BULLETIN #30 **SEPTEMBER 2026**

The 30th SEOB Bulletin reviews recent economic developments in Suriname. SEOB is an independent body established on 1 June 2023, initially with the primary mandate of monitoring the IMF-supported programme. Following the completion of that programme, SEOB now monitors key macroeconomic indicators and advises the Government and major stakeholders. The performance indicators used are based on internationally recognised standards. Statistics are regularly presented in a clear and accessible format on our website, www.seob.sr.

Key developments

- Economic activity strengthened further in the opening months of 2026. MEAI growth accelerated from 7.7% in January to 8.5% in March and 9.6% in April, although the recovery remained uneven across sectors.
- Year-on-year inflation declined from 10.4% in June to 8.9% in July 2026. Month-on-month inflation also eased, from 1.2% in June to 0.5% in July. This indicates moderating price pressures, although caution remains warranted while monthly price increases persist.
- Exchange-rate movements remained relatively stable in July. The USD rate edged up from SRD 37.6 in June to SRD 37.8 in July, while the EUR rate declined slightly from SRD 43.4 to SRD 43.2.
- Monetary indicators continued to rise in May and June. The SRD component of M0 increased from SRD 27.9 billion to SRD 28.8 billion, while monthly growth slowed from 4.6% to 3.3%.
- The SRD component of M2 rose from SRD 40.3 billion in May to SRD 41.6 billion in June. Total SRD-denominated lending increased slightly from SRD 17.9 billion to SRD 18.1 billion, while year-on-year credit growth slowed from 27.3% to 25.4%.
- International reserves remained robust. After declining from USD 1.9 billion in May to USD 1.8 billion in June, reserves increased to USD 2.0 billion in July. The import coverage consequently improved from 7.5 months in June to 8.2 months in July.
- Public finances deteriorated in May following surpluses in preceding months. Total revenue fell to SRD 4.4 billion, while expenditure rose to SRD 8.0 billion, resulting in an overall deficit of SRD 3.6 billion.
- Public debt remained high but declined marginally in June. Under the statutory definition, the debt-to-GDP ratio fell from 120.1% to 119.6%, while under the international definition it declined from 75.4% to 74.5%.
- The weighted average lending rate declined slightly from 13.9% in May to 13.8% in June, while the weighted average deposit rate fell from 7.1% to 6.9%. The interest-rate environment therefore remained relatively tight despite modest declines in both rates.
- The banking sector remained sound. The capital adequacy ratio was broadly stable at 19.9% in May and 19.8% in June, while the net non-performing loan ratio improved from 3.3% to 2.3%.

Recent data point to an improving macroeconomic outlook: growth is strengthening, inflation is easing, the exchange rate remains relatively stable, and external reserves are robust. Nevertheless, the recovery remains vulnerable due to continued liquidity growth, elevated debt levels and, in particular, the marked deterioration in public finances in May. Policy priorities should therefore remain centred on maintaining fiscal discipline, containing inflationary pressures, and further strengthening external and institutional buffers.

Recent economic developments

Economic activity[1]

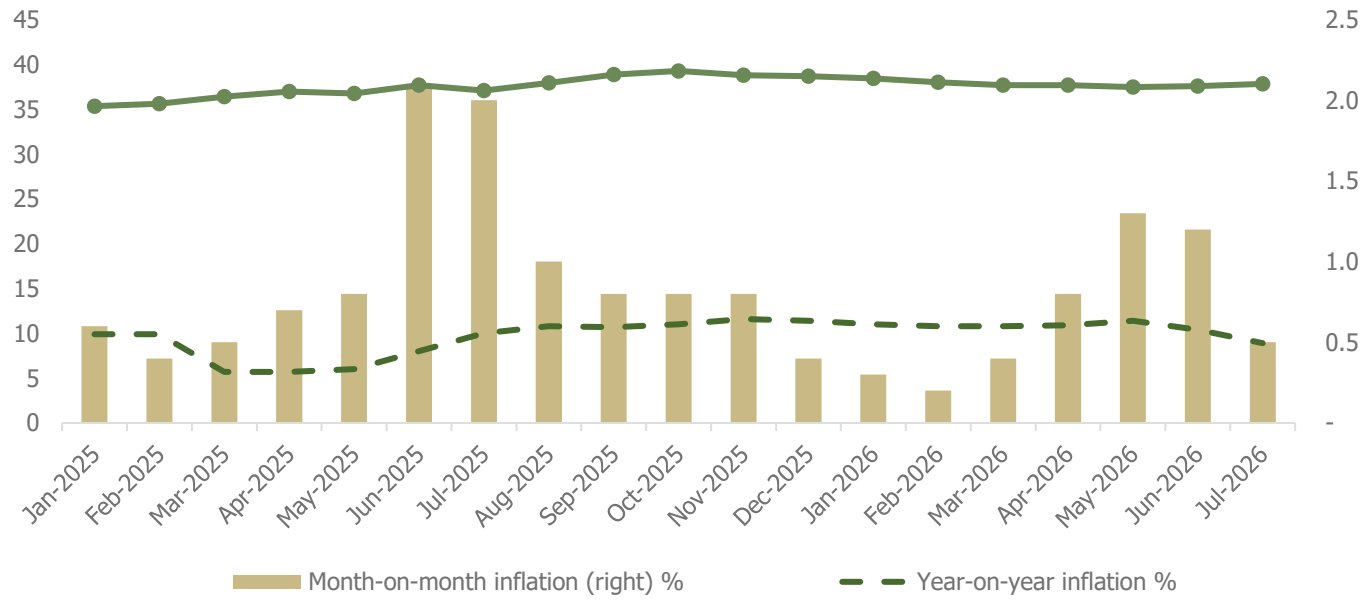
Economic activity in Suriname strengthened further during the opening months of 2026. MEAI growth accelerated from 7.7% in January 2026 to 8.5% in March and 9.6% in April, confirming a clear upward trend. While this acceleration points to a stronger overall picture, underlying sector performance remained mixed. The main positive drivers were water supply, accommodation and food services, wholesale and retail trade, government services, and electricity. Mining, by contrast, declined from 105.2 in March to 91.7 in April, while agriculture, manufacturing and construction remained below 100. Overall, the figures confirm that economic growth is gaining momentum, although the recovery continues to be driven primarily by a limited number of major sectors.

Inflation and exchange rate

Year-on-year inflation declined from 10.4% in June to 8.9% in July, returning to single digits. Month-on-month price pressures also eased, with inflation moderating from 1.2% in June to 0.5% in July 2026. Prices therefore continued to rise in July, but at a considerably slower pace than in the preceding month. As monthly price increases persist, however, lasting price stability has not yet been fully secured. It remains important for monetary and fiscal policy to consistently support and anchor the downward inflation trend.

Exchange-rate movements remained relatively stable in July 2026, with limited changes against both the US dollar and the euro. The USD rate increased slightly from SRD 37.6 in June to SRD 37.8 in July, indicating a modest depreciation of the SRD against the US dollar. Conversely, the EUR rate declined slightly from SRD 43.4 to SRD 43.2, reflecting a modest appreciation of the SRD against the euro. This stability may have contributed to lower inflationary pressures by limiting exchange-rate pass-through to import prices. The exchange rate nevertheless remains sensitive to external currency movements, international price developments and domestic.

Figure 1. Exchange rate and inflation



Sources: ABS and CBvS.

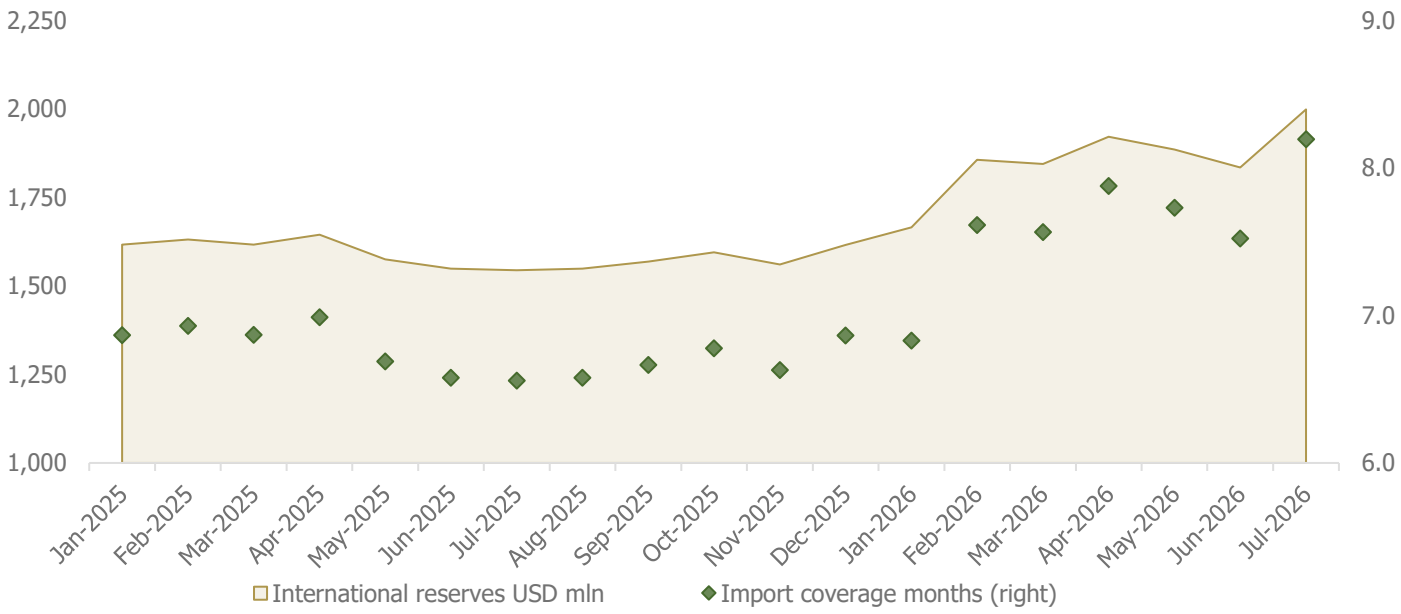
[1] Source: CBvS Monthly Economic Activity Index.

Monetary developments

Monetary developments in June 2026 indicate a further increase in liquidity, although growth in reserve money moderated. Total reserve money (M0) rose from SRD 39.5 billion in May to SRD 40.2 billion in June. The SRD component of M0 increased from SRD 27.9 billion to SRD 28.8 billion, while month-on-month growth slowed from 4.6% to 3.3%. This indicates that base liquidity continued to expand, but at a slower pace than in May.

Broad money also increased. M2 rose from SRD 116.2 billion in May to SRD 119.3 billion in June, while its SRD component increased from SRD 40.3 billion to SRD 41.6 billion. Monthly growth in SRD-denominated M2 accelerated from 1.1% in May to 3.1% in June. Total SRD-denominated lending increased only marginally, from SRD 17.9 billion to SRD 18.1 billion, while year-on-year credit growth slowed from 27.3% to 25.4%. Overall, the data point to continued liquidity growth, particularly through broad money, while credit growth remains high but is moderating. Against a backdrop of easing but still present inflationary pressures, money supply and credit growth should continue to be monitored closely.

Figure 2. International Reserves and Import cover



Source: CBvS.

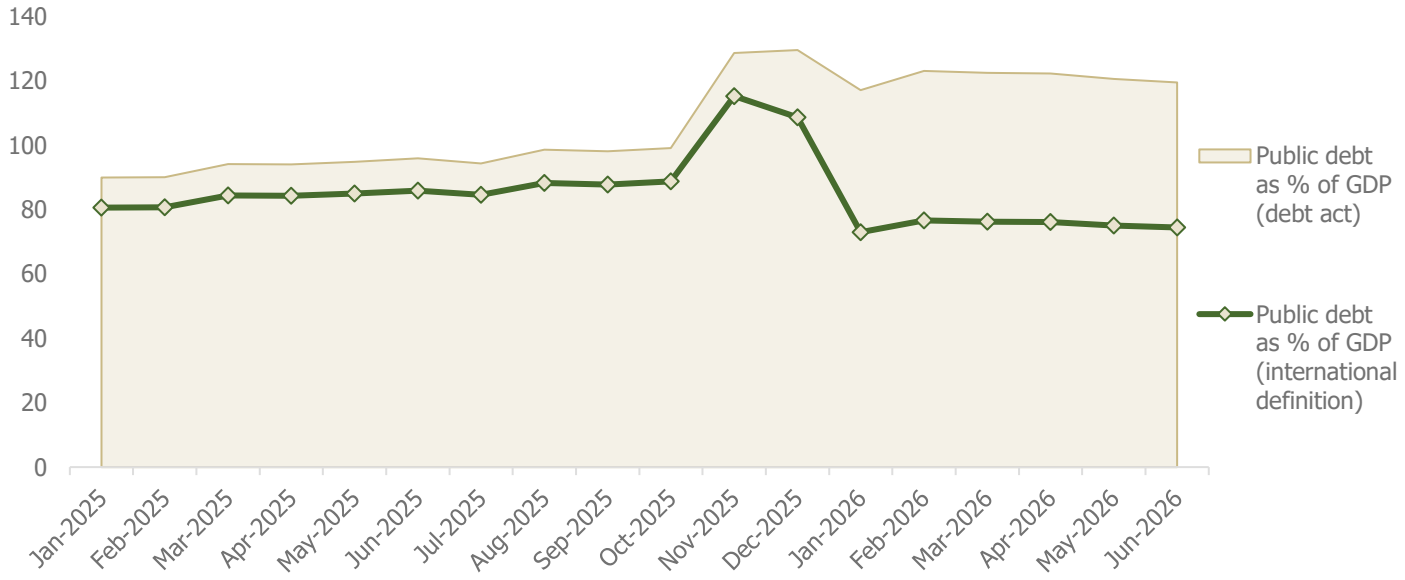
International reserves

International reserves remained robust in July 2026. Reserves stood at USD 1.9 billion in May, temporarily declined to USD 1.8 billion in June, and then increased markedly to USD 2.0 billion in July. Import cover also improved, from 7.7 months in May to 7.5 months in June and 8.2 months in July. The external buffer therefore remained well above the internationally accepted benchmark of three months of import cover. The July increase further strengthened Suriname's external resilience. Maintaining and building reserves remain important to absorb external shocks, support exchange-rate stability and sustain confidence in macroeconomic policy.

Public finances

Public finances presented a mixed picture between February and May 2026. Surpluses were recorded from February through April, as revenue exceeded expenditure. Total revenue amounted to SRD 5.5 billion in February, SRD 7.2 billion in March and SRD 6.8 billion in April, before declining to SRD 4.4 billion in May. At the same time, total expenditure rose from SRD 3.9 billion in February to SRD 5.0 billion in March, SRD 5.5 billion in April and SRD 8.0 billion in May. The fiscal position therefore deteriorated markedly in May: the primary balance narrowed to only SRD 30.5 million, while the overall balance shifted to a deficit of SRD 3.6 billion. This development demonstrates that earlier surpluses remain vulnerable to declining revenue and rising expenditure. Consistent fiscal discipline is therefore required to contain budgetary pressures, financing needs and potential inflationary effects.

Figure 3. Public debt (% of GDP)



Source: SDMO.

Public debt

Public debt remained high in June 2026. Under the statutory definition, the debt-to-GDP ratio stood at approximately 121.1% in March and decreased to 119.6% in June. Under the international definition, the ratio declined from 76.6% in March to 74.5% in June. Although the debt ratio improved slightly in June under both definitions compared with May, it remained above the statutory ceiling of 60% of GDP. The high debt ratio constrains fiscal space, keeps interest costs elevated and leaves public finances vulnerable to exchange-rate movements, interest-rate risks and external shocks. Active debt management and continued fiscal consolidation are therefore required to gradually reduce the debt ratio and strengthen macroeconomic stability.

Banking sector

Interest rates in the banking sector declined slightly in May and June 2026. The weighted average lending rate fell from 13.9% in May to 13.8% in June, while the weighted average deposit rate declined from 7.1% to 6.9%. The interest-rate environment therefore remained relatively tight, despite limited easing on both the lending and deposit sides. Persistently high lending rates may continue to constrain credit demand and investment, while lower deposit rates modestly reduce the return on savings.

Financial stability indicators remained favourable. The capital adequacy ratio was broadly unchanged, moving from 19.9% in May to 19.8% in June, and remained at a sound level. This indicates that banks continue to hold adequate capital buffers to absorb risks. Credit quality also improved, with the net non-performing loan ratio declining from 3.3% in May to 2.3% in June. Overall, the indicators point to a resilient banking sector, supported by solid capital buffers and improving credit quality.

SEOB recommendations

The Surinamese economy remains fragile despite stronger economic growth and a return to single-digit inflation. Public finances and public debt, however, remain areas of significant concern.

- SEOB calls for close attention to high government subsidies, particularly for fuel and electricity. SEOB also advocates further strengthening of the social safety net and of transparency and anti-corruption control mechanisms ahead of the substantial increase in revenue expected from offshore oil production.
- SEOB recommends strengthening and operationalising critical institutions such as the Savings and Stabilisation Fund Suriname (SSFS), and introducing a five-year public financial plan that includes expenditure ceilings and a sustainability target for total public debt. Despite pressing development needs, the authorities will need to exercise strong expenditure restraint. SEOB emphasises that stronger institutions are essential to promote macroeconomic stability.

SEOB further recommends:

- Strict fiscal discipline to preserve the stability achieved and place the recovery on a sustainable footing.
- Greater fiscal transparency and a clearly articulated fiscal strategy.
- A coherent medium-term framework for tax policy.
- Broadening revenue sources through a framework comparable to the RIGI model, adapted to Suriname's investment legislation. A modern investment framework is essential to attract new and stable foreign-currency inflows.
- A coherent strategy combining fiscal consolidation, structural reforms and targeted economic diversification to break the cycle of government deficits, inflation and exchange-rate pressure.
- An integrated government budget that reflects coordinated public policy and requires ministries to link their activities to sustainable revenue-generation models.
- Transparent divestment of non-strategic, loss-making state-owned enterprises that require substantial subsidies, with transfer to the private sector.
- Promulgation of the Public Procurement Act to ensure transparency, establish clear rules for public procurement and contracting, and strengthen cost control.
- Export growth and investment promotion to strengthen and preserve international reserves. Diversification beyond mining should prioritise agriculture, including fisheries and agro-processing, services and eco-tourism.
- Joint development by government and the private sector, in the near term, of a production and export growth strategy to promote investment and exports.
- Intensive monitoring of inflation and protection of vulnerable groups through well-targeted social programmes.
- Active debt management in view of the high debt-to-GDP ratio.

- Independent and sustainable development of human capital in key institutions, including the Tax Authority, Customs and government ministries.
- Improved digital tax collection and more effective collection of import duties to reduce the fiscal deficit.

- Close coordination between fiscal and monetary policy to contain inflationary pressures and stabilise the SRD. Safeguarding the independence of the Central Bank, in accordance with the Central Bank Act 2022, remains a priority.
- Prudent credit policies within banks to safeguard financial stability, with emphasis on lending to small and medium-sized enterprises and households without weakening capital buffers. High lending rates currently constrain investment.
- Consistent policymaking and clear communication on the socioeconomic strategy for the coming years to restore confidence.

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