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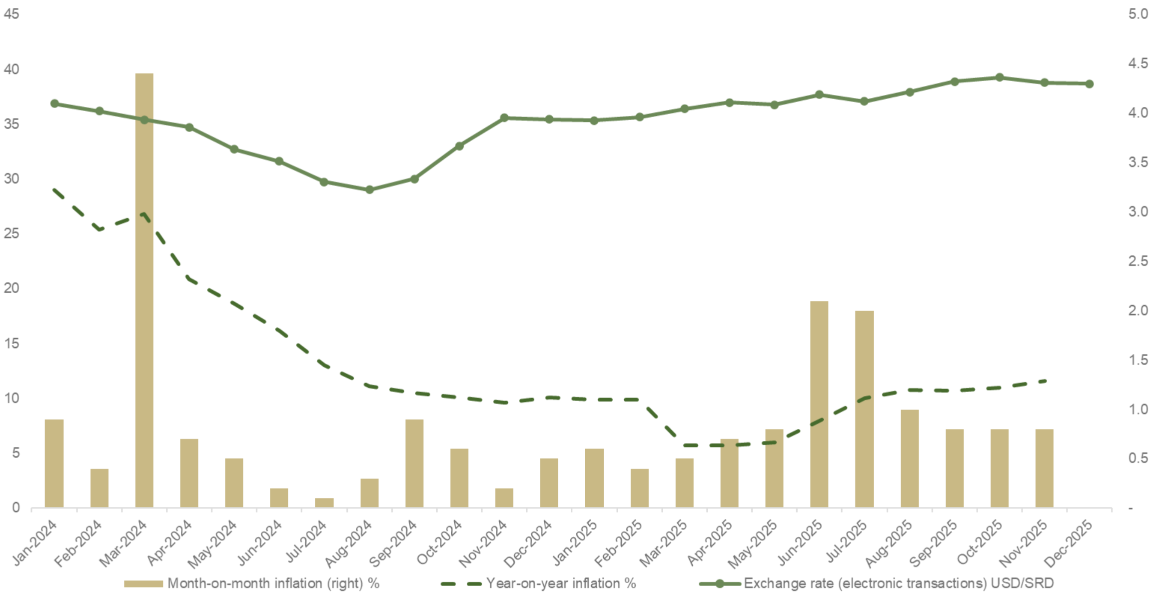
The 27th SEOB Bulletin addresses recent economic developments in Suriname. SEOB is an independent institution, established on June 1, 2023, with the primary objective of monitoring the IMF program. Since the conclusion of the IMF program, SEOB has focused on monitoring key macroeconomic indicators and advising the government and relevant stakeholders. The performance indicators used are based on international standards. On our website – www.seob.sr – statistics are presented clearly and updated regularly.

Key developments

- Year-on-year inflation continued to accelerate in 2025, reaching 11.6% in November.
- In December 2025, the Surinamese dollar appreciated slightly against the U.S. dollar but depreciated against the euro, reflecting a weakening U.S. dollar and a strengthening euro.
- Economic activity increased by 0.4% in July 2025, driven primarily by a strong contribution from the construction sector.
- The monetary base (SRD component) expanded by 4.0%, despite the central bank withdrawing liquidity from the market through open market operations and foreign exchange auctions.
- Broad money (SRD share) grew by 1.4%, driven by increased credit to the private sector.
- International reserves grew by 3.5%, reaching USD 1.6 billion in December 2025. This corresponds to an import coverage ratio of 7.1 months.
- The government's financial position remains vulnerable, reflected in predominantly primary balance deficits (SRD 5,6 million in September 2025).
- Public debt increased to 124.1% of GDP in November 2025, substantially exceeding the 60% benchmark.
- Lending and deposit rates declined slightly, with lending rates decreasing by 0.2 percentage points and deposit rates by 0.4 percentage points.
- The banking sector remains financially sound. Its capital position is strong, with a capital adequacy ratio of 22.4%, well above the required 10%. Non-performing loans (NPLs) declined slightly to 2.9%, indicating improved repayment performance by households and businesses.

Figure 1. Exchange rate and inflation



Sources: ABS and CBvS.

Recent economic developments

Economic activity[1]

In July 2025, the economy recorded modest growth following stagnation in June 2025. The Monthly Economic Activity Index (MEAI) increased by 0.4%, following a revised growth rate of 0.0% in June. This rebound was primarily driven by a strong contribution from the construction sector, where sales of construction materials rose by 25%, contributing 2.0 percentage points to overall growth.

Economic activity was further supported by increases in accommodation and food services, with restaurant turnover rising by 5% and hotel overnight stays increasing by 12%. The financial and insurance sector also contributed 0.4 percentage points, reflecting a 12% increase in real insurance and pension premiums.

These positive developments were partially offset by contractions in industry and mining. Industrial production declined by 26%, driven by reduced gold processing capacity, lower ore quality, and a sharp decrease in exports from small-scale mining. As a result, gold ore production fell by 17%, reducing overall economic growth by 0.9 percentage points.

Inflation and exchange rate

In 2025, the upward inflation trend continued. In November, year-on-year inflation reached 11.6%, representing an increase of 0.6 percentage points compared to October. This rise was primarily driven by higher prices for food, housing, and utilities, categories that carry significant weight in the consumer price index. Imported inflation and exchange rate fluctuations further intensified price pressures, while lagged effects from previous months continued to feed through into domestic prices.

Persistently high inflation erodes household purchasing power, raises the cost structure for businesses, and increases pressure on both monetary and fiscal policy. As a result, economic recovery and overall confidence in the economy remain under strain.

The USD exchange rate appreciated slightly in December 2025, with the SRD strengthening against the U.S. dollar from SRD 38.8 to SRD 38.7. At the same time, the SRD depreciated by 1.3% against the euro, with the exchange rate rising from SRD 44.8 to SRD 45.4. These movements are consistent with international USD/EUR exchange rate developments, reflecting the import dependency and limited market depth of Suriname's foreign exchange market.

Monetary developments

The SRD component of the monetary base increased by 4.0% in November 2025, following a contraction recorded in October 2025. This expansion was primarily driven by higher levels of SRD liquidity within the banking system, resulting from reduced liquidity absorption through Open Market Operations (OMOs), as well as increased government expenditure.

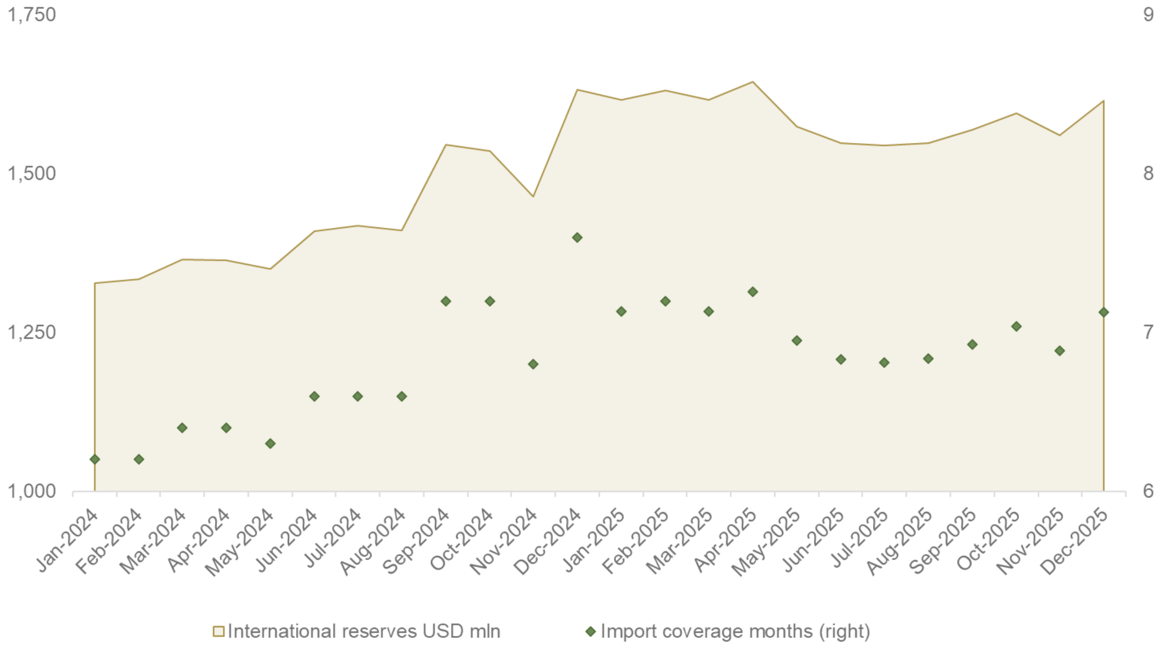
The SRD share of broad money grew by approximately 1.4% during the same month. This growth is largely attributable to an increase in total SRD-denominated credit, which rose by 2.3% compared to the previous month. Credit expansion was mainly driven by private sector SRD lending, particularly within the "Other," trade, and housing sectors. Credit to the government also increased, rising by 15.8% compared to October.

[1] CBvS. 2025. *Monthly Economic Activity Index.*

International reserves

In December 2025, international reserves increased by 3.5%, corresponding to an import coverage ratio of approximately 7.1 months. The total level of reserves, including the "ringfenced" reserves of commercial banks, amounted to USD 1.6 billion in December, maintaining a strong external position for Suriname, with import coverage well above the international benchmark of three months. It remains essential to closely monitor the reserve position, as it is critical for safeguarding exchange rate stability, absorbing external shocks, and maintaining confidence in macroeconomic policy.

Figure 2. International reserves and import coverage



Source: CBvS.

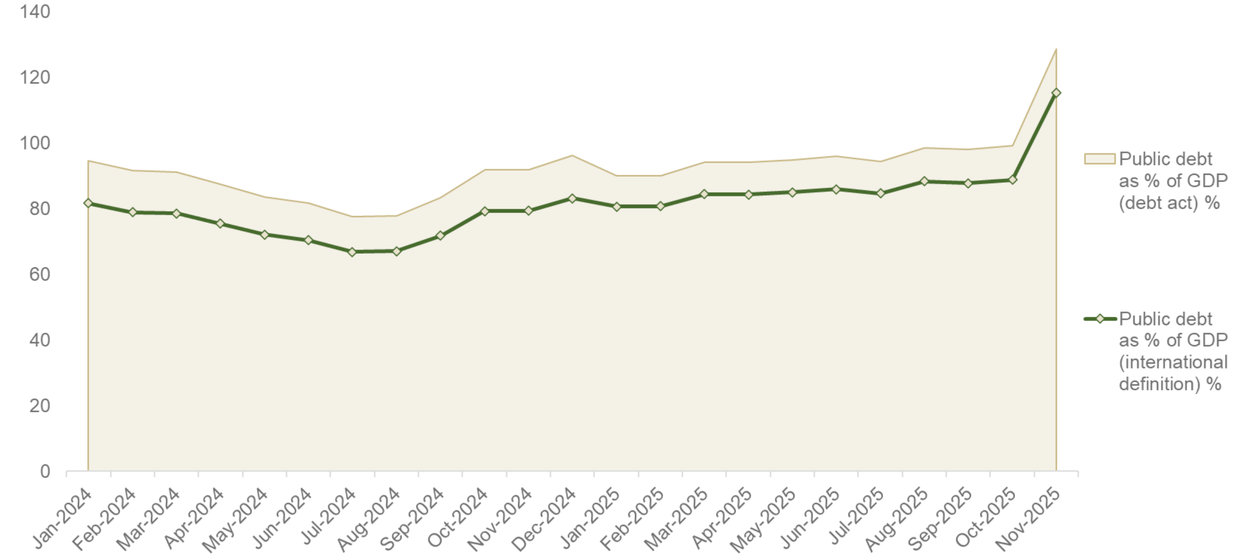
Public finances

The government's financial position remains precarious, characterized by persistently high structural deficits. The primary balance recorded a deficit of SRD 5.6 million in September 2025 (Total balance deficit SRD 271 million). Looking ahead to the final months of 2025, the government's fiscal position remains vulnerable. Although the overall deficit narrowed during the reporting month, the continued negative primary balance indicates underlying structural budgetary pressures. Against the backdrop of seasonally higher year-end expenditures, there is a risk that the deficit may widen again in the coming months, further constraining the government's fiscal space. An increase in operational expenditures will cause inflation, especially if there is no production to offset it.

Public debt

In November 2025, the debt-to-GDP ratio, public debt as a percentage of GDP, increased sharply compared to the previous month. According to the international definition, it rose to 124.1%, representing an increase of 26.5 percentage points. A debt ratio exceeding 60% of GDP surpasses internationally accepted benchmarks for comparable economies. The rise in public debt implies fiscal weakening, higher interest burdens, increased inflationary risks, and greater vulnerability to external shocks. As such, it may constitute a negative impulse for macroeconomic stability.

Figure 3. Public debt (% of GDP)



Source: SDMO.

Banking sector

Both average lending rates and deposit rates declined slightly compared to October 2025, by 0.2 and 0.4 percentage points respectively, to 14.3% and 6.6%. The decrease in lending rates may have contributed to the increase in private SRD-denominated credit, reflected in higher lending to households. Private SRD credit expanded by SRD 337.3 million, while private USD- and euro-denominated credit increased by USD 6.4 million and EUR 0.2 million, respectively. Growth in private SRD credit was primarily driven by the "Other" sector, followed by the trade and housing sectors. In USD-denominated lending, the main contributing sectors were trade and services.

The capital adequacy ratio in the banking sector increased to 22.4% in November and remains well above the CBvS benchmark of 10%, indicating a strong capital position among commercial banks. Gross non-performing loans (NPLs) declined further to 2.9% (October 2025: 3.1%), suggesting improved debt servicing capacity among borrowers. This combination of a solid capital base and a declining NPL ratio points to a robust and resilient banking sector, characterized by improved asset quality and sufficient buffers to absorb potential risks.

SEOB recommendations

The Surinamese economy remains fragile. Although inflation declined to single-digit levels earlier in the year, it has accelerated again in recent months. Exchange rate pressures and public finances also remain areas of concern.

SEOB calls for attention to the high level of government subsidies, particularly those related to electricity. In addition, we advocate for the further strengthening of the social safety net, as well as enhanced transparency and anti-corruption control mechanisms, in anticipation of the substantial increase in revenues expected from offshore oil production.

SEOB further emphasizes the need to strengthen and operationalize key institutions such as the Savings and Stabilization Fund (SSFS), and to introduce a five-year fiscal framework incorporating expenditure ceilings and a debt sustainability target for total public debt. Despite pressing development needs, the authorities must exercise strict expenditure discipline. SEOB underscores that institutional strengthening is essential to safeguard macroeconomic stability.

SEOB further recommends:

- Strict fiscal discipline is essential to preserve the stability achieved and to anchor the recovery sustainably.
- Greater fiscal transparency and a clearly articulated fiscal strategy are required.
- A coherent medium-term framework for tax policy should be established.
- Revenue diversification should be pursued through a regime comparable to the RIGI model (the Surinamese version of the investment law). In this regard, a modern investment framework is essential to attract new and stable foreign currency inflows.
- Breaking the cycle of fiscal deficits, inflation, and exchange rate pressures requires a coherent strategy that combines fiscal consolidation with structural reforms and targeted economic diversification.
- The national budget should reflect an integrated government policy framework in which ministries link revenue-generating models to their respective portfolios.
- To strengthen public finances, SEOB recommends the transparent divestment of non-strategic, loss-making state-owned enterprises that require substantial subsidies, transferring them to the private sector.
- The enactment of the public procurement law is necessary to ensure transparency and clear rules in government procurement and tendering processes, as well as to control costs.

- Strengthening and maintaining international reserves requires export growth and investment promotion. Economic diversification beyond mining, with emphasis on agriculture (including fisheries and agro-processing), services, and eco-tourism, is crucial.
- In the short term, the government and the private sector should jointly develop a production and export growth strategy to promote investment and exports.
- Close monitoring of inflation and the protection of vulnerable groups require targeted social programs.
- Active debt management is necessary given the elevated debt-to-GDP ratio.
- Building human capital within key institutions, such as the Tax Authority, Customs, and line ministries, must be ensured in an independent and sustainable manner.
- Improved (digital) tax collection and more effective enforcement of import duties are necessary to reduce the fiscal deficit.
- Coordination between fiscal and monetary policy is essential to contain inflationary pressures and stabilize the SRD. Safeguarding the independence of the central bank, in accordance with the Central Bank Act 2022, remains a priority.
- Maintaining financial stability requires prudent lending practices by banks, with emphasis on credit to SMEs and households, without weakening capital buffers. Elevated lending rates currently constrain investment.
- Restoring confidence requires consistent policy implementation and clear communication regarding the socio-economic strategy for the coming years.
- Greater emphasis on the National Risk Assessment (NRA) is important to protect the integrity of the financial system, prevent money laundering and terrorist financing, and thereby promote confidence, investment, financial inclusion, and sustainable economic growth overall.

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