



Executive Summary

The Government of Suriname (GOS) identified Foreign Direct Investment (FDI) as the key to further growth of the country and its economy. It supports and encourages business development through foreign and local investment in a number of different sectors. In addition, the GOS Development Plan for 2012-2016 identifies international partnerships as a particularly important means to help develop the economy. This includes both bilateral and multilateral partners, as well as private foreign investors. Currently, the mining and crude oil industry are the main sectors targeted for large scale investment. In 2013, parliament approved two gold mining deals with two multinationals. Despite the current decline of world market prices for gold, the government hopes that these investments of approximately US\$1.1 billion will continue as scheduled. The State Oil Company Suriname (Staatsolie) increased investment in oil refining and ethanol production. The refinery expansion project is scheduled for completion in late 2014. Following a successful pilot, Staatsolie plans to invest in a large scale project to produce ethanol from sugarcane. Later this year, the company will issue a USD \$150 million bond loan to secure to fund scheduled investments. The GOS focuses also on developing tourism, forestry, and agriculture sectors.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude Toward FDI

The Government of Suriname (GOS) identified Foreign Direct Investment (FDI) as the primary vehicle for future economic development. The GOS Development Plan for 2012-2016 identifies international partnerships as a particularly important means to help develop the economy. This includes both bilateral and multilateral partners, as well as private foreign investors. Suriname has no economic or industrial policies that have a discriminatory effect on foreign investors or foreign-owned investments, with the exception of the oil sector. In this sector, ownership is limited by law to the State Oil Company Suriname (Staatsolie). Staatsolie has sole ownership of all oil-related activities. Access to this sector is only possible through Exploration and Production Sharing Agreements in partnership with Staatsolie. Oil exploration agreements with foreign firms are established through fair competitive bidding. All other sectors are open to foreign ownership.

Other Investment Policy Reviews

In 2013, the World Trade Organization published its second Trade Policy Review for Suriname: http://www.wto.org/english/tratop_e/tpr_e/s282_e.pdf

Laws/Regulations of FDI

The judicial system is largely independent. Article 131 of the Constitution prohibits interference with active court cases and this is generally followed in practice. Judges are considered to be impartial. Suriname does not have major laws/rules, regulations, or government policies in place that impede incoming foreign investment through acquisitions, mergers, takeovers, purchases of securities and other financial contracts.

Industrial Strategy

The GOS focuses on developing the **mining**, tourism, forestry, and **agriculture** sectors, but has no special programs in place. Tax incentives are offered for investments. In the mining sector, there are also exemptions to import duties and accelerated depreciation.

Limits on Foreign Control

There is no law requiring that Surinamese nationals own a share of foreign investments, nor is there a requirement that the share of foreign equity be reduced over time. Within the **petroleum sector**, ownership is limited by law to the State Oil Company Suriname (Staatsolie). Staatsolie has sole ownership of all oil-related activities. In general there are no sector-specific restrictions on foreign investment, with the exception of **the petroleum sector**. Furthermore, Caribbean Single Market and Economy (CSME) countries have favored status over other foreign investors; however, in light of the need for foreign investment in most Caribbean economies, it is unlikely that, in practice, larger international firms would be denied investment opportunities. The Economic Partnership Agreement (EPA) signed with the European Union provides European companies better market access to the CARIFORUM countries.

Privatization Program

The GOS recently privatized the state-owned banana company. Belgian multinational Univeg owns 90 percent of the shares, while the remaining 10 percent are in hands of the government. The GOS has also identified several other **agricultural** state-owned enterprises for privatization, but didn't set a timeline regarding completion of the process.

Screening of FDI

Each Ministry oversees major investments for the specific sectors within its purview. In these cases, a special commission screens the potential investment and all necessary financial and legal documentation must be presented for review. Major investments, particularly in the mining sector, go through extensive negotiation processes to determine the terms of investment. In all cases, small or large, filing is mandatory. The purposes and criteria for screening of investments vary depending on the nature of the investment, but are primarily meant to assure that the investment is within the legal parameters of trade legislation. This screening process usually takes place at the beginning of the investment process. Once the business is running, a secondary screening is unlikely.

Competition Law

There is a draft competition law, but it requires approval from the National Assembly.

TABLE 1: The following chart summarizes several well-regarded indices and rankings.

Measure	Year	Rank or value	Website Address
TI Corruption Perceptions index	2013	94 of 177	http://cpi.transparency.org/cpi2013/results/

Heritage Foundation's Economic Freedom index	2013	130 of 177	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2013	161 of 189	http://doingbusiness.org/rankings
World Bank GNI per capita	2012	USD 8,680	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

Foreign Exchange

There are no restrictions on converting or transferring funds associated with an investment (including remittances of investment capital, earnings, loan repayments, and lease payments) into a freely usable currency at a legal market clearing rate. Permission is required from the Foreign Exchange Commission to transfer any funds associated with a business or investment out of Suriname. The Central Bank is working to update the Exchange Law to ensure that foreign exchange takes place through the Central Bank in order to increase transparency.

Remittance Policies

There were no changes in remittance policies pertaining to the access to foreign exchange. General Decree 217 permits banking institutions to open accounts for non-residents, and conduct transactions on behalf of these non-residents, in all foreign currencies for which the Central Bank of Suriname has an official exchange rate vis-a-vis the Suriname Dollar. Account documents must clearly indicate the country of residency of the account holder and the country of residency of the headquarters of the parent company. The general license does not apply to transactions of foreign currencies originating from the exports of minerals and/or transactions that are the result of such an export, unless a special license is granted or another law so permits. Banking institutions are required to provide the Central Bank of Suriname all necessary information regarding any transactions in order to assist in the Central Bank's oversight responsibilities of foreign exchange transfers to and from Suriname, as well as to ease the balance of payments with other countries.

In 2011, the National Assembly approved legislation giving the Central Bank greater oversight authority over commercial banks, casas de cambios (privately owned foreign exchange businesses), insurance companies, and other credit institutions under its supervision. The legislation gave the Central Bank greater oversight over the issuance of licenses to new financial institutions. In 2012, Suriname passed additional legislation regulating oversight of money transfer offices and bank and credit system supervision. The legislation builds upon other measures passed to combat money laundering and terrorism financing and brings Suriname more in line with the standards of the Caribbean Financial Action Task Force.

The delay period varies for remitting investment returns such as dividends, return of capital, interest and principal on private foreign debt, lease payments, royalties and management fees,

but it is relatively short. The Foreign Exchange Commission must approve all requests for remittance. The time needed to process the request depends on the sector and the amount to be transferred. Transfers through the banking system can range from same-day transfers to one week.

Investors can remit through the legal parallel market. A source of origin must be declared in cases where the incoming or outgoing amount exceeds US\$5,000 or €5,000. There is no limitation on the inflow or outflow of funds.

The government does not manipulate the currency to promote investment at the expense of firms not producing in the country.

Suriname is a member of the Caribbean Financial Action Task Force (CFATF). Further information is available in the Bureau of International Narcotics and Law Enforcement's 2013 International Narcotics Control Strategy Report (INCSR) at: <http://www.state.gov/j/inl/rls/nrcrpt/2013/database/index.htm>.

3. Expropriation and Compensation

Article 34 of Suriname's Constitution states that expropriation will take place only for reasons of public utility and against previously assured compensation. Until now there is no history of expropriation actions. According to the law, emergency expropriations shall be paid immediately regardless of whether or not compensation was previously assured. There is a right to compensation if the competent authority destroys or renders property unserviceable or restricts the exercise of property rights.

There has not been any expropriations in the last five years. The Mission also has no indication that there will be a policy shift regarding expropriation in the near future. However, Article 41 of the Constitution specifically refers to all natural resources as being the property of the nation, and states that the nation has inalienable rights to take complete possession of all natural resources in order to utilize them for the needs of the economic, social, and cultural development of Suriname. While the Bouterse government said several times in 2010 and 2011 that it wanted to nationalize the Afobaka Hydro Dam from Suralco (Alcoa) for the symbolic amount of SRD1.00, the government took no action, and is currently negotiating with Suralco for additional bauxite exploration rights in new concession areas.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

Suriname's legal system is based on the Dutch Civil System. Laws are laid down in criminal, civil, and commercial codes and verdicts are based on the judge's interpretation of these codes. Property and contractual rights legislation is included in the commercial law. There are no specialized courts such as commercial law court or judicial circuit that is specialized in intellectual property rights. The **judicial** system is generally considered to be independent from government interference. Judges are generally considered to be impartial.

Judgments of foreign courts are accepted and enforced by the local courts only if Suriname has a legal treaty of jurisprudence with the foreign country involved. If not, the foreign judgment can be brought before the Surinamese court for consideration as long as the court determines it has jurisdiction and doing so does not otherwise violate any Surinamese laws. Suriname has no legal treaty of jurisprudence with the United States. With Suriname's participation and membership in the Caribbean Court of Justice, judgments from this court are also binding for local courts.

Bankruptcy

Suriname consistently applies its commercial and bankruptcy laws. Companies have a right to file for bankruptcy with the courts. All records of debts are subsequently filed with a trustee as appointed by the court. The judge may declare bankruptcy in cases where there are a minimum of two creditors. In cases where there is a loan from a commercial bank, payment on this loan takes precedence. Monetary judgments are made in local currency, unless the contract or agreement stipulates otherwise.

Investment Disputes

Every effort is made to settle investment disputes outside the court system or via arbitration. There have been no publicly known investment disputes over the past ten years involving U.S. or other foreign investors or contractors in Suriname.

International Arbitration

ICSID Convention and New York Convention

The government accepts binding international arbitration only if it is stipulated in the contract or agreement and if it does not contradict any local laws. International arbitration is an accepted means for settling disputes between private parties, but only if local alternatives are exhausted. Suriname has no bilateral investment treaty or free trade agreement with the United States. Most agreements involving foreign companies have clauses that clearly stipulate the laws applicable to the agreement.

With Suriname's participation and membership in the Caribbean Court of Justice, judgments from this court are also binding for local courts. Plaintiffs have successfully filed suit against Suriname in the Inter-American Court of Justice of the Organization of American States. The Surinamese legal system upheld these verdicts.

Suriname is not a party to the Convention on the settlement of Investment disputes between States and Nationals of other States (ICSID). The country has been a member of the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards since 1964, when the country was still a Dutch territory. At independence in 1975, Suriname automatically continued its membership in international conventions and treaties.

Duration of Dispute Resolution

Local dispute resolution proceedings typically last between one month and three years, depending on the complexity of the case and the willingness of parties to cooperate.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

Suriname is a member of the World Trade Organization. Suriname does not maintain measures that are inconsistent with Trade Related Investment Measures (TRIMS) such as requirements that investors purchase from local sources or export a certain percentage of output, nor does it provide measures that are alleged to violate the WTO's TRIMS obligations.

Investment Incentives

Under current regulations, investors can benefit from both tax- and non-tax-based incentives. Tax-based incentives include a nine-year tax holiday that can be extended by one year if the investment is at least US\$13 million, accelerated depreciation of assets, and tax consolidation. Under the Raw Minerals Act, an exemption of import duties is granted for the import of raw materials from CARICOM member countries. Exemptions are also granted for the food industry, the soft drinks industry, and the fruit juice industry. In 2011, the government eliminated import duties on computers and related items.

The law accords special consideration on investments exceeding US\$50 million and investments in the exploration and exploitation of bauxite, hydrocarbons, gold, and radioactive minerals. Large investments and investments in the mining sector are the subject of extensive negotiations between the government and investors. The government maintains the ability to grant incentives that depart from the provisions of the Investment Law, e.g. incentives relating to the provision of infrastructure.

Research and Development

The government itself has no financed research and developments programs, but U.S. and other foreign firms are welcome to initiate research and development initiatives. Larger foreign investors, such as the Alcoa subsidiary Suralco, have played a major role in the establishment and maintenance of research facilities at the Anton de Kom University.

The government does not force foreign investors to use domestic content in goods or technology. Both local and foreign investors, however, have found it useful to purchase from local sources and import only those goods unavailable on the local market. Larger companies (e.g., in the extractive industries) have signed contracts for the delivery of products that are not readily available on the market.

In order for an investor to receive permission to hire a foreign national, the investor needs to show the Ministry of Labor that every effort was made to hire a host country national first. The rule does not, however, apply to specialists and senior management; in that case the company is free to use whomever it deems necessary for the operation of the company. The specialists must obtain work permits. There are exceptions to the requirement that Surinamers must be hired first. For example, the GOS signed contracts with Chinese companies for construction and infrastructure projects which, through negotiations, included a stipulation that Chinese nationals may enter Suriname to work in jobs that host country nationals could have performed, including construction and engineering.

In 2009, Suriname's National Assembly passed legislation regarding the issuance of work permits to foreigners. Although the procedures remain the same, a foreign worker must apply

first for a residency permit at the Ministry of Justice and Police, after which s/he can apply for a work permit at the Ministry of Labor. The legislation limits the term of a work permit to three years to better track the movement of foreign workers in Suriname and to prevent foreign workers from obtaining employment that could be performed by Surinamese citizens. The legislation also introduced a permit requirement to prevent interns from holding positions that could be regularly done by Surinamers. Companies or organizations that want to employ interns are required to request the permit on behalf of the intern. CSME regulations assure the free movement of artists, university graduates, media workers, musicians, and athletes of CARICOM origin. CSME regulations also provide for the free movement of those who want to establish or conduct business in CARICOM nations.

Non-tariff barriers on both imports and exports include: proof of residency, registration with the Chamber of Commerce (KKF), Customs' import registration numbers, and tax identification numbers from the Tax Office of the Ministry of Finance. Under the 2003 Law on the Movement of Goods, the Ministry of Trade and Industry created "negative lists" for both imports and exports. Anything not on the "negative list" can be imported or exported without a license. Items included on the "negative lists" may only be imported or exported with special permission from the government. Examples of goods on the negative list for imports are: chemicals, pesticides, and animals on the Convention on International Trade of Endangered Species List. Examples of goods on the negative list for exports are: wood and bark, explosives, gold, and other precious metals.

Tariff barriers include consent and statistical fees charged in addition to regulatory import duties. Suriname's tariff schedule comprises nine bands between 0 and 50 percent. Import tariffs from CARICOM member states range between 0 and 20 percent. In 2008, the Foreign Exchange Commission, through General Decree 216, began waiving consent fees in cases where the Ministry of Finance already exempted or suspended import duties. Imports from countries outside CARICOM, except the European Union, are subject to increased import duties due to the Common External Tariff (CET) adopted by CARICOM members. Imports are subject to a 7 percent turnover tax as stipulated under the 1997 Law on Turnover Tax. Exports are subject to consent and statistical fees. Companies in the bauxite sector pay a 2 percent statistical fee on both imports and exports. In the gold sector, IAMGold pays royalties of 2.25 percent, with an additional 6.25 percent if the price of gold exceeds US\$425 per troy ounce. A statistical fee of 0.5 percent is also applied on timber exports (except to CARICOM countries).

CSME regulations prevent members from importing products from outside of CARICOM if the same quality goods can be produced or delivered by fellow member states by a pre-set deadline, not taking price into account. Violations can lead to legal action at the CARICOM Secretariat. CARICOM grants suspension of the CET to member states when a commodity is not produced in a Member State or is produced in insufficient quantities to satisfy the requirements of the Common Market. When the CARICOM Secretariat grants a suspension to a member country, the country may then import a product from outside CARICOM at a rate lower than the CET. In 2008, the CARICOM Secretary General, based on a decision by the 19th Inter-Sessional Meeting of the Conference of Heads of Government of the Caribbean Community, gave member countries permission to partially or completely suspend import duties on products from outside the Community for one year. In 2009, the GOS extended this suspension for

another year. The Trinidadian cement producer TCL and a Trinidadian grain miller filed cases against Suriname due to Suriname's import of cement and flour from non-CARICOM countries. In both cases, the court ordered Suriname to reinstate the CET.

The government does not impose performance requirements as a condition for establishing, maintaining, or expanding investments, or for access to tax and investment incentives.

Data Storage

Foreign investors are not required to establish or maintain a certain amount of data storage within the country.

6. Right to Private Ownership and Establishment

Foreign and domestic private entities have the right to establish and own business enterprises and engage in all forms of remunerative activity. Once private entities register a business with the KKF they have the right to freely acquire and dispose of assets as they see fit.

7. Protection of Property Rights

Real Property

Secured interest in property, both movable and real, is recognized and enforced. Mortgages are common and are registered by the Mortgage Office. Acquisition and disposition of all property rights are protected and facilitated by law.

Intellectual Property Rights

Even though Suriname is a member of the World Trade Organization (WTO) and, since 1975, a member of the World Intellectual Property Organization (WIPO), it has not ratified the Trade Related Aspects of Intellectual Property Rights (TRIPS) agreement.

While Suriname is officially party to the following international agreements on intellectual property rights, which came into force while it was still a colony of the Netherlands, there is little or no adherence to these agreements, as they are not incorporated into the country's domestic legislation:

The Paris Convention for the Protection of Industrial Property (1883)

The Berne Convention for the Protection of Literary and Artistic Work (1886)

The Hague Convention concerning the International Deposit of Industrial Designs (1925)

The Nice Agreement concerning the International Classification of Goods and Services for the Purpose of Registration of Marks (1957)

The Strasbourg Agreement concerning the International Patent Classification (1971)

Suriname is not listed in the USTR's **Special 301 Report** nor does the country host a **Notorious Market**.

The current legal framework mentions protection of copyrights, trademarks and patents, however, legislation dates back to 1912 (amended in 2001) and 1914. At present, the Bureau of Intellectual Property Rights only registers trademarks. Trademark registration requires

approximately one week to complete required paperwork, but enforcement might take a year due to a backlog at the Bureau of Intellectual Property Rights. Patents and copyrights must be registered abroad since proper legislation does not exist in Suriname. To date, there is still no improvement of intellectual property rights protection. There is also no protection for trade secrets and semiconductor chip layout design. The WTO TRIPS agreement has not been implemented nor enforced. Suriname signed the WIPO Internet Treaties, but has not ratified them. For additional information about treaty obligations and point of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>

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Email: newlb@state.gov

List of lawyers

<http://suriname.usembassy.gov/service/list-of-attorneys.html>

8. Transparency of the Regulatory System

There is a draft competition law, but it needs to pass the National Assembly to go into effect. Current legislation such as tax, labor, environment, health and safety, or other laws or policies are not purposely used to impede investments, but that they may still form obstacles to investment. Labor laws, for instance, prohibit employers from firing an employee without the permission of the Ministry of Labor once the employee has fulfilled his or her probationary period, which by law is limited to two months. Tax laws are criticized as overburdening the formal business sector while there is a large informal sector, estimated to be roughly twice the size of the formal economy, which goes untaxed. Lack of financial and accounting standards and poor government enforcement of existing regulations permits unscrupulous companies to avoid paying legitimate taxes and tariffs, thereby gaining competitive advantage over law-abiding firms through measures such as under-invoicing and presenting fraudulent accounting records. In 2011, the government took its first step towards overhauling the tax system. The new system would be consumption-based rather than income-based. The government postponed its plans to implement a value-added tax in 2014 due to problems related to its design, infrastructure, and ownership. The Tax Department estimates that a full overhaul of the system could take up to five years and has proposed a phased introduction of modifications. Other proposed changes include the introduction of a real estate tax in place of the current rental value tax, an environmental tax, and a tax for gold buyers.

Bureaucratic procedures, including those for licenses and permits, are neither sufficiently streamlined nor transparent. The large number of civil servants involved in the process of granting licenses makes it a lengthy process that invites corruption. Both the World Bank, through its "Doing Business Report," and Standard & Poor's identify government involvement in the real economy to be a continued burden that undermines transparency and gives rise to corruption. In 2011, the government liberalized the licensing system so that applications for licenses only need to be submitted to the Business License Department of the Ministry of Trade

and Industry. The government also reduced the number of business categories requiring a license to 26. Despite some progress, licensing requirements are burdensome and procedures for launching a business are still time consuming.

Suriname's legal, regulatory, and accounting systems are based on Dutch standards. However, they are outdated and inconsistent with current international norms. The Trade Law of 1936 governs the formation of companies in Suriname and provides the basis for accounting and reporting requirements for companies and partnerships. There is no overarching accounting and auditing legislation to regulate the accountancy profession. The legal and regulatory framework for corporate financial reporting, accounting, and auditing should be strengthened to promote greater accuracy and transparency. Currently, there is no requirement for specific accounting standards, nor a requirement for auditing, unless specifically mentioned in the articles of association of the company. The Central Bank is considering draft legislation and regulations to reform the accounting system and bring it into greater conformance with international norms.

Most financial statements prepared in Suriname are based on The Netherlands' Generally Accepted Accounting Principles (NL GAAP). However, the government does not mandate that companies use a particular financial reporting standard, and companies use various methods, such as International Financial Reporting Standards (IFRS), mainly used by Multinational companies operating in Suriname. There is no government body responsible for auditing private firms and no requirement for independent audits. Suriname's major domestic corporations and other multinational companies operating in Suriname often apply their own standards. Many use one of the resident international firms such as Deloitte Consulting or BDO International, Ltd., for their accounting needs.

There are no nongovernmental organizations or private sector associations that manage **informal regulatory processes** that are discriminating against foreign investors. In most instances, foreign participation is not only welcomed, but requested in order to bring standards in Suriname up to international norms.

Laws and regulations are drafted in consultation with relevant stakeholders in both the public and private sectors, but are not available for **public comment**. After these consultations, draft laws and regulations are presented to the Council of Ministers for discussion and approval. Once approved, they are sent to the President's advisory body, the State Council, for approval before being presented to the National Assembly for discussion, amendment, and approval.

9. Efficient Capital Markets and Portfolio Investment

Money and Banking System, Hostile Takeovers

The government is not receptive towards portfolio investment. The government intends to finance its equity share in planned joint ventures with two North American mining companies through an international bond issuance. In 2008, the State Oil Company Suriname (Staatsolie) also raised funds through a local bond issuance to expand their refinery and, in early 2014, secured a US\$275 loan on international capital markets. The government has sufficient **liquidity** in place to support the free flow of financial resources in the product and factor

markets. Suriname is an article VIII member and has agreed not to impose restrictions on payments and transfers for current international transactions.

Credit is allocated on market terms and at market rates. Once established as a business in Suriname, foreign investors are able to get credit on the local market, usually with a payment guarantee from the parent company. The private sector has access to a variety of credit instruments. Larger companies can obtain customized credit products. There is, however, a Central Bank regulation that limits commercial banks' credit exposure to a single client. In March 2012, the Central Bank Governor witnessed the Trade Finance Facilitation Program Agreement (TTFP) between De Surinaamsche Bank (DSB) and the Inter-American Development Bank. The agreement should foster economic growth by guaranteeing stable and reliable sources of trade finance. The banking system is relatively sound. The authorities took measures to strengthen the financial sector supervision. A new banking law was passed in 2011, followed by increased staffing and training in the central bank's banking supervision department. Implementation of new banking regulations, including stronger capital, loan classification, and provisioning standards (incorporating a more rigorous treatment of real estate collateral) is being prepared. Other regulatory improvements being finalized include those on corporate governance, risk management, internal audit, and consolidated supervision. On-site banking supervision has also been strengthened. An insurance law is being developed – there is currently no insurance law – and insurance supervision is based on general financial sector legislation. A credit bureau and a deposit insurance scheme are also under development.

The estimated assets of the country largest banks were:

DSB Bank (June 30, 2013) US\$ 976.7 million

Hakrinbank (June 30, 2012) US\$ 573.7 million

RBC Royal Bank (October 31, 2013) US\$ 860 billion

(In 2008, the Royal Bank of Canada took over the Royal Bank of Trinidad and Tobago, parent company of RBTT Bank Suriname. Financial figures for this entire group are consolidated into the financial figures of RBC. Above asset figures reported are the assets in international holdings, other than U.S. RBC is believed to be among Suriname's three largest commercial banks.)

Foreigners can establish a bank account at the commercial banks. Non-residents must provide a reference certificate from their principal banker, a valid ID card or passport, and, for corporations, a statement drawn by a Surinamese notary that the company is a legal entity and a copy of the company's statutes.

10. Competition from State-Owned Enterprises

OECD Guidelines on Corporate Governance of SOEs

SOE are active in the oil sector, airline sector, electricity and gas supply, water, rice, telecommunication, banking, and transport sectors. The Investment Development Corporation Suriname has a list of SOE's. The government defines an SOE as a government-owned entity that undertakes commercial activities. For the oil sector, it is stipulated by law that the State Oil Company Suriname (Staatsolie) has sole ownership. SOE's do have public function mandates or commercial activities. SOE are not really engaged in research and development (R&D). Many

of them struggle to survive without government subsidies. SOE's do purchase goods and services from private sector/foreign firms as needed.

Suriname is not a signatory to the WTO Government Procurement Act. SOE and private enterprises compete under the same terms and conditions to get credit at commercial banks. SOEs may get access to government guarantees or government loans that are not available to private enterprises. Commercial SOEs are generally required to pay the same taxes and value added tax as their private sector competitors. Access to land and preferential access to raw materials inputs are material advantages that SOEs have.

The government does not yet adhere to the OECD guidelines on corporate governance for SOEs. Senior management in most cases report to a board of directors and in some instances they report directly to a line minister. Board seats are allocated to senior government officials and politically-affiliated individuals. The board of directors (representing the government) is involved in all business decisions. Every SOE has its own by-laws in which a reporting requirement is stipulated. The bylaws also indicate if the Central Government Auditing Bureau (CLAD) or an independent consultant is responsible for auditing financial records. In practice, SOEs do not publish annual reports with the exception of Staatsolie.

Sovereign Wealth Funds

In 2011, the government announced its intention to start an interim Sovereign Wealth Fund. The Central Bank prepared a draft legal framework to establish the fund, but the government withdrew it without explanation in 2014.

11. Corporate Social Responsibility

OECD Guidelines for Multinational Enterprises

There is a growing awareness of corporate social responsibility (CSR) among both producers and consumers. Alcoa subsidiary, Suralco, took the lead on CSR issues in Suriname, and other companies have followed. Consumers took note of this trend and nongovernmental organizations continue to benefit from CSR programs. Firms that participate in CSR activities are viewed more favorably, though they are not required to publicly disclose their efforts. Locally-owned companies that stand out for their corporate social responsibility include: Staatsolie, Surinam Airways, Telesur, the Fernandes Group of Companies (the largest local soft drinks bottler), and McDonalds Suriname.

The GOS realizes the benefits of CSR and incorporates it into some partnerships and agreements. For example, recent agreements between Staatsolie and foreign companies for off-shore oil drilling include stipulations for CSR spending. However, the GOS allows companies to develop their own policies and standards while encouraging local community members to negotiate with larger companies directly. The government enforces existing domestic laws with respect to labor and employment rights, and is drafting an environmental protection law and a consumer protection law.

Currently, there is no legal basis for corporate governance, accounting and executive compensation standards to protect the interest of shareholders. There is no legislation that

requires a company to publicly disclose information nor are there NGOs or business associations operating in the country that monitor CSR.

12. Political Violence

There is no history of motivated damages to projects or installations nor have there been incidents in recent years involving politically motivated damage. In November 2007, 25 defendants, including current President Desiré Bouterse, went on trial for the December 8, 1982, murders of 15 prominent democracy activists. The judge suspended the case in 2012, pending constitutional review of an amnesty law by a yet-to-be installed Constitutional Court.

13. Corruption

UN Anticorruption Convention, OECD Convention on Combatting Bribery

The Ministry of Justice and Police is responsible for combating corruption. The Fraud Department of the National Police is in charge of investigating corruption cases. The government has also established an Anti-Corruption Working Group at the ministerial and technical levels to assist the police in combating corruption. Suriname does not have special anti-corruption legislation in place, but the penal code refers to anti-corruption. The current and previous governments each sent draft anti-corruption legislation to the National Assembly however neither draft passed into law. Anti-corruption measures in the penal code are not consistently enforced, and the majority of those prosecuted to date have been civil servants. Corruption is most pervasive in the areas of government procurement, license issuance, land policy, customs, and taxation. The existing laws do not prohibit payments to family members of officials or to political parties.

Suriname has not yet signed or ratified the UN Anti-Corruption Convention. The country is not a signatory to the Organization for Economic Co-operation and Development (OECD) Convention on Combating Bribery. Suriname has signed and ratified the Inter-American Convention against Corruption.

No U.S. firms have reported corruption as a major obstacle to foreign direct investment.

Resources to report corruption:

Organization: Transparency International

Address: Alt-Moabit 96

10559 Berlin, Germany

Telephone number: +49-30 3438 200

Email: ti@transparency.org

14. Bilateral Investment Agreements

Bilateral Taxation Treaties

Suriname has signed bilateral investment treaties with Indonesia, Cuba, and The Netherlands. In 2013, the United States signed a Trade and Investment Framework Agreement with CARICOM of which Suriname is a member state.

Other international agreements into which Suriname has entered are:

A double taxation treaty with the Netherlands

A trade agreement with the People's Republic of China (1998)

The Treaty of Chaguaramas, which established the CARICOM and subsequently led to the creation of the CARICOM Single Market and Economy.

Trade agreements by virtue of CARICOM membership with Venezuela, Costa Rica, Brazil, Cuba, the Dominican Republic, and Colombia.

Trade promotion treaties with Indonesia, India, and China.

CARIFORUM – E.U. Economic Partnership Agreement. (This EPA also has some provisions for investment between the two regions.)

In 1993, Suriname signed an Agreement on Bilateral Trade Relations with the United States; however, the agreement has not been ratified by the National Assembly. The United States has not signed a bilateral taxation treaty with Suriname.

15. OPIC and Other Investment Insurance Programs

Although Suriname signed an Investment Incentive Agreement with the United States in 1993, there currently are no Overseas Private Investment Corporation (OPIC) programs in operation in Suriname. In the event OPIC should pay an inconvertibility claim, the official currency exchange rate for the U.S. Dollar is SRD 3.35 for USD \$1.00. This is the same rate used by the U.S. Embassy. The estimated annual dollar value of local currency used by the Embassy is USD \$425,041.74.

16. Labor

Some sectors in Suriname, such as the agricultural and service sectors and medical field, are more prone to labor shortages than others. In the technical sector, there is a shortage of skilled technicians to operate and repair heavy equipment commonly used in the extractive industries. In the service sector, there is a shortage of certified accountants. The government recently attracted Filipino physicians and ER nurses to work in hospital emergency rooms. The State Oil Company Suriname (Staatsolie) recruited welders and other construction workers from the Philippines for the expansion of its refinery.

Labor unions in Suriname are independent of the government, but play an active role in politics. Unions are active in both the public and private sector. Labor dispute mediation services are in place and are often consulted to mediate in labor disputes. According to the Labor Dispute Act, only labor disputes concerning a collective bargaining agreement can be brought before a review board. Collective bargaining takes place in both the private and public sector. Suriname is a member of the International Labor Organization (ILO) and adheres to ILO conventions such as the Child Labor Convention and Collective Bargaining Convention. Legislation on freedom of

association and collective bargaining; the elimination of forced labor; child labor, occupational safety and health, and hours of work are incorporated in the labor law. The government enforces these laws and regulations. The Ministry of Labor has for some years worked to implement a minimum wage system, but actual implementation continues to be hampered by lack of an agreement among all stakeholders.

17. Foreign Trade Zones/Free Ports

There are no duty free trade zones, duty free import zones, or duty free ports in Suriname.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic data, U.S. FDI in host country/economy

	Host Country Statistical source*		USG or international statistical source		USG or international Source of data (Source of Data: BEA; IMF; Eurostat; UNCTAD, Other)
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP)	2013	US\$ 5.2 billion	2012	US\$5.012 billion	http://www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (<i>Millions U.S. Dollars, stock positions</i>)	Not Available	Amount	2012	Amount US\$ 144 million	<p>(BEA) click selections to reach.</p> <ul style="list-style-type: none"> • Bureau of Economic Analysis • Balance of Payments and Direct Investment Position Data • U.S. Direct Investment Position Abroad on a Historical-Cost Basis • By Country only (all countries) (Millions of Dollars)
Host country's FDI	Not Available	Amount	2012	Amount	(BEA) click selections to reach

in the United States	ble			Data Not Available	<ul style="list-style-type: none"> • Balance of Payments and Direct Investment Position Data • Foreign Direct Investment Position in the United States on a Historical-Cost Basis • By Country only (all countries) (Millions of Dollars)
Total inbound stock of FDI as % host GDP	Not Available		2012	1.3%	UNCTAD

* Provide sources of host country statistical data used.

Source for host country statistical data: Central Bank of Suriname

TABLE 3: Sources and Destination of FDI Suriname 2012

Direct investment from/in Counterpart Economy Data (US Dollars, Millions)					
Inward Direct investment			Outward Direct Investment		
Total Inward			Total Outward	251	100%
			Netherlands	107	43
			USA	144	57

Source: <http://cdis.imf.org>

TABLE 4: Sources of Portfolio Investment

No information available for Suriname

Source: <http://cpis.imf.org>

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