

Suriname rules out new IMF programme

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THE Suriname government said it would not enter into a new agreement with the International Monetary Fund (IMF) similar to the one that was successfully implemented by the Santokhi government.

'We will not implement an IMF programme like we had,' President Jenny Geerlings Simons said, adding, 'but we will certainly remain on speaking terms to help us with our financial affairs, to provide advice on this, and to help strengthen institutions.'

She told reporters that at the same time, negotiations are under way with creditors regarding the restructuring of the national debt, aimed at alleviating the financial pressure currently facing the government.

'On the one hand, we already have the IDB (Inter-American Development Bank), which has indicated its willingness to support this. You can get experts from the IMF and the IDB as well. So we definitely want to talk to the IMF, especially about the financial aspect.'

She said that the Washington-based financial institution can also help better monitor government revenues.

'On the one hand, Suriname has financial problems, but when you look at the gold being mined, the income coming in, you see that a lot of it is simply lost to the State. And we always knew that.'

'The question now is: how are we going to ensure that it actually reaches the State? That's what we've been working on. And I think the IMF could also contribute to that,' she added.

In 2021, the IMF executive board approved Suriname's Extended Fund Facility (EFF) US\$572 million arrangement, with the country pursuing an ambitious economic reform agenda with the objective of restoring macroeconomic stability and debt sustainability, while laying the foundations for strong and more inclusive growth.

The programme, which ended earlier this year, focused on restoring fiscal and debt sustainability, protecting the poor and vulnerable, upgrading the monetary and exchange rate policy framework, addressing banking sector vulnerabilities, and advancing the anti-corruption and governance reform agenda.

At the end of the programme, Kenji Okamura, the IMF deputy managing director and acting chair, said, 'The authorities should persevere with their ambitious structural reform agenda to strengthen institutions, address governance weaknesses, build climate resilience, improve data quality and address gender gaps.'

'This important work will continue to be supported by capacity development from the fund and other development partners,'

Okamura said.

President Simons said that the new government, which came to office following the May 25 general election, is facing deficits, partly due to significant losses in certain sectors and the under-performance of vital services such as customs and the tax authorities.

She told reporters that a further problem is that much of the expected tax revenues have become uncollectible due to 'absurdly' high fines imposed on citizens and businesses.

'The government is working to ensure that the tax revenues of citizens and businesses who have filed their own tax returns are still received,' said President Simons, assuring at the same time that there would be no increase in tax rates.

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