



BUREAU VOOR DE STAATSSCHULD

Suriname Debt Management Office (SDMO)

Quarterly report

2nd Report 2023

An Overview of the Macro-economic Developments

July 31, 2023

Introduction

The Suriname Debt Management office (SDMO) has decided to produce a quarterly report in 2022, titled: “An Overview of the Macro-economic Developments”. On a quarterly base, SDMO will present the relevant international and economic developments of Suriname in this report.

If you have any questions please contact us at email address: info@sdmo.org or telephone: 597 552644 and 597 552645.

Summary

Based on the latest, updated and available statistics and information, as well as the outlook up to June 2023, analysis has been made and can be summarized as follow:

- The growth of the Surinamese economy for 2023 is estimated at 2.3 percent and for the following years at approximately 3 percent. Average inflation will remain high at 47 and 30 percent respectively in 2023 and 2024. Inflation is not expected to be below 10 percent until 2027.
- The international reserve gradually decreases in the first half of the year from USD 1,195 million at the end of December 2022 to USD 1,091 million at the end of June 2023. This decrease is often the result of a partial transfer of the foreign currency cash reserve funds of commercial banks held by the Central Bank of Suriname, to their respective accounts at overseas banks.
- Since April 2023, there has been a flattening of the exchange rate increase to even some decrease in the SRD against the Euro and the USD. The main factors that have contributed to this development are prudent fiscal policy in combination with monetary tightening, the supply support for the foreign exchange market by the government from its mineral income.
- In the first quarter of 2023, the government overall- and primary balances were in surplus of 0.4 and 0.9 percent respectively as a percentage of this year's estimated GDP.
- As of May 31, 2023, the total government debt was USD 3.1 billion equivalent to SRD 117.7 billion. This is equivalent to 201 percent of GDP issued by the ABS for 2021, while the ratio based on the IMF's estimated GDP figure for 2023 is 89 percent.
- For restructuring of the foreign debts, the process with all Paris Club countries and India has been finalized, while the principle agreement with the bondholders is further elaborated.

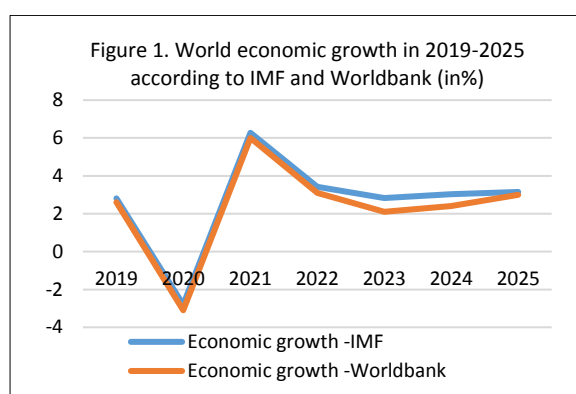
Economic growth and investments

Although there are signs of a slow recovery of the global economy after the shocks of the Covid pandemic in the past 3 years, the war between Russia and Ukraine and the global monetary policy with increased interest rates to tackle high inflation, according to the World Bank¹.

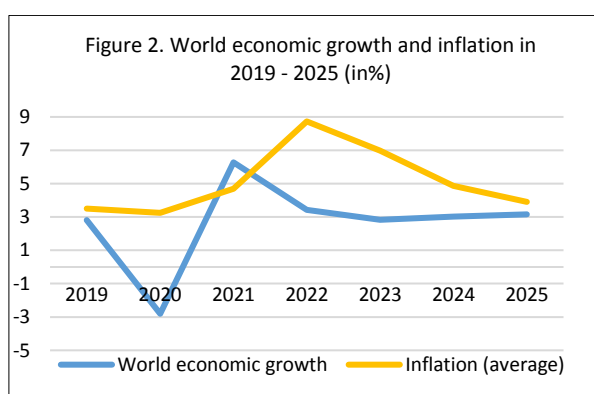
The pressure of inflation on society and the tight monetary policy will slow down economic activity worldwide this year. Recent stress in the banking sector in some developed countries is also affecting monetary policy and slowing global growth.

In the USA the following banks, namely First Republic, Silicon Valley Bank and Signature Bank, faced serious bank runs in the first quarter of this year after these banks lost the confidence of their customers. This has led to the second largest bank collapse in the history of the USA. At the same time, in March, the second largest bank in Switzerland collapsed, namely Credit Suisse.

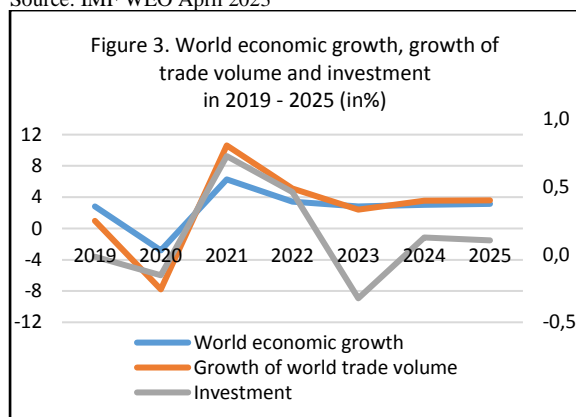
This bank was taken over by its rival UBS for approximately USD 3 billion.



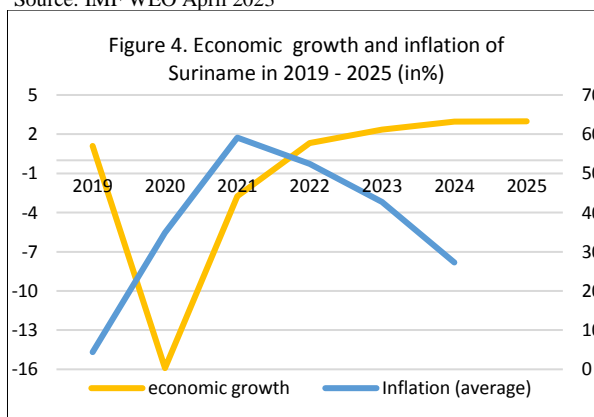
Source: IMF WEO April 2023



Source: IMF WEO April 2023



Source: IMF WEO April 2023



Source: IMF WEO April 2023

The economic growth of the global economy for 2023 has again been adjusted downwards to 2.8 percent² by the IMF in April's World Economic Outlook, while growth expectations for 2024 and 2025 are 3.0 percent and 3.4 percent, respectively. The World Bank's growth estimate and expectations are somewhat lower than those of the IMF (figure 1). However, it is clear that both institutes assume that growth this year will be lower than last year

Figure 2 indicates that global inflation had reached its peak at 8.7 percent in 2022. Inflation is expected to drop to around 7 percent this year and will be around 5 percent in 2024. Although inflation is declining worldwide, the decline is taking place more slowly than was initially expected. In the medium term (2024-

¹ Worldbank, Global Economic Prospect, June 2023

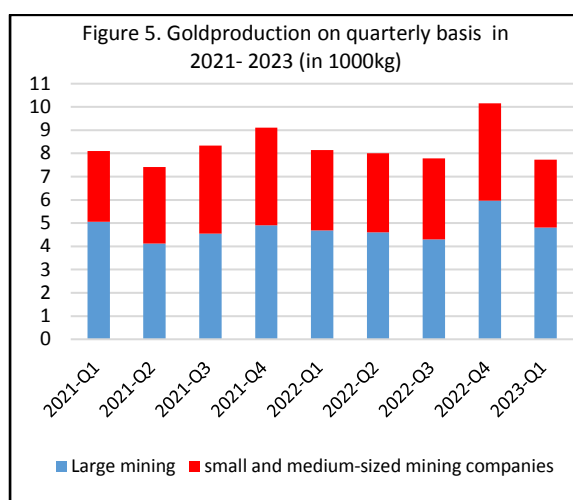
² In January 2023, the IMF's estimates of the growth of the global economy were still projected at 2.9 percent.

2028), the growth of the global economy is projected around 3 percent, while average inflation is expected to be around 3.3 percent.

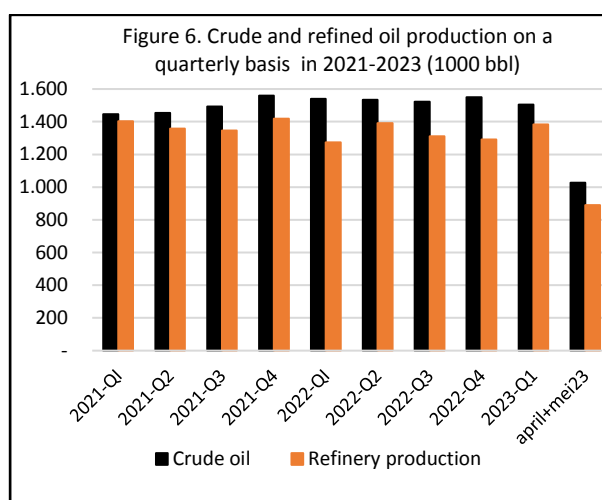
As economic growth is set to have a slow recovery this year, there is also a decline in the international trade volume, while IMF data also shows that global investment as a percentage of GDP will drop by 0.3 percent this year (Figure 3).

The recent increase uncertainty due to stress situations in the financial sector in some developed countries, must be brought under control and must not spread further into the world. If this happens, the real economy will also be hit hard. The already high debt position of many emerging market economies and developing countries will further deteriorate, due to increased interest rates (borrowing costs) and lower economic growth figures.

Based on the WEO of April 2023, the growth of the Surinamese economy for 2023 is estimated to increase at 2.3 percent to approximately 3 percent in the following years. Average inflation will remain high at 47 and 30 percent respectively in 2023 and 2024. Average inflation is not expected to be below 10 percent until 2027.



Source: CBvS



Source: State Oil Suriname Company N.V.

The production of gold in the first quarter of 2023 of approximately 7700 kg is 5 percent lower than in the first quarter of 2022. There is a decrease of about 15 percent in small and medium-sized mining companies, while the production of large mining companies is about 3 percent higher.

Crude oil production decreased marginally by almost 2 percent, while processed oil production increased by approximately 9 percent in the first quarter of 2023. The maintenance works of the previous year during this period had contributed to lower production of the refinery in that year.

Recent developments regarding the prospects of offshore oil production are looking increasingly bright. Total Energies has recently identified successful oil discoveries in offshore Block 58. Block 58 has an estimated 6.5 billion barrels of oil reserves, with 200 million barrels identified in the Sapakara well. The timeline of Total Energies in Suriname is currently as follows: FID in 2024 and the first oil production in 2026 and 2027. The break-even price for exploitation is around US\$ 40 per barrel. The FID had been somewhat delayed due to the discrepancy between seismic data and drilling results, where there were a number of dry wells.

Due to international pressure to move towards a global economy driven by clean energy, our country must speed up the production of the considerable oil potential in our territorial waters. Energy companies are also under pressure to reduce their CO2 emissions. This has an impact on investments in this sector worldwide. The urgency for all parties in the offshore oil industry, namely Staatsolie, Total Energies and Apache, is great to start production as soon as possible.

International trade and capital flows

The economic growth slowdown and world trade in goods in the first months of 2023 is evident in the continued weakening of industrial production. Services trade however, continues to strengthen following the easing of trade restrictions imposed during the COVID pandemic. International tourist traffic is expected to reach 95 percent of 2019 levels by 2023.

Figure 7. Price indices of goods in 2019-April 2023

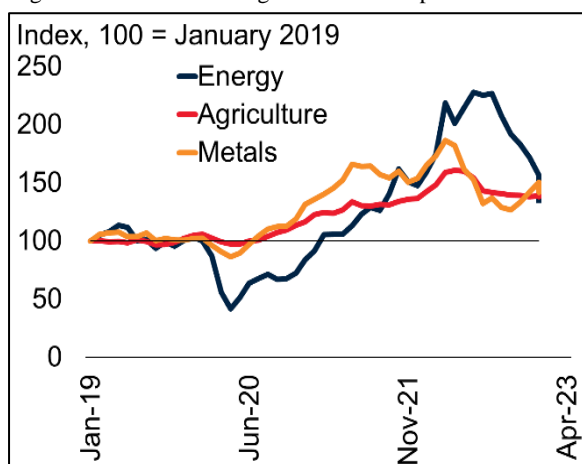
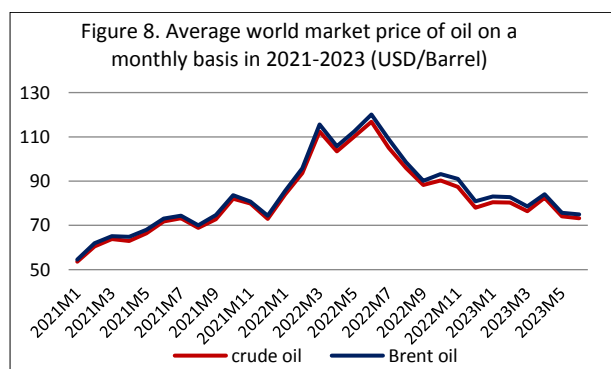


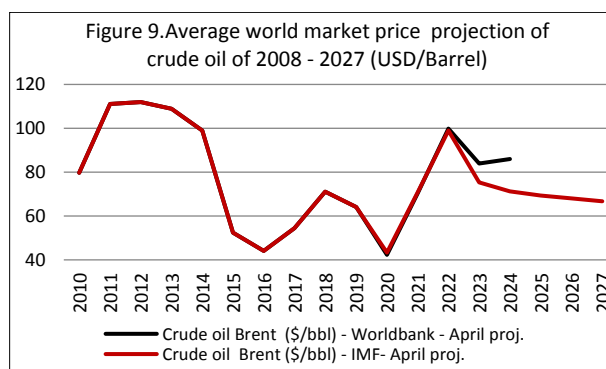
Figure 7 indicate the development of the world market price indices of energy products, agricultural products and metals. Energy prices declined sharply in 2023, while metals remained subdued due to a weaker-than-expected economic recovery in China's industrial production. Agricultural prices are expected to fall by 7.2 percent in 2023 and decline further in 2024, as production of cereals and oilseeds is expected to increase.

The main risks to agricultural production are adverse weather patterns (including the emerging El Niño), trade policy restrictions and higher energy costs. Source: Global Economic Prospects, June 2023, Worldbank Group

Energy prices have fallen significantly since their peak in June 2022 at a price of USD 120 per barrel, due to the weak growth prospects of the global economy, a warmer climate than the usual cold winter especially in Europe, which reduced the demand for energy for heating (Figure 8).



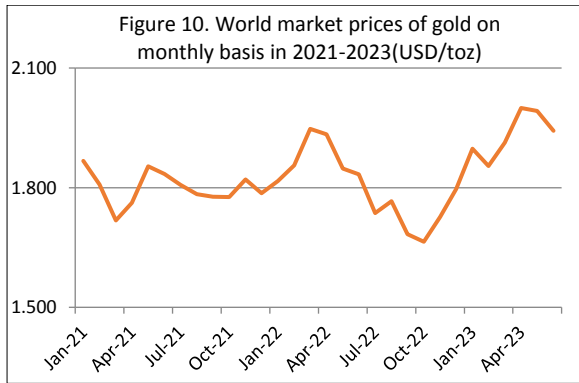
Source: Worldbank



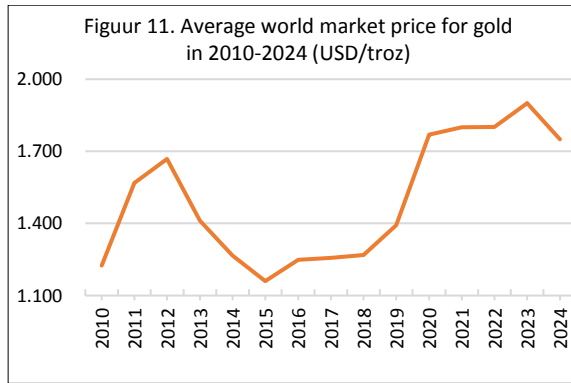
Source: Worldbank, IMF

The recent declines in oil prices are caused by a combination of supply and demand market factors. On the demand side, news of a decline in China's Purchasing Managers Index, an indicator of economic conditions and activity, increased market concerns about China's economic growth and a possible recession in the USA. On the supply side, oil production and trade flows from Russia have remained higher than expected, increasing global oil supply and putting pressure on crude oil prices. In June 2023, the average crude oil price was around USD 75 per barrel.

According to the IMF's projections, the average price of oil will reach USD 75 in 2023 and gradually decrease in subsequent years. The World Bank, on the other hand, assumes that the average oil price will be around USD 84 in 2023 and will increase marginally to USD 86 per barrel in 2024 (Figure 9).



Source: Worldbank

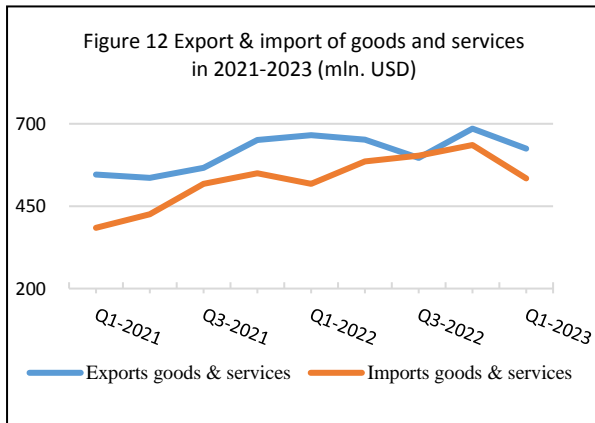


Source: Worldbank

The gold price has been increasing since October 2022 (figure 10). The average gold price at the end of June 2023 of USD 1,943 per troy ounce is approximately 8 percent higher compared to the average price as of December 2022 of USD 1,797 per troy ounce.

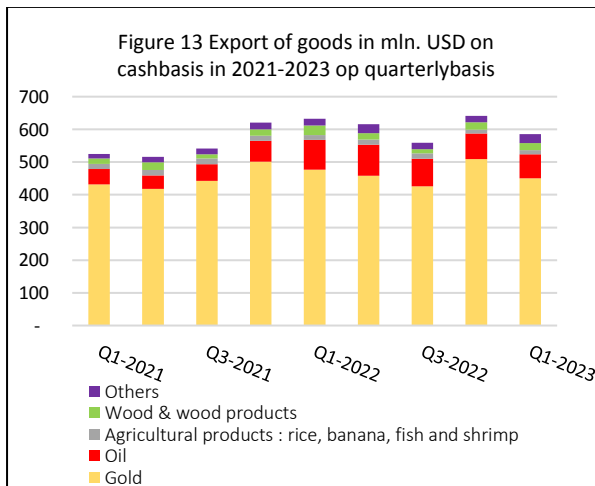
The increase can be attributed to several factors, namely a weakened US dollar in the last months of 2022, continued geopolitical uncertainty related to the war in Ukraine and continued high inflation in the world, which is causing some investors to buy gold as a safe haven for their low-risk investments. Rising demand for physical gold for central bank purchases and gold in China have also pushed up the price, especially in the previous year. The banking problems in the US and Europe have also contributed to rising gold prices this year.

According to the World Bank, the average price will be around USD 1,900 troy ounces in 2023 and will decrease to USD 1750 troy ounces in 2024 due to the expectation that the global economy will gradually recover and inflationary pressures will ease (figure 11).

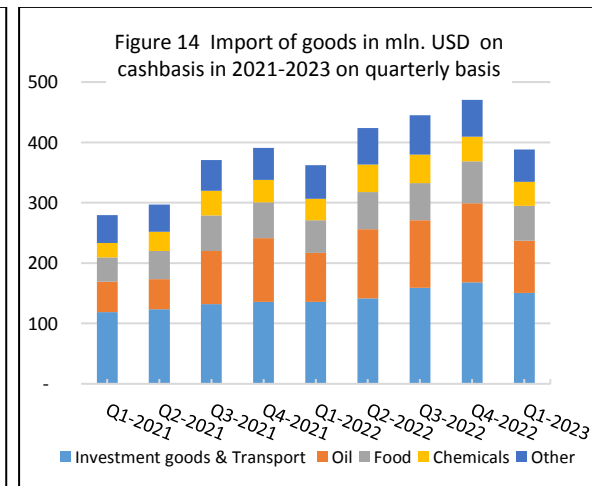


Source: CBvS

The CBvS's balance of payments shows that total exports and imports of goods and services from our country in the first quarter of 2023 amounted to USD 624 million and USD 534 million respectively. The export value of goods and services in the first quarter of 2023 was approximately 6.2 percent lower than in the first quarter of 2022, while the import value was marginally 3.3 percent higher.



Source: CBvS



Source: CBvS

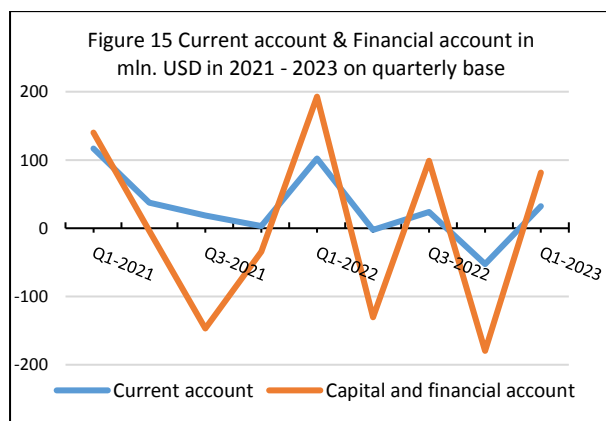
Figure 14 indicates that the import value of goods across all categories except others increased in the first quarter of 2023 compared to the same period of 2022. Import inflation and the recovery of the economy have contributed to the rising imports during this period.

A decrease in the export value of goods in the first quarter of 2023 compared to the same period of 2022 can be observed for all export products and amounted to 6 percent for gold, oil 19 percent, agricultural products 15 percent and wood & wood products 25 percent (figure 13).

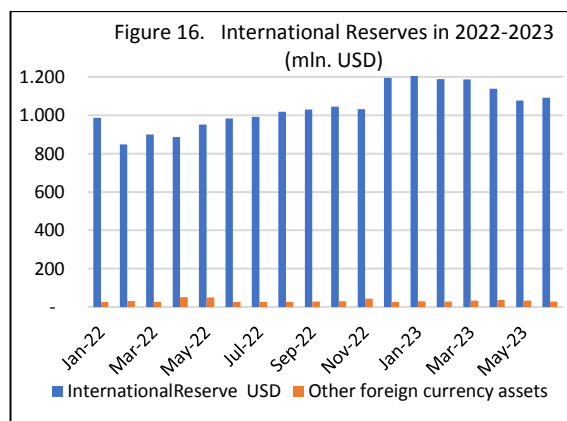
Declining export earnings from the oil minerals sector are the result of the declining trend in world market prices as indicated earlier, while the declining export value of gold, despite the high world market prices, is the result of a lower export volume of approximately 6 percent.

Declining of rice exports in the first quarter of 2023 are also the result of declining production due to low paddy sowing in the past year and rising production costs.

In timber and wood production, the export value has decreased significantly. The FOB value of roundwood was adjusted in March 2023 from USD 180 per m3 in 2022 to USD 210 - USD 220 per m3 for various quality roundwood. According to the sector, this adjustment has had a negative impact on export earnings. In addition, fewer types of wood are eligible for export. Export to India has become more difficult because the phytosanitary treatment of the product in Suriname is not accepted in India. The export value of timber and timber products is expected to decline further in the second quarter.



Source: CBvS



Source: CBvS

In the first quarter of 2023, the current account balance was positive at USD 32 million. This positive balance is a small rebound following a negative balance in the last quarter in 2022 of USD 53 million. However, the balance is much lower than the result of the first quarter of 2022 which was USD 102 million. In the first quarter of 2023, exports were lower, while imports were higher than in the same period of 2022. The outflow of net primary income was also higher, while the inflow of secondary incomes was slightly lower this year than in the first quarter of 2022³.

The capital and financial account also showed a positive result of USD 81 million (Figure 15). As is known, the partial accounts of the financial account are dominated and largely financed by the transactions of the mining sector and by the large mining companies. The mining sector's contribution to the financial account was a net inflow of USD 182 million in the first quarter of 2023, while the rest of the economy generated a total outflow of USD 100 million. The positive balance on the financial account in the mining sector is the result of an increase in receivables from and/or a decrease in liabilities to the rest of the world.

The positive results on capital and financial account in the first quarter of 2023 was due to:

- the balance of investments of USD 36.5 million. This is the result of investments by general banks by purchasing US Treasury bonds and corporate bonds.

³ In the first quarter of 2022, the balance of primary and secondary incomes was USD 78.3 million and USD 32.9 million respectively, while in the first quarter of 2023 incomes amounted to USD 84.5 million and USD 27.1 million respectively.

- the balance of other financial transactions of USD 72.8 million. This was due to a sharp decrease in liabilities from mainly the large mining companies.⁴
- the balance of direct investment negative USD 27.9 million. This is due to a stronger increase in liabilities (USD 35.2 million) compared to the increase in the subsidiaries' claims (USD 7.3 million) on their respective parent companies abroad. The increase in liabilities is related to reinvestments of operating results or profits by the large mining companies.

The international reserve is gradually decreasing from USD 1,195 million at the end of December 2022 to USD 1,091 million at the end of June 2023 (Figure 16). In addition to the current account, capital and financial account balance, international reserves are also affected by the balance of statistical discrepancies, which amounted to USD 45.8 million in the first quarter of 2023.

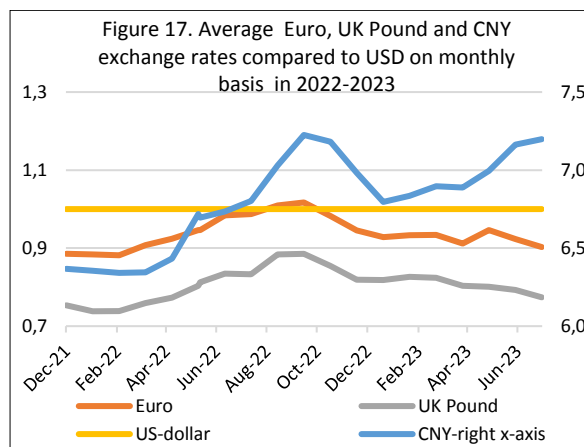
The gradual decrease in international reserves in the first half of 2023 was mainly due to a partial transfer of the foreign currency cash reserve resources of general banks, held at the CBvS, to the foreign bank account of the respective banks at their request.⁵

Monetary and the financial sector developments

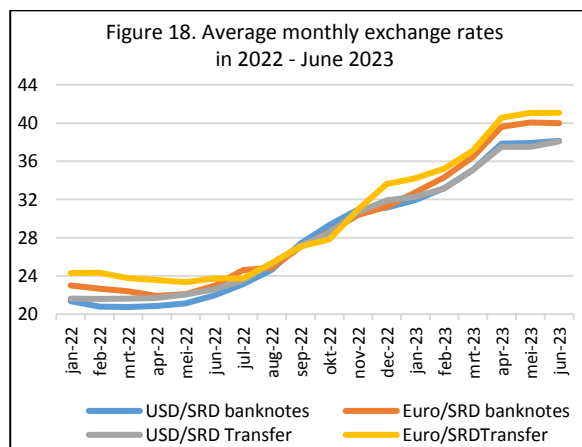
The international weakening of the US-dollar against other currencies since 2022 continues, especially with the Euro and the UK pound, while the value of the CNY is again falling sharply after April (figure 17).

The reason for a weakened Chinese yuan to a six-month low against the dollar of CNY 7.2 for 1 USD, is according to analysts, due to a difficult recovery of the Chinese economy after the pandemic, which has worried investors.

Disappointing economic data, widening yield differentials with the United States, upcoming dividend payments by companies and continued capital outflows from foreign sales of stocks and bonds combined has caused the currency to fall back to levels last seen in November. The yuan is the worst performing Asian currency this year. The exchange rate of the Euro against the US dollar appreciated in the first half of the year as a result of the slightly improved economic sentiment in the eurozone and the slowdown in interest rate hikes by the US central bank.



Source: IMF



Source: CBvS

The international relationship of the Euro to the USD also affects the actions of economic actors in the local foreign exchange market. The appreciation/depreciation of the euro against the US dollar can also be seen in the local euro exchange rates (figure 18).

⁴ In the Balance of Payment Manual 6 it is classified as a surplus, while in the Balance of Payment Manual 5 it is characterized as an outflow.

⁵ Based on the Balance of Payment Manual this is not a balance of payments transaction, but falls under the category "other changes in volume". It is a reclassification. International reserves are declining and the foreign claims of general banks are increasing. On balance, Suriname's external capital position remains unchanged as a result of this transaction.

The lower euro exchange rate for banknotes compared to the cashless transfer euro exchange rate can be traced back to confiscation of the transportation of euro funds by the Dutch judicial authorities in 2018. Since then, the value of the cash euro on the local currency market has been lower than the international Euro/USD and the cashless transfer exchange rate.

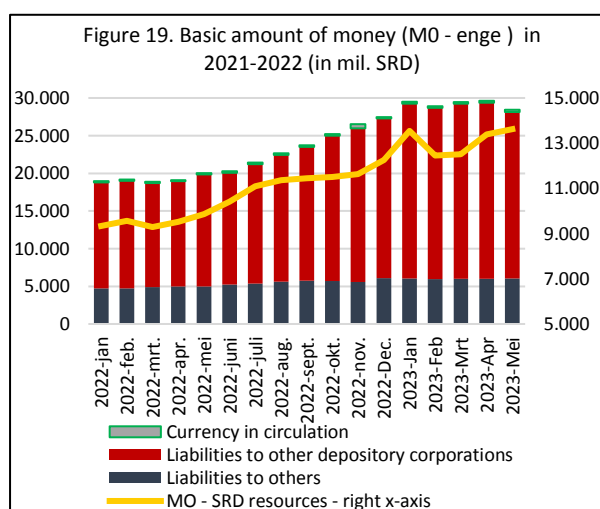
Because of this incident, the cambios can not easily put all purchased euros on accounts at commercial banks due to AML compliance rules and de-risking of cambios by certain banks. As a result, the cash rates on the foreign currency exchange market of these actors (cambios) are lower than the cash and overnight rates used by the banks and the CBvS based on the international euro/USD exchange rate.

The CBvS offers commercial banks the possibility to convert cash euros into transfer euro's and US-dollars. Some banks also have correspondent bank relationships for such transactions, where the international Euro/USD rate applies.

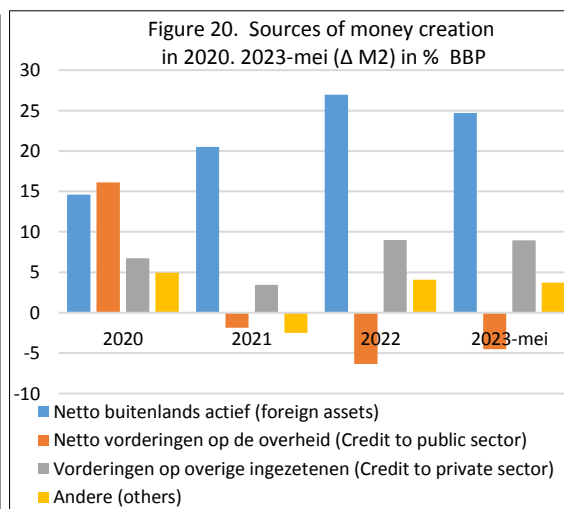
Figure 18 also shows that since April of the year there has been a flattening of the exchange rate increase, even some fall in both the Euro and the USD.

The main factors for this have been the prudent fiscal policy in combination with the monetary tightening, and the supply of foreign currency by the State from its mineral income to the market, has ensured a combination of demand control and supply easing.

The State tries to cover its current expenditures as much as possible with current SRD income, thereby controlling the demand for foreign currency. In addition, the CBvS tries to keep the basic amount of the SRD share of base money (M0-SRD) on the target path. This has succeeded in recent months, with the bank's Open Market operations (OMO) also playing a role in this. This is also reflected in figure 19. This shows that M0 decreased mainly in May.



Source: CBvS



Source: CBvS

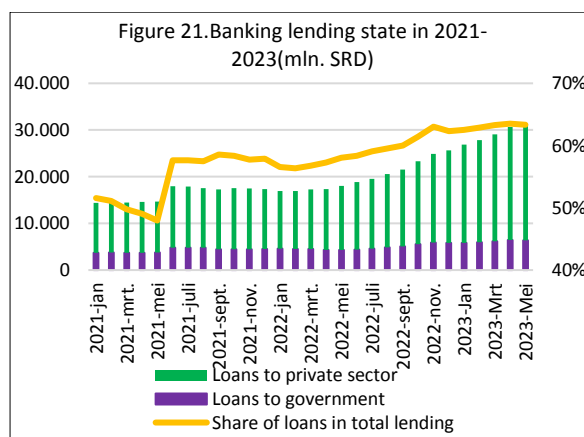
As in 2022, the main source of money creation in the first five months of 2023 is mainly due to the level of international reserve, which has increased in the local currency, also due to the enormous depreciation of the SRD (figure 20). Credit to the private sector by the banks has also increased (figures 20 and 21), as has contributed to money creation this year.

The rising level of credit by banks to the private sector expressed in SRD is the result of rising exchange rate developments on foreign currency funds, but SRD loans also increased by approximately 18 percent to SRD 11.3 billion at the end of May compared to the end of December 2022. Credit is mostly (84 percent) allocated to the non-productive sectors like trade, housing, etc.

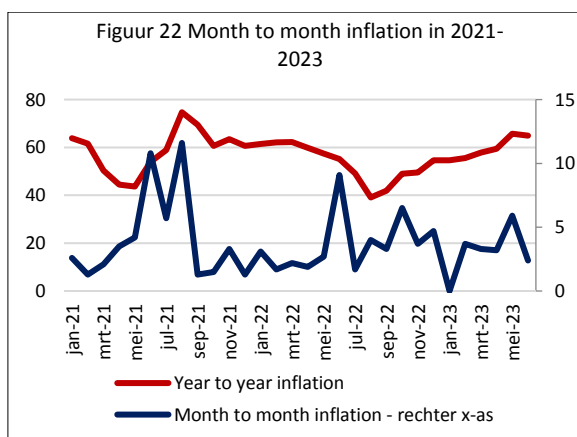
The amount of total credit of the banks at the end of May 2023 was approximately SRD 30 million. This is an increase of approximately 15 percent compared to December 2022. In real terms, there is still a marginal 2.2 percent decrease in banksector lending in this period.

The share of foreign currency loans in total credit is approximately 62 percent as of May 2023, which is quite high.

Inflation in 2023 will remain high (figure 22). Monthly inflation was high in April at 5.7 percent, but declined in the following two months. The high inflation in April is mainly attributed to the adjustment of the fuel price in that month, while the rising exchange rate also contributed to rising prices in this month.⁶



Source: CBvS with calculations by SDMO



Source: ABS

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The total lending of the banks at the end of May 2023 was approximately SRD 30 million. This is an increase of approximately 15 percent compared to December 2022. In real terms, there is still a marginal 2.2 percent decrease in bank lending over this period.

The share of foreign currency loans in total lending is approximately 62 percent as of May 2023, which is quite high.

Inflation in 2023 will remain high (Figure 22). Monthly inflation in April was high at 5.7 percent, but declined in the following two months. The high inflation in April is mainly attributed to the adjustment of the fuel price in that month, while the rising exchange rate also contributed to rising prices in this month.⁶

Public Finance and Government Debt

At the end of 2022, the primary account balance and the overall financing balance of the government amounted respectively to 0.9 percent and -1.0 percent of the estimated GDP of 2022.

In the first quarter of 2023, the result of the primary account and the financing result were a surplus of 0.9 percent and 0.4 percent of GDP respectively.⁷ (figure 29).

The financing deficit in 2022 was mainly financed by foreign loans, while in the first quarter of 2023 there was a financing surplus of approximately SRD 540 million. The surplus has been used for debt repayments, much of which concerned the repayment of domestic debt arrears.

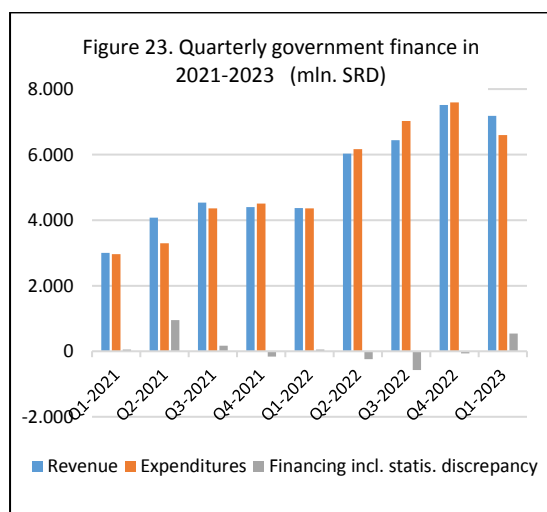
Within the IMF-EFF programme, the primary balance target of 1.7 percent for 2022 was not met. The target for 2023 has also been adjusted to 1.7 percent of GDP for this year. This surplus is necessary to effectively pay off the debt arrears.

Total revenues and expenses in the first quarter of the year amounted to SRD 7.2 billion and SRD 6.6 billion, respectively (figure 26). Total revenues were significantly 64 percent higher than the first quarter

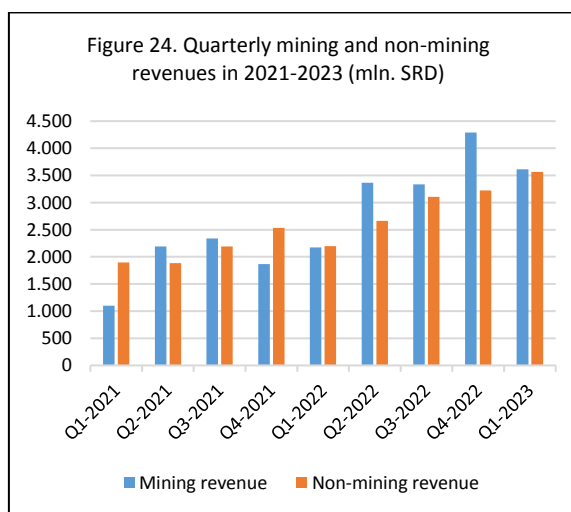
⁶ The price of Shell unleaded petrol was adjusted from SRD 41.77 to SRD 42.73 in that month, while the depreciation of the SRD against the USD was around 8.6 percent at the end of April.

⁷ The IMF's estimated GDP figure for 2022 and 2023 was SRD 86,719.0 million respectively, and SRD 131,935.7 million.

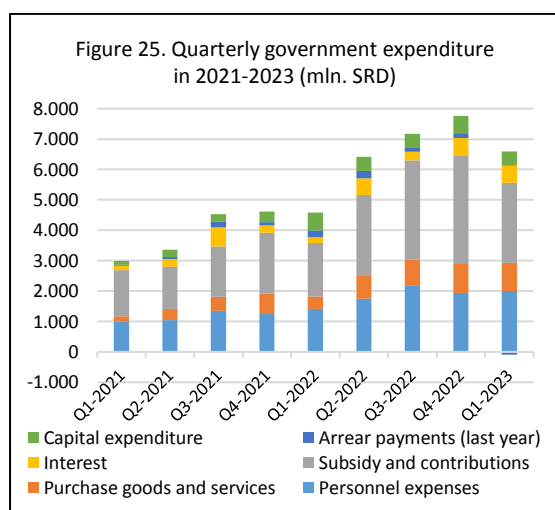
of the previous year. The increase in revenues is mainly due to the depreciation of the exchange rate of approx. 71 percent, this has positively influenced government income.



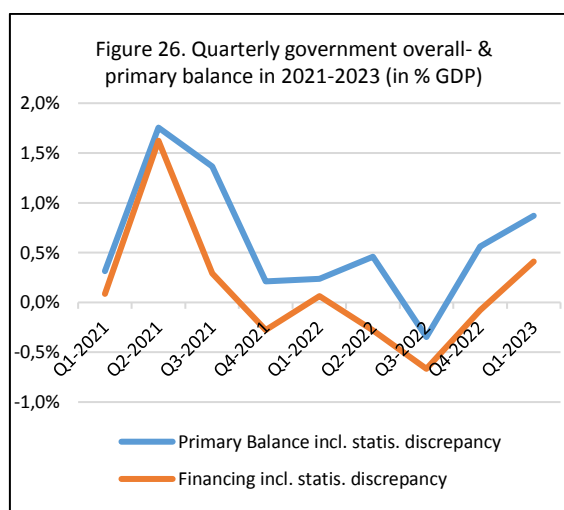
Source: Ministry of Finance & Planning



Source: Ministry of Finance & Planning



Source: Ministry of Finance & Planning



Source: Ministry of Finance & Planning

Most of the revenues in this period came from the mining sector (figure 24), of which 42 percent were foreign currency income. The mining sector revenues relate to income tax (25%), dividends (25%) and royalties (24%) and other income.

Most revenues from the non-mining sector that increased compared to the first quarter of 2022 were non-tax receipts (31%), import duties (16%) and VAT (16%).

On 1 January, value added tax (VAT) was introduced, which is intended to replace the turnover tax. Up to and including March, SRD 562 million has been received for VAT, but part of the revenue still has to be returned in the form of VAT refunds as a result of exemptions.

The trend of rising revenues can also be seen in rising expenditure due to the pressure of inflation (figure 28). Rising expenditure was largest in the items interest and purchases of goods and services.

Table 1 shows, at the request of the IMF, the rate of implementation of the current budget. The table shows that in the first quarter of 2023, approximately 21 percent of revenues and approximately 19 percent of expenses were realized.

Tabel 1: Budget vs actuals first quarter 2023 (SRD bln.)			
	<u>Budget 2023</u>	<u>Actual Q1-2023</u>	<u>Actual in % of Budget</u>
Total revenues inclusive disbursements	33,8	7,2	21,3%
Total expenditures inclusive amortization	35,0	6,6	18,9%
Primary balance	3,1	1,1	37,3%
Overall balance	-1,2	0,6	-47,9%
Primary balance (% of GDP)	2,6	0,9	
Overall balance (% of GDP)	-1,0	0,4	

Source: Ministry of Finance and Planning

The second evaluation of the Extended Fund Facility (EFF) program by the IMF staff team was done in May and approved by them, while the IMF "board" formalized the approval of the program on June 14, with the program continuing for 36 months. With this approval, the government again received SDR 39.4 million (USD 53 million) from the programme on 16 June, of which SDR 25.6 million was to be allocated for budget support.

The total government debt June 2023 was USD 3.1 billion, converted into local currency this is SRD 117.7 billion. This is equivalent to 200.2 percent of GDP issued by the ABS for 2021⁸, while the ratio based on the IMF's estimated GDP figure for 2023 is 89.2 percent (figure 28).

On 16 March 2023, the law on public debt was again amended, bringing the outstanding debt expressed in the local currency fully in line with international standards. When converting the debt into SRD from February onwards, the exchange rate of the CBvS on the day of reporting is used⁹. As a result, the debt according to the law is from that moment the same amount of the debt according to the international definition. Another important amendment to the law relates to the inclusion of arrears of goods and services rendered to the government, the so-called "suppliers arrears", in the total domestic debt. This will take place during the year.

The outstanding debt at the end of May 2023 increased by approximately 64 percent compared to December 2022. This increase is partly due to:

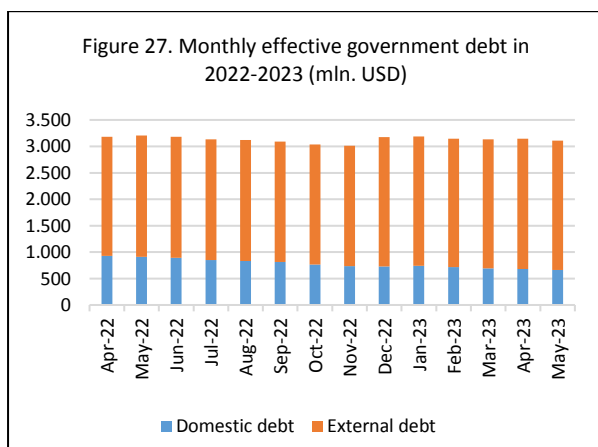
- The exchange rate depreciation of the SRD against the USD. At the end of June 2023, the value of the SRD against the USD fell by 19 percent. More than 89 percent of the total debt consists of debts incurred in foreign currency, which creates a heavy pressure on the outstanding debt.
- The increase in arrears, mainly on domestic debt by about 22 percent. The total debt arrears amounted to USD 550.4 million.
- A new loan was also added in January, namely the so-called "gold loan".

The so-called "gold loan agreement" included in the outstanding domestic debt, was an interest-free debt instrument that was initially incurred in March 2018 for 1 year. This debt was not registered by the Supreme Audit Institution and it did not appear in SDMO's debt administration.

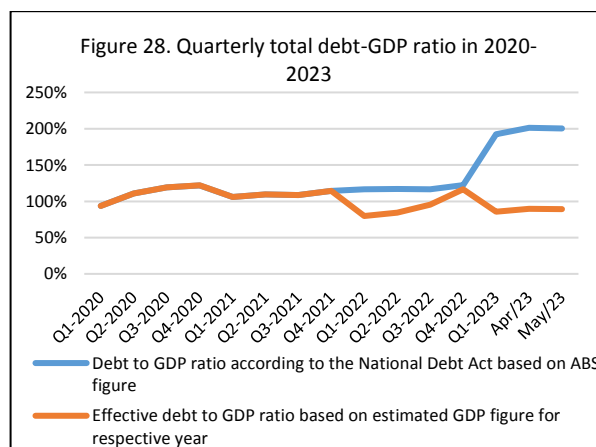
The creditor of this debt is the Suriname Environmental and Mining Foundation (SEMiF) which had lent the government 8,000 troy ounces of gold. This debt agreement was amended in 2021, whereby the term was extended by 5 years and must therefore be repaid in 2024. Registration of the debt by the Supreme Audit Institution to make it legal debt, took place on 13 January 2023. The debt should be valued at the London Bullion Market (LBMA) price. At the end of May, the value was USD 15.7 million.

⁸ The Law on the National Debt indicates that the obligo ceiling is based on the nominal GDP for Suriname, drawn up by the General Bureau of Statistics (ABS) of the most recent calendar year.

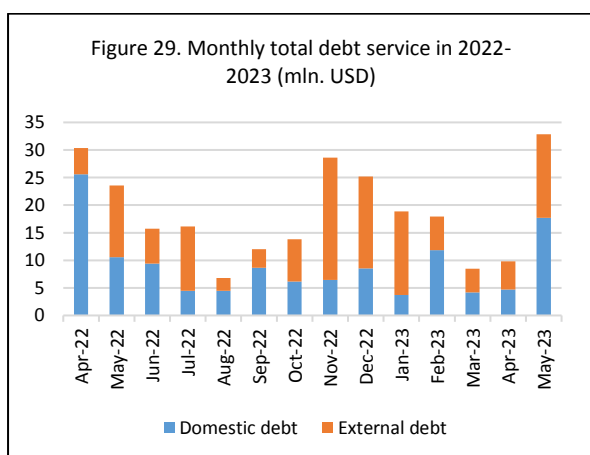
⁹ Previously, the equivalent value of amounts denominated in foreign currency was calculated at the exchange rates according to the quotation of the Central Bank of Suriname of the last bank day of the calendar year to which the last published nominal GDP figure of the ABS relates.



Source: SDMO



Source: SDMO



Source: SDMO

The total debt service payments in the first five months of 2023 was USD 87 million, most of which were payments (approx. 53 percent) for the benefit of the external foreign creditors. In May 2023, payments were also made on the interest arrears related to the debt to the CBvS (figure 29).

In the first half of 2023, the restructuring process continued mainly with regard to external debt, namely:

- On March 15, a restructuring agreement was signed with India covering 7 credit lines with a total value, including arrears of USD 15.9 million. On June 2, a restructuring agreement was signed with India for the last two loans (buyer's credit) from the Exim Bank of India. The total restructured value is USD 24.7 million, including arrears. In both restructuring agreementst, the arrears of 60 percent will be paid in 2023, while the 40 percent arrears will be paid in 2024. An interest rate of 0.95 percent is paid on the principal until 2024 and 1.20 percent thereafter. The last payment on the credit lines is in 2041, while on the buyer's credit last payment is in 2036.
- An agreement was signed with Italy on 22 June. Euro 10.8 million outstanding debt and Euro 6.7 million arrears were restructured. The arrears are settled in the same manner as is the case with the other Paris Club creditors. The debt is repaid annually in the years 2030 - 2036 and in 2 tranches. The interest rate is 1.95 percent for tranche 1 and a maximum of 3.041 percent for tranche 2.
- On 3 May, the government reached an agreement in principle with the Eurobond Creditor Committee on the restructuring of international bond debt issued through Oppenheimer. The cut off date for the determination of the debt is May 15, 2023, with the debt rising to USD 880 million. There is a haircut of 25 percent on the debt plus additional penalty interest which amounts to a total of USD 230 million. The creditors will be compensated in the form of a Value Recovery Instrument (VRI) from the royalties of future oil revenues from block 58. The restructured bond of USD 650 million at an interest rate of 7.95 percent and a maturity of 10 years and the VRI are being further prepared for the issuance and finalization of this restructuring process.

Selected macroeconomic indicators

Annual statistics 2017-2024									
Real Sector	2017	2018	2019	2020	2021	2022	2023	2024	Source
Economic growth (%) *	1.6	4.9	1.2	-16	-2.7	1.3	2.3	3.0	ABS/IMF Est.+ proj.
Economic growth (%)	1.6	4.9	1.2	-16	-2.7	2.1	2.4	3.3	ABS/SPS Est.+ proj.
GDP nominal market pr, (mil, SRD)	26,893	29,822	31,732	38,720	58,799	86,719	131,936	174,309	ABS/IMF Est.+proj,
GDP per capita in USD	6,156	6,772	6,663	4,787	4,896	5,706	5,557	5,981	IMF
National Income per capita in USD	5,432	6,059	6,367	6,001	4,356				ABS/calcul, SDMO
Inflation rate – average (%)	22.0	6.9	4.4	34.9	59.1	52.5	42.7	27.3	ABS/IMF
Inflation rate – e.o.p. (%)	9.3	5.4	4.2	60.7	60.7	54.6	28.2	15.1	ABS/IMF
Economic growth (%)	7.0	9.0	8.8	11.1	11.2	10.9	10.6	10.3	IMF
Balance of Payments (combination cash- and accrual base) From 2017 the data presented in based on the Balance of Payment Manual 6									
Total export- G + S (mil. USD)	<u>2,143.4</u>	<u>2,235.8</u>	<u>2,286.8</u>	<u>2,446.4</u>	<u>2,299.5</u>	<u>2,598.6</u>			CBvS
• Gold	1,608.4	1,631.6	1,732.2	1,959.5	1,792.1	1,869.6			CBvS
• Alumina	0.0	0.0	0.0	0.0	0.0	0.0			CBvS
• Oil	178.1	206.6	171.0	154.4	204.0	347.3			CBvS
• Rice and banana	50.9	52.6	45.6	43.5	34.5	26.0			CBvS
• Wood and wood products	59.5	69.1	71.4	89.1	72.3	85.9			CBvS
• Fish and shrimp	38.8	41.6	37.5	33.5	31.9	32.4			CBvS
• Other goods	56.1	68.6	68.7	65.1	69.0	86.7			CBvS
• Net exports goods under merchenting		-5.0	2.8	-1.3	-0.2	7.9			CBvS
• Services	158.3	170.7	157.4	102.6	95.9	143.0			CBvS
Total import- G + S (mil. USD)	<u>1,779.9</u>	<u>2,069.8</u>	<u>2,412.7</u>	<u>1,845.1</u>	<u>1,876.4</u>	<u>2,341.6</u>			CBvS
• Services	569.3	666.9	815.1	562.6	537.9	640.2			CBvS
Balance current account (mil. USD)	69.2	-118.7	-448.3	259.8	176.1	67.2			CBvS
Balance Cap. + Fin. Acc. (mil. USD) **	-112.6	-299.2	-535.2	219.9	-44.5	-12.4			CBvS
Balance current account (% GDP)	1.9	-3.0	-10.6	6.3	5.5	1.9			CBvS/calcul. SDMO
Balance Cap. + Fin. Acc. (% GDP) **	-3.2	-7.6	-12.7	5.3	-1.4	-0.4			CBvS/calcul. SDMO
Statistical discrepancies (% GDP)	-4.5	-0.8	-6.8	-3.0	3.8	4.0			CBvS/calcul. SDMO
Total imports (F.O.B. mil. USD)	<u>1,210.5</u>	<u>1,402.9</u>	<u>1,597.6</u>	<u>1,282.5</u>	<u>1,338.5</u>	<u>1,701.4</u>			CBvS
• Investment & transportation	485.7	570.6	698.4	507.8	510.3	604.5			CBvS
• Oil	264.6	286.3	235.3	293.3	293.3	438.9			CBvS
• Consumption goods	202.1	219.5	194.0	206.2	206.2	246.9			CBvS
• Chemical goods	129.4	131.5	137.3	132.8	132.8	168.4			CBvS
• Other goods	236.2	262.0	208.1	196.5	195.9	242.7			CBvS
Internationally Reserve (mil. USD)	424.4	580.7	647.5	585.0	992.2	1,194.6			CBvS
World market prices in USD									
Gold USD/troz	1,257.5	1,269.1	1,392.6	1,769.6	1,799.6	1,800.8	1,900.0	1,750.0	World bank proj.
Crude oil USD/bbl.	54.4	71.1	64.0	42.3	70.4	99.8	84.0	86.0	World bank proj.
Crude oil USD/bbl.	52.8	68.3	61.4	41.8	69.2	96.4	73.1	68.9	IMF proj.
Monetary and Financial sector									
Liquidity ratio (M2 in % GDP)	65.4	64.4	73.6	84.9	80.5	80.3			CBvS/calcul. SDMO
Balance of credit by banking sector to government (mil. SRD)	2,191.6	2,312.4	2,369.5	3,747.6	3,293.0	2,900.0			CBvS/calcul. SDMO
Balance of credit by banking sector to private sector (mil. SRD)	8,164.1	8,094.6	8,218.8	10,787.0	14,037.0	22,719.0			CBvS/calcul. SDMO

Selling rate SRD/USD (e.o.p.)	7.5	7.5	7.5	14.3	21.1	31.9		CBvS
Selling rate SRD/USD average	7.6	7.5	7.5	9.4	18.5	24.6		CBvS
Selling rate SRD/Euro (e.o.p.)	8.9	8.6	8.4	17.6	23.0	33.9		CBvS
Selling rate SRD/Euro average	8.5	8.9	8.4	10.8	21.1	33.6		CBvS
Average SRD lending interest rate	14.3	14.4	15.2	14.8	14.9	14.7		CBvS
Interbank SRD interest rate	17.4	10.1	11.7	11.9	9.4	85.0		CBvS
Average USD lending interest rate	9.1	8.3	8.6	7.9	8.5	8.2		CBvS
Average Euro lending interest rate	8.8	8.5	8.3	8.3	8.2	7.5		CBvS

Government Finance and Debt (cash base)

Primary balance	-5.8	-6.8	-15.6	-7.5	3.6	0.9		MoF/calcul. SDMO
Overall balance including statistical differences. (% GDP)	-8.7	-10.1	-18.4	-9.6	1.7	-1.0		MoF/calcul. SDMO
Commitment balance including Statistical differences. (% GDP)	-7.8	-6.8	-15.8	-11.0	2.4	0.0		MoF/calcul. SDMO
Primary non-mineral balance in % of non--mineral GDP	-18.3	-20.6	-31.0	-19.4	-12.7	-19.8		MoF/calcul. SDMO
Fiscal impulse (%)	3.5	2.3	10.4	-12.9	-7.9	8.0		MoF/calcul. SDMO
Government. Debt (national def.) (Mil. SRD)	18,093.6	18,703.8	22,513.4	46,797.4	67,261.9	71,820.2		SDMO
Effective Government. Debt (mil. USD)	2,406.1	2,487.2	2,993.8	3,274.8	3,157.8	3,174.1		SDMO
External debt (mil. USD)	1,682.7	1,715.9	1,987.1	2,084.3	2,197.9	2,443.5		SDMO
Domestic debt (mil. USD)	723.4	771.3	1,006.7	1,190.5	960.4	730.7		SDMO
Domestic debt to banking sector (mil. USD) **	290.2	347.6	396.0	392.6	212.1	172.3		SDMO
Government. Debt nat. def. GDP ratio (%)	67.3	62.7	70.9	120.9	114.4	122.2		SDMO
Disbursements on external debt (mil. USD)	291.8	186.3	357.7	87.9	102.6	299.3		SDMO
Debt service payments (mil. USD)	212.7	357.5	263.7	135.7	200.1	180.1		SDMO

Quarterly statistics 2021-2023

Balance of Payments (cash base)	2021	2021	2021	2022	2022	2022	2022	2023	Source
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
Total export- G+S (mil. USD)	535.95	566.75	650.38	665.55	652.01	596.46	686.19	624.22	CBvS
• Gold	417.56	442.09	501.12	477.19	458.21	426.18	508.98	450.31	CBvS
• Oil	41.47	51.35	64.08	90.84	94.48	83.94	77.99	73.75	CBvS
• Rice and banana	9.37	8.94	7.36	5.93	7.69	6.93	5.43	4.76	CBvS
• Wood and wood products	23.53	13.15	19.53	29.85	19.65	12.97	23.39	22.28	CBvS
• Fish and shrimp	7.70	8.23	8.44	8.47	8.42	9.21	6.34	7.41	CBvS
• Other goods	16.66	17.77	20.58	20.63	26.97	19.49	19.60	27.35	CBvS
• Net export goods under merchandising	-0.19	0.34	-0.37	-0.27	2.77	2.20	3.18	-0.25	CBvS
• Services	19.85	24.89	29.66	32.54	33.61	35.55	41.28	38.61	CBvS
Total import- G+S (mil. USD)	425.05	517.46	549.58	517.44	585.46	603.15	635.55	534.48	CBvS
• Services	128.07	146.83	158.46	155.32	161.57	158.35	164.93	146.32	CBvS
Balance current account (mil. USD)	37.38	18.70	3.24	102.26	-2.40	24.02	-52.57	32.32	CBvS
Balance Cap. + Fin. account (mln. USD)**	-3.86	-146.66	-34.27	192.74	-130.41	99.05	-179.65	81.40	CBvS
Balance Current account (% GDP)	1.05	0.68	0.12	2.48	-0.06	0.70	-1.85	0.86	CBvS/calcul. SDMO
Balance Cap. + Fin. Acc. (% GDP)**	-0.11	-5.34	-1.26	4.67	-3.21	2.87	-6.33	2.17	CBvS/calcul. SDMO
Statistical discrepancies (% GDP)	-0.29	2.75	2.50	-0.03	-0.61	4.13	0.64	1.22	CBvS/calcul. SDMO
Total imports (F.O.B. value mil. USD)	296.98	370.64	391.13	362.12	423.89	444.80	470.61	388.16	CBvS
• Investment & transportation	123.74	132.22	135.76	135.87	141.59	158.93	168.14	150.38	CBvS
• Oil	49.80	87.68	105.35	81.04	114.75	112.32	130.79	86.92	CBvS

• Consumption goods	46.56	59.19	59.74	54.08	61.48	61.37	69.94	57.72	CBvS
• Chemical goods	31.91	40.51	37.03	35.61	45.39	46.95	40.49	39.70	CBvS
• Other goods	44.97	51.04	53.25	55.52	60.67	65.22	61.25	53.44	CBvS

Government Finance and debt (cash base)

Primary balance (% GDP)	-4.2	-1.5	1.1	0.3	1.8	1.4	0.2	0.2	MvF/calcul. SDMO
Overall balance including statistical differences. (% GDP)	-6.7	-1.6	1.1	0.1	1.6	0.3	-0.3	0.1	MvF/calcul. SDMO
Commitment balance including statistical differences. (% GDP)	-6.9	-1.7	0.3	0.1	1.7	0.6	-0.1	0.3	MvF/calcul. SDMO

Monthly statistics July 2022 – June 2023

	July 2022	aug. 2022	sept. 2022	oct. 2022	nov. 2022	dec. 2022	jan. 2023	feb. 2023	mrc. 2023	apr. 2023	may 2023	june 2023	Source
Inflation (%)													
Inflation – month to previous month	1.7	4.0	3.3	6.5	3.7	4.7	3.7	3.2	3.2	5.7	2.4	2.3	ABS
Inflation – month to month of previous year	49.2	39.1	41.90	49.0	49.5	54.6	55.6	57.9	59.6	65.4	65.0	54.7	ABS

International Reserve in USD

International Reserve	991	1,018	1,029	1,045	1,032	1,195	1,219	1,188	1,186	1,138	1,076	1,091	CBvS
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World market prices in USD

Gold USD/troz	1,733	1,765	1,681	1,664	1,725	1,798	1,898	1,855	1,913	2,000	1,992	1,943	World Bank
Crude oil USD/bbl.	105.1	96.0	88.2	90.3	87.4	78.1	80.4	80.3	76.5	82.5	74.1	73.3	World Bank

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

Liquidity ratio	61.9	64.4	67.6	73.4	78.4	80.1	53.6	56.0	57.8	60.7	61.3		CBvS/calcul. SDMO
M0 (broad definition)	21,414	22,654	23,723	25,205	26,514	27,470	29,489	28,890	29,466	29,608	28,448		CBvS
M2	53,652	55,804	58,625	63,625	67,958	69,486	70,738	73,877	76,196	80,082	80,862		CBvS
Balance of total credit	20,282	21,378	22,427	24,201	25,824	26,586	27,016	27,981	29,219	30,831	31,129		CBvS/calcul. SDMO
Balance of credit to government	4,585	4,838	5,059	5,576	5,909	5,857	5,828	5,989	6,163	6,423	6,393		CBvS/calcul. SDMO
Balance of credit to private sector	15,697	16,540	17,368	18,626	19,915	20,729	21,188	21,993	23,055	24,407	24,736		CBvS/calcul. SDMO

CBvS Exchange rates (selling rates banknotes) ****

SRD/USD (e.o.p.)	24.4	25.1	28.9	29.8	30.9	31.1	31.9	33.2	35.1	38.6	37.3	38.1	CBvS
SRD/USD average	23.1	24.6	27.4	29.3	30.9	31.1	31.9	33.2	35.1	37.8	37.9	38.1	CBvS
SRD/Euro (e.o.p.)	24.6	24.8	27.0	28.6	30.4	31.2	32.8	34.3	36.4	40.7	39.3	40.2	CBvS
SRD/Euro average	23.1	24.5	26.4	27.6	30.4	31.2	32.8	34.3	36.4	39.6	40.1	40.0	CBvS

Average lending rates (%)

SRD credit	14.9	14.8	14.8	14.6	14.5	13.4	13.4	13.6	13.5	13.6	14.0		CBvS
Interbanking SRD interest rate	10.0	10.0	10.0	85.0	-	-	-	-	-	-	-		CBvS
USD credit	8.0	8.0	8.0	8.1	8.1	8.2	8.2	8.1	8.2	8.1	8.2		CBvS
Euro credit	7.7	7.8	7.7	7.7	7.6	7.5	7.4	7.4	7.4	7.4	7.4		CBvS

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

Tot. Revenues cash base	2,140	2,250	2,047	2,215	2,841	2,416	2,697	1,923	2,559				MoF
Tot. Expend. cash base	2,599	2,077	2,351	2,135	2,526	2,893	2,205	2,210	2,182				MoF
Primary balance	-0.4	0.2	-0.2	0.2	0.5	-0.2	0.5	0.0	0.4				MoF
Overall balance	-0.6	0.4	-0.5	0.0	0.5	-0.5	0.3	-0.3	0.4				MoF
Government debt (national def.-mil. SRD)	68,579	68,743	68,461	68,366	68,417	71,820	72,333	106,397	113,128	118,355	117,737		SDMO
Debt to central bank (mil. SRD)	11,202	11,263	11,214	11,275	11,335	11,250	11,310	11,149	11,209	11,268	11,068		SDMO
Domestic debt to banking sector (mil. USD)***	4,542	4,659	4,799	5,217	5,554	5,489	3,912	5,704	6,055	6,263	5,959		SDMO

Effective debt (intern. Def. mil. USD)	3,130	3,121	3,091	3,038	3,013	3,174	3,190	3,148	3,133	3,148	3,108	SDMO
External debt (mil. USD)	2,281	2,288	2,279	2,274	2,277	2,443	2,450	2,433	2,440	2,468	2,448	SDMO
Domestic debt (mil. USD)	849	833	812	764	736	731	740	715	693	680	660	SDMO
Government debt (National def.)-GDP ratio	117	117	116	116	116	122	123	181	192	201	200	SDMO
Disbursements on external debt (mil,USD))	3.6	19.7	1.1	4.6	10.4	161.2	4.2	0.1	7.8	2.7	1.9	SDMO
Tot. Debt service paym. (mil. USD)	16.1	6.8	12.0	13.8	31.1	25.2	18.9	18.0	8.5	9.8	32.8	SDMO

e.o.p. = end of period

ABS = General Bureau of Statistics, IMF- International Monetary Fund, CBvS = Central Bank of Suriname, MoF = Ministry of Finance & Planning, SDMO = Suriname Debt Management Office

* GDP figures of 2018 -2021 are preliminary figures.

** This is the balance of capital transfers and the financial account of the balance of payment.

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

Explanation of certain terms:

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