



Macroeconomic Overview

Quarterly report

March 8, 2020

Introduction

The macroeconomic overview is produced by the VSB Bureau. The director 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 until first week of March 2021, the analysis can be summarized as follows:

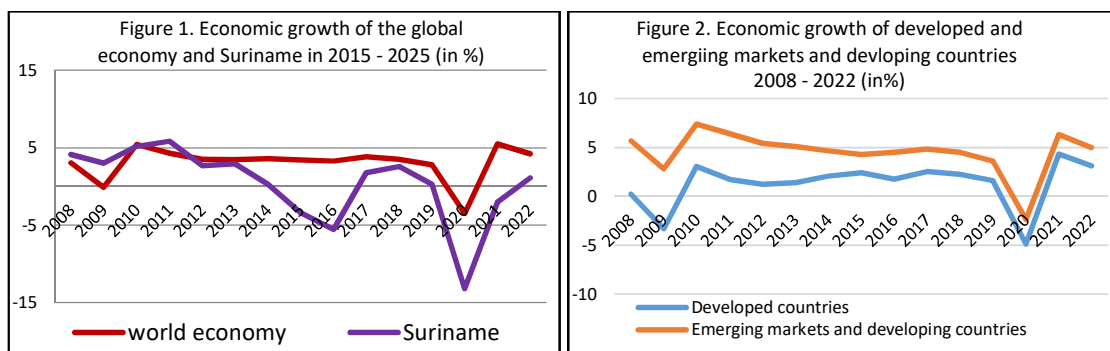
- Up to and including the beginning of March 2021, the Covid-19 pandemic resulted in approximately 113.8 million infections and 2.5 million victims worldwide. The contraction of the world economy in 2020 is estimated by the IMF at 3.5 percent with a growth forecast for 2021 of approximately 5.5 percent.
- The contraction of the Surinamese economy in 2020 is estimated at about 13 percent, while the economy will still contract by about 2 percent in 2021. This is stated in the government's Crisis and Recovery Plan 2020-2022. The implementation of the government's restructuring program, including revenue increasing measures and the commercializing of electricity tariffs will push inflation up, further reduce the purchasing power and will negatively affect economic activity.
- In 2020 there was a positive current account of the balance of payments of approximately 6.6 percent of GDP, while the capital and financial account showed a deficit of approximately 6.2 percent. A negative statistical difference has caused the International Reserve to decrease by USD 63 million in 2020 compared to 2019.
- In March 2021, the government further set out its exchange rate policy by setting a range of SRD 14.29 - SRD 16.30 for the USD in which the exchange rate may operate. A requirement of the exchange of 30 percent of export proceeds at the CBvS also came into effect on March the first. The discrepancy between the CBvS and the (black) market rate is still a fact.
- The economic developments in the past year have also hit the financial sector hard. The “financial soundness” indicators of the CBvS show that the solvency ratio will come under pressure, while the profitability of the banking sector decreased significantly in 2020.
- Government finance statistics indicates a financing deficit at the end of September of approximately 10.6 percent of GDP. In September 2020 the government realized a minimal surplus. The international financial consultancy firm Lazard Frères is still working on a debt restructuring with the Oppenheimer creditors of USD 675 million. There is currently a “stand still” of debt payments up to and including 25 March 2021 on these debts.

Economic growth and investment

As of March 1, 2021, the number of registered Covid-19 infected persons worldwide according to the World Health Organization (WHO) was 113.8 million¹, of which 2.5 million have died. The Covid-19 pandemic that broke out last year has drastically disrupted the world economy. In January 2021, the IMF adjusted the estimated growth rate of the world economy for 2020 upwards by 0.9 percent to a contraction of 3.5 percent. The growth adjustment is a reflection of a higher output of the world economy in the second half of 2020. In the labor market, women, young people and people in the informal sector worldwide have been particularly affected by the pandemic and global poverty has increased.

The expected growth for 2021 and 2022 has been set at 5.5 and 4.2 percent respectively (figure 1). The approval of various vaccines and the start of vaccination campaigns in many countries, are the reason for this positive growth expectation. However, the growth forecast has come under pressure by new waves of infections at the end of 2020 and in the first months of the year worldwide, the spread of various variants of the virus and the lockdown periods in various countries. The policies in the countries with regard to vaccination and the development of the world market prices of raw materials will also influence growth this year. According to the IMF, cooperation through multilateral institutions is needed to get the pandemic under control, especially in making the vaccine available to all countries at an affordable price. Facilitating COVAX is important in this regard².

The expansionary fiscal policy in various developed countries, like the USA, Japan and within the EU, and the facilitating monetary policy with low interest rates in these countries will contribute to a positive growth of the global economy.



Source: IMF WEO Jan.2021 and Crisis en recovery plan Jan.2021

Source: IMF WEO January 2021

Figure 2 clearly shows that the growth of the (traditionally) developed countries is lower than that of emerging economies and developing countries. The growth for this year has been set at 4.3 percent and in 2022 at 3.1 percent. The growth of various developed countries often differ from each other. For example, in the second half of 2021, economic activity in the US and Japan will return to the level it was at the end of 2019, while activity in the Eurozone and the United Kingdom³ is expected to remain below the level of the end of 2019 until 2022. The difference growth levels has to do with the degree to which countries differ in behavioral patterns of the population, public health policy on infections, flexibility and adaptability of economic activities with low population mobility, preexisting trends and structural rigidity of the economy in crisis periods.

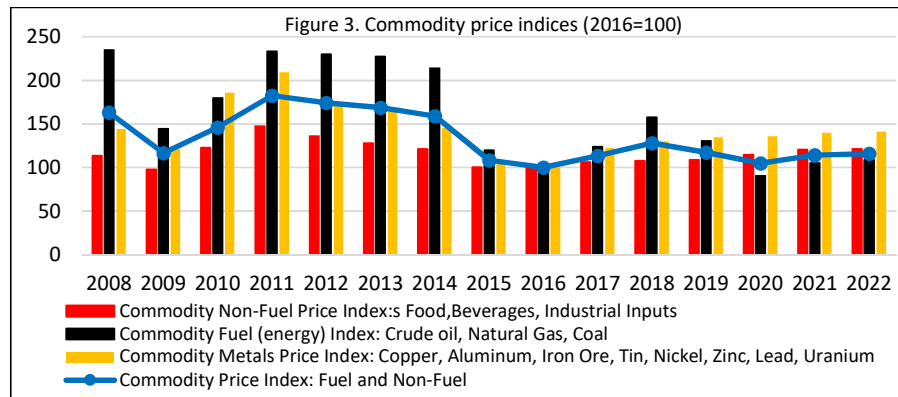
¹ This is approximately 1.5% of the world population.

² COVID-19 Vaccines Global Access, abbreviated as COVAX, is a global initiative aimed at a fair access to COVID-19 vaccines led by Gavi - the Vaccine Alliance -, the World Health Organization, the Coalition for Epidemic Preparedness Innovations, and others.

³ Economic growth in the USA, Japan, the EU and the UK is projected this year at 4.3 percent, 3.1 percent, 5.1 percent and 4.5 percent respectively.

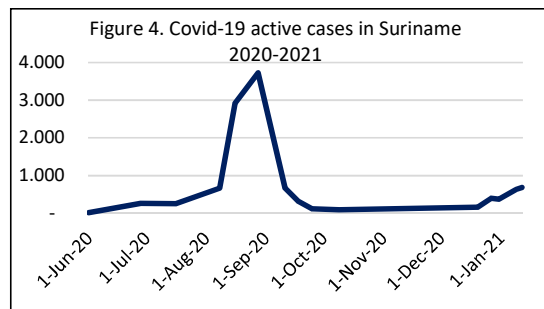
In the emerging economies and developed countries, growth for 2021-2022 is projected at 6.3 and 5.0 percent (figure 2). The level of growth within this group is mainly driven by the growth in China and India⁴. The oil producing countries in this group and economies mainly based on tourism, will have a longer road to recovery. Many countries within this group, especially the more low-income countries, have to deal with high debt levels that are constantly increasing. When public debt is high, governments will have to negotiate with their creditors to restructure their debt on the basis of the Common rescheduling framework of G20 countries⁵.

In the past year, investments in this group of countries, except China, decreased by approximately 10.6 percent. The decline in investment was the greatest in Latin America and the Caribbean and South Asia. This will also weaken the medium and long-term economic growth potential in these regions.

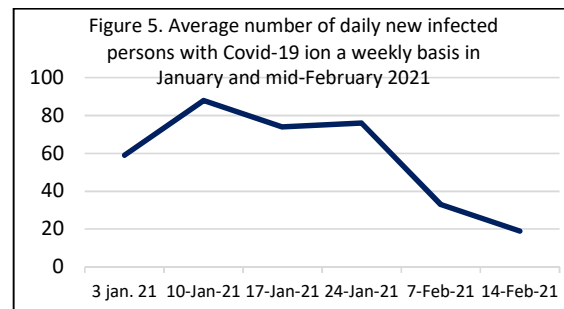


Source: IMF WEO October 2021

The volume of international trade decreased by approximately 9.6 percent in 2020 and is expected to increase by 8.1 percent this year. The decline in international trade and economic growth has caused world commodity prices to fall last year. In figure 3 it is noticeable that the decrease in prices mostly concerned fuel and energy prices, while food prices had actually risen and prices for metals had increased minimally. International commodity prices are expected to increase in 2021 due to the expected rebound in global economic activity. However, it is expected that oil prices will still be below pre-pandemic 2019 levels in 2021.



Source: Occupational Health Foundation



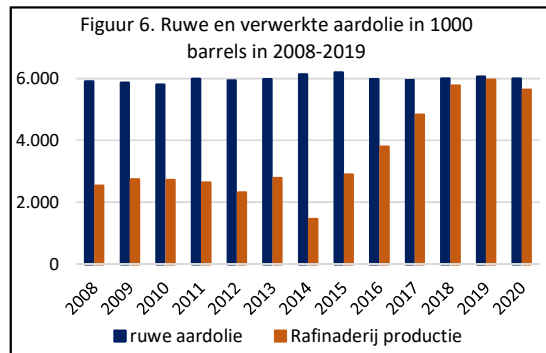
Source: Occupational Health Foundation

In Suriname the peak of the number of Covid-19 infections in the past year, were in the months August and September, while there was a second wave of infections in December 2020 and January 2021 (figure 4). The average number of additional infections on a daily basis was decreasing in the past month of February (figure 5). The pandemic has also hit the Surinamese economy hard with a contraction of

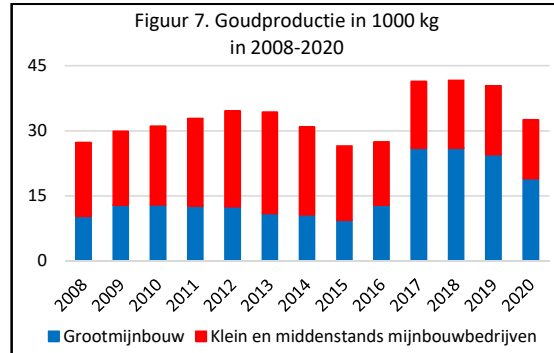
⁴ The economic growth rate for China and India in 2021 is projected at 8.1 and 11.5 percent and in 2022 at 5.6 and 6.8 percent respectively.

⁵ Under this framework, the lowest income countries can achieve debt rescheduling and debt reduction with the creditors of G20 countries and the Paris Club. The countries can also have private creditors who are willing to revise their debt burden under the same conditions.

almost 13 percent. The economy is expected to contract further by approximately 2 percent in 2021 due to the restructuring program that will be implemented by the government (figure 1).



Source: Staatsolie Maatschappij Suriname N.V.



Source: CBvS

Government revenue-increasing measures, the more commercialization of electricity tariffs and other measures described in the government's Crisis and Recovery Plan 2020-2022, will push inflation up to about 50-70 percent and decrease the purchasing power of the public. This will negatively affect economic activity. The fact that the lockdown in the form of curfews cannot completely be lifted due to the pandemic, is also putting a lot of pressure on economic growth this year.

Looking at the production of the mineral sectors in 2020, we notice that the production of crude oil in 2020 decreased marginally by 1 percent to approximately 6 million barrels, while the production of the refinery decreased by approximately 4 percent compared to of 2019 (figure 6). Low world market prices of oil and the Covid-19 pandemic have had little effect on the production of the State Oil Company in the past year. Staatsolie investments in 2020 were approximately USD 148.1 million. Of this, approximately USD 55 million was invested in the purchase of shares in the Saramacca gold mine from RGM Suriname - IAM Gold Corporation, while USD 37 million was invested in downstream operations (processing) and the remainder of the investments in the upstream and near and offshore operations. The investments for 2021 are budgeted at approximately USD 137 million, of which the largest part USD 100 million is for upstream offshore operations.

The gold statistics for 2020 indicate a decrease of the gold production by 19.4 percent in 2020 to approximately 33,000 kg compared to 2019 (figure 7). The effect of the pandemic on the gold production last year, has been clearly noticeable. Especially in the second and third quarter of 2020, when economic activities (large mining companies) in the sector stagnated due to employees infections.

International trade and capital flows

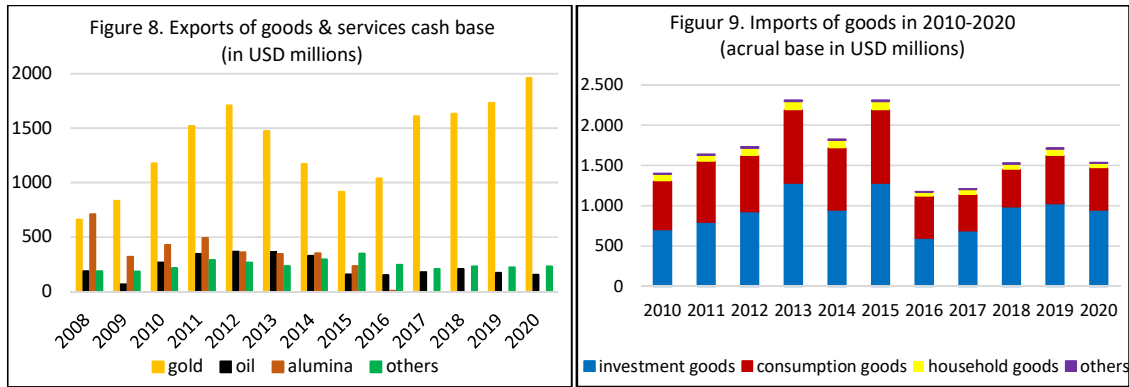
In the past year, exports increased by approximately 6.9 percent to USD 2.4 billion, while imports decreased by no less than 23.5 percent to USD 1.8 billion (figure 14). As a result, the current account balance improved from a deficit of approximately 12.2 percent of GDP in 2019 to a surplus of approximately 6.6 percent in 2020 (figure 15).

Of the total export value of goods and services, the share of exports from the mineral sector is approximately 86.3 percent⁶. The increase in average gold prices in 2020 by 27 percent compared to 2019 was therefore the main reason for the increase of exports in the past year, despite a decreasing export volume of this product. Figure 11 shows that the average export price of gold was approximately 3 percent below the world market price in 2020.

In addition to increasing gold exports, the export value of timber/wood products and rice also increased in the past year (figure 8). In contrast, the value of all other exports declined.

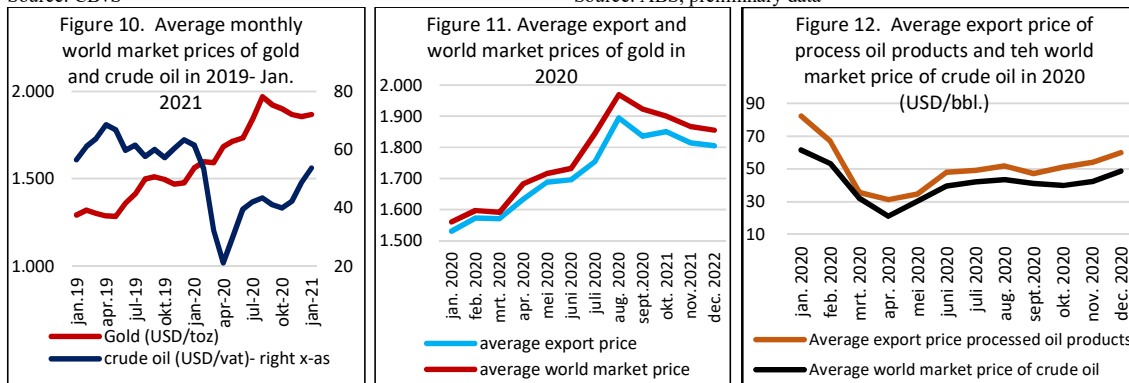
⁶ The share of gold exports was approximately 80 percent of the total export value of goods and services in 2020.

Due to the global economic recession, precious metals in particular gold are doing especially well, which is reflected in the rising gold prices. In the past year, the average gold price was about USD 1,769.6 toz. and peaked above USD 2000 in August 2020 (figure 10). Subsequently, the price declined marginally afterwards and started to rise again in January 2021 due to a new wave of Covid infections worldwide and the weakened USD. Figure 13 also clearly shows the correlation between the gold price and USD index⁷. This is again evident in the past 6 months. Due to the expected revival of the global economy in 2021, according to the World Bank the gold price will be somewhat lower than 2020, but still quite high to an average of US 1,740 toz. The many uncertainties regarding bringing the pandemic under control worldwide is one of the reasons for this. As of March 2, 2021, the average world market price was USD 1,734.2 toz.



Source: CBvS

Source: ABS, preliminary data



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

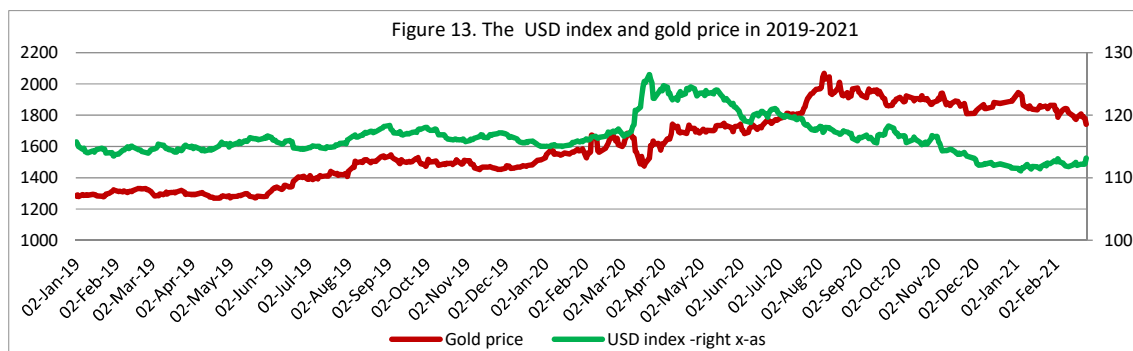
Source: CBvS, www.kitco.com with calculations of VSB

Source: Staatsolie en World bank with calculations of VSB

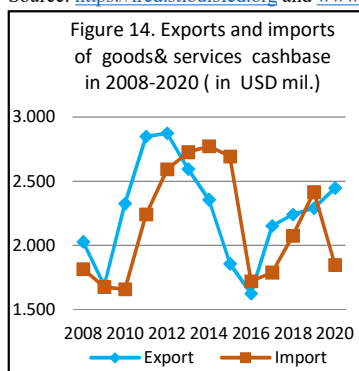
The decrease in the export value of oil by approximately 9.7 percent to USD 154 million is the result of the drastic decrease in the average world market crude oil price in 2020 by approximately 33 percent to USD 41.3 per barrel. From the month May 2020, due to the strong reduction in oil production by the OPEC countries and the USA, the oil price went up (figure 10). In January 2021 average oil prices rose again by about 10 percent compared to December 2020, due to the slowdown of the OPEC + alliance and expectations that demand will recover as Covid-19 vaccines worldwide are rolled out. The harsh winters in the USA, resulting in a decline in oil supplies in the country, have also contributed to the rising oil prices this year.

The oil exports from the State Oil Company are processed petroleum products, of which “fuel oil” is the main export product. Figure 12 shows to what extent the average export price of processed oil products was above the world market price of crude oil. In 2020, the average export price of processed petroleum products was about USD 10 per barrel higher than the average world market price of crude oil.

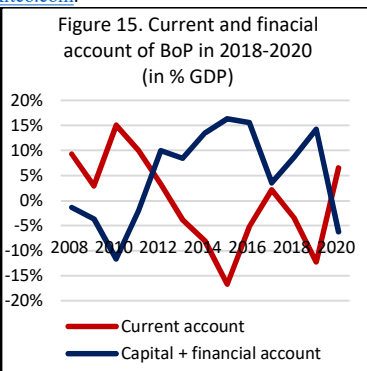
⁷ The USD index is based on a weighted average of the USD against major other currencies that circulate outside the USD, namely the Eurozone, Canada, Japan, England, Switzerland, Australia and Sweden (Source: Federal Reserve Bank of St. Louis).



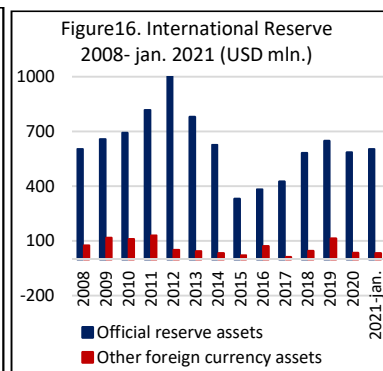
Source: <https://fred.stlouisfed.org> and www.kitco.com.



Source: CBvS



Source: CBvS with calculations by VSB



Source: CBvS

Due to the economic recession, with economic growth of approximately - 13 percent in the past year, imports have decreased drastically. The declining imports concerned not only consumer goods, but also investment goods (figure 9). Imports of consumer and household goods decreased by approximately 14.5 percent in 2020, while investment goods decreased by approximately 7.7 percent compared to 2019. Imports in 2020 (accrual base) were higher in the past year compared to 2016, when the economy contracted by 5.6 percent.

As already indicated, the current account of the balance of payments showed a surplus of 6.6 percent of GDP in 2020, which amounted to USD 274.8 million. The capital and financial account deficit was USD 260.8 million (approximately 6.2 percent of GDP), while a negative statistical difference of approximately USD 97.5 million, reduced the international reserve by USD 63 million to USD 585 million at the end of 2020. In January there was a slight increase in the international reserve to USD 602 million (figure 16).

The deficit of the capital and financial account in 2020 is a result of an outflow of FDI ⁸, an increase in foreign currency deposits of banks abroad and an increase in the outflow of foreign claims on the rest of the private sector, in particular the large mining companies.

Monetary developments and the financial sector

After the unification of the exchange rate on September 22 with the devaluation of the SRD against the USD of approximately 90 percent to SRD 14.29, the government's exchange rate policy was further expanded in March 2021. As of March 1, the CBvS has determined that the exchange rate may move within a range of SRD 14.29 and SRD 16.30. Transactions higher than the upper limit of the range are prohibited. The CBvS will evaluate the course of the exchange rate regularly (monthly) and adjust it to the changed macroeconomic situation and indicators.

⁸This outflow of FDI is a net result and represents a decrease in the liabilities of the FDI companies to the parent companies. This mainly concerns the large mining companies and SOL.

Other measures related to exchange rate policy are described in the CHP 2020-2022. To further stabilize the exchange rate, exporters must repatriate 100 percent of their export earnings to Suriname and are not allowed to hold them on bank accounts abroad. There is also an obligation to exchange 30 percent of export earnings at an exchange rate within the exchange rate range at the CBvS. The received foreign currency from this policy measure will be channeled to importers for the import of necessary basic goods and fuel.

As of March 5, 2021, the (black) market exchange rates were still higher than those of the Central Bank and were as follows:

- for the sale of non-cash transferable USD deposits, the rate was around SRD 17.50
- for the sale of cash USD, the exchange rate was around SRD 18.30
- for the sale of cash Euro, the exchange rate was around SRD 19.50
- for the sale of non-cash transferable Euro deposits, the exchange rate was around SRD 20

These rates, which in addition to supply and demand, are also largely determined by speculative influences, must at some point close the gap with run in proportion to the (band width) rate of the CBvS, with the proposed and other supporting measures. That is the intended purpose of the measures. For exporters, the obligation to exchange 30 percent of export proceeds at a rate within the range proposed by the central bank, is very unfavorable and again puts heavy pressure on the income of producers, if foreign currency for the import of inputs cannot be purchased at the same rate, but at a higher black market rate. Monitoring and adaptation this policy measure and its impact on businesses, is therefore very important.

Looking at the development of the international currency markets, the USD has weakened over the past year and the first two months of 2021. This is reflected in table 1. The value of the USD has fallen against the Euro, the Chinese Yuan and other major currencies over this period as the growth outlook of the USA is no longer better than that of Europe, as well as the demand for the dollar as the leading global exchange currency has weakened by the slowdown in global trade flows and also investor confidence in the soundness of US monetary policy and the USD's role as a safe haven is no longer unshakable.

Table 1. Average international exchange rates of selected currencies to the USD in 2020-2021

	Q1-20	Q2-20	Q3-20	Q4- 20	Feb-21
<i>Chinese yuan</i>	7,0	7,1	6,9	6,6	6,5
<i>Euro</i>	0,9	0,9	0,8	0,8	0,8
<i>Japanese yen</i>	108,9	107,6	106,1	104,5	104,5
<i>U.K pound</i>	0,8	0,8	0,8	0,8	0,7

Source: IMF

Another monetary measure to support exchange rate policy and tackle inflation, is tightening of the money supply, by expanding the banks' SRD cash reserves from 35 to 39 percent.

The broad money base (M2) in 2020 increased by 62.1 percent compared to 2019 up to SRD 32.9 billion. This increase in the money supply is the result of the adjustment of the CBvS exchange rate, as a result of which the SRD value of foreign currency cash and transferable deposits has increased enormously and due to money creation for the government from funds provided by the CBvS⁹.

The main sources of money creation in 2020 were therefore in the first place for the benefit of the government, from abroad and for the private sector (figure 17). The liquidity ratio for 2020 is estimated at approximately 84 percent (figure 21). The year-end Inflation in 2020 was 61 percent (figure 18). This

⁹ Advances provided were for Covid-19 emergency fund. In April 2020, the State's debt to the CBvS was increased by approximately SRD 5.5 billion. Parts of the debt had already been drawn in 2019 and have been revealed in the past year.

is mainly the result of volatile exchange rates in the past year, the exchange rate depreciation in September 2020 and the growth of the money supply against a declining production.

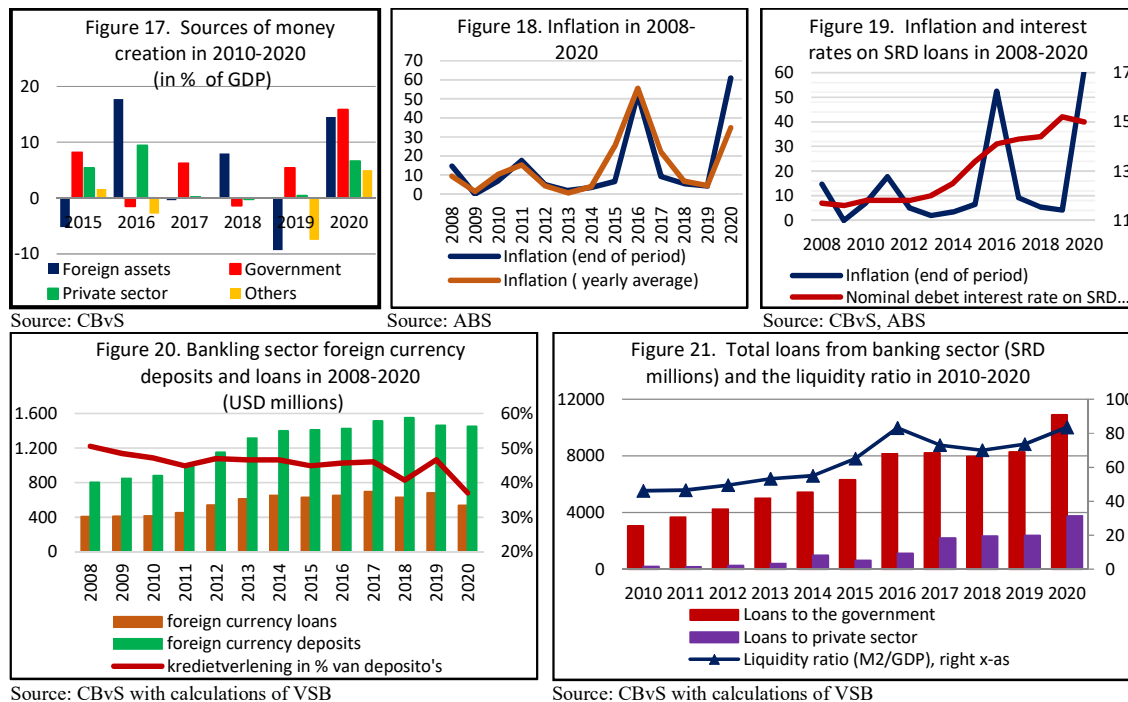


Figure 20 shows a marginal decrease in foreign currency deposits at banks of approximately USD 10 million. This is a decrease for the second consecutive year. Due to the contraction of the economy, foreign currency loans has also decreased in 2020.

The stock of private and government loans to the banking sector in 2020 in nominal terms increased with 30.2 percent and 58.2 percent respectively, mostly because of the depreciation of the exchange rate (figure 21). In real terms, the stock of credit to the private sector and the government declined by 18.5 percent and 1.8 percent.

Last year, in consultation with the CBvS, banks have given postponement of payments to companies that were unable to meet their debt service obligations. Figure 19 shows the development of debit (borrowing) interest rate on SRD credits and inflation for the period 2008-2020. The average borrowing interest rate of the banks at the end of 2020 was approximately 15 percent and the year-end inflation rate was 61 percent.

The depreciation of the exchange rate also affected the solvency ratio of the banks. When the exchange rate increases, on the one hand the debt of banks - namely its foreign currency components - must be revalued, while on the other hand the equity of the bank - which is fully composed in the local currency - remains unchanged. This puts pressure on the solvency ratio of the banks. The minimum requirement of the solvency ratio for banks is set to 10 percent by the CBvS. Table 2 shows that this ratio for the total banking sector as of June 2020 is 11.7 percent. With the exchange rate depreciation in September 2020, the ratio has come under pressure.

The financial soundness indicators for the period 2014- June 2020 published by the CBvS, also indicate a significant increase in non-performing loans and a deterioration in the profitability of the banking sector in the first half of 2020 compared to the end of 2019. The liquidity ratios, however, show an improvement in this period.

Table 2. Financial Soundness indicators of Banks in 2014-June 2020

Financial Soundness Indicators van Banken													
%													
	2014		2015		2016		2017		2018		2019		2020
	jun	dec	jun	dec	jun	dec	jun	dec	jun	dec	jun	dec	jun
Solvabiliteit													
Toetsingsvermogen/Risk-weighted assets	12,4	11,5	11,2	11,3	8,3	5,5	8,7	9,3	9,1	9,6	11,0	11,4	11,7
Tier1/Risk-weighted assets	11,2	11,4	11,1	11,3	8,3	5,5	8,0	8,7	8,7	9,0	10,3	10,8	10,8
EV/Balans totaal	8,2	8,8	6,9	7,0	5,7	4,6	5,5	5,9	4,7	4,8	5,2	5,2	5,4
Kwaliteit kredietportefuille													
Non-performing Loans/Bruto kredietverlening	6,8	6,2	7,7	8,4	10,3	10,8	13,2	13	12,0	12,0	11,3	10,6	13,5
Non-performing Loans (af voorziening)/Toetsingsvermogen	37,3	33,0	38,0	39,8	59,0	76,8	62,2	52,1	43,0	40,3	36,8	34,9	46,2
Winstgevendheid													
Return on Assets	1,0	1,7	0,5	1,3	0,5	-0,7	0,6	0,9	0,5	0,1	0,6	1,0	0,3
Return on Equity	12,6	20,3	5,8	15,4	7,6	-11,9	11,9	16,2	8,3	1,9	10,7	16,7	4,2
Liquidity													
Liquide middelen/ Balans totaal	32,4	30,9	32,9	32,1	30,7	32,7	37,5	37,9	41,3	40,2	43,5	46,8	49,1
Liquide middelen/ Korte schulden	66,1	63,0	75,4	69,1	66,9	69,2	81,0	82,3	86,9	82,1	87,3	93,4	95,5

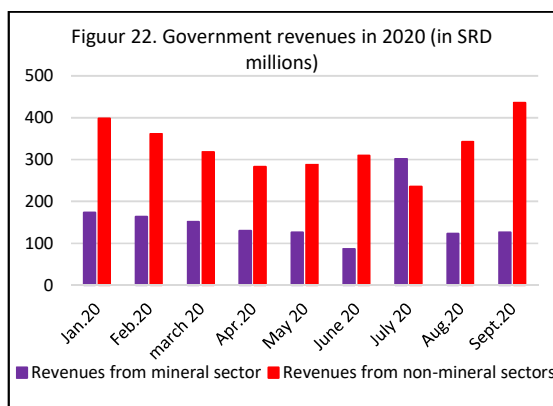
Bron: Central Bank of Suriname

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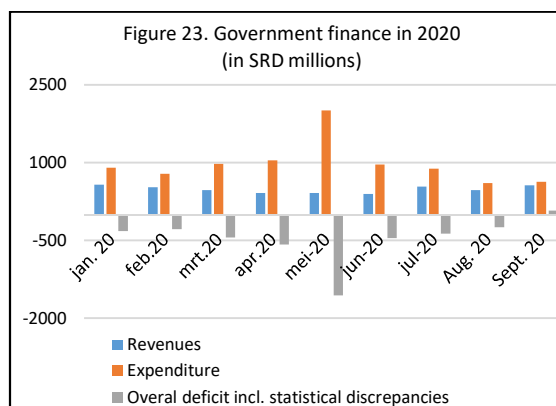
Public Finance and government debt

The statistics on public finances and government debt are available up to and including the third quarter of 2020. Up to and including September 2020, government revenues amounted to SRD 1.6 billion, compared to expenditure which amounted to SRD 2.2 billion.

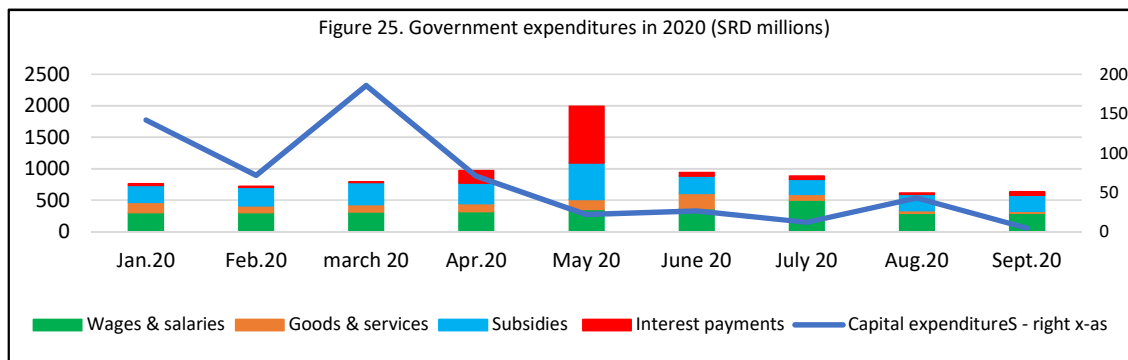
Mineral revenues amounted to approximately 30 percent of total government revenues in this period (figure 22). In July 2020, mineral revenues amounted to about 301.8 million, due to income tax of one of the multinationals in the gold sector.



Source: Ministry of Finance and Planning



Source: Ministry of Finance and Planning with calculations of VSB



Source: Ministry of Finance and Planning

The government has implemented some revenue-increasing measures to close the government deficit, these include:

- the government take on gasoline to SRD 1 per liter increased in August 2020;
- the introduction of the solidarity levy on the wages and income of individuals and companies, came into effect on February 1, 2021;
- The increase in sales tax from 1 January 2021 is as follows: delivery of goods 10 percent, the import of goods 12 percent and the performance of services 8 percent.

Figure 24 shows that government investment in the past year was very low. Most expenditures concerned wages and salaries of approximately SRD 1.1 billion, which is also the result of the elections held in May last year, as well as subsidies and contributions of approximately SRD 753 million.

The overall deficit (including statistical differences) at the end of September was approximately 10.6 percent of GDP and is estimated at approximately 17.2 percent for 2020. The deficit is mainly financed by the CBvS. Figure 23 shows that in September 2020 there was a minimal overall surplus for the government of approximately SRD 74 million.

The effective debt at the end of September 2020 was about USD 3.2 billion and constituted approximately 116 percent of GDP, while the legal debt-GDP ratio was approximately 114 percent. In the first three quarters of 2020, government debt service payment was USD 246.4 million, while there were approximately USD 46 million in arrears. In addition to these arrears, there are also huge arrear payments on goods and services provided to the government.

Negotiations with the government's commercial creditors by the international financial consultancy Lazard Frères are continuing. There is a complete "stand still" up to and including 25 March 2021 of the debt service payments to the Oppenheimer creditors of USD 675 million. Negotiations continue on the gold sector royalties and other collateral agreed upon when these bonds were issued, in order to achieve a full rescheduling with these creditors. The restructuring program of the government to restore health of the economy with the support of the IMF to this process, are important factors to come to a restructuring of the government debt.

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	-2.0	ABS/IMF Est. + proj.
GDP nominal market pr. (mil. SRD)*	17,294	16,357	19,489	24,082	25,918	27,575	39,336		ABS/IMF est.
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		ABS/IMF /VSB proj.
Inflation rate – average (%)	3.4	6.9	55.5	22.0	6.8	4.4	34.9		ABS
Inflation rate – e.o.p. (%)	3.9	25.1	52.4	9.2	5.4	4.2	61.0		ABS/IMF
Unemployment rate (%)	0.3	7.0	10.0	7.0	9.0	8.6	11.2		IMF
Balance of Payments (cash base)									
Total export- Goods & Services (mil. USD)	<u>2,356.1</u>	<u>1,856.4</u>	<u>1,625.1</u>	<u>2,152.5</u>	<u>2,242.2</u>	<u>2,289.6</u>	<u>2,448.6</u>		CBvS
• Gold	1,169.9	916.2	1,036.7	1,608.4	1,631.6	1,732.2	1,959.5		CBvS
• Alumina	351.1	232.7	7.1	0	0	0	0		CBvS
• Oil	328.4	156.4	150.3	178.1	206.6	171.0	154.4		CBvS
• Rice and banana	87.7	69.5	61.1	51.0	52.6	45.6	43.5		CBvS
• Wood and wood products	29.8	32.3	40	59.5	69.1	71.4	89.1		CBvS
• Fish and shrimp	37.1	37.8	33.0	38.8	41.6	37.6	33.6		CBvS
• Other goods	141.4	207.3	110.4	56.1	68.6	68.7	65.1		CBvS
• Services	210.7	204.2	186.5	160.6	172.1	163.1	103.4		CBvS
Total import- Goods & Services (mil. USD)	<u>2,773.1</u>	<u>2,695.0</u>	<u>1,721.1</u>	<u>1,789.0</u>	<u>2,076.1</u>	<u>2,415.6</u>	<u>1,847.5</u>		CBvS
• Services	760.8	666.8	469.1	509.3	589.9	713.6	518.,4		CBvS
Balance current account (mil. USD)	-416.3	-786.4	-160.5	69.2	-118.7	-448.9	274.8		CBvS
Balance Cap. + Fin. acc. (mil. USD)**	696.4	771.0	501.9	112.6	297.8	518.3	-260.8		CBvS
Of which incoming FDI (mil. USD)	164.1	266.7	300.0	98.2	119.2	-19.5	-27.1		CBvS
Balance Current account (% GDP)**	-8.1	-16.7	-5.2	2.2	-3.4	-12.2	6.6		CBvS/bewer. VSB
Balance Cap. + Fin. acc.(% GDP)**	13.5	16.3	15.5	3.5	8.7	14.2	-6.2		CBvS/bewer. VSB
Statistical differences. (% GDP)**	-8.3	-5.3	-8.4	-5.0	-0.9	-7.5	-2.3		CBvS/bewer. 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>	<u>1,533.1</u>		ABS
• Investment goods	952.1	1,283.7	601.1	692.0	987.2	1,030.6	951.5		ABS
• Consumption goods	761.3	904.7	509.1	441.2	459.4	589.0	515.1		ABS
• House hold goods	105.5	106.2	61.0	73.3	75.9	89.6	64.8		ABS
• Other goods	7.9	14.9	3.7	3.0	4.4	2.2	1,7		ABS
International Reserve (mil. USD)	625.1	330.2	381.4	424.4	580.7	647.5	584.7		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	1,769.6	1,740.0	World bank proj. Oct. 20
Crude oil USD/bbl.	96.2	50.8	42.8	52.8	68.3	61.4	41.3	44.0	World bank proj. Oct. 20
Crude oil USD/bbl.	96.2	50.8	42.8	52.8	68.3	61.4	41.3	46.7	IMF proj.
Monetary and Financial sector									
Liquidity ratio (M2 in % GDP)	55	65	83.1	73.1	74.1	73.6	83.6		CBvS/calc. VSB
Balance of credit by banking sector (mil. SRD)	6,370.7	6,884.3	9,212.4	10,355.5	10,491.0	10,588.3	14,534.9		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	3,747.6		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	10,787.3		CBvS/calc. VSB
Selling rate SRD/USD (e.o.p.)	3.4	4.0	7.5	7.5	7.5	7.5	14.3		CBvS
Selling rate SRD/USD average	34.0	3.5	6.3	7.6	7.5	7.5	14.3		CBvS
Selling rate SRD/Euro (e.o.p.)	4.1	4.4	7.8	8.9	8.6	8.4	17.6		CBvS
Selling rate SRD/Euro average	4.5	3.8	7.0	8.5	8.9	8.4	17.4		CBvS
Average SRD lending interest rate	12.5	13.4	14.1	14.3	14.4	15.2	15.0		CBvS
Interbank SRD interest rate	5.8	8.1	10.9	17.4	10.1	10.6	11.9		CBvS
Average USD lending interest rate	9.5	9.8	9.5	9.1	8.3	8.6	7.9		CBvS
Average Euro lending interest rate	9.6	9.2	9.0	8.8	8.5	8.3	8.5		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.a.	-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	25	10.7			MvF/calc. VSB
Government Debt (national def.) (mil. SRD)	5,799.0	8,779.6	9,555.8	17,991.6	18,737.5	22,453.9			BSS
Government 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)	2019	2019	2019	2019	2020	2020	2020	2020	Source
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Total export- G+S (mil. USD)	<u>603.9</u>	<u>555.5</u>	<u>595.9</u>	<u>618.3</u>	<u>646.7</u>	<u>535.6</u>	<u>593.5</u>	<u>672.8</u>	CBvS
• Gold	434.1	393.6	439.4	465.1	492.9	427.9	486.3	552.5	CBvS
• Oil	51.7	48.3	39.6	32.6	51.9	31.6	40.8	30.0	CBvS
• Rice and banana	9.5	10.9	12.9	12.3	13.6	9.8	8.1	12.1	CBvS
• Wood and wood products	17.1	19.6	17.3	17.8	20.2	18.9	19.0	31.0	CBvS
• Fish and shrimp	9.8	9.1	9.5	9.7	8.4	7.3	9.2	8.6	CBvS
• Other goods	40.9	36.4	34.8	38.5	18.1	18.3	12.7	16.0	CBvS
• Services	40.8	37.6	42.4	42.3	41.5	21.8	17.4	22.6	CBvS
Total import- G+S (mil. USD)	<u>535.0</u>	<u>670.3</u>	<u>639.7</u>	<u>626.3</u>	<u>586.7</u>	<u>418.7</u>	<u>463.1</u>	<u>403.2</u>	CBvS
• Services	120.4	186.7	177.8	172.6	173.2	111.4	123.2	110.7	CBvS
Balance current account (mil. USD)	-10.7	-196.0	-107.7	-106.3	26.3	30.4	67.8	150.2	CBvS
Balance Cap. + Fin. acc. (mil. USD)**	194.9	168.6	201.8	199.0	-40.8	-109.8	-75.3	-34.9	CBvS
Of which incoming FDI (mil. USD)	59.5	-23.3	13.4	-69.2	-49.0	9.8	-29.9	42.0	CBvS
Balance Current account (% GDP)**	-0.3	-5.3	-2.9	-2.9	0.5	0.6	1.6	5.5	CBvS/calc. VSB
Balance Cap. + Fin. acc. (% GDP)**	5.3	4.6	5.5	5.4	-0.8	-2.1	-1.8	-1.3	CBvS/calc. VSB
Statistical differences (% GDP)**	-5.3	2.0	-0.4	-4.5	-1.4	0.9	0.4	-3.3	CBvS/VSB

	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	Source				
Total imported goods - transaction base (mil. USD)	<u>367.8</u>	<u>416.3</u>	<u>446.8</u>	<u>480.8</u>	<u>360.3</u>	<u>387.1</u>	<u>420.3</u>	<u>365.4</u>	ABS-prelim. data				
• Investment goods	229.1	250.1	258.9	291.7	246.3	187.2	262.3	255.7	ABS				
• Consumption goods	114.0	147.7	163.4	163.9	93.9	186.1	143.0	92.2	ABS				
• House hold goods	23.3	18.0	23.9	24.4	19.8	13.6	14.6	16.9	ABS				
• Other goods	0.7	0.5	0.6	0.4	0.4	0.3	0.4	0.6	ABS				
Government Finance and debt (cash base)**													
Overall balance including statistical differences. (% GDP)	-2.7	-3.0	-3.0	-11.5	-2.7	-6.6	1.4		MvF/bewer. VSB				
Commitment balance including statistical differences. (% GDP)	-1.7	-2.1	-2.4	-11.2	-2.6	-6.6	-1.2		MvF/calc. VSB				
Monthly statistics 2020 March – 2021 Feb.													
	Mar. 2020	Apr. 2020	May 2020	June 2020	July 2020	Aug. 2020	Sept. 2020	Oct. 2020	Nov. 2020	Dec. 2020	Jan. 2021	Feb. 2021	Source
Inflation (%)													
Inflation – month to previous month	9.9	7.8	4.9	3.3	2.5	1.7	4.2	6.9	1.5	3.1			ABS
Inflation – month to month of previous year	17.6	26.0	31.6	35.2	38.3	40.0	45.1	54.2	56.4	61.0			ABS
International Reserve Position (mil. USD)													
International Reserve	554.4	537.9	519.6	527.5	563.5	561.7	551.0	570.1	550.9	584.7	601.8		CBvS
World market prices in USD													
Gold USD/troz	1,592	1,683	1,716	1,732	1,843	1,969	1,922	1,900	1,866	1,857	1,867	1,808	www.kitco.com
Crude oil USD/bbl.	32.2	21.0	30.4	39.5	42.1	43.4	41.1	39.9	42.3	48.7	53.6		World bank
Liquidity ratio (M2 in % GDP)** and balance of credit from the banking sector (mil. SRD)													
Liquidity ratio	50.8	51.0	53.1	54.6	56.0	57.1	82.0	82.5	83.1	83.6			CBvS/calc. VSB
Balance of total credit	10,126	10,159	10,136	10,542	10,760	10,934	14,457	14,403	14,490	14,535			CBvS/calc. VSB
Balance of credit to government	1,787	1,800	1,784	2,193	2,468	2,676	3,789	3,732	3,743	3,748			CBvS/calc. VSB
Balance of credit to private sector	8,339	8,359	8,353	8,349	8,292	8,258	10,668	10,670	10,747	10,787			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	14.3	14.3	14.3	14.3	14.3	14.3	CBvS
SRD/USD average	7.5	7.5	7.5	7.5	7.5	7.5	9.8	14.3	14.3	14.3	14.3	14.3	CBvS
SRD/Euro (e.o.p.)	8.3	8.2	8.5	8.5	8.8	9.0	16.7	16.7	17.0	17.6	17.3	17.4	CBvS
SRD/Euro average	8.3	8.3	8.2	8.5	8.6	8.9	11.4	16.8	16.9	17.4	17.4	17.3	CBvS
Average lending interest rate (%) of the banking sector													
On SRD credit	15.2	15.2	15.2	15.2	15.1	15.0	15.0	15.0	15.1	15.0			CBvS
Interbanking SRD rate	13.8	14.4	14.4	15.0	12.8	12.5	12.3	12.3	11.9	11.9			CBvS
On USD credit	8.6	8.5	8.1	8.1	8.1	8.0	7.9	7.9	8.0	7.9			CBvS
On Euro credit	8.4	8.2	8.2	8.1	8.1	8.1	8.3	8.3	8.3	8.5			CBvS
Government finance (mil. SRD) en debt (mil. USD)													
Total revenues	470	413	415	396	537	466	563						MvF
Total expenditures commitment base													MvF
Total expenditures cash base	962	1,041	2,007	963	885	607	632						MvF
Government debt (national def.) (mil. SRD)	22,355	27,313	28,197	28,681	29,064	29,221	29,441						BSS
Debt to central bank (mil. SRD)	3,821	8,732	9,573	9,573	9,573	9,573	9,573						BSS

	Mar. 2020	Apr. 2020	May 2020	June 2020	July 2020	Aug. 2020	.Sept 2020	Oct. 2020	Nov. 2020	Dec. 2020	Jan. 2021	Feb. 2021	Source
Domestic debt to banking sector (mil. USD)***	2,423	2,443	2,442	2,822	2,962	2,980	3,239						BSS
Effective debt (mil. USD)	<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)	2,005	2,007	2,013	2,026	2,033	2,051	2,046						BSS/calc.VSB
Domestic debt (mil. USD)	931	966	1,623	1,736	1,788	1,833	1,837						BSS/calc.VSB
Domestic debt from banking sector (mil. USD)***	86.3	105.4	108.8	110.7	112.1	112.7	113.6						BSS/calc.VSB
Effective debt-GDP ratio (%)	56.8	69.4	71.7	72.9	73.9	74.3	115.6						BSS/calc.VSB
Government debt (national def.)-GDP ratio (%)	18.1	4.7	11.8	3.7	3.3	13.1	1.4						BSS
Disbursements on external debt (mil.USD)	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

** 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.