BUREAU VOOR DE STAATSSCHULD

Suriname Debt Management Office (SDMO)

Quartly report **4th Report 2023**

An Overview of the Macro-economic Developments

February 19, 2024

Introduction

The Suriname Debt Management office (SDMO) had 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 via telephone at 597 552644 and 597 552645.

Summary

Based on the most recent and available statistics and information, as well as the outlook until the end of January 2024, the analysis is summarized as follows:

- The growth expectation of the global economy for 2024 is approximately 3.1 percent, the same level as in 2023. Inflation is decreasing worldwide. An important risk to global growth expectations is the escalation of geopolitical tensions in the Middle East.
- Suriname's economic growth for 2024 is projected at 3 percent. The sectors that will mostly contribute to the growth this year are accommodation and food services, transportation, mining, agriculture and government.
- In the third quarter of 2023, there was a sharp increase in the export value of goods and services by approximately 22 percent. Increased gold production, favorable international oil prices, and re-export of non-mining related machinery and electrical goods were the reasons for the rising export value in the third quarter.
- Exchange rates, which have shown a stable trend since April 2023, appreciated by approximately 3-4 percent in the last quarter of 2023. The reason for this is a decreasing demand for foreign currency due to the tightening of the SRD’s in circulation and an increased supply of foreign currency, purchases by banks and money exchange offices from local (gold) exporters and inflows in December due to tourist arrivals. As a result and because of falling international oil prices, inflation is decreasing but is still high.
- Due to decreasing inflation, (average) interest rates in the banking sector and on monetary instruments are declining.
- In December the restructuring of the international Euro bond, the so-called "Oppenheimer bond," was completed with a debt reduction (haircut) of 29 percent. As a result, this debt of the government has decreased from USD 912 million to USD 660 million.
- In December Suriname received a positive adjustment of its national credit rating by Standard & Poor's (S&P), with the rating moving from "Selective Default" to CCC+/C with a stable outlook.

Economic Growth and Investments

According to the recent Global Economic Prospects (GEP) report from the World Bank, world economic growth for 2024 is projected at 2.4 percent. This represents a decrease in the growth rate for three consecutive years. The growth for 2023 estimated by the World Bank is 2.6 percent.
Figure 1 shows that the growth figures for the world economy by the IMF for 2023-2025 are slightly higher than those of the World Bank. The IMF has set the growth rate for 2023 at 3.1 percent, with the expectation that the rate in 2024 will be 3.1 percent.

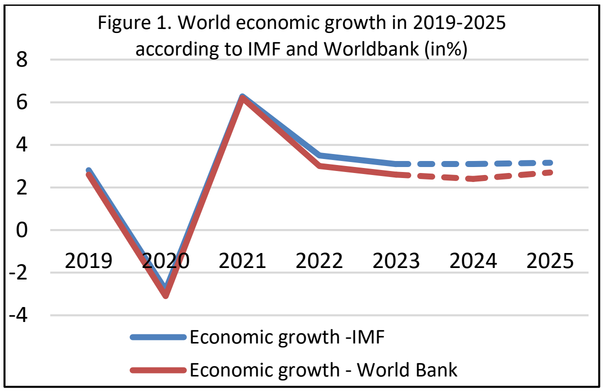


Figure 1. World economic growth in 2019-2025 according to IMF and Worldbank (in%)

Source: IMF, WEO Jan 2024 & World Bank GEP Jan 2024

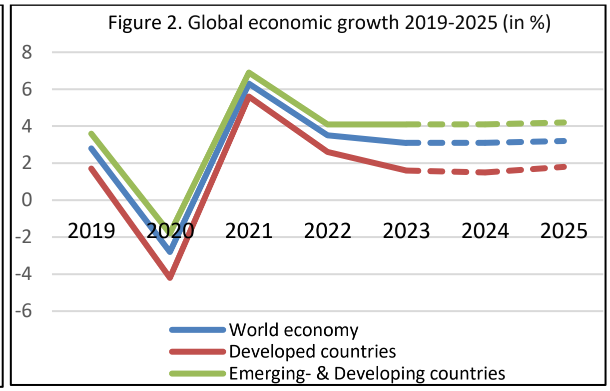


Figure 2. Global economic growth 2019-2025 (in %)

Source: IMF, WEO January 2024

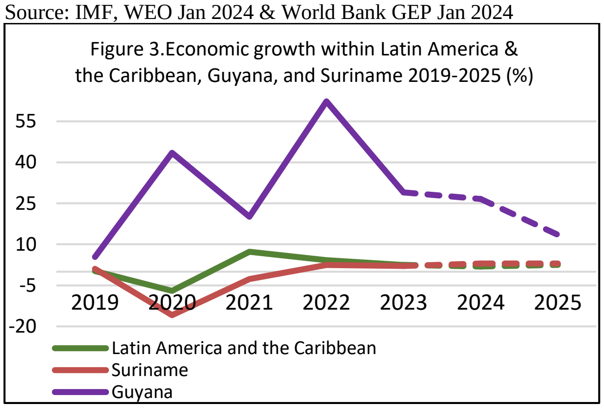


Figure 3.Economic growth within Latin America & the Caribbean, Guyana, and Suriname 2019-2025 (%)

Source: IMF, WEO January 2024

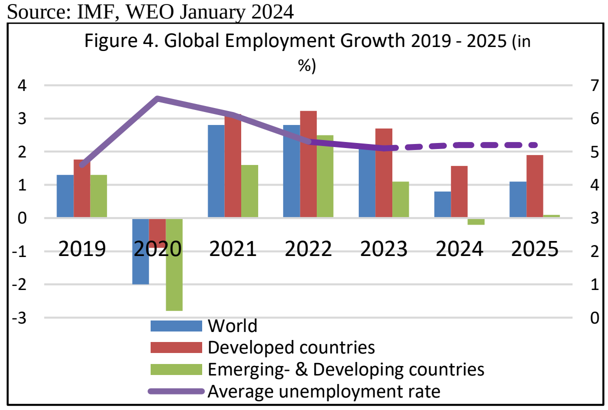


Figure 4. Global Employment Growth 2019 - 2025 (in %)

Source: ILO January 2024

The economic growth rate of developed countries is projected to be between 1.5-1.8 percent in 2024-2025 (figure 2). The economy of the United States is expected to experience a decline in its growth rate this year from 2.5 percent in 2023 to 2.1 percent in 2024. For the Eurozone, a growth recovery is expected, increasing from 0.5 percent in 2023 to 0.9 percent in 2024 and then to 1.7 percent in 2025. The Chinese economy, classified as an emerging market, is also expected to experience declining growth this year of approximately 0.6 percent to 4.6 percent.

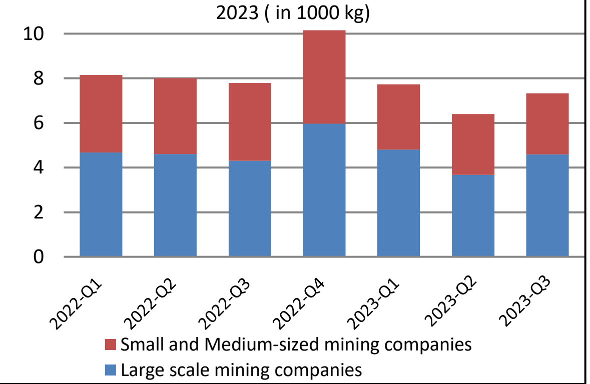
The economic outlook for the Latin America and Caribbean region is a growth rate of approximately 3 percent in 2024 and 2025. The growth forecast for the region is in line with that of the Surinamese economy (figure 3). Among the countries in the Caribbean and Latin America, Guyana, with a growth rate of 29 percent in 2023 and an average rate of around 27 percent in 2024, is by far the fastest-growing economy in the region.

The cautious growth figures for the global economy in 2024 and 2025 are the result of the effects of tight monetary policy worldwide to curb inflation, fiscal constraints and consolidation in many countries, weak international trade and investment and labor market restrictions.

Global inflation is declining faster than expected, mainly due to the resolution of supply chain issues and restrictive monetary policy. The forecast for global inflation has been revised downwards to 5.8 percent in 2024 and 4.4 percent in 2025. For developed economies, an average inflation of 2.6 percent is indicated, while in emerging market economies and developing countries, it is expected to average 8.1 percent in 2024 and decrease to 6 percent in 2025.
Risks that could negatively affect global growth expectations include escalating geopolitical tensions, particularly in the Middle East, extreme weather conditions, persistent core inflation in developed economies with consistently high interest rates, and a sharper-than-expected slowdown in the growth rate of China.

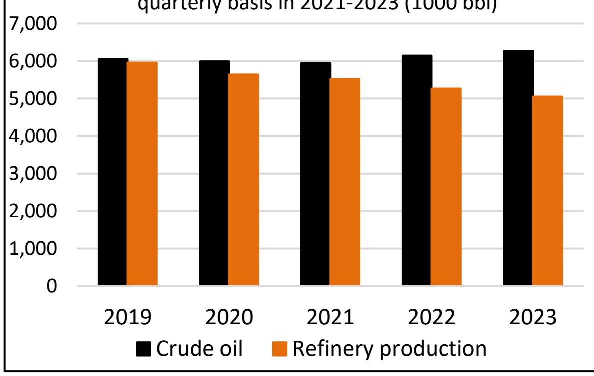
Despite the global economic slowdown, labor markets showed remarkable resilience in 2023, with strong job growth rates; reducing both unemployment and the jobs gap, to levels below those before the pandemic (figure 4). According to the International Labour Organization's (ILO) World Employment Social Outlook report for 2024, the global unemployment rate is expected to increase minimally from 5.1 percent in 2023 to 5.2 percent in 2024, due to declining labor force participation and sluggish employment growth.
Part-time work increased, driven by worker preferences, while those who left the labor market during the pandemic have not yet returned. Labor force participation is declining, especially among youth, and the percentage of people without training, education or work, remains high regardless of income level.
Despite the resilience of labor markets in the past year, it is evident that real wages in both developed and emerging market economies have decreased because wage adjustments mostly lag behind inflation rates. This has led to an increase in poverty levels worldwide. According to the ILO, it is noted that the number of workers in the informal sector has increased to approximately 2 billion people in the past year. This number is nearly at pre-COVID pandemic levels.

Figure 5. Goldproduction on quarterly basis in 2022-2023 (in 1000 kg)



Source: CBvS

Figure 6. Crude and refined oil production on a quarterly basis in 2021-2023 (1000 bbl)



Source: State Oil Suriname Company N.V.

The economic growth of Suriname was estimated at 2.1 percent for 2023 and projected at 3 percent for 2024 in the fourth IMF review document of December 2023 (figure 3). According to the National Planning office (SPS), the sectors expected to experience strong growth this year are accommodation and food services, transportation, mining, agriculture, and government.

The mineral production until the third quarter of 2023, namely gold production amounted to approximately 21,000 kg. This marks a 10 percent decrease compared to the same period in 2022. Figure 5 shows that gold production in the third quarter of 2023 increased by 15 percent compared to the second quarter of the same year. Among the gold multinationals, Newmont Suriname experienced a 4 percent decline compared to the previous year, because of a lower ore quality and harder rock. Conversely, Zijin Rosebel Gold Mines N.V. saw a significant increase of 25 percent of production. Newmont maintained its gold production forecast for 2023 between 9,800 kg and 10,800 kg, with expectations of rising production in the fourth quarter. Zijin's production expectation for 2024 remains unchanged at around 10,000 kg.

In the oil sector, Staatsolie (State Oil Suriname Company) achieved positive production results in 2023, with a crude oil production of 6.3 million barrels, exceeding the target by 200,000 barrels. There was a minimal increase in crude oil production of approximately 2 percent in 2023 compared to 2022. The production of refined crude oil met the target of 3.2 million barrels. However, there was a decrease of approximately 4.1 percent in refinery production (figure 6).

Investments made in the oil sector in recent years amounted to USD 74.5 million in 2021 and USD 72.9 million in 2022. In the past year, significantly more was invested, totaling USD 125 million by Staatsolie. Investments in 2023 were made in upstream activities of USD 83 million to maintain production levels. Additionally, the remaining funds were invested in a refinery overhaul (approximately USD 25 million) and USD 15 million in SPCS (Staatsolie Power Company Suriname) for maintenance of machinery and buildings.

Regarding offshore activities, Staatsolie has taken significant steps by signing contracts with Total Energies and Qatar Energy for Blocks 6, 8, 63, 64, and 65. Total Energies announced the development of the first production field in Block 58 and expects the Final Investment Decision (FID) to take place in the fourth quarter of 2024. Staatsolie is preparing for this and is also involved in developing local content for the future oil and gas industry in our country. This is done in collaboration with Blue Wave, an international consultancy firm specializing in local content. The program aims to assist Surinamese companies in improving their business processes and standards to an internationally required level, strengthening the competitiveness of local actors in the economy to participate in the spin-off effects of the oil and gas industry in our country.

The significant oil and gas reserves in the Guyana-Suriname basin are expected to transform our country and Guyana into the more prosperous nations in the region. Currently, Guyana is the fastest-growing economy in the region. While experts highlight the opportunities of these two emerging oil powers in the Guyana-Suriname basin, they also warn of potential pitfalls such as corruption and poverty. To sustainable manage the revenues from these natural resources; strong government and private sector institutions are necessary, as well as a well-structured sovereign stabilization fund, which should be established through national dialogue to determine the best use of resources (strategic investment plan) for achieving sustainable development for the entire population.

International trade and capital flows

The recent conflict in the Middle East has significantly increased geopolitical tension in the region. Figure 7 shows that the energy price index began to decline since October 2023, while for agriculture and wood products, the price indices remained stable in the last quarter of 2023. Prices for precious metals increased slightly from November 2023.

Gold is considered a desirable investment asset in times of uncertainty. Since the beginning of the conflict in the Middle East in October 2023, the price of this precious metal has risen by 7.5 percent to USD 2,034 per troy ounce (figure 8) at the end of January 2024.

The US Federal Reserve is expected to keep its short-term Fed interest rate unchanged, due to the decline in US inflation. In the medium term, with declining inflation figures, it is expected to move towards interest rate cuts, which will negatively affect the value of the US dollar and further lead to increased gold prices.

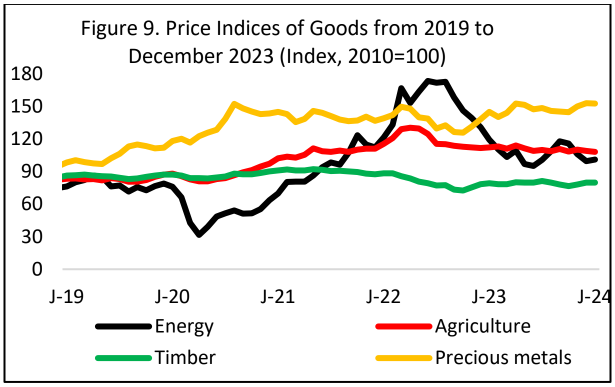


Figure 9. Price Indices of Goods from 2019 to December 2023 (Index, 2010=100)

Source: World Bank, January 2024

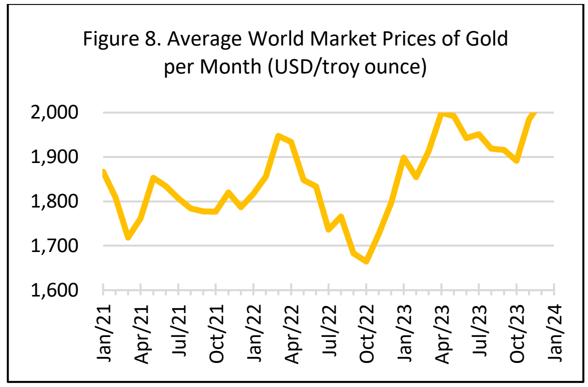


Figure 8. Average World Market Prices of Gold per Month (USD/troy ounce)

Source: World Bank, www.kitco.com

The price of Brent oil stabilized just above USD 78 per barrel by the end of December 2023, representing a decline of 21 percent compared to the price of USD 94 per barrel by mid-September. Despite an extension of the previous OPEC+ production cuts until early 2024 and commitments for additional restrictions, oil prices have been decreasing the last months of 2023, due to concerns about global demand particularly moderate oil demand from China (figure 9).
In January 2024, there is a noticeable increase in oil prices. The impact of geopolitical tensions in the Middle East and the uncertainty regarding the supply side is beginning to be reflected in the international prices.

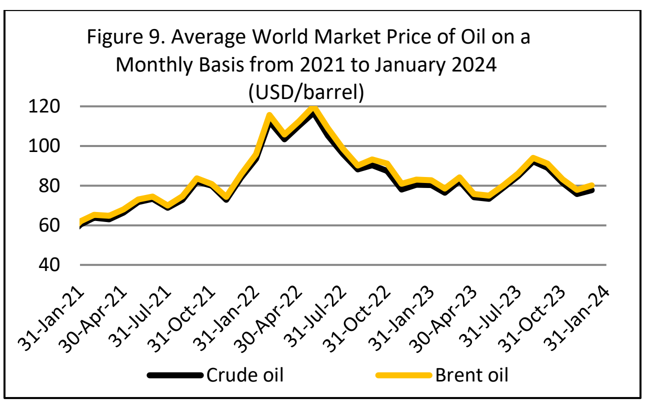


Figure 9. Average World Market Price of Oil on a Monthly Basis from 2021 to January 2024 (USD/barrel)

Source: World Bank

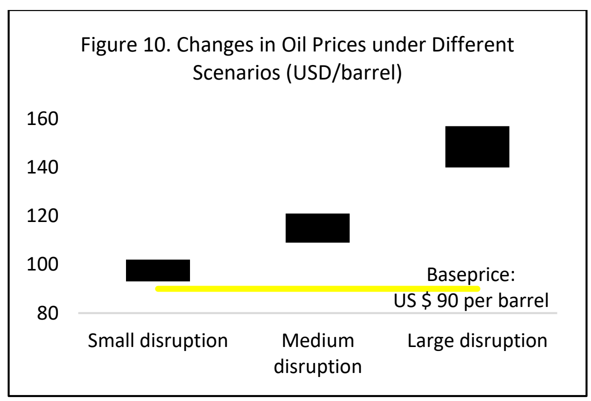


Figure 10. Changes in Oil Prices under Different Scenarios (USD/barrel)

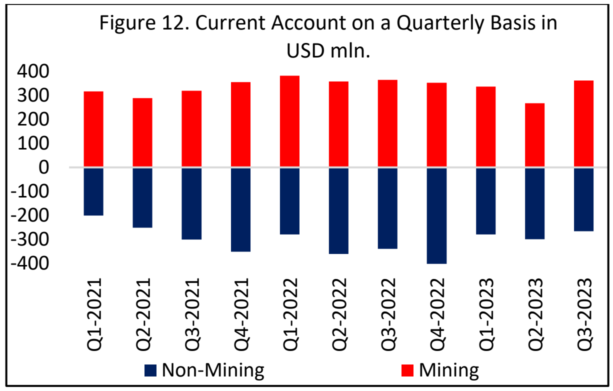
Source: World Bank, October 2023

The conflict in the Middle East has had limited impact on the commodity markets after approximately 4 months. However, there could be a significant disruption in energy supply if the situation worsens and persists over the long term. To indicate possible implications for the oil markets, the World Bank has simulated three risk scenarios for small, medium, and large price disruptions.

In a small disruption scenario, oil prices would initially rise by USD 3 per barrel to USD 12 per barrel above the base price of USD 90 per barrel. In the medium disruption scenario, oil prices would initially rise by USD 19 per barrel to USD 31 per barrel. A large disruption scenario could occur if the conflict escalates into a widespread regional conflict. Oil prices could even rise by USD 50 per barrel to USD 67 per barrel above the base price of USD 90 (figure 10).

A sustained rise in oil prices has an effect on all other prices, including food prices, due to increased production and transportation costs, resulting in an increase in food insecurity worldwide. Disruptions in energy prices also affect energy-intensive metals such as aluminum and zinc.

Source: CBvS



Source: CBvS

When we examine the international trade and capital flows of our country, we see the following developments up to the third quarter of 2023.
Figure 11 shows a sharp increase in exports and imports of goods and services in the third quarter of 2023 compared to the previous quarter, with approximately 22 percent and 7 percent, respectively.
The total export and import values in the first three quarters of 2023 amounted to USD 1.8 billion and USD 1.6 billion[1] respectively.

The increased gold production in the third quarter of 2023 noticeably contributed to the sharp growth of the export side of the trade balance. As reflected in figure 13, the gold industry holds a dominant position in the total export value of goods, accounting for over 70 percent.
Staatsolie has processed less oil in its refinery in the third quarter of 2023 compared to the previous quarter and exported more oil products. Furthermore, the high oil prices in September 2023 contributed to the growth in export value of USD 73.3 million in the third quarter of 2023, which is USD 20.9 million more than the previous quarter but still USD 10.7 million below the value of the third quarter of 2022.

Another activity that has developed during this period is the re-export of machinery and electrical goods. This non-mining sector segment contributed over USD 30 million to the export value on the trade balance in the third quarter of 2023.

Figure 12 once again highlights the structural dependence of the mining sector in the current account of our balance of payments.

The total import value increased by over USD 19.1 million in the third quarter of 2023 compared to the previous quarter (figure 14). The increase is mainly due to the high oil prices in the international market, especially in September, which led to an increase in the import value of oil products. Additionally, we see import value of capital goods and transportation, chemical goods, and food are all decreasing in this period. The developments in the trade and services balance have resulted in a positive balance of the current account, which amounting to USD 95.8 million, due to the net stronger increase in the export value of goods compared to imports (figure 15).

[1] Up to the third quarter of 2022, the export and import values of goods and services amounted to USD 1.9 billion and USD 1.7 billion respectively.

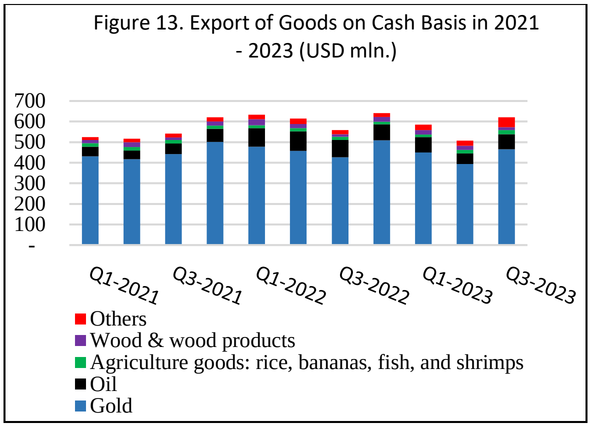


Figure 13. Export of Goods on Cash Basis in 2021 - 2023 (USD mln.)

Source: CBvS

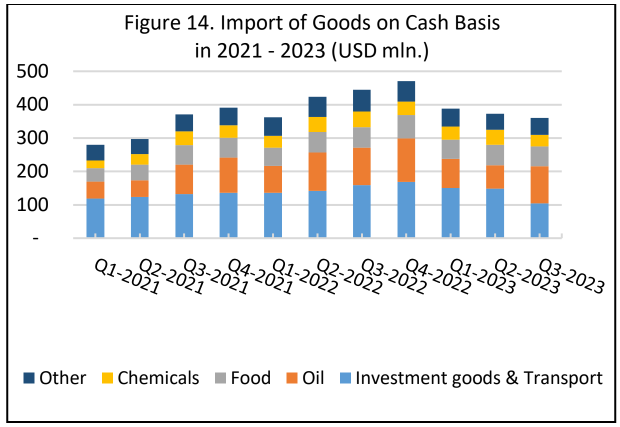


Figure 14. Import of Goods on Cash Basis in 2021 - 2023 (USD mln.)

Source: CBvS

For the third quarter of 2023, the financial account indicates a positive balance of USD 21.8 million. This means that there was a net capital outflow from Suriname to foreign countries during this period.

The balance of direct investments showed a positive balance of USD 90.7 million, largely due to a decrease of USD 26 million in equity participation and a decrease of USD 90 million in other direct investments by the two major foreign gold companies operating in Suriname and by Sol.
Furthermore, local banks primarily purchased US T-bills due to favorable US interest rates, resulting in a surplus in the investment balance of USD 29.5 million.
The balance of other financial transactions showed a negative balance in this period, as the Central Government made withdrawals from the IMF under the Extended Fund Facility for USD 34 million and from other multilateral creditors such as the World Bank, Inter-American Development Bank, and Islamic Development Bank.

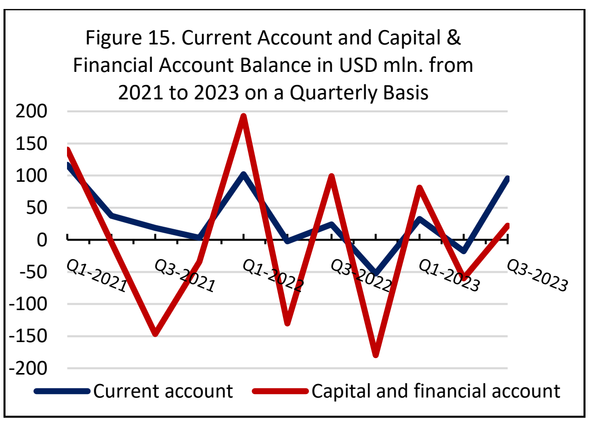


Figure 15. Current Account and Capital & Financial Account Balance in USD mln. from 2021 to 2023 on a Quarterly Basis

Source: CBvS

Figure 16. International Reserves on a Monthly Basis in USD mln. 2023

Source: CBvS

The international reserves increased by USD 11 million at the end of the third quarter of 2023 compared to the previous quarter (figure 16). This increase was achieved by the positive result of the current account of the balance of payment in the third quarter of 2023.

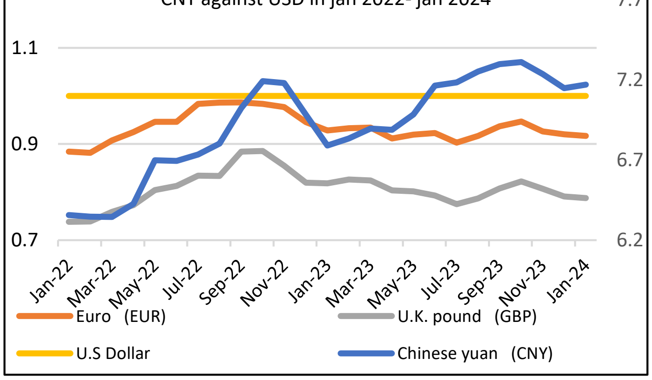
As of the end of December 2023, the international reserve stands at USD 1,346 million. Compared to the end of 2022, the reserve increased by USD 151.5 million due to the positive result of the current account and capital inflows from government withdrawals on foreign loans in the past year.

Monetary and the financial sector developments

The international currency markets indicate a weakening of the US dollar in the fourth quarter of 2023. This is reflected in figure 17, where selected exchange rates (EUR, CNY, and the UK pound) are presented against the USD.
Based on the declining US inflation and the slowdown of the US economy, Market participants in the international currency markets expect that the Fed will again lower interest rates in 2024. This will lead to a further weakening of the US dollar. The uncertainty surrounding the US elections this year may also influence the value of the dollar.

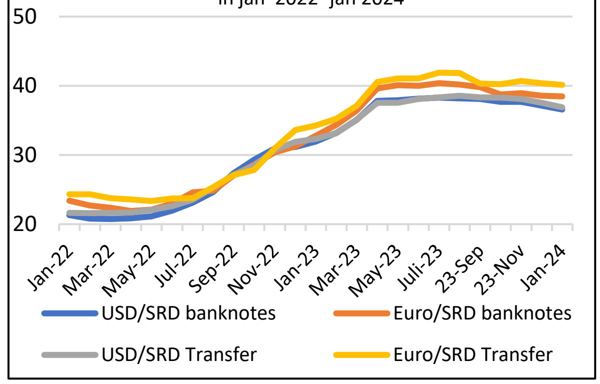
This was the reason for market participants according to the European Central Bank, to further reduce their positions in USD in favor of, among others, the EUR. However, the relationship between the USD and individual currencies can vary significantly depending on the performance of the various economies and the strength of their currency.

Figure 17. Average exchange rates of Euro, UK Pound and CNY against USD in jan 2022- jan 2024



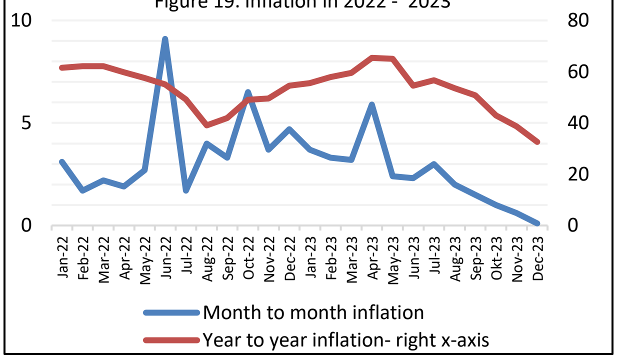
Source: IMF

Figure 18. Average Exchange rates on monthly basis in jan 2022- jan 2024



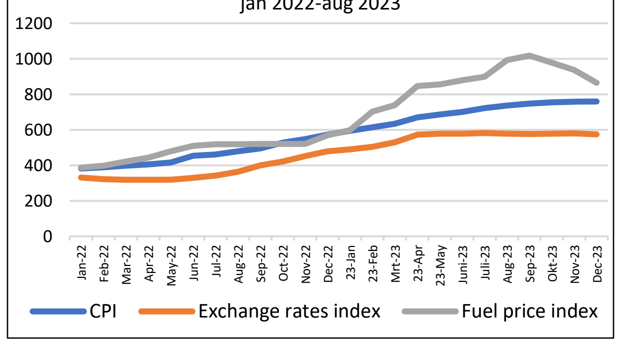
Source: CBvS

Figure 19. Inflation in 2022 - 2023



Source: ABS

Figure 20. CPI , exchange rates and fuel price index in jan 2022-aug 2023



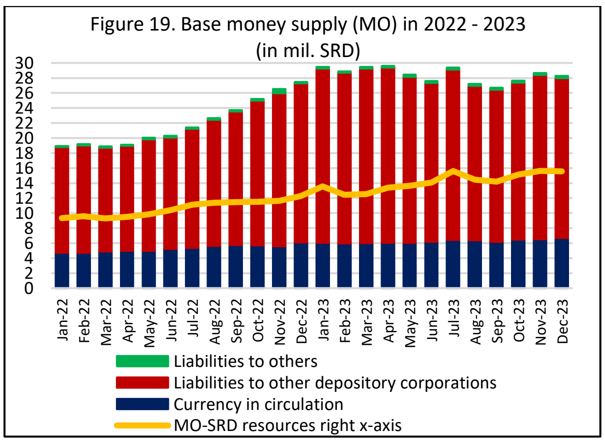
Source: ABS

The exchange rates of the USD and EUR against the Surinamese dollar have been fairly stable since April 2023. The development of the SRD/USD can be considered stable from this moment on, while the development of the SRD/EUR is somewhat more volatile (figure 18).
At the end of 2023, there has been a depreciation of the SRD against the USD and EUR of approximately 17 percent and 22 percent respectively compared to the end of 2022. In the last quarter of 2023, there was a slight appreciation of the SRD against the USD and EUR of approximately 3-4 percent compared to the third quarter.

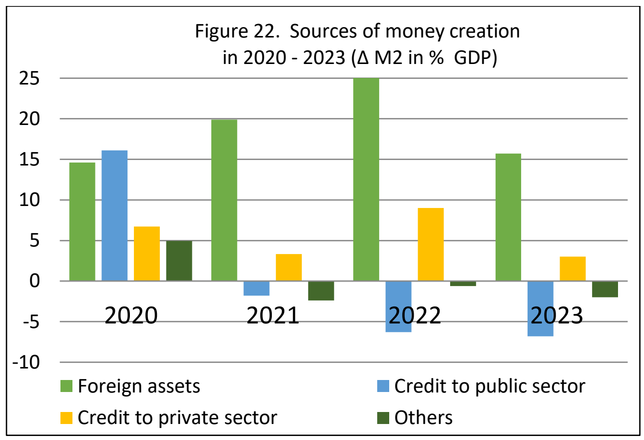
The reason for this appreciation is, on the one hand a decreasing demand for foreign currency due to the tightening of SRD liquidity and the settlement of arrears by foreign oil suppliers in Suriname to their parent companies. On the other hand, an increased supply of foreign currency also effected the exchange rates, due to purchases foreign currency by banks and money exchange offices from local (gold) exporters and in December from tourists (euros).

Monthly inflation is decreasing from August 2023 on. The decline is especially visible in the last months of the year, from 1.0 percent in October to 0.1 percent in December (figure 19). The decrease in inflation primarily is a result of the drop in fuel prices since October 2023, attributed to the decreasing international oil prices and to fluctuations in the exchange rates. The annual average and year-end inflation of 2023 was 51.6 percent and 32.6 percent, respectively. Although inflation is decreasing, it is still considered high and the rate of decline is still low.

Figure 19 shows the development of the SRD share of the base money supply in 2022-2023. In the last quarter of 2023 in the months of October and November, there was a slight increase in the SRD currency in circulation. The increase in SRD in circulation in October was mainly the result of the matured monetary instruments, namely OMO's and term deposits that had to be repaid. In November 2023, the settlement of arrears on domestic debts like treasury bills by the government and interest payments on OMO's, contributed to increased SRD liquidity in circulation.



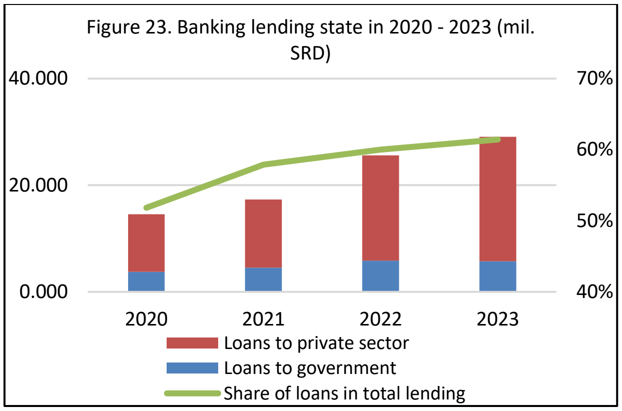
Source: CBvS



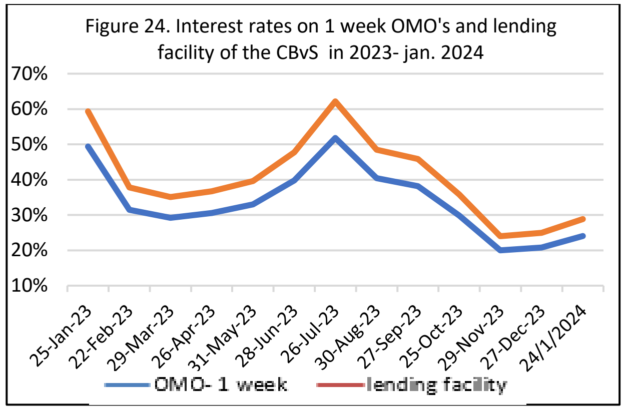
Source: CBvS

Broad Money Supply (M2) at the end of 2023 amounted to SRD 83 billion, an increase of 19 percent compared to 2022. The liquidity ratio (M2 in percent of GDP) for 2023 is estimated at approximately 61 percent, compared to 78 percent in 2022. The decline in the liquidity ratio is an indication that monetary policy is paying off by bringing the base money supply more in line with the country's total output, causing inflation to decrease.

Figure 22 shows that money creation is largely the result of an inflow of capital from abroad, which has been reflected in an increased international reserves, and credit to the private sector (figure 23). Increased lending by the banking sector is the result of the foreign currency loans that have risen in the local currency, due to the exchange rate depreciation. Although on balance, money creation from the government did not take place in 2023, there was money creation by the government in November, as a result of the government utilizing its SRD and foreign currency funds at the CBvS and the banks, for the incurring expenses.



Source: CBvS



Source: CBvS with calculations by SDMO

The total stock of outstanding nominal credit from the banking sector in SRD amounted to SRD 11.2 million at the end of 2023, an increase in nominal and real terms of 13.5 percent and -14.4 percent respectively. The discouragement on given new SRD credit by the banking sector in 2023, by setting a ceiling on the growth of private lending and the increase of the cash reserve percentage, is part of the tight monetary policy to curb inflation.

Global tight monetary policy over the past year has caused international interest rates to rise sharply, as reflected in table 1. Rising interest rates have a dampening effect on investments and economic growth. The increase of average international variable interest rates in 2023 was between 90 and 430 percent compared to 2022.

Table 1. Average nominal international interest rates in 2020-2023 (in %)

Variable interest rates	2020	2021	2022	2023
Euribor 6 months	0.4	0.5	0.7	3.7
Libor 6 months	0.7	0.2	2.9	5.6
SOFR overnight rate	0.4	0.04	1.6	5.0
Federal Effective fund rate	0.4	0.1	1.7	5.0

Source: www.globalrates.com, www.newyorkfed.com

In Suriname, the average lending (debit) interest rates of the banking sector have actually decreased in 2023. Due to declining inflation, the real lending interest rate on SRD credits is less negative in 2023 than in the previous 3 years when the COVID pandemic broke out (table 2).
Declining inflation and increasing competition between banks, due to restrictions on lending, have reduced the average interest rates in the past year.

Table 2. Average nominal lending interest rates on credits of the banking system by currency types in 2020 –2023 (in %)

Currency type	2020	2021	2022	2023
USD – credits	8.2	8.3	8.1	8.1
Euro – credits	8.2	8.3	7.8	7.4
SRD – credits	14.8	14.9	14.7	14.2
Real interest on credits e.o.p.	-28.7	-28.5	-26.6	-13.3
Inflation e.o.p.	60.8	60.7	54.6	32.6

Source: CBvS with calculations by SDMO e.o.p. = end of period

To bring the base money supply under control, the monetary instruments used are the issuance of Term Deposits (TDs) to banks and the issuance of Central Bank Certificates (CBCs) for the wholesale and retail segments.

Figure 24 presents the movements in interest rates on the lending facility (TDS) and on the open market operating instruments with a maturity of 1 week (CBCs).
The interest rates on both instruments have peaked in July 2023. The reason for this is during that month, the government paid vacation bonuses to civil servants, leading to a significant increase of SRD in circulation which had to neutralize by the central bank. It appears that large amounts of SRD that need to be skimmed off, banks are asking higher interest rates during these operations.
Due to declining inflation in 2023 and the fact that companies no longer have the need to continuously convert SRD funds into foreign currencies, interest rates on monetary instruments are also declining. This is a sign that confidence in the local currency is slowly increasing.

Table 3. Financial soundness indicators of the banking sector in 2020-2023 (in %)

	2020	2021	2022	2023
Solvability*				
Regulatory Tier 1 capital***/ Risk-weighted assets (capital adequacy ratio)	10.5	12.9	16.8	17.7
Regulatory capital /Risk-weighted assets	11.8	14.3	15.5	20.3
Tier 1/total assets	4.9	5.7	6.6	7.7
Quality of loan portfolio				
Non-performing Loans/gross loans	14.6	12.8	12.4	13.0
Non-performing Loans (minus provision)/Tier 1			36.1	33.7
Profitability				
Return on Asset	2.0	1.8	3.3	2.7
Return on equity	34.8	29.6	48.1	36.5
Share of interest income in total income			62.2	67.0
Difference between debit and credit interest rates (in%)			8.1	8.5
Liquidity				
Cash and cash equivalents/total assets	51.5	58.8	54.3	53.6
Cash and cash equivalents/short-term debt	101.3	117.0	107.0	102.6

Source: CBvS
*Solvency ratio is based on guidelines of the CBvS regarding the capital adequacy ratio. The norm for the solvency ratio set by the CBvS for banks is 10 percent.
** Tier 1 capital: used to describe the capital availability of a bank and includes equity and reserves.

The financial soundness indicators of the banking sector are also slowly improving. Table 3 shows that the solvency indicators have improved every year in the period 2020-2023. The standard for capital adequacy ratio set by the Central Bank at 10 percent, has been achieved for the banking system as a whole in these years. The improved solvency of banks is also partly the result of the effects of the stabilization and decline of exchange rates in the last months of 2023.
Because non-performing loans still weigh on the banking sector loan portfolio, the banks' profitability is affected by this and by the negative real interest rates. The indicators for profitability and liquidity show a downward trend during this period.

The rehabilitation of the banking system (commercial banks and the Central Bank of Suriname) is also part of the IMF-EFF program. The Central Bank of Suriname (CBvS) is working with the commercial banks to monitor the financial stability of the banks and to chart a path to financial stability. In this regard, not only financial indicators are considered, but also the governance aspect of the (state) banks. The recapitalization of the CBvS is currently being discussed with the Ministry of Finance & Planning. The government will have to raise funds to financially strengthen the central bank. This will be addressed in 2024. This should lead to a financially stable and reliable central bank, which should then have a positive effect on the entire financial sector.

Public Finance and Government Debt

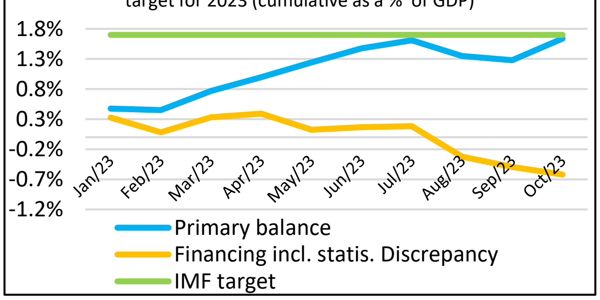
Government finances continue to show improvement. Up to and including October 2023, the result of the primary balance and overall balance of government finance was 1.6 percent and -0.6 percent, based on the estimated GDP figure for 2023 from the IMF (figure 25). The results of government finance for the full year of 2023 is not yet available. However, it is expected that the target for the primary balance, namely a surplus of 1.7 percent of GDP, was achieved in the past year. Within the IMF's Extended Fund Facility (EFF) program, the fiscal target for the primary balance in 2024 is set at 2.7 percent of GDP. The current EFF program will end in March 2025.

Up to and including October 2023, total government revenues amounted to approximately SRD 28 billion, while total expenditures amounted to SRD 28.8 billion.

Approximately 47 percent of the total revenues, came from large and medium-sized mining companies (figure 27), in the form of direct taxes (income and wage taxes) and non-tax revenues (royalties, dividends, etc.). Revenue from the mining sector has seen an increase of 28 percent compared to the same period in 2023, while the increase in the non-mining sector is 69 percent.

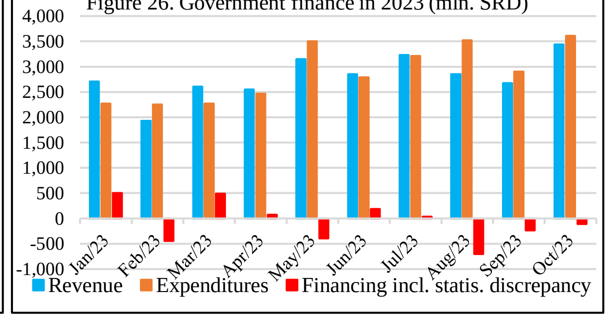
The increase in government revenues from the mining sector in 2023 was largely due to the currency depreciation of approximately 27 percent during this period (October 2023 compared to October 2022), while revenues from the non-mining sector, in addition to currency depreciation, also increased due to the introduction of the VAT tax as of January 1, 2023. Up to and including October 2023, VAT receipts amounted to approximately SRD 3.6 billion.

Figure 25. government overall-, primary balance & IMF target for 2023 (cumulative as a % of GDP)



Source: Ministry of Finance & Planning

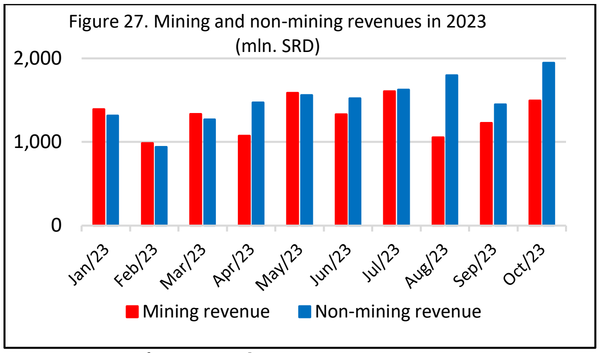
Figure 26. Government finance in 2023 (mln. SRD)



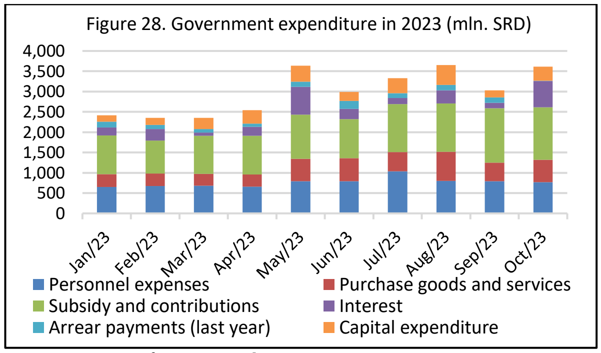
Source: Ministry of Finance & Planning

Figure 27 reflects an increase in government revenues in October. This increase was largely due to increased royalties from Zijin Rosebel Gold Mines N.V and the small-scale gold sector. The increased revenues from the non-mining sector in that month were mainly the receipt of a grant from the Kingdom of Saudi Arabia of USD 3 million for the support of the social sector.

Due to inflation, government expenditures have also increased by 52 percent as of the end of October compared to the same period in 2022. In the third quarter of 2023, government wages & salaries, and subsidies given to strengthen the purchasing power of certain groups in society, have increased. For instance, starting from August 1, 2023, purchasing power enhancement of SRD 1,800 has been granted to all senior citizens receiving the General Old Age Pension (AOV), and contributions to children and people with disabilities have also increased.



Source: Ministry of Finance & Planning



Source: Ministry of Finance & Planning

Figure 28 reflects that government expenditures increased in October compared to the previous month. The increase is largely due to higher interest payments on government debt. Additionally, capital expenditures and purchases of goods and services have also increased in this month compared to September.

Table 4 reflects that up to the tenth month of 2023, between 75 - 80 percent of revenues and expenditures were realized.

Table 4: Budget vs actual until October 2023

	Budget 2023 (in billions SRD)	Actual till October 2023 (in billions SRD)	July Actuals in % of the Budget for 2023	% GDP 2023 IMF estimate SRD 135.5 billion
Total revenues	35.3	28.0	79.2%	20.6%
Total expenditures	37.3	28.8	77.1%	21.3%
Primary balance	2.3	2.2	94.3%	1.6%
Financing deficit	-2.0	-0.8	41.0%	-0.6%
Budget result	-11.2	0.08	-0.7%	0.01%

Source: Ministry of Finance and Planning with SDMO processing

At the end of 2023, the total government debt amounted to USD 3.3 billion, with the external government debt standing at USD 2.6 billion and the domestic debt at USD 691 million (figure 29). The debt as of the end of 2022 was USD 3.4 billion, reflecting a decrease of approximately 3 percent.

The total government debt in local currency was approximately SRD 124.1 billion at the end of 2023. Compared to the end of 2022, the debt increased by approximately 20 percent. The increase in the past year was due to the following reasons:

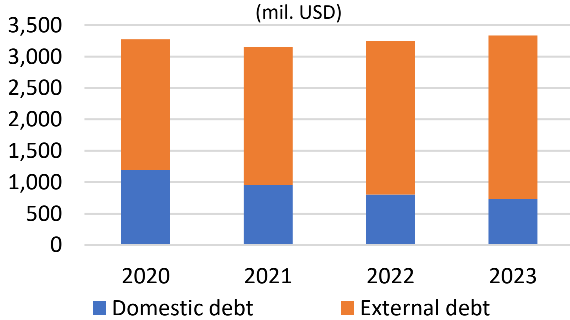
- The significant share of foreign currency debts, approximately 78 percent of the total government debt portfolio, combined with a depreciation of the SRD against the USD of approximately 17 percent, has had a significant impact and had led to a substantial increase in the government debt in local currency.
- The positive balance of disbursements minus principal payments on the total debt portfolio of SRD 8.4 billion (USD 227.9 million). This includes the domestic "gold loan" from 2018, which was registered with the Suriname Audit Institution in 2023 and included in the government debt.
- The addition of supplier debt - representing unpaid receipts - to domestic debt statistics, has been occurring since December 2021. This debt item is continually updated by the Ministry of Finance

and Planning. The supplier debt amounted to SRD 6.4 billion (USD 171 million) in 2023, which is an increase of approximately SRD 4.4 billion (USD 119 million) compared to the end of 2022. According to the IMF-EFF program, these debts must be fully repaid by the end of 2025, and no new supplier debt should exist after that period. This implies that the government must pay all receipts on time starting from 2026.

An important development occurred on December 6, 2023, when the restructuring process of international euro bond, known as the Oppenheimer bond, was finalized. The debt had accumulated to USD 912 million until November. Due to debt relief (haircut), this debt was restructured to an amount of USD 660 million.
The interest rate on the restructured bond is set at 7.95 percent, with 4.95 percent of the coupon being paid in cash in 2024-2025, while the remaining 3 percent is capitalized. The term of the debt is 10 years with a grace period of 3 years, and repayments will begin in 2026 and end in 2033.
The discount provided by the creditors will be compensated from the royalties received from oil production in Block 58 in the form of a Value Recovery Instrument (VRI). The government will receive the first receipts of USD 100 million before funds can be used for creditor compensation. Other revenues such as taxes, government share in profits, and dividends from Staatsolie are fully available to the government. The compensation in the form of the VRI represents only about 2 percent of the total estimated oil revenues from Block 58 for the government.

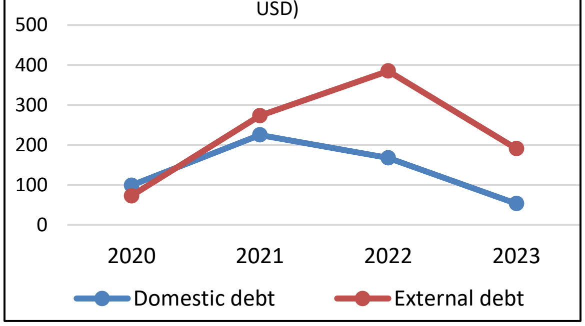
Due to the finalization of the largest external debt, which is also a capital market instrument, Standard & Poor's improved our country's credit rating from "Selective Default" to CCC+/C with a stable outlook in December 2023.The improved credit rating is also significant for the private sector seeking to engage in business with foreign parties to attract investments and/or obtain loans on better terms.

Figure 29. Effective government debt 2020-2023 (mil. USD)



Source: SDMO

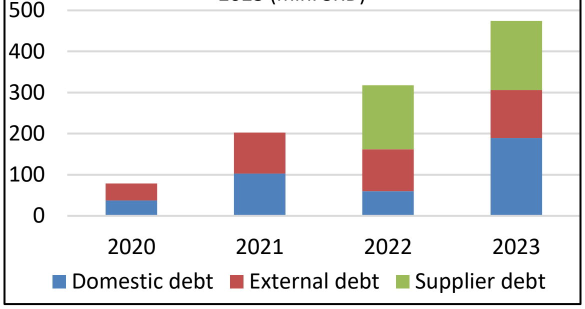
Figure 30. Arrears on debts in 2020-2023 (mil. USD)



Source: SDMO

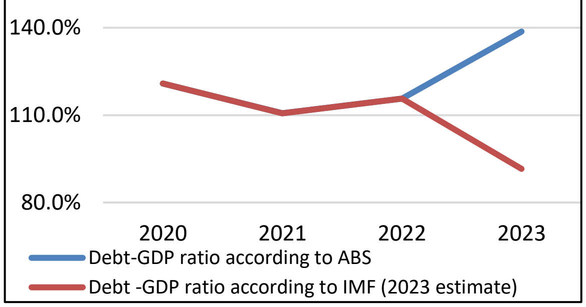
Due to the restructuring of the euro bond, arrears on the external debt decreased by the end of 2023 compared to the end of 2022. The arrears amounted to USD 191 million by the end of 2023, primarily consisting of arrears on debts to China and several commercial creditors still in the restructuring process and yet to be settled.
Regarding the domestic debt, arrears are also decreasing due to the restructuring of the debt to the Central Bank of Suriname (CBvS) in July 2023 and the reduction of arrears in the last quarter of 2023 (figure 30). By the end of 2023, arrears on the domestic debt amounted to USD 53 million.

Figure 31. total arrear payments on debt 2020-2023 (mln. SRD)



Source: SDMO

Figure 32. Debt GDP ratio's 2020- 2023



Source: SDMO

Figure 31 illustrates that debt service payments have increased in the past years. This trend is due to many debts already restructured and now needing to be paid on time. Additionally, since 2022 payments have been made on unpaid receipts (supplier debt). In 2023 debt service payment came to a total of USD 306 million and approximately USD 168 million was paid on supplier debt.

In the last quarter of 2023, as part of the IMF program, two new loans were received for budget support: SDR 25.6 million from the IMF and USD 150 million from the IDB. In December another loan agreement was signed with the IDB for USD 20 million to fund the execution of the population census project by the ABS this year.

According to the National Debt act, the debt ceiling (borrowing limit) is based on the debt-to-GDP ratio of 60 percent, with the latest nominal GDP figure determined by the ABS being used. The latest GDP figure from the ABS is for 2022 and amounts to SRD 89.5 billion.
The statutory debt-to-GDP ratio as of the end of December 2023 is 139 percent, an increase of 24 percent compared to the ratio at the end of 2022, due to a rising government debt expressed in SRD (figure 32). To reflect the actual burden of the government debt on the total income/production of the economy in 2023, the GDP figure for 2023 must be used. Based on the estimated GDP figure for 2023 of SRD 135.5 billion (IMF estimate), the debt-to-GDP ratio was approximately 92 percent in 2023.

Selected macroeconomic indicators

Annual statistics 2017-2024									
Real Sector	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023** Est.	**2024** proj.	**Source**
Economic growth (%) *	1.6	4.9	1.1	-15.9	-2.7	1.0	2.1	3.0	ABS/IMF Est.+ proj.
Economic growth (%)	1.6	4.9	1.2	-16.0	-2.4	2.4	2.5	2.8	ABS/SPS Est.+ proj.
GDP nominal market pr, (mil, SRD)	26.893	29.822	31.732	38.719	60.704	89.472	131.936	174.309	ABS/IMF Est,+proj,
GDP per capita in USD	6.156	6.738	7.075	4.447	4.623	4.488	6.619	8.744	IMF
National Income per capita in USD	5.432	6.079	6.384	3.945	4.051	4.101	n.b.	n.b.	ABS/calcul, SDMO
Inflation rate – average (%)	22.0	6.9	4.4	34.9	59.1	52.4	51.6	30.9	ABS/IMF
Inflation rate – e.o.p. (%)	9.3	6.9	4.4	60.7	60.7	54.6	32.6	20.0	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)	2,143.4	2,235.8	2,286.8	2,446.4	2.299,5	2.598,6			CBvS
• Gold	1,608.4	1,631.6	1,732.2	1,959.5	1,792.1	1,870.6			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	51.0	52.6	45.6	43.5	34.5	25.9			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	33.6	31.9	32.4			CBvS
• Other goods	56.1	68.6	68.7	65.1	69.0	86.7			CBvS
• Net exports goods under merchanting	-6.9	-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)	1,779.9	2,069.8	2,412.7	1,845.1	1,876.4	2,341.6			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	76.3			CBvS
Balance Cap. + Fin. Acc. (mil. USD) **	-112.6	-299.2	-535.1	219.9	-44.4	-19.4			CBvS
Balance current account (% GDP)	1.9	-3.0	-11.2	9.0	5.8	2.2			CBvS/calcul. SDMO
Balance Cap. + Fin. Acc. (% GDP) **	-3.1	-7.5	-13.4	7.6	-1.5	-0.6			CBvS/calcul. SDMO
Statistical discrepancies (% GDP)	-4.5	-0.8	-7.3	-4.3	4.1	3.7			CBvS/calcul. SDMO
Total imports (F.O.B. mil. USD)	1,210.5	1,402.9	1,597.6	1,282.5	1,338.5	1,701.4			CBvS
• Investment & transportation	485.7	570.7	698.4	507.8	510.3	604.5			CBvS
• Oil	217.0	264.6	286.3	235.3	293.3	438.9			CBvS
• Consumption goods	190.7	202.1	219.5	194.0	206.2	246.9			CBvS
• Chemical goods	120.2	129.4	131.5	137.3	132.8	168.4			CBvS
• Other goods	196.8	236.2	262.0	208.1	195.9	242.7			CBvS
Internationally Reserve (mil. USD)	424.4	580.7	647.5	585.0	992.2	1,194.6	1,346.1		CBvS
World market prices in USD									
Gold USD/troz	1,257.5	1,269.1	1,392.6	1,769.6	1,800	1,801	1,800	1,900	World bank proj.
Crude oil USD/bbl.	54.4	71.1	64.0	42.3	70.4	99.8	84.0	81.0	World bank proj.
Crude oil USD/bbl.	52.8	68.3	61.4	41.8	70.8	98.9	82.3	81.1	IMF proj.
Monetary and Financial sector									

Liquidity ratio (M2 in % GDP)	65.4	64.4	73.6	84.9	80.5	80.3	65.4		CBvS/calcul. SDMO
Balance of credit by banking sector to government (mil. SRD)	2,191.6	2,325.4	2,369.5	3,748	4,524	5,857	6,034		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	12,805	19,762	24,273		CBvS/calcul. SDMO
Selling rate SRD/USD (e.o.p.)	7.5	7.5	7.5	14.3	21.3	31.9	37.1		CBvS
Selling rate SRD/USD average	7.6	7.5	7.5	9.4	18.5	24.6	36.7		CBvS
Selling rate SRD/Euro (e.o.p.)	8.9	8.6	8.4	17.6	23.0	33.9	38.5		CBvS
Selling rate SRD/Euro average	8.5	8.9	8.4	10.8	21.1	33.6	38.3		CBvS
Average SRD lending interest rate	14.3	14.4	15.2	14.8	14.9	14.7	14.3		CBvS
Interbank SRD interest rate	17.4	10.1	11.7	11.9	9.4	85.0	17.4		CBvS
Average USD lending interest rate	9.1	8.3	8.6	7.9	8.5	8.2	9.1		CBvS
Average Euro lending interest rate	8.8	8.5	8.3	8.3	8.2	7.5	8.8		CBvS
Government Finance and Debt (cash base)									
Primary balance	-5.8	-6.8	-15.6	-7.5	3.6	0.6			MoF/calcul. SDMO
Overall balance including statistical differences. (% GDP)	-8.7	-10.1	-18.4	-9.6	1.7	-0.6			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	-12.3	-19.2			MoF/calcul. SDMO
Fiscal impulse (%)	3.5	2.3	10.4	-11.6	-7.1	6.9			MoF/calcul. SDMO
Governm. Debt (national def.) (Mil. SRD)	18,093.6	18,703.8	22,513.4	46,797.4	67,174.4	103,453.7	124,070		SDMO
Effective Governm. Debt (mil. USD)	2,406.1	2,487.2	2,993.8	3,274.8	3,154.3	3,247.8	3,335.2		SDMO
External debt (mil. USD)	1,682.7	1,715.9	1,987.1	2,084.3	2,197.9	2,443.7	2,603.6		SDMO
Domestic debt (mil. USD)	723.4	771.3	1,006.7	1,190.5	956.5	804.2	731.6		SDMO
Domestic debt to banking sector (mil. USD) ***	290.2	347.6	396.0	392.6	212.1	171.6	67.87		SDMO
Governm.Debt nat.def. GDP ratio (%)	47.1%	43.3%	43.3%	70.9%	110.7%	115.6%	138.7%		SDMO
Disbursements on external debt (mil. USD)	291.8	186.3	357.7	87.9	102.6	299.3	368.1		SDMO
Debt service payments (mil. USD)	212.7	357.5	263.8	79.1	152.4	162.0	244.1		SDMO

Quarterly statistics 2021-2023

Balance of Payments (cash base)	**2021 Q4**	**2022 Q1**	**2022 Q2**	**2022 Q3**	**2022 Q4**	**2023 Q1**	**2023 Q2**	**2023 Q3**	**Source**
Total export- G+S (mil. USD)	**650.38**	**665.55**	**652.01**	**596.46**	**686.19**	**624.22**	**547.70**	**656.60**	CBvS
• Gold	501.12	477.19	458.21	426.18	508.98	450.31	393.60	456.60	CBvS
• Oil	64.08	90.84	94.48	83.94	77.99	73.75	52.30	73.30	CBvS
• Rice and banana	7.36	5.93	7.69	6.93	5.43	4.76	6.60	7.90	CBvS
• Wood and wood products	19.53	29.85	19.65	12.97	23.39	22.28	20.60	14.90	CBvS
• Fish and shrimp	8.44	8.47	8.42	9.21	6.34	7.41	10.20	11.30	CBvS
• Other goods	20.58	20.63	26.97	19.49	19.60	27.35	24.00	48.40	CBvS
• Net export goods under merchanting	-0.37	-0.27	2.77	2.20	3.18	-0.25	-0.30	-0.20	CBvS
• Services	29.66	32.54	33.61	35.55	41.28	38.61	44.70	44.60	CBvS
Total import- G+S (mil. USD)	**549.58**	**517.44**	**585.46**	**603.15**	**635.55**	**534.48**	**518.80**	**560.10**	CBvS
• Services	158.46	155.32	161.57	158.35	164.93	146.32	147.70	168.10	CBvS

Balance current account (mil. USD)	3.24	102.26	-2.40	24.02	-52.57	32.32	-17.9	95.8	CBvS
Balance Cap. + Fin. account (mln. USD)**	-34.27	192.74	-130.41	99.05	-179.65	81.40	-60.1	21.8	CBvS
Balance Current account (% GDP)	0.12	2.48	-0.06	0.70	-1.85	0.86	-0.52	2.55	CBvS/calcul. SDMO
Balance Cap. + Fin. Acc. (% GDP)**	-1.26	4.67	-3.21	2.87	-6.33	2.17	-1.73	0.60	CBvS/calcul. SDMO
Statistical discrepancies (% GDP	2.50	-0.03	-0.61	4.13	0.64	1.22	-1.18	-1.43	CBvS/calcul. SDMO
Total imports (F.O.B. value mil. USD)	**391.13**	**362.12**	**423.89**	**444.80**	**470.61**	**388.16**	**373.1**	**392.0**	CBvS
• Investment & transportation	135.76	135.87	141.59	158.93	168.14	150.38	114.60	104.30	CBvS
• Oil	105.35	81.04	114.75	112.32	130.79	86.92	70.80	111.30	CBvS
• Consumption goods	59.74	54.08	61.48	61.37	69.94	57.72	61.30	59.60	CBvS
• Chemical goods	37.03	35.61	45.39	46.95	40.49	39.70	45.10	34.00	CBvS
• Other goods	53.25	55.52	60.67	65.22	61.25	53.44	47.90	51.50	CBvS
Government Finance and debt (cash base)									
Primary balance (% GDP)	1.3	0.2	0.2	0.4	-0.3	0.5	0.8	0.8	MvF/calcul. SDMO
Overall balance including statistical differences. (% GDP)	0.3	-0.3	0.1	-0.3	-0.6	-0.1	0.4	0.0	MvF/calcul. SDMO
Commitment balance including statistical differences. (% GDP)	0.6	-0.1	0.3	0.1	-0.5	0.1	0.8	0.3	MvF/calcul. SDMO

Monthly statistics January -December 2023

	Jan. 2023	Feb. 2023	Mar. 2023	Apr. 2023	May. 2023	Jun. 2023	Jul. 2023	Aug. 2023	Sep. 2023	Oct. 2023	Nov. 2023	Dec. 2023	Source
Inflation (%)													
Inflation – month to previous month	4.7	3.7	3.3	3.2	5.9	2.4	2.3	3.0	2.0	1.5	1.0	0.6	ABS
Inflation – month to. month of previous year	54.6	55.6	57.9	59.5	65.4	65.0	54.6	56.6	53.5	50.8	42.9	38.7	ABS
International Reserve in USD													
International Reserve	1,218.9	1,187.9	1,185.7	1,137.9	1,075.5	1,091.1	1,095.9	1,062.0	1,107.2	1,142.4	1,142.2	1,346.1	CBvS
World market prices in USD													
Gold USD/troz	1,897	1,854	1,912	1,999	1,992	1,942	1,951	1,918	1,915	1,916	1,984	2,026	World Bank
Crude oil USD/bbl.	80.4	80.2	76.4	82.4	74.1	73.2	78.9	84.7	92.2	89.0	81.3	75.7	World Bank
Liquidity ratio (M2 in % GDP) and balance of credit from the banking sector (mil, SRD)													
Liquidity ratio	80.1	53.6	56.0	57.8	60.7	61.3	61.0	62.3	61.5	61.6	61.7	62.5	CBvS/calcul, SDMO
M0 (broad definition)	29,489	28,890	29,465	29,608	28,448	27,589	29,377	27,224	26,720	27,660	28,646	28,816	CBvS
M2	70,738	73,876	76,195	80,082	80,861	80,509	82,254	81,105	81,248	81,457	82,508	83,115	CBvS
Balance of total credit	26,892	27,853	29,084	29,689	30,985	31,014	30,975	30,644	30,822	30,629	30,274	29,085	CBvS/calcul, SDMO
Balance of credit to government	5,857	5,844	6,004	6,179	6,439	6,409	6,426	6,433	6,371	6,357	6,359	5,728	CBvS/calcul, SDMO
Balance of credit to private sector	19,762	21,049	21,848	22,906	24,251	24,576	24,588	24,542	24,723	24,465	24,270	23,356	CBvS/calcul, SDMO
CBvS Exchange rates (selling rates banknotes) ****													
SRD/USD (e.o.p.)	31.9	33.54	36.03	38.13	37.04	37.68	38.03	37.72	37.46	37.35	37.13	35.77	CBvS
SRD/USD average	31.53	32.76	34.69	37.31	37.54	37.39	37.90	37.88	37.69	37.22	37.28	36.41	CBvS
SRD/Euro (e.o.p.)	32.97	34.58	37.66	40.25	39.01	39.58	39.83	38.62	38.61	38.49	38.58	37.74	CBvS
SRD/Euro average	32.40	34.03	36.07	39.20	39.58	39.60	39.98	39.71	38.34	38.28	38.52	38.11	CBvS

	Jan. 2023	Feb. 2023	Mar. 2023	Apr. 2023	May. 2023	Jun. 2023	Jul. 2023	Aug. 2023	Sep. 2023	Oct. 2023	Nov. 2023	Dec. 2023	Source
<u>Average lending rates (%)</u>													
SRD credit	13.4	13.4	13.6	13.5	13.6	14.0	14.1	14.3	14.4	14.7	14.9	14.8	CBvS
Interbanking SRD interest rate								50.0	60.0	60.0	60.0	35.0	CBvS
USD credit	8.2	8.1	8.2	8.1	8.2	8.2	8.1	8.0	8.0	8.0	8.0	7.9	CBvS
Euro credit	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.3	7.4	7.4	7.3	7.2	CBvS
<u>Government finance (mil, SRD) en debt (mil, USD)</u>													
Tot. Revenues cash base	2,705	1,928	2,605	2,547	3,148	2,852	3,231	2,853	2,676	3,440			MoF
Tot. Expend. cash base	2,274	2,254	2,272	2,468	3,503	2,790	3,210	3,524	2,901	3,607			MoF
Primary balance	0.5	0.0	0.3	0.2	0.2	0.2	0.1	-0.3	-0.1	0.4			MoF
Overall balance	0.4	-0.3	0.4	0.1	-0.3	0.1	0.0	-0.5	-0.2	-0.1			MoF
Government debt (national def.-mil. SRD)	78.6	109.0	116.5	122.2	121.5	122.2	125.9	125.4	127.0	126.9	127.8	124.1	SDMO
Debt to central bank (mil. SRD)	11.3	11.2	11.2	11.3	11.1	11.1	11.2	11.0	11.2	10.1	10.1	9.3	SDMO
Domestic debt to banking sector (mil. USD)***	5.6	5.8	6.1	6.3	6.0	5.9	5.9	5.8	5.7	5.6	5.0	4.4	SDMO
Effective debt (intern. Def. mil. USD)	3.3	3.2	3.2	3.3	3.2	3.3	3.3	3.3	3.3	3.3	3.4	3.4	SDMO
External debt (mil. USD)	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.6	2.6	SDMO
Domestic debt (mil. USD)	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	SDMO
Government debt (National def,)-GDP ratio	88	122	130	137	136	137	141	140	142	142	143	139	SDMO
Disbursements on external debt (mil,USD))	4.9	0.1	7.8	3.2	1.8	40.7	8.6	7.5	39.6	22.7	17.5	213.5	SDMO
Tot. Debt service paym. (mil. USD)	18.1	9.7	7.4	8.8	22.0	17.3	16.7	6.0	6.9	44.3	27.9	58.9	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 2020-2022 are prelimenary 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.

<u>Explanation of certain terms:</u>

1. Government overall balance is government income minus expenditures. 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. Primary government balance is the financing balance excluding interest payments on government debts. The primary balance indicates the extent to which policy contributes to the accumulation of new debts, without taking into account payments on old debts.
3. The difference between the effective and statutory national debt is the exchange rate used to convert foreign currency debts into SRD. In compiling the statutory debt, foreign currency debts must be converted into SRD at the year-end exchange rate of the last published GDP by the ABS. In the calculation of the effective debt, which is based on the international debt definition, the exchange rate at the time the debt is incurred is used. The National Debt Act was brought in line with international standards in its last amendment in March 2023.
4. The effective debt-GDP ratio is calculated based on the GDP (projection) of the respective year, while the total Central Government National debt-GDP ratio is based on the latest GDP figure from the ABS.