

SURINAME

WORLD RANK:

156

REGIONAL RANK:

29

ECONOMIC FREEDOM STATUS:

REPRESSED

Suriname's economic freedom score is 48.1, making its economy the 156th freest in the 2022 *Index*. Suriname is ranked 29th among 32 countries in the Americas region, and its overall score is below the regional and world averages.

After a period of strong growth, Suriname's economy slowed in 2019 and contracted severely in 2020. Economic freedom during the past half-decade has been anemic. With improvements in scores for rule of law offsetting declines in **fiscal health** and **monetary freedom**, Suriname has recorded a basically unchanged 0.1-point overall gain of economic freedom since 2017 and remains in the upper part of the "Repressed" category. All aspects of economic freedom are in dire need of improvement.

IMPACT OF COVID-19: As of December 1, 2021, 1,169 deaths had been attributed to the pandemic in Suriname, and the government's response to the crisis ranked 14th among the countries included in this *Index* in terms of its stringency. The economy contracted by 13.5 percent in 2020.

ECONOMIC FREEDOM SCORE

48.1



REGIONAL AVERAGE
(AMERICAS)^A

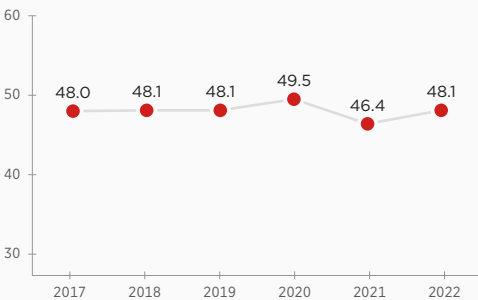
59.4

60.0

WORLD
AVERAGE

HISTORICAL *INDEX* SCORE CHANGE (SINCE 1996): +11.4

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
0.6 million

GDP (PPP):
\$8.8 billion
-13.5% growth
in 2020
5-year compound
annual growth -2.9%
\$14,513 per capita

UNEMPLOYMENT:
8.7%

INFLATION (CPI):
34.9%

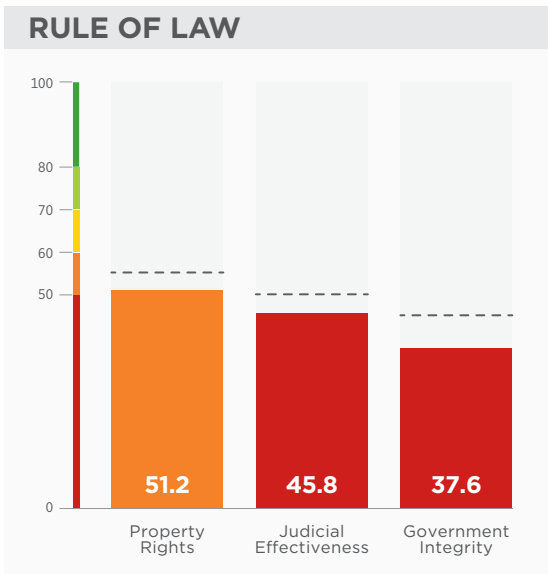
FDI INFLOW:
-\$27.0 million

PUBLIC DEBT:
165.8% of GDP

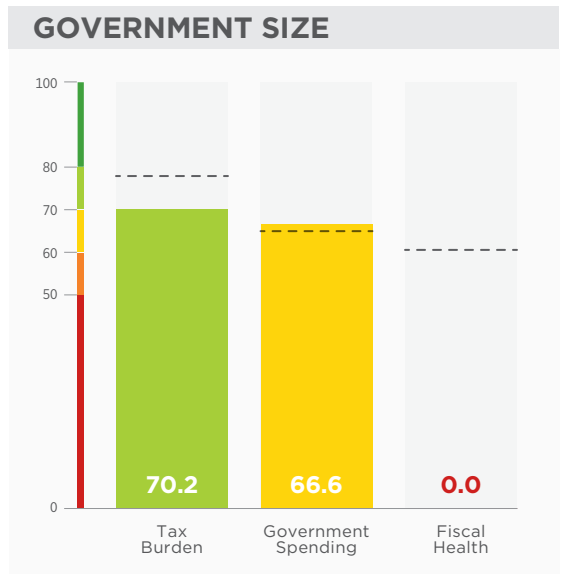
2020 data unless otherwise noted. Data compiled as of September 2021

BACKGROUND: Chandrikapersad "Chan" Santokhi was elected in 2020 to a five-year term as president, leading his centrist Progressive Reform Party (VHP) to win 20 of the parliament's 51 seats. Santokhi defeated leftist former President Desire "Dési" Bouterse. In coalition with the General Liberation and Development Party and National Party of Suriname, the VHP controls a total of 33 seats. Although Santokhi was elected on an anticorruption platform, corruption still presents widespread challenges. Suriname's economy relies primarily on the extraction of natural resources, and newly discovered oil fields are attracting investment. Suriname is also an important transit point for cocaine trafficking to Europe from Colombia and Venezuela. The former Dutch colony remains one of South America's least developed countries.

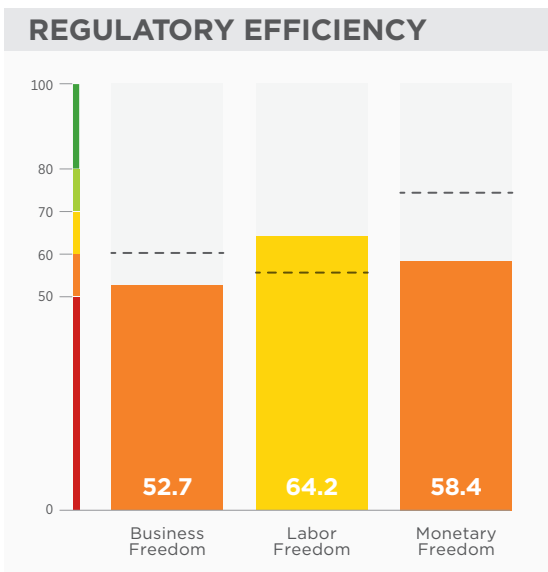
12 ECONOMIC FREEDOMS | SURINAME



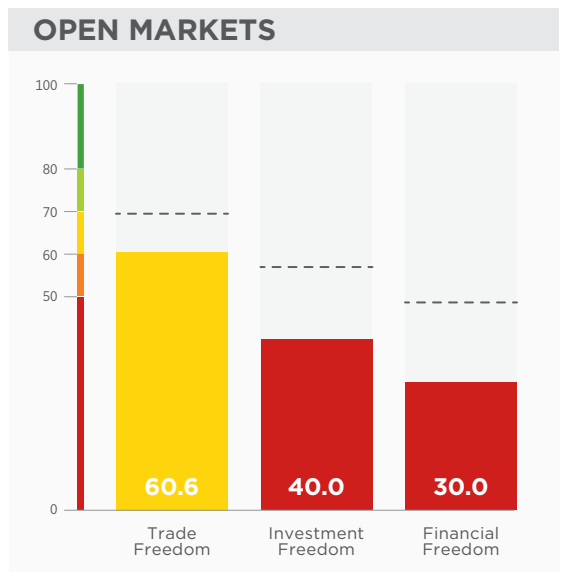
Protection of property rights has been weak. The percentage of land that lacks a clear title remains unknown, and the government is doing little to identify property owners and register land titles. The judicial system is understaffed and underfunded but procedurally competent and free of overt government interference. Corruption is most pervasive in government procurement, the awarding of licenses and concessions, customs, and taxation.



The top individual income tax rate is 38 percent, and the top corporate tax rate is 36 percent. Other taxes include property and excise taxes. The overall tax burden equals 15.5 percent of total domestic income. Government spending has amounted to 33.4 percent of total output (GDP) over the past three years, and budget deficits have averaged 14.7 percent of GDP. Public debt is equivalent to 165.8 percent of GDP.



Regulations are enforced with unpredictable discretion rather than rules-based consistency. There is no online registration system. Employers are prohibited from firing employees without the permission of the Ministry of Labor after two months of employment. In June 2021, the central bank stopped subsidizing the exchange rate and adopted a floating rate that translated to a devaluation of about 90 percent.



Suriname has three preferential trade agreements in force. The trade-weighted average tariff rate is 12.2 percent, and one formal nontariff measure is in effect. Other regulatory barriers, exacerbated by direct state interference in the economy through ownership or control, remain considerable and undercut the potential gains from trade and investment. The financial system remains underdeveloped and vulnerable to government influence.