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SURINAME

Recent Economic Developments and Selected Issues

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Approved by the Western Hemisphere Department

May 20, 1997

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Suriname: Basic Data

I. Social and Demographic Indicators

Area (square km)	163,820	Nutrition	
Population (1995)		Calorie intake (daily per capital)	2,809
Total (thousands)	412	Protein intake (per capita grams/day)	66
Rate of growth (percent a year)	1.2	Health	
Density (per sq. km.)	2.5	Population per physician	1,700
Population characteristics		Population per hospital bed	600
Life expectancy at birth (years)	67.6	Access to electricity (1994)	
Crude birth rate (per thousand)	20.8	Percent of dwellings	--
Crude death rate (per thousand)	7.1	Urban	--
Infant mortality (per thousand live births)	20.4	Rural	--
Under 5 mortality rate (per thousand)	47.0	Access to safe water	
Income distribution (1994)		Percent of population (1994)	98
Highest 10 percentile	--	Education (1994)	
Lowest 10 percentile	--	Enrollment rates, percent in	
Distribution of labor force		Primary schools	--
Agriculture	--	Secondary schools	--
Industry	14.5		

II. Economic Indicators

	1992	1993	1994	1995	Est. 1996
(In percent)					
Annual changes in					
Real GDP	4.0	-2.2	-7.0	5.0	3.0
Agriculture	-12.2	-4.7	-11.7	-5.6	-1.7
Mining	5.6	9.7	16.4	5.9	2.4
Manufacturing	0.9	-23.1	-4.2	9.3	3.6
Construction	18.9	-15.4	-36.1	23.1	4.0
Electricity, gas and water	7.5	-8.5	-11.6	12.8	2.9
Services	5.9	2.7	-8.3	3.7	3.6
Prices					
Consumer prices					
Period average	43.7	143.5	368.5	235.5	-0.8
End of period	57.5	224.8	586.5	36.9	0.5
(In percent of GDP)					
Investment, consumption, and savings ratios					
Gross investment	23.3	25.3	54.4	43.4	39.4
Private consumption	81.8	71.7	44.3	46.6	54.2
Government consumption	24.8	16.9	13.0	12.1	14.6
National savings	-6.6	11.4	42.7	41.3	31.2
(In millions of Surinamese guilders)					
Government finances					
Total revenue and grants	1,563.7	3,442.0	21,496.7	94,096.5	115,487.5
Revenue	1,147.3	1,312.0	12,339.9	66,599.3	82,556.0
Grants	415.9	2,130.0	9,156.8	27,497.2	32,931.5

Suriname: Basic Data

	1992	1993	1994	1995	Est. 1996
(In millions of Surinamese guilders)					
Total expenditure and net lending	1,999.2	4,420.6	18,827.5	85,204.8	113,795.6
Overall deficit	-436.0	-978.6	2,669.2	8,891.7	1,691.9
Financing	436.0	978.6	-2,668.9	-8,891.8	-1,692.0
Net foreign financing	2.0	97.1	-1,265.1	2,154.8	-6,067.0
Net domestic financing	434.0	881.5	-1,403.8	-11,046.6	4,375.0
Central bank	249.0	875.7	-593.0	-10,399.4	3,321.4
Other	184.9	5.8	-810.8	-647.2	1,053.6
(In percent change)					
Government finances					
Total revenue	12.7	14.4	840.5	439.7	24.0
Total expenditure	15.6	121.0	325.9	352.6	33.6
Memorandum items:					
Overall balance (percent of expenditure)	-21.8	-22.1	14.2	10.4	1.5
Central bank financing (percent of liabilities to private sector at beginning of year)	5.0	-14.6	-6.0	-33.4	3.9
Overall balance (percent of GDP)	-8.7	-9.4	5.1	4.3	0.8
Monetary accounts					
Private sector liabilities	20.1	66.3	212.6	172.3	39.9
Money and quasi-money	19.8	66.8	202.9	181.2	38.3
Net domestic assets 1/					
Public sector (net) 2/	8.3	34.6	16.3	-30.6	-0.9
Private sector	12.9	11.2	35.4	43.4	30.0
Balance of payments 3/					
Exports	6.0	-21.2	-12.0	29.5	-1.3
Of which: bauxite	-5.8	-10.5	-2.9	43.9	-1.7
Imports	3.6	-33.6	-12.4	14.9	3.5
(In millions of U.S. dollars, unless otherwise indicated)					
Trade balance	-110.8	-12.8	-9.7	38.3	18.8
Exports, f.o.b.	490.0	386.3	339.8	439.9	434.3
Imports, f.o.b.	600.8	399.1	349.5	401.6	415.5
Services (net)	-34.4	-37.6	-18.6	-15.3	-63.7
Transfers (net)	163.2	95.6	88.2	101.3	111.3
Capital account, including errors and omissions	-27.3	-51.5	-41.7	33.9	-87.2
Overall balance	-9.3	-6.3	18.2	158.2	-20.8
Change in net reserves (- increases)	-1.7	-15.9	-15.7	-126.4	21.2
Exceptional financing	11.0	22.2	-2.5	-31.8	-0.4
Memorandum items:					
Current account balance (as percent of GDP)	3.4	9.8	16.2	26.7	12.5
External debt outstanding	204.9	206.1	208.4	211.1	216.5
External debt arrears (end of period)	194.2	54.2	51.7	19.9	19.1
Central bank gross reserves (end of period)	36.3	38.8	61.5	157.6	134.0
In months of imports	0.6	0.9	1.6	3.4	2.8

Sources: Surinamese authorities; the Inter-American Development Bank; and Fund staff estimates.

1/ In terms of liabilities to the private sector at the beginning of the year.

2/ Including central bank exchange losses.

3/ In terms of U.S. dollars.

I. RECENT DEVELOPMENTS

A. Overview

1. **Following elections in May 1996 and a lengthy process of coalition building, Mr. Jules Wijdenbosch (a member of the National Democratic Party) took office as President of the Republic of Suriname on September 14, 1996. The new coalition government, which holds a majority of 29 seats in the 51 member national assembly, is comprised of a wide range of distinct parties. The new government has embarked on a number of important reforms including new mining and investment legislation and civil service reform.**
2. **In 1995, there was a major turnaround in Suriname's economic and financial situation following the expansionary fiscal and monetary policies pursued in the first half of the 1990s and the political and economic disruptions of the 1980s. The marked improvement was due to the restoration of financial discipline, a strengthening of international bauxite prices, and the unification and subsequent stabilization of the exchange rate. Accompanying the improvement in the internal balance was a substantial remonetization, a major improvement of the balance of payments and strengthening of the foreign reserves as well as a reduction of external payments arrears.**
3. **While inflation fell further to less than 1 percent in 1996, the macroeconomic situation remains fragile due to a weakening of fiscal policy and heavy reliance on tight credit policies to maintain the exchange rate. The fiscal surplus was eroded by high wage awards in 1996 and early 1997, and over staffing of the civil service, which employs more than 50 percent of the labor force, continues to strain the public finances. Interest rates have remained high in nominal terms indicating that inflationary expectations in the wake of the hyperinflation of the early 1990s have not yet eased. The restoration of financial stability has also been threatened by the emergence of widespread near banking activity, although the full extent of this activity and its potential impact on the financial system are difficult to determine.**
4. **The economy continues to be dominated by the bauxite sector, although less so than in the past. Bauxite deposits remain substantial¹ and the sector accounts for about 60 percent of income tax revenues and 80 percent of export earnings. The prospects for the other traditional export sectors (rice and bananas) are less certain and remain heavily dependent on continued access to the preferential E.U. market. Nevertheless, improved financial stability and the large potential of Suriname's gold mining and forestry resources have attracted**

¹ The two international bauxite companies operating in Suriname are investing in the development of a new mine at Lelydorp which has a production life of about 10 years; reserves are estimated at 17–18 million tons. The Lelydorp mine will replace the Accaribo mine in the eastern part of the country that will be depleted this year. The other main mine is expected to maintain an annual level of production of 1.6 million tons through the year 2006.

growing interest from international investors. In 1993, small-scale gold mining started in the eastern part of the country, and a major mining investment is expected to start in late 1997. This, together with substantial oil reserves which could account for a large proportion of domestic requirements, should provide a strong basis for growth in the medium term.

5. There has been a considerable deterioration in both the quality and availability of data in Suriname from an already limited level due to staffing and other resource constraints. The most recent national accounts data published by the Bureau of Statistics are for 1994 and those data are subject to more than the usual caveats due to a large and growing informal sector and distortions caused by high inflation in the early 1990s. The reporting system for the central government finances has been interrupted, with no comprehensive information on the public enterprises, and the information on the balance of payments is fragmentary and difficult to interpret due to changes in the methodology used for compiling the data.

B. Background

Developments before 1995

6. Suriname's economic performance deteriorated in the 1980s and early 1990s owing to weak bauxite prices and the failure to take corrective policy actions. This situation was exacerbated by the suspension in late 1982 of development assistance from the Netherlands², and guerilla activity against the government in 1982-87 which destroyed much of the economic infrastructure in the interior of the country. As international reserves dropped to low levels, the authorities resorted to trade and exchange restrictions and price controls, generating large distortions in relative prices and widespread parallel market activity. Real GDP declined by a cumulative 10 percent between 1982 and 1989 and real incomes, which had been amongst the highest in Latin America, dropped to less than 25 percent of their 1982 level. Migration to the Netherlands intensified in this period causing a serious shortage of skilled labor.

7. Despite the initiation of a domestic structural adjustment program in 1991³, and the restoration of financial assistance from the Netherlands, real GDP continued to decline in the early 1990s and inflation accelerated, reaching almost 600 percent in the 12-month period to

² Assistance from the Netherlands averaged US\$87 million a year in 1980-82; it was resumed in 1988 and averaged around US\$50 million a year from 1989 to 1996 (assistance was temporarily suspended again in 1991).

³ The Surinamese Structural Adjustment Program (SAP) was approved by Parliament in November 1992. The proposed Surinamese SAP was very ambitious in both its timing and coverage. However, the program targets were not well specified and many of the proposed measures were postponed or delayed.

end–December 1994. Investment continued to be dampened by uncertainties surrounding economic policy and the political climate. The acceleration of inflation resulted mainly from **expansionary monetary and fiscal policies**, heavy central bank exchange losses arising from the introduction of a **multiple exchange system** from late 1992, and a shift out of domestic financial assets as interest rates became increasingly negative in real terms. The public finances worsened dramatically, with the overall central government deficit, including foreign exchange losses, reaching 21 percent of GDP in 1993 before the multiple exchange system was finally ended in 1994.

Economic turnaround in 1995

8. Suriname's **economic performance improved dramatically after 1994**, with real GDP increasing by 5 percent in 1995, and the 12-month rate of inflation falling from 587 percent at end–December 1994 to 37 percent at end–December 1995. This outcome was the result of a major strengthening of the public finances, the use of the exchange rate as an anchor for financial policies following the unification of the exchange rate in mid–1994, and tight credit policies which led to a sizable accumulation of reserves. The improved policy stance was assisted by a recovery of alumina prices on the international market and increased grant assistance from the Netherlands. The central government recorded a fiscal surplus of 4.3 percent of GDP in 1995, due to higher bauxite earnings, the favorable impact on tax collections of the introduction of a pay-as-you-earn income tax in July 1995, and the elimination of central bank losses. At the same time, transfers for public transportation and health sector services were reduced and subsidies for bread, flour, cooking gas, milk, and transportation were replaced with more targeted support focused on the most needy groups in society.⁴

C. Economic Developments Since 1996

9. Suriname's strong economic performance weakened somewhat in 1996, with the erosion of the budget surplus due to a 25 percent wage award and a deterioration in the balance of payments. Nevertheless, the maintenance of a stable exchange rate combined with restraints on bank credit and high interest rates, contributed to a further reduction in the 12-month rate of inflation to less than 1 percent at end–1996 (Chart 1). The higher credit

⁴The government had increased consumer subsidies markedly in 1994 due to the discontinuation of the food parcel program at the beginning of 1994 and to cushion the impact of higher prices due to the unification of the exchange rate in July 1994. The food parcel program (which provides a package of basic goods for needy households) was resumed in 1995 with financing from the Netherlands aid program.

ceilings imposed in 1995 continued to be strictly enforced and real interest rates remained high.⁵

10. While the rate of growth of real GDP is estimated to have slowed somewhat from 5 percent in 1995 to 3 percent of 1996, as a result largely of a deceleration in the rate of growth of alumina production, there are signs that activity in the parallel economy has increased.⁶ Bauxite and alumina production increased by only 3½ percent in 1996 compared with 5 percent in 1995. However, production of alumina reached a record level of 1.6 million tons in 1996, despite a slight weakening of alumina prices on world markets and a strike at one of the two bauxite companies (Suralco). While the strike was settled in November, a three-month strike in early 1997 at the other bauxite company, Billiton⁷, has resulted in lower output so far this year. The impact of the strike on alumina production was moderated by high stockpiles of bauxite and the continued operation of another mine owned independently by Suralco.

11. The performance of the **agricultural and fisheries sector**, which accounts for about 10 percent of GDP, 27 percent of export earnings and 15 percent of employment, has remained weak despite the elimination in 1994 of distortions caused by the multiple exchange rate system and a partial easing of licencing restrictions. The decline in agricultural production is estimated to have slowed to 1 percent in 1996 from a fall of 5½ percent in 1995. The agricultural sector, which is dominated by a large number of parastatal enterprises, has remained plagued by the problems of deteriorating infrastructure (roads, drainage canals and irrigation systems) and continues to suffer from systemic problems due to lack of clear authority over the maintenance of existing infrastructure and associated difficulties over the responsibility for maintenance costs. The Government of Suriname has assigned a high priority to the rehabilitation of agricultural infrastructure in the current Development Plan and a study of the agriculture sector is currently being undertaken with assistance from the IDB.

12. While the production of rice, the most important agricultural product, remained fairly stable in 1996, productivity has continued to fall and quality has been declining.⁸ The production of **bananas**, the second most important crop, fell 16 percent in 1996 due to inclement weather and a strike. The yields for bananas compare unfavorably with other Latin

⁵ The system of marginal credit limits or reserve requirements is discussed in paragraph 21.

⁶The existence of a sizable parallel economy complicates the interpretation of the economic data particularly for the national accounts and external sectors.

⁷ Billiton does most of the bauxite mining under a joint venture with Suralco, which owns the aluminum refinery and the alumina smelter.

⁸Rice remains price controlled and is subject to a retention scheme and a minimum export price set out in a "rice agreement".

American producers and, although the quality is considered superior, high transportation costs and an inefficient harvesting system impact negatively on the competitive position of the sector. Both rice and bananas benefit from preferential access to the E.U. market, a situation that has dampened the incentive for producers to lower production costs.

13. The forestry sector has been showing strong growth but the enormous potential in this area (Suriname has about 11 million hectares of exploitable forest reserves), like that of fishing, has been affected adversely by the problem of illegal exports⁹ and wood products accounted for less than US\$6 million of exports in 1996. Nevertheless, prospects in this sector remain promising and a possible joint venture with a U.S. forestry company is being discussed that would avoid deforestation.

14. There are **substantial unrecorded activities in the gold sector** associated with widespread small-scale mining operations in the interior of the country. The Ministry of Natural Resources reports that independent mining experts have estimated that Suriname produced about 25,000 to 30,000 kilograms of gold in 1996, valued at some US\$300 to US\$400 million. If these estimates are reliable, exports of gold would be comparable with earnings from the bauxite sector (about US\$350 million). The government has made a major effort to encourage private sector development in the mining sector, including a review of mineral exploration and extraction legislation and a strengthening of the geological data base. A new mining code has been drafted which should help to encourage foreign investment by providing for clear exploration and extraction rights. The government is negotiating a joint venture arrangement with an international mining corporation for the operation of a gold mine, with construction expected to be completed in 1998. The potential output of the proposed mine is about 6,000 kilos of gold which, at current prices, would have an export value of about US\$50 million. The mine is expected to provide 700–800 permanent jobs. The associated environmental issues, related to potential mercury poisoning, are being handled by the Suriname Geological Mining Service with assistance from the Organization of American States.

15. Another area where Suriname has strong potential is **crude oil production**. The annual production of crude oil has risen steadily from about half a million barrels in the early 1990s to over three million barrels in 1996. Construction of an oil refinery was started in 1995 and production is expected to commence in September 1997. Production at the refinery will comprise initially diesel, heavy fuel oil and some intermediate products which will be exported. For the time being, Suriname will have to continue to import certain refined products that cannot be produced at the new refinery.

⁹The fishery sector is operating more or less at capacity and there is some indication of over fishing, particularly for shrimp, due to illegal activity.

Central government finances

16. The central government surplus weakened from 4½ percent of GDP in 1995 to about 1 percent in 1996, because of high wage and subsidy increases and a decline in bauxite revenues. The deterioration of the fiscal situation took place notwithstanding an increase in tax revenue from 28 percent of GDP in 1995 to 35 percent of GDP in 1996. This reflected continued success in improving tax collection (with technical assistance from the Netherlands), higher import duty revenues due to the introduction of a new customs administration system (despite the negative impact on revenues of adopting the CARICOM external tariff in January 1996), and the full-year impact of the introduction of a 10 percent income tax surcharge (solidarity tax) in September 1995.

17. The improved revenue performance in 1996 was more than offset by higher government expenditure associated with the elections. Despite a considerable tightening in the last quarter of the year following the formation of the new government in September 1996, expenditure rose from 41 percent of GDP in 1995 to 54 percent in 1996. A wage increase of 25 percent to civil servants took effect on March 1, 1996, retroactive to January 1, 1996. The wage award was also applied to the salaries that the government pays through transfers, namely the salaries of workers in certain public sectors and the civil service and general old-age (AOV) pension funds. Apart from the wage increase, there was a substantial increase in transfers to the electricity and water companies, equivalent to about 3½ percent of GDP. Tariffs for water and electricity have not been adjusted since 1990 and 1994, respectively.¹⁰ In 1996 electricity subsidies accounted for about 40 percent of total government transfers and subsidies, including health, education and welfare (Chart 2).

18. External grants accounted for about 28 percent of total central government revenue in 1996. The Netherlands provided for by far the largest proportion of this assistance, with much smaller contributions from the E.U. and Belgium. External grants finance about 20 percent of current expenditures, including the state pension scheme and other social programs. Grants cover virtually the entire capital expenditure budget, and finance a wide range of agriculture and infrastructure projects. The Netherlands has allocated f. 100 million of grant funds to establish an investment fund that will finance private sector projects; the first tranche of f. 25 million was allocated in 1996, but to date the disbursement of the funds has been very slow.

¹⁰The electricity company receives two transfers from the government. The first is a payment to cover its operating deficit due to subsidized tariff rates of up to 90 percent of cost depending on the amount of electricity used; the second is a subsidy to cover the cost of electricity purchased from Suralco. The cost of electricity for households in Suriname is less than half, and the cost to commercial users roughly a quarter, of that in neighboring Guyana.

19. The government is taking steps to improve the **social safety net** for the poorer and older segments of the population. The government provides direct income support of up to Sf 2,250 a month to low-income households (defined as households earning less than Sf 20,000 a month). This scheme covers almost 45,000 persons out of a total population of 411,600. In addition, the government provides subsidized medical care through the "Medical Care Fund", child allowances of Sf 276 a child a month (through a program called "Algemene Kinderbijslag"), and a basic needs package of 11 items financed under the Netherlands aid program (valued at Sf 14,000–15,000 a month but actually worth considerably more). The government is planning to replace the basic needs package, which is costly to administer due to distribution problems, with cash assistance to be agreed with the Netherlands, and is looking at ways to reform the state and civil servant pension schemes (see Section II).

Financial sector developments

20. Broad money grew by about 37 percent in real terms during the year to end–December 1996, continuing the **strong remonetization process** that started in 1995 as a result of renewed confidence following the stabilization of the economy. The growth in broad money was fueled by a sharp increase in time and saving deposits, which more than offset a fall in demand deposits.¹¹ Foreign exchange deposits, which are not included in broad money, also expanded rapidly during 1996 (from US\$35 million at end–1995 to US\$66 million at end–1996). The rapid growth of time and saving deposits allowed the banking system to meet a **strong demand for credit by the private sector** in 1996 to rebuild inventories and expand businesses. Banking system credit increased by 125 percent in real terms during 1996. However, because credit is subject to marginal reserve requirements on deposits, the banks still found themselves with **excess liquidity**. While liquid funds have been held voluntarily at the central bank (there are no requirements to hold reserves with the central bank), **uncertainties associated with the election prompted the banks to reduce their short-term foreign liabilities**, which in turn contributed to a **loss of net international reserves** at the central bank.

21. In Suriname, there are no liquidity or reserve requirements imposed on the commercial banks, but they are subject to **marginal credit limits**. Under this system the commercial banks are not permitted to use the resources generated by demand deposits for lending operations. Commercial banks may lend, on a cumulative basis during the calendar year, (a) 90 percent of the increase in deposits in savings accounts, (b) 75 percent of the increase in time deposits with a maturity of less than one year, and (c) 100 percent of the increase in time deposits with a maturity of one year and over.

¹¹ There is some indication that demand deposits fell due to funds being invested in near banking activities which provided a return of 10–15 percent a month at that time.

Box 1. Civil Service Reform

The wage increase of 50 percent for civil servants in early 1997 will put further pressure on the government wage bill. The increase in wages is likely to compound the problem of over staffing in the civil service. At present, the government employs more than one out of every two workers (64 percent of the labor force in 1996). The civil service is characterized by a shortage of skilled workers at the professional levels, over staffing at the lower grades, uncompetitive salaries (for skilled workers), and a wide range of benefits. In addition, the authorities are concerned about the high proportion of ghost workers.

The real value of civil service salaries was eroded by high inflation in the late 1980s and early 1990s. At the end of 1996 (that is, before the 50 percent wage increase in March 1997), civil service salaries were approximately 20–25 percent of their level in 1982 in real terms (before the start of military rule and suspension of Dutch aid). After the most recent wage increase, civil service wages are now higher in real terms than their level in 1991 (before the high inflation of the early 1990s). Nevertheless, salaries of professional staff are still low compared to the private sector (about one third for comparable skills). While the real wage bill remains slightly below its level in 1991 due to lower staffing levels, the percentage share of the labor force employed by the government remains more or less unchanged due to a decline in the labor force (Chart 3).

With the erosion of real wages there has been a major exodus of skilled staff to the private sector and large-scale emigration to the Netherlands. The general perception of the government as an employer is poor and this, combined with the current depressed state of the sector and low salaries, has acted as a major constraint to the attraction of skilled staff and the strengthening of government ministries. While the total number of workers employed by the government fell by 5 percent in 1995 and by a similar amount in 1996, most of the reduction in employment was at the professional level.

Of those government workers that have remained, a high proportion have developed parallel income sources encouraged by short working hours and, in many cases, this has become the main focus of their activities. The relatively high level of pension benefits, together with subsidized medical costs, makes it attractive for workers to maintain their government employment status even while holding other positions in the private sector. The pension benefits received by civil servants are relatively generous compared to those found in the private sector and together with the old age benefits (public pension system), averaged US\$68 a month in 1996. This compares favorably with the average salary of a middle-ranked civil servant of US\$100 a month. The government is currently looking at an overall reform of pension benefits which should help reduce the incentives for unskilled workers to remain in the public sector (see Section II). As part of the 1997 wage agreement, the government has discussed steps to reduce the size of the civil service, including plans to conduct audits to determine areas where cuts could be made in staffing levels.

22. One of the effects of these restrictions, as well as the rapid growth of deposits due to the remonetization of the banking system, has been a weakening of competition for deposits by the banks and a widening of the spread between lending and deposit rates.¹² The average commercial bank lending rate is currently 35 percent and the average savings deposit rate is 17 percent. While interest rates are high in real terms and have changed little so far in 1997, this is not unexpected as inflationary expectations have remained high following the recent high inflation of 1992–95. The high rates of return offered by the near banks (see below) have influenced the interest rates offered by the commercial banks.

23. Until May 1997 there were two main near banking schemes run by local trading companies that offered exorbitant rates of return (about 10 percent a month on average). These were apparently “ponzi” schemes that rely on the injection of new funds to continue in operation. Already, prior to May 1997 there were indications that the schemes were coming under strain as depositors wishing to withdraw funds were being offered higher rates of return (of up to 15 percent a month) and interest that used to be paid monthly was being paid every three months. There are reports that some commercial bank credits have been used to finance investments in near banking. It is also possible that demand deposits have been withdrawn from the banks to be deposited in near banking schemes (demand deposits fell by almost 19 percent in nominal terms during 1996). There are also reports that funds have been diverted from productive activities for speculation in these schemes and that payments arrears, particularly in the rice sector, are causing production problems.

24. During late 1996–early 1997, the near banking schemes were sustained through new funds coming from Surinamese living in the Netherlands. No reliable information exists on the amount of funds invested in near banking, the destination of these funds, or on whether the foreign funds invested in these schemes are connected with parallel market activity or recycled through the banking system. Private sector representatives feel that the amount of the funds is very large compared to the banking system and that a full-fledged collapse of the near banks could have serious financial repercussions. The central bank and government officials have warned the public against investing in the schemes but so far no action has been taken against the near bankers. In May 1997, the two main near bankers announced that they would be winding down their operations and stopped making interest payments. The capital investment would be paid according to the original repayment schedule.

External sector developments

25. Suriname’s external accounts weakened considerably in 1996. The external current account surplus dropped from about US\$124 million in 1995 to about US\$66 million in 1996. The balance of trade surplus declined from US\$38 million to US\$19 million, reflecting weak export earnings and an increase in imports associated with strong credit growth. The

¹²A number of banks have reported high costs associated with manual operations and the costs of introducing new computer systems, which have prevented a decline in lending rates.

weakening of the balance of trade was due in part to a deterioration in the terms of trade of 4½ percent in 1996 that reflected weaker alumina prices (the terms of trade had improved by over 8 percent in 1995). In 1996, bauxite derivatives accounted for roughly three fourths of total export earnings, compared with about one half in 1985. The share of nonbauxite exports is likely to continue to decline and will depend critically on continued access to the European market.

Box 2. Preferential Access to the European Union

The likely phase-out of the preferential markets for banana and rice exports to the European Union suggests that Suriname could experience large foreign exchange losses in the next decade, unless trade and investment policies are adapted to support improved competitiveness.

As an ACP country, Suriname can export rice to the European Union with a 50 percent tariff reduction under a special ACP quota for all recipient members of 125,000 tons for cargo (brown) rice and 2,000 tons for broken rice. Since 1991, Suriname has not taken advantage of the ACP quota system. Instead, it has used the OCT (Overseas Countries and Territories) route to export its rice to the Netherlands Antilles where it is processed and re-exported to the European Union free of duties and quotas (since the Netherlands Antilles is part of the Kingdom of Netherlands). In 1996, the OCT price of rice was about US\$405 a ton compared with a world market price of about US\$320 a ton. The long-term prospects for the OCT route are uncertain because of opposition from major rice producers in the European Union.

Bananas are exported directly to the European market under the Lome VI Convention. Suriname is allowed to export up to 38,000 metric tons to the European Union duty free. As Latin American exporters pay substantial duties, this provides Suriname with a considerable competitive advantage in this market. The highest amount exported by Suriname was 33,300 tons in 1994.

26. Suriname became a member of CARICOM as of July 1995 and joined the Common External Tariff Agreement (CETA) in January 1996. This is the first time that the country has become a member of any regional arrangement. While membership of the CARICOM has led to some loss of revenue in 1996 due to the duty free access of member country exports to Suriname and the lowering of tariffs on third country imports, Suriname hopes to benefit from new export opportunities in the regional market, primarily for rice, fish and manufactured products such as glassware and fruit juices (see Section IV).

27. **Services and private transfers** from Surinamese living in the Netherlands (traditionally a strong source of foreign exchange earnings) fell in 1996, partly reflecting uncertainties associated with the elections and a long process of coalition building in 1996. Although official transfers increased by US\$20 million in 1996 to US\$82 million, the impact on the balance of payments was less due to the import component of this assistance (US\$16 million of the grant aid from the Netherlands was for external debt service).

28. The **capital account** also deteriorated in 1996, due to a sharp increase in external debt repayments associated with the clearance of arrears to Brazil. The outstanding central government debt to Brazil of about US\$68 million at end-1995 has been rescheduled (including principal and interest arrears of US\$27 million and US\$7.5 million in late interest). A payment of about US\$7.5 million was made in 1996 for the late interest. Net capital outflows of about US\$88 million (including errors and omissions), combined with the drop in the current account surplus, resulted in a loss of net international reserves of the central bank of US\$21 million during 1996.¹³ The stock of gross international reserves was US\$134 million at the end of 1996 equivalent to 2.8 months of imports of goods and nonfactor services at the end of 1996. International reserves continued to decline in 1997 and had fallen to US\$122 million at the end of March 1997.

29. The **unification of the multiple exchange rates** in July 1994 was a major step in the stabilization process and allowed for a less distorted price structure. In mid-1995, central bank intervention halted the depreciation of the currency with respect to the U.S. dollar and helped to reduce the spread between the parallel and the official exchange rates. Since early 1996, the intervention exchange rate of the central bank has been fixed at Sf 403 to the U.S. dollar.¹⁴ However, pressures on the balance of payments in 1996 were reflected in some renewed widening of the spread between the parallel market and intervention rate during the year. The parallel market rate was Sf 410 per U.S. dollar at end-December 1996 and reached around Sf 420 per U.S. dollar in February and March this year. In real effective terms, the value of the currency remained essentially unchanged during the 12-month period ended December 1996, after experiencing a large appreciation in real effective terms during 1995.

¹³ The above figures are on a transactions basis; the figures for errors and omissions for 1996 is an unusually large US\$70 million. This suggests that there were large capital outflows during the year, probably reflecting uncertainties in an election year.

¹⁴ While the central bank buying rate was fixed at Sf 396 to the U.S. dollar and its selling rate at Sf 406 to the U.S. dollar in 1996, the central bank is in practice selling foreign exchange to the commercial banks at an "intervention rate" of Sf 403 to the U.S. dollar.

II. PENSION SYSTEM REFORM

30. The Government is currently undertaking a major study to reform the pension system. The existing pension funds operated by the state, as well as private pension schemes, have been depleted due to the high inflation of the early 1990s. In addition, the government has not paid its contributions to the state pension fund. The government has taken over responsibility for the payment of pensions under both the old age and the civil service pension schemes. At present, there is an old age pension scheme (“Algemene Ouderdomspensioen Voorziening” or AOV) for the general public, a pension plan for civil servants (“Pensioenfonds”), and a number of private pension schemes run by the bauxite companies and other private sector entities.

A. Old Age Pension Scheme

31. The old age pension scheme provides retirement, disability and survivor benefits to 34,000 beneficiaries over 60 years of age. The current level of the old age pension is Sf 9,500 a month of which Sf 5,500 is financed by grants from the Netherlands and Sf 4,000 by the AOV fund through a 2 percent payroll deduction for both employees and employers. However, the contributions are only able to finance about 32 percent of its share of the pension outlays, with the remainder being financed out of central government general revenues. The total annual cost of the scheme is about Sf 4 billion, including the contribution from the Netherlands.

B. Civil Servant Pension Scheme

32. The pension scheme for civil servants provides a pension at the obligatory retirement age of 60 with an option to retire at the age of 55 provided the employee has 35 years of service (“rule of 90”). The pension is paid based on the average salary of retirees in the last two years of service. The scheme has about 11,000 beneficiaries.

33. The average pension received by civil service retirees is about Sf 18,000 a month. In addition, retirees aged 60 or over receive the state old age pension giving a total average pension of about Sf 27,500 a month (equivalent to US\$68). By comparison, a teacher receives on average a salary of between US\$50 and US\$100 a month. In some cases, a pensioner can receive an income from the old age and civil servant schemes that is higher than his last salary.

34. The civil servant pension fund was set up to be financed by a contribution of 15 percent of gross wages, with 10 percent paid by the employee and 5 percent paid by the government. Under this system, the pension scheme was to operate on a “final funding” basis, with contributions equivalent to the present value of the pensions that fall due that year. In practice, the pension fund is heavily under-funded and is now essentially a “pay-as-you-go” scheme with the shortfall financed by the government (which no longer pays its employer

contribution to the fund). It has been estimated by the government that the cost of recapitalizing the pension fund under the present scheme would be about Sf 22.5 billion. In addition, the rate of contribution would have to increase from 15 to 22.5 percent of gross wages. This calculation assumed that benefits would be maintained at their January 1, 1996 level in real terms (that is, before the 50 percent pay increase).

C. Private Sector Pension Schemes

35. There are about 84 different private sector pension schemes run by private companies, insurance firms and private pension funds, of which the most important are the schemes run by the two bauxite companies. On average, these schemes provide a pension of about Sf 19,000 to participants. Given the recent large salary increases paid in the private sector and the likely spillover effects of the 1997 civil servant pay award, these schemes are likely to need a massive injection of funds if they are to remain financially viable. It appears that the funding base of the majority of these schemes has been seriously jeopardized.

D. Pension Fund Reform

36. While the government study has not yet been completed it is clear that a return to fully funded schemes will not be possible under present conditions in Suriname. The proposal currently under consideration is a "scale premium" scheme. This would be a hybrid of a PAYE and fully funded system and would provide initially for a stable premium which would then be increased over time.

III. THE MAIN FEATURES OF THE FINANCIAL SYSTEM

37. This section describes and analyzes the principal features of the Surinamese financial system, bank supervision practices of the central bank, the regulations concerning financial system credit to nonfinancial institutions, the determination of interest rates, and the monetary policy instruments that govern the allocation of central bank credit to the financial system.

A. Structure of the Financial System

38. The financial system consists of the banking system and a number of nonbank financial institutions. The banking system comprises the central bank and six commercial banks.¹⁵ The

¹⁵In declining order of the amount of credit outstanding, the six commercial banks are: the Surinaamsche Bank, the ABN-AMRO Bank, the Hakrinbank, the Landbouwbank, the

(continued...)

central bank is responsible for the regulation of the financial system and devises credit, monetary, and exchange rate policies. The central bank has a board of directors which is headed by the president of the central bank and includes three additional directors: the director of banking affairs, the director of monetary and economic affairs, and the director of bank supervision.¹⁶ The six commercial banks account for 90 to 95 percent of credit to the private sector extended by the financial system. Private banks play a large role in the banking system,¹⁷ providing about 55 percent of total banking credit and holding 60 percent of total banking deposits as of end-1996. The nonbank financial institutions comprise a variety of finance companies (including five indemnity insurance and three life insurance companies), twenty-eight private pension funds,¹⁸ six provident funds, one thrift agency, and twenty-nine credit unions.¹⁹ In addition, there are six exchange houses (cambios) that are authorized to deal in foreign exchange.

B. Supervision of the Financial System

39. The central bank is responsible for the supervision of all incorporated financial institutions. The central bank's supervision practices include off-site and on-site inspections. As part of the off-site inspection requirements, commercial banks and large credit unions are required to report on all financial transactions to the central bank at least once a month,²⁰ medium and small credit unions must report once each quarter, provident funds must report once every six months, and the remaining financial institutions must report once a year.²¹ An

¹⁵(...continued)

Volkskredietbank, and the Surinaamse Postspaarbank. In 1996, the central bank issued licenses for two, new locally owned private commercial banks (the Finabank and the Surichange Bank) but these are not yet operational.

¹⁶The bank also is divided into several departments which report directly to the president of the central bank.

¹⁷The privately owned banks are the Surinaamsche Bank and the ABN-AMRO Bank, both in affiliation with Dutch banking groups. The Hakrinbank is owned 51 percent by the government and the government is the sole owner of the remaining banks.

¹⁸There is one government-owned pension fund in Suriname, but it is not supervised by the central bank.

¹⁹Refers only to credit unions that are supervised by the central bank.

²⁰Large credit unions have total assets of Sf 5 million or more.

²¹Insurance companies have other specific reporting requirements that include reporting once
(continued...)

important limitation of the off-site inspection is the lack of a requirement for banks and other financial institutions to submit information on loans in arrears and in liquidation to the central bank. The central bank is not required to conduct periodic on-site inspection of banks, but the general practice is for the central bank to inspect each bank at least once every two years.²² The on-site inspections of commercial banks focus usually on the credit portfolio, administrative procedures, and internal organization. The on-site inspection of credit unions takes place once a year and involves a selected group of credit unions.²³ Thus far the central bank has not conducted an on-site inspection of insurance companies, but it plans to start doing so this year. The central bank holds periodic meetings with all the pension funds during the year, depending on their performance.

40. Compliance with reporting requirements has not been uniform across the various types of institutions. Commercial banks and insurance companies have a good record of reporting information to the central bank, but other institutions such as the credit unions, pension funds, and finance companies have much poorer record.

41. There are special reporting instructions for each category of institution. For instance, the monthly reporting statements of commercial banks must include a list of debtors' names, along with their account number, their credit limit and the amount drawn. In addition, commercial banks must provide information on the sectoral destination of credit and on how loans were secured. When making loans, commercial banks also are required to abide by predetermined solvency ratios which, depending on the nature of the financial assets and the extent of the perceived risk, determine the percentage of equity capital cover which must be retained. These solvency requirements are in line with Basle standards, which set the risk adjusted minimum capital asset ratio at 8 percent, but compliance with these ratios has been poor.

42. Commercial banks also are subject to a large exposure rule designed to help spread risk. This provision restricts banks from extending loans of more than 25 percent of own capital to any one borrower or group of borrowers (exceptions to this rule are possible with explicit permission from the central bank). In addition, since 1986 banks have been subject to an "immobilia rule" which restricts them from having more fixed assets (such as real estate and inventory stocks) than equity capital. The existing penalties for noncompliance with the

²¹(...continued)

a month on their foreign exchange transactions and quarterly on their investments and third party insurance. In addition to the audit report, which insurance companies must submit once a year to the central bank, life insurance companies are also required to file an actuarial report.

²²It is during the on-site inspection that the central bank collects the information on bank loans in arrears and in liquidation.

²³In 1996 the central bank inspected three credit unions.

above-mentioned regulations (in order of increasing severity) are: guidance, public exposure, and legal action, which can lead to the imposition of fines. The central bank has no power to liquidate banks that do not comply with its regulations.

C. Financial System Credit and Interest Rates

43. Commercial banks are subject to statutory monthly ceilings on credit expansion which are based on the composition of their deposit liabilities.²⁴ More specifically, the ceiling on credit for a given month stipulates that the expansion of credit from the beginning of the year through the end of that month cannot exceed the sum of the specified percentages of the growth in the different types of deposits over the same period. Banks are not required to keep at the central bank the unloanable portion of their deposits, but they usually do for reasons of safety and convenience. Bank deposits at the central bank are unremunerated.

44. There are no statutory restrictions regulating the sectoral distribution of commercial bank credit but, in general, banks in Suriname have shown a preference for providing credit to trade activities. As of end-1996, commerce, agriculture and manufacturing activities accounted for about 69 percent of total bank credit, including 36 percent for commerce, 21 percent for agriculture, and 12 percent for manufacturing (Table 18).

45. There are no regulations constraining the level of interest rates in Suriname, but for many years nominal rates did not move appreciably with mounting domestic inflation nor with rising rates abroad. More recently, as domestic inflation reached hyper-rates, the banks raised nominal interest sharply and rates have remained high as inflation abated in 1995-96 (see Section I above).

D. Monetary Policy Instruments

46. Credit ceilings and gold certificates are de facto the only instruments that the central bank uses to regulate liquidity.²⁵ The central bank's rediscounting and overdraft facilities are seldom used. The statutory ceiling for central bank financing of government deficits is 10 percent of budget revenues for the fiscal year but in the past this ceiling has been revised

²⁴These credit ceilings are de facto equivalent to marginal reserve requirements (see paragraph 21).

²⁵The central bank started to issue gold certificates in March 1995. They are redeemable on demand, are indexed to the international price of gold (valued at the official exchange rate), and carry an interest rate of 5 percent a year. There is limited demand for gold certificates, and none have been issued since 1995. Only Sf 1.3 billion (about US\$3.3 million) was outstanding at end-December 1996.

upward to accommodate government budget deficits. At present, the global ceiling on credit to the government is Sf 5.2 billion. The central bank is authorized to engage in open market operations in treasury bills and utilize liquidity ratios, but thus far it has not used these instruments.

IV. IMPACT OF CARICOM

47. Suriname joined CARICOM on July 1, 1995 and adopted its Common External Tariff Agreement (CETA) on January 1, 1996. The implementation of the CARICOM agreement resulted in a loss of customs revenue due to substantial reductions in Suriname's import tariffs. The revenue loss, however, is expected to be recouped, over time, through efficiency gains in the import-substituting sectors and improved access of Suriname's exports to the Caribbean market.

48. The revenue loss from the CETA agreement relates to changes in the import valuation procedure for custom purposes as well as to lower tariff rates. Before joining CARICOM, Suriname used the Brussels nomenclature for valuing imports which under the CETA agreement, has been replaced by the GATT nomenclature, which is based on declared transaction value and which tends to result in a substantially lower valuation of imports.

49. In addition, as noted above, Suriname had to lower most tariff rates in some cases substantially, to meet the CETA requirements. Prior to the agreement, four import tariff structures were in effect, with minimum tariff rates of 5 percent on raw materials, 10 percent on manufactured goods, 20 percent on luxury goods, and 40 percent on electronic goods. Since January 1, 1996, imports from CARICOM member countries have been duty-free, while most duty rates on imports from third countries range between 5–25 percent, (except for luxury goods, on which a 40 percent rate applies, and some restricted consumer items, such as alcohol and tobacco, which carry 50 percent duty).

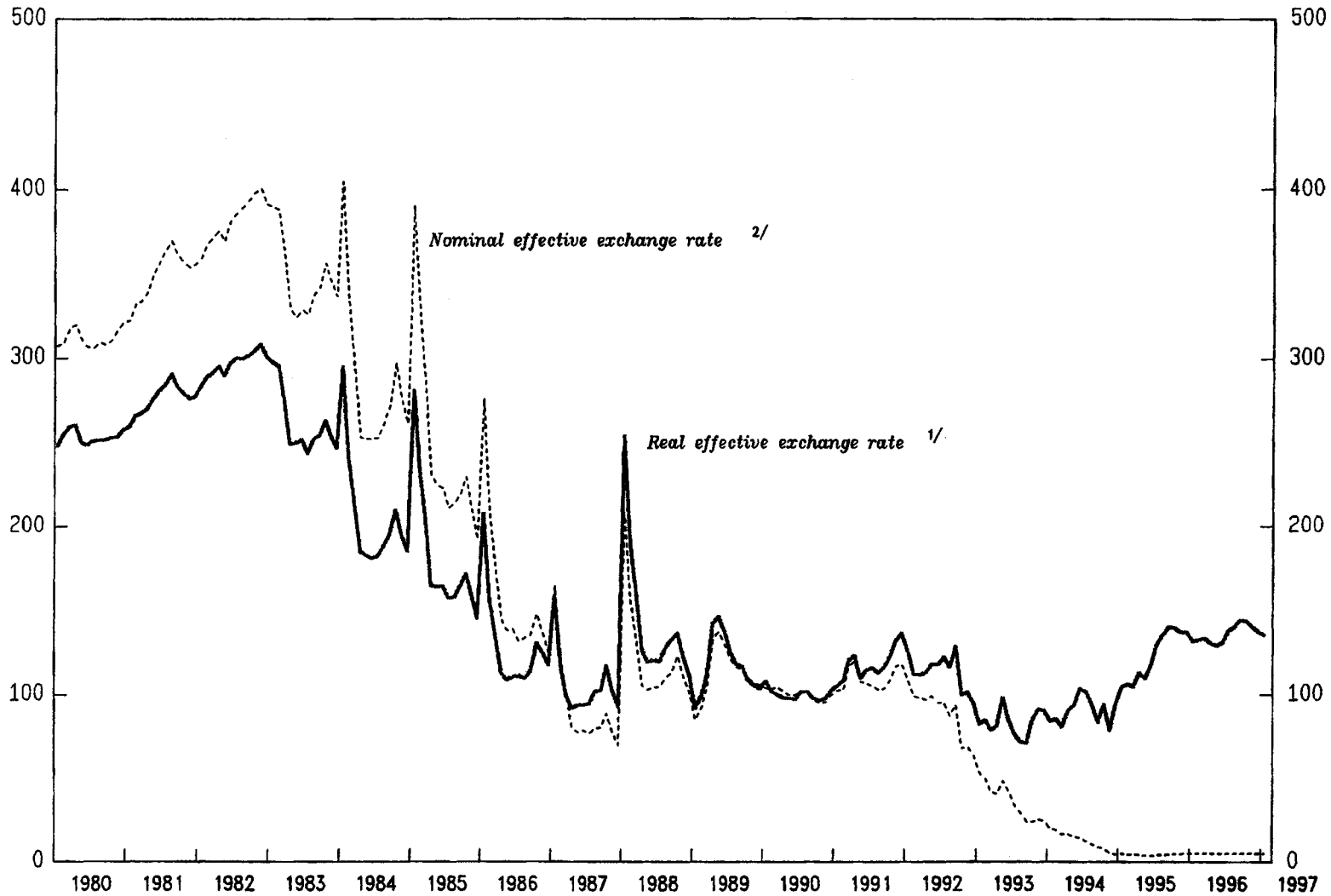
50. Currently, the maximum import tariff rate is 40 percent (with the exception of restricted consumer items, for which the CETA code requires members to levy a **minimum** tariff rate). Beginning in January 1998, the maximum rate will be reduced further to 20 percent.

51. Preliminary calculations suggest that import duty collections during 1996 were Sf 7.4 billion lower than what would have been collected at the pre-CETA rates and unchanged valuation method. The revenue shortfall was equivalent to 26 percent of the potential duty receipts and about 9 percent of the government's actual revenue receipts from all sources. The loss of export tax revenue was minimal, only Sf 1.8 million, compared with a yield of Sf 5 billion from export taxes in 1996.

52. Duty-free imports from the more advanced CARICOM member countries have had some adverse effects on the manufacturing sector, mainly in the area of soft drink production. For example, imported carbonated drinks have competed with fruit juices produced locally.

53. In other areas, the adoption of the CETA is expected to bring advantages. The government is studying the possibility of marketing Surinamese vegetables to the tourist industry in the Caribbean region. The manufacturing sector will benefit from reductions in duty rates on raw material imports. Since most Caribbean countries were allowing duty-free imports of raw materials, the high duty rates in Suriname reduced the competitiveness of its manufactured products domestically, as well as in the regional market. This should improve with the new tariff regime. Also, the duty-free access of Suriname's rice to the Caribbean market should increase export volume as well as provide higher returns to its rice producers.

CHART 1. SURINAME
 EXCHANGE RATE DEVELOPMENTS
 (1990=100)

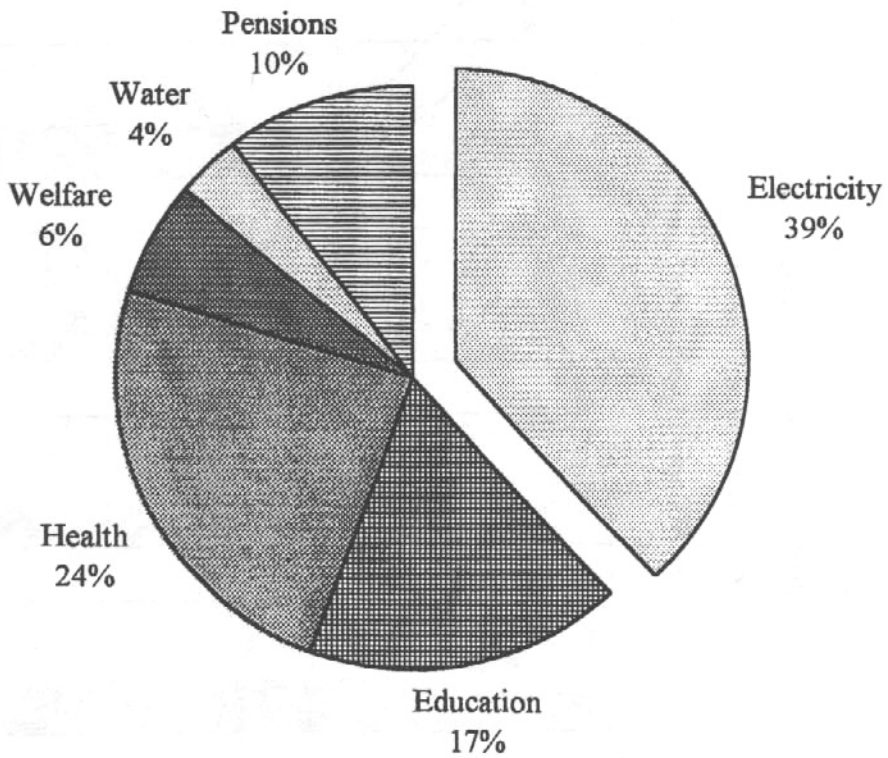


Source: IMF Information Notice System.

1/ Trade-weighted index of nominal exchange rates deflated by seasonally adjusted relative consumer prices; increase means appreciation.

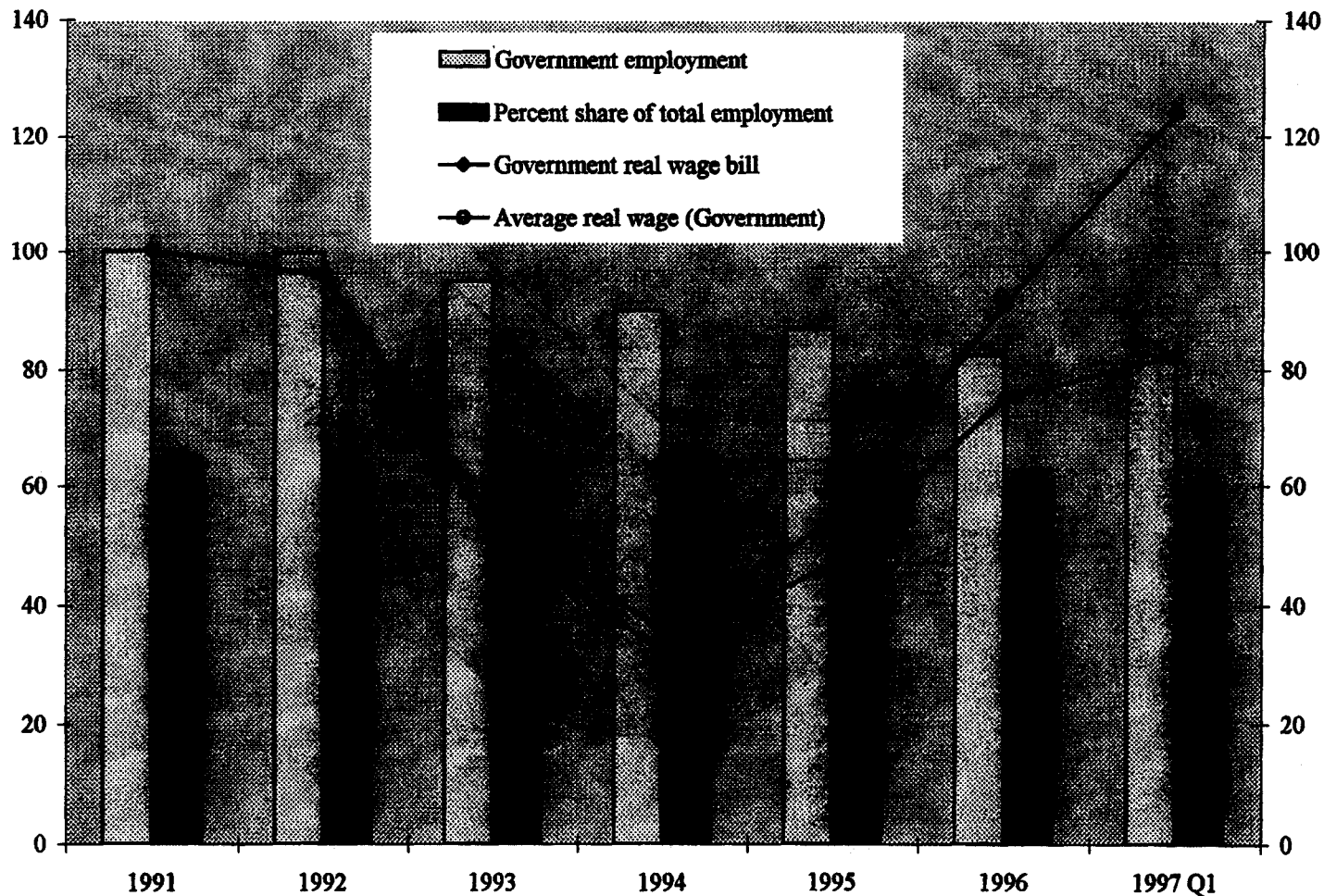
2/ Seasonally adjusted.

CHART 2
SURINAME
CENTRAL GOVERNMENT SUBSIDIES AND TRANSFERS
(Percent of total subsidies and transfers in 1996)



Sources: Suriname Ministry of Finance; and Fund staff estimates.

CHART 3
 SURINAME
 CENTRAL GOVERNMENT EMPLOYMENT AND WAGES
 (1991=100)



Sources: Suriname authorities; and Fund staff estimates.

Suriname: Tax structure as of March 1, 1997 1/

	Nature of Tax	Exemptions and Deductions	Rates	
1. Taxes on net income and profits				
1.1 Profit tax on companies corporations and enterprises	<p>Annual tax on profits of companies operating within the country. Companies based in Suriname are taxable on worldwide income; branches of companies not based in Suriname are taxed only on Suriname income. Losses made in the first three years from the beginning of operations can be deducted from profits over an indefinite period. Losses made after three years from the beginning of operations can be deducted within the next seven years. Losses are not spread out over a number of years if they can be deducted in full. Payments are made in the current year on the basis of a pay-as-you earn system (self assessment system).</p>	<p>Nonincorporated public enterprises are exempt. Under the Investment Ordinance an investment board can grant individual exemptions up to five years if investments are at least Sf 100,000 and up to ten years if investments are at least Sf 375,000 and provided additional employment is generated. Production costs, depreciation, interest on loans, and indirect taxes can be deducted from turnover.</p>	<p>Annual Profits in Sf</p>	<p>Marginal Rates</p>
			<p>30 percent of the gross profit</p>	
			<p>One bauxite company pays 40 percent of annual profits in U.S. dollars (under the Brokopondo agreement). The other bauxite company pays 45 percent of annual profits in U.S. dollars.</p>	
			<p>Casinos pay 50 percent.</p>	
			<p>Branches of insurance companies: life insurance companies pay 7.5 percent of premiums income; other insurance companies pay 15 percent of the premiums income.</p>	

Suriname: Tax structure as of March 1, 1997 1/

	Nature of Tax	Exemptions and Deductions	Rates	
1.2 Taxes on individuals				
1.2.1 Individual income taxes	<p>A tax on income from entrepreneurship, labor ("the wage tax"), pensions, fixed assets, and other capital. The tax on income from labor is withheld at the source based on a pay-as-you earn (PAYE) system as paychecks are received; for other income, there is a payments exemption of Sf 300,000 for employees resident in Suriname. The system was changed on January 1, 1995 from an assessment system to a pay-as-you earn system (declaration system).</p>	<p>Diplomats and foreign technical assistance experts are exempt regarding income related to their functions. Vacation pay, with a maximum of Sf 100,000, and gratification and bonuses up to the same maximum, are also exempt from tax. Deductions are allowed for losses of business income as under the corporate income tax. Other exemptions and deductions: bonuses for work under hazardous conditions; medical expenses in excess of 10 percent of gross income; educational expenses for children, children related by marriage and foster children (maximum in excess of 10 percent of gross income); life insurance premiums (maximum 10% of gross income); periodical payments of life insurance; alimony in excess of 10 percent of gross income; premiums in accordance with the old age funds; and interest on mortgage debt of not more than Sf 3,500,000; cost for outside paint work of own house (once in three years). For every living handicapped child between the age of 18-21 years there is a conditional deduction of Sf 10,000 of gross income. The conditional deduction for employees amounts to 4% of the gross wage with a maximum of Sf 45,000. Dividend tax payments are deductible from tax liability.</p> <p>An artist of professional sportsman residing in Suriname who has a contract of short duration pays tax at the rate of 15 percent.</p>	Rates for wage earners (as of March 1997).	
			Annual Taxable Income (Sf)	Marginal Rates
			Up to 900,000	10 percent
			900,000-1,000,000	20 percent
			1,000,000-2,950,000	30 percent
			2,950,000 and over	40 percent
			Rates on income from overtime work:	
			Annual Taxable Income (Sf)	Marginal Rates
			Up to 25,000	5 percent
			25,000-100,000	15 percent
			100,000 and over	25 percent
			Rates for self-employed individuals:	
			Annual Taxable Income (Sf)	Marginal Rates
			300,000-1,200,000	10 percent
			1,200,000-2,100,000	20 percent
			2,100,000-3,250,000	30 percent
			3,250,000 and over	40 percent

Suriname: Tax structure as of March 1, 1997 1/

	Nature of Tax	Exemptions and Deductions	Rates		
1.2.2	Dividend tax	Tax on disbursed dividends, withheld at source. Tax payments are deductible from personal income tax liability.	Dividend payments to holding companies in the country.	25 percent. Under the double tax avoidance treaty with the Netherlands, residents of each country pay between 7.5 percent and 20 percent on dividends in the country where these originate, depending on the share in equity capital.	
4.	Taxes on property			Government, foreign missions, religious, charitable and educational institutions; property of industrial and agricultural enterprises; factories and work places. The general exemption is Sf 10,000,000.	6 percent of the amount of the rental value.
4.1	Rental value tax	Tax on the rental value of real property, i.e., land and buildings.			
4.2	Wealth tax	Tax on the net wealth of individuals. Net wealth includes holdings of mortgages, stocks, bonds, jewelry, deposits, cash holdings, and motorcars.	Furniture antiques for personal use, jewelry up to a certain amount, and life insurance policies.	Married persons: 0.8 percent on net wealth over Sf 30,000. Unmarried persons: same rate but tax threshold is Sf 20,000.	
4.3	Inheritance tax	Tax on the amount inherited as a result of a person's death or on the amount received as a gift.	Amounts received from the government. Amount received by the spouse, children or parents of the estate up to a certain amount.	20 percent of the value of the inheritance or the value of the gift.	
5.	Taxes on goods and services				
5.1	Liquor	Tax on the consumption of domestically produced alcohol, payable by the producers.	Alcohol for medical purposes; exports.	Sf 20 per liter.	
5.2	Beer	Tax on the consumption of domestically produced beer, payable by the producers.	Exports.	Sf 5 per liter.	
5.3	Tobacco	Tax on the consumption of domestically produced tobacco, payable by the producers.	Exports.	45 percent of the retail price of tobacco and Sf 0.50 per cigarette.	

Suriname: Tax structure as of March 1, 1997 1/

	Nature of Tax	Exemptions and Deductions	Rates	
5.4	Entertainment	Tax on public entertainment, including all recitals, exhibitions, performances, or gatherings to which the public is admitted on payment of a fee.	Performances that benefit social or cultural organizations.	25 percent of the ticket price.
5.5	Lottery	Tax on the sale of lottery tickets.	None.	15 percent of either the value of the tickets sold or the value of the prizes in merchandise; plus 5 percent of monetary prizes and 5 percent of prizes in merchandise. Lotteries for social or charitable purposes pay only 10 percent of either the value of the tickets sold or the value of prizes in merchandise and zero percent in case it concerns a money lottery.
5.6	Consumption tax on motor fuels	Tax on consumption of imported gasoline, other similar motor fuels, and diesel oil.	Deliveries to the Suriname Electricity Corporation, the Suriname Water Works, the Suriname Aluminum Corporation, the Billiton Company and ships with overseas destinations.	2 percent for administrative fees and 1.5 percent for merchandise in transit on the number of liters multiplied by the difference between the old and new c.i.f. value.
5.7	Tax on alumina production	Tax on the quantity of alumina produced.	None.	US\$0.67 per ton.
5.8	Motor vehicles	Annual license tax on the use of a vehicle.	Vehicles of the government and diplomats; ambulances; agricultural tractors.	Passenger cars: Sf 300 to Sf 1,050 depending on weight. Trucks and pickups: Sf 545 to Sf 1,500 depending on cargo capacity. Buses: Sf 570 to Sf 800 depending on seating capacity. Tractors: Sf 500. Trailers: Sf 225 to Sf 1,150 depending on weight. Two-wheeled vehicles: Sf 250. Motorbikes: Sf 50.

Suriname: Tax structure as of March 1, 1997 1/

	Nature of Tax	Exemptions and Deductions	Rates
5.9	Sales tax on domestic nonalcoholic beverages	Tax on the consumption of domestically produced nonalcoholic beverages, payable by the producers.	Exports. 5 percent of wholesale price.
6.	Tax on international trade and transactions		
6.1	Customs duty	Suriname is adopting the CET under CARICOM.	
6.2	Statistical fees	Tax on the value of imports and exports.	Imports for public investment projects. 2% of the f.o.b. value of exports of bauxite and derivatives and of c.i.f. value of imports of bauxite companies; 0.5% of f.o.b. value of other exports; and of c.i.f. value of imports of other agents. One bauxite company pays a fixed sum of US\$280,000 per annum.
6.3	Consent rights	Tax on the value of imports and exports.	Imports for public investment projects. 0.1% of the f.o.b. value of exports of bauxite and derivatives; 1% of f.o.b. value of other exports; and 1.5% of c.i.f. value of all imports.
6.4	Taxes on goods in bonded warehouses	Taxes on imported goods stored in bonded warehouses under the supervision of the Inspectorate of Import Duties and Excises.	None. Levies per 24-hour period. Unpacked and liquid goods: Sf 0.05 for every 100 liters. All other goods: Sf 0.40 for every cubic meter.

Suriname: Tax structure as of March 1, 1997 1/

	Nature of Tax	Exemptions and Deductions	Rates	
6.5	Taxes on merchandise in transit	Tax on goods which are taken out of free commerce in Suriname: goods for exports, goods intended for import, goods for re-export after a period in storage, goods under license from the Foreign Exchange Commission, and purchases of unprocessed gold.	Goods intended for re-export, for which duties have been paid.	Various rate schedules, by type of goods.
6.6	Wood export tax	Tax on the export value of all unprocessed and semi processed wood.	None.	100 percent of the value.
Employee contributions				
	Old Age Fund	Contributions levied on salaries and wages.	None.	2 percent of gross salaries and wages.
	Pension Fund	Contributions levied on salaries and wages of civil servants.	None.	10 percent of gross salaries and wages.
	Medical Fund	Contributions levied on salaries and wages of civil servants.	None.	4 percent of gross salaries and wages.

Sources: Tax Office, Ministry of Finance; Suriname Bauxite Institute; and Suralco.

1/ The first digit of the tax structure classification is according to **A Manual on Government Finance Statistics**.

EXCHANGE AND TRADE SYSTEM ¹

Exchange system

1. Suriname's exchange and trade system has undergone many changes in recent years. A unified official exchange rate was established in mid-1994, which replaced a system of multiple official rates and helped reduce the growth of the parallel market. The official buying rate is currently fixed at Sf 396 per U.S. dollar and the selling rate at Sf 406 per U.S. dollar. In addition, the central bank "intervenes" periodically in the interbank market by selling foreign exchange at the "intervention rate". The "intervention rate" is determined as a weighted average of the commercial banks' selling rates and the rate in the legal parallel market of the previous five days.² The intervention rate has been unchanged for over a year at Sf 403.56 per U.S. dollar. The parallel market rate remained considerably above the official rate (i.e., more depreciated) for about a year after the unification of the official rate in 1994. With the adoption of tighter financial policies and liberalization measures, the gap became negligible by early 1996. However, with the weakening of the balance of payments, the gap has gradually widened over the past year and is now estimated to be nearly 5 percent.

Trade system

2. The trade regime has undergone some liberalization since Suriname became a member of the CARICOM in July 1995 and implemented its common tariff agreement on January 1, 1996. Licenses are required for all types of imports which, however, are issued liberally. Although most quantitative restrictions have been eliminated, imports of fruits, vegetables, and poultry, are restricted in order to protect domestic producers.

3. Export licenses are required for all major items, although there are no quantitative restrictions. Taxes are assessed on exports of forestry products and rice and, in the case of rice, 20 percent of production is to be set aside for sales to the domestic market but this provision is not normally enforced. Further, export proceeds are subject to a surrender requirement, except for bauxite exports on which taxes and royalties are assessed for payment in foreign exchange. Finally, the Ministry of Trade and Industry ascertains with the relevant government agency whether the export price as reported by the exporter is in accordance with world market prices.

¹For the details of background and recent changes in Suriname's exchange and trade system, see **The 1996 Annual Report on Exchange Arrangements and Trade Restrictions (IMF)**.

²The legal parallel market comprises five or six exchange houses (cambios) which are licensed by the central bank. Some parallel market activities take place outside the cambios but no information on such activities is available.

4. The allowances for invisible payments have been liberalized gradually and there are currently no restrictions. In February 1997, the undeclared travel allowance was raised from US\$1,500 to US\$10,000 per person per trip. Amounts beyond this level need to be declared but no prior authorization is needed.

5. Remittances of profits and dividends need to be given approval from the Foreign Exchange Board but this is given freely to all bonafide individuals and companies. However, requests for unusually large amounts may be reviewed by the central bank.

6. Until the liberalization of the foreign exchange regime in mid-1994, holdings of foreign exchange by commercial banks were subject to a limit, whether held overseas or domestically. However, no such restrictions are applied currently.

EXPORT SECTOR DEVELOPMENTS

A. Overview

1. Suriname's export performance has been dominated by the bauxite sector. Total export earnings dropped sharply from the beginning of the 1980s through 1986 mostly as a result of a decline in bauxite prices (Chart 4). Bauxite prices doubled in 1987–88 and subsequently declined during 1989–93 to a level equivalent to that existing at the beginning of the 1980s before recovering in 1994–96. In 1996 the volume of exports of the bauxite sector was not much larger than the level of the early 1980s, and the value of total exports in U.S. dollar terms was similar to the value of the early 1980s (Chart 5).
2. **Alumina/aluminum** exports account, on average, for three fourths of total export receipts. **Rice and shrimps** are the next largest exports, followed by **bananas and crude oil**, the latter becoming an important export item only in recent years. Exports of **forestry products** remain small, despite the country's large potential in this area. **Gold exports** appear to be large but most take place unofficially and the benefits to the national economy from this activity have been quite limited.

B. The Bauxite Sector

3. Bauxite is mined by two foreign companies, Suralco and Billiton. With increasing transport costs and the construction of an aluminum/alumina refinery in 1989 bauxite exports were replaced by alumina exports, a part of which is further processed into aluminum and exported. Earnings from alumina/aluminum exports reached their highest level of nearly US\$500 million in 1989 reflecting record high aluminum prices in the world market. However, exports fell sharply in the early 1990s, with export receipts in 1993 equal to only half the level of 1990, before recovering somewhat in 1995 and 1996. The difficulties of the bauxite sector during these years were compounded by the unfavorable exchange rate applied to the sector, which resulted in a sharp deterioration in the competitiveness of the sector and reduced profits for the companies. Also, high domestic inflation led to a serious erosion of wages and deterioration in labor relations, setting the stage for frequent work stoppages and lockouts.
4. In response to these developments, the government and the bauxite companies negotiated a new bauxite accord in January 1993. Under the terms of the accord, the government agreed to set a timetable for a gradual depreciation of the exchange rate applied to bauxite exports until the establishment of a single unified exchange rate for all transactions, in mid-1994. In turn, the bauxite companies agreed to invest US\$223 million over the medium-term in new mines and in the maintenance and improvement of the alumina refinery and the aluminum plant. So far, US\$155 million has been invested under this agreement, and investment of a further US\$150 million is planned through 2001.

5. One of the two bauxite mines currently in operation will be depleted in 1997. The two bauxite companies are jointly investing in a new mine to replace the production from the depleted mine. For the medium-term, alumina production is targeted at 1.6–1.7 million tons per year, based on a level of bauxite production of 3.8–4.0 million tons per year. These amounts are only moderately larger than those achieved in recent years. Aluminum production will be increased to 30,000 tons per year, from the current 29,000 tons per year, mainly through the more efficient use of the existing smelting facility.

C. Rice

6. Rice exports declined from 130,000 tons in 1982 to less than half this level in the early 1990s, but have shown some recovery in recent years, with an estimated 85,000 tons exported in 1996. A large part of the decline is attributed to the deterioration of infrastructure (roads, irrigation and drainage system, and transport vehicles), which adversely affected productivity and raised the cost of production at a time of declining world rice prices. However, in the early 1990s, the unfavorable official exchange rate became the more significant factor constraining rice exports, with large amounts of rice exported through unofficial channels in order to avoid the cost of the overvalued exchange rate and other restrictions on rice exports, including taxes and a provision that required that 20 percent of domestic production be set-aside for the domestic market.

7. In response to a dramatic drop in rice export volume in 1991, the government agreed to establish a favorable exchange rate for rice exporters. The rate was set at Sf 19.73 per U.S. dollar in 1992 (compared to the official rate of Sf 1.79 per U.S. dollar) and was increased in two steps to Sf 64 per U.S. dollar in 1993, until the rate was unified in mid-1994. These rates were implemented much earlier and were more favorable than those applied to bauxite exports noted above.

8. Under the Lome Convention, Suriname's rice exports have preferential access to the European Union market where prices, on average, have been 20 percent higher than in the open market.¹ Presently, Suriname's export to the European Union market is 50,000–60,000 tons annually; and a further 20,000–30,000 tons annually is sold on the open market, mostly to Caribbean countries, where prices are about 10 percent lower than in the European Union market.

9. In anticipation of the end of preferences, the government is trying to reduce the cost of rice production by rehabilitating infrastructure and undertaking improvements of the paddy land. However, other factors constraining the growth of rice exports such as burdensome

¹Almost all of exports of rice for the European Union market takes place through the Netherlands Antilles, which qualifies Surinamese rice for duty free treatment. Suriname's rice imported into the Netherlands Antilles undergoes further processing there before shipment to Europe.

government regulations, numerous taxes and the 20 percent set aside provision for supplying the domestic market would need to be addressed.

D. Bananas

10. Banana exports also have performed poorly, but to a lesser extent than rice. Export volumes declined steadily from nearly 40,000 tons a year in the early 1980s to below 30,000 tons a year in the early 1990s, with some recovery in recent years. As in the case of rice, poor infrastructure and the overvaluation of the exchange rate reduced the profitability of banana exports and key investments were postponed. More specifically, the cable transport system became largely inoperable, which made the harvesting of bananas less efficient, and product quality deteriorated.

11. All banana exports are to the European Union market where they enjoy preferential treatment under the Lome Convention. The current European Union quota of 38,000 tons per year is above the current production level and is not a factor constraining growth. Potential production is estimated at 45,000 tons per year, the realization of which, however, will require the rehabilitation of production infrastructure, improvement of port facilities, and efficient management or privatization of Surland, the state-owned banana producing and exporting company. In the absence of European Union preferences, Suriname's bananas will have difficulties competing in the world market. Reportedly, transport cost is US\$240 per ton, compared with only about US\$100 per ton for the more efficient Latin American producers.

E. Shrimp

12. The fishery sector is dominated by deep-sea shrimping. Although shrimp exports have recovered in recent years, after declining sharply in the early 1990s due to the unfavorable exchange rate, they remain below potential (although there are reports of overfishing). Growth has been constrained by the strict qualification criteria for duty concessions which must be met for shrimp exports to the European Union market—shrimp must have been caught using Surinamese boats staffed by Surinamese crew and must meet other requirements to prove national origin.

13. Some shrimps are also exported to Japan, but the market there is limited because there is only a market for high quality and large size shrimps. There is scope for exporting shrimps to the U.S. market but only if strict criteria are met, such as that fishing nets must be equipped with a certain device that lets sea-turtles escape. The government has instructed local fishermen to install such devices but it is difficult to monitor compliance.

F. Forestry

14. Production and exports of forestry products fell dramatically during the 10–15 year period which ended in 1992. Since then forestry exports have recovered from a low of 2.2 thousand cubic meters in the early 1990s to 12,000 cubic meters presently.

15. Forestry exports have a large growth potential but would require substantial investment in forestry infrastructure and processing equipment. After a new forestry law was enacted in 1992, interest from foreign investors in this sector has been on the rise but little actual investment has taken place. In 1994, one Indonesian company was granted a lease for exploiting 150,000 hectares, but so far the company has done only exploratory work. In 1996, the government signed a letter of intent with the Newbridge Company of the United States to undertake a much larger investment in the forestry sector. This would be a modern and environmentally sound investment project. However, the company is waiting for the approval of a new investment code before they make the final decision to go ahead with the investment. The new investment code is currently under preparation.

G. Crude Oil

16. Crude oil has emerged as an important export item in recent years with some US\$20 million earned in 1996 (foreign exchange earnings from crude oil were nearly 10 percent of total exports), although a somewhat larger amount is sold domestically to the bauxite companies.

17. The state-owned Staatsolie company is the sole producer of oil in Suriname. It started operations in 1982 and production has increased steadily since then, reaching 2.83 million barrels in 1996, of which 1.3 million barrels was exported and the rest sold domestically. Daily production has increased from 5,000 barrels a few years ago to 7,500 barrels in the first half of 1996 and 8,000 barrels in the second half. It is expected to increase further to 9,500 barrels in the second half of 1997 and to 10,000 barrels by 1998.

18. Further growth will depend on the scale of exploration activities. Staatsolie has been spending US\$10–12 million per year for the past several years in exploration activities. Additional exploration has been undertaken by some foreign oil companies on offshore sites, but no finds have been made yet. Both on-shore and off-shore exploration will be continued, with foreign companies expected to concentrate on off-shore sites.

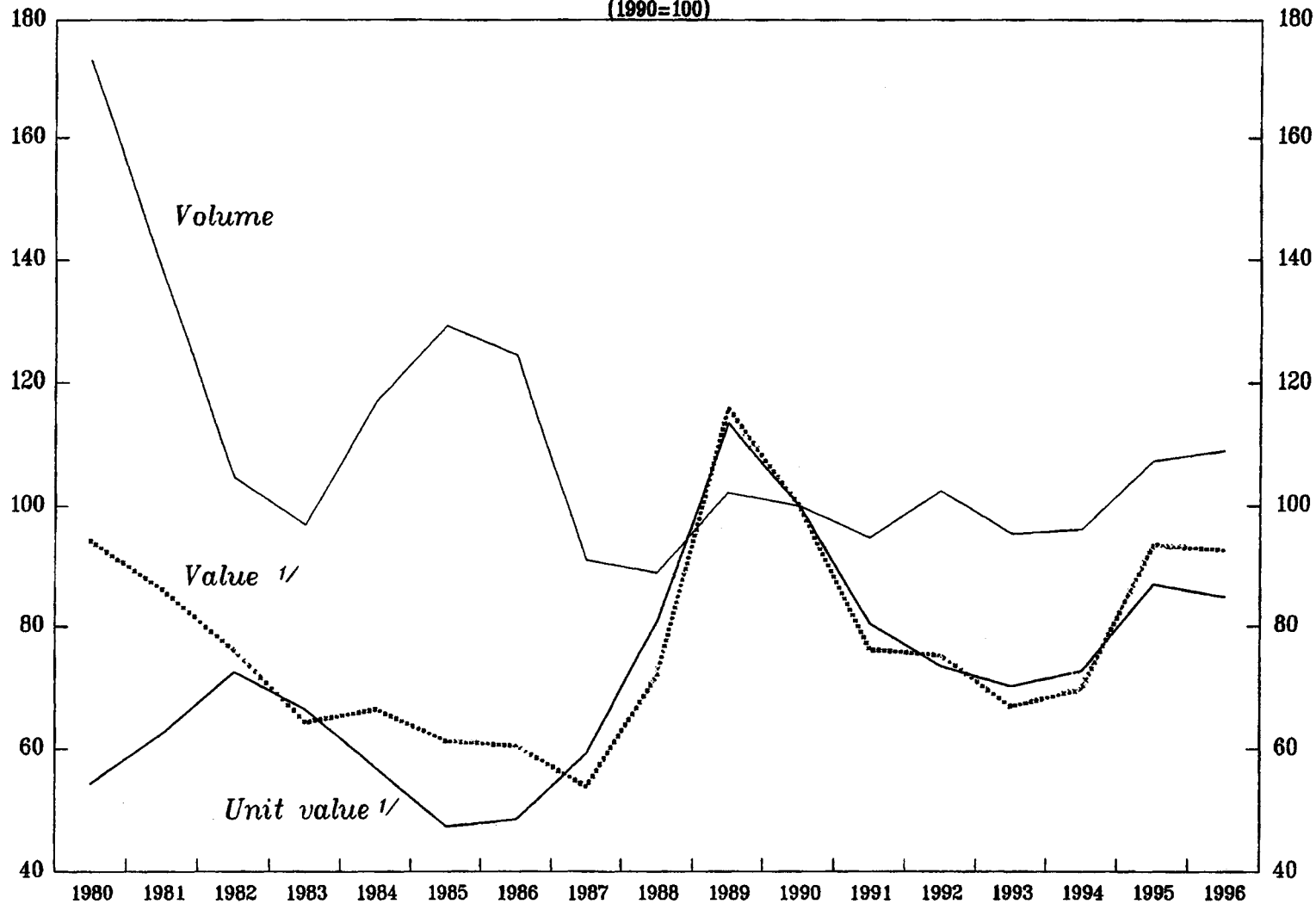
19. Suriname's first oil refinery is presently under construction, with completion scheduled for September this year. After the refinery is completed, Suriname will cease exporting oil in the crude form, but will have to import certain refined products which cannot be produced at the refinery. The refinery operation is expected to produce US\$55–57 million of refined oil for export.

H. Gold

20. Unofficial estimates place annual production of gold at 25,000–30,000 kilograms, valued at US\$300–US\$400 million. However, most mining operations are carried out informally and are not reflected in the national income accounts or the trade statistics. The government's strategy in the gold sector is to start formalizing mining operations by requiring that foreign workers obtain a license at a fee of US\$200. The licensing requirement has been in force since February 1997.

21. The government is negotiating a joint venture arrangement with a Canadian company, Golden Star, for the opening of a large gold mine, with work to be completed over the next 15 months. Total investment is estimated at US\$160 million, in addition to about US\$25 million already invested for exploration. A feasibility study for construction of the mine showed positive results. Annual production is estimated at 6,200 kilograms of gold and the mine will employ between 700–800 workers. The government has been offered a 20 percent share in this operation but there is no agreement yet on what it will accept. The mining company will also have to reach agreement with the indigenous people living in the area for possible resettlement.

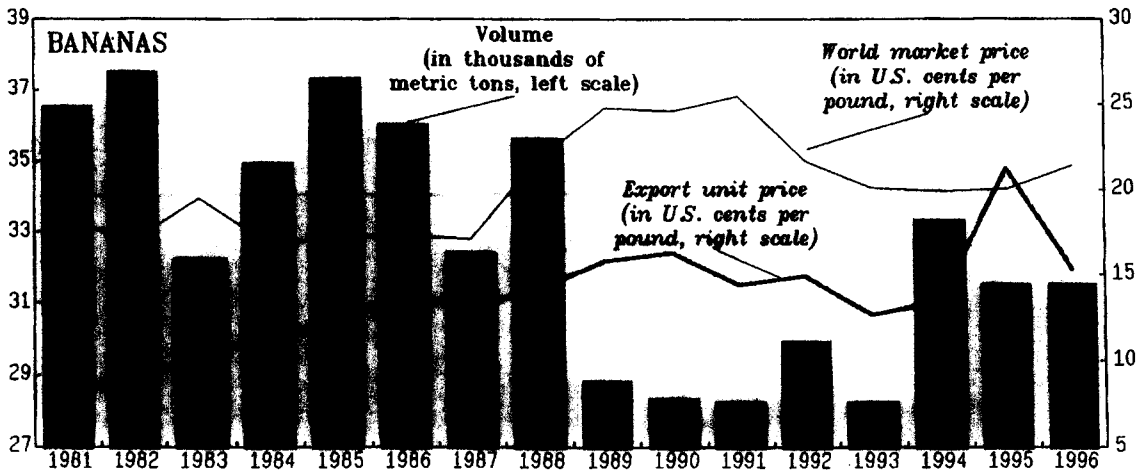
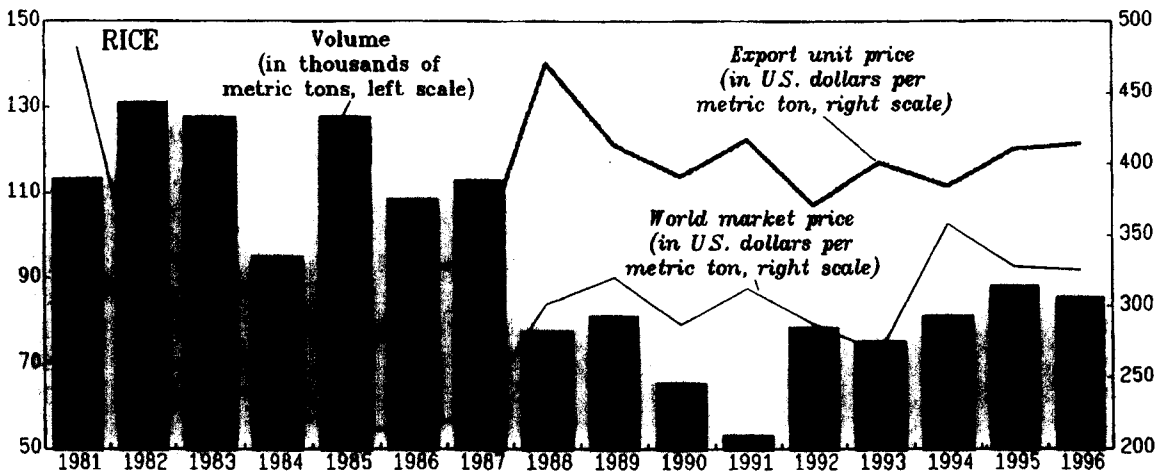
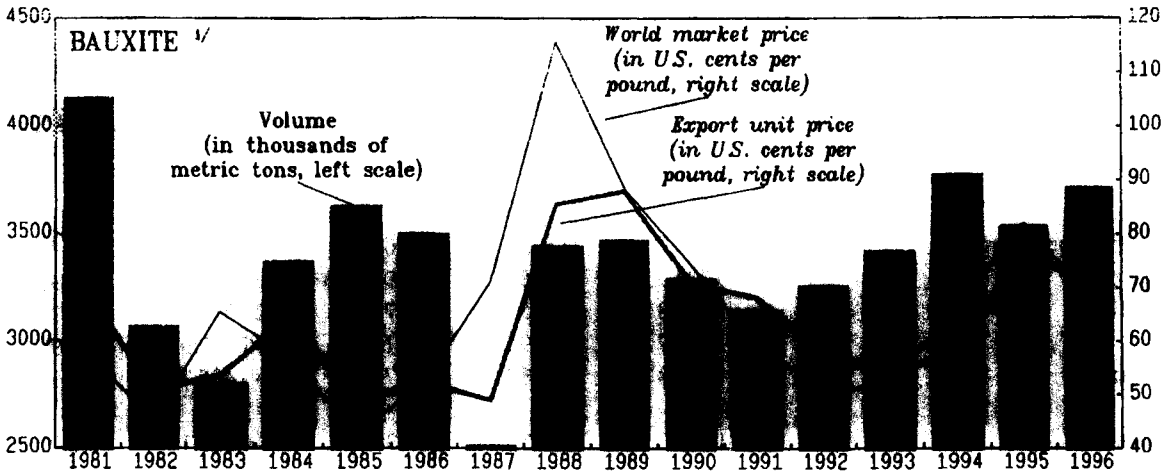
Chart 4. SURINAME
EXPORT INDICES
(1990=100)



Sources: General Bureau of Statistics; Fund staff estimates.

1/ Value index in U.S. dollars.

Chart 5. SURINAME
VOLUME AND PRICES OF MAJOR EXPORTS



Source: Suriname Bureau of Statistics.

^{1/} Production volume of bauxite, the source of alumina/aluminum which are exported.

Table 1. Suriname: Gross Domestic Product by Expenditure at Current Prices

	1992	1993	1994	Est. 1995	Est. 1996
(In millions of Surinamese guilders)					
Gross domestic expenditure	6,499.2	11,833.5	57,673.9	210,330.1	229,540.9
Consumption	5,333.5	9,205.0	29,961.2	120,924.3	145,890.9
Government	1,240.8	1,755.8	6,797.5	24,966.1	30,992.7
Private	4,092.7	7,449.2	23,163.7	95,997.9	114,898.3
Gross investment	1,165.8	2,628.5	27,712.7	89,405.7	83,650.0
Resource balance	-1,496.0	-1,433.7	-5,385.7	-4,326.1	-17,395.9
Exports of goods and nonfactor services	5,368.5	10,389.4	62,536.7	254,208.9	212,357.1
Imports of goods and nonfactor services	-6,864.5	-11,812.8	-67,922.4	-258,329.0	-229,753.0
Gross domestic product	5,003.3	10,389.4	52,288.2	206,004.0	212,145.0
(In percent of GDP)					
Gross domestic expenditure	129.9	113.9	110.3	102.1	108.2
Consumption	106.6	88.6	57.3	58.7	68.8
Government	24.8	16.9	13.0	12.1	14.6
Private	81.8	71.7	44.3	46.6	54.2
Gross investment	23.3	25.3	53.0	43.4	39.4
Resource balance	-29.9	-13.8	-10.3	-2.1	-8.2
Exports of goods and nonfactor services	107.3	100.0	119.6	123.4	100.1
Imports of goods and nonfactor services	-137.2	-113.7	-129.9	-125.4	-108.3
Gross domestic product	100.0	100.0	100.0	100.0	100.0

Source: General Bureau of Statistics; and Fund staff estimates

Table 2. Suriname: Gross Domestic Product by Sector

	1992	1993	1994	1995	1996
(In millions of Suriname guilders at 1980 prices)					
Primary sector	271.3	278.4	288.4	292.4	295.1
Agriculture	133.6	127.4	112.5	106.2	104.4
Mining	137.7	151.1	175.9	186.2	190.8
Secondary sector	381.9	318.7	277.7	312.3	322.8
Manufacturing	178.5	137.3	131.5	143.7	148.9
Construction	68.3	57.8	36.9	45.5	47.3
Electricity, gas and water	135.1	123.6	109.3	123.1	126.7
Services	852.8	875.7	803.1	832.8	863.1
Trade, restaurants and hotels	179.4	112.7	103.2	119.7	123.9
Transportation, storage and communications	81.8	146.5	122.0	132.1	139.3
Financial institutions	270.6	341.2	500.6	522.6	551.3
Public administration	425.1	382.8	302.8	292.8	289.0
Personnel and community services	15.6	13.8	6.9	7.3	7.4
Less: Imputed bank charges	119.7	121.3	232.4	241.7	247.9
GDP at factor cost	1,505.9	1,472.8	1,369.2	1,437.5	1,481.0
(As percent of GDP at factor cost)					
Primary sector	18.0	18.9	21.1	20.3	19.9
Secondary sector	25.4	21.6	20.3	21.7	21.8
Services	56.6	59.5	58.7	57.9	58.3

Sources: General Bureau of Statistics; and Fund staff estimates.

Table 3. Suriname: Real GDP at 1980 Prices

(Annual percentage change)

	1992	1993	1994	1995	1996
GDP at factor cost	4.0	-2.2	-7.0	5.0	3.0
Primary sector	-4.0	2.6	3.6	1.4	0.9
Agriculture	-12.2	-4.7	-11.7	-5.6	-1.7
Mining	5.5	9.7	16.4	5.9	2.4
Secondary sector	6.1	-16.5	-12.8	12.4	3.4
Manufacturing	0.9	-23.1	-4.2	9.3	3.6
Construction	18.9	-15.4	-36.1	23.1	4.0
Electricity, gas and water	7.5	-8.5	-11.6	12.6	2.9
Services	5.9	2.7	-8.3	3.7	3.6
Trade, restaurants and hotels	6.6	-37.2	-8.4	16.0	3.5
Transportation, storage and communications	-1.4	79.1	-16.7	8.3	5.5
Financial institutions	5.3	26.1	46.7	4.4	5.5
Public administration	7.2	-10.0	-20.9	-3.3	-1.3
Personnel and community services	-4.0	-11.7	-49.6	5.0	2.0
Imputed bank charges	2.9	1.3	91.6	4.0	2.6

Sources: General Bureau of Statistics; and Fund staff estimates.

Table 4. Suriname: Agriculture, Livestock and Fisheries - Production Data

(In metric tons unless otherwise indicated)

	1991	1992	1993	1994	Prel. 1995
Agricultural production					
Paddy	229,260	261,080	216,890	217,985	216,005
Bananas	49,971	49,886	47,493	47,502	49,586
Plantains	17,082	13,197	18,518	18,249	17,160
Palm oil fruit	7,814	10,640	8,681	6,890	2,250
Sugarcane	729	--	--	--	--
Vegetables 1/	33,122	32,725	43,615	38,370	35,658
Peanuts	414	428	477	513	463
Cocoa and coffee	82	64	59	66	70
Other food crops	12,520	15,690	17,560	15,816	23,231
Citrus	16,005	16,916	19,023	19,220	17,422
Coconuts 2/	12,086	9,522	11,762	10,896	10,955
Planted area 3/					
Paddy					
Physical area	48,200	48,200	48,200	49,000	49,000
Planted area	60,085	68,750	58,640	60,010	61,390
Crop intensity 4/	1.3	1.4	1.2	1.2	1.3
Bananas	2,116	2,131	2,170	2,149	2,190
Plantains	663	622	966	904	677
Oil palm	4,835	4,625	4,163	3,870	2,800
Sugarcane	2,291	2,245	2,245	...	--
Citrus	2,425	2,506	2,544	2,495	2,391
Yield 5/					
Paddy	3.82	3.80	3.70	3.63	3.52
Bananas	23.62	23.41	21.89	22.10	22.64
Plantains	25.76	21.22	19.17	20.19	25.35
Palm oil fruit	1.62	2.30	2.09	1.78	0.80
Sugarcane	0.34	--	--	...	--
Livestock					
Meat production					
Beef	2,667	2,637	2,183	1,840	1,648
Pork	1,975	1,449	1,400	920	796
Chicken	9,563	8,800	6,760	3,925	3,665
Eggs 6/	61	40	40	39	35
Fisheries					
Catch					
Shrimp (sea)	3,083	2,836	2,642	2,405	2,400
Crab/other sea products	8,037	13,209	9,474	5,677	5,680

Source: Ministry of Agriculture, Animal Husbandry and Fishing.

1/ Cabbage, tomatoes, and green vegetables.

2/ In thousands of units.

3/ In hectares.

4/ The ratio of planted to physical area; reflects areas with two harvests.

5/ In metric tons per hectare.

Table 5. Suriname: Bauxite Sector - Production Data

	1992	1993	1994	1995	1996
(In thousands of metric tons)					
Bauxite					
Production	3,250	3,413	3,766	3,530	3,708
Exports	0	0	0	0	0
Processed into alumina	3,237	3,012	1,500	...	...
Change in stocks	13	401	2,266	...	...
Alumina					
Production	1,576	1,507	1,498	1,589	1,645
Exports	1,514	1,426	1,385	1,586	1,609
Processed into aluminum	63	59	52	...	...
Change in stocks	-1	22	61	...	...
Aluminum					
Production	32	30	27	29	29
Exports	35	29	25	26	27
Change in stocks	-2	1	2	...	...
(Percentage change)					
Bauxite					
Production	3.7	5.0	10.3	-6.3	5.0
Alumina					
Production	4.4	-4.4	-0.6	6.1	3.5
Exports	4.5	-5.8	-2.9	14.5	1.3
Aluminum					
Production	5.5	-7.1	-11.3	7.4	0.0
Exports	31.2	-16.8	-12.5	4.0	3.8
(In thousands of metric tons)					
World totals					
Bauxite production	110,452	114,491	111,467	55,347	...
Alumina production	33,771	35,168	35,511	18,748	...
Aluminum production	19,421	19,721	19,099	9,825	...
(In percent)					
Suriname's market share					
Bauxite production	2.9	3.0	3.4	3.1	...
Alumina production	4.7	4.3	4.2	4.2	...
Aluminum production	0.2	0.2	0.1	0.1	...

Sources: Central Bank of Suriname; Bauxite Institute of Suriname; and World Metal Statistics.

Table 6. Suriname: World Production, Consumption, and Changes in Stocks of Primary Aluminum

	1991	1992	1993	1994	1995
Total world production	19,637	19,421	19,721	19,099	19,825
Total world consumption	18,744	18,449	18,222	19,696	19,808
Surplus or deficit (-) in production	893	972	1,499	-597	17
Memorandum item					
World price of aluminum 1/ (percent change)	59.2 -20.5	57.0 -3.7	51.7 -9.2	66.9 29.4	81.9 22.4

Sources: World Metal Statistics, various issues, London; International Financial Statistics; and Fund staff estimates.

1/ In U.S. cents per pound.

Table 7. Suriname: Consumer Price Index--Paramaribo and Suburbs

	Total index (1.000)	Food and Beverages (0.400)	Housing and Furnishings (0.236)	Clothing and footwear (0.110)	Other Expenses (0.254)
(Index 1969 = 100)					
Period average					
1991	1,024.0	1,144.4	837.8	1,397.8	846.8
1992	1,471.1	1,772.7	1,102.8	1,869.9	1,168.2
1993	3,582.4	4,678.2	2,589.7	4,100.8	2,560.7
1994	16,782.8	22,800.5	10,692.6	19,081.2	12,005.8
1995	56,311.4	75,489.1	35,703.9	54,963.9	45,963.4
1996	55,864.4	69,953.3	34,137.1	55,834.8	53,980.4
End of Period					
1991	1,147.4	1,308.6	907.3	1,631.0	908.8
1992	1,807.6	2,249.6	1,250.9	2,108.5	1,501.5
1993	5,871.9	7,815.2	4,060.4	6,657.9	4,165.0
1994	40,309.6	55,524.1	24,771.3	45,399.0	28,696.9
1995	55,203.9	71,001.3	34,831.7	53,929.4	49,905.2
1996	55,473.4	68,773.1	32,725.0	57,041.5	55,094.0
(percent change)					
Period average					
1992	43.7	54.9	31.6	33.8	37.9
1993	143.5	163.9	134.8	119.3	119.2
1994	368.5	387.4	312.9	365.3	368.8
1995	235.5	231.1	233.9	188.1	282.8
1996	-0.8	-7.3	-4.4	1.6	17.4
End of Period					
1992	57.5	71.9	37.9	29.3	65.2
1993	224.8	247.4	224.6	215.8	177.4
1994	586.5	610.5	510.1	581.9	589.0
1995	36.9	27.9	40.6	18.8	73.9
1996	0.5	-3.1	-6.0	5.8	10.4

Source: General Bureau of Statistics.

Table 8. Suriname: Employment by Sector

	1991	1992	1993	1994	Prel. 1995
(Number of employees)					
Total	66,119	66,229	62,974	59,568	57,831
Mining	3,303	3,303	3,242	3,181	3,364
Manufacturing	6,427	6,501	5,983	4,432	5,466
Utilities	1,267	1,205	1,205	1,288	1,316
Construction	2,017	1,957	1,926	1,656	1,656
Trade	4,463	4,542	3,825	4,383	3,267
Transportation, storage and communications	2,072	2,051	2,072	2,112	2,133
Banking	1,389	1,409	1,439	1,528	1,578
Insurance	426	446	453	426	466
Other services	1,939	2,118	2,177	2,010	1,425
Government	42,816	42,697	40,652	38,552	37,160
(Annual percentage change)					
Total	-0.4	0.2	-4.9	-5.4	-2.9
Mining	1.9	0.0	-1.8	-1.9	5.8
Manufacturing	2.4	1.2	-8.0	-25.9	23.3
Utilities	-1.9	-4.9	0.0	6.9	2.2
Construction	-2.9	-3.0	-1.6	-14.0	0.0
Trade	3.7	1.8	-15.8	14.6	-25.5
Transportation, storage and communications	1.0	-1.0	1.0	1.9	1.0
Banking	2.2	1.4	2.1	6.2	3.3
Insurance	4.8	4.7	1.6	-6.0	9.4
Other services	1.0	9.2	2.8	-7.7	-29.1
Government	-1.4	-0.3	-4.8	-5.2	-3.6
(In percent of total)					
Total	100.0	100.0	100.0	100.0	100.0
Mining	5.0	5.0	5.1	5.3	5.8
Manufacturing	9.7	9.8	9.5	7.4	9.5
Utilities	1.9	1.8	1.9	2.2	2.3
Construction	3.1	3.0	3.1	2.8	2.9
Trade	6.7	6.9	6.1	7.4	5.6
Transportation, storage and communications	0.0	0.0	0.0	0.0	0.0
Banking	2.1	2.1	2.3	2.6	2.7
Insurance	0.6	0.7	0.7	0.7	0.8
Other services	2.9	3.2	3.5	3.4	2.5
Government	64.8	64.5	64.6	64.7	64.3

Source: General Bureau of Statistics.

Table 9. Suriname: Population Data

	1991	1992	1993	1994	Prel. 1995
	(In thousands)				
Total population (end of year)	402.5	404.2	403.5	406.5	411.6
Net migration (during year)	-6.0	-5.4	-7.1	-2.5	-1.0
Natural increase (during year)	6.5	7.1	6.4	5.6	6.0
	(In percent)				
Rate of population increase	0.1	0.4	-0.2	0.8	1.2
Natural rate of increase	1.6	1.8	1.6	1.4	1.5

Source: General Bureau of Statistics.

Table 10. Suriname: Operations of the Central Government

	1992	1993	1994	1995	Est. 1996
(In millions of Suriname guilders)					
Revenues and grants	1,563.2	3,442.0	21,496.7	94,096.6	115,487.5
Revenues	1,147.3	1,312.0	12,339.9	66,599.3	82,556.0
Direct taxes	440.1	499.3	5,769.4	31,931.7	38,370.0
Indirect taxes	387.4	386.0	4,898.7	26,062.2	36,547.4
Nontax revenues	315.0	421.7	1,671.8	8,605.5	7,638.6
Capital revenues	4.8	5.0	--	--	--
Grants	415.9	2,130.0	9,156.8	27,497.2	32,931.5
Expenditures and net lending 1/	1,999.3	4,420.6	18,827.5	85,204.8	113,795.6
Current expenditures	1,882.7	4,050.3	16,666.6	73,855.6	100,908.9
Wages and salaries	886.9	1,163.7	3,415.4	16,727.5	26,525.6
Goods and services 1/	371.6	1,733.7	7,407.4	41,242.1	51,623.2
Subsidies and transfers	421.4	742.8	4,527.8	14,078.6	20,342.1
Interest	202.8	410.1	1,316.1	1,807.4	2,418.0
Net lending	8.4	6.6	--	--	--
Capital expenditures	108.2	363.7	2,160.9	11,349.2	12,886.7
Overall balance 1/	-436.0	-978.6	2,669.2	8,891.8	1,692.0
Identified financing	436.0	978.6	-2,669.2	-8,891.8	-1,692.0
Central bank (net)	249.1	875.7	-593.0	-10,399.4	3,321.4
Other domestic	184.9	5.8	-810.8	-647.2	1,053.6
External	2.0	97.1	-1,265.4	2,154.8	-6,067.0
Overall deficit plus Central Bank's exchange losses (-)	-608.4	-2,215.5	-4,435.3	8,891.8	1,692.0
(In percent of GDP)					
Revenues and grants	31.2	33.1	41.1	45.7	54.3
Revenues	22.9	12.6	23.6	32.3	38.8
Direct taxes	8.8	4.8	11.0	15.5	18.0
Indirect taxes	7.7	3.7	9.4	12.7	17.2
Nontax revenues	6.3	4.1	3.2	4.2	3.6
Capital revenues	0.1	0.0	0.0	0.0	0.0
Grants	8.3	20.5	17.5	13.3	15.5

Table 10. Suriname: Operations of the Central Government

	1992	1993	1994	1995	Est. 1996
Expenditures and net lending	39.9	36.0	41.4	53.5	55.0
Current expenditures	37.6	31.9	35.9	47.4	46.4
Wages and salaries	17.7	11.2	6.5	8.1	12.5
Goods and services	7.4	16.7	14.2	20.0	24.2
Subsidies and transfers	8.4	7.1	8.7	6.8	9.6
Interest	4.1	3.9	2.5	0.9	1.1
Net lending	0.2	0.1	0.0	0.0	0.0
Capital expenditures	2.2	3.5	4.1	5.5	6.1
Overall balance	-8.7	-9.4	5.1	4.3	0.8
Identified financing	8.7	9.4	-5.1	-4.3	-0.8
Financing	8.7	9.4	-5.1	-4.3	-0.8
Central Bank	5.0	8.4	-1.1	-4.9	1.6
Other domestic	3.7	0.1	-1.6	-0.3	0.5
External	0.0	0.9	-2.4	1.0	-2.9
Overall deficit (including central bank losses)	-12.2	-21.3	-8.5	4.3	0.8
Memorandum item:					
Direct taxes on the bauxite sector	0.5	0.9	7.9	8.5	7.2

Sources: Ministry of Finance; Central Bank of Suriname; and Fund Staff estimates.

1/ Includes unidentified financing.

Table 11. Suriname: Government Revenues and Grants

(In millions of Suriname guilders)

	1992	1993	1994	1995	Est. 1996
Total revenues and grants	1,563.2	3,442.0	21,496.7	94,096.6	115,487.5
Current revenues	1,142.5	1,307.0	12,339.9	66,599.3	82,556.0
Tax revenues	827.5	885.2	10,668.2	57,993.8	74,917.4
Direct taxes	440.1	499.3	5,769.4	31,931.7	38,370.0
Income taxes	372.1	596.6	5,611.8	33,862.9	38,080.9
Individual income taxes	251.5	424.7	1,298.9	8,882.9	9,373.9
Wage tax	226.6	391.4	1,187.6	7,573.5	7,183.0
Self-employed	24.9	33.3	111.3	1,309.4	2,190.9
Corporate income taxes	120.6	171.8	4,313.0	24,980.1	28,707.0
Bauxite companies	26.2	95.6	4,124.4	17,549.5	15,290.6
Other companies	94.4	76.3	188.6	7,430.5	13,416.4
Wealth tax	1.7	2.0	4.7	2.9	0.7
Dividend tax	2.1	2.0	25.1	101.5	93.7
Rental value tax	1.6	1.8	1.0	0.0	0.0
Property tax	0.0	0.0	0.0	0.0	0.0
Other	11.1	11.6	32.4	58.0	194.6
Float 1/	51.5	-114.6	94.5	-2,093.6	0.0
Indirect taxes	387.4	386.0	4,898.7	26,062.2	36,547.4
Domestic taxes on goods and services	160.6	170.8	571.5	6,369.3	10,160.0
Liquor	14.1	14.6	32.1	92.5	391.2
Beer	9.7	16.4	17.4	219.0	578.0
Tobacco	26.0	31.4	83.5	592.1	1,260.8
Lottery	4.2	5.2	5.0	39.9	70.8
Entertainment	3.4	4.5	11.7	69.1	97.1
Motor vehicles	30.6	34.8	36.7	5.6	391.0
Motor fuel	72.6	63.9	336.8	5,138.0	6,817.5
Soft drinks	0.0	0.0	48.3	213.2	553.6
Taxes on international trade	244.9	209.4	3,759.5	17,415.9	26,086.5
Customs duty	216.0	176.4	3,030.4	12,581.7	20,880.8
Statistical fees and consent rights	27.2	31.2	720.3	4,800.6	5,035.5
Wood export tax	-	0.1	0.3	-0.6	-125.1
Export and re-export taxes	1.7	1.6	8.5	33.0	45.1
Other taxes	2.8	6.1	28.3	500.4	744.9
Retribution on alumina production	1.6	3.4	28.3	500.3	744.9
Other	1.2	2.7	0.1	0.1	0.0
Float 1/	-20.9	-0.3	539.4	1,776.5	-444.0
Nontax revenues	315.0	421.7	1,671.8	8,605.5	7,636.6
Pension fund contributions	51.5	70.4	235.0	1,167.9	0.0
Old age fund contributions	26.5	38.4	97.5	688.9	1,213.0
Central bank profits	153.1	150.0	0.0	0.0	0.0
Post office	7.4	16.9	88.8	97.1	489.1
Administrative fees, fines, etc.	76.5	146.0	1,250.5	6,651.6	5,936.4
Capital revenues	4.8	5.0	0.0	0.0	0.0
Grants	415.9	2,130.0	9,156.8	27,497.2	32,931.5

Sources: Ministry of Finance; and Fund staff estimates.

1/ Includes the difference between total receipts recorded at the central bank and the individual components reported by collecting agencies.

Table 12. Suriname: Government Revenue and Grants

(In percentage of GDP)

	1992	1993	1994	1995	Est. 1996
Total revenues and grants	31.2	33.1	41.1	45.7	54.3
Current revenues	22.8	12.6	23.6	32.3	38.8
Tax revenues	16.5	8.5	20.4	28.2	35.2
Direct taxes	8.8	4.8	11.0	15.5	18.0
Income taxes	7.4	5.7	10.7	16.4	17.9
Individual income taxes	5.0	4.1	2.5	4.3	4.4
Wage tax	4.5	3.8	2.3	3.7	3.4
Self-employed	0.5	0.3	0.2	0.6	1.0
Corporate income taxes	2.4	1.7	8.2	12.1	13.5
Bauxite companies	0.5	0.9	7.9	8.5	7.2
Other companies	1.9	0.7	0.4	3.6	6.3
Wealth tax	0.0	0.0	0.0	0.0	0.0
Dividend tax	0.0	0.0	0.0	0.0	0.0
Rental value tax	0.0	0.0	0.0	0.0	0.0
Property tax	0.0	0.0	0.0	0.0	0.0
Other	0.2	0.1	0.1	0.0	0.1
Float 1/	1.0	-1.1	0.2	-1.0	0.0
Indirect taxes	7.7	3.7	9.4	12.7	17.2
Domestic taxes on goods and services	3.2	1.6	1.1	3.1	4.8
Liquor	0.3	0.1	0.1	0.0	0.2
Beer	0.2	0.2	0.0	0.1	0.3
Tobacco	0.5	0.3	0.2	0.3	0.6
Lottery	0.1	0.1	0.0	0.0	0.0
Entertainment	0.1	0.0	0.0	0.0	0.0
Motor vehicles	0.6	0.3	0.1	0.0	0.2
Motor fuel	1.5	0.6	0.6	2.5	3.2
Soft drinks	0.0	0.0	0.1	0.1	0.3
Taxes on international trade					
Customs duty	4.9	2.0	7.2	8.5	12.3
Statistical fees and Consent rights	4.3	1.7	5.8	6.1	9.8
Wood export tax	0.5	0.3	1.4	2.3	2.4
Export and re-export taxes	0.0	0.0	0.0	0.0	0.1
Other taxes	0.1	0.1	0.1	0.4	0.4
Retribution on alumina production	0.1	0.1	0.1	0.2	0.4
Other	0.0	0.0	0.0	0.0	0.0
Float	-0.4	0.0	1.0	0.9	-0.2
Nontax revenues	6.3	4.1	3.2	4.2	3.6
Pension fund contributions	1.0	0.7	0.4	0.6	0.0
Old Age fund contributions	0.5	0.4	0.2	0.3	0.6
Central bank profits	3.1	1.4	0.0	0.0	0.0
Post office	0.1	0.2	0.2	0.0	0.2
Administrative fees, fines, etc.	1.5	1.4	2.4	3.2	2.8
Capital revenues	0.1	0.0	0.0	0.0	0.0
Grants	8.3	20.5	17.5	13.3	15.5

Sources: Statistical Appendix Tables 1 and 12.

1/ Includes the difference between total receipts recorded at the central bank and the individual components reported by collecting agencies.

Table 13. Suriname: Central Government Expenditures

(In millions of Suriname guilders)

	1992	1993	1994	1995	Est. 1996
Total expenditures	2,132.7	4,425.2	22,969.7	88,973.5	110,124.4
Current expenditures	2,016.1	4,054.9	20,808.8	77,624.3	97,237.7
Wages and salaries	886.9	1,163.7	3,415.4	16,727.5	26,525.6
Allowances	188.7	253.9	820.5	2,106.5	10,422.1
Payroll	698.2	909.8	2,594.9	14,621.0	16,103.5
Current transfers	421.4	742.8	4,527.8	14,078.6	20,342.1
Private entities	0.0	0.0	0.0	0.0	0.0
Public entities subsidies & tariff subsidies	76.8	175.5	2,988.0	7,205.5	8,702.9
Welfare and social services	344.6	567.2	1,539.8	6,873.1	11,639.2
Pensions paid on behalf of the pension fund	107.3	104.2	119.4	584.8	1,172.9
Advances to medical fund	59.7	52.8	52.8	584.8	787.7
Welfare	142.2	258.8	919.5	2,079.7	2,146.2
Health	14.9	98.6	270.7	1,750.5	4,052.0
Education	20.5	52.8	177.4	1,873.3	3,480.5
Interest	202.8	410.1	1,316.1	1,807.4	2,418.0
Domestic	188.5	219.2	298.1	69.4	179.0
External	14.3	190.9	1,018.0	1,738.0	2,239.0
Goods and services	505.0	1,738.3	11,549.6	45,010.8	47,952.0
Out of blocked accounts	0.0	306.7	39.8	1,082.4	411.9
EU grants	1.6	16.7	63.4	1,761.1	1,629.3
Dutch grants	30.5	668.2	5,916.8	17,487.0	20,827.9
Other	30.5	35.3	410.1	0.0	842.7
Financed out of own resources	442.4	711.4	5,119.5	24,680.3	24,240.1
Net lending to public entities	8.4	6.6	0.0	0.0	0.0
Capital expenditures	108.2	363.7	2,160.9	11,349.2	12,886.7
EEC	9.1	85.3	359.5	834.2	698.3
Dutch	7.6	167.0	1,479.2	7,415.0	8,933.4
Non Dutch non EEC	91.5	111.4	322.2	3,100.0	3,255.0
Memorandum item:					
Military expenditures	116.1	162.3	469.0	2,391.0	2,389.0

Table 13. Suriname: Central Government Expenditures

(In percent of GDP)

	1992	1993	1994	1995	Est. 1996
Total expenditures	42.6	42.6	43.9	43.2	51.8
Current expenditures	40.3	39.0	39.8	37.7	45.7
Wages and salaries	17.7	11.2	6.5	8.1	12.5
Allowances	3.8	2.4	1.6	1.0	4.9
Payroll	14.0	8.8	5.0	7.1	7.6
Current transfers	8.4	7.1	8.7	6.8	9.6
Private entities	0.0	0.0	0.0	0.0	0.0
Public entities subsidies & tariff subsidies	1.5	1.7	5.7	3.5	4.1
Welfare and social services	6.9	5.5	2.9	3.3	5.5
Pensions paid on behalf of the pension fund	2.1	1.0	0.2	0.3	0.6
Advances to medical fund	1.2	0.5	0.1	0.3	0.4
Welfare	2.8	2.5	1.8	1.0	1.0
Health	0.3	0.9	0.5	0.8	1.9
Education	0.4	0.5	0.3	0.9	1.6
Interest	4.1	3.9	2.5	0.9	1.1
Domestic	3.8	2.1	0.6	0.0	0.1
External	0.3	1.8	1.9	0.8	1.1
Goods and services	10.1	16.7	22.1	21.8	22.5
Out of blocked accounts	0.0	3.0	0.1	0.5	0.2
EU grants	0.0	0.2	0.1	0.9	0.8
Dutch grants	0.6	6.4	11.3	8.5	9.8
Other current grants	0.6	0.3	0.8	0.0	0.4
Financed out of own resources	8.8	6.8	9.8	12.0	11.4
Net lending to public entities	0.2	0.1	0.0	0.0	0.0
Capital expenditures	2.2	3.5	4.1	5.5	6.1
EU grants	0.2	0.8	0.7	0.4	0.3
Dutch grants	0.2	1.6	2.8	3.6	4.2
Other	1.8	1.1	0.6	1.5	1.5
Memorandum item					
Military expenditures	2.3	1.6	0.9	1.2	1.1

Sources: Ministry of Finance; Suriname Planning Bureau; and Fund staff estimates.

Table 14. Suriname: Central Government Subsidies, Net Transfers and Lending

In millions of Suriname guilders

	1992	1993	1994	1995	Est. 1996
Total	429.8	749.4	4,527.8	14,078.6	20,342.1
Social services and transfers	344.6	567.3	1,539.8	6,873.1	11,639.2
Advances to pension fund	107.3	104.2	119.4	584.8	1,172.9
Advances to medical fund	59.7	52.8	52.8	584.8	787.7
Welfare	142.2	258.8	919.5	2,079.7	2,146.2
Old Age Fund (AOV)	110.9	178.0	172.7	847.8	874.9
Child Allowance Fund (AKB)	24.3	11.4	10.4	25.6	26.4
Welfare Fund	5.3	25.3	736.4	1,206.1	1,244.7
Other welfare	1.7	44.1	0.0	0.2	0.2
Health	14.9	98.6	270.7	1,750.5	4,052.0
Education	20.5	52.8	177.4	1,873.3	3,480.5
<i>Of which: University</i>	11.3	45.9	120.2	541.3	904.6
Subsidies and lending to public entities	85.2	182.1	2,988.0	7,205.5	8,702.9
<i>Of which:</i>					
Electric. subsidy (consumers)	0.0	77.0	415.4	4,001.9	4,130.0
Water supply	0.0	34.7	81.0	726.7	750.0
Electricity purchased for EBS 1/	...	...	119.2	2,416.1	3,525.4
Lending	8.4	6.6	0.0	0.0	0.0

Sources: Ministry of Finance; and Fund staff estimates.

1/ EBS is the government-owned electricity company.

Table 15. Suriname: Central Government Debt

	1992	1993	1994	1995	1996
(In millions of Suriname guilders; end of period)					
Domestic debt	4,210.4	5,088.0	3,687.7	-7,544.9	-3,166.9
Banking system (net)	3,622.5	4,500.1	3,099.8	-7,679.6	-3,301.6
Central bank	3,507.0	4,382.7	3,789.7	-6,609.7	-3,288.3
Commercial banks	115.5	117.4	-689.9	-1,066.9	-13.3
Other 1/	587.9	587.9	587.9	134.7	134.7
(In millions of U.S. dollars; end of period)					
External debt	122.6	124.2	142.8	135.6	121.4
Current debt	105.2	93.5	108.3	135.6	121.4
Arrears	17.4	30.7	34.5	0.0	0.0
(In percent of GDP)					
Total debt	106.5	71.9	41.0	25.1	21.4
Domestic debt	83.2	44.8	2.5	-4.0	-1.5
External debt 2/	23.3	27.1	38.5	29.1	22.9

Sources: Central Bank of Suriname; Ministry of Finance; and Fund staff estimates.

1/ Government bonds.

2/ Based on a GDP in U.S. dollars estimated by the staffs of the World Bank and the Fund, using an average of prevailing exchange rates including the parallel market.

Table 16. Suriname: Summary Accounts of the Banking System

(in millions of Suriname guilders)

	December 31				
	1992	1993	1994	1995	1996
I. Central Bank					
Net international reserves	-51.6	-3,590.4	-3,357.9	54,896.3	45,903.3
Assets 1/	64.8	3,277.8	25,184.3	64,151.5	53,742.0
Liabilities 2/	-116.4	-6,868.2	-28,542.2	-9,255.2	-7,838.7
Net other foreign assets	-24.3	-60.1	-32.0	-181.4	-1,214.3
Net domestic assets	1,481.0	6,417.3	14,508.9	-27,524.4	-12,878.0
Net claims on the public sector	3,497.0	4,372.8	3,761.0	-6,655.6	-3,322.5
Net central government (budget)	3,507.0	4,382.7	3,789.7	-6,609.7	-3,288.3
Assets	3,511.9	5,224.4	5,306.1	4,909.3	6,767.7
Liabilities	-5.0	-19.4	-814.8	-9,854.2	-9,041.9
Blocked accounts	0.0	-822.3	-701.6	-1,664.8	-1,014.1
Net other central government	-9.9	-9.9	-28.7	-45.9	-34.2
Liabilities	-9.9	-9.9	-28.7	-45.9	-34.2
Net liabilities to commercial banks	-1,912.8	-2,869.9	-6,229.2	-29,584.0	-19,115.8
Currency	-90.9	-186.2	-1,482.3	-1,432.9	-3,638.6
Demand deposits	-1,823.5	-2,687.2	-4,759.5	-27,643.0	-14,476.8
Gold certificates	0.0	0.0	0.0	-508.4	-1,026.1
Other assets	1.6	3.5	12.6	0.3	25.7
Credit to the private sector	1.1	1.5	8.7	31.4	69.4
Official capital and surplus	-34.5	-34.5	-34.5	-34.5	-120.2
Counterpart unrequited foreign exchange	-55.9	-1,571.4	-12,425.2	-4,189.9	-2,434.7
Net unclassified assets	-13.9	6,518.8	29,428.1	12,908.2	12,045.8
Assets 2/	208.4	6,864.7	30,941.1	16,363.8	20,836.2
Liabilities	-222.3	-345.5	-1,113.0	-3,455.6	-8,790.5
Liabilities to the private sector	1,405.1	2,766.9	11,118.9	27,190.4	31,811.1
Currency in circulation 3/	1,347.2	2,638.2	10,485.6	25,198.6	27,403.7
Time deposits	2.4	0.0	0.0	0.0	0.0
Gold certificates	0.0	0.0	0.0	375.2	293.7
Current accounts of others	55.5	128.7	633.3	1,616.6	4,113.7
II. Commercial Banks					
Net short term foreign assets	16.2	1,427.7	8,476.7	8,246.4	14,296.2
Assets	16.2	1,478.4	9,009.0	17,550.2	17,702.6
Liabilities	0.0	-50.7	-532.4	-9,303.8	-3,406.4
Net other foreign assets	-146.9	-153.2	125.0	1,143.0	2,265.2
Net domestic assets	4,710.1	5,911.7	11,392.4	48,148.9	70,193.4
Net claims on the public sector	199.5	163.2	-563.2	-705.2	499.9
Net central government (budget)	115.5	117.4	-689.9	-1,066.9	-13.3
Assets	141.0	220.4	265.6	205.7	357.7
Liabilities	-25.5	-103.0	-955.5	-1,272.6	-371.0
Net other decentralized agencies	84.0	45.8	126.7	361.7	513.2
Assets	84.0	45.8	126.7	361.7	513.2
Credit to the private sector	2,464.1	3,133.2	6,645.3	20,120.4	45,531.7
Monetary reserves & currency holdings	1,914.4	2,873.4	6,241.8	29,075.9	18,115.4
Liabilities to monetary authorities	-1.6	-3.5	-12.6	-0.3	-25.7

Table 16. Suriname: Summary Accounts of the Banking System

(in millions of Suriname guilders)

	December 31				
	1992	1993	1994	1995	1996
Gold certificates	0.0	0.0	0.0	508.4	1,026.1
Net unclassified assets	133.7	-254.6	-918.9	-851.2	5,046.0
Assets	227.2	1,425.3	2,422.8	5,534.3	9,752.0
Liabilities	-93.5	-1,679.9	-3,341.7	-6,385.5	-4,706.0
Net interbank float	0.0	0.0	0.0	0.9	0.0
Liabilities to the private sector	4,579.5	7,186.2	19,993.8	57,537.4	86,754.9
Dem and deposits	1,818.4	3,275.8	9,763.2	30,912.3	25,163.5
Time, savings, and other deposits	2,366.5	3,283.7	7,370.4	21,352.2	52,872.5
Other liabilities	25.5	24.3	26.3	30.5	1.1
Private capital and surplus	369.1	602.4	2,833.9	5,242.4	8,717.8
III. Banking System					
Net international reserves	-51.6	-3,590.4	-3,357.9	54,896.3	45,903.3
Assets 1/	64.8	3,277.8	25,184.3	64,151.5	53,742.0
Liabilities 2/	-116.4	-6,868.2	-28,542.2	-9,255.2	-7,838.7
Net other foreign assets	-154.9	1,214.4	8,569.6	9,208.0	15,347.1
Net domestic assets	6,191.1	12,329.0	25,901.3	20,624.5	57,315.4
Net claims on the public sector	3,696.5	4,536.0	3,197.8	-7,360.8	-2,822.6
Net central government (budget)	3,622.4	4,500.1	3,099.8	-7,676.6	-3,301.6
Assets	3,652.9	5,444.8	5,571.7	5,115.0	7,125.4
Liabilities	-30.4	-122.4	-1,770.3	-11,126.8	-9,412.9
Blocked accounts	0.0	-822.3	-701.6	-1,664.8	-1,014.1
Net other central government	-9.9	-9.9	-28.7	-45.9	-34.2
Liabilities	-9.9	-9.9	-28.7	-45.9	-34.2
Net other decentralized agencies	84.0	45.8	126.7	361.7	513.2
Assets	84.0	45.8	126.7	361.7	513.2
Net interbank float	0.0	0.0	0.0	0.9	0.0
Credit to the private sector	2,465.2	3,134.7	6,654.0	20,151.8	45,601.1
Official capital and surplus	-34.5	-34.5	-34.5	-34.5	-120.2
Counterpart unrequited foreign exchange	-55.9	-1,571.4	-12,425.2	-4,189.9	-2,434.7
Net unclassified assets	119.9	6,264.2	28,509.2	12,057.0	17,091.8
Assets 2/	435.6	8,289.6	32,963.9	21,898.1	30,588.2
Liabilities	-315.7	-2,025.4	-4,454.7	-9,841.1	-13,496.5
Liabilities to the private sector	5,984.6	9,953.1	31,112.7	84,727.8	118,566.0
Monetary liabilities (money)	3,221.1	6,042.7	20,882.1	57,727.5	56,680.9
Currency in circulation	1,347.2	2,638.2	10,485.6	25,198.6	27,403.7
Dem and deposits	1,873.9	3,404.5	10,396.5	32,528.9	29,277.2
Time, savings and other deposits	2,369.0	3,283.7	7,370.4	21,352.2	52,872.5
Gold certificates	0.0	0.0	0.0	375.2	293.7
Other liabilities	25.5	24.3	26.3	30.5	1.1
Private capital and surplus	369.1	602.4	2,833.9	5,242.4	8,717.8
Memorandum item					
Accounting exchange rate 4/	1.785	84.5	409.5	407.0	401.0

Source: Central Bank of Suriname.

1/ Gold is valued at market prices.

2/ Adjusted for external arrears and exchange losses.

3/ Includes Central Government issue of coins.

4/ Official rate, except in 1993: free market exchange rate.

Table 17. Suriname: Banking System Liabilities to the Private Sector

	1992	1993	1994	1995	1996
(In millions of Suriname guilders)					
Total liabilities	5,984.6	9,953.1	31,112.7	84,727.8	118,566.0
Broad Money	5,590.0	9,326.4	28,252.5	79,454.9	109,847.1
Money	3,221.1	6,042.7	20,882.1	57,727.5	56,680.9
Currency in circulation	1,347.2	2,638.2	10,485.6	25,198.6	27,403.7
Demand deposits	1,873.9	3,404.5	10,396.5	32,528.9	29,277.2
Quasi-money 1/	2,369.0	3,283.7	7,370.4	21,727.4	53,166.2
Private capital and surplus	369.1	602.4	2,833.9	5,242.4	8,717.8
Other liabilities	25.5	24.3	26.3	30.5	1.1
(In percent of broad money)					
Total liabilities	107.1	106.7	110.1	106.6	107.9
Broad Money	100.0	100.0	100.0	100.0	100.0
Money	57.6	64.8	73.9	72.7	51.6
Currency in circulation	24.1	28.3	37.1	31.7	24.9
Demand deposits	33.5	36.5	36.8	40.9	26.7
Quasi-money 1/	42.4	35.2	26.1	27.3	48.4
Private capital and surplus	6.6	6.5	10.0	6.6	7.9
Other liabilities	0.5	0.3	0.1	0.0	0.0
(In percent of GDP)					
Total liabilities	119.6	95.8	59.5	41.1	55.9
Broad Money	111.7	89.8	54.0	38.6	51.8
Money	64.4	58.2	39.9	28.0	26.7
Currency in circulation	26.9	25.4	20.1	12.2	12.9
Demand deposits	37.5	32.8	19.9	15.8	13.8
Quasi-money 1/	47.3	31.6	14.1	10.5	25.1
Private capital and surplus	7.4	5.8	5.4	2.5	4.1
Other liabilities	0.5	0.2	0.1	0.0	0.0
Memorandum item:					
GDP at market prices	5,003.3	10,389.4	52,288.2	206,004.0	212,145.0
(Annual percentage change)					
Total liabilities	20.1	66.3	212.6	172.3	39.9
Broad Money	19.8	66.8	202.9	181.2	38.3
Money	11.6	87.6	245.6	176.4	-1.8
Currency in circulation	17.9	95.8	297.5	140.3	8.8
Demand deposits	7.5	81.7	205.4	212.9	-10.0
Quasi-money 1/	33.0	38.6	124.5	194.8	144.7
Private capital and surplus	24.7	63.2	370.4	85.0	66.3
Other liabilities	40.1	-4.8	8.2	16.0	-96.4

Source: Central Bank of Suriname.

1/ Includes time deposits, savings deposits and gold certificates.

Table 18. Suriname: Distribution of Commercial Bank Credit by Destination

	1992	1993	1994	1995	1996
(In millions of Suriname guilders)					
Total credit outstanding	2,684.4	3,394.7	7,029.0	20,669.9	46,385.7
Agriculture	313.6	383.1	971.1	4,762.7	9,888.8
Fisheries	18.0	30.8	57.3	240.4	695.6
Forestry	7.5	13.0	12.8	46.6	726.3
Mining	85.7	37.2	47.5	321.0	659.7
Manufacturing	252.8	358.7	669.1	2,738.4	5,728.2
Construction	136.0	220.8	495.6	1,597.6	1,166.2
Utilities	0.0	0.0	10.8	0.0	2.1
Commerce	856.4	1,125.3	2,376.7	5,893.4	16,488.0
Transport and communications	73.3	86.4	188.6	847.2	1,834.5
Services	165.5	201.5	366.7	1,123.2	2,934.2
Housing construction	352.9	423.8	702.1	1,502.5	2,623.8
Other	422.7	514.1	1,130.7	1,596.9	3,638.3
(In percent of total)					
Agriculture	11.7	11.3	13.8	23.0	21.3
Fisheries	0.7	0.9	0.8	1.2	1.5
Forestry	0.3	0.4	0.2	0.2	1.6
Mining	3.2	1.1	0.7	1.6	1.4
Manufacturing	9.4	10.6	9.5	13.2	12.3
Construction	5.1	6.5	7.1	7.7	2.5
Utilities	0.0	0.0	0.2	0.0	0.0
Commerce	31.9	33.1	33.8	28.5	35.5
Transport and communications	2.7	2.5	2.7	4.1	4.0
Services	6.2	5.9	5.2	5.4	6.3
Housing construction	13.1	12.5	10.0	7.3	5.7
Other	15.7	15.1	16.1	7.7	7.8

Source: Central Bank of Suriname.

Table 19. Suriname: Loans and Deposits by Interest Rate 1/ 2/

	1992	1993		1994	1995	1996
(In millions of Suriname guilders)						
LENDING RATE						
Up to 2	22.2	0.3	Up to 5	36.1	49.8	67.5
2-3	3.9	0.0	5-10	140.8	31.4	60.3
3-4	30.0	5.0	10-15	312.7	629.8	876.4
4-5	13.7	1.4	15-20	475.3	276.8	174.5
5-6	38.5	38.3	20-25	285.4	335.9	2,628.3
6-7	83.4	15.1	25-30	595.7	163.6	1,305.4
7-8	121.9	16.4	30-35	2,688.8	766.4	23,262.3
8-9	363.1	87.5	35-40	934.2	7,593.2	6,609.3
9-10	1,515.5	442.7	40-45	1,323.9	6,523.9	5,484.4
Over 10	427.0	2,017.4	45-50	200.3	3,176.9	3,548.6
			Over 50	44.6	1,083.5	2,723.9
Total	2,619.3	2,624.1	Total	7,037.8	20,631.0	46,740.9
Average lending rate	9.8	13.2	Average rate	32.2	39.6	35.3
DEPOSIT RATE						
Up to 2	1,965.6	3,041.0	0	11,801.7	33,775.4	27,485.2
2-3	0.2	551.8	Up to 5	1,007.8	489.3	9,063.7
3-4	1,444.2	838.0	5-10	2,053.7	2,524.8	603.3
4-5	221.9	117.1	10-15	1,888.9	7,493.6	15,093.8
5-6	203.8	251.0	15-20	899.6	853.7	12,794.8
6-7	183.6	210.6	20-25	733.9	2,670.3	7,706.5
7-8	160.3	316.2	25-30	639.6	2,220.2	2,474.9
8-9	135.4	136.4	30-35	68.3	2,451.6	1,678.2
9-10	0.0	97.6	35-40	20.8	1,825.7	2,958.2
Over 10	0.0	187.7	40-45	0.0	671.4	772.2
			45-50	0.0	246.7	138.5
			Over 50	0.0	0.0	0.0
Total	4,314.8	5,747.3	Total	19,114.4	55,222.7	80,769.1
Average rate	2.9	3.1	Average rate	4.9	7.9	11.0
(In percent of total)						
LENDING RATE						
Up to 2	0.8	0.0	Up to 5	2.5	0.5	0.2
2-3	0.1	0.0	5-10	7.5	2.0	0.2
3-4	1.1	0.2	10-15	12.5	4.4	3.1
4-5	0.5	0.1	15-20	17.5	6.8	1.3
5-6	1.5	1.5	20-25	22.5	4.1	1.6
6-7	3.2	0.6	25-30	27.5	8.5	0.8
7-8	4.7	0.6	30-35	32.5	38.2	3.7
8-9	13.9	3.3	35-40	37.5	13.3	36.8
9-10	57.9	16.9	40-45	42.5	18.8	31.6
Over 10	16.3	76.9	45-50	47.5	2.8	15.4
			Over 50	50.0	0.6	5.3
DEPOSIT RATE						
Up to 2	45.6	52.9	0	0	61.7	61.2
2-3	0.0	9.6	Up to 5	2.5	5.3	0.9
3-4	33.5	14.6	5-10	7.5	10.7	4.6
4-5	5.1	2.0	10-15	12.5	9.9	13.6
5-6	4.7	4.4	15-20	17.5	4.7	1.5
6-7	4.3	3.7	20-25	22.5	3.8	4.8
7-8	3.7	5.5	25-30	27.5	3.3	4.0
8-9	3.1	2.4	30-35	32.5	0.4	4.4
9-10	0.0	1.7	35-40	37.5	0.1	3.3
Over 10	0.0	3.3	40-45	42.5	0.0	1.2
			45-50	47.5	0.0	0.4
			Over 50	50	0.0	0.0
Memorandum:						
CPI, percent change, e.o.p.	57.5	224.7		586.5	37.1	1.0

Source: Central Bank of Suriname.

1/ Rates are in percent per annum.

2/ Includes demand deposits.

Table 20. Suriname: Summary Balance of Payments 1/

(In millions of U.S. dollars)

	1992	1993	1994	1995	Est. 1996
Current account	18.0	45.2	59.9	124.2	66.4
Trade balance	-110.8	-12.8	-9.7	38.2	18.8
Merchandise exports (f.o.b.)	490.0	386.3	339.8	439.9	434.3
Bauxite sector	284.4	254.5	247.0	355.5	349.5
Nonbauxite merchandise	205.6	131.8	92.8	84.3	84.8
Merchandise imports (f.o.b.)	-600.8	-399.1	-349.5	-401.6	-415.5
Services and private transfers (net) 2/	25.6	11.0	24.1	23.8	-34.5
Transportation and travel	-38.9	-27.7	-15.1	-21.1	-32.6
Other nonfactor services	15.4	3.1	4.7	-5.3	-29.8
Factor income	-10.9	-13.0	-8.2	11.1	-1.3
Unrequited private transfers	60.0	48.6	42.6	39.1	29.2
Official transfers (net) 3/	103.2	47.0	45.6	62.2	82.1
Capital account	-26.6	-54.1	-40.9	18.1	-17.0
Medium- and long-term capital (net)	-44.8	-67.1	-50.2	5.1	-25.5
Official	-21.5	-20.9	-12.6	32.2	-30.9
Private	-23.3	-46.2	-37.6	-27.1	5.4
Short-term capital (net) 4/	18.2	13.0	9.3	13.0	8.5
Errors and omissions	-0.7	2.6	-0.8	15.8	-70.2
Overall balance	-9.3	-6.3	18.2	158.1	-20.9
Exceptional finance	11.0	22.2	-2.5	-31.8	-0.4
Change in net reserves (increase -)	-1.7	-15.9	-15.7	-126.3	21.3
Central bank, net	5.0	-8.6	-31.8	-111.3	20.8
Monetary gold	1.5	-1.9	-0.6	-17.5	-13.6
Foreign exchange, net	3.5	-6.7	-31.2	-82.3	34.7
SDRs	0.0	0.0	0.0	0.0	0.0
Memorandum items:					
Current account as percentage of GDP 5/	3.4	9.8	16.2	26.7	12.5
Gross official reserves	36.5	38.8	61.5	157.6	134.0
(In months of imports of goods and nonfactor services)	0.6	0.9	1.5	3.2	2.8

Sources: Central Bank of Suriname; and Fund staff estimates.

1/ On an accrual basis, which adjusts cash-basis transactions reported by the Central Bank through 1995. Adjustments take into account "own-fund" imports and parcel imports, with corresponding counter entries for unrecorded exports and private transfer receipts. In 1996, comprehensive customs data became available, obviating the need for these adjustments.

2/ The service account and private transfers data for 1996 are not comparable with prior years' data.

3/ Consists principally of project and program assistance from the Netherlands and grants from the European Development Fund and Belgium.

4/ Includes changes in the commercial banks' net external position.

5/ Based on GDP in U.S. dollars estimated by the staff of the World Bank and the Fund using an average of prevailing exchange rates including the parallel market.

Table 21. Suriname: Balance of Payments 1/

(In millions of U.S. dollars)

	1992	1993	1994	1995	Est. 1996
Current account	18.0	45.2	59.9	124.2	66.4
Credit	743.3	568.2	534.9	700.1	650.8
Debit	-725.3	-523.0	-475.0	-575.9	-584.4
Goods, services, and private transfers	-85.2	-1.8	14.4	62.0	-15.7
Credit	640.1	521.2	489.3	637.9	568.7
Debit	-725.3	-523.0	-475.0	-575.9	-584.4
Goods and services	-145.2	-50.4	-28.3	22.9	-44.9
Credit	565.7	463.8	444.1	596.5	536.9
Debit	-710.9	-514.2	-472.4	-573.6	-581.8
Trade balance	-110.8	-12.8	-9.7	38.2	18.8
Exports, f.o.b.	490.0	386.3	339.8	439.9	434.3
<i>Of which: Bauxite sector</i>	284.4	254.5	247.0	355.5	349.5
Imports (mostly f.o.b.)	-600.8	-399.1	-349.5	-401.6	-415.5
<i>Of which: Oil imports</i>	96.2	74.3	69.5	76.8	53.2
Services	-34.4	-37.6	-18.6	-15.3	-63.7
Transportation and insurance	-29.7	-32.8	-23.2	-38.9	-47.2
Credit	2.7	19.0	35.7	41.9	33.0
Debit	-32.4	-51.8	-58.9	-80.8	-80.2
Travel	-9.2	5.1	8.1	17.8	14.6
Credit	2.1	8.0	11.2	21.2	22.7
Debit	-11.3	-2.9	-3.1	-3.4	-8.1
Other private services 2/	25.2	10.8	16.8	7.5	-18.5
Credit	67.4	48.4	53.4	68.7	32.6
Debit	-42.2	-37.6	-36.6	-61.2	-51.1
Government services	-9.8	-7.7	-12.1	-12.8	-11.3
Credit	2.8	1.9	3.1	3.0	8.0
Debit	-12.6	-9.6	-15.2	-15.8	-19.3
Labor income	-1.6	-1.6	-1.0	-1.2	-0.7
Credit	0.0	0.0	0.0	0.0	0.0
Debit	-1.6	-1.6	-1.0	-1.2	-0.7
Investment income	-9.3	-11.4	-7.2	12.3	-0.6
Credit	0.7	0.2	0.9	21.8	6.3
Debit	-10.0	-11.6	-8.1	-9.5	-6.9
Unrequited transfers	163.2	95.6	88.2	101.3	111.3
Credit	177.6	104.4	90.8	103.6	113.9
Debit	-14.4	-8.8	-2.6	-2.3	-2.6
Private transfers	60.0	48.6	42.6	39.1	29.2
Credit	74.4	57.4	45.2	41.4	31.8
Debit	-14.4	-8.8	-2.6	-2.3	-2.6
Subsistence payments	46.0	38.3	33.4	27.9	29.2
Credit	49.9	40.4	34.1	28.8	30.0
Debit	-3.9	-2.1	-0.7	-0.9	-0.8
Private grants	18.1	10.8	10.6	12.3	1.8
Credit	21.9	13.5	11.0	12.6	1.8
Debit	-3.8	-2.7	-0.4	-0.3	0.0
Migrants' transfers	-3.2	0.5	-0.2	0.0	0.0
Credit	2.6	3.5	0.2	0.0	0.0
Debit	-5.8	-3.0	-0.4	0.0	0.0
Workers' remittances	-0.9	-1.0	-1.1	-1.1	-1.8
Credit	0.0	0.0	0.0	0.0	0.0
Debit	-0.9	-1.0	-1.1	-1.1	-1.8

Table 21. Suriname: Balance of Payments (Concluded)

(In millions of U.S. dollars)

	1992	1993	1994	1995	Est. 1996
Official transfers	103.2	47.0	45.6	62.2	82.1
Credit 3/	103.2	47.0	45.6	62.2	82.1
Debit	0.0	0.0	0.0	0.0	0.0
Capital account 4/	-27.3	-51.5	-41.7	33.9	-87.2
Medium and long-term capital, net	-44.8	-67.1	-50.2	5.1	-25.5
Credit	24.2	18.1	17.2	60.8	13.9
Debit	-69.0	-85.2	-67.4	-55.7	-39.4
Official	-21.5	-20.9	-12.6	32.2	-30.9
Credit	10.6	4.8	5.9	52.7	2.3
Debit	-32.1	-25.7	-18.5	-20.5	-33.2
Long-term loans	-21.5	-20.9	-12.6	32.2	-30.9
Credit	10.6	4.8	5.9	52.7	2.3
Debit	-32.1	-25.7	-18.5	-20.5	-33.2
Other government	0.0	0.0	0.0	0.0	0.0
Credit	...	...	...	...	...
Debit	0.0	0.0	0.0	0.0	0.0
Private capital (including direct investment)	-23.3	-46.2	-37.6	-27.1	5.4
Credit	13.6	13.3	11.3	8.1	11.6
Debit	-36.9	-59.5	-48.9	-35.2	-6.2
Short-term capital, net	18.2	13.0	9.3	13.0	8.5
Official	0.4	0.0	0.0	0.0	0.0
Private nonbank	12.2	20.8	13.1	12.6	23.9
Commercial banks 5/	5.6	-7.8	-3.8	0.4	-15.4
Errors and omissions	-0.7	2.6	-0.8	15.8	-70.2
Overall balance	-9.3	-6.3	18.2	158.1	-20.9
Exceptional finance (payment of arrears -)	11.0	22.2	-2.5	-31.8	-0.4
Change in net reserves (increase -)	-1.7	-15.9	-15.7	-126.3	21.3
Central bank, net	5.0	-8.6	-31.8	-111.3	20.8
Monetary gold	1.5	-1.9	-0.6	-17.5	-13.6
Foreign exchange, net	3.5	-6.7	-31.2	-82.3	34.7
SDRs	0.0	0.0	0.0	0.0	0.0

Sources: Central Bank of Suriname; and Fund staff estimates.

1/ On an accrual basis, which adjusts cash-basis transactions reported by the central bank. Adjustments take into account unrecorded exports and own-fund imports (the latter up to 1995; in 1996 imports customs data became available).

2/ See footnote 2 in Table 20.

3/ Consists principally of project and program assistance from the Netherlands and grants from the European Development Fund and Belgium.

4/ Including errors and omissions.

5/ Includes changes in the commercial banks' net external position.

Table 22. Suriname: International Reserves

	December 31					Mar 31
	1992	1993	1994	1995	1996	1997
(In millions of Suriname guilders)						
Net official international reserves	-51.6	-3,590.4	-3,357.9	54,904.3	45,914.5	40,901.5
Assets	64.8	3,277.8	25,184.3	64,143.2	53,734.0	48,721.0
Gold 1/	28.9	1,529.1	7,657.7	14,733.4	19,969.8	18,526.0
Foreign reserves	35.9	1,748.7	17,526.6	49,409.8	33,764.2	30,195.0
Liabilities	-116.4	-6,868.2	-28,542.2	-9,238.9	-7,819.5	7,819.5
Arrears	-57.1	-4,578.8	-21,171.2	-8,099.3	-7,819.5	...
Other	-59.3	-2,289.4	-7,371.0	-1,139.6	0.0	...
Net short-term foreign assets						
of commercial banks	16.2	1,427.7	8,476.7	8,221.4	14,275.6	...
Assets	16.2	1,478.4	9,009.0	17,541.7	17,684.1	...
Liabilities	0.0	-50.7	-532.4	-9,320.3	-3,408.5	...
(In millions of U.S. dollars)						
Net official international reserves	-28.9	-42.5	-8.2	134.9	114.5	102.0
Assets	36.3	38.8	61.5	157.6	134.0	121.5
Gold 1/	16.2	18.1	18.7	36.2	49.8	46.2
Foreign reserves	20.1	20.7	42.8	121.4	84.2	75.3
Liabilities	-65.2	-81.3	-69.7	-22.7	-19.5	-19.5
Arrears	-32.0	-54.2	-51.7	-19.9	-19.5	-19.5
Other	-33.2	-27.1	-18.0	-2.8	0.0	0.0
Net short-term foreign assets						
of commercial banks	9.1	16.9	20.7	20.2	35.6	...
Assets	9.1	17.5	22.0	43.1	44.1	...
Liabilities	0.0	-0.6	-1.3	-22.9	-8.5	...
Gross official reserves	36.3	38.8	61.5	157.6	134.0	121.5
(in months of imports of goods and nonfactor services)	0.6	0.9	1.6	3.4	2.8	...
Memorandum item:						
Accounting exchange rate 2/	1.8	84.5	409.5	407.0	401.0	401.0

Source: Central Bank of Suriname.

1/ Gold holdings are valued at market prices.

2/ Official rate, except for 1993, which is free market.

Table 23. Suriname: Exports by Major Categories

	1992	1993	1994	1995	Est. 1996
(In millions of U.S dollars)					
Total major exports 1/	371.1	330.1	341.1	461.5	457.7
Bauxite derivatives	284.4	254.5	247.0	355.5	349.5
Alumina	240.1	219.5	215.0	310.0	307.6
Aluminum	44.3	35.0	32.0	45.6	41.8
Rice	29.0	30.0	31.0	36.0	35.2
Bananas and plantains	10.0	8.0	10.0	15.0	10.8
Shrimps	34.1	27.7	33.8	32.9	32.9
Lumber	1.5	1.8	6.1	6.0	6.0
Fish	4.1	4.1	3.1	3.1	3.3
Crude oil	8.0	4.0	10.1	12.9	20.0
(In percent of total major exports)					
Total major exports 1/	100.0	100.0	100.0	100.0	100.0
Bauxite derivatives	76.6	77.1	72.4	77.0	76.3
Alumina	64.7	66.5	63.0	67.2	67.2
Aluminum	11.9	10.6	9.4	9.9	9.1
Rice	7.8	9.1	9.1	7.8	7.7
Bananas and plantains	2.7	2.4	2.9	3.3	2.4
Shrimps	9.2	8.4	9.9	7.1	7.2
Lumber	0.4	0.5	1.8	1.3	1.3
Fish	1.1	1.2	0.9	0.7	0.7
Crude oil	2.2	1.2	2.9	2.8	4.4

Sources: Central Bank of Suriname; and Suriname General Bureau of Statistics.

1/ The total export figures in this table are derived from different sources of those of table 20 and thus the estimates differ somewhat in some years.

Table 24. Suriname: Value, Volume, and Unit Value of Principal Exports

(Value in millions of US dollars, volume in thousands of metric tons
and unit value in U.S. dollar per metric ton)

	1992	1993	1994	1995	Est. 1996
Alumina					
Value	240.1	219.5	215.0	310.0	307.6
Volume	1,513.6	1,426.1	1,385.0	1,586.0	1,608.9
Unit value	158.6	153.9	155.2	195.4	191.2
Aluminum					
Value	44.3	35.0	32.0	45.6	41.8
Volume	34.5	28.7	25.0	26.3	26.6
Unit value	1,284.1	1,219.5	1,280.0	1,730.9	1,573.3
Rice					
Value	29.0	30.0	31.0	36.0	35.2
Volume	78.1	74.8	80.6	87.7	85.0
Unit value	371.3	401.1	384.6	410.5	414.4
Bananas and plantains					
Value	10.0	8.0	10.0	15.0	10.8
Volume	29.9	28.2	33.3	31.5	31.5
Unit value	334.4	283.7	300.3	476.2	344.1
Shrimp					
Value	34.1	27.7	33.8	32.9	32.9
Volume 1/	2,341.0	2,065.0	2,391.0	2,600.0	2,600.0
Unit value 2/	14.6	13.4	14.1	12.7	12.7
Lumber					
Value	1.5	1.8	6.1	6.0	6.0
Volume 3/	6.1	6.0	13.0	12.0	12.0
Unit value 4/	245.9	300.0	469.2	499.2	500.0
Fish					
Value	4.1	4.1	3.1	3.1	3.3
Volume	3.1	4.9	4.7	4.6	4.7
Unit value	1,322.2	841.4	675.5	673.9	702.1
Crude oil					
Value	8.0	4.0	10.1	12.9	20.0
Volume 5/	563.0	396.0	982.3	1,102.2	1,308.0
Unit value 6/	14.2	10.1	10.2	11.7	15.3
Memorandum item:					
Bauxite export as percent of total major exports	76.6	77.1	72.4	77.0	76.3

Source: Central Bank of Suriname; and Fund staff estimates.

1/ In thousands of kilograms.

2/ U.S. dollar per kilogram.

3/ In thousands of cubic meters.

4/ U.S. dollars per cubic meter.

5/ Thousand barrels.

6/ U.S. dollars per barrel.

Table 25. Suriname: Imports of Hydrocarbons

(In millions of liters, unless otherwise noted)

	1992	1993	1994	1995
Diesel	156.8	71.8	112.8	29.4
Gasoline	93.3	62.5	81.3	24.0
Heavy fuel	256.0	167.6	154.8	7.7
Kerosene	3.5	3.9	2.0	0.3
Lubricants	8.7	3.7	4.4	1.0
Others (units)	287.4	232.3	125.8	80.6
Liquified gas (1000 units)	1.1	24.9	56.7	952.3

Source: General Bureau of Statistics.

Table 26. Suriname: Imports by Economic Use 1/

	1992	1993	1994	1995	Est. 1996
(In millions of U.S. dollars)					
Total	600.8	399.1	349.5	401.6	415.5
Hydrocarbons (f.o.b.)	93.3	62.3	71.2	...	...
Raw materials	213.1	142.5	110.2	...	...
<i>Of which :</i>					
Agriculture and fisheries	10.6	7.2	11.0	...	...
Food processing, beverages, and tobacco industry	25.9	14.3	14.7	...	...
Construction	41.3	22.5	20.6	...	...
Textiles	7.9	6.2	7.7	...	...
Other industries	127.5	92.2	56.2	...	...
Consumer goods	169.4	100.1	82.0	...	...
Food products	36.2	27.4	17.5	...	...
Beverages	10.1	4.1	4.0	...	...
Cigarettes	2.2	0.8	0.8	...	...
Home appliances	26.5	17.7	14.7	...	...
Clothes	10.6	4.6	5.0	...	...
Footwear	4.9	3.1	3.9	...	...
Cleaning products	2.6	2.3	2.8	...	...
Pharmaceuticals and cosmetics	13.6	9.4	7.1	...	...
Recreational items	13.0	6.9	4.2	...	...
Bicycles and mopeds	2.6	1.5	1.0	...	...
Passenger cars and motorcycles	38.9	14.1	13.9	...	...
Weapons and ammunitions	0.2	0.4	0.1	...	...
Other	8.1	7.6	6.9	...	...
Investment goods	124.9	94.3	86.1	...	...
Transport equipment	41.7	36.3	35.5	...	...
Machinery and parts for bauxite sector	7.0	5.8	11.0	...	...
Other	76.3	52.2	39.6	...	...

Table 26. Suriname: Imports by Economic Use 1/

	1992	1993	1994	1995	Est. 1996
(In percent of total)					
Total	100.0	100.0	100.0	...	...
Hydrocarbons (f.o.b.)	15.5	15.6	20.4	...	...
Raw materials	35.5	35.7	31.5	...	...
<i>Of which :</i>					
Agriculture and fisheries	1.8	1.8	3.1	...	...
Food processing, beverages, and tobacco industry	4.3	3.6	4.2	...	...
Construction	6.9	5.6	5.9	...	...
Textiles	1.3	1.6	2.2	...	...
Other industries	21.2	23.1	16.1	...	...
Consumer goods	28.2	25.1	23.5	...	...
Beverages	6.0	6.9	5.0	...	...
Cigarettes	1.7	1.0	1.1	...	...
Cigarettes	0.4	0.2	0.2	...	...
Home appliances	4.4	4.4	4.2	...	...
Clothes	1.8	1.2	1.4	...	...
Footwear	0.8	0.8	1.1	...	...
Cleaning products	0.4	0.6	0.8	...	...
Pharmaceuticals and cosmetics	2.3	2.4	2.0	...	...
Recreational items	2.2	1.7	1.2	...	...
Bicycles and mopeds	0.4	0.4	0.3	...	...
Passenger cars and motorcycles	6.5	3.5	4.0	...	...
Weapons and ammunitions	0.0	0.1	0.0	...	...
Other	1.4	1.9	2.0	...	...
Investment goods	20.8	23.6	24.6	...	...
Transport equipment	6.9	9.1	10.2	...	...
Machinery and parts for bauxite sector	1.2	1.5	3.1	...	...
Other	12.7	13.1	11.3	...	...

Sources: General Bureau of Statistics; and Fund staff estimates.

1/ Net of re-exports.

Table 27. Suriname: Destination of Exports

	1992	1993	1994	1995	Est. 1996
(In millions of U.S. dollars)					
Total exports 1/	490.0	386.3	339.8	439.9	434.4
United States	63.1	49.0	44.6	...	...
Netherlands	131.1	105.7	91.4	...	...
Norway	158.4	128.9	110.9	...	...
United Kingdom	13.4	9.3	8.4	...	...
Brazil	29.3	22.9	21.4	...	...
Japan	30.8	25.7	22.5	...	...
France	14.2	12.9	9.9	...	...
Germany	6.9	3.7	4.3	...	...
Sweden	0.8	0.9	0.9	...	...
French Guyana, Guadeloupe, Martinique, and the Netherlands Antilles	3.6	2.7	2.7	...	...
Other countries	38.3	24.5	22.8	...	...
(In percent of total)					
Total exports 1/	100.0	100.0	100.0	100.0	100.0
United States	12.9	12.7	13.1	...	...
Netherlands	26.8	27.4	26.9	...	...
Norway	32.3	33.4	32.6	...	...
United Kingdom	2.7	2.4	2.5	...	...
Brazil	6.0	5.9	6.3	...	...
Japan	6.3	6.7	6.6	...	...
France	2.9	3.3	2.9	...	...
Germany	1.4	1.0	1.3	...	...
Sweden	0.2	0.2	0.3	...	...
French Guyana, Guadeloupe, Martinique, and the Netherlands Antilles	0.7	0.7	0.8	...	...
Other countries	7.8	6.3	6.7	...	...
(In percent of total)					
Total exports 2/	100.0	100.0	100.0	100.0	100.0
United States	11.2	14.1	10.9	18.6	18.4
Netherlands	10.9	16.1	16.6	13.3	12.6
Norway	21.1	18.6	26.0	26.0	24.8
United Kingdom	4.5	4.8	6.2	6.4	4.3
Brazil	8.4	12.6	4.2	4.9	5.8
Japan	5.0	4.5	5.5	5.1	7.4
France	19.6	7.3	1.6	4.9	5.8
Germany	7.7	5.5	10.1	3.9	3.8
Netherlands Antilles	3.0	3.5	4.4	4.1	4.8
Other	8.6	13.0	14.5	12.8	12.3

Source: General Bureau of Statistics.

1/ National source data

2/ Direction of Trade Statistics (IMF).

Table 28. Suriname: Origin of Imports

	1992	1993	1994	1995	Est. 1996
(In millions of U.S. dollars)					
Total imports 1/	600.6	399.4	350.1	401.6	415.0
United States	246.6	160.3	139.5	...	...
Netherlands	156.6	95.6	84.3	...	...
Germany	5.7	6.0	4.6	...	...
Japan	18.5	12.8	11.7	...	...
United Kingdom	7.3	5.4	4.9	...	...
Italy	2.4	4.1	4.5	...	...
Brazil	16.4	13.3	10.6	...	...
Trinidad and Tobago	70.6	42.8	39.3	...	...
China	2.8	1.5	1.3	...	...
Hong Kong	4.8	4.0	3.5	...	...
Taiwan Province of China	3.4	3.3	2.8	...	...
French Guiana, Guadeloupe, Martinique, and Netherlands Antilles	11.2	14.3	10.5	...	...
Other countries	54.3	36.0	32.6	...	...
(In percent of total)					
Total imports 1/	100.0	100.0	100.0	100.0	100.0
United States	41.1	40.1	39.8	...	...
Netherlands	26.1	23.9	24.1	...	...
Germany	0.9	1.5	1.3	...	...
Japan	3.1	3.2	3.3	...	...
United Kingdom	1.2	1.4	1.4	...	...
Italy	0.4	1.0	1.3	...	...
Brazil	2.7	3.3	3.0	...	...
Trinidad and Tobago	11.8	10.7	11.2	...	...
China	0.5	0.4	0.4	...	...
Hong Kong	0.8	1.0	1.0	...	...
Taiwan Province of China	0.6	0.8	0.8	...	...
French Guyana, Guadeloupe, Martinique, and Netherlands Antilles	1.9	3.6	3.0	...	...
Other countries	9.0	9.0	9.3	...	...
(In percent of total)					
Total imports 2/	100.0	100.0	100.0	100.0	100.0
United States	40.1	43.7	47.1	42.4	42.7
Netherlands	25.5	12.8	17.6	16.4	12.6
Germany	0.9	0.0	1.3	2.2	2.1
Japan	3.1	1.6	2.9	3.4	3.7
United Kingdom	1.3	0.6	4.5	2.6	3.1
Italy	0.4	0.2	1.1	0.2	0.7
Brazil	2.9	0.8	1.1	3.4	3.4
Trinidad and Tobago	11.6	16.5	10.3	11.0	10.4
Netherland Aantilles	1.6	1.3	1.3	1.4	1.4
Other countries	12.6	22.5	12.8	17.0	19.9

Sources: General Bureau of Statistics; and Direction of Trade Statistics.

1/ National source data.

2/ Direction of Trade Statistics (IMF).

Table 29. Suriname: Trade Indices 1/

(1990=100)

	1992	1993	1994	1995	Est. 1996
Exports					
Value	75.2	66.9	69.7	93.5	92.7
Unit value	73.3	70.1	72.6	87.0	84.9
Volume	102.5	95.4	96.0	107.5	109.2
Imports					
Value	107.0	70.0	57.8	66.5	67.8
Unit value	97.1	92.9	94.6	104.7	106.9
Volume	110.1	75.3	61.1	63.5	63.4
Terms of Trade	75.5	75.5	76.7	83.0	79.4
(percent change)	-8.9	-0.1	1.6	8.2	-4.4

Source: General Bureau of Statistics; Central Bank of Suriname; and Fund staff estimates.

1/ Value and unit value expressed in U.S. dollar terms.

Table 30. Suriname: External Grants Received

(In millions of U.S. dollars)

	1992	1993	1994	1995	Est. 1996
Total	103.2	47.0	45.6	62.2	82.1
The Netherlands	79.9	44.2	42.1	56.0	74.1
Project assistance	21.7	20.2	36.5	41.8	48.5
Program assistance	58.2	24.0	5.6	14.2	25.7
Bridging aid	25.6	0.9	0.1	0.0	0.0
Balance of payments support	19.3	15.7	0.0	0.0	0.0
Social programs	0.0	0.0	3.1	0.0	0.0
Debt servicing	13.3	7.4	2.4	14.2	25.7
<i>Of which</i> : amount debited to interest above	2.8	1.4	0.8	1.4	1.4
European Development Fund	6.0	2.7	2.1	6.2	5.8
Belgium	0.0	0.0	0.2	0.0	2.1
Other	17.3	0.1	1.2	0.0	0.0

Sources: 1995 Financieel Nota, Netherlands Embassy, Central Bank of Suriname and Fund staff estimates.

Table 31. Suriname: Public and Publicly Guaranteed External Debt Outstanding

(In millions of U.S. dollars at end of period)

	1992	1993	1994	1995	1996
Total external debt	204.9	206.1	208.4	211.1	216.5
Current debt	171.5	151.9	156.7	191.2	196.9
Medium- and long-term debt	163.1	140.0	145.0	180.6	186.9
To official creditors	110.6	98.5	117.0	148.7	140.1
International institutions	32.3	30.7	32.1	33.3	31.9
EIB/EC	20.6	19.1	19.0	20.0	18.8
IDB	11.6	11.6	13.1	13.3	13.1
Governments	78.3	67.8	84.9	115.4	108.2
Brazil	53.2	47.0	62.9	88.1	77.7
China	9.9	9.9	9.9	9.9	9.9
Taiwan, Province of China	6.1	1.5	0.0	0.0	0.0
South Korea	1.8	1.0	2.5	1.4	0.5
USA (PL 480)	7.2	7.2	8.0	15.1	19.4
India	0.0	1.1	1.6	0.9	0.7
To private creditors	52.6	41.4	28.0	31.9	46.8
Financial institutions	43.2	30.7	15.1	21.7	42.5
ABN, Netherlands	9.1	7.6	3.9	2.7	0.0
ABN-AMRO, Netherlands	24.8	19.3	10.7	18.5	42.0
ABN-AMRO, Miami	0.8	0.6	0.1	0.1	0.1
Chasebank, U.S.A	3.0	1.0	0.1	0.1	0.1
Rabobank, U.S.A	2.4	1.2	0.1	0.1	0.1
Mantrust, U.S.A.	3.1	1.1	0.2	0.2	0.2
Other	9.3	10.7	12.9	10.2	4.3
Isuzu and Subaru, Japan	8.7	10.2	12.4	9.9	4.2
SAB, Venezuela	0.6	0.6	0.5	0.3	0.1
Short-term debt	8.3	11.9	11.7	10.6	10.0
To official creditors	1.7	0.8	1.7	0.6	0.0
Venezuela	1.7	0.8	1.7	0.6	0.0
To private creditors	6.6	11.2	10.0	10.0	10.0
Financial institutions	4.9	10.3	10.0	10.0	10.0
ABN, Houston	4.9	10.3	10.0	10.0	10.0
Other	1.7	0.8	0.0	0.0	0.0
Apotex	1.7	0.8	0.0	0.0	0.0
External payments arrears	33.4	54.2	51.7	19.9	19.6
Memorandum items					
Debt as percentage of GDP	38.9	44.8	56.2	45.3	40.8
GDP, millions of U.S. dollars 2/	526.9	460.0	370.5	465.8	530.2

Sources: Central Bank of Suriname; Ministry of Finance; National Development Bank; and Fund staff estimates.

1/ Data on external debt owned by the private sector are not available.

2/ As estimated by the staffs of the World Bank and the Fund, using an average of prevailing exchange rates including the parallel market rate.

Table 32. Suriname: Public and Publicly Guaranteed External Debt: Principal and Interest in Arrears

(In millions of U.S. dollars, end of period)

	1994			1995			1996		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Total arrears	40.9	10.8	51.7	19.7	0.3	19.9	19.3	0.3	19.6
Central government	25.0	9.5	34.5	0.0	0.0	0.0	0.0	0.0	0.0
Brazil	22.9	9.4	32.3	0.0	0.0	0.0	0.0	0.0	0.0
South Korea	2.1	0.1	2.2	0.0	0.0	0.0	0.0	0.0	0.0
Public enterprises	0.8	0.3	1.1	1.6	0.3	1.9	1.3	0.3	1.6
EIB/EU	0.5	0.3	0.8	1.6	0.3	1.9	1.3	0.3	1.6
FIV/Venezuela	0.3	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Private with public guarantee	15.1	1.0	16.1	18.1	0.0	18.0	18.0	0.0	18.0
GSM/USA	15.0	1.0	16.0	18.0	0.0	18.0	18.0	0.0	18.0
FIV/Venezuela	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0

Source: Central Bank of Suriname; Ministry of Finance; and Fund staff estimates.

Table 33. Suriname: Average Exchange Rates

	Suriname guilder per U.S. dollar			Indices (1990=100) 1/	
	Official rate	Parallel rate 2/	Economy Wide Average Rate 3/	Nominal Effective	Real Effective
1992					
Quarter I	1.785	21.0	12.0	101.6	116.6
Quarter II	1.785	22.9	13.0	97.1	116.5
Quarter III	1.785	24.3	13.7	92.9	122.4
Quarter IV	1.785	28.9	20.5	66.9	98.8
1993					
Quarter I	1.785	40.7	31.0	48.2	82.2
Quarter II	1.785	45.6	35.3	43.7	88.2
Quarter III	1.785	71.6	57.7	29.2	73.2
Quarter IV	1.785	94.0	71.7	24.6	88.8
1994					
Quarter I	1.785	136.3	102.4	18.7	83.6
Quarter II	1.785	182.2	131.5	15.4	96.1
Quarter III	189.3	212.8	191.7	10.5	93.2
Quarter IV	345.6	434.9	354.5	6.0	89.4
1995					
Quarter I	419.4	526.5	430.1	4.5	105.5
Quarter II	472.3	596.6	484.7	3.9	113.7
Quarter III	461.7	460.2	461.6	4.3	135.2
Quarter IV	413.7	412.0	413.5	4.8	138.2
1996					
Quarter I	402.7	405.7	403.0	5.0	132.8
Quarter II	402.0	421.7	404.0	5.0	130.4
Quarter III	401.7	418.3	403.3	5.0	140.8
Quarter IV	401.3	412.7	402.5	5.1	140.5
1997					
Quarter I	402.0	420.0	403.8	...	...

Sources: Central Bank of Suriname; International Financial Statistics; and IMF Information Notice System.

1/ An increase in the index indicates appreciation of the Suriname guilder.

2/ Quotations from a limited survey of currency traders.

3/ Until June 1994, trade weighted average of various officially recognized exchange rates and the parallel market exchange rate; after unification of the official rates in July 1994, weights assigned to official and parallel market exchange rates are, respectively, 90 percent and 10 percent.