floating exchange rate system was adopted, with the CBvS as monetary authority adjusting the exchange rate on the basis of the macro-economic fundamentals and foreign currency market developments.

On September 22, the Bank decided to devalue the exchange rate of the SRD to the USD by 90 percent to SRD 14.29 for the USD (selling rate). The other exchange rates are adjusted by the CBvS on the basis of international rates. The official CBvS sales rate for the EURO is currently SRD 16.95. According to this monetary authority, the use of higher rates than indicated by the CBvS, is prohibited.

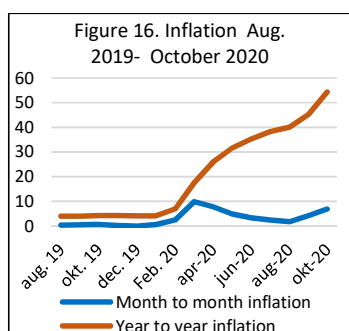
However, there is still a shortage of foreign currency in the country, partly due to the closed borders. This means that there is an active black currency market. The (black) market rates are much higher than those of the Central Bank and Cambios and are now as follows:

- for the sale of non-cash transferable USD deposits, the rate is between SRD 17.75 -18.00
- for the sale of cash USD, the exchange rate is around SRD 19.50

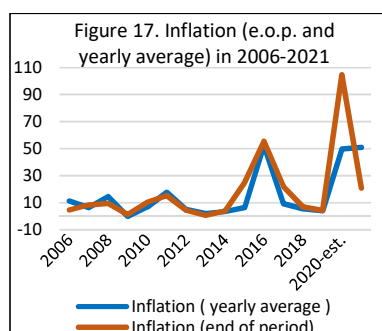
- for the sale of cash Euro, the exchange rate is between SRD 18.00 -18.75
- for the sale of non-cash transferable Euro deposits, the exchange rate is between SRD 20.50 -21.00

Due to the adjustment of the exchange rate, foreign currencies (notes, coins and transferable deposits) have increased, which resulted in an increase of the money supply (M2) in the month of September by 43.8 percent to SRD 32.3 billion compared to the previous month. The liquidity ratio for September is estimated at approximately 82 percent.

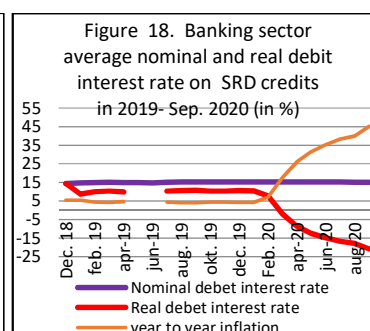
The statistical bureau (ABS) has set inflation in October 2020 compared to October 2019 at 54.2 percent, while the IMF has adjusted the year-end inflation estimate upwards to approximately 105 percent (figures 16 and 17). Year-end inflation is expected to decline to approximately 21 percent in 2021. The real borrowing rate on SRD loans of the banking sector is approximately -20.7 percent in September 2020, due to high inflation (figure 18).



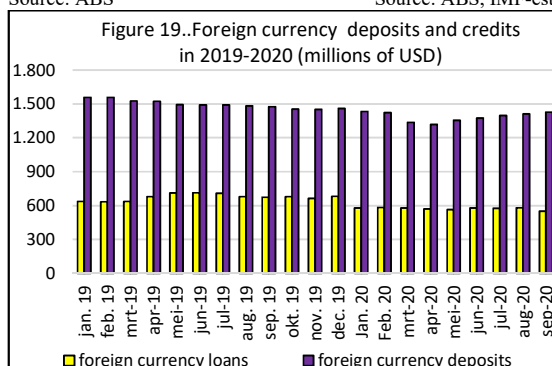
Source: ABS



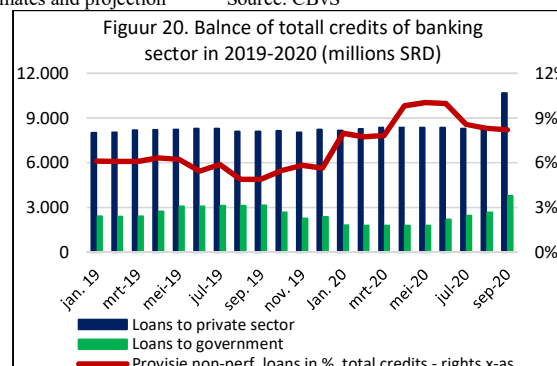
Source: ABS, IMF-estimates and projection



Source: CBvS



Source: CBvS with calculation of VSB

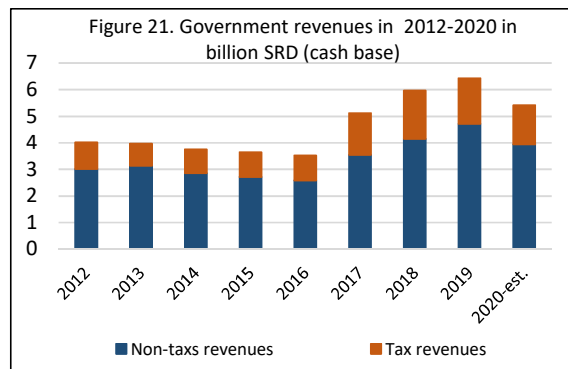


Source: CBvS with calculation of VSB

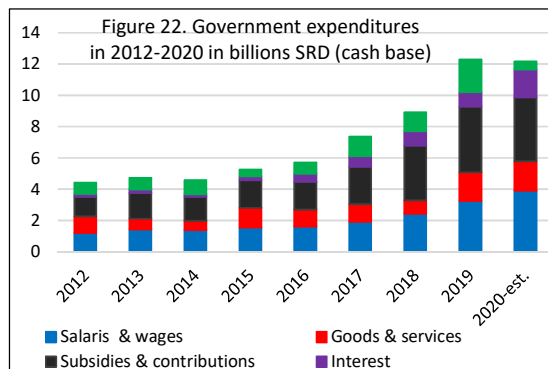
The exchange rate unification has also increased the foreign currency deposits and credits in SRD terms (figure 20). At the end of September 2020, the foreign currency deposits at the banks amounted to approximately USD 1,430 million and still shows an upward trend from May on (figure 19). Foreign currency credits are slowly declining this year. At the end of September 2020, credit to the government increased in real terms by 11.3 percent, while credit to the private sector decreased by approximately 9.6 percent compared to the end of 2019. The private banking sector has helped the government in the first three quarters of 2020 to finance its deficits. In real terms, total balance of credit given by the banking sector decreased by approximately 5.0 percent at the end of the third quarter of 2020, compared to the end of 2019.

Public Finance and government debt

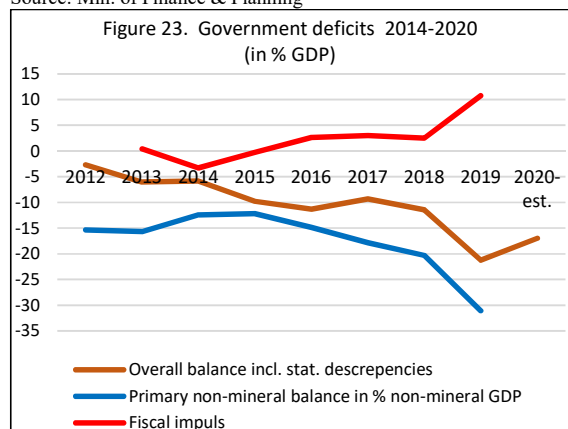
The government finance statistics for 2019 and the first seven months of the year, have been published by the Ministry of Finance and Planning. The government overall deficit last year was SRD 5.9 billion, which represented 21.2 percent of GDP (figure 23). This implies a huge expansionary government policy in 2019.



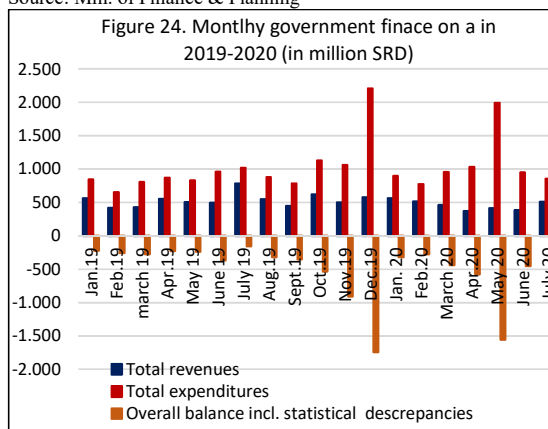
Source: Min. of Finance & Planning



Source: Min. of Finance & Planning



Source: Min. of Finance & Planning with calculations of VSB



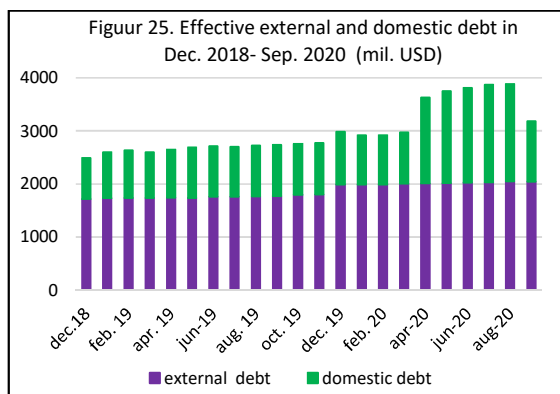
Source: Min. of Finance & Planning

Figure 24 shows an enormous amount of expenditures, especially in the last quarter of 2019. This mainly concerned expenditure regarding the purchase of goods and services, subsidies and contributions and in lesser degree of capital expenditure. The overall deficit in this quarter amounted to no less than 11.5 percent of GDP.

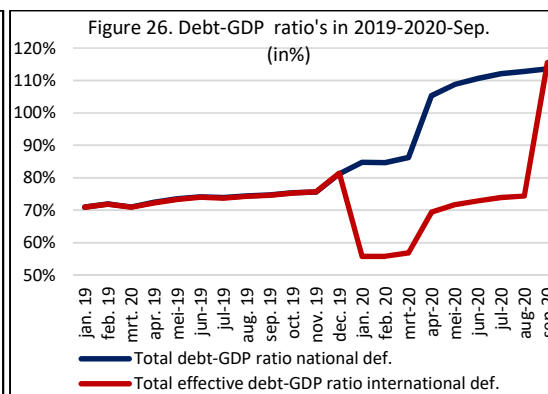
In 2019 Government revenues grew by 7.8 percent to SRD 6.4 billion (figure 21), while expenditure grew by 37.7 percent to SRD 12.3 billion. The expenditure item procurement of goods and services rose the most (108.8 percent), while the major expenditure items subsidies & contributions and wages & salaries increased by 20.5 percent and 34.6 percent respectively (figure 22). Government investment increased by 71.4 percent and amounted to SRD 2.1 billion (approx. USD 278 mil.).

The overall deficit for 2020 is estimated at SRD 6.7 billion, approximately 17.2 percent of GDP. Estimated revenues will decrease this year by approximately 14.3 percent to SRD 5.5 billion, while expenditures will decrease by 0.9 percent to SRD 12.2 billion. Much of this year's expenditures are related to the elections, interest payments on debt and subsidies & contributions in the context of the Covid-19 pandemic. According to the government 2021 draft budget presented to parliament, the overall deficit for the next year is projected at SRD 2.8 billion. In the draft budget, all expenditure items with the exception of interest charges will decrease¹.

¹ The budgeted revues for 2021 is projected at SRD 9.8 billion, while expenditure is budgeted at SRD 12.6 billion. These projections exclude the financing items namely disbursements and principal debt payments.



Source: Bureau voor de Staatsschuld with calculation of VSB



Source: Bureau voor de Staatsschuld with calculation of VSB

In the first three quarters of 2020, USD 246.4 million was paid to government debt, while USD 62.2 million was drawn on foreign loans. The delinquent debt payments for this period were approximately USD 46 million. In addition to these arrears, there are also huge arrears in payments of goods and services supplied domestically to the government.

On October 26, 2020, the international credit rating agency Fitch Ratings downgraded the long-term foreign currency credit rating of the country from a CC rating to C. This adjustment also affects the rating on the USD 550 million bond, which matures in 2026 and the USD 125 million international notes, which matures in 2023. The government failed to meet the interest payment on the USD 550 million bond on that day. If the government is unable to make payment within 30 days, Fitch will further adjust the long-term foreign currency credit rating to Restricted Default (RD) and the rating on the instrument to Default (D).

The consequences of a further downgrading of the rating on our economy include:

- the government is not able to raise funds on the (international) capital markets
- increased freight insurance costs on foreign supplier loans from the private sector, resulting in additional pressure on consumer prices of goods
- increased provisions that banks must make on the deposits of their debtors on the basis of IFRS

The government will receive a default rating this year and is in the process of restructuring its debt. The international law firm White & Case LLP and the international financial consultancy Lazard Frères have been hired for this purpose.

In order to improve creditworthiness next year, the government will have to take care of the following:

- Good and regular communication between the government and investors (of the bonds/notes)
- Access to timely and reliable (macro) statistics to monitor the effects of the policy pursued. Publication of the debt-GDP ratios by the government and how this ratio came about. Analytical documents in English about developments in the economy.
- Transparency of the government's economic reform plan, with the intended policy measures at different times and their expected effects on the economy (presentation of reliable benchmarks, ratios in the future).
- Transparency of the government's debt restructuring plan and an influx of foreign currencies and increase of the International Reserve in the near future to facilitate debt repayments.
- Approval of the government's reform plan by Parliament with broad support from the various civil society stakeholders.

Selected macro-economic indicators

Annual statistics 2014-2021									
Real Sector	2014	2015	2016	2017	2018	2019	2020 Est./act.	2021 proj.	Source
Economic growth (%)	0,3	-3,4	-5,6	1,8	2,6	0,3			ABS
GDP nominal market pr. (mil. SRD)*	17.294	16.357	19.489	24.082	25.918	27.575			ABS
Economic growth (%)	0,3	-3,4	-5,6	1,8	2,6	0,3	-13,1	1,5	ABS/IMF Est. + proj.
GDP nominal market pr. (mil. SRD)*	17.294	16.357	19.489	24.082	25.918	27.575	39.336	64.353	ABS/IMF est./VSB-proj
GDP per capita in USD**	9.379,0	8.439,2	5.498,9	5.260,0	5.798,2	6.490,1	4.661,5	6.415,0	ABS/IMF /VSB proj.
Inflation rate – average (%)	3,4	6,9	55,5	22,0	6,8	4,4	49,8	51,0	ABS
Inflation rate – e.o.p. (%)	3,9	25,1	52,4	9,2	5,4	4,2	104,9	20,9	ABS/IMF
Unemployment rate (%)	0,3	7,0	10,0	7,0	9,0	8,6	11,2	11,0	IMF
Balance of Payments (cash base)									
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	1169,9	916,2	1036,7	1608,9	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	69,5	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	163,1			
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	-11,2			CBvS/calc. VSB
Balance Cap. + Fin. acc. (% GDP)**	13,5	16,3	15,5	3,5	8,7	20,3			CBvS/calc. VSB
Statistical discrepancies. (% GDP)**	-8,3	-5,3	-8,4	-4,8	-0,9	-7,8			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	1.775	1.740	Wereldbank proj. Okt. 20
Crude oil USD/bbl.	96,2	50,8	42,8	52,8	68,3	61,4	41,0	44,0	Wereldbank proj. Okt. 20
Crude oil USD/bbl.	96,2	50,8	42,8	52,8	68,3	61,4	41,7	46,7	IMF proj.
Monetair en Financiële sector									
Liquidity ratio (M2 in % GDP)	55,0	65,0	83,1	73,1	74,1	73,6			CBvS/calc. VSB
Balance of credit by banking sector (mil. SRD)	6.370,7	6.884,3	9.212,4	10.355,5	10.420,0	10.588,3			CBvS/calc. VSB
Balance of credit by banking sector to the government (mil. SRD)	976,1	608,8	1.116,1	2.191,6	2.325,6	2.369,5			CBvS/calc. VSB

	2014	2015	2016	2017	2018	2019	2020 Est./act.	2021 proj.	Source
Balance of credit by banking sector to private sector (mil. SRD)	5.394,6	6.275,5	8.096,3	8.163,9	8.165,4	8.218,8			CBvS/calc. VSB
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	-11,4	-21,2	-17,2		MvF/calc. VSB
Commitment balance including statistical differences. (% GDP)	n.b.	-9,8	-10,7	-8,8	-7,8	-18,2			MvF/calc. VSB
Primary non-mineral balance in % of non-mineral GDP	-12,4	-12,2	-14,8	-17,8	-20,3	-31,1			MvF/calc. VSB
Fiscal impulse (%)	-3,3	-0,2	2,6	3,0	2,5	10,7			MvF/calc. VSB
Governm. Debt (national def.) (mil. SRD)	5.799,0	8.779,6	9.555,8	17.991,6	18.737,5	22.453,9			BSS
Governm. Debt (national def.) (mil. USD)	1.731,0	2.173,2	1.276,7	2.392,5	2.491,7	2.985,9			BSS/calc. VSB
Domestic debt to banking sector (mil. USD)***	280,1	145,3	121,4	286,3	348,6	388,6			BSS/calc. VSB
Effective debt (mil. USD)	<u>1.372,4</u>	<u>1.773,5</u>	<u>1.986,8</u>	<u>2.405,4</u>	<u>2.490,3</u>	<u>2.983,5</u>			BSS/calc. VSB
External debt (mil. USD)	810,0	876,1	1.425,4	1.682,7	1.715,4	1.987,0			BSS/calc. VSB
Domestic debt (mil. USD)	562,4	897,4	561,4	722,7	774,9	996,5			BSS/calc. VSB
Effective debt-GDP ratio (%)	26,6	43,8	76,3	75,1	72,3	81,4			BSS/calc. VSB
Government debt (national def.)-GDP ratio (%)	33,5	53,7	74,2	75,0	72,3	81,4			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

Quarterly statistics 2018-2020

Balance of Payments (cash base)	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	Source
Total export- G+S (mil. USD)	<u>643,2</u>	<u>603,8</u>	<u>555,6</u>	<u>596,0</u>	<u>618,3</u>	<u>667,4</u>	<u>547,4</u>		CBvS
• Gold	482,1	434,1	393,6	439,4	465,1	492,9	428,9		CBvS
• Oil	49,3	51,7	48,3	39,6	32,6	52,0	31,7		CBvS
• Rice and banana	15,8	8,2	9,5	10,9	12,9	12,3	13,6		CBvS
• Wood and wood products	15,3	17,1	19,6	17,3	17,8	20,2	19,0		CBvS
• Fish and shrimp	12,6	9,8	9,1	9,5	9,7	8,5	7,3		CBvS
• Other goods	32,1	40,9	36,4	34,8	38,5	38,6	28,9		CBvS
• Services	43,6	40,8	37,6	42,4	42,3	41,5	21,8		CBvS
Total import- G+S (mil. USD)	<u>579,2</u>	<u>535</u>	<u>670,3</u>	<u>634,3</u>	<u>621,2</u>	<u>587,83</u>	<u>445,1</u>		CBvS
• Services	176,6	120,4	186,7	177,8	172,6	176,6	112,0		CBvS
Balance current account (mil. USD)	-78,6	-10,7	-196,0	-102,2	-101,2	22,0	15,1		CBvS
Balance Cap. + Fin. acc. (mil. USD)**	60,1	194,9	168,6	190,7	186,9	-40,5	-131,1		CBvS
Of which incoming FDI (mil. USD)	26,1	59,5	-23,3	13,4	-69,2	-49,0	-14,4		CBvS
Balance Current account (% GDP)**	-2,3	-0,3	-5,3	-2,8	-2,8	0,5	0,4		CBvS/calc. VSB
Balance Cap. + Fin. acc.(% GDP)**	1,7	5,3	4,6	5,2	5,1	-1,0	-3,1		CBvS/calc. VSB
Statistical discrepancies (% GDP)**	1,5	-5,3	2,0	-0,2	-4,3	-1,6	2,0		CBvS/calc. VSB

	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	Source				
Total imported goods - transaction base (mil. USD)	354,0	367,8	416,3	446,8	480,8	359,9	387,1		ABS-prelim.fig.				
• Investment goods	217,4	229,1	250,1	258,9	291,7	246,3	187,2		ABS				
• Consumption goods	112,1	114,0	147,7	163,4	163,9	93,9	186,1		ABS				
• House hold goods	24,0	23,3	18,0	23,9	24,4	19,8	13,6		ABS				
• Other goods	0,5	0,7	0,5	0,6	0,4	0,4	0,3		ABS				
Government Finance and debt (cash base)**													
Overall balance including statistical differences. (% GDP)		-2,7	-3,0	-3,0	-11,5	-2,6	-6,6		MvF/bewer. VSB				
Commitment balance including statistical differences. (% GDP)			-2,1	-2,4	-11,2	-2,5	-6,6		MvF/calc. VSB				
Monthly statistics 2019 November – 2020 October													
	Nov. 2019	Dec. 2019	Jan. 2020	Feb. 2020	Mar. 2020	Apr. 2020	May 2020	June 2020	July 2020	Aug. 2020	Sept. 2020	Oct. 2020	Source
Inflation (%)													
Inflation – month to previous month	0,3	0,1	0,7	2,5	9,9	7,8	4,9	3,3	2,5	1,7	4,2	6,9	ABS
Inflation – month to month of previous year	4,3	4,2	4,2	7,0	17,6	26,0	31,6	35,2	38,3	40,0	45,1	54,2	ABS
International Reserve Position (mil. USD)													
International Reserve	648,6	647,5	596,1	565,3	554,4	537,9	519,6	527,5	53,5	561,7	551,0		CBvS
World market prices in USD													
Gold USD/troz	1.469	1.476	1.561	1.597	1.592	1.683	1.716	1.732	1.843	1.969	1.922	1.900	www.kitco.com
Crude oil USD/bbl.	57,3	60,4	61,6	53,4	32,2	21,0	30,4	39,5	42,1	43,4	41,1	39,9	Worldbank
Liquidity ratio (M2 in % GDP)** and balance of credit from the banking sector (mil. SRD)													
Liquidity ratio	71,5	73,6	51,1	51,6	50,8	51,0	53,1	54,6	56,0	57,1	82,0		CBvS/bewer. VSB
Balance of total credit	10.308	10.588	9.966	10.045	10.126	10.159	10.136	10.542	10.760	10.994	14.457		
Balance of credit to government	2.260	2.370	1.803	1.785	1.787	1.800	1.784	2.193	2.468	2.676	3.789		CBvS/bewer. VSB
Balance of credit to private sector	8.048	8.219	8.163	8.260	8.339	8.359	8.353	8.349	8.292	8.258	10.668		CBvS/bewer. 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	14,3	14,3	CBvS
SRD/USD average	7,5	7,5	7,5	7,5	7,5	7,5	7,5	7,5	7,5	7,5	9,8	14,3	CBvS
SRD/Euro (e.o.p.)	8,3	8,4	8,3	8,2	8,3	8,2	8,5	8,5	8,8	9,0	16,7	16,7	CBvS
SRD/Euro average	8,3	8,4	8,4	8,2	8,3	8,3	8,2	8,5	8,6	8,9	11,4	16,8	CBvS
Average lending interest rate (%) of the banking sector													
On SRD credit	15,1	15,2	15,1	15,2	15,2	15,2	15,2	15,2	15,1	15,0	15,0		CBvS
Interbanking SRD rate	13,2	11,7	11,5	11,8	13,8	14,4	14,4	15,0	12,8	12,5	12,5		CBvS
On USD credit	8,6	8,6	8,6	8,6	8,6	8,5	8,1	8,1	8,1	8,0	7,9		CBvS
On Euro credit	8,4	8,3	8,3	8,5	8,4	8,2	8,2	8,1	8,1	8,1	8,3		CBvS
Government finance (mil. SRD) en debt (mil. USD)													
Total revenues	499	578	562	515	461	368	416	385	508				MvF
Total expenditures commitment base	1.015	2.164	877	768	947	1.032	1.994	950	855				MvF
Total expenditures cash base	1.056	2.208	895	774	956	1.033	1.996	951	860				MvF
Government debt (national def.) (mil. SRD)	20.890	22.454	21.952	21.946	22.355	27.313	28.197	28.681	29.064	29.221	29.441		BSS
Debt to central bank (mln SRD)	3.592	3.638	3.638	3.638	3.821	8.732	9.573	9.573	9.573	9.573	9.573		BSS

	Nov. 2019	Dec. 2019	Jan. 2020	Feb. 2020	Mar. 2020	Apr. 2020	May 2020	June 2020	July 2020	Aug. 2020	Sept. 2020	Oct. 2020	Source
Domestic debt to banking sector (mil. USD)***	2.831	2.922	2.365	2.371	2.423	2.443	2.442	2.822	2.962	2.980	3.239		BSS
Effective debt (mil. USD)	<u>2.774</u>	<u>2.984</u>	<u>2.918</u>	<u>2.917</u>	<u>2.972</u>	<u>3.630</u>	<u>3.749</u>	<u>3.814</u>	<u>3.867</u>	<u>3.888</u>	<u>3.181</u>		BSS/calc.VSB
External debt (mil. USD)	1.800	1.987	1.988	1.986	2.005	2.007	2.013	2.026	2.033	2.051	2.046		BSS/calc.VSB
Domestic debt (mil. USD)	974	997	926	930	931	966	1.623	1.736	1.788	1.833	1.837		BSS/calc.VSB
Domestic debt from banking sector (mil. USD)***	75,6	81,4	84,7	84,7	86,3	105,4	108,8	110,7	112,1	112,7	113,6		BSS/calc.VSB
Effective debt-GDP ratio (%)	75,6	81,4	55,8	55,8	56,8	69,4	71,7	72,9	73,9	74,3	115,6		BSS/calc.VSB
Government debt (national def.)-GDP ratio (%)	13,5	200,0	4,2	1,9	18,1	4,7	11,8	3,7	3,3	13,1	1,4		BSS
Disbursements on external debt (mil.USD)	33,2	26,3	94,9	4,1	2,1	26,3	10,3	10,6	15,7	7,0	77,5		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 debt needs to be attracted to finance the deficit 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.
6. The effective debt-GDP ratio is calculated with the projected the GDP of the respective year, while the legal national debt-GDP ratio is based on the latest GDP figure from the ABS.

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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.