SURINAME

Suriname’s economic freedom score is 48.1, making its economy the 165th freest in the 2019 Index. Its overall score is unchanged from 2018, with increases in scores for property rights and monetary freedom offset by declines in trade freedom and government integrity. Suriname is ranked 28th among 32 countries in the Americas region, and its overall score is well below the regional and world averages.

Against the backdrop of persistent social tensions over a long-running trial involving the president, the risks of unrest linger amid an anemic economic recovery and spending cutbacks. The government is severely constrained by a burdensome and inefficient regulatory framework that operates in the context of pervasive corruption that undermines the judicial system and the rule of law. Privatization has been slow and uneven. Direct state involvement in the economy through ownership or control remains considerable, and management of fiscal and monetary policy is weak.

ECONOMIC FREEDOM SCORE

48.1

( NO CHANGE )

REGIONAL AVERAGE (AMERICAS REGION) 59.6

WORLD AVERAGE 60.8

RELATIVE STRENGTHS: Government Spending and Labor Freedom

HISTORICAL INDEX SCORE CHANGE (SINCE 1996): +11.4

CONCERNS: Fiscal Health and Judicial Effectiveness

FREEDOM TREND

QUICK FACTS

POPULATION: 0.6 million

GDP (PPP): $8.5 billion

0.0% growth in 2017

5-year compound annual growth -0.9%

$14,606 per capita

UNEMPLOYMENT: 8.1%

INFLATION (CPI): 22.0%

FDI INFLOW: -$87.3 million

PUBLIC DEBT: 72.1% of GDP

BACKGROUND: Desire “Dési” Bouterse of the National Democratic Party, a convicted cocaine trafficker, was elected to a second consecutive five-year term as president in 2015 and may run again in 2020. Bouterse seized power in a 1980 military coup and ruled until 1987. In 2012, the legislature gave him amnesty for the 1982 murders of 15 politically prominent young men who had criticized the military dictatorship. The former Dutch colony remains one of South America’s poorest and least-developed countries. The government’s commitment to planned fiscal and banking-sector reforms may weaken in the absence of pressure from the IMF. Suriname’s economy relies primarily on the extraction of natural resources.

2017 data unless otherwise noted. Data compiled as of September 2018.
Property rights are poorly protected, and operation of the government’s land title registry is extremely inefficient. Resolution of commercial disputes requires an average of 1,715 days, the longest such period in the world. Organized crime, drug and human trafficking, and corrupt governance have undermined the rule of law. High levels of corruption stem from a lack of transparency and a culture of impunity.

The top personal 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 13.2 percent of total domestic income. Over the past three years, government spending has amounted to 27.6 percent of the country’s output (GDP), and budget deficits have averaged 8.2 percent of GDP. Public debt is equivalent to 72.1 percent of GDP.

Suriname’s entrepreneurial environment remains constrained by a burdensome and inefficient regulatory framework. Licensing requirements are quite onerous, and procedures for launching a business are time-consuming. Enforcement of the labor code is not effective, and the formal labor market is not fully developed. The government has undertaken measures to reduce electricity tariff subsidies and is considering an increase in fuel taxes.

The combined value of exports and imports is equal to 129.6 percent of GDP. The average applied tariff rate is 10.2 percent. Nontariff barriers, exacerbated by direct state interference in the economy through ownership or control, remain considerable and undercut the dynamic gains from trade and investment. Suriname’s financial system remains underdeveloped and vulnerable to government influence.