

## Suriname to receive US\$61.4m from IMF

■ WASHINGTON

SURINAME is in line to receive US\$61.4 million from the International Monetary Fund (IMF) after an IMF delegation said it has reached a staff-level agreement with the Dutch-speaking Caribbean Community (Caricom) country.

The agreement was reached following the country's ninth and final review of its economic reform programme that is supported by the 36-month Extended Fund Facility (EEF).

The delegation, led by Anastasia Guscina, said all quantitative targets for the final review were met except the primary fiscal balance target.

'The authorities are taking policy steps to ensure that the 2.7% of GDP (gross domestic product) primary surplus target for 2025 remains within reach. The authorities have implemented most structural reforms under the programme,' said Guscina.

She said that the staff-level agreement is subject to approval by the IMF's executive board, contingent on the fulfilment of all relevant Fund policies and that, upon completion, Suriname will have access to US\$61.4 million, bringing total programme disbursements to date to US\$565.4 million.

'The broad objectives of the programme have been achieved. Economic growth is projected to reach 3% this year, inflation is on a steady downward trend, donor support is increasing, investor confidence is returning, and international reserves are now at comfortable levels.'

Guscina said that spreads have declined to the lowest levels on record highlighting the progress made towards restoring market access.

She said the authorities face important near-term risks, including capacity constraints and policy implementation challenges reflecting the increasingly difficult socio-political environment.

Suriname's medium-term outlook has improved significantly with the announcement of the final investment decision (FID) paving the way for offshore oil production beginning in 2028.

'The authorities remain committed to maintaining fiscal discipline. The end-December primary balance target was missed mainly due to underperformance of non-tax revenues and overspending on electricity subsidies.'

Guscina said the government also had to support rice farmers that lost their crops due to drought and that the authorities are implementing corrective measures to bring the fiscal path in line with the 2025 budget.

She said the recent approval by the National Assembly of amended public financial management law incorporating a fiscal rule and Savings and Stabilisation Fund law are good steps toward strengthening the fiscal and institutional frameworks to enable the country efficiently and transparently

manage the upcoming oil revenues.

Guscina said that broader structural reforms are necessary to increase efficiency, transparency, and accountability in the energy sector.

'Protecting the poor and vulnerable has been high on the agenda. The government met the indicative target on social assistance spending for end-December 2024 with a sizeable margin.

'Overall, spending on social protection has more than doubled in percent of GDP terms over the course of the programme. Stronger efforts are needed to address the challenges in the execution of the social beneficiary programme to ensure the benefits reach the intended beneficiaries, particularly in the country's interior regions,' Guscina said.

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