Suriname is at a crossroads, politically and economically. Once one of the more isolated countries in the Western Hemisphere, it is increasingly being pulled into the region's affairs. The process of change is coming from external and internal sources, ranging from the potential for major commercial oil finds in its offshore waters and migration of Chinese, Haitians, and Brazilians into the country to the looming 2020 elections and the need for better governance. Moreover, the geopolitical landscape facing Suriname in both the Caribbean and South America has changed, with the advent of what some analysts are calling a new Cold War between the United States on one side and China, Venezuela, and Russia on the other. Suriname has tremendous potential in terms of its development, but tough decisions sit on the horizon.

Most Americans would be hard put to find Suriname on the world map. It was Fairfield University political science professor Ed Dew who noted in the preface of his 1994 book on Surinamese politics, “Not long ago, one of my friends said the problem with my work is that it is on a country that is ‘too far off the screen’ of international importance.” Although Dew wrote two books on Suriname, even he admitted that Suriname has been physically isolated, tucked as it is between French Guiana, Brazil, Guyana and the Atlantic Ocean, and largely covered by forests.¹

Suriname has also been a bit of an odd man out from the rest of the Western Hemisphere. It is located in South America but is usually considered to be Caribbean. One of the country's closest relationships has been with a non-Western Hemisphere nation, the Netherlands, its former colonial power. Last, but hardly least, Suriname is the only country in the Americas whose official language is Dutch.² While it can be argued that some of these factors may explain a different path from South America or even the Caribbean, it can be argued that Suriname is no longer too far off the screen of international importance.

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2. While Suriname is the only country in the Americas to have Dutch as its official language, the Dutch territories of Aruba, Bonaire, Curacao, Saba, and St. Eustatius. They are considered part of the Kingdom of the Netherlands, though the nature of that relationship differs between each of the territories.
Three factors are pulling Suriname out of its relative isolation:

1. **Suriname is in a region that has oil—lots of it.** There have been major commercial-size oil finds offshore of Guyana. The Guiana Shield, which includes Guyana, Suriname, and French Guiana, is thought to have drifted from its initial landmass in West Africa and contains large stores of oil and natural gas, much like the waters off Nigeria, Gabon and Cameroon. Suriname has already discovered oil, mainly on land. Oil accounts for some of the country’s exports and makes Suriname largely energy self-sufficient (along with hydro-power). In Guyana, large multinational oil companies, such as Exxon Mobil and Hess, have descended on the country, radically changing its future prospects. The same is expected to eventually happen in Suriname.

2. **The geopolitics of the Caribbean are changing.** There is a higher level of friction in U.S.-Chinese relations over a wide range of issues, including Beijing’s penetration of the Caribbean. Some analysts are calling this a new Cold War. Whatever it is called, there is a level of tension between U.S. and Chinese aspirations in the Caribbean. This includes Suriname, which has had a long relationship with China.

   During the colonial period (English 1630-1667/Dutch from 1667-1975), Chinese migrants came to work in the South American country. Shortly after its independence in 1975, Suriname diplomatically recognized the People’s Republic of China, and more recently Suriname has become a destination for a new wave of Chinese migrants and companies. The latter have become involved in the country’s infrastructure development as well as logging. China has also gradually become an increasingly important trade partner for Suriname.

   China’s engagement with Suriname has come at the expense of Western involvement. The return of Desi Bouterse as Suriname’s president in 2010 resulted in a suspension of Dutch aid to the country. In 2000, the Netherlands sentenced Bouterse to 11 years imprisonment after being convicted of trafficking 474 kg of cocaine. Although the Surinamese leader claimed innocence, it was alleged that he remained involved in trafficking drugs and Europol issued an arrest warrant for him in 2006. Suriname’s current president is also tied to the December 1982 murders of 15 opposition figures. The Chinese have no qualms with Bouterse’s alleged human rights or criminal records. Although the United States and Suriname enjoy cordial relations, the alleged backing of Bouterse by Venezuelan money in his successful presidential bids in 2010 and 2015 has raised concerns over how deep the linkages are between the embattled regime of Venezuelan president Nicolás Maduro and Bouterse.

3. **The elections are scheduled for Suriname in 2020.** Economically, Suriname is coming out of a tough recession and there are significant questions about the country’s future. On the political front, the major question is whether or not Bouterse and his National Democratic Party can win re-election. In the last election in 2015, they captured 26 seats out of 51 in the National Assembly and 45.45 percent of the popular vote.

   **One of the major issues in the upcoming elections will likely be the state of Suriname’s economy.** In terms of structure, the export of commodities plays a major role in terms of exports and state finances, accounting for over 80 percent of the former and between 25 to 30 percent of the later. Gold and oil lead the way, but timber is important as well. Suriname’s trade partners on the export side are dominated by Switzerland, Hong Kong, Belgium/Luxembourg, Guyana and the United Arab Emirates. Gold features prominently in that. As for imports, the United States, the Netherlands, and China fill the top three slots, followed by Trinidad and Tobago.
As commodities go, so goes Suriname's economy. Much of Suriname's early colonial period was dominated by sugar. Indeed, it was the attraction of making Suriname into a more fulsome sugar colony that motivated the Dutch to trade away New York for the South American territory in the Treaty of Breda in 1667. The plantation structure of sugar cultivation, with a heavy need for labor, accounted for the formation of Suriname's multi-ethnic society through its waves of African slaves, followed by indentured Indian and Javanese workers.

Sugar gradually declined in the late nineteenth century and by the early twentieth century was replaced by bauxite. In 1916, the U.S. aluminum company, Alcoa, established Suralco, its Surinamese subsidiary. The first commercial shipments of bauxite occurred in 1926 and during the Second World War, Suriname was one of the largest sources of U.S. bauxite.

Bauxite's role in the Surinamese economy was key through the 1980s, but a series of developments negatively impacted the sector. Companies like Alcoa faced increasing competition through the 1970s and into the 1980s and starting in the 1970s bauxite-producing countries demanded more say over prices and revenues. Suriname itself became more problematic for Alcoa and other bauxite companies due to the outbreak of the Interior War (1986-1992), which complicated operations.\(^3\) By the first decade of the twenty-first century it was becoming evident that the country had exhausted its best sources of bauxite, was unable to accommodate the deeper draft ships that typically transport alumina, and faced intense competition from other bauxite producers. In 2014, global commodity prices took a sharp plunge, and within a short period the company decided to close down its operations.

Alcoa's departure from Suriname was compounded by the equally brutal downturns in oil and gold prices. From 2014 to 2016, the economy contracted by 9.0 percent. At the same time, inflation surged, unemployment rose, and government finances deteriorated. Although the International Monetary Fund and Suriname worked together to stabilize the situation, there were disagreements which made the relationship more challenging. Moreover, elections occurred in 2015, with President Bouterse and his National Democratic Party and allies seeking to win a second term, which they did.

During the 2017-2019 period, Suriname's economy recovered. Real GDP went positive again in 2017 at 1.7 percent and climbed to 2.0 percent in 2018, with the International Monetary Fund (IMF) forecasting 2.2 percent for 2019. Inflation has fallen back to the single digits, unemployment shifted to more manageable numbers and the current account balance of payments, which had plunged into a steep deficit, was roughly in balance in 2017 and carried a small surplus in 2018. In many regards, Suriname staged an impressive economic turnaround.

While Suriname's reforms helped move the economy from recession to recovery, the major factor was the stabilization and recovery of key commodity prices. The gold sector was also helped by the opening of the Merrion Gold Mine in late 2016, which bolstered exports.

Looking ahead, one must ask if the economic recovery is sustainable? This question, in turn, takes us back to the earlier statement that Suriname has reached a crossroads. Suriname's recovery is sustainable, but the country has to deal with seven interrelated issues.

1. **Diversification is needed to help widen both the export and tax bases.** One of the most evident features of the economy is Suriname's heavy reliance on gold and oil. Areas that could be expanded

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3. The Interior War was fought in Suriname's interior. The two forces fighting were the Jungle Commando led by Ronnie Brunswijk, a former military man, and the National Army headed by Desi Bouterse, who was the country's strongman leader. The Jungle Commando had its support largely from the country's Maroons, who lived in the interior and were descendants of escaped slaves during the colonial period.
further include rice production (a food that much of the Caribbean uses). Timber could also be pursued, but more work is required to make certain that this does not become an environmental problem. Sustainable forestry is a goal.

2. **Related to diversification is the need to further upgrade the country’s infrastructure**, especially in terms of transportation. Better roads and bridges are needed to pull the country together internally as well as externally. One option that has been discussed is developing Suriname into a transportation corridor to the Atlantic for northern Brazil (which would help that country’s economic development). The dynamics of a country largely divided by challenging terrain were caught by Rosemarijn Hoeft, a senior researcher and coordinator of the Caribbean Expert Center at KITLV/Royal Netherlands Institute of Southeast Asian and Caribbean Studies. She said, “Other government issues related to the interior are the porous boundaries and the lack of border security. It shows that state power in Suriname is spatial and erratic. The available institutional resources are limited; an army of 2,500 troops and a police force of 1,500 are too small to control the vast interior and to give the state a grip on immigration and economic activities. Better internal communications would certainly help the government in getting a better idea of the size and scope of the country’s informal economy (estimated by the government at 10 percent of GDP).

3. **There is a need for greater transparency and disclosure in public finances**, elements critical for accountability in any democracy. In the 2018 IMF Article IV report, it was noted, “Strengthening governance will also support investor confidence and promote growth.” If Suriname wants to attract more foreign investment better safeguards are required in terms of how revenues are collected and who has say over the handling of the public purse. This would go a long way in helping Suriname with the major ratings agencies, which rate the country well below investment grade. Weak institutional accountability, discretionary spending and a lack of transparency erode public confidence in the legitimacy of government, something that Surinamers to give greater weight, especially as efforts are being made to legislate new laws in this regard.

4. **A tougher anti-money laundering regime.** The IMF also made note that the government had made efforts to improve its anti-money laundering (ALM) and combating the financing terrorism (CTF), but that it needed “help to mitigate risks regarding withdrawal of correspondent banking relationships.” There is currently only one bank in Suriname, of Trinidadian origin, that maintains correspondent banking relations.

Over the last several years, many banks from North America and Europe have de-risked from the Caribbean, a process meant to protect the banks from money laundering schemes that can result in lost money as well as large fines in home countries. While the measure was protective for the banks, it left a number of Caribbean countries without linkages to commercial banks in advanced economies, a factor that greatly complicates economic activity in countries like Suriname, hitting everything from tourism to the ability for young Surinamers studying in North America and Europe to pay university fees there.

5. **The need to have better management of public-sector debt.** Public-sector debt has more than doubled since the 2014 recession, hitting 77.2 percent of GDP in 2017. Moreover, the government has relied more heavily on external borrowing. The risk is that Suriname could find itself with a growing debt burden and heavy payments at a time when international debt markets demonstrate their periodic fickleness and close down for riskier borrowers.

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6. **The need for proper stewardship of the environment.** Suriname is seeking to deal with this issue, but there are major challenges. These include dealing with rising ocean levels, which are causing seawater intrusion of fresh water areas. Suriname also faces other environmental issues—the country has a wood coverage of over 90 percent of the country. Illegal logging can disrupt that. Work has been done on a legal code for forestry, for the Amazon Basin. There are still other concerns pertaining to illicit gold mining as mercury used in processing is finding its way into the country’s rivers, a key source of water and fish for local populations in the interior.

7. **Dealing with lingering political issues.** In this case, Suriname’s unfinished political business dates back to the 1980 sergeants’ coup, the December 1982 murders of 15 opposition figures, criminal charges raised by the Dutch government against President Bouterse for cocaine trafficking, and allegations that Venezuelan money was taken by the president to help him win office.

   A court case over Bouterse’s role in the December 1982 murders remains in a state of limbo, a place the president obviously prefers to keep it. As chief executive of the nation, he maintains immunity. However, if an opposition government enters office, that dynamic could change.

   Two challenges for Suriname with Bouterse at the helm into the next decade (if he wins re-election next year) is his alleged links to Venezuela and the significant role China plays in the economy. Both relationships could become more problematic if the new Cold War in the Caribbean intensifies and Washington applies pressure on Suriname.

   Bouterse has been the dominant figure in Suriname’s politics through most of the period since the military coup in 1980. Born in 1945, he is 73 years of age; still vital enough to be president one more term. At the same time, he is no longer a young man and will not be around forever. Suriname needs to think about what comes after Bouterse.

**Concluding Thoughts**

Suriname faces a tough existential issue—where does the country want to be in the world? It is no longer too far off the screen of international importance. The rest of the world is bearing down on this Dutch-speaking country that looks like the Caribbean but is in South America and is increasingly part of the powerful geopolitical and geo-economic currents swirling around it. The 2020 elections beckon.

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5. The Amazon Cooperation Treaty Organization (ACTO) dates back to 1978 when eight countries signed the Amazon Cooperation Treaty, “with the aim to promote the harmonious development of the region and the well-being of its people, and to strengthen the sovereignty of countries over their respective Amazon territories.” Members include Brazil, Bolivia, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela.