
SUMMARY

1. Since its last Trade Policy Review in 2013, Suriname's economic performance has been highly volatile, with annual GDP growth rates fluctuating between -5.6% and + 2.9%. These fluctuations were essentially triggered by significant commodity terms of trade and internal shocks, and were exacerbated by insufficient buffers and policy responses. Per capita GDP is now about USD 6,500, down from USD 8,800 in 2012. A slow recovery of the economy is underway, with an expected GDP growth rate of 2% in 2019.
2. Monetary policy is determined by Suriname's Central Bank, which is not independent. Price stability, defined as low single-digit inflation, is the primary monetary policy objective. Inflation peaked in late 2016, at about 60%, but fell to 6% in 2018. Public debt levels increased significantly, from 32% of GDP in 2013 to some 80% in 2018. Suriname's economy is strongly U.S.-dollarized, mainly due to experience with high inflation. The current account deficit increased considerably between 2013 and 2015, when it amounted to 16.4% of GDP, but it fell in 2016 and 2017, mainly due to falling imports, improved terms of trade and recovering exports.
3. Merchandise exports and imports both fell significantly during the period under review. Total merchandise exports declined from USD 2.4 billion in 2012 to slightly over USD 1.2 billion in 2016, before rebounding to USD 1.4 billion in 2017. Merchandise imports peaked in 2013, at USD 2.3 billion, but fell to about USD 1.2 billion in 2016 and 2017. No trade figures are available for 2018.
4. Gold and fuel are Suriname's main export products. Bauxite and aluminium, which were the most important export goods in 2007, are no longer produced, due to the closure of the main mine in 2016. Switzerland; Hong Kong, China; and the European Union are the most important export destinations; imports mainly originate in Trinidad and Tobago, the United States, and the European Union. Foreign investment, particularly in the mining sector, plays an important role in Suriname's capital formation.
5. Suriname's institutional environment remains unchanged since the last Review. It is characterized by a strong backlog in adopting important trade-related laws. Crucial legislation, on topics such as customs, foreign investment, mining, trade facilitation, value-added taxes, competition, standards, and intellectual property, has been pending, often for more than ten years. In practice, a relatively large discretionary decision power and the practice of "ad hocism" have led to low predictability of the trade regime, concerns about governance issues, and high costs of doing business.
6. The Ministry of Trade, Industry and Tourism (MTIT) is the lead ministry for trade policy formulation. Several other ministries and government agencies are also involved, in their respective areas. Overall economic and trade policy objectives are laid down in five-year development plans, of which the latest one covers the period 2017–21. Key objectives include the diversification of the economy, an improvement of the business climate, and increased participation in international and regional markets.
7. Suriname is a member of the Caribbean Community and Common Market (CARICOM) since 1995. Trade policies defined in the context of CARICOM provide guidance to those pursued by Suriname with respect to economic integration, cooperation, and the coordination of positions in trade negotiations. Under the CARICOM Agreement, Suriname grants duty-free treatment to imports from its member countries. However, only a small share of Suriname's exports goes to CARICOM countries. Through agreements concluded by CARICOM, Suriname also grants preferential treatment to imports from Cuba, the Dominican Republic, and the European Union. As the Economic Partnership Agreement with the European Union has not yet been ratified, a provisional EPA is used in practice.
8. Suriname grants at least MFN treatment to all its trading partners. It has not been involved in any WTO dispute settlement cases. Since 2013, Suriname submitted three notifications to the WTO, on technical regulations, its commitments under the Trade Facilitation Agreement, and the modification of its goods schedule. Numerous notifications remain outstanding. Suriname remains a non-resident Member, handling WTO matters through its mission in Paris.

9. Rules and various fiscal incentives for investment are laid down in the Investment Law, 2001. A new Investment Law has been under preparation since 2004, but it had not been adopted as at early 2019. It has been observed that the overall investment regime, and the approval of foreign direct investment in particular, may be discretionary, leading to unpredictability and associated risks of favouritism and lack of transparency. The Investment Development Corporation of Suriname, established in 2013 to promote investment, was closed. Under a State Decree of March 2017, Suriname is establishing a new public institution, Investsur, which will be responsible for facilitating investment projects.

10. All commercial importers and exporters must be registered with the Chamber of Commerce and Industry of Suriname and the Customs and Excise Department. The involvement of a customs broker is mandatory. Since 2015, ASYCUDA World has been applied for customs clearance. Some 50% of consignments are physically inspected. The average time to import is reported to be two to three days. Suriname joined the World Customs Organization in November 2018. Its legislation on customs valuation is based on the WTO's Customs Valuation Agreement. Suriname has not yet ratified the Trade Facilitation Agreement (TFA), but it submitted its Category A commitments under the TFA in November 2015; it has also established a National Trade Facilitation Committee.

11. Suriname adopted the CARICOM common external tariff with few exceptions. The applied MFN tariff remained unchanged since the last TPR, with rates ranging from zero to 50% and an average rate of around 11.4% (19.5% on agricultural products, and 9.8% on non-agricultural products). All tariff lines are *ad valorem*. Five per cent of tariff lines are duty-free; the highest rate of 50% is applied to only 0.5% of all tariff lines, affecting mainly alcoholic beverages. Suriname does not use tariff rate quotas or seasonal tariffs. Tariff exemptions and concessions are widely used. In addition to tariffs, all imports, except those originating in CARICOM countries, are subject to a consent fee of 1.5%, and a statistical fee of 0.5%.

12. About 30% of Suriname's tariff in the HS2007 classification is bound. Bound rates range from zero to 40%, with the highest rate applying to non-agricultural products. The average bound rate is 18.3% (19.8% for agricultural products, and 16.6% for non-agricultural products). Applied rates in 2019 exceed bound rates for 597 tariff lines, or 9.5% of Suriname's tariff. This occurs for many product categories, most importantly boilers, machinery, and technical appliances (112 tariff lines); edible fruits and nuts (61 lines); edible vegetables (56 lines); and live animals (32 lines). The application of tariffs above the bound rate is subject to a request for negotiations under Article XXVIII.

13. A turnover tax applies to most domestically-produced and imported goods and services. The basic rate of the tax is 10% for goods and 8% for services. A rate of 0% applies to some 50 basic-needs products, while a rate of 25% applies to some luxury goods. On imported goods, the tax is levied at the border and assessed on the basis of the c.i.f. value plus all other applicable duties. Suriname has been planning to introduce VAT for a number of years, but adoption and implementation of a VAT law have been delayed so far.

14. Suriname applies excise taxes on alcoholic and sugar-sweetened beverages, bottled water, and cigarettes and tobacco. According to the authorities, taxes are applied on imported and locally-produced goods alike. On imported goods, the tax is levied at the border. Suriname has never undertaken any action related to contingency measures, and has no specific law dealing with anti-dumping, countervailing duties, or safeguard measures.

15. Suriname maintains import prohibitions on certain chemicals and pesticides, and second-hand vehicles. Import restrictions are in place for firearms, fireworks, narcotic drugs, animals and animal products, and used tyres. Import licences for these products are issued free of charge. In addition, certain goods, including plants and waste, are subject to certification requirements when imported.

16. Registration requirements and customs formalities for imports of goods for commercial purposes also apply to exports. Export licences are in place for certain plants and animals, firearms, narcotics, and logs. All exports, except those to CARICOM countries, are subject to a consent fee of 0.1% and a statistical fee of 0.5%. Additional taxes are applied on exports of raw and roughly-processed timber. Export prohibitions are in place for certain cultural goods and chemical weapons. All exports are subject to physical inspection.

17. Suriname does not provide any subsidies for export purposes, and does not maintain an export development strategy. There is no government-sponsored or -operated export insurance, finance or guarantee programme.

18. The Suriname Standards Bureau is responsible for developing and implementing standards and technical regulations, for certification of goods and processes, for metrology, and for accreditation of laboratories and testing facilities. As at February 2019, the Bureau had adopted two technical regulations and 191 standards. According to the authorities, all standards are based on international or regional standards. The legislation relating to SPS measures is set out in several laws. Several projects are currently underway to improve the systems supporting food and feed safety, and animal and plant health. No specific trade concerns have been raised on Suriname's TBT or SPS measures.

19. Suriname does not have a generic competition law. A competition law and a consumer protection law have been under preparation for many years, but no date for enactment is foreseen. A price control framework is in place, on an *ad hoc* basis, for a list of 11 products of primary necessity.

20. The government procurement process remains ambiguous, despite a 2015 update to increase transparency. There is no stand-alone law on procurement, and present rules allow for numerous alternatives and flexibilities. As a general rule, open tendering is required in the procurement of works, supplies and transport by the Government and its agencies. Suriname is neither a party nor an observer to the WTO Agreement on Government Procurement.

21. State ownership remains important in many sectors of Suriname's economy. Partially or fully state-owned entities are important in oil, banking, agriculture, energy and utilities, transportation, and tourism. No privatization of state-owned enterprises was accomplished during the period under review, with the exception of the sale of a 90% stake in the state-owned banana company through a public bidding process.

22. Despite Suriname's membership of various intellectual property rights-related agreements, the rules and disciplines of these agreements are yet to be fully integrated into the country's legislation. A draft IPR bill has been pending for several years. Suriname's current IPR legislation grants protection for patents, copyrights, and trademarks. Its penal legislation provides for the prohibition of trademark counterfeits and copyright piracy.

23. Agriculture is important to Suriname's economy; it accounts for about 17% of the economically active population, and contributed about 9% to GDP in 2017. The majority of farms are small-scale. Crops represent over three quarters of the total value of production, and rice, roots and vegetables are the most important commodities. The value of livestock production declined by nearly 50% since 2012. Agricultural exports are concentrated on bananas and rice, while imports are dominated by frozen chicken meat and food preparations. Agricultural policy objectives include reducing imports, increasing exports, developing the food processing industry, and improving productivity and infrastructure. Suriname has never made any notification on domestic support to the WTO.

24. Fisheries contributed 3.6% to GDP in 2017. The Government's general policy objective for the fisheries sector is to preserve the biological diversity of marine resources and ensure their sustainable exploitation. All commercial fishing activities require a licence. Industrial vessels must have a Vessel Monitoring System. Forestry production grew considerably during the review period, mainly due to increased exports to Asian countries.

25. Mining and quarrying accounted for about 6.5% of GDP in 2017. Most of the employed are small-scale gold miners. While bauxite mining stopped in 2015 and the refinery was closed, the production of gold and mineral fuels increased strongly. Gold and mineral fuels now make up Suriname's most important export products. Income derived from mining represents nearly one third of total government revenue.

26. Suriname's manufacturing sector, which is dominated by food and wood processing and refining activities, contributes about 15% to GDP. Poor infrastructure, burdensome procedures, and a lack of economies of scale contribute to the high costs of doing business and explain the relatively low degree of diversification.

27. Services is the main economic activity in Suriname, with an average contribution to GDP of around 55%. Around two thirds of the workforce is employed in various services sectors. Suriname's services trade balance has been consistently negative.

28. Financial activities in Suriname are governed by the Bank Law, 1956, which establishes the Central Bank of Suriname as the sole supervisor of the banking and credit system. There are nine active banks, of which three are fully state-owned, and 12 insurance companies. In 2014, Suriname adopted a Capital Market Law, which establishes rules for the development of the capital market. Suriname did not schedule or liberalize any of its financial services at the WTO.

29. The Telecommunications Act, 2007 provides the legislative basis for the regulation of the market through *Telecommunicatie Autoriteit Suriname*. Licences for telecommunications services may be granted only to enterprises legally incorporated in Suriname. Mobile telephony and Internet subscriptions saw steady growth during the period under review. Suriname scheduled several telecommunications commitments under the GATS.

30. Suriname's main maritime port handles some 100,000 TEU annually. Expanding port capacities is a major target of the current development plan. The most immediate challenge remains the enlargement of the Suriname River and subsequent increased accessibility for larger Panamax ships and oil tankers. Civil aviation is legislated in the Civil Aviation Safety and Security Act, 2002. The main airline, Suriname Airways, is state-owned. Land transport plays only a limited role for international trade.

31. The number of tourists visiting Suriname grew steadily. With a view to promoting tourism, Suriname simplified visa requirements and procedures for tourists. In 2017, the Government also published a National Strategic Tourism Plan 2018–30, aimed at developing tourism as a priority industry for the coming 20 to 30 years.