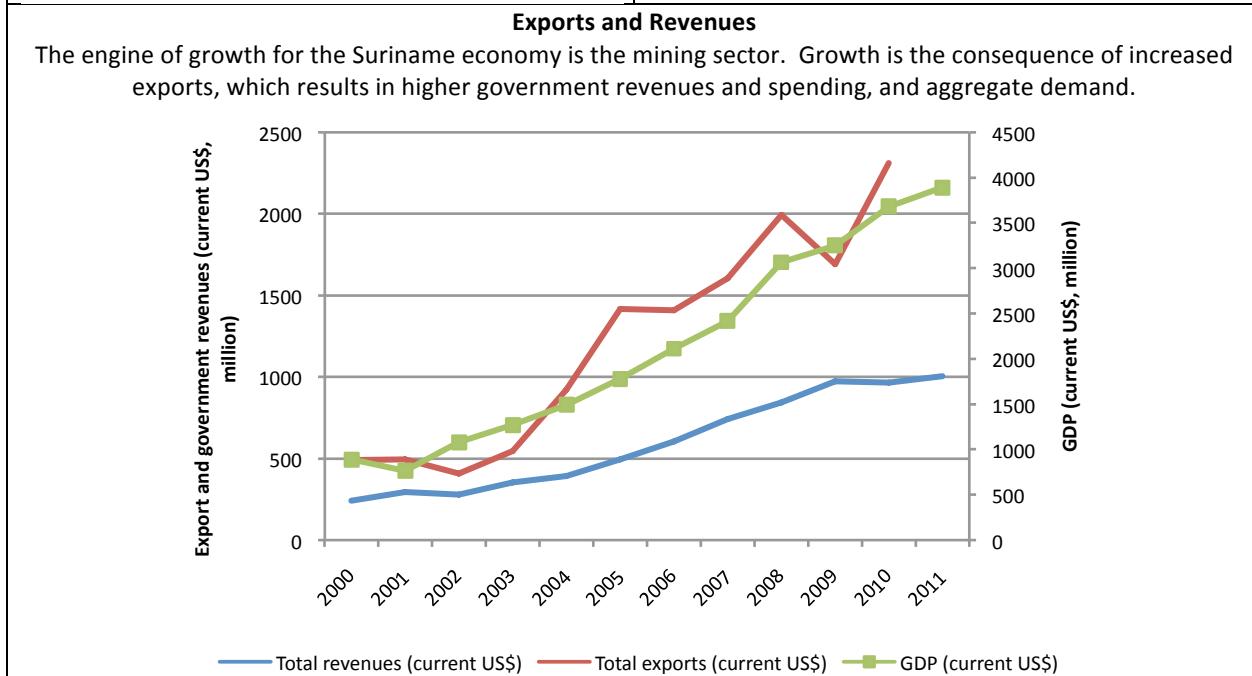
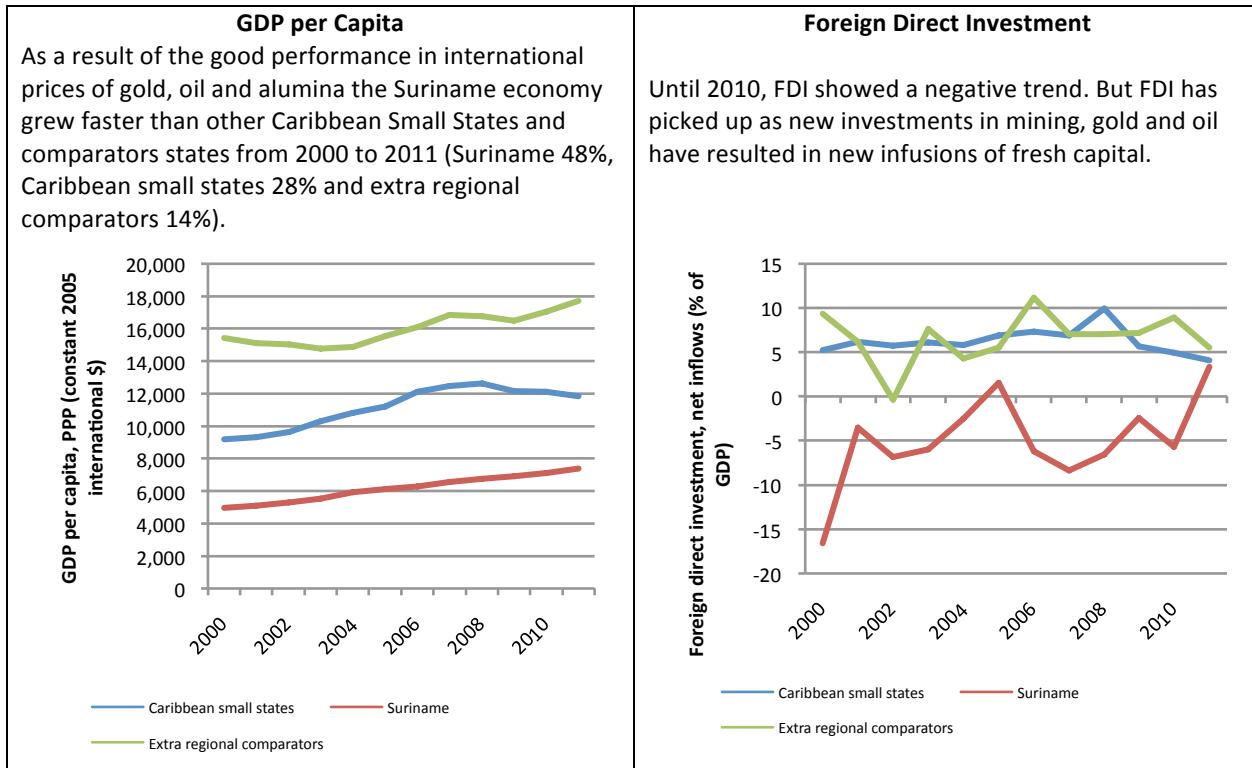
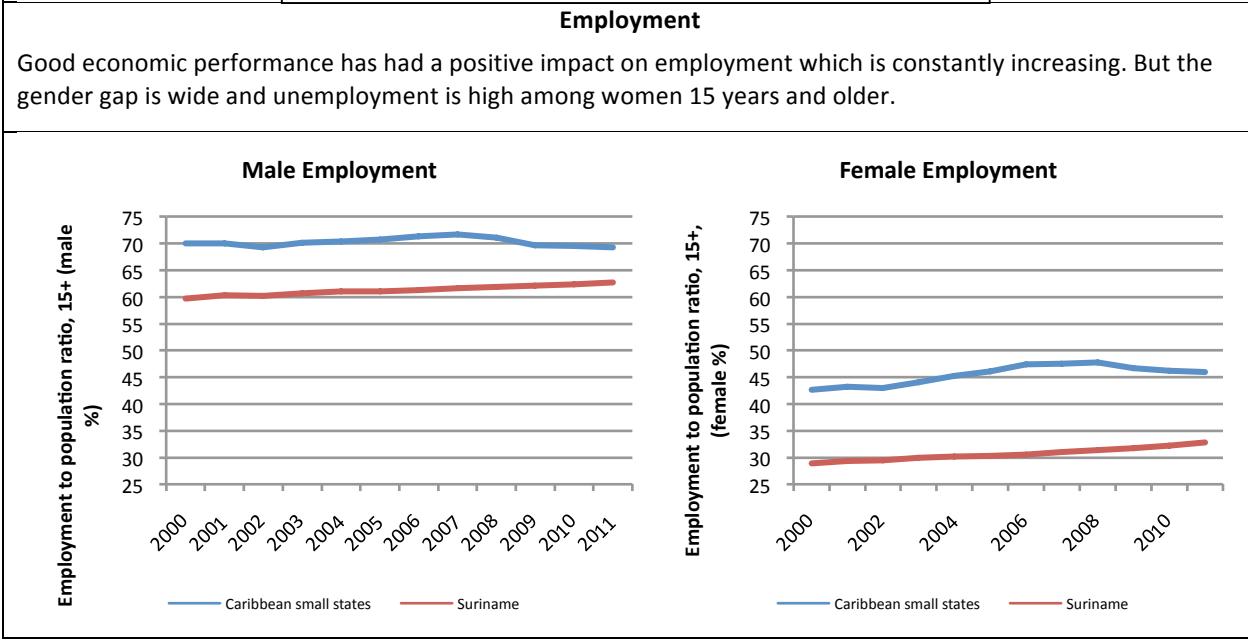
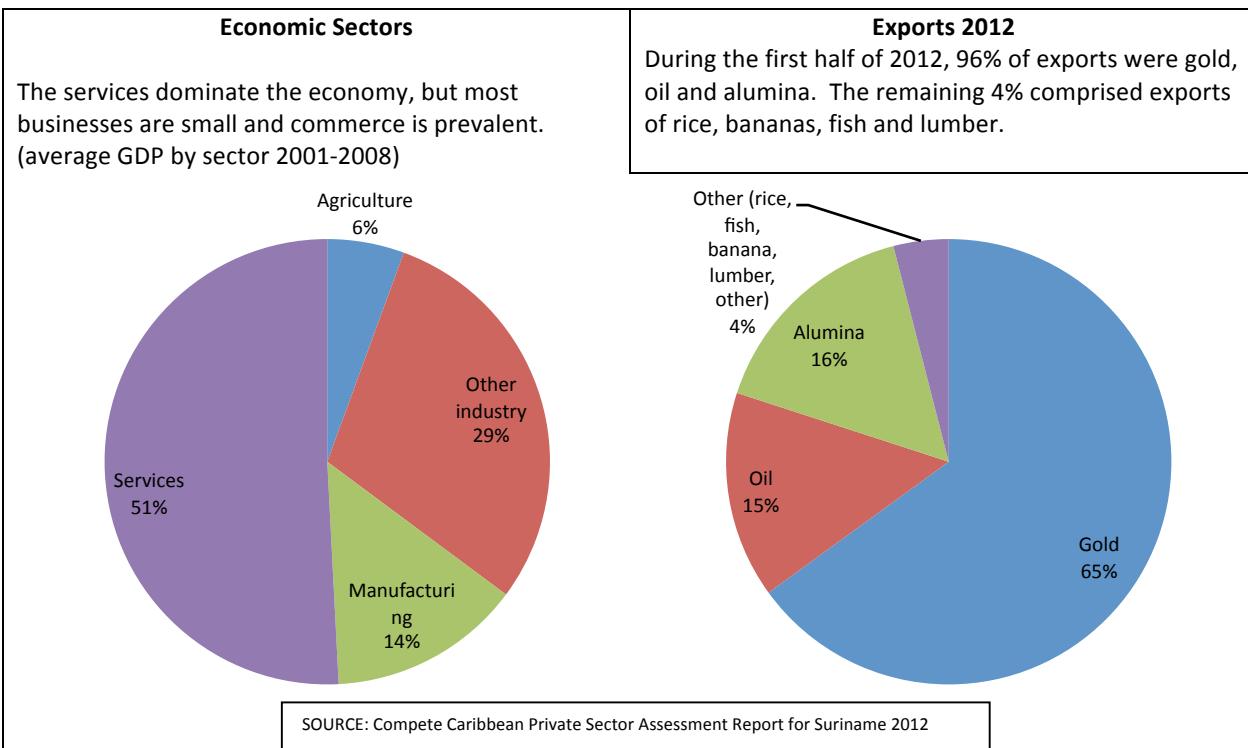


A Snap-Shot of the Private Sector In Suriname 2013



***Caribbean small states aggregate:** includes Antigua and Barbuda, The Bahamas, Barbados, Belize, Guyana, Suriname, Dominica, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago.

****Extra-regional comparators** are Seychelles, Palau, Malta and Mauritius



Opportunities to accelerate private sector growth

The main challenge for private sector growth and development in Suriname is the need for a business environment which can better facilitate the creation and growth of private sector enterprises. The public sector is large, employing over 50% of total employment, and it participates in many sectors in the economy, including financial services, transport, and agriculture. From a sector perspective, mining is the main engine of economic growth the government depends on revenues from this sector to fund public sector expenditure. As a result, the country grows when prices of gold, oil and bauxite increase and the wealth from this sector is transmitted to the rest of the economy through public spending.

<p>The largest and fast growing sectors</p> <ul style="list-style-type: none"> Mining—oil, gold and alumina—dominate the economy and contribute on average over 95% of exports and 1/3 of government revenues. The mining sector is dominated by large multinational corporations - Iamgold, Newmont Suparna Gold Corp in gold and Alcoa's subsidiary Suralco in bauxite, with increasing interest in investing in oil that is managed by the public oil company Staatsolie that is granting offshore exploration rights to multinational oil companies including Repsol The domestic economy is focused on mostly non-tradable goods and services, most notably in commerce. The larger private businesses specialize in selling goods and services to government, especially in the construction sector, or in importing goods from abroad for domestic consumption or investment Tourism is a fast growing sector and there is a focus on developing specific geographical tourism clusters. Given the natural endowment of the country, there is ample room for diversifying exports. Sectors identified for expansion include forestry; consumer products such as computers, cell phones and related equipment, home appliances, electronic gaming; agriculture (fish/shrimp, rice, palm oil); and construction. 	<p>The challenges of the business climate</p> <ul style="list-style-type: none"> The private sector identified several challenges in doing business in Suriname including the time required to start a business, the impact of rules on foreign direct investment on businesses, and the burden of customs procedures. One of the main issues is a complicated licensing and permit systems which require numerous approval stages, as well as complex regulations which tend to hamper investments. Registration of companies has improved and it takes a lot less time now, in 2013, than it did in 2003. <p>According to the World Bank/IFC Enterprise Survey (2010) the four most significant challenges for doing business in Suriname include: inadequately educated workforce, customs and trade regulations, access to finance and corruption. Trading across borders is problematic. The World Bank/IFC Doing Business Report notes that 8 documents are required for exporting one container; it takes 25 days to export, and costs US\$995 per container.</p> <ul style="list-style-type: none"> Due to history, the legal system, language, and business practices, Suriname companies tend to have limited ties with regional private companies and rely on their European traditional business partners over their regional neighbors—for example exports from Suriname to Brazil represent less than 1% of total exports.
<p>Government priorities as identified by government</p> <p>Recent improvements in macroeconomic management have resulted in positive reviews from credit rating agencies which highlight efforts to eliminate old debt in arrears, and also note the low level of debt in the country. Government priorities for private sector development are articulated by the Suriname Business Forum (SBF) – a public-private body which represents a wide variety of sectors including the Chamber of Commerce (KKF), the Suriname Trade and Industry Association (VSB), the Ministry of Finance, the Manufacturers Association of Suriname (ASFA), the Ministry of Trade and Industry, the Ministry of Justice and Police, the Ministry of Agriculture, Animal Husbandry and Fisheries, the Anton de Kom University (ADEK), the Council of Trade Federations in Suriname (RAVAKSUR), and the Women's Business Group.</p> <p>The SBF has prepared a PSD strategy with the following pillars: foreign direct investment, competitiveness, new growth areas, public/private dialogue, legal framework, and business development services. The strategy identifies 88 non-prioritized activities in these pillars.</p>	<p>Priorities actions to expand business as identified in the Compete Caribbean Private Sector Assessment Report (2012)</p> <ul style="list-style-type: none"> Access to finance - Develop leasing and factoring services to be provided by the banking sector. Create registries for movable property to promote secured transactions. Implement a Suriname credit bureau – to assist in the service of assessing risk of individuals and companies, therefore facilitating the reviewing process and pricing of bank loans applications of individuals and firms. Continue to improve credit ratings to reach investment grade and facilitate external finance of the private sector. This is not an unrealistic goal given Suriname's low level of public sector debt—about 20% of GDP, and its composition, which is almost equally denominated in SRD and foreign currency. Already, since August 2012, S&P, Fitch, and Moody's upgraded Suriname's long-term foreign-currency rating to BB-, B+ and Ba3, respectively. Facilitate domestic and foreign investment by modifying current legislation that limits investment. Approval of a new law which has been developed to replace the existing 2001 investment law.