Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Suriname is attached.
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1 INTRODUCTION

1.1. The Republic of Suriname is situated on the northeast coast of South America. It is the smallest independent developing nation in South America and also the only Dutch speaking country. The land area is 163,270 square kilometres, of which 90% is covered by tropical rainforest enriched with a great diversity of flora and fauna. Suriname has a relatively small population of about 539,210 (2011), residing mostly along the coastline. Suriname shares its border in the east with French Guyana, Brazil in the south and Guyana in the west.

1.2. The Constitution of Suriname enshrines the parliamentary form of democracy based on the Dutch legal system with an incorporated French penal principle. Legislative Power resides in the 51-member Parliament. Executive power is vested in the President. The President is the Head of State of the Republic of Suriname, Head of the Government, President of the State Council and the Security Council. He is accountable to the National Assembly. The Government consists of the President, Vice-President and the Council of Ministers. The Council of Ministers is the highest executive and administrative body of the Government. Judicial power is vested in the Court of Justice, consisting of the Public Prosecutors’ Office, Magistrate’s Court and Supreme Court.

1.3. Suriname has a typical small and open economy that poses a constant challenge to maintain stability. Suriname is highly dependent on a limited number of exports of goods and services in order to finance its development. Suriname’s tradable sector at the beginning of the 21st century remains heavily reliant on primary production – agriculture, fishing, forestry and mining. The major export crops – rice and bananas – have been marketed traditionally under preferential arrangements, which recently have come under review. In turn, production has decreased, mainly due to the non-competitiveness of these industries in the international trading environment. Bauxite mining and refining remain a key sector of the Surinamese economy. Petroleum is also growing as part of the extractive sector. It is estimated that bauxite, petroleum and gold mining account for more than 94% of export earnings in 2011. Efforts are now being taken to further diversify the economy with more ongoing foreign investments in the gold, bauxite, palm oil, soya bean oil, sugarcane and fishery sectors. In addition, the Government is taking structural steps to transform services and tourism into a profitable industry in the years to come.

1.4. The participation in the CARICOM Single Market and Economy is primarily as a way of gradually integrating the economy regionally. Suriname is also engaged in various major external trade negotiations and agreements namely the multilateral Doha Development Agenda (DDA) negotiations in the World Trade Organization (WTO), and the negotiations for a CARICOM – Canada Trade and Development Agreement, CARIFORUM – EU Economic Partnership Agreement (EPA), and Community of Latin America and Caribbean States (CELAC).

2 DEVELOPMENT PROCESS

2.1 Economic Climate

2.1. The macroeconomic environment has been largely stabilized. The economy is being prepared to face the far more open global economic environment. The need to improve conditions for domestic capital formation and to improve the environment in order to stimulate entrepreneurship while the country attracts foreign investment is also recognized. Small businesses continue to increase in numbers and provide an important growing source of employment.

2.2. Following the stabilization of the economy in 2003, which had brought a fiscal surplus, lower inflation, a narrowing of the balance-of-payments current account deficit and expansion of international reserves, economic policy for 2004-2005 was aimed at accelerating growth while safeguarding stability.

2.3. In 2004 the economy expanded at a rate of 4.6%. This was led by mining, construction and, to a lesser extent, agriculture. The economy grew at a rate of 5.7% in 2005, due to favorable export commodity prices, as well as higher inflows of foreign investment. Mining grew by 18%
in 2006, remained the main engine of the economic expansion. There were some developments in
construction, transport and commerce.

2.4. In 2007 the Surinamese economy grew by 5.3%, led again by increasing mineral production,
with the mining and quarrying sector expanding by 10.6% coupled with increasing international
commodity prices.

2.5. Despite the cooling of international commodity prices in the second half of 2008, the
Surinamese economy maintained growth of 5.2% in 2008. Growth was led by construction,
mining, and wholesale and retail commerce, restaurants and hotels.

2.6. Suriname was one of the few Caribbean countries to post positive growth during 2009. The
growth of real GDP was 2.2% due to strong performances by the oil and gold industries and
continued infrastructure development. Economic policy was aimed at containing inflation through
monetary channels, facilitating economic growth and export growth, particularly through fiscal
channels, and maintaining sustainable debt levels.

2.7. The economy of Suriname continued to perform robustly in 2010, recording 4.4% growth,
compared with 2.2% in 2009. This performance was driven by buoyant activity in the construction
sector and increased government spending.

2.8. In January 2011, the Surinamese dollar was devaluated by 20% against the U.S. dollar. The
parallel market has since disappeared due to devaluation of the Surinamese dollar. Government
revenue in 2011 benefitted from:

- the positive impact on tax collections from the devaluation;
- a spike in direct taxes from the oil and gold sectors; and
- higher indirect tax collections from domestic fuel products, alcohol, tobacco and casinos.

3 SECTORAL PERFORMANCE

3.1 Key Sectors

3.1.1 Agriculture

3.1. The agricultural sector in Suriname, as a former plantation colony, has always had an
important place in the economy. Agriculture, livestock and fisheries form the agricultural sector
and have a 10% share in GDP (Gross Domestic Product) of Suriname. The Government stands for
a sustainable strategy in the agricultural areas. This strategy aims at sustainable agricultural
activities. Under sustainable agricultural production is meant a production system in which the
ecosystem is carefully handled, so that the next generations are assured of good conditions for the
production of sufficient, healthy and safe food.

3.2. The Government has developed a policy towards converting Suriname into a major food
producer and supplier of the Caribbean. The strategy is to increase the export of agricultural
products by first increasing the agricultural production in a sustainable way. The effort to achieve
this strategic goal is a shared responsibility between the private sector and the government. The
Government has decided to create conditions to support the agricultural sector, which are
necessary if we want to become a major food provider of the Caribbean.

3.3. Rice as a staple food, foreign exchange earner and job creator has an important place in the
Surinamese economy. The rice sector in Suriname employs over 8,000 families. With the spin-off
effect of this sub-sector, this number might even be higher. The rice sector provides approximately
35,000 tons of rice annually for local consumption and by-products are used in the production of
livestock feed. Besides the demand for the local market, a great deal of the production is exported.
In 2011, the rice sector produced 217.915,96 tons of rice, of which 46.109,00 tons were destined
for exportation. The challenge is to produce more value added rice products for non-traditional
markets.
3.4. Bananas are the second most important agricultural crop, mainly because of export orientation. The Banana sector produces approximately 65,000 metric tons per year, mainly for the export. The Banana Conservation Association (SBBS) has an agronomic department responsible for collecting business statistics, controlling and monitoring of diseases and pests and the introduction of new varieties and new production technologies. A challenge for this department is working on product diversification, whereby priority is given to the introduction of new crops and making use of by-products. The SBBS is Global Gap certified and thus has to maintain its competitiveness in the international market. With certification a better price is stipulated. The banana industry is in many ways important for our country in terms of production and export, as well as job-creation.

3.5. The exports of bananas and rice from Suriname benefit from preferential access under the CARIFORUM – EU Economic Partnership Agreement (EPA).

3.6. The husbandry sector produces mainly for domestic consumption and includes cattle, pigs and poultry. This sector has great potential for export. With the exception of poultry, the husbandry sector consists mainly of small businesses. A problem for the husbandry sector is the absence of a certification system, which makes the European market more difficult to access to even the most modern slaughterhouse of the Caribbean, the Argema Slaughterhouse.

3.7. The fishery sector is geographically divided into the sea, either industrial, coastal, brackish water fishery and fresh water fishery. The quantities of fish that can be caught sustainably lies above 200,000 tons per year.

3.8. The fishery sector in terms of export value of fishery products is the largest sub-sector within the agricultural branch. For the past few years, the export value has fluctuated around $40 million annually. Its annual contribution to the GDP is around 4% and it provides employment to over 6,000 people. Apart from the mining sector, the fishery sector is the most important sector regarding foreign exchange earnings for the country. The production consists of sea shrimp (highest terms of export value), sea bob shrimp, fish and shrimp farming.

### 3.1.2 Services

3.9. The services sector accounts for nearly 60% of the total economic activities in Suriname and is a major source of economic activity and employment. The Government is in the process of developing the services sector through the following policy:

- a. Stimulating entrepreneurship and promoting international cooperation in order to guarantee markets for the Surinamese businesses.
- b. Clustering, innovation and standardization of services.

3.10. For the development of the services sector, the Government will also:

- Simplify licensing procedures and introduce a new law on licences.
- Remove all unnecessary administrative barriers to entrepreneurship.
- Create a more liberal and more competitive business climate.

### 3.1.3 Tourism

3.11. Suriname has potential in the area of Special Interest tourism services for on which there is a large demand on the international tourism market. The purpose of the Tourism policy of Suriname is to promote a greater economic contribution to the welfare and quality of life of the country. The starting point for the tourism policy is sustainable utilization of culture and nature, according to the issues surrounding the special interest tourist. The Tourist product of Suriname will mainly be nature oriented. The existing forms of Tourism can be divided in the following four areas: nature tourism, culture tourism, heritage tourism and event tourism. The Government is currently executing a tourism clustering program to strengthen the branch.
3.12. To promote the tourism sector the Government will adopt the following policy priorities:

a. Increase in the number of tourists:
   - changing visa policy and tourist-friendly facilities,
   - image building and branding,
   - a steady and sustainable growth in the number of tourists to Suriname.

b. Improvement of the tourism product and organization of the sector:
   - legislation and financing of the sector,
   - quality of services and products,
   - professionalism and quality standards within the professions in the tourism sector.

c. Planning:
   - awareness, research and innovation within the tourism sector,
   - inclusion of tourism-related statistics in the national statistics.

3.1.4 Financial sector

3.13. The financial sector has an important role in promoting macro-economic stability and the degree of economic growth in the country. The government has a fiscal conservative policy. In this context, stringent cash management, as well as a responsible and balanced policy with regard to public finances will be conducted. Through the project Management and Supervision of State Finance, the efficiency in the management of public finances will be increased.

3.14. Concerning the National Debt, the Government will ensure that the National Debt is always at a legally acceptable level.

3.15. With regard to the taxation system of Suriname, it can be noted that the system needs an urgent and thorough reforming. The current taxation legislation is outdated, complex and difficult to use as an instrument for economic development. In order to substantially improve the effectiveness of the tax administration, a tax authority will be established. This authority will be responsible for the administration of tax services and custom services.

3.1.5 Monetary policy

3.16. The Monetary Authority intends to transform the character of the monetary policy from passive to active. This change is important for the Central Bank of Suriname in order to control the liquidity in the financial sector effectively and to create a basis for efficient allocation of capital in the economy. This transformation process involves the introduction of a framework in which open market policy will be the focus of monetary policy, while the cash reserve arrangement, whether or not modified, will have a supplement role.

3.17. With regard to legislation in this area, the focus is on new and adapted legislations, namely:
   - a Law on Supervision on the Banking and Credit system;
   - a Law on Supervision on Insurance Companies;
   - a Law on Supervision on money remitters;
   - a new Foreign Exchange Law.

3.18. With the new Foreign Exchange Law the Government intends to make significant changes in the foreign exchange regulations and to align the law with current social circumstances.

3.19. The first three laws intend to create instruments for the Central Bank of Suriname in order to perform its tasks in accordance with international standards and norms, and to provide the general public greater guarantee regarding the safety of the financial system and the adequate functioning of the financial markets.
3.1.6 Transport

Road transport

3.20. The road transport will be organized on the basis of policy for passenger and freight transport. Legal provisions for road transportation which are adapted to the basic principles of safety, effectiveness and efficiency will, if necessary, be adjusted or replaced.

3.21. In the organization of this sector particular attention will be paid to the subsector Public Transport; the licensing policy will be adjusted. High priority will also be given to the organization of the taxi sector.

Maritime transport

3.22. With the modernization and expansion of the Nieuwe Haven (Port of Paramaribo) the processing capacity of containers has increased with an average of 25%. In the near future there will be significant investments in the modernization and expansion of port activities in Suriname. Work will be done for the establishment of an international shipping line. Legal provisions will be adapted to ensure that safety and quality of water transportation are guaranteed. In order to increase the reliability of inland and coastal shipping, a licensing system will be implemented which is based on quality assessment.

Air transport

3.23. Geographically located in the Northern part of South America, Suriname is located very strategically in terms of the process of integration and liberalization. The Open Sky policy mainly to the Caribbean will be intensified, since this policy encourages the coordination with the CARICOM member states and ACS-member states in the area of air transport.

3.24. With the installation of radar equipment the government intends to reduce the number of illegal and unidentified aircraft movements. To increase the awareness within the sector, the National Civil Aviation and Security Program and the Quality Control and Trainings program will be developed.

3.25. In addition, standard security policy will be implemented for the sector.

3.1.7 Telecommunication

3.26. With regard to the telecommunication sector, the government will develop an information society where everyone enjoys equal access to adequate and qualitative ICT infrastructure. Important policy principles for achieving this objective are:

1. To modify and adopt legislation: in connection with the harmonization of legislation within the region.

2. Improve communication infrastructure in capacity and geographic distribution. Under the supervision of the Telecommunication Authority Suriname (TAS) the telecom companies will need to expand their infrastructure and broaden their accessibility.

3. Effective and efficient spread and control of the frequencies. The transition from analogue to digital television. The government will introduce digital television.

4. The formulation of a national ICT-strategy: In connection with the harmonization of policy, the government in collaboration with the countries in the region will determine to what extent the regional strategy (ICT4D-strategy) can serve as a national IT-strategy. The result of a national strategy will be the establishment of a national institute on ICT.
3.27. Furthermore, the government will cooperate with India in the area of ICT.

i. An important part of the national ICT strategy is an e-government strategy. The e-government strategy implies the organization, simplification and digitization of government services to the community, through the use of ICT.

ii. Due to the rapid technological development it is necessary to adapt the current legislation on telecommunication in a number of areas, inter alia telecommunication masts, anti spam and cybercrime.

3.1.8 Mining

3.28. Mining (bauxite, gold and oil) is one of the pillars of the Surinamese economy, providing more than 71% of the country’s exports.

3.29. Regarding the Bauxite Industry, despite the negative effects of the global crisis since the last quarter of 2008, the export volume of alumina rose by 0.7% to 2,176,531 metric tons. The total export value amounted to US$715.5 million, an increase of almost 2%. In comparison to 2011, the total export value has decreased to US$438.6 million with an export volume of 1,271,346 metric tons. The objective of recent policies was to secure the continued production of bauxite and alumina in east and central Suriname and to promote new activities in the western part of the country.

3.30. The dominant position of the bauxite industry in Suriname was reduced significantly in recent years. From the historical share of 70% to 80% of the export value that the alumina industry had, only about 25% barely remains. As of August 1st, 2009, the bauxite industry is for 100% owned by Alcoa Inc. The BHP Billiton Maatschappij Suriname LLC sold its interests in Suriname on 1 August 2009 to the Alcoa Inc. and is now registered as Alcoa Minerals, LLC of Suriname.

3.31. Since 2008, there had been a significant decrease observable in the amounts of alumina export. Since May 2009 the industry had been operating at 60% capacity due to the international financial crisis and the current bauxite reserves. The new mines which Suralco is planning to exploit (Nassau Mountains, Para, North and North Kankantrie) will be able to provide bauxite for the bauxite refinery as of the 3rd quarter of 2014. In order to overcome the period of one year and nine months, intensive research is being carried out into new bauxite in the Moengo area.

3.32. The gold price experiences a remarkable surge at a price of US$1700 per troy ounce (August 2011). There is great interest from multinational companies to invest in the Gold sector. Through beneficial agreements regarding this sector, Suriname will enter into partnerships with these companies.

3.33. In the first half of 2012 the consolidated gross revenues of the State Oil Company Ltd. (Staatsolie N.V.) amounted to US$507 million, an increase of 47% compared to the same period of 2011. The average year-to-date product net sales price was US$107.12 per barrel, which is an increase of 11% compared to the average net sales price of US$96.87 per barrel in the first half of 2011. The Refinery Expansion Project (REP) (to be set up at Tout Lui Faut) has advanced according the schedule. The new refinery will produce diesel, gasoline, fuel oil and bitumen mainly for the local market and sulphuric acid for the export.

3.34. The pre-feasibility studies for the Wageningen Sugarcane to Ethanol Project have been finalized, completing the assessment phase of the sugarcane pilot cultivation project. The average yield achieved in the pilot was approximately 94 t/ha, exceeding the target. A plant configuration was selected achieving the optimum percentage of fermentable sugars for ethanol production. Ethanol production is a valuable addition to the product portfolio of Staatsolie.

4 TRADE RELATIONS

4.1. Suriname became a member of the Caribbean Community in July 1995 and this meant that a choice was made towards regional integration. Currently, Suriname’s policy decisions on trade take into consideration the country’s obligations under the Revised Treaty of Chaguaramas. Among
others, the internal barriers to trade in goods were removed and Suriname has implemented the common external tariff corresponding with the rest of CARICOM members. The main focus of the Regional integration arrangements is free trade in goods, persons, services, capital and the establishment of companies.

4.2. The Office of Trade Negotiations (OTN), formerly known as Caribbean Regional Negotiating Machinery (CRNM) gives the CARICOM members states guidance in various trade issues and negotiations. Suriname participates fully in regional Consultations and Negotiations but not without consulting the relevant national stakeholders.

4.3. Suriname has no permanent missions in Geneva, however, the Surinamese Ambassador in Paris has now been accredited as the Geneva Representative. Suriname has been a member of the WTO in 1995, and has continually sought to comply with its obligations within the limits of its human, financial, and technical resources.

4.4. Suriname has achieved under the Doha Development Agenda (DDA) Negotiations in the draft Modalities text on Agriculture the possibility to rebind its bound agricultural tariffs at the average level of the rest of CARICOM members. In terms of Non Agricultural Market Access (NAMA), Suriname falls within the category of low-binding-coverage countries and as such does not need to apply the tariff-cut formula. Instead, Suriname will have to bind its unbound NAMA tariff lines.

4.5. Suriname has initiated renegotiations of its bound tariffs under article XXVIII of the GATT in December 2011.

4.6. Suriname is currently engaged in trade negotiations within CARICOM with Canada. As part of the CARIFORUM (CARICOM and the Dominican Republic), Suriname is part of the CARIFORUM – EU Economic Partnership Agreements (EPA) which was signed in October 2008.