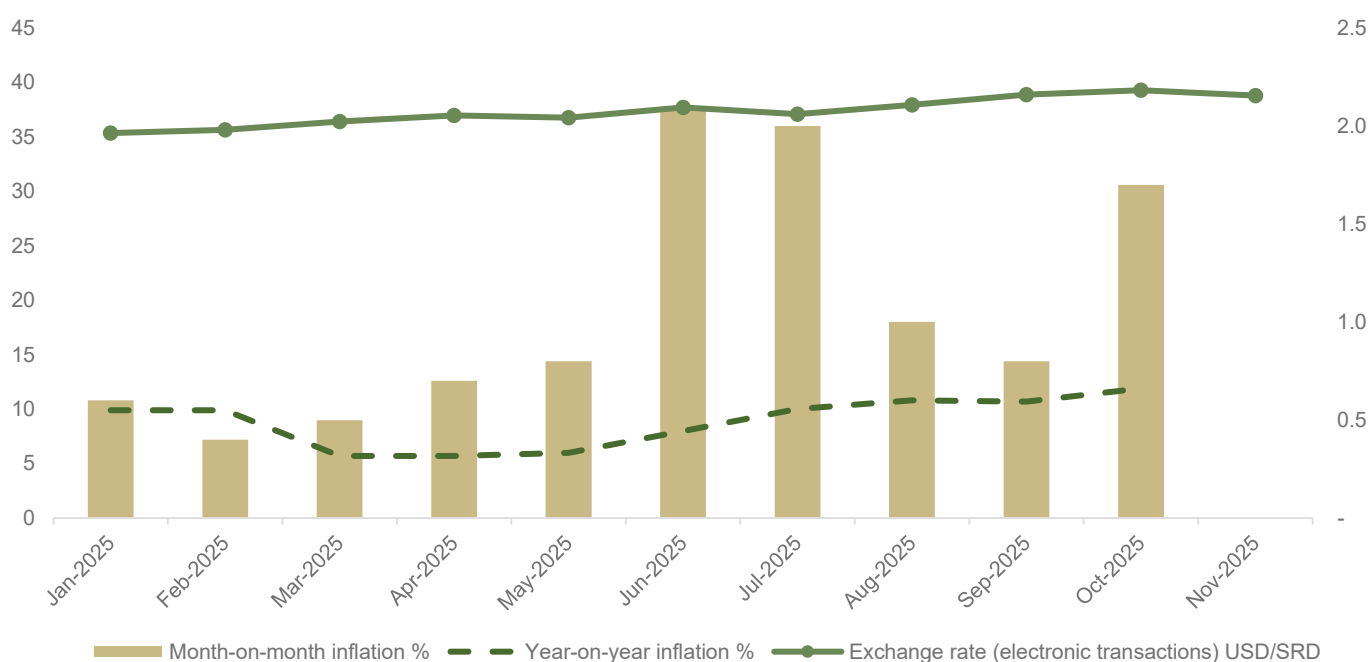


The 26th SEOB Bulletin addresses recent economic developments in Suriname. In addition, the bulletin presents an analysis of government debt. SEOB is an independent institution, established on June 1, 2023, with the primary objective of monitoring the IMF program. Since the conclusion of the IMF program, SEOB has focused on monitoring key macroeconomic indicators and advising the government and relevant stakeholders. The performance indicators used are based on the objectives of the IMF program. On our website – [www.seob.sr](http://www.seob.sr) – statistics are presented clearly and updated regularly.

## Key developments

- Inflation (year-on-year) continued to rise in 2025 and reached 11.9% in October.
- In October 2025, the Surinamese dollar depreciated by 0.5% against the US dollar and by 0.4% against the euro.
- Economic activity stagnated in June 2025 due to a decline in gold production and exports.
- Base money (SRD component) declined by 3.7%, as the central bank absorbed liquidity through open-market operations and foreign exchange auctions.
- Broad money (SRD component) increased by 0.8% due to higher lending to the private sector.
- International reserves increased by 1.7% to USD 1.6 billion, equivalent to an import cover of 7.5 months.
- Government debt rose to 88.8% of GDP, substantially exceeding the benchmark of 60%.
- Both lending and savings rates increased slightly: lending rates by 0.1 percentage point and savings rates by 0.2 percentage point.
- In September, the banking sector remained financially sound, with a solvency ratio of 22.8%, well above the 8% minimum. Non-performing loans (NPLs) improved slightly to 3.0%, indicating an improvement in credit quality.

Figure 1. Exchange rate and inflation



Sources: ABS and CBvS.

## Brief Analysis of Refinanced Loans in 2025

This analysis is based on available prospectus data from the Suriname Offering Memorandum (Bloomberg), as well as discussions with experts in the field of debt management.

In the fourth quarter of 2025, the Government of Suriname issued bonds on the international capital market with a total value of USD 1.6 billion, primarily aimed at restructuring external public debt. Reported interest rates range between 8.0% and 8.5%, which are higher than the rates applicable to concessional loans from multilateral institutions such as the IMF and the IDB. The issuance, arranged by Bank of America, is intended to extend the maturity of the so-called restructured Oppenheimer debt and to defer the commencement of interest and principal repayments. This is aimed at easing liquidity pressure during the period 2026–2028, pending the expected inflow of oil revenues from 2028 onward.

The proceeds of this loan are used to refinance existing obligations, particularly the so-called “restructured Oppenheimer debt.” This includes, among other things, the repurchase and redemption of outstanding Cash/PIK Notes due in 2033, the early redemption of part of the Oil-Linked Securities, and potentially the repayment of other bilateral debts.

Through this issuance, the government embarks on a trajectory that entails both significant opportunities and risks. On the one hand, the transaction offers the possibility of optimizing the sovereign debt profile and extending the maturity of outstanding obligations. In the short term, this creates additional fiscal space for the government, as debt repayments will be lower through 2028. On the other hand, several risks must be carefully considered. These include macroeconomic and project-related risks associated with future oil revenues, debt and financing risks, political and institutional uncertainties, and external shocks.

### *Macroeconomic risks*

- The Surinamese economy is highly dependent on oil and gold exports. This dependence makes the country vulnerable to price fluctuations in international commodity markets. Declining oil or gold prices lead to lower government revenues and reduce the government’s ability to meet its debt obligations. While high prices can temporarily generate additional income, such volatility complicates the conduct of stable and predictable fiscal policy.
- In addition, there is a risk of the so-called “Dutch Disease” effect. The expected increase in oil revenues may lead to an appreciation of the Surinamese dollar (SRD), which could undermine the competitiveness of other sectors, such as agriculture and industry, thereby weakening economic diversification and resilience.
- The Surinamese economy also remains sensitive to inflation and exchange rate volatility. In recent years, the SRD has experienced significant depreciation, increasing the real debt burden in USD terms. Although inflation has recently declined, the risk remains that new external or internal shocks could once again trigger price increases and exchange rate volatility.
- At present, Suriname does not yet have an adequately functioning Savings and Stabilization Fund to responsibly manage future revenues from the oil and mining industries.

### *Project risks*

- Fiscal projections and the sustainability of government debt are highly dependent on the success of the GranMorgu Oil Project, which is expected to commence production in 2028. Delays in project development, technical or operational setbacks, or lower-than-expected international oil prices could result in revenues being realized later or at a lower level than anticipated. This would place significant pressure on Suriname’s repayment capacity.

### *Debt and Financing Risks*

- Suriname's government debt, at approximately 90% of GDP, is considered high. The country remains dependent on access to international capital markets to refinance existing and new debt. If market conditions deteriorate, for example due to rising global interest rates or declining investor confidence, refinancing may become more difficult or more expensive.
- In addition, the new Notes include so-called Collective Action Clauses (CACs). These clauses allow a majority of bondholders, in the event of payment difficulties, to agree to amendments to the terms such as payment deferrals or principal reductions even if not all holder's consent. While this can facilitate an orderly restructuring, it also represents a risk for individual investors.

### *Political and Institutional Risks*

- Political stability in Suriname is a key prerequisite for investor confidence. Political unrest or unexpected policy changes could negatively affect the investment climate and lead to increased volatility in financial markets.

### *External risks*

- Finally, Suriname is exposed to external risks over which it has limited control. Rising international interest rates may increase financing costs and constrain access to capital. In addition, external shocks ("black swans") such as natural disasters, pandemics, or geopolitical developments could suddenly and significantly undermine the economy and public finances.

While the issuance of this international bond provides Suriname with an opportunity to improve its debt profile and facilitate future growth, the risks outlined above are substantial. It should be noted that the Value Recovery Instrument (VRI) would become effective once oil revenues actually materialize; therefore, this obligation did not need to be included in the recent debt refinancing. Furthermore, the government has not presented a concrete expenditure plan linked to this loan, making further clarification of the intended use of funds desirable. It has also been indicated that approximately 70% of the old bond was restructured; however, it remains unclear what happened to the remaining portion of this debt. In the previous restructuring, a 100% call option was included, which was not exercised.

Transparency and confidence would be strengthened if the government were to clearly disclose debt service obligations (interest and principal) before and after the issuance of the new loan. This would allow society to gain a clear understanding of the impact of this transaction on public finances. Transparent communication regarding the use of proceeds and the impact on future debt service is essential. Sound risk management and prudent macroeconomic policy are necessary to safeguard financial stability and maintain investor confidence.

Finally, careful risk management and prudent macroeconomic policy remain essential to safeguarding the country's financial stability and maintaining investor confidence. Only through clear communication, transparency, and a robust policy framework can Suriname fully capitalize on the opportunities presented by this loan while effectively managing the associated risks.

## Recent economic developments

### Economic activity<sup>1</sup>

In June 2025, economic growth came to a standstill. The Monthly Economic Activity Index (MEAI) recorded growth of 0.0%, following 0.2% in May. This slowdown was primarily driven by a decline in gold production. Both large-scale and small-scale gold mining performed weaker, due to lower processing capacity, poorer ore quality, and reduced exports. As a result, positive developments in other sectors were fully offset.

At the same time, some sectors did show growth. Wholesale and retail trade benefited from increased sales of construction materials. Insurance companies and pension funds recorded higher premium income, while activity in hotels and restaurants increased. However, these positive developments were insufficient to compensate for the downturn in mining, underscoring the economy's continued heavy reliance on mineral sectors.

### Inflation and exchange rate

In 2025, the upward inflation trend continued. In October, year-on-year inflation reached 11.9%, an increase of 1.2 percentage points compared to September. This development reflects declining household purchasing power and exacerbates social inequality.

Exchange rates continued to depreciate in October 2025. The SRD lost 0.5% of its value against the US dollar and 0.4% against the euro during that month. This ongoing depreciation directly affects import costs, making imported goods and services more expensive. This feeds through to consumer prices and contributes to inflationary pressure. The depreciation in October 2025 was mainly driven by strong demand for foreign currency relative to limited supply in the market.

### Monetary developments

The SRD component of base money declined by 3.7% in October 2025. This decrease was mainly due to government tax receipts, combined with liquidity absorption through open market operations and foreign exchange auctions by the CBvS. In addition, SRD cash reserves declined in nominal terms as a result of a reduction in banks' reserve base, driven by relatively weak deposit growth.

Broad money (SRD component) increased by approximately 0.8% in the same month, largely attributable to increased lending to the private sector. This expansion was driven by growth in private credit, particularly in the "Other" sector, trade, and housing. By contrast, lending to the government declined, and government pressure on liquidity remained limited during the period.

### International reserves

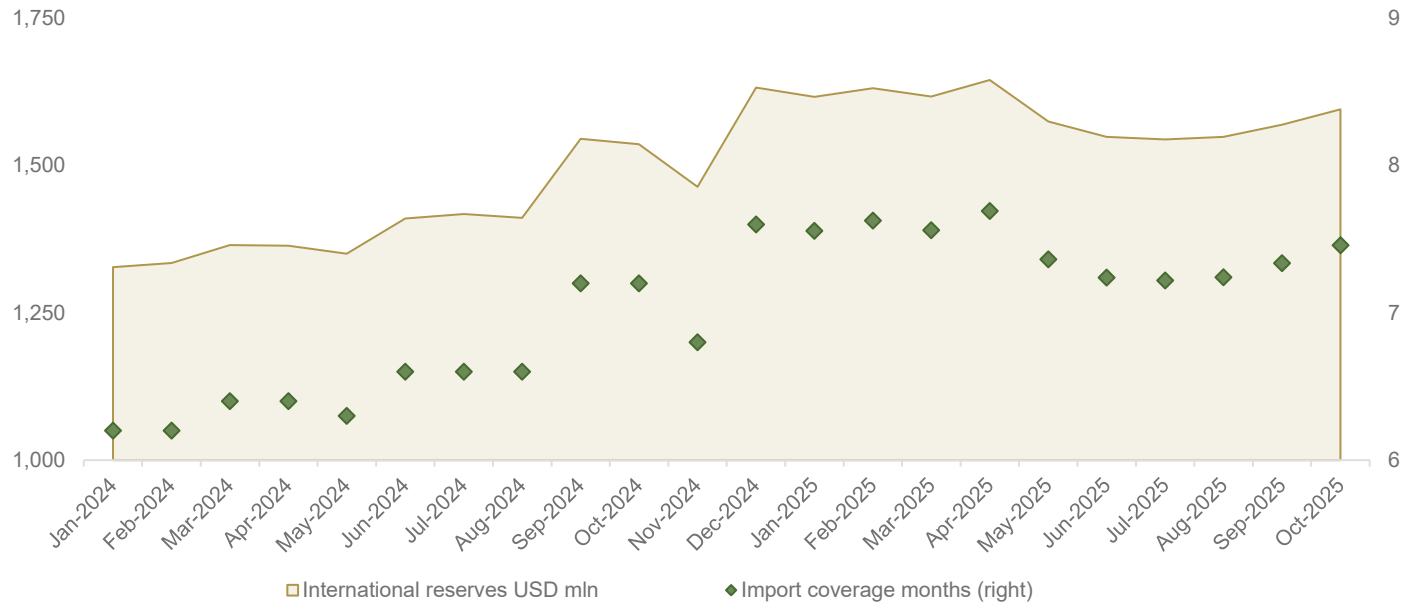
In October 2025, international reserves increased by 1.7%, resulting in an import cover of approximately 7.5 months. Total reserves—including ring-fenced reserves of commercial banks—amounted to USD 1.6 billion in October, leaving Suriname's external position strong and well above the international benchmark of three months

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<sup>1</sup> CBvS. 2025. *Monthly Economic Activity Index: June 2025*

of import cover. Close monitoring of the reserve position remains essential, as reserves are crucial for maintaining exchange rate stability, absorbing external shocks, and sustaining confidence in macroeconomic policy.

Figure 2. International Reserves and Import coverage

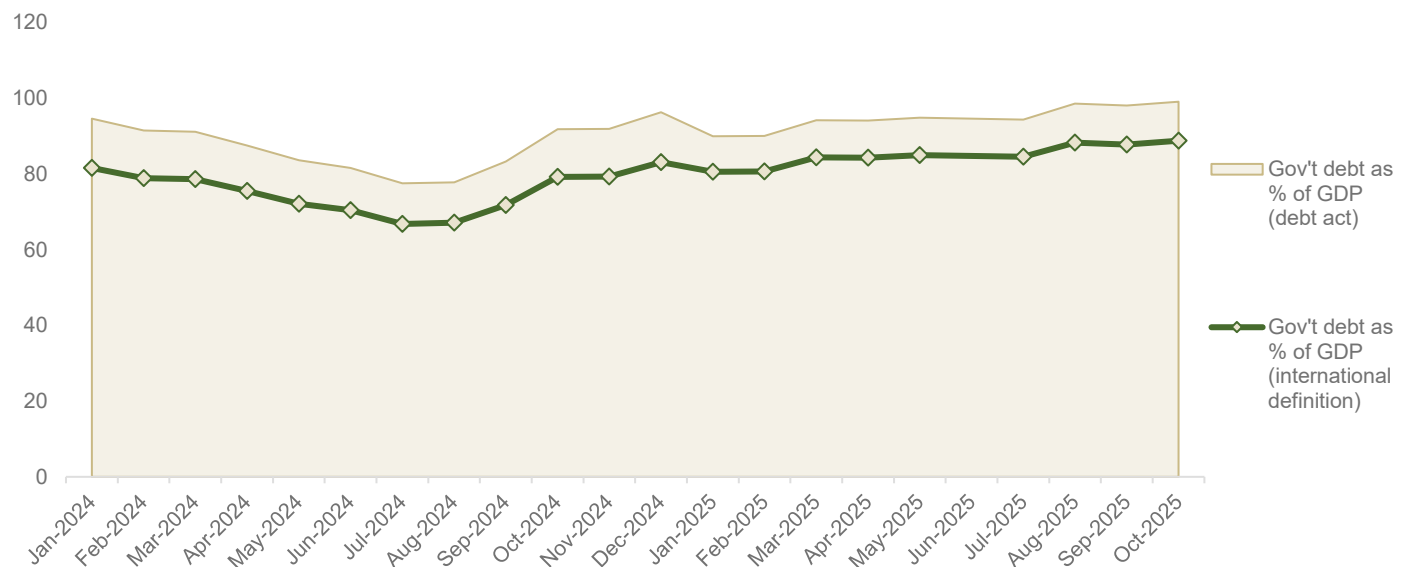


Source: CBvS.

## Government debt

In October 2025, government debt as a percentage of GDP increased slightly compared to the previous month. According to the international definition, the debt ratio rose to 88.8%, an increase of 1.0 percentage point. Government debt therefore remains well above the debt ceiling of 60% of GDP, specified as 25% domestic and 35% external debt. Persistent fiscal deficits continue to exert upward pressure on public debt. To create temporary fiscal breathing space, the government issued two new bonds on the international capital market.

Figure 3. Government Debt According to the Legal Definition (% of GDP)



Source: SDMO.

## Banking sector

Both average lending rates and savings rates increased slightly compared to September 2025, by 0.1 and 0.2 percentage points respectively, reaching 14.5% and 7.0%. Average lending rates thus returned to the levels observed during May–July 2025. Private SRD credit increased by SRD 438.1 million, while private USD credit rose by USD 8.7 million. In contrast, private euro-denominated credit declined by EUR 0.2 million. Growth in private SRD credit was mainly driven by the “Other” sector, followed by trade and housing. For USD credit, the main contributing sectors were trade and services.

The banking sector’s solvency ratio increased to 22.8% in September, remaining well above the internationally accepted norm of 8%, indicating a strong capital position. Gross non-performing loans (NPLs) declined further to 3.0% (August 2025: 3.1%), signaling improved borrower repayment capacity. This combination of strong capitalization and declining NPLs points to a robust and resilient banking sector with improved credit quality and sufficient buffers to absorb risks.

## SEOB recommendations

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

SEOB draws attention to high electricity subsidies and inefficient social spending. In addition, SEOB advocates for further strengthening of transparency and anti-corruption control mechanisms, in anticipation of the substantial increase in revenues from fossil fuel sales. Strengthening institutions is essential to promote macroeconomic stability.

SEOB further calls for strengthening and operationalizing key institutions such as the Savings and Stabilization Fund (SSFS), introducing a five-year public financial plan that includes expenditure ceilings and a sustainability target for total government debt. Despite pressing development needs, authorities must exercise strict expenditure restraint.

SEOB further recommends:

- Strict fiscal discipline is essential to maintain achieved stability and anchor recovery sustainably.
- Strengthening fiscal transparency and formulating a clear, consistent fiscal vision, including a coherent medium-term tax policy framework.
- Broadening revenues through a regime comparable to the RIGI model (Surinamese version of the investment law), supported by a modern investment framework to attract new and stable foreign currency inflows.
- Breaking the cycle of fiscal deficits, inflation, and exchange rate pressure requires a coherent strategy combining fiscal consolidation with structural reforms and targeted economic diversification.
- The national budget should reflect integrated government policy, linking ministerial policy objectives to revenue-generation models.
- To strengthen public finances, SEOB recommends transparently divesting non-strategic, loss-making state-owned enterprises that require large subsidies to the private sector.
- Enacting and implementing the Public Procurement Act is necessary to ensure transparency, clear rules for public procurement, and cost control.
- Strengthening and maintaining international reserves requires export growth and investment promotion. Economic diversification beyond mining—particularly agriculture (including fisheries and agro-processing), services, and (eco-)tourism—is crucial.

- In the short term, government and the private sector should jointly develop a production and export growth strategy to stimulate investment and exports.
  - Intensive monitoring of inflation and protection of vulnerable groups require targeted social programs.
  - Active debt management is necessary given the high debt ratio.
  - Sustainable and independent development of human capital at key institutions such as the Tax Authority, Customs, and ministries.
  - Improved (digital) tax collection and more effective customs duties enforcement are required to reduce the deficit.
  - Coordination between fiscal and monetary policy is essential to limit inflationary pressures and stabilize the SRD. Safeguarding the independence of the central bank, in accordance with the Central Bank Act 2022, remains a priority.
  - Preserving financial stability requires responsible bank lending policies, with emphasis on credit to SMEs and households, without weakening buffers. High lending rates currently hinder investment.
  - Restoring confidence requires consistent policy and clear communication regarding the socio-economic strategy for the coming years.
  - Increased focus on the NRA is important to safeguard the integrity of the financial system and prevent money laundering and terrorist financing, thereby supporting confidence, investment, financial inclusion, and sustainable economic growth.
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<http://www.seob.sr>  
[secretary@seob.sr](mailto:secretary@seob.sr)

