

# SURINAME



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## Attaining new heights in sustainable development

*Suriname is investing in its future and strengthening its regional relationships*



Desiré Delano Bouterse, President of Suriname.

By **KATRINA LAMB**

### A Social Contract to Fulfill

Suriname is a country of striking human diversity: a country where musical traditions of Java and India, age-old rhythms of Ghana, poems of indigenous folk tales and the prayers of Jews and Muslims alike blend into a surprisingly harmonious national voice. This diversity is at the heart of a vision of human dignity and equality, which in turn drives a national commitment to develop and implement socio-economic policies in which the welfare of the individual human being is paramount.

The Government of Suriname, under the leadership of President Desiré Delano Bouterse, has embarked on a strategy for national and regional development to fulfill what it sees as a social contract with each and every Surinamese citizen.

"We are guided by the belief that human-centered development advances the

creation of a just society," says President Bouterse. "Economic policies should lead to long-term social development, and for this to happen we need to invest in priority areas such as health, education, housing and the security of the environment." In recent years legislative initiatives and programs on national health insurance, pensions, affordable housing and universal access to primary education provide tangible examples of the Government's commitment to its social contract.

### An Influential Regional Presence

While focusing on its own national development, Suriname is also actively improving its ties with regional neighbors. President Bouterse currently sits as Chairman of UNASUR, the Union of South American Nations, and has used this position to promote and contribute to regional cooperation in areas such as natural resources, the strengthening of democratic institutions and the establishment of South America as a nuclear weapons-free zone.

Succeeding in these initiatives is not without challenges, as Mr. Bouterse notes: "We do encounter challenges in getting all our partner Member States to a common view. As an organization we try to overcome differences by building

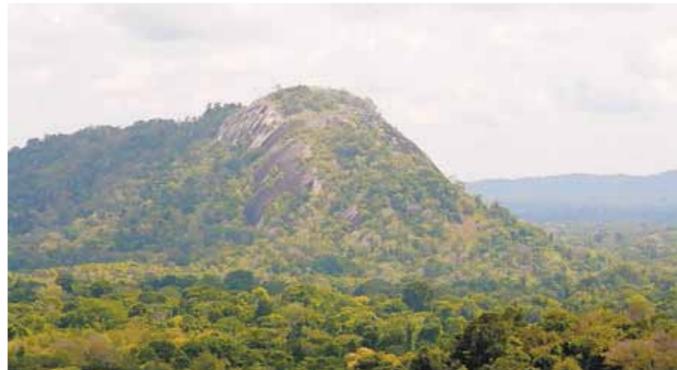


Photo: Courtesy Government of Suriname

Environmental sustainability is a matter of utmost importance for Suriname, where more than 90 percent of the country is covered by rainforest.

a dialogue around democratic principles and a shared vision of our joint future."

Here again Suriname is able to draw from its own national experience to serve as an example of how diversity can be a strength and differences celebrated. "Respect for each other's differences and tolerance are the guiding forces in our development," says President Bouterse. "I am very proud on behalf of Suriname

that we are not only able to chair the organization, but also to share some of our virtues with the rest of the continent."

Suriname's geography places it not just in South America but also as a presence in the Caribbean, and it sees itself as playing an important role linking these two regions. In addition to UNASUR,

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## Managing economic growth through financial stability

By **KATRINA LAMB**

Suriname's economic trajectory for the past ten years boasts impressive headline numbers. Per capita GDP has risen from about \$4,500 in 2005 to a projected \$10,200 for 2014, while year-on-year inflation as of June 2014 was just 2.2 percent. The country's strong track record and favorable intermediate term growth prospects, led by development opportunities in the natural resources sector as well as increased diversity in the revenue base, have raised Suriname's global credit standing. Both Moody's and Standard & Poor's, the leading international rating agencies, have raised their credit ratings for Suriname four times in the past seven years (currently Ba3/BB-).

Suriname's economic and financial policymakers, however, are anything but complacent in assessing their environment. "The period from 2000 to 2010 was characterized by stability-oriented policies," says Gillmore Hoefdraad, Governor of the Central Bank of Suriname (CBvS). "But since 2010 our policies



Gillmore Hoefdraad, Governor of Central Bank.

have been characterized by a stronger focus on reform."

Charged with the responsibility of being Suriname's monetary authority and guardian of its financial system, the Central Bank is a key driving force in the country's growth. It sees stability-oriented reforms as inherently necessary for an economy increasingly intertwined with global trade and capital markets. "We have to address the challenges

posed by changes in the global financial system and the increasing complexity of our own system, and its linkages to the world," according to Governor Hoefdraad.

A key aspect of financial stability is the health, strength and transparency of the intermediaries which facilitate financial flows between public and private sector lenders and borrowers. Commercial banks have traditionally been the major players in Suriname's financial system, currently managing about 70 percent of the country's total financial assets.

In 2011 the CBvS promulgated legislation, through a new Banking and Credit Supervision Act, aiming to bring Suriname up to international best practices in key areas such as minimum capital requirements, risk-asset classification, provisioning for non-performing loans, exposure concentrations and insider activities. While risk-adjusted capital adequacy ratios for Suriname's banking system are above the prevailing international minimum level of eight percent, the Central Bank is using the new

legislation as a means to bring adequacy levels higher still.

Alongside these measures, CBvS Governor Hoefdraad notes that the Bank has adopted a risk-based approach to its supervision activities. "We are conducting more intensive onsite examinations and offsite monitoring geared to the trend and level of perceived risk in each bank's activity," he says. The Bank is using the Basel Core Principles for Effective Banking Supervision as guidance for managing liquidity, market, operational and other key risks faced by financial institutions. This guidance extends as well to stricter standards of corporate governance, such as new "fit and proper" standards by which to evaluate significant owners, directors and management.

Despite the traditional dominance of the commercial banking sector, non-bank intermediaries such as pension funds, insurance providers and investment companies have been gaining recently in their share of the total pie. "We welcome the financial deepening brought about by the increase in activity by these institutions and the resulting greater availability of financial services for the Surinamese population," Governor Hoefdraad says.

Anticipating this continued growth, and in the interest of protecting the interests of the public as they become

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## Suriname calls for action at U.N. Climate Summit

By **P.D. PAULIN**

Addressing the United Nations Climate Change Summit 2014, Suriname pledged that it would continue embracing its green policies, and called on the world's community to join the battle against global warming.

"Suriname is reaffirming its commitment to the world today to keep absorbing more carbon than we generate," said Suriname's Minister of Public Works, Rabin Parmessar, at the Summit held in the Halls of the United Nations.

Organized to galvanize initiatives against climate change, last month's summit gave Suriname an opportunity to showcase its green policies and, more importantly, to issue a sober warning about the potentially calamitous impact of climate change. It was attended by President Obama and more than 100 Heads of State.

Situated on the northeast coast of South America, the country is covered with vast and pristine rain-forests and rivers. Their protection is a national priority. Thanks to those forests, Suriname absorbs more carbon than it produces from burning fossil fuels; and so it plays an important role in combating global warming.

"Suriname is providing a key ecosystem service to the planet and the global community," noted Parmessar.

"Our forests annually absorb 8.8 million tons of carbon while our annual emissions are 7 million tons of carbon," he explained, adding: "While many countries are striving towards becoming carbon neutral, our current development path has already made us carbon negative."

Parmessar's address came as the World Bank released a major Declaration, signed by more than 1,000 businesses and 74 nations, that would set global prices on carbon emissions. The U.S. has yet to sign, though it is a major producer of carbon.

Potentially, the agreement would translate into financial incentives for nations like Suriname, whose green policies are helping to combat climate change, but whose environment and economy, conversely, would be wrecked if global-warming trends continue.

Referring to the worst climate-change scenario for Suriname, Parmessar explained that, "The current atmospheric levels of carbon - at more than 400 parts per million - have placed Suriname

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Photo: Courtesy Wilderness Explorers

The Arya Dewaker Hindu Temple in Paramaribo.

## A mosaic of cultural and religious diversity

By **KATRINA LAMB**

Suriname is a country of exceptional ethnic and religious diversity: a diversity, which, through the exercise of tolerance and co-existence, has become a national strength. It is a strength born out of hardship.

For many years the Dutch operated a plantation system that repatriated large-scale profits back to the Netherlands, leaving behind scars of

enormous cruelty. The slave trade brought a large number of Africans to the Dutch plantation colony from, among others, Ghana. Slavery was abolished in 1873, but plantation owners replaced their involuntary workforce with indentured laborers from Indonesia (Java), India and China. Meanwhile, runaway slaves, - Maroons, as they became known - fled into the

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# Suriname pledges to stay 'green' as it ramps up its mining and oil industries

Photo: Courtesy Government of Suriname

Aerial view from Voltzberg, in the heart of the Central Suriname Nature Reserve. Suriname's goal is to use extra revenues from oil and minerals to develop more sustainable industries in the long-term: agriculture, forestry, fisheries, tourism and eco-services.

By P.D. PAULIN

Suriname prides itself on being the "greenest" country on Earth and it intends to stay green as it ramps up its oil and mining industries, say government officials.

Famous for its pristine rainforest and rivers, resource-rich Suriname is welcoming foreign direct investment to ramp up its oil and mining industries; they account for more than 40 percent of GDP and some 94 percent of export revenue. The goal is to use extra revenues from oil and mining (gold mining in particular) to develop sectors seen as more sustainable and appropriate in the long-term, namely: agriculture, forestry, fisheries, tourism and services. Those extra revenues also will fund improvements in among others education, health care and housing in the currently upper middle-income country.

The four-year-old government of President Desiré Bouterse has a "socially motivated agenda" and considers these policies vital to the South American nation's long-term sustainable development path, explained Minister of Natural Resources Jim Hok.

Referring to potential conflicts between long-standing environmental

## Striking a balance between growth and environmental responsibility

policies and development, the Minister of Natural Resources Jim Hok stated: "We are working to maintain a balance." Suriname currently has dedicated 13.7% of its surface to conservation in order to protect headwaters, biodiversity and key ecosystem services.

There are good reasons for moving ahead cautiously. Suriname has a land mass of 63,000-square miles -- about the size of Florida -- and is a naturalist's paradise. It is South America's smallest sovereign country - yet it has up to eight percent of the world's pristine tropical forests, and its rivers carry about 10 percent of the fresh water of rivers worldwide.

Rainforests like Suriname's also play an important role in keeping the global ecosystem healthy; they absorb carbon dioxide from man-made activities and produce breathable oxygen. These absorbed greenhouse gases contribute to global warming, a phenomena that could cause havoc in low-lying coastal nations like Suriname.

Suriname has environmentally friendly policies, which now prove

to be instrumental to combat rising temperatures. Suriname's diplomats, both in the United Nations and other venues, have issued clarion calls to combat climate change; Suriname has 239 miles of low-lying coastline. "Suriname is listed as one of the seven most vulnerable countries in respect to climate change induced sea-level rise," noted Rabindre Parmessar, Suriname's Minister of Public Works, at last month's UN Climate Summit in New York.

If global temperatures keep rising, Suriname could suffer the negative effects of climate change in as little as 15 years; and rising sea-levels would be disastrous for our low-lying coastal area, Parmessar said. "This means that Paramaribo - Suriname's capital of which the Inner City has been proclaimed as a UNESCO World Heritage Site -- would most likely disappear, unless we spend an inordinate amount of our current and future GDP to protect ourselves against the inevitable impacts of sea-level rise." In this regard, Suriname has already built embankments on Paramaribo's river

shores to protect its capital, where 40 percent of its inhabitants live.

Acutely aware of these worst-case scenarios, Suriname's officials have embraced an international mechanism designed to reduce greenhouse gases. It does this by stopping the destruction of rainforests, and hence the mechanism's acronym: REDD+ which stands for "Reducing Emissions from Deforestation and Forest Degradation." Created by the United Nations Framework Convention on Climate Change (UNFCCC), the objectives of REDD+ are to combat climate change with rules for the responsible management of forests in developing countries.

Even as Suriname ramps up mining and oil production, it has pledged to continue adhering to REDD+, which it regards as an important tool for sustainable development and a planning mechanism for the responsible use of its natural resources. "The development of Suriname's REDD+ strategy is currently in full swing, and will be brought about by an inclusive, participatory process that respects the traditions, livelihoods and cultures of

her rich and diverse population," said Cedric Nelom, Acting Director of the National Institute for Environment and Development (NIMOS), who is currently managing the REDD+ program in Suriname.

Protecting Suriname's rainforest also plays an important role in combating climate change. "The Surinamese forests are currently absorbing more carbon dioxide than the country is emitting, effectively making Suriname one of the few carbon negative countries in the world," he said.

Regarding its abundance of fresh water, Suriname also is "seriously looking" for ways to provide fresh water to Caribbean countries suffering shortages of fresh water, John Goedschalk, Advisor to the President on environment, noted. Ideally, exporting fresh water would diversify Suriname's economy and benefit water-scarce countries by reducing their dependence on importing bottled water and operating desalination plants powered by carbon-producing fuels - activities that "suppress development" because of their high costs and negative environmental impact, Goedschalk said.

He added, "We are moving forward and are striving to do all that we can locally to ensure that we do in fact remain the greenest country on Earth."

## NEW HEIGHTS

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Suriname is also a member of CARICOM, the Caribbean Community, and fully engaged in betterment initiatives with its neighbors to the north. Initiatives such as development of air and sea ports and CARICOM Enterprises - a project to collectively use natural resources - offer potential ways to achieve national development goals for Suriname and its partners.

### "The Greenest Country on Earth"

Environmental sustainability is a matter of utmost importance for Suriname, where more than 90 percent of the country is covered by rainforest. From an early stage Suriname realized that it would have to be diligent in pursuing policies that balance economic development with protection of the environment. Securing land as nature reserves is one approach; currently over 11 percent of the territory belongs to nature reserves, including the Central Suriname Nature Reserve which sits in the heart of the interior country.

Currently the Government is working on a program to 'Reduce Emissions from Deforestation and Forest Degradation' (REDD+) with the Forest Carbon Partnership Facility to evaluate the potential for expanding rainforest conservation areas.

At the same time, natural resources are a source of wealth and well-being for Suriname, so there must be a balance between conservation and resource development. "Our abundant natural resources, such as bauxite, gold and diamonds, contribute to economic growth and a more diverse, balanced economy," says President Bouterse. To that end he notes the signing last year of two multi-million dollar gold contracts, with IAMGOLD Corp. and Newmont Mining Corporation, and the increased pace of development in Suriname's oil industry. "Commerce is growing and our ports

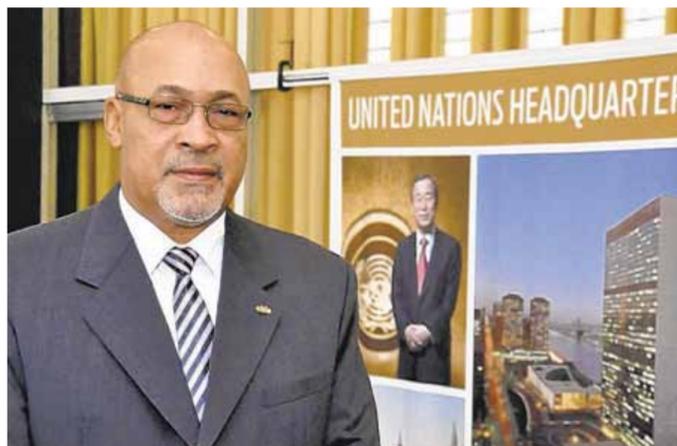


Photo: Courtesy Government of Suriname

President Bouterse at the United Nations



Photo: Courtesy Government of Suriname

The Government negotiated price caps for a package of daily basic needs products as part of the Social Contract.

are busier than ever," says Mr. Bouterse. "But we have to conduct this business in a way that safeguards and protects our precious natural ecosystems."

### Opportunities for Trade and Investment

Not surprisingly, the abundance in

natural resources has put Suriname on the global map for investment, trade and partnership opportunities. Other geographic features also enhance the country's desirability as a partner in commerce. Suriname sits on a major sea and air transit route connecting South and North America. The capital

city of Paramaribo is the closest South American capital to Europe and Africa. An open, transparent approach supported by business-friendly policies and regulations has resulted in a number of strategic partnerships between Suriname and international private and public sector enterprises.

For example the Newmont Mining Corp. project has a multi-year time frame and makes the United States the largest foreign direct investor in Suriname. Canada and Dubai are also major sources of FDI. A partnership with Dubai's DP World to upgrade the quality of Paramaribo's sea port led to that port winning the Caribbean Shipping Association (CSA) Port Award three years in a row. And one of the fastest-growing sectors - offshore oil exploration and development - is being spearheaded by Suriname's own state-owned oil company, Staatsolie NV.

Diversification of Suriname's economic base is something the Government sees as a high priority for the coming years. "Our focus on developing our non-renewable natural resources potential now is strategic in nature: it provides the means by which we can invest and develop the sustainable sectors of the economy like agriculture, tourism and services," says President Bouterse. "The supply of energy for the expansion of industries and consumption of our growing population that should accompany such development, is therefore also of strategic importance for our socio-economic growth. Open sky agreements, including one recently concluded with the United States, improved port facilities and other means of upgrading connectivity with the rest of the world are all part of our long term goal of prosperity and well-being through diverse, sustainable economic channels."

### Building a National Infrastructure

Part of improving the standard of living is increased investment in public infrastructure. That challenge is compounded by a geography dominated by vast stretches of rainforest. Over 90 percent of Suriname's economic activity is concentrated in the coastal area around

the capital city. President Bouterse and his Government see this as changing; indeed, much of the continuing build-out in affordable housing is taking place further and further away from the city center, including heavily forested areas. This build-out has to be supported by modern roads, utilities pipelines and communications networks. The Government is actively promoting infrastructure development in these areas and facilitating jobs growth in previously uninhabited territory.

Another initiative currently under way is the improvements of Suriname's road connections with its geographic neighbors: Guyana to the west, French Guyana to the east and - eventually and perhaps most auspiciously - Brazil to the south. Improved transportation links could lead to new opportunities to develop yet-untapped resources.

"Since we came into office my Government and I have promised the people of Suriname that we would live up to our social contract to improve their lives through meaningful gains in the standard of living," says President Bouterse. "Infrastructure is a necessary means to this end, and we will continue to invest in it."

President Bouterse hopes that more people from other nations will come to experience for themselves the uniqueness of Suriname and the benefits of its model of inclusive development. "Visitors to our country do indeed tell us that it was a unique experience for them," Mr. Bouterse says. "They are impressed by our pristine rainforests, the hospitality of our people and, most significantly, the diversity and peaceful co-existence they encounter at so many levels - ethnic, religious, culinary and so on. These are strong assets we want to maintain, nurture and grow for the benefit of our future and the future of the generations to come. To that end, sustainable and inclusive development is not just a phrase for us. It is a deep-seated commitment at the heart of everything we - as a Government and as a people - do to improve our lives and those of our neighbors."

# Small states speak with moral authority

*U.N. and regional groups vital to Suriname's development, says Suriname U.N. Representative Henry Leonard Mac Donald*

By P.D. PAULIN

Like the proverbial canary in the coal mine, small and developing coastal nations and island-states are singularly qualified to identify the world's problems – and help mobilize solutions. They are, after all, leading clarion calls about the negative impacts of climate change; and when beset by social ills, they suffer more profoundly than rich and more resilient countries suffering those same problems. Their experiences serve as a warning siren to developed nations.

These small states thus speak with a distinctive moral authority when identifying and shaping solutions to global problems. That message was delivered earlier this month by Henry Leonard Mac Donald, Suriname's permanent representative to the United Nations, during the Third International Conference on Small Island Developing States in Apia, Samoa. Small nations like Suriname, he observed, are "highly important to the global community," because they "function as microcosms of global phenomena."

Suriname is one of 52 members of the Small Island Development States (SIDS) – a group recognized in June, 1992, by the United Nations Conference on Environment and Development. Though not an island, Suriname is similarly affected by a low-lying coastline and its accompanying challenges.

Situated on South America's northeastern coast, the country of 570,000 is bordered by French Guiana to the East, Guyana to the West, and Brazil to the South. The former Dutch colony has a land mass of 64,000 square miles, making it slightly larger than the U.S. state of Georgia. It is South America's smallest country.



Photo: Courtesy Government of Suriname

Suriname plays an active role in the United Nations and other regional and international bodies, such as UNASUR and CARICOM.

Today, Suriname's political leaders and diplomats are working to overcome similar challenges unique to small island-nations – low-lying coastal areas; small economies; and vulnerable ecosystems. Recently, Suriname has cautiously ramped up gold and oil production with an eye toward using revenues from those enterprises to boost social development and to eventually transition to a more sustainable economy revolving around industries like agriculture, forestry, fisheries, services and tourism.

Mac Donald, during an interview, explained that

Suriname's development strategy revolves around a human-centered policy. At home, Suriname has launched programs to improve education and health care and provide more housing, in addition to improving the legal framework for social benefits.

Above all, it is seeking to get the most out of foreign direct investment and trade for its strategic sectors. To do this, Mac Donald and other emissaries play active roles in United Nations and other regional and international bodies. Suriname is particularly focused on the Union of South American

Nations (UNASUR) and the Caribbean Community (CARICOM), and its representatives have supported its strengthening during stints as chairperson.

Mac Donald said his Surinamese heritage has served him well when engaged in "consensus building" in regional and international bodies; or as he explained: "As the Representative of a relatively small, Dutch-speaking, multicultural and religious country in South America with a Caribbean history, it's rather easy for me and the staff at the Mission to intimately connect with colleagues from all over the world. I view multilateral diplomacy as important vehicle for small states to be successful in international negotiations; consequently, consensus building is my main focus and the most important goal of my work."

In advancing "South-South cooperation," Mac Donald said that he anticipates a busy agenda during the next 12 months, including to help call international attention to the critical areas of concern of the Fourth Conference on Women (the Beijing Declaration and Platform for Action).

At the same time, he expressed pride that CARICOM was instrumental in spurring the United Nations to adopt a landmark General Assembly resolution on the Prevention and Control of Non Communicable Diseases. The resolution will marshal resources to fight heart disease, strokes, many cancers, and diabetes, among others. They are among the biggest killers in the Caribbean, yet Mac Donald noted that combating the diseases was not addressed in the U.N.'s Millennium Development Goals.

Said Mac Donald: "Suriname is a proud member of the United Nations communities and we are eager to share our virtues of peaceful co-existence in multicultural diversity with the world."

## Indigenous people redefine conservation

### *South Suriname Conservation Corridor engages local communities*

Suriname, nestled on the northeastern coast of South America, is a small country with huge conservation ambitions. It sits atop the ancient Guiana Shield formation which stores approximately 10-15 percent of the global freshwater supply and which is covered with rich Amazonian rainforest.

Recognizing the global importance of these resources, Conservation International (CI), the World Wildlife Fund (WWF) and the Amazon Conservation Team (ACT) are working towards a broader understanding of how indigenous people view conservation.

"If we take note that the indigenous people have been able to live in and with the forests for centuries, then we would be foolish not to listen and learn from our first inhabitants of Suriname," says CI Suriname Country Director, John Goedschalk. He goes on to explain, "They have shown us they know how to preserve the forest, while using it for shelter, food, water and cultural activities."

A multidisciplinary team, spearheaded by social scientists, travelled to indigenous villages across the South, which are only accessible by canoe or small plane. There they were able to engage in discussions with communities about what the global term 'conservation' means to them, how they describe their relationship with the environment and how they envision a sustainable future.

With the help of interactive tools provided by the team, community leaders were able to lead



Indigenous girl in Apoera (West-Suriname) studies a plant.

local discussions about sustainable development in their own languages.

As a part of this process, communities were able to map different habitats and indicate the whereabouts of self-defined important areas including villages, hunting and fishing areas,



Photos: Courtesy Government of Suriname

The engagement with communities is a critical element of the South Suriname Project, and it is well underway with community meetings in six villages in southern Suriname.

agricultural lands, locations for extraction of traditional medicines, logging, cemeteries and cultural activities. Moreover, the villagers could share their fears and name the most important threats to their traditional ways of living.

Laurens Gomes, Country Manager for WWF Guianas, explains, "Indigenous people believe they borrow the land from their grandchildren. In fact, we, as a country, ought to be doing the same. This government has a serious focus on trying to preserve important parts of our forests and protect our river's headwaters, and so I am confident we will find a Surinamese way to deal with conservation in the interest of all our peoples."

The engagement with communities is a critical element of a broader South Suriname Project to do just that and with the eventual aim of safeguarding the headwaters of Suriname's most important rivers. The project is already well underway with local community meetings in six different villages in the South taking place. At the same time, people in the more-populated coastal area, including civil society, the business community and government,



The eventual aim of the South Suriname Project is to safeguarding the headwaters of Suriname's most important rivers.

are being engaged in discussions, trying to create common ground for each other's views to forge agreement on future steps.

"We are a small nation of only 542,000 people, we know our indigenous peoples were here first and there is a general respect towards their traditional ways of living. But at the same time our country is rapidly evolving," says John Goedschalk.

Suriname's largest industries are gold mining and oil refining, constituting around 36 percent of the government's annual budget. "But this must be considered as short term revenue, we need to be learning how to take care of our next generations. I think indigenous knowledge and experience combined with research, will hand us the key towards an inclusive and effective conservation policy that balances the need for economic growth with the desire to retain our natural heritage."

The South Suriname Project is undertaking research to identify the critical headwaters, to better understand freshwater production, distribution and demand as well as the threats of land use and climate change on Suriname's fresh water system.

The ultimate goal is to make a compelling case to have approximately 2 million hectares of pristine tropical forest (an area roughly the size of New Jersey), and the headwaters of Suriname's rivers, formally protected. This area will act as a conservation corridor linking up with protected areas in neighboring Brazil and French Guiana. Moreover, the team is developing a financial mechanism to allow this long-term conservation effort to be self-supporting.

Said Laurens Gomes, "Water is life and our goal is to protect the nation's water, land and forests for the benefit of all the peoples of Suriname and for the good of their children, and the world."

## U.S. Ambassador upbeat about Suriname's business opportunities

### *Mining is fastest-growing sector*

By P.D. PAULIN

Suriname has embarked on an ambitious development program – and it is welcoming foreign direct investment to pay for it. U.S. companies will find a business-friendly climate in the tiny and resource-rich nation, situated on the northeast corner of South America.

"Mining is Suriname's fastest growing sector, but several U.S. firms are currently conducting offshore oil exploration, with drilling likely in 2015," observed U.S. Ambassador to Suriname Jay N. Anania. "Agriculture offers additional opportunities, and Suriname's government encourages foreign investment in this and other commercial sectors."

Anania, a veteran foreign service officer, noted that the U.S. Embassy's website provides advice on doing business in Suriname. "Companies can also request a meeting with the embassy to discuss investment plans, and the embassy advocates on behalf of U.S. firms doing business in Suriname," he said.

A new U.S. Embassy building costing \$164

million is now under construction in Paramaribo, the capital whose population is 250,000. The construction is part of routine plans in the State Department's embassy replacement program.

As for traveling to Suriname, Anania noted a recent Open Skies agreement should improve travel between the United States and Suriname, thereby improving trade and tourism links. Currently, flights to Suriname depart from Miami and New York via Surinam Airways, Delta, Caribbean Airlines, Insel Air, and US Airways.

What is life like for an expatriate businessman in Suriname, a former Dutch colony where English is widely spoken? "Expat businessmen will find life in Suriname comparable to other middle income developing countries," said Anania.

"The people of Suriname are notably friendly, and life in Paramaribo is generally pleasant and relaxed. Suriname is one of the world's most ethnically and culturally diverse countries, and the large expanses of unspoiled rainforest offer numerous opportunities for nature lovers. Business and cultural ties to the U.S. are longstanding and positive."



Photo: Courtesy Government of Suriname

U.S. Ambassador Jay Anania (left) with Minister of Trade and Industry, Mr. Don Tosendjojo.



Jim Hok, Minister of Natural Resources

# Will development plans succeed?

*Minister of Natural Resources, Mr. Jim Hok, explains why Suriname will avoid the 'resource curse'*

socially motivated agenda that will use the wealth generated from the gold, oil and bauxite to invest in among others education, health care and housing.

**Suriname wants to ramp up mining and oil production – yet it also is committed to protecting its status as the world's "greenest" country and respecting indigenous and tribal people in its interior. Please explain how Suriname intends to stay "green" while developing its natural resources.**

We are convinced that Suriname's future is not in mining and oil but in more sustainable sectors like agriculture, forestry, fisheries, tourism and eco-services. But to develop these sustainable sectors, the government made a conscious decision to accelerate the development of mining and oil.

We are trying to maintain a balance. We have over 10 different tribes living in the rainforest. They have their villages, hunting areas and cultural places that we are committed to respect. We are also committed to preserve our primary tropical forest of which we are proud to be co-guardians. To protect this world heritage, we established the Central Suriname Nature Reserve, which is one of the biggest of its kind in the world with 1.6 million hectares. In total, we have preserved 13.7 percent of our total land surface. We are very proud that researchers still find new species of insects, fish and mammals in our protected areas

with IAMGOLD and Newmont, the government actively participates in the exploitation of its natural resources via state-owned companies. From the perspective of foreign investors, this a stabilizing factor. In the case of IAMGOLD, the government has a 30 percent participation in the project's expansion, and in the case of Newmont participation is 25 percent.

The State's participation in the exploitation of our own natural resources is an important issue in the policies of the current Government, because we believe that every Surinamese citizen should own a part of their country's wealth. So these are joint operations, with joint responsibilities.

**Suriname now has two large gold mines, and there is room for six more. But what about independent gold miners?**

"Currently, more than 20,000 people are directly or indirectly involved in the small-scale gold sector, and earnings from these small-scale gold miners are 60 percent of total gold earnings. The government established the Gold Sector Reform Commission to restore public order and reform this sector into a stable industry environment. Instead of fining or penalizing workers, the government made the choice to educate them first. As a result they at least have a chance to develop into a more sophisticated

By P.D. PAULIN

Suriname, a resource-rich and developing nation, has embarked on an ambitious long-range development plan. Foreign direct investment is being welcomed. The two most prospective sectors: minerals and oil. The four-year-old government of President Desiré Bouterse plans to boost revenues from those sectors - now 40 percent of GDP - and plow them into development projects that benefit the population of 542,000.

Specifically, extra revenues from mining will be used to boost quality-of-life indexes - including in education, health care, and housing, while simultaneously developing industries like agriculture, forestry, fisheries and tourism. Those industries are considered more sustainable than gold and oil and eventually more suitable to a tiny South American nation of vast and unspoiled rainforests and rivers. Suriname prides itself for its "green" policies. Two multinational gold-mining companies



Photo: Courtesy Wilderness Explorers

Suriname works to balance respect for the tribes living in the rainforest (villages, hunting areas, cultural places) with resource development and ecotourism. This lodge for tourists is well integrated into its environment.

are now involved in major joint ventures with the government: IAMGOLD Corporation of Toronto, and Newmont Mining Corporation of Greenwood Village, Colorado. Investments of \$1.1 billion are anticipated. Suriname estimates that there is enough gold for six more medium-sized or large gold mines and is currently establishing a medium-sized gold mine through its fully state-owned mining company, Grassalco.

As for oil, Suriname has 80 million barrels of proven reserves, much of it off-shore. Several U.S. firms are now involved in offshore exploration with drilling likely in 2015. Some of the biggest players are: California's Chevron, Houston-based Apache Corporation and Dallas-based Kosmos Energy, as are Norway's Statoil and Britain's Tullow Oil, who are implementing a joint off-shore exploration project, among others.

Will Suriname's development plans work? Other developing and resource-rich nations undertook similarly idealistic projects, yet achieved outcomes that were disappointing or abject failures. Why will Suriname succeed?

Minister of Natural Resources Jim Hok explains why in an interview.

The so-called "resource curse" or "paradox of plenty" has negatively affected more than a few developing countries, which had sought to use their rich natural resources to boost their economies. Their outcomes were often disappointing and even abject failures.

**What is Suriname doing differently to ensure that it wisely exploits its natural resources and, thus, meets its development goals for the benefit of all its citizens?**

Suriname is not known for having the world's biggest mineral reserves. What makes our mineral and oil sector attractive are other things - like political stability; an educated work force; a relatively good infrastructure; and a friendly climate in general. Plus, we are known for keeping our end of a bargain. This may explain why the U.S. multinational Alcoa has been in Suriname for almost one hundred years, and why Toronto-based IAMGOLD Corporation re-invested in its mining operation even though gold prices had declined.

A fair amount of the government's annual budget is made up of royalties and taxes from large investors in the gold-mining industry and our national oil company. This government has a

Our mining area, known as the Green Stonebelt, accounts for about 15 percent of our surface. This presumes we would use all of it for mining, which we of course would not do because part of our population and vulnerable ecosystems are there; and you won't mine effectively by just mining everywhere. So we need a balanced policy: where do we mine, and which areas do we protect and preserve?

**Has Suriname's effort to ramp up its oil and mining sector been done in a transparent manner?**

All agreements that the government makes with foreign investors are accessible to the National Assembly (Parliament) and the public. When contracts would extend beyond the provisions of the law, Parliament must be involved to amend the appropriate laws, which transpired, for example, for the recent large mining contracts. As a result, nationwide discussions and research take place to make sure that nobody is left out.

**How will the increase in mining activity translate into jobs and opportunities for ordinary people not working in the mines?**

In our recent mining contracts, the government negotiated a community fund that the companies will finance, and this allows a district manager to fund projects in local communities. As for jobs: local workers are hired; local entrepreneurs deliver agricultural products to mine workers; local transportation companies are utilized; and management positions are gradually transferred to people with Surinamese nationality. We try to educate our own people about how to open and own a mine that will be owned 100 percent by Suriname in the future.

One very good example of how government earnings promote social equality, may be found in recent Laws that Parliament approved to guarantee social security. The government ensured that minimum wages shall be paid to workers; that every worker should be insured against illness and hospitalization and that workers should be in the position to save for their pensions.

**Would you please discuss Suriname's agreements with IAMGOLD and Newmont, the two multinationals now operating the two biggest gold mines?**

As is evident in our recent Mineral Agreements

sector. We handed them the tools needed to create a prosperous future for themselves. And I mean this in terms of a financially savvy future, along with a healthy lifestyle in which they have respect for their environment.

One part of gold-sector reform was to get a better grip on small-scale production. To restore order to the sector and make sure it developed responsibly, the gold commission mapped all mining areas and made a database of miners and machines. They are educating people village by village, miner by miner, to inform them on how to work with waste water; how to explore more efficiently; and how to avoid working with mercury. Now, almost 3 years later, they have cleared an almost improbable job. They restored public order and brought government services closer to the miners. They made entrepreneurs out of these forgotten young Surinamese men that work hard searching for gold.

The royalties on small-scale production also were increased from 1 to 2 percent. Thanks to the registration process, the government can, for the first time, send tax forms to small-scale miners, concession-holders and machine owners to increase its income. In 2012, independent miners produced 740,753.20 ounces of gold worth \$1.1 billion, with \$27 million going to Suriname's treasury.

A lot of work remains to be done. But our goal is to keep communicating with the people and balance everybody's interests.

**Would you please discuss the status of oil production in Suriname?**

Staatsolie, Suriname's state oil company, is designated by the government to deal with third parties. As such, Staatsolie has signed several production-sharing agreements with several companies. In general, foreign companies operate off-shore and Staatsolie operates on-shore, although Staatsolie recently started preparations to also drill in shallow sea waters.

A refinery built by Staatsolie is expected to come into production by the end of 2014 and early 2015. This refinery will be capable of producing all of the country's diesel consumption and most of its requirements for unleaded fuel. (This interview was edited and condensed.)



## Country Profile Republic of Suriname

**Location:** South America, bordering Guyana, French Guyana and Brazil.

**Area:** 163,820 sq. km. (63,251 sq. miles), slightly larger than the state of Georgia. Over 90% of the land is rainforest.

**Climate:** The country is located outside the hurricane zone, making it immune to natural disasters. Temperatures range from 21-32C (70-90F).

**Capital:** Paramaribo

**Languages:** Dutch (official). English, Sranang Tongo, Samami, Chinese, Javanese, and different tribal languages of the Amer-Indians and Maroons.

**Population:** 541,638  
73 percent of the population is younger than 45.

**Adult Literacy:** 94.7%

Gateway to world economies, especially South America and the Caribbean. Preferential market access to Europe and Caribbean.

**2011/2012**  
Chairman of CARICOM (Caribbean nations)

**2013/2014**  
Current Chairman of UNASUR (South-American nations)

**Currency:** Surinamese Dollar (SRD)

Ethnic Groups	
Creole (including Mixed)	29%
East-Indian (Hindustani)	27%
Maroon	22%
Javanese	14%
Amerindian	4%
Chinese	2%
European	0.3%
Other	2%

Religion	
Protestant	26.8%
Hindu	22.3%
Roman Catholic	21.6%
Muslim	13.9%
Other	15.4%

**Government:** Suriname gained independence from the Dutch on November 25, 1975. In 1987 a Constitution was adopted that established a 51 member National Assembly, an executive presidency, a Council of Ministers and a non-elected State Council.

**Ruling Party:** Multi Party Coalition (NDP, Abop, Palu, Nieuw Suriname)

**Time Zone:** EST +2; GMT -3

**Principal Exports:** Gold, Alumina, Rice, Bananas, Shrimp, Fish and Fish Products, Timber, Wood and Wood Products, Crude Oil and Petrol

**GDP (2014):** US\$ 5,627 million

**GDP Per Capita:** +/- US\$ 10,000 (2014)

**GDP Growth:** 3.5% (2014)

**Government Debt to GDP**  
Domestic: 8.5% (April 2014);  
update 10.3% (July 2014)

Foreign: 15.1% (April 2014);  
update 15.5% (July 2014)

**Inflation Rate:** 0.6% (e.o.p. 2013)

**Unemployment Rate:** 6.9% (Q1 2012)

**Labor Force:** 144,735 (Q1 2012)

**Merchandise**  
Exports: US\$ 2,394 million (2013)  
Imports: US\$ 2,174 million (2013)

**Trade Balance:** US\$ 220 million (2013)

Desired cooperation through Public-private partnerships in:

- Production facilities
- Energy
- Construction of transport infrastructure (like a deep sea port)
- Agricultural technologies
- ICT



Photo: Courtesy Government of Suriname

Niermala Badrising, Permanent Representative of Suriname to the Organization of American States

By KATRINA LAMB

**T**he Organization of American States (OAS) is the oldest multilateral institution in the Americas, and its membership includes all independent countries of the Western Hemisphere. It is a forum in which Suriname's active engagement with its regional partners has increased markedly in the past few years. "In the last few years, there has been a noticeable enhancement of Suriname's engagement at the OAS, within the Councils of the Organization and its interactions with the General Secretariat. There is a renewed activism among its delegation, manifested in the leadership role it has taken on

**"Our foreign policy reflects our specific national development goals, and our economic and social interests drive these goals. The diplomatic tool to advance these interests is economic diplomacy, by embracing national development policies to achieve socio-economic well being." Ambassador Badrising**

a number of issues. With Suriname's assumption of the Chairmanship of the OAS Permanent Council on January 1, 2015, I anticipate that this renewed commitment to multilateralism will only increase," says José Miguel Insulza, current Secretary General of the OAS.

**How does multilateral engagement within the Organization of American States (OAS) help to promote Suriname's foreign policy, particularly with regard to the notion of "economic diplomacy"?**

My Government is committed to contribute to a peaceful and harmonious world order. It is our belief that through the use of negotiated solutions for regional and international conflicts, we can contribute to the promotion of peace and order within our society, our region and beyond. Now, multilateralism is an important pillar of the foreign policy of my country, and this is the context in which we engage with the OAS.

Our foreign policy reflects our specific national development goals, and our economic and social interests drive these goals. The diplomatic tool to advance these interests is economic diplomacy, by embracing national development policies to achieve socio-economic well being. The OAS, the oldest multilateral institution in

**"I am certain that Suriname can be a prominent voice on the world stage for cultural diplomacy. We offer a model for how a healthy diversity can bring about a peaceful and accepting society." Ambassador Badrising**

the Americas, is a forum within which economic diplomacy can function as a catalyst for the interests of my country. In particular integral development – one of the four pillars on which the work of the OAS is based – provides a broad-based framework to build on my Government's developmental objectives.

**How do you see the effects of this multilateral engagement on Suriname's goal of "development with social inclusion," specifically with reference to key areas like health care, education and housing?**

I see multilateralism as a key instrument for regional, sub-regional and national socio-economic development, in which the overall aim is to promote economic development, national prosperity and human well-being. The OAS integral development pillar aims to reduce poverty and promote social and economic development through political dialogue. This objective draws in turn from the Social Charter of the Americas and the Draft Plan of Action, which encapsulates the areas you mentioned of health care, education and housing as well as water and sanitation, scientific and technological development and others.

Suriname is actively engaged in helping to shape the regional integral development agenda through the sharing of our own programs and policies. My Government sees the human being as at the center of all development activities. So we focus on policies for social inclusion for our people to gain greater access to relevant social,

# Suriname and the OAS: economic diplomacy through multilateral engagement

*An interview with Ambassador Niermala Badrising, Permanent Representative of the Republic of Suriname to the Organization of American States*

economic, political and cultural systems, which we expect will reduce poverty levels and contribute to long-term development. To give you some tangible examples of this:

Suriname has embarked on an expansive social housing project aimed at providing decent and affordable housing to low-income groups, the elderly, persons with disabilities and young families in need of government assistance. The Government established a housing construction fund together with the private sector to finance this project.

The National Health Sector Plan for 2012-16 provides health services free of charge for children between 0 and 16 years of age and persons over 60. Another subsidized program targets the improvement of nutritional health for newborn babies.

The Government has abolished tuition for primary education, making it universal and free of cost. Other educational programs we support include the After School Program, aimed at providing after-school care such as homework assistance and meals to children from disadvantaged groups.

I would also like to draw your attention to an historic transformation of our society brought about by the adoption of three laws – on Minimum Wage, National Pensions and Basic Health Insurance. The political process through which this legislation was achieved underscores the Surinamese Government's commitment to equality and social justice.



Photo: Courtesy Government of Suriname

For Suriname, unity lies in the acceptance of cultural diversity.

literary history.

A source of particular pride for me, and an image I believe the world would find riveting, is that Suriname is the only nation in the world where a Jewish synagogue stands right next to an Islamic mosque. The advent of social media and the growing global literacy of the world's citizens – especially among the younger generations – perhaps affords us a natural megaphone through which Suriname can engage the world in cultural diplomacy.

**What else would you like a reader of this article to know about Suriname?**

There is much for Suriname to share with the world in terms of our cultural diversity and how as a nation we have been able to further our quest for long-term development. We are endowed

with rich natural resources and exemplary biodiversity. In fact we are the greenest nation on earth, with forests covering over 90 percent of our territory.

Our Government has put great emphasis on developing these natural resources for economic benefit, while at the same time being mindful of the critical importance of environmental sustainability to safeguard our future.

We are a nation with steady economic growth and open to international cooperation. We are committed to regional integration, multilateralism and many levels of diplomacy. I am of the view that my country is gradually coming of age not only in regional politics but also on the world stage. We are on a path to have a greater, increasingly engaged presence within the Americas and beyond.

The implementation of these and other socio-economic programs in Suriname dovetails with the commitments we have made as a country at the different multilateral engagements. Each country should develop the model that is most appropriate for its own demographic, social and economic circumstances. International and regional developmental frameworks can guide this development, create more synergy in cooperative efforts and promote regional equality.

**How do Suriname and its OAS partners collaborate to learn from each other's national and regional development experiences?**

Suriname's collaboration with the OAS is a reflection of deepening Inter-American solidarity and cooperation. This provides, in my opinion, ample opportunities to complement our national efforts for our development agenda. Within the OAS, countries cooperate closely with each other through activities in sub-regional groups (for example CARICOM, SICA and ALADI). Through these sub-regional groups, country-specific experiences, circumstances and positions are continually shared among participating members.

For example Suriname collaborates and negotiates within the 14-member sub-group CARICOM (Caribbean Community). Out of this collaboration come opportunities for strategic alliances and cooperation in areas like public-private partnerships (PPPs). I find that this coalition-building at the diplomatic level creates enormous advantages in safeguarding our national, regional and sub-regional interests with a strong and common voice. Dialogue, in fact, has proven to be the strongest instrument for effecting positive change.

**Perhaps you could share your thoughts on the evolution of the role of women in Suriname's socio-economy, in particular the experience of women in diplomacy?**

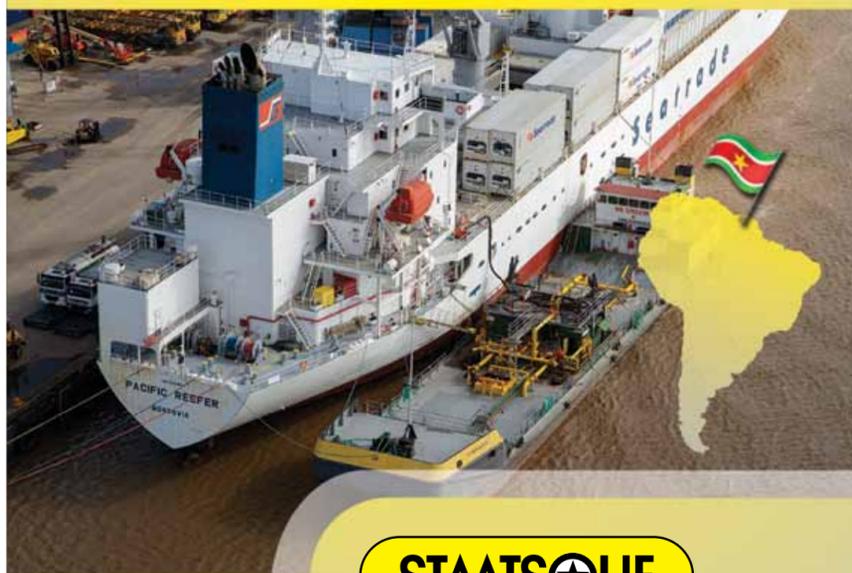
Women in Suriname fulfill an important role in supporting the development of our country. The participation of women in decision-making environments has progressed over the past two decades; for example, the Speaker of the National Assembly is female as is the Minister of Social Affairs and Housing. Women also hold the lead position of Permanent Secretary in various ministries and departments. I am confident that the numbers of female ambassadors will grow. It is an exciting time to be engaged in diplomacy and development!

**Suriname's unusually diverse culture – ethnically and religiously – offers a potentially compelling example to the world that "diversity works." Is there a way for Suriname to be a prominent voice on the world stage for cultural diplomacy?**

I am certain that Suriname can be a prominent voice on the world stage for cultural diplomacy. We offer a model for how a healthy diversity can bring about a peaceful and accepting society. For Suriname, unity lies in the acceptance of our cultural diversity. You can see this in many tangible, visual ways.

For example, the Ala Kondre Dron (translated as "All-Country Drum") is a percussion and dance tradition that showcases the musical styles of Suriname's different cultures – Maroons, Hindustanis, Javanese and Amerindians. Unity is celebrated in the poetry of Robin Ravales, also known as Dobru and a leading light of Suriname's

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# IDCS: Bringing partners in investment to Suriname

By KATRINA LAMB

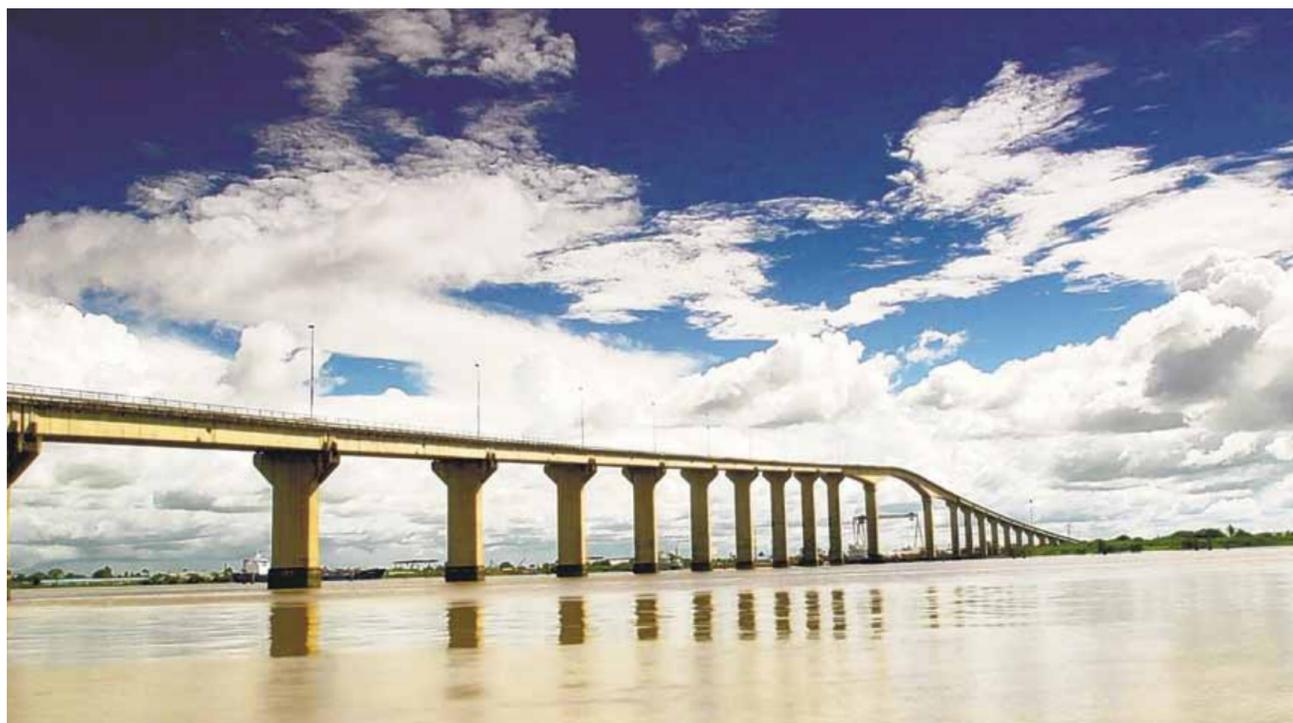
**S**ustainable economic growth is a key pillar of Suriname's medium and long-term development strategy. Recognizing the important role that foreign direct investment (FDI) plays in building long term growth, the Government of President Desiré Delano Bouterse established the Investment Development Corporation of Suriname (IDCS) on April 18, 2014.

"The IDCS is intended to be a one-stop window for foreign investors looking to invest in Suriname," says Astra Singh, Chief Communications Officer at IDCS. This includes guiding foreign investors through the process of dealing with various governmental decision-making entities, providing access to local projects and entrepreneurs, and conducting outbound delegations and marketing initiatives to raise awareness of the opportunities in Suriname to international investors.

## Attracting Private Sector Know-How

One of the ways IDCS is playing a lead role in facilitating sustainable growth is through its mandate to privatize a number of state-owned enterprises in the agricultural sector and to develop some 30,000 hectares of land into a foundation for increased agricultural exports. Agriculture represents about 11 percent of Suriname's total export base at present – far behind the leading export sectors of gold, oil and bauxite.

A more diversified agro-industrial export base will include some areas where Suriname, through IDCS, has already made a promising start, including palm oil, rice, cocoa, fruits, vegetables and aquaculture. This is squarely in line with the Government's stated intention to transition over time from non-renewable extractable commodities like gold, bauxite and petroleum to sustainable resources. Suriname's President stated several times that he envisions his country to be the food basket of the region when agricultural investments take off. Especially Caribbean islands – that are mostly rocky and therefore lack the needed land- and water resources – could benefit from a cut in distribution costs when its close neighbor starts producing crops on its ample available arable land. Legal reforms to support tax incentives and business-friendly legislation and procedures



River view of the Wijdenboschbrug. Sea boats enter Suriname through here.

Photo: Courtesy Government of Suriname

are also being developed to create an attractive environment for private sector investors.

## Promoting Suriname's Natural Advantages

As the public face of Suriname's investment strategy, IDCS seeks to capitalize on the abundant natural advantages the country possesses. Other than its close neighbors, Suriname is blessed not to be struck by major natural disasters. It has one of the best reputations in the region for safety and security. There is no history of asset seizures or nationalizations. Together with a sound macroeconomic position and recent favorable international credit ratings, these aspects of our country should bring about greater FDI flows in the years ahead."

Ms. Singh also notes that Suriname, by way of its membership in various political and economic organizations, has access to various investment windows active in the region including the Inter-American Investment Bank (IIB), International Finance Corporation (IFC), European Investment Bank (EIB) and Islamic Development Bank.

## Coordinating and Aligning for Growth

Achieving a successful investment outreach program requires a considerable amount of coordination among many moving parts both within the Government and in the private sector. The policies set out by the President need to be implemented by several players in Suriname which include the Office of the Vice President,

the Ministry of Foreign Affairs, the Ministry of Finance and Planning, and the entities with oversight responsibilities for some of the main sectors, including the Ministries of Agriculture, Forestry, Natural Resources, Trade and Tourism. Aligning the activities of these and other stakeholders is a key operational pillar of IDCS's mandate. "Our 2016-2021 Development Plan envisions something in the order of \$400 million of investments needed annually" says IDCS's Singh. "An ambitious goal for a country that is only now trying to diversify its economy. It is therefore of strategic importance to identify the right investors for the country's purposeful sustainable development plans; in other words, to match the opportunities of Suriname with the right partners."

## Production-sharing deals spur offshore oil exploration

### Drilling to start in December on first well

By P.D. PAULIN

**S**ome of the world's top oil companies are betting that the next big oil discovery will be in the offshore waters of Suriname – a small former Dutch colony on the northeast coast of South America.

Billions of barrels of crude are thought to be buried beneath Suriname's shallow coastal waters and offshore in deep water. Where is it exactly? Somewhere within a 93,000-square-mile area of the Atlantic Ocean just offshore from Suriname. Exploratory activities by several oil companies started a few years ago – and some are now poised to drill wells under production-sharing agreements with Suriname's state oil company Staatsolie Maatschappij Suriname N.V. (Staatsolie).

The offshore area thought to hold a vast reservoir of oil is virtually unexplored, with only some two dozen exploration wells having been drilled there. Though the results were disappointing, anticipation is nevertheless building over the possibility of a big discovery, now that some drilling is about to start following extensive exploration and analysis.

Staatsolie has long believed a mother lode of crude oil was buried offshore. In the past few years, it devised production-sharing agreements to attract private and state-owned oil companies to Suriname; they subsequently came from every corner of the world, making bids for the right to explore and drill in vast offshore blocks mapped out by Staatsolie. By doing this, Staatsolie has

minimized its financial risk while retaining the option to participate in the development and production of commercially exploitable wells, usually with stakes of up to 20 percent.

Among the companies that have joined Staatsolie in the search for an offshore "El Dorado": U.S. giant Chevron Corporation; Britain's Tullow Oil; Spain's Repsol S.A and CEPSA; Japan's Inpex Corporation; Malaysia's Petronas; Murphy Oil Company of El Dorado, Arkansas; Dallas-based Kosmos Energy; and Houston-based Apache Corporation. Altogether, Staatsolie has some ten production-sharing agreements.

Staatsolie's own exploration surveys were not the only thing that piqued the interest of these oil companies, however. Geologists in the oil industry have long regarded Suriname's offshore area as potentially rich with oil. In 2000, for instance, the United States Geological Survey estimated that up to 15 billion barrels of recoverable oil might lie beneath the coastal waters of Suriname and neighboring Guyana. And in 2011, an oil discovery in the waters off French Guiana was described by oil-industry experts as a potential "game changer" for the region's oil-producing landscape.

"The planned offshore drilling activity is part of Staatsolie's long-term strategy for discovering new reserves," noted Marc Waaldijk, Managing Director of Staatsolie. Oil is one of the hot sectors in the four-year-old government's ambitious development plans for the nation of 542,000 people.

In next year's Q2, shallow-water drilling is projected to start in a coastal area of mud, mangroves, and water running 80-feet deep. Nine



Photo: Courtesy Staatsolie Public Relations

In 2000 the United States Geological Survey estimated that up to 15 billion barrels of recoverable oil might lie beneath the coastal waters of Suriname and neighboring Guyana.

wells will be drilled to a depth of 2,000 feet in a project involving Staatsolie, Well Services Petroleum Co. Ltd. of Trinidad & Tobago, and Paradise Oil Company, a Staatsolie subsidiary that is managing the project. The site is near an oil field that has provided heavy crude since the 1980s. Offshore blocks in deep water, however, are where it's thought a game-changing oil discovery may be found. Some drilling is expected to begin in those areas in 2015.

Among production-sharing projects in deep-water sites:

- Chevron Global Energy Inc. has a 50 percent stake in two blocks with Kosmos Energy. Kosmos is operating the blocks during the exploration phase. If commercially exploitable discoveries are made, Chevron will acquire the remaining 50 percent interest and operate the site. "This agreement enables us to explore for new resources in this frontier basin," said George Kirkland, vice chairman of Chevron Corporation, in a news release. "These blocks are on trend with new deep-water Cretaceous discoveries in the region."
- Malaysia's Petronas has a production-sharing agreement with Staatsolie in an offshore block 80 miles off Suriname's coast. Petronas

invested \$25 million to drill at least one exploratory well and conduct a three-dimensional seismic survey. If Petronas makes a commercially exploitable discovery, its exploration costs will be reimbursed, and Staatsolie will have the option to participate with a 20 percent stake.

- Britain's Tullow and Norway's Statoil are investing \$35 million to explore a block located some 124 miles off Suriname's coast. The partners will gather three-dimensional seismic data and study it along with data from Staatsolie. If a commercially exploitable well is found, Staatsolie has the option to participate in development and production with a stake of up to 20 percent. Tullow is operating the block; it also has stakes in two other offshore blocks.
- Apache invested \$230 million to explore a block some 80 miles off Suriname's coast. It will be reimbursed if commercial production begins; Staatsolie has the option of taking up to a 20 percent stake in the project's development stage. Early next year, Apache expects to start exploratory drilling. A CESA subsidiary has a 25 percent stake in the block.

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# Oil industry heats up

## State oil company bets on 'game-changing' offshore discovery

By P.D. PAULIN

Suriname's State Oil Company, Staatsolie Maatschappij Suriname NV., is generating excitement and buzz in the oil industry, now that some offshore drilling is expanding after many months of deep-water exploration.

Next year, if predictions from geologists and sophisticated seismic studies are borne out, Suriname could be a major oil producer earning new dollars along with a number of partners, both private and state-owned oil companies. They came from every corner of the world to sign production-sharing agreements with Staatsolie.

Staatsolie has ten such agreements with companies both large and small: U.S. giant Chevron Corporation; Britain's Tullow Oil; Spain's Repsol S.A. and CEPESA; Japan's Inpex Corporation; Malaysia's Petronas; Murphy Oil Company of El Dorado, Arkansas; Dallas-based Kosmos Energy; and Houston-based Apache Corporation. Staatsolie has the option to participate in the development and production of commercially exploitable wells.

How much oil is out there?

In 2000, the United States Geological Survey estimated that up to 15 billion barrels of recoverable oil could lie beneath the coastal waters of Suriname and neighboring Guyana. And in 2011, an oil discovery in the waters off French Guiana was described as a potential "game changer" for the region's oil-producing landscape.

For its part, Suriname already has an estimated 73.7 million barrels of onshore proven reserves. If the quest for an offshore "El Dorado" proves elusive, Suriname still will have plenty of oil for the development of its oil industry.

Staatsolie has been contemplating the possibility of a big offshore oil discovery for years. "The planned offshore drilling activity is part of Staatsolie's long-term strategy for discovering new reserves," noted Jim Hok, Minister of Natural Resources.

He explained, "There have been exploration drilling projects offshore in Suriname since the '60s, '70s and '80s. The most recent activity were four offshore exploration wells drilled in the last seven years by three international oil companies under production-sharing contract arrangements with Staatsolie. The results of some wells were encouraging but there has not been a commercial discovery to date. "That said, expectations are high that there will be a game-changing discovery in the coming year."

Besides oil exploration, Staatsolie has for years helped to make Suriname energy sufficient. Three of its land-based oil rigs pump about 16,500 barrels of heavy crude per day; and about half of that is processed at Staatsolie's Tout Lui Faut refinery, and then sold in Suriname.

A 17-year-old facility, Tout Lui Faut refines about 7,350 barrels per day of diesel fuel, fuel oil, and asphalt bitumen, which is about half of the country's



Photo: Courtesy Staatsolie Public Relations

Tout Lui Faut refines about 7,350 barrels per day of diesel fuel, fuel oil, and asphalt bitumen – about half of the country's needs.

needs. To increase that output, however, Staatsolie launched a major upgrade and expansion of the refinery a little over two-and-one-half years ago. The \$760 million project is being handled by Italian contractor Saipem S.p.A.

Work will soon be completed and then production will be ramped up to 17,000 barrels per day, thereby keeping up with crude production and meeting most of Suriname's needs. Also, the output of the new refinery will be more varied, producing diesel, various grades of fuel oil, bitumen asphalt, and other products. Staatsolie expects to meet 100 percent of Suriname's diesel consumption; 70 percent of its gasoline consumption, and 100 percent of bitumen asphalt needs. Above all, the refinery will significantly decrease Suriname's dependency on imported fuels, while adding \$100 million annually to the government's budget.

With the refinery online, Staatsolie also can ramp up the retailing of gasoline and diesel fuel, having three years ago acquired the retail outlets operated by Texaco and Chevron.

Staatsolie also provides "bunkering services" using specialized ships to transfer oil to visiting ships. The Port of Paramaribo is thought to have the potential to become a major international shipping hub. Consequently, the demand for services like bunkering are bound to grow with the port.

Staatsolie has come a long way since the government founded it in 1980. Back then it was a self-described "grass roots" operation. Now a mature and growing company, Staatsolie is involved in the exploration, drilling, and refining of crude oil.

Staatsolie produces about 25 percent of national

revenues; and in 2013 that amounted to \$284 million. Staatsolie's taxes, however, can only pay for a fraction of Suriname's ambitious development plans now being undertaken by the four-year-old government of President Desiré Bouterse.

Oil is now one of the hot sectors in the resource-rich country. "This government has a socially motivated agenda that will invest in education, healthcare and housing," noted Minister of Natural Resources Jim Hok.

Staatsolie, for its part, plays an important role in that vision. In 2013, it reported revenues of more than \$1 billion; and for years it has been in a forward-looking investment mode. From 2009 to 2013, for instance, it carried out a \$1.3 billion investment program. In March 2014, it announced that it had secured a \$275 million loan for investments through 2018. This was the second mega loan Staatsolie had secured on the international capital market.

As Suriname has ramped up its oil industry, it has taken precautions to ensure that it retains its status as one of the world's "greenest" countries, say officials. Much of the country is covered with pristine rainforests and rivers. Projects are thus carried out in accordance with strict

environmental guidelines, rules and regulations say officials. And to prepare for the possibility of offshore oil spills, a National Oils Spill Contingency Plan has been developed, operating under Suriname's Director of National Security within the Office of the President.

### AT A GLANCE OIL-PRODUCTION

**Proven Reserves:**  
73.7 million barrels

**Current Refining Capacity:**  
7,350 bpd

**Total Consumption:**  
14,520 bpd

**Total Crude Production:**  
16,500 bpd  
(Suriname's upgraded Tout Lui Faut refinery will boost oil production to 17,000 bpd)



Photo: Courtesy Government of Suriname

The Government of Suriname is building bridges to connect remote communities to economic and social life.

## Suriname buzzes with infrastructure construction

### Bridges and roads reach remote communities

By P.D. PAULIN

New bridges, new roads, and upgrades of aging roads and infrastructure – all are underway in Suriname as the small South American nation undertakes an ambitious development plan.

Hundreds of millions of dollars are being spent, with financing coming from state coffers and outside financing. Hundreds of miles of roads and bridges are being laid or upgraded to accommodate more traffic and heavy trucks.

"Suriname is investing heavily in its infrastructure," noted Minister of Public Works, Rabin Parmessar.

Construction and improvements of various kinds reflect Suriname's ambitious development plans, officials say. Policies to boost economic activity are geared towards improving quality-of-life indexes and funding social programs in the former Dutch colony of 542,000 people in the northeast corner of South America.

Highlights of wide-ranging infrastructure are:

- Roads are being paved to connect the capital, Paramaribo, to suburban communities that have sprung up in recent years. With more than half

of Suriname's population living in Paramaribo, the creation of suburbs (and roads to them) will take pressure off the capital.

- By next year over 20 bridges will have been built in the interior. This will improve connectivity between Paramaribo and more remote districts benefitting social and economic life.
- A vital highway called 'Oost-West Verbindend' (East-West Connection) runs throughout the coastal area and connects to over six districts and to neighboring Guyana and French Guiana. "This is an important road that is being maintained and improved on a continual basis," Parmessar noted. "This route is used for transportation of persons and goods in the coastal area, servicing the population that lives in the historically remote areas. In the future the road could serve as the key connection to the South American grid.
- Interconnectivity between Paramaribo and Suriname's international airport is improved by ambitious plans to upgrade the highway connecting Paramaribo, the international airport and one of the main industrial areas harboring IAMGOLD and Suralco, which will be widened and re-paved to carry increased traffic.

## Suriname

a Perfect Global Business Portal

Farming

Aquaculture

Energy

Forestry

Tourism

Mining

**Investment and Development Corporation Suriname N.V.**

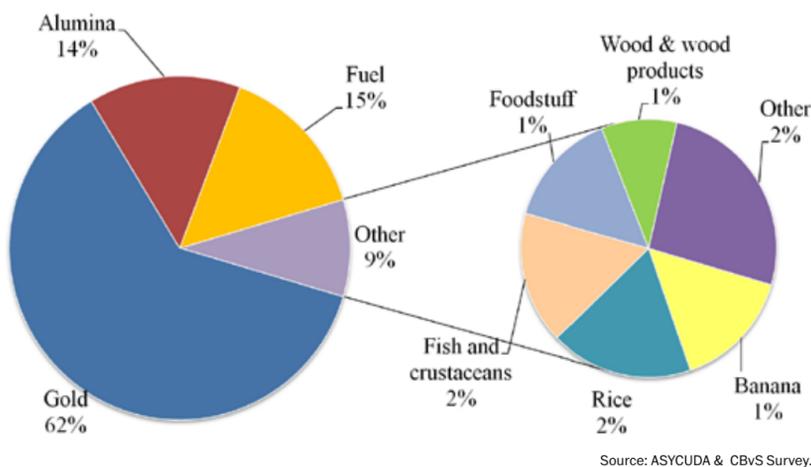
We promote, encourage, coordinate and facilitate investment in Suriname.

# Suriname's macroeconomic developments and outlook

Suriname remains one of the fastest growing economies in the Caribbean and South America. The economy continues to expand at healthy rates and will continue to do so in the foreseeable future on account of robust domestic investments, notably in the construction sector, and the large investments in the oil and mineral sectors that will come on-stream in 2015 and 2017.

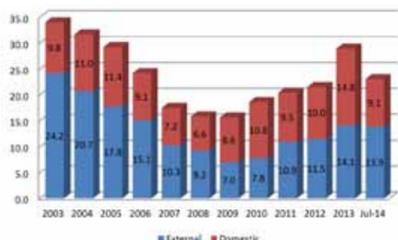
In the oil sector, the start of operations of the new refinery will all but eliminate oil imports, improving the foreign exchange net inflows by an estimated five percent of GDP from 2015. The new gold mining project in the Merian area in the East is rapidly taking shape and involves investments of almost one percent of GDP per month until the end of 2016. After that, gold exports will increase by around eight percent of GDP. And the government is directly involved in both projects, as the refinery is owned and operated by the state-owned oil company, while the government—through one of its state-owned companies—will own 25 percent of the

## Suriname's Exports By Major Product Group: 2013



Source: ASYCUDA & CBvS Survey.

## Government Debt (in % of GDP)



Sources: SDMO (disbursed loans); ratio July 2014 based on 2014 National Planning Office GDP

gold mining venture that is taking shape at Merian.

Both of these projects will have an extraordinary effect on the economy, bringing high-tech jobs, knowledge, income, foreign exchange, and economic diversification to Suriname. "We will have to be careful to manage the significant increases in fiscal revenue and foreign exchange inflows resulting from these projects," says Minister of Natural Resources, Jim Hok.

The government has successfully begun a process of fiscal consolidation following the slippages of 2013 that coincided with a significant fall in fiscal revenue from commodity exports. In the first eight months of 2014, the deficit was reduced to 2.8

percent of GDP, compared to 4.7 percent of GDP in the same period of 2013. Such improvement was entirely due to cuts in expenditure, as revenue has stagnated with the continued fall in fiscal receipts from the commodity sectors.

The fall in expenditure is even more remarkable as the government has been accelerating payments to its vendors, which had been lagging in 2013. Most importantly, the government has taken the courageous decision to end electricity subsidies over time. These subsidies now amount to more than two

percent of GDP and benefit mainly the urban rich.

Measures to enhance revenue have also been taken, but will only start to have an effect in the future due to usual collection lags. "As a small country we have to prioritize our expenditures, that is why we are focusing on investments in sectors like housing, infrastructure, education, agriculture and healthcare. At the same time, we will need to continue avoiding squander and start working more efficiently," said President Desire Bouterse in his recent Annual Address to parliament.

Inflation fell to less than one percent in 2013, the lowest inflation in more than 25 years. As the Central Bank continues its careful management of supply and demand in the economy, it has managed to maintain inflation at levels of Suriname's trading partners and managed to defend the exchange rate peg through a period of falling commodity prices and increased fiscal spending.

The Central Bank of Suriname states it "will not hesitate to further tighten monetary policy if needed". To render monetary policy more agile, the Central Bank is broadening its policy toolkit, and modernizing the domestic payment system and the money and capital markets. "In the coming months, the introduction of open market operations will allow us to better control liquidity," says a Central Bank official.

Suriname is among the countries in the Caribbean with the lowest debt to GDP ratio. The Government's external liabilities consist mainly of debt to multilateral creditors and official creditors, while commercial loans are currently negligible. The government remains committed to a low-debt policy to avoid the scourges of high debt burdens befalling countries in the region.

## Newmont starts \$1 billion gold-mining project

By P.D. PAULIN

U.S. gold-mining giant Newmont Mining Corporation, after years of geological studies and negotiations with the government of Suriname, has started work on its Merian Gold Project – a site in the northeastern part of Suriname.

The open-pit mining facility is being developed about 40 miles south of Moengo, a town of approximately 10,000 residents in mineral-rich Suriname. The 1,235-acre project is operating as Surgold (Suriname Gold Company). It promises significant riches for Suriname and Newmont, headquartered near Denver, in spite of a recent downward trend in gold prices. Merian's gold reserves are estimated at 4.2 million ounces.

Costing Newmont up to \$1 billion, Merian is expected to be completed and producing gold by the end of 2016. It will be Suriname's second large-scale gold-mining project; Toronto-based IAMGOLD Corporation now operates its Rosebel gold mine in the mineral-rich country. Bauxite, gold and oil are the main contributors to Suriname's economy. The mining sector accounted for 28 percent of fiscal revenue and 88 percent of exports in 2013.

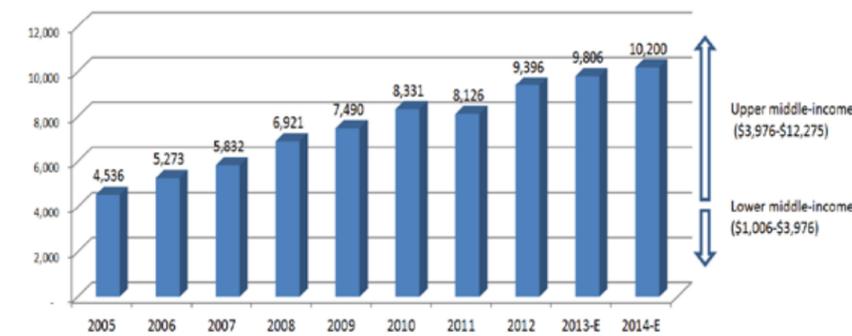
"Our team has been on the ground in Suriname for 10 years, shaping Merian into a profitable

Goldberg, Newmont's CEO, explained in a statement that Merian "marks an important milestone in our portfolio optimization process – we have divested nearly \$800 million in non-core assets to help fund the next generation of lower cost projects in our portfolio. Equally important, we established community agreements and are working with experts to minimize our impact on the environment; getting it right from the beginning is critical."

Newmont expects Merian to produce an average of 300,000 to 400,000 ounces of gold annually "at competitive costs" over the mine's 11-year lifespan. During the first five years output is expected to average 400,000 to 500,000 ounces per year due to the purity of gold and ease of mining it; these are factors that will increase profitability. Newmont estimates average "all-in sustaining costs" of \$750 to \$850 per ounce in the first five years, and \$825 to \$960 per ounce for the life of the mine. The mine will consist of three open pits, a processing plant, waste-rock disposal areas, a tailings storage facility, and a camp for workers. Surgold expects to employ 2,500 people during project development and 1,300 during full operation.

Fitch Ratings said Newmont's \$1 billion invest-

## Per Capita GDP (US\$)



Source: IMF: 2005-2012; National Planning Office: 2013-2014 (July 2014 estimates)



Photo: Courtesy Government of Suriname

The Central Bank of Suriname in the heart of the historic wooden city of Paramaribo, which is on the UNESCO World Heritage List.



Signing ceremony of the mineral agreement between Surgold (Newmont) and the Republic of Suriname for the Merian project, Jim Hok, Minister of Natural Resources (left) Adriaan Van Kersen, Managing Director of Surgold (right).

project and securing a solid position in the Guiana Shield," said Newmont President and Chief Executive Officer Gary Goldberg in a statement.

Suriname's government is expected to buy into the Merian mine with a stake of 25 percent. Newmont, one of the world's largest gold producers, is a publicly traded company with significant operations on five continents.

Surgold's managing director Adriaan Van Kersen said that Suriname was attractive to Newmont because of its "favorable geological conditions and stable investment climate." The Merian project, he added, will give Newmont a foothold in the region, allowing it to more easily expand its gold-mining operations there.

There has been strong political support for the project. Suriname has been improving roads and transportation in the area surrounding the mine as work and planning on the project have moved forward.

ment represents 18 percent of Suriname's GDP and, most significantly, could double gold output by the end of 2016. It added that Suriname's "real GDP growth could rise to 4.2 percent in 2015 from our forecast 3.7 percent in 2014, driven by new mining investment."

Suriname's four-year-old government is welcoming foreign investment, including in the mining sector. It is part of President Desire Bouterse's ambitious plans to develop and diversify the economy and, above all, increase social spending and quality-of-life indexes in the heavily forested nation of 542,000 people.

Referring to foreign investments in mining and other sectors, Minister of Natural Resources Jim Hok said, "This government has a socially motivated agenda that will use the wealth generated from gold, oil and bauxite to invest in education, health care and housing."

## GROWTH

From page D1

users of a broader array of financial products, the Central Bank is actively developing and passing new legislation in areas such as insurance, capital markets, deposit insurance and a credit bureau.

Reforms are also underway in monetary policy operations. Traditionally the Bank has relied on carrying out its core mandate of providing stability in Suriname's currency, with higher requirements placed on foreign currency deposits as a means to encourage a gradual de-dollarization of the economy.

Recognizing the importance of an expanded toolkit of monetary policy instruments to provide flexibility in adapting to changing economic conditions, the Bank is spearheading the development of a Treasury bill auction system for open market monetary policy operations. This will afford the CBvS with improved capabilities for guiding the pace of credit creation and managing liquidity. The Treasury bill system will also facilitate a government securities and interbank market to provide flexible access to overnight and short-term liquidity for financial institutions.

Another area key to financial system stability is the national payment system. Currently a major effort is under way to automate the payment system and improve the efficiency of clearing and settling interbank payments. "The ability to use electronic means of payment, including payment for goods and services in the public sector, is an important

part of our reform program," says Central Bank Governor Hoefdraad. "It will bring together the payment systems of different financial institutions that until now have been separate and encumbered with manual processes and procedures, and make the transfer of funds between accounts at different institutions more efficient and less costly," he adds.

Governor Hoefdraad views these and other current reforms in the context of a coherent, comprehensive modernization effort for the financial system to support Suriname's continued growth. He notes, for example, that a significant part of this growth derives from natural resources, which make up the country's major export sector. Commodities-led growth does not come without risk, however. "Dependence on oil, gold and other commodities entails volatility in fiscal revenue flows and in our foreign exchange market," he says. The CBvS is working with other Surinamese economic and financial policymaking entities on mechanisms to bring more stability to commodity-related fiscal revenues.

The Bank has been investing heavily as well in the internal resources needed to bring these reforms to fruition. One initiative has been to establish a financial stability department within the Central Bank to collect financial and macro-prudential data and evaluate systematic risks. This department is also preparing to publish a periodic financial stability report benchmarking progress in key risk areas.

"We have an all-encompassing strategic plan for the coming years," says Governor Hoefdraad. "But more importantly, we are putting in place all necessary human, physical and virtual resources to ensure that reform ideas will translate to action, and not simply remain ink on glossy paper."

# Security and beyond: Suriname and the U.S. deepen their bilateral ties

By KATRINA LAMB

## Safest city in the Caribbean

Security has been a top-level priority for the United States for many years. A particularly critical security issue in the Western Hemisphere is the drug trade. Here the U.S. has formed a valuable, proactive partnership with Suriname. Cooperation aimed at making the Caribbean and North-South transit routes safer is a cornerstone of Suriname's bilateral relations with its neighbors to the North. "The Government of Suriname is committed and has been actively engaged in combating all forms of transnational organized crime, including the control of narcotics in all of its manifestations so as to guarantee security in all its dimensions," says the Director of the Bureau of National Security, Melvin Linscheer.

The Caribbean Basin Security Initiative (CBSI) is one forum through which Suriname and the U.S. are cooperating for productive outcomes. Since 2010 the U.S. has contributed over \$250 million to the CBSI, whose members include all member states of the Caribbean Community (CARICOM) and the Dominican Republic. The objectives of CBSI are threefold: to reduce illicit drug trafficking through counter-narcotics programs and measures aimed at reducing weapons flows; to increase public safety and security including the strengthening of domestic security forces such as the police, border guards and military; and to promote social justice through anti-corruption measures, protection of marginalized communities and efforts to reduce the lure of criminal organizations.

The Automated Fingerprint Identification System, at the Nieuwe Haven Police Station, is an example of United States' efforts to assist Suriname as it builds capacity to combat transnational crime.

With respect to human trafficking, technical assistance is offered with the Trafficking in Persons program, for which the Government has already approved the budget for the implementation of the Strategic Plan 2014-2018.

**The various forms of technical assistance have resulted in positive rankings for Suriname on the State Department's recent lists of country reports. In the International Narcotics Control Reports Suriname was upgraded to a country of low concern, while Suriname is absent from the latest Country Reports on Terrorism and the Money Laundering Reports.**

Training in disaster preparedness and response and disaster management, as well as the availability of training programs and fellowships for the military and police, have helped strengthen Suriname's institutions.

Melvin Linscheer referred to the outcome of the recently held Special Assembly of the OAS on the Drug Problem of the Americas in Guatemala City, and endorses the statement made by Suriname's Ambassador to the OAS, whereby she emphasized that "The drug issue is a developmental issue. It interfaces with - among others - public security, justice, social development, human rights and democratic institutions." Linscheer goes on to note that the Government of Suriname fully supports the implementation of other anti-drug initiatives including the 2010 Hemispheric Drug Strategy and the Hemispheric Plan of Action for 2011-2015.

The various forms of technical assistance have resulted in positive rankings for Suriname



Photo: Courtesy Wilderness Explorers

Paramaribo is one of the safest cities in South America.

on the State Department's recent lists of country reports. In the International Narcotics Control Reports Suriname was upgraded to a country of low concern, while Suriname is absent from the latest Country Reports on Terrorism and the Money Laundering Reports.

## Promoting Security at Home

These efforts are all very much in line with the domestic priorities of the Government of Suriname since the 2010 elections which brought President Desiré Delano Bouterse to office. The overall goal of this Government is to promote inclusive development and economic growth and make the country a safer, more secure environment that protects the rights of its citizens. Deepening bilateral ties with the U.S. have helped leverage the Government's own domestic means to implement reforms.

Supporting these bilateral initiatives takes place through a very high level of cooperation among Government entities in Suriname. The Bureau of National Security within the office of the Presidency has the overall coordination of the national security policy of the Suriname. "We meet on a regular basis with all the heads of the security forces and intelligence agencies to strategize and discuss a broad array of security issues and to coordinate their activities," says Linscheer.

Additionally, the U.S. sponsors study tours to America for Surinamese prison guards as part of a long term project to strengthen the management and security of Suriname's prison system. The U.S. has also sponsored Suriname's participation in the Container Control Program of UNODC, the United Nations Office on Drugs and Crime, to strengthen its port system. Strong port security to defend against drug trafficking is an important part of the quality proposition. The Coast Guard - established to effectively control and monitor activities in Suriname's maritime and territorial waters - celebrated its first year of operations in September 2014.

## Economic Cooperation

The increasing competitiveness of Surinamese import-export companies has led to a rise in U.S.

consumer goods imports, while on the other side of the trade equation Suriname sees the U.S. as an attractive market for agricultural exports. Agriculture is viewed as a sustainable resource. The Government hopes to increase its share of the total revenue base; investing earnings from the extractable resources like gold and bauxite that are the focus of much of Suriname's FDI today into sustainable projects for tomorrow. Making full use of the vast U.S. consumer market will be an important pillar of this strategy.

A sound domestic financial system will help facilitate its development. Recent legislation such as the Supervision of the Banking and Credit System Act (of 2011) and the Anti-Money Laundering and the Combating of Terrorist Financing Directive of the Central Bank (of 2012) help promote financial transparency and confidence in its system for foreign investors.

The business relationship between the two countries is not new. "We have shared a

long-standing bilateral diplomatic and economic relationship with the United States for more than half a century now. This was initially related to the fact that, since WW-II, Alcoa was the leading company in Suriname's bauxite sector. This was the main sector of the economy at the time, accounting for more than 80 percent of the country's total export earnings," said Subhas Mungra, Suriname's ambassador to the United States. "Currently our mutual relationship is business oriented, mainly focused in the areas of gold mining, offshore oil exploration and trade - some 20 percent of total imports come from the U.S.," Ambassador Mungra added.

With both countries aware of these mutual benefits - an increasingly secure and vibrant regional partner for the U.S. and a source of investment and trade opportunities for Suriname - the pace and depth of bilateral relations are likely to continue to deepen in the months and years ahead.

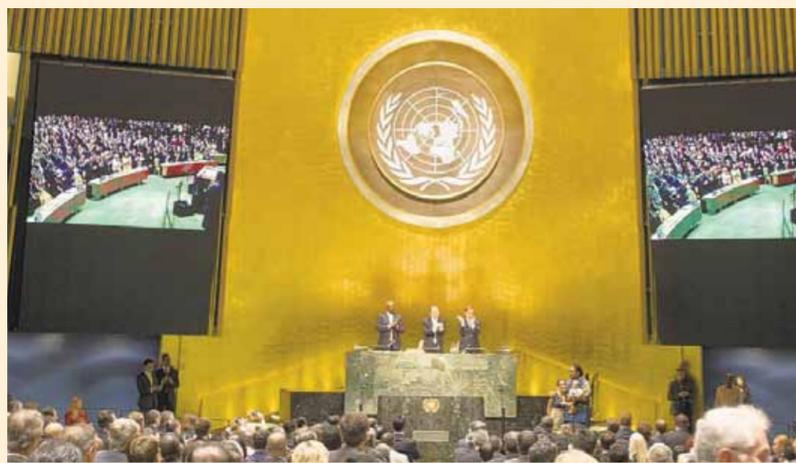


Photo: Courtesy United Nations

Opening ceremony of the United Nations Climate Summit, September 2014.

## New power plant meets rising demand

*Government committed to providing electricity to every citizen*

By P.D. PAULIN

It was an important symbol of the government's commitment to providing reliable electricity - the recent opening of a modern power plant in Paramaribo.

"Universal access is our guiding principle - or electricity for every Surinamese citizen," declared President Desiré Bouterse, when formally opening the \$50 million plant last August 15th before a gathering of government officials and employees of state electricity company EBS.

"With the opening of the new plant, we relieve the pressure on our electrical demand a little," said Bouterse, whose four-year-old administration is undertaking an ambitious development plan and welcoming foreign investment.

Built by Burmeister & Wain Scandinavian Contractor, the 63 Megawatt plant operated by EBS will help to provide electricity to some 200,000 residents in the Paramaribo area, as well as improve electrical service to gold-mining operations in the region. Powered by three diesel generators, the plant meets World Bank guidelines for noise and emissions - an important consideration for Suriname. The plant is

part of Suriname's long-range plans to expand and improve its regional electricity program, and to generate electricity using multiple power sources.

The ultimate objective is to expand power capacity with another 152 Megawatts on the short-term. Power supply has been increased from 193 Megawatts (2010) to 295 Megawatts in 2014 - for which US\$ 209 million has been invested in these past years - representing an increase of 97 Megawatts.

Some of the projects include, the 5 Megawatt solar farm at Rosebel Goldmines; the Gunzi energy pilot project aiming to develop a model of hybrid energies for an additional 128 villages in the interior; Staatsolie's Tout Lui Faut thermal power plant with a capacity of 62 Megawatts; expansion and upgrading of the transmission lines and distribution facilities. Feasibility studies are underway to provide for an additional 200 MW on the long-term, using renewable energy.

"To achieve our goal of electricity for each citizen and for our industrial ambitions, our focus will be on four technical areas, namely: hydro, solar, gas and the grid," Bouterse said, adding that Suriname needed to "invest in a smarter network"

## SUMMIT

From page D1

squarely on the path to climate departure by the year 2028."

The consequences, he explained, would produce rising sea levels, setting off calamities that would include:

- Rising sea-water flooding into Suriname's capital, Paramaribo, where about half of the population lives;
- Sea-water damaging or destroying more than 80 percent of homes;
- Coastal ecosystems, including the majority our Suriname's arable land, suffering damage or being destroyed, and
- The loss of 40 percent of Suriname's GDP.

"We are unable to halt the destruction that climate change is bringing upon us," said Parmessar. "To stave off or minimize such calamities, we are being forced to build dikes, revise our water management systems and adapt our building codes to the changed climate and relocate communities."

Suriname's pledge to maintain its green polices comes as it ramps up development, through President Desiré Bouterse's ambitious plan to develop and diversify the economy and increase social spending for education, housing, and health care for ensuring social welfare and prosperity.

President Bouterse addressed the issue of

climate change and rising sea levels during his annual address to Parliament on October 1. "We are in the top seven of most threatened countries worldwide," he warned. Suriname's government, meanwhile, is studying the alternatives for adaptation, fearing it would be flooded by the Suriname River as sea levels rise. River embankments already have been built to protect the city. Dikes have been built in the coastal area.

In an innovative experiment, Suriname planted additional mangrove trees along parts of its coastline, a technique developed by Professor Sieuwath Naipal, a member of Suriname's Climate Change Expert Group. "By growing mangroves and replanting them on the coastline, we are using nature to rebuild its own original coastline to fight the ever advancing sea," he explained.

A pilot project was successful. In Coronie, a coastal district west of the capital, mangroves transplanted along the coast held back and dispersed surging seawater and kept it from flooding over a recently constructed dike, thereby reducing the dike's maintenance costs. By restoring a natural ecosystem, the project ultimately benefited local fisherman, farmers, and a beekeeper.

Despite its efforts to combat the negative impacts of global warming, Suriname knows it can't do it alone. Referring to Suriname's green polices, Parmessar concluded: "We invite the rest of the international community to assume appropriate binding commitments that will ensure the Future We Want."

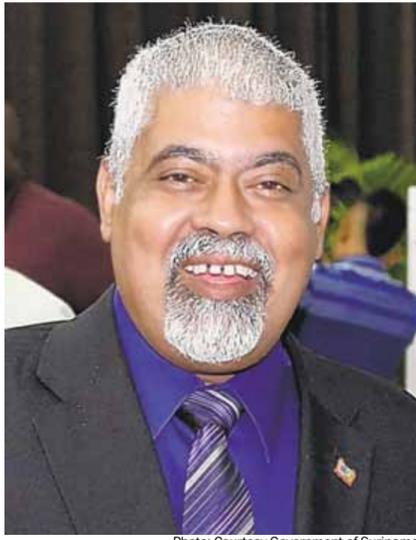


Photo: Courtesy Government of Suriname

Robert Ameerali, Vice President of Suriname.

By KATRINA LAMB

Suriname's economy offers many attractions for foreign investors. Steady real GDP growth (projected at a five percent annual average rate through 2016), low inflation and solid international credit ratings (Moody's Ba3, S&P BB-) are among the headline numbers that have contributed to a recent uptick in foreign direct investment (FDI) flows from the United States, Canada and elsewhere.

Since coming into office in 2010, the Government of President Desiré Delano Bouterse has been active in promoting investment opportunities as a crucial component of a broad strategy of sustainable economic development. In addition to the traditional mining sectors that have been the target of most FDI flows to date, the Government is targeting areas like agriculture, infrastructure, tourism and technology to gain share in Suriname's revenue base.

#### Creating An Aligned Vision

To make the most of these opportunities requires close cooperation and alignment of vision among implementing entities. A key figure in this process is the Office of the Vice President of Suriname. Vice President Robert Ameerali is chairman of Suriname's Chamber of Commerce before assuming his current position in 2010, and he has put his business experience to use in helping coordinate a progressive, global vision seeking partners in investment for Suriname.

"Traditionally our investment outreach was

# Open for business: Suriname looks to grow and broaden its investment opportunities

more focused on Europe, in part due to our cultural heritage," says Vice President Ameerali. "Now the vision is more broadly global, and it is important that the Office of the President and my office work closely with all the government departments and mechanisms – for example, the Ministries of Foreign Affairs, Trade & Industry and Finance, the Central Bank and the Investment and Development Corporation (IDCS) – to ensure that our implementing policies and programs properly reflect this new vision."

Mr. Ameerali notes, for example, that the gold mining projects recently negotiated with Canada's Iamgold and Newmont Mining of the United States required considerable political coordination. "We needed to involve our parliament, the National Assembly, because of the far-reaching effect of these projects on our economy, communities and natural capital," he says. "Getting public buy-in to the projects resulted, in my opinion, in an enhancement of the terms and conditions of the contracts, which will be to the benefit of our country."

#### Natural Resources: The Growth Engine

Natural resources – principally gold, bauxite and oil are the longstanding engines of Suriname's economy and comprise the lion's share of its exports. The Iamgold and Newmont Mining projects mentioned above are both multi-year, multi-billion dollar efforts. Another important development in the gold sector is the creation of Suriname's first refining facility. The Kaloti Suriname Mint House is an equity joint venture between Suriname and Dubai's Kaloti Group, one of the world's largest precious metals refiners and trading houses, and is scheduled to open in December this year. Its 60-ton operating capacity could add more than \$2 billion to Kaloti's precious metals output and establish Suriname as a regional center of excellence for refining operations.

In the hydrocarbon sector there may be near-term opportunities emerging from the offshore exploration activities of Staatsolie NV, the state-owned oil company. "Currently there are more than ten international investors working with Staatsolie to help bring what we believe to be a considerable amount of resources to market," says Vice President Ameerali. Plans are also underway for an extensive enhancement of our energy supplies by means of alternative energy like solar farms, hydropower and energy from waste. "President Bouterse during his CARICOM chairmanship introduced a new vision on sharing benefits of natural resources with regional

partners under the umbrella of CARICOM Enterprises," he adds, "His [the President's] main focus is to enhance wellbeing and welfare in the whole region by combining skills and resources."

#### Beyond Mining: Investing in Sustainable Natural Resources

Mining may represent the present in terms of Suriname's investment environment, but other sectors are driving the future. The Government's long-term strategy is to leverage the opportunities provided in the mining sector to create and grow sustainable industries that provide for future generations while protecting the environment. "Our main message to international partners in investment is that Suriname is

#### Investing in Infrastructure

Growth and development require infrastructure, and here again Suriname is eager to engage with foreign experts in mutually beneficial public-private partnerships (PPP). One such development, a partnership with Dubai company DP World to upgrade the port of capital city Paramaribo, has resulted in that port being named as the most efficient harbor in the region. "After the Dubai investment, which increased cooperation between private and public entities, our port won the Caribbean Shipping Association (CSA) Award three years in a row," observes Vice President Ameerali.

China is another country that sees the opportunity for infrastructure investment. Major



Photo: Courtesy Government of Suriname

Growth and development require infrastructure, and Suriname is eager to engage in mutually beneficial public-private partnerships.

strongly focused on diversifying and balancing our economy," says Vice President Ameerali.

How this long-term strategy translates to specific investment policy objectives was spelled out recently by President Bouterse. "We want to meet the needs of all segments of our population, undertake an accelerated exploitation of some of our non-renewable resources, and fulfill our duty towards preserving healthy ecosystems. Balancing these three objectives will be key," he says.

One area of focus is agriculture. Agriculture's contribution to Suriname's exports is currently around 11 percent. In the near term the Government aims to double its rice exports to Brazil and increase its presence elsewhere in the region, notably the Caribbean where rice is a dietary staple. Suriname also has quota-free and duty-free access to European markets for bananas. And Suriname's IDCS is currently seeking joint venture equity partners for development of a palm oil production and refinery operation.

Suriname's vast rainforest interior holds many natural assets that could help broaden its economic base through investment partnerships. Eco-tourism, one of the world's fast-growing industries, is an obvious opportunity, interlinked with abundant fresh water reserves. Suriname is home to many indigenous communities whose voices are an increasingly important part of the national discourse on economic sustainability and conservation of biodiversity.

projects for building roads and housing have been underway for several years. A Colombian cement company has invested in Suriname to supply high quality cement to meet the construction demands associated with a rapid build-out in affordable housing, one of the Government's key development priorities.

#### Incentives for Investment Growth

Suriname is not alone in the region, of course, in seeking to attract profitable investment as a means to economic growth. Vice President Ameerali is well aware of the challenges involved in making the country's presence felt on the global stage. "Our report card is improved from where it was three years ago," he says. "But we still have work to do if we truly want to be the destination of choice for investors looking at opportunities in our region of the Americas."

To make Suriname a more attractive investment destination, we need to focus on removing identified weaknesses, for example, by enacting more business-friendly legislation, increasing transparency, tax incentives and training initiatives for the private sector, as well as improving the ease of setting up a business in Suriname. "In 2010 it took 173 days to open a new company in Suriname," Mr. Ameerali says. "Today it takes only 14 days." There may still be a long road ahead, but Suriname appears to be moving in the right direction to becoming an increasingly attractive regional destination for investment.

## MOSAIC

From page D1

rainforest where indigenous communities, that had already themselves moved fleeing slavery, collaborated with them, which secured the survival of the Maroons deep in the rainforest. Year after year, decade after decade, all these communities learned how to carefully collaborate and co-exist against a common authority. Gradually a spirit of unity and celebration of diversity arose from the ashes of hardship and forced labor.

This history of being brought together, one by one, over the course of centuries from different parts of the world made Suriname a nation of true collaboration. "Today the principles of co-existence, respect and tolerance are deeply ingrained in each and every one of us," says Suriname's President Desiré Delano Bouterse. "We eat, work, and celebrate together. Muslims celebrate Christmas with their Christian friends, Jewish people share dinner with Muslims at the end of Ramadan; and all Surinamese traditionally celebrate the Hindu national holiday of Phagwa," he adds. In short, "We are multi-ethnic, multi-religious, and singularly peaceful."

This unity can produce visual images scarcely imaginable in other parts of the world; perhaps most notably a Jewish synagogue and Islamic mosque standing next to each other in the capital city of Paramaribo. "Diversity is normal for us – it is simply the way things are here," says President Bouterse. "But we realize how unusual we are in this regard every time a Surinamese delegation heads overseas, and people try to figure out where we are from. Not being able to see differences based on color, religion or status is the most precious gift in life. Suriname regards its tolerance and co-existence in multi-cultural diversity as

a valuable asset – one that we are proud of and eager to share."

Hindustani, Creole, Javanese and Maroons make up the largest groups, accounting for about 83 percent of the population. Suriname's vibrant tribal population of 197 indigenous and Maroon communities, continue to live mostly in the vast rainforest areas that make up more than 95 percent of Suriname's landmass. In recent years these communities have become an increasingly important voice in the national debate over environmental conservation and biodiversity.

This cultural and religious mosaic expresses itself in the country's political process as well. Suriname's Permanent Representative to the Organization of American States (OAS), Ambassador Niernala Badrising, observes that "our representative democracy counts more than 30 political parties, with coalition-building among the parties to take into account and give a voice to all our ethnic and religious communities." Additionally, Suriname is the only country in South-America with an Inter-Religious Council (IRIS) consisting of Christian, Hindu, Muslim and Jewish representatives. IRIS operates as an advisory body to the government. This kind of civic engagement helps promote policies and programs that are inclusive and focused on the welfare of all citizens, rather than just those of certain privileged groups.

President Bouterse also believes that powerful civic benefits arise from Suriname's strong sense of national and cultural identity. "It is only when we know ourselves, respect ourselves and feel deep pride for our cultural wealth, that we can confidently chart our path in the world," he says. It is a strength he believes Suriname should share with the world. "Connecting to our brothers and sisters in the region and beyond can help improve the South American and Caribbean experience, and strengthen us in achieving true development for our nations."

# Port of Paramaribo serves growing region

Three times named 'Port of the Year' by Caribbean Port Association

By P.D. PAULIN

The Port of Paramaribo is playing a vital role in Suriname's effort to ramp up its development, and it has plenty of capacity to grow with Suriname and the region, say officials.

The mid-sized port Nieuwe Haven (translated: New Port) handles imports and exports equivalent to 100 percent of Suriname's GDP – a whopping \$5.2 billion in 2013. Its modern facilities include the region's largest cranes and a mobile crane allowing for the transfer of a ship's cargo within a 12-hour "tidal window." Last year, the port received 1,250 vessels. It handled 108,000 shipping containers and nearly 450,000 tons of individual goods and items. The Caribbean Port Association, a trade group, has honored N.V. Havenbeheer, the overseeing entity for Suriname's port, three times as "Port of the Year" in different categories.

Now that Suriname's President Desiré Bouterse is undertaking ambitious development plans, the port is more important than ever in the former colony, situated on the northeastern shoulder of South America. Offshore oil drilling and gold mining are currently Suriname's two hottest sectors; and as they continue to ramp up, officials say the port has plenty of room to grow.

The port's stellar reputation, by all accounts, is due to the government's management strategy – specifically, the creation of public and private partnerships along the lines of recommendations from the World Bank. The port's landlord is state-owned N.V. Havenbeheer Suriname (Suriname Port Management Company) which in 2008 undertook a major reorganization – selecting three private terminal operators during a bidding process. The management company also operates Port Nieuw Nickerie, situated 123 miles west of Paramaribo at the mouth of the Nickerie River.

As private companies manage day-to-day operations, Suriname Port Management Company functions as a developer and supervisor, and remains legally responsible for operating the port.

Port of Paramaribo's two main private companies are Integra Port Services NV. (a stevedoring operator terminal); and Suriname Port Services NV. (a container and cargo-handling facility).



Photo: Courtesy N.V. Havenbeheer

The Port of Paramaribo, a mid-sized facility known as Nieuwe Haven, is situated along the Suriname River in the capital of Paramaribo.

Together they can handle more than 100,000 standard-sized shipping containers. As needs arise, they have the potential to double that capacity.

"These terminals are well placed to handle all cargo into Suriname today but more importantly they have the potential to expand in line with future demand as trade continues to grow, underpinned by Suriname's diversified natural resources sector," said Matthew Leech, Senior Vice President and Managing Director of Americas, shortly after DP World bought controlling stakes in the port's two main operators.

Suriname Port Management Company also operates a facility about 20 miles upstream from Paramaribo, which specializes in handling equipment

associated with sectors involving oil, mining, logging, and cement.

Containers and goods moving through the port also have increased thanks to an improved highway connecting Suriname with French Guiana, thereby allowing the port to serve as a gateway into western Suriname and French Guiana. Further improving infrastructure, especially connecting roads to neighboring countries, coincides with the government's vision to become an even greater player in sea transport.

Among improvements now underway, Suriname Port Management Company is improving cross-border facilities in the east of Suriname. It also is upgrading the port of Nieuw Nickerie

(bordering Guyana) which handles large amounts of agricultural goods, primarily bananas and rice.

Suriname Port Management Company's mission includes stimulating port activity and creating jobs. Port security also is a priority, as was underscored by the fact that, two years ago, Suriname and neighboring Guyana became the first two Caribbean countries to join the Container Control Program. The program is an initiative of the United Nations Office on Drugs and Crime and the World Customs Organization; it works with countries to improve port security and prevent the illegal use of sea containers in drug trafficking, criminal activities, and other threatening acts.

## Staying 'green' to keep the ocean at bay

Suriname's battle with global warming

By P.D. PAULIN

In a worst-case scenario, global warming would prove disastrous for Suriname. Rising sea levels from melting glaciers, ice caps, and the oceans' thermal expansion would cover large portions of the low-lying coastal country and flood the capital of Paramaribo.

"Paramaribo, an UNESCO World Heritage Site, will most likely disappear," if global-warming trends continue, said Sieuwath Naipal, Professor at the Anton de Kom University of Suriname and Environment Adviser to President Desiré Bouterse. "We will have to spend an inordinate amount of our current and future GDP to protect ourselves against the inevitable impacts of sea-level rise."

A 2007 World Bank study ranked Suriname, as one of the seven countries most vulnerable to rising sea levels. Paramaribo, a city of 250,000, is located near the coast along the banks of the Suriname River.

Regarding climate-change trends, Professor Naipal explained: "The current level of CO2 in the atmosphere, and the unabated emission trajectory that the world is currently on (and not showing any

signs of slowing down I might mention), has placed humanity on a path towards 4+ degrees average rise in temperature, which in turn will result in significantly higher sea level rise than was previously projected."

Stopping human activities contributing to global warming is one way to stop rising temperatures. Accordingly, Surinamese officials are working in the United Nations to create a consensus on combating global warming, a problem for which industrialized nations are mostly responsible because of their CO2 emissions. The top five are: China, United States, India, Russia and Japan.

Aside from these industrial polluters, developing countries that permit the destruction of their forests also have their share of responsibility, a problem that is "responsible for about 15 percent of global greenhouse gas emissions," said Naipal.

Suriname, for its part, is considered one of the world's "greenest" countries, he noted. It has up to eight percent of the world's pristine tropical forests. Preserving this resource is not only done out of a sense of environmental responsibility, but because forests play a major role in combating global warming by exchanging CO2 and other greenhouse gases for breathable oxygen.



Photo: Courtesy Government of Suriname

Rising sea levels from melting glaciers, ice caps, and the oceans' thermal expansion could eventually flood the low-lying capital of Paramaribo.

"Suriname is deploying her forests in the fight against climate change," said Cedric Nelom, Acting Director of the National Institute for Environment and Development (NIMOS). "The Surinamese forests are currently absorbing more carbon dioxide than the country is emitting, effectively making Suriname one of the few carbon-negative countries in the world."

To this end, Suriname participates in an international mechanism designed to reduce greenhouse gases, which it does by stopping the destruction of forests; and hence the mechanism's acronym: REDD+ which stands for "Reducing Emissions from Deforestation and Forest Degradation." Created

by the United Nations Framework Convention on Climate Change, the objectives of REDD+ are to combat climate change with rules for the responsible management of forests in developing countries.

"So by virtue of our commitment to REDD+ and maintaining our standing forests to the best of our ability, we are in fact continuously serving as both a carbon sink, as well as a vast reservoir of carbon," Nelom said.

And by doing this, of course, Suriname helps to keep rising oceans at bay and out of Paramaribo.

## Toronto-based IAMGOLD upbeat about Suriname gold mining operations

Company investing despite falling gold prices

By P.D. PAULIN

Toronto-based IAMGOLD Corporation is expanding its gold-mining operations in Suriname with a newly negotiated concession that increased the government's stake in its operations despite falling gold prices.

IAMGOLD's 10-year-old open-pit Rosebel Gold Mine operation – once a top performer in its gold-mining portfolio – has become less profitable as workers have reached increasing amounts of hard rock. As a consequence, IAMGOLD is expanding its operations to include potentially better performing mine pits near its original facility.

Suriname's Parliament gave a green light to the deal in April 2013, and IAMGOLD also extended its partnership with the government until 2042. The government has a 5 percent stake in the Rosebel joint-venture, and receives

royalties and taxes as well. It will have a 30 percent stake at the new site.

IAMGOLD, which operates five gold mines in Canada, South America, and Africa, announced last March this new phase of its gold-mining operations in mineral-rich Suriname, a former Dutch colony in South America's northeast coast. Implementing the new agreement, publicly-traded IAMGOLD reported in a statement that it had finalized a five-year option agreement with gold-mining company Sarafina N.V. under which IAMGOLD's subsidiary Rosebel Gold Mine would earn a 100 percent interest in Sarafina's 24,710 acre mining concession located 15 miles from the Rosebel mine.

"Rosebel has been a great mine for IAMGOLD," explained IAMGOLD's president and CEO Steve Letwin. "In its first 10 years, Rosebel produced more gold than defined in its original mineral reserve. Its future reserves

are becoming more challenging and expensive to process due to an increasing proportion of hard rock."

The Sarafina property, on the other hand, "has the potential to yield new discoveries of higher grade," he said. "The new agreement opens the opportunity to reinvent Rosebel, lengthen its reserve life, lower its unit operating costs and improve its contribution to the government of Suriname, the local community and our investors," he added.

Under the agreement, Rosebel Gold Mine can purchase the property at any time for \$1 million. To maintain that option, it must make option payments of \$575,000 over five years. IAMGOLD also can terminate the agreement at any time; and if the project proceeds, Sarafina would be paid a 1.6 percent royalty for any gold that is produced.

As part of that deal, IAMGOLD also will be provided with lower-cost



Photo: Courtesy of IAMGOLD

IAMGOLD's 10-year-old open-pit Rosebel gold mine at dawn.

electrical power in order to increase its profitability at some mining operations. "The lower rate for power brings more gold mineral resources into economic viability for the mutual benefit of our shareholders and the people of Suriname," Letwin said. "The agreement reflects a true spirit of partnership between the government and the company."

The Rosebel mine produced 171,000 ounces of gold last year, reporting total

costs of \$745 per ounce and "all-in sustaining costs" of \$1,100 per ounce during the first half of 2013.

IAMGOLD, in the statement regarding its potential new mining site, said it "intends to make exploration of this property a priority, with the aim of discovering additional softer ore to feed to the Rosebel mine in the coming years."

# Tourism industry poised for growth

Suriname seeks 'high-end' tourists as it develops eco-tourism

By P.D. PAULIN

Suriname's incipient tourism industry may not be widely known, yet it enjoys dazzling bragging rights – a glowing travel article in *The New York Times* that dubbed it “South America's hidden treasure.”

Tourism officials in Suriname were delighted by that article published three years ago. But now they are anxious to see Suriname emerge from its hiding place – a small corner of South America's northeastern shoulder. They are carefully ramping up the tourism sector, though not so much that Suriname loses its magic. To achieve these government-backed development goals, Suriname is welcoming investment in the tourism sector. The initial phases of growth are expected to be spectacular, say officials.

Sparingly populated with 542,000 people, South America's smallest nation is covered with unspoiled forests and pristine rivers. The capital of Paramaribo is a charming stopping-off point – definitely worth visiting a few days, before an unforgettable sojourn into a sparsely populated wilderness.

Suriname's tourism sector, to be sure, has experienced steady growth in recent years – a result of the country's limited advertising, word-of-mouth testimonials, and of course those glowing reports

creates a lot of jobs,” he wrote. In addition, Dwarka noted that employment involving trade, hotels, and restaurants was 15,344 in 2005 – and had increased by 169 jobs a year later. By 2007, 519 more jobs were added. As of 2008, a total of 15,723 jobs were listed.

One thing Suriname doesn't want is mass tourism – aside from an occasional cruise ship visiting the Port of Paramaribo. Instead, officials are most interested in developing an industry that attracts “high-end” tourists, those seeking upscale eco-tours, wellness services and cultural adventures.

This strategy is seen as prudent for Suriname's interior – a vast expanse of pristine forests and rivers. Sparsely populated, it is inhabited by friendly villages of indigenous people and Maroons, the latter being descendants of slaves from Africa who escaped hundreds of years ago. Both communities have rich histories and cultures.

To keep these areas unspoiled and respect the livelihoods of the inhabitants, officials thus want tourism limited to small numbers of visitors generating high revenues per visit. Tourists must leave behind only “small ecological footprints,” said Faridy Lila, chairperson of the Suriname Tourism Foundation, a public and private partnership created in 1996 to promote and regulate the emerging tourism industry.

Ultimately, the goal of developing a small eco-tourism industry in the interior

According to the Tourism Foundation, the industry has generated steady growth in recent years, increasing from 107,609 visitors in 2004 to 240,041 in 2012 – a 131 percent increase. In 2013, 7,287 visitors came from the United States. The Dutch, however, continue to account for most eco-tourists from overseas. Visitors stay an average of 12 days.

The tourism sector's philosophy of sustainable, low-key tourism also applies to the capital of Paramaribo, a quaint and peaceful multi-ethnic city. Many tourists spend a day or two there – strolling or bicycling about before heading to the interior for stays at guest houses, lodges, and low-key resorts.

Paramaribo, called the Wooden City because of its colonial architecture and wooden structures, is a UNESCO World Heritage site – considered culturally and historically significant because of



Photo: Courtesy Wilderness Explorers

New Amsterdam armory.



Photo: Courtesy Government of Suriname

The Hindu celebration of Phagwa is celebrated with all Surinamese, regardless of ethnicity or religion.



Photo: Courtesy Wilderness Explorers

Costumed dancer at one of Suriname's many ethnic festivals.

from visiting travel writers. The desire to ramp up Suriname's tourism sector is part of President Desiré Bouterse's ambitious plans to develop a more sustainable and diversified economy – in order to increase social spending in education, housing, and health care. Offshore oil drilling and gold mining are the two hottest sectors at the moment, but the undeveloped tourism sector is nevertheless seen as a grass-roots job promoter and potentially significant source of revenue.

In a paper on Suriname's growing tourism industry, University of Suriname economist Ramdath Dwarka noted that in 2004 there were 35 tour operators – growing to 64 in 2010. The number of travel agents went from 44 to 58 during the same six-year period. In total, Suriname had 372 registered hotels and 66 restaurants in 2010. “This development

revolves around the challenges of sustainable development and the creation of jobs for people living there. One solution is offered by the tenants of a U.N. program called “REDD +” – an acronym that stands for: Reducing Emissions from Deforestation and Forest Degradation; the “plus” in “REDD +” goes beyond policies to prevent deforestation and forest degradation, and includes the role of conservation, and sustainable management of forests.

Explaining how Suriname is utilizing this program, Cedric Nelom, acting director of a government agency and environmental watchdog called NIMOS (National Institute for Environment and Development), said “Eco-tourism might be a splendid opportunity for our communities to preserve traditions, livelihoods and cultures, while making a decent living.”

its beauty and storied history. The city's hotels range from small guest houses to a handful of upscale international hotels. The markets considered the best fit for the upscale niche market being developed are eco-tourism visitors from Europe and North America.

“The four main pillars of tourism in Suriname are: nature, culture, events, and heritage,” Lila said. The tourism industry's motto: “Suriname, a colorful experience...exotic beyond words.”

Suriname is about the size of Florida. Dutch is the official language, but English is widely spoken. In addition to that rave review on the travel page of Sunday's *New York Times*, Lonely Planet's travel guide in 2010 listed Suriname as one of the top-ten countries to visit.

“Our pride is our interior, where one can relax in the beautiful rainforest,” said Lila, enjoying activities like bathing in river; hiking amid exotic flora and fauna; and observing village life up close, perhaps even participating in village activities. “There are various activities which one can enjoy during one's stay in the interior. The lodges vary from basic to luxurious,” she said.

When ranking Suriname as a top-10 destination, Lonely Planet noted that one of the country's charms was its multi-ethnic heritage from its colonial past – a fascinating mishmash of Chinese, Javanese and Indian laborers that arrived in the 1700s century, following slaves forcibly brought from West Africa the previous century. Plus, there are the indigenous Amerindians, and Lebanese, Jewish and Dutch settlers. Lonely Planet observed: “With everyone speaking different languages, celebrating different holidays and worshiping in different temples, visiting Suriname is really like hitting several countries at once.”

Aside from Paramaribo's charms and interior's natural wonders, Suriname



Photo: Courtesy Government of Suriname

A classic Paramaribo scene.

is widely regarded as one of the safest places to visit in the Caribbean and South America. Visiting businessmen and investors will find Suriname “comparable to other middle income developing countries,” observed U.S. Ambassador to Suriname Jay N. Anania. “The people of Suriname are notably friendly, and life in Paramaribo is generally pleasant and relaxed. Suriname is one of the world's most ethnically and culturally diverse countries, and the large expanses of unspoiled rainforest offer numerous opportunities for nature lovers. Business and cultural ties to the U.S. are longstanding and positive.”

President Bouterse, moreover, noted in his recent annual address that his government will focus on expanding connections by air, sea, and land to boost tourism.

“Recently an open sky agreement was signed between our two nations, which will improve our competitiveness through increased transport efficiency of goods and persons, both for business travel and tourism,” said Subhas Mungra, Suriname's Ambassador to the United States. “We are recently experiencing an increase of travels to Suriname in both categories,” he added.

Incidentally, tourists interested in cultural events may want to check out Suriname's capital during upcoming New Year's Eve celebrations – a colorful event of street parties that made CNN's list of “Fantastic New Year's Eve Destinations.” Every year, flights to Suriname are booked months in advance for the celebration that lasts from 8 a.m. to midnight.



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