



SURINAME

TECHNICAL ASSISTANCE REPORT—EXTERNAL SECTOR STATISTICS

April 2022

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TECHNICAL ASSISTANCE REPORT

SURINAME

External Sector Statistics Mission
(March 2–13, 2020)

AUGUST 2020

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Glossary

ASYCUDA	Automated System for Customs Data
BIS	Bank for International Settlements
<i>BPM5</i>	<i>Balance of Payments Manual, Fifth Edition</i>
<i>BPM6</i>	<i>Balance of Payments and International Investment Position Manual, Sixth Edition</i>
<i>BPM6 CG</i>	<i>BPM6 Compilation Guide</i>
CARTAC	Caribbean Regional Technical Assistance Centre
CBvS	Centrale Bank van Suriname
CDIS	Coordinated Direct Investment Survey
CIF	Cost, Insurance and Freight
DI	Direct Investment
DIENT	Direct Investment Enterprise
DSBB	Dissemination Standards Bulletin Board
ESD	External Sector Division
ESS	External Sector Statistics
FOB	Free on Board
GBS	General Bureau of Statistics of Suriname
IIP	International Investment Position
IMF	International Monetary Fund
IMTS	International Merchandise Trade Statistics
IR	International Reserves
ITRS	International Transaction Reporting System
PSC	Production Sharing Contract
QEDS	Quarterly External Debt Statistics
SDMO	Suriname Debt Management Office
STA	Statistics Department of the IMF
TA	Technical Assistance

SUMMARY OF MISSION OUTCOMES AND PRIORITY RECOMMENDATIONS

1. A technical assistance (TA) mission on external sector statistics (ESS) was conducted in Paramaribo, Suriname, during March 2–13, 2020. The mission was part of the Caribbean Regional Technical Assistance Centre (CARTAC) work program on ESS and was carried out in response to a request from the Central Bank of Suriname (CBvS). The mission reviewed estimates and coverage of the balance of payments and international investment position (IIP), which have been prepared in the sixth edition of the *Balance of Payments and International Investment Position Manual (BPM6)* format. In particular, the mission's work mainly aimed at enhancing the coverage and the classification of (i) currency and deposits assets held abroad by the nonfinancial sector; (ii) insurance services, transport, travel account and trade credit and advances; (iii) offshore petroleum exploration companies; (iv) government external debt; and (iv) the use of business survey. Improvements in these key areas will facilitate a more robust assessment of external sector developments. Reliable ESS is essential for informed economic policy-making by the authorities and for IMF's surveillance.

2. Some progress was achieved in compiling ESS following the 2018 TA mission recommendations; however, further improvements are needed. One of the priority recommendations of the November 2018 mission was to disseminate balance of payments, IIP, and Quarterly External Debt Statistics (QEDS). The External Sector Division (ESD) at the CBvS Statistics Department has been compiling ESS in *BPM6* format (quarterly balance of payments for 2017 onwards, and quarterly IIP and QEDS from end-2016 onwards). However, the CBvS has not disseminated these data yet, keeping resources focused on producing ESS using *Balance of Payments Manual, fifth edition (BPM5)* format. Inward Coordinated Direct Investment Survey (CDIS) data have also been prepared for 2018 and 2019 and are ready for submission to the IMF's Statistics Department (STA). The mission met with the CBvS management, who showed strong commitment to submit *BPM6*-based balance of payments and IIP data and the CDIS template to STA and publish on the CBvS' website. The mission and the CBvS management agreed that the submission of *BPM6*-based ESS to STA will take place before December 2020.

3. The mission also assessed the inter-agency cooperation among data providers and CBvS. Informal arrangements are in place to ensure the efficient and timely flow of data between the Suriname Debt Management Office (SDMO) and the CBvS, and the dialog between the two agencies is very fluent. Meetings are held immediately to discuss any difference of criteria or in the need of further clarification. This notwithstanding, the basis of recording of debt differs from the statistical requirements: the SDMO provides debt data recorded on a cash basis, and, for debt securities, on a face value, with residency of the holders based at issuance. There are also informal arrangements between customs and the CBvS. However, customs reports transactions when the final documents are submitted. Two of the three main exporters submit them with delay; the third one has not submitted documentation for the last two years. The CBvS complements customs data by using other sources. Furthermore, the General Bureau of Statistics

of Suriname (GBS) compiles trade in goods statistics based only on customs data. As a result, trade statistics disseminated by the CBvS and the GBS show major differences. The mission recommended that the GBS use direct reports from the major companies or obtain missing data from customs. Although meetings between the two agencies are held on a regular basis to discuss methodological issues, the differences remain. Finally, it would be desirable that all arrangements of data sharing become formal in order to ensure proper adherence by all parties involved.

4. The mission and the CBvS reviewed current and new information sources and compilation methods for the BPM6-based ESS time series. The main challenges faced by the CBvS at this moment are the (i) lack of coverage of some accounts and activities (e.g., currency and deposits held abroad by households, insurances services, offshore petroleum exploration companies, and travel account), (ii) valuation principles (e.g., market valuation vs. face value of securities), and (iii) delay in implementing changes that have already been assessed as adequate by this and the previous mission. The mission suggested the CBvS management to take required decisions for the implementation of these changes that will further improve the quality of the country's ESS. Suriname is among a very few Caribbean countries that have not yet implemented BPM6.

5. The mission assisted the CBvS in the effort for building further technical capacity of its staff by providing on-the-job training and detailed explanations of the BPM6 conceptual framework. One of the main assets of CBvS is the staff at the ESD, who are highly motivated and professional in conducting their duties. The mission noted the need for further training to develop/improve staff's expertise in important specific areas of ESS (e.g., currency and deposits held abroad by households, offshore petroleum exploration related transactions and positions, and insurances services).

6. The mission recommended a detailed action plan with the following priority recommendations (Table 1) carrying weight to make headway in further improving ESS. Further details on the priority recommendations and the related actions/milestones can be found in the action plan under Detailed Technical Assessment and Recommendations.

Table 1. Suriname: Priority Recommendations

Target Date	Priority Recommendation	Responsible Institutions
December 2020	Submit balance of payments and IIP data in the BPM6 format to STA, as well as disseminate them on the CBvS' website.	CBvS
December 2020	Submit CDIS data to STA and disseminate them on the CBvS' website.	CBvS
December 2020	Gather information on Production Sharing Contracts from key petroleum cross-border traders and other involved agencies to accurately identify transactions and positions relevant for ESS.	CBvS

DETAILED TECHNICAL ASSESSMENT AND RECOMMENDATIONS

A. Action Plan

Priority	Action/Milestone	Target Completion Date
Outcome: Data are compiled using the concepts and definitions of the latest manual/guide.		
PR	Submit balance of payments and IIP data in the <i>BPM6</i> format to STA, as well as disseminate them on the CBvS' website.	December 2020
H	Submit <i>BPM6</i> -based QEDS to World Bank.	December 2020
H	Exclude temporary imports and temporary exports from trade in goods statistics.	December 2020
H	Exclude from the balance of payments the specific transactions between resident commercial banks (reduction of external assets position) and the CBvS (increase of international reserves (IR) position) related to reserve requirements on foreign exchange deposits. These are a resident-to-resident transactions that should be reflected as "other changes" in the reconciliation of the IIP with the balance of payments and other flows.	December 2020
H	Compile external debt based on market value.	December 2020
M	Compile external debt flows and stocks on accrual basis.	June 2021
H	Compile flows and stocks based on residency (including secondary market transactions).	On going
Outcome: A new data set has been compiled and/or disseminated internally and/or to the public.		
PR	Submit CDIS data to STA and publish them on the CBvS' website.	December 2020

Priority	Action/Milestone	Target Completion Date
Outcome: Source data are adequate for the compilation of these macroeconomic statistics.		
PR	Gather information on PSCs from main cross border traders and other involved agencies to accurately identify transactions and positions relevant for ESS.	December 2020
H	Compile deposits abroad held by households based on BIS data and data compiled by Supervision Department.	December 2020
H	Aiming to have a better coverage on external assets position, conduct a study based on customs data related to shipping of physical foreign currency as far back as possible, considering the point when households started to increasingly save in these assets.	December 2020
H	Update the business survey form to include all the relevant transactions for ESS according to <i>BPM6</i> .	December 2020
H	Introduce specific forms to cover specific transactions, such as transport and insurance services.	December 2020
H	Introduce a target survey to insurance companies to identify cross-border transactions, as well as positions of the companies involved in the insurance services.	December 2020
H	Obtain and analyze administrative records from immigration and border controls to support the compilation of travel services.	December 2020
H	Improve the coverage of nonfinancial institutions deposits abroad of the mining and non-mining sectors (remaining discrepancies with mirror BIS data can be used as a benchmark to assess data gap reductions).	July 2021
H	Estimate the average daily expenditure per visitor (inbound and outbound tourism) and expand the results to immigration data, in order to compile total travel services (credit and debit) in the balance of payments.	July 2021

Priority	Action/Milestone	Target Completion Date
H	Estimate ESS transactions and positions that are not gathered from the companies' direct reports; calculations can be based on information obtained both from official sources (like reports of the government, Foreign Exchange Commission, and so on), and from international business reports, oil companies, analytical agencies and other sources.	March 2021
H	The customs to expedite the upload of the preliminary paper-based customs declaration forms on the ASYCUDA World so that CBvS and GBS can broadly use customs data as the main source. Also, revise preliminary data when the final documentation becomes available.	On going
H	The GBS to use direct reports on trade in goods data from the main companies to complement customs data, and/or obtain the preliminary documents from customs, if not recorded in ASYCUDA World. Revise preliminary data when final documents become available and uploaded in ASYCUDA World.	On going
H	Follow the portfolios of the institutional agencies (i.e., deposit-taking corporation, insurance companies, pension funds) that might hold Surinamese bonds in order to detect and exclude those holdings from external debt, and to record the related secondary market transactions.	On going
M	Start to build a business register, at least for those companies that have international transactions.	July 2021
M	Once established, the business register should be updated regularly (i.e., once a year) with all the relevant companies that have international transactions (possible sources are ITRS, customs data, Foreign Exchange Commission, and so on).	On going
M	Request customs to grant access to more granular data on trade transactions in documentation available in ASYCUDA World.	December 2020
M	Launch a targeted survey to have better coverage on the debit side of air transport.	March 2021

Priority	Action/Milestone	Target Completion Date
M	Increase the number of companies targeted by the business survey to improve trade credits and advances.	March 2021
M	Improve coverage of assets abroad (i.e. of pension funds transactions and positions and DI abroad).	July 2021
Outcome: Data are compiled using appropriate statistical techniques, including to deal with data sources, and/or assessment and validation of intermediate data and statistical outputs.		
H	Revise the f.o.b. valuation adjustment to goods imports by using the methodology developed from customs data.	December 2020
M	Adjust transport on freight services debit by using estimates based on customs data.	December 2020
Outcome: Metadata released internally and/or to the public have been strengthened consistent with the dataset to enhance interpretation and analysis.		
H	Update ESS metadata on the DSBB.	December 2020

Priority Scale: PR – Priority recommendation, H – High, M – Medium

B. Goods Account

7. Coverage differs among the agencies responsible for disseminating data on trade in goods for macroeconomic statistics of Suriname (CBvS and GBS). The CBvS uses two main sources to compile goods account in balance of payments statistics: customs data and direct reports from the mining companies and petroleum exporters and importers. The GBS exclusively relies on customs data to compile International Merchandise Trade Statistics (IMTS).

8. Transactions in goods are partially covered by customs data. There is under coverage on the exports side. The mission together with CBvS officials met with customs. During the meeting it was found that preliminary paper-based customs declaration forms of the mining and petroleum exports are available at customs. However, those data are not uploaded to the Automated System for Customs Data (ASYCUDA) World. Customs uploads the data into the system only when final documents are submitted. Two of the three major exporters submit the final documents with a long delay (2–6 months), and the third one has not submitted the final documents for the last two years. On the import side, the documentation of one of the most important oil importers are also recorded with delays. The CBvS complements customs data by

using other sources. On the other hand, GBS produces IMTS data based only on customs data. As a result, official data disseminated by the two agencies (CBvS and GBS) show considerable differences, mainly for exports (see Figure 1, Figure 2, and statistics shown in Appendix II).

Figure 1. Suriname: Goods Exports Values Compiled in the Balance of Payments by CBvS and in the IMTS by GBS
(In USD Billions)

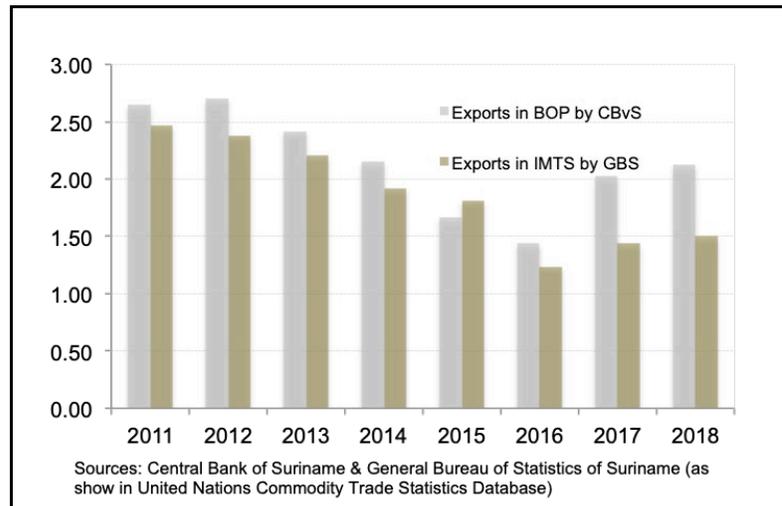
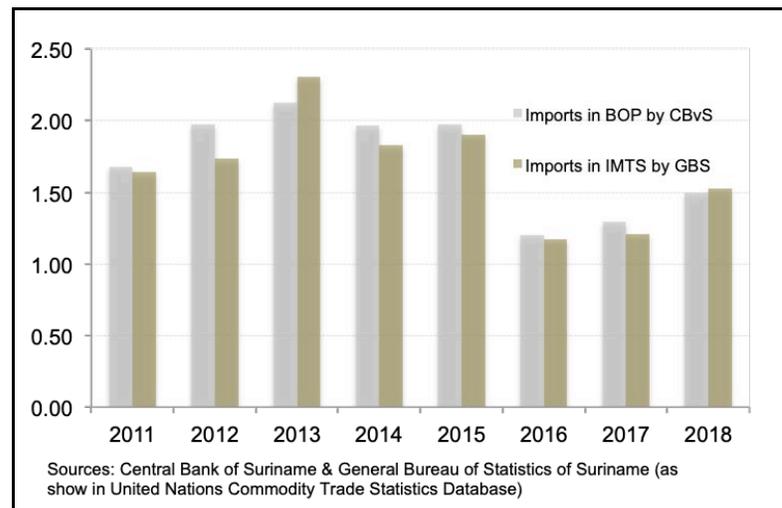


Figure 2. Suriname: Goods Imports Values Compiled in the Balance of Payments by CBvS and in the IMTS by GBS
(In USD Billions)



Recommended Actions:

- The customs to expedite the upload of the preliminary paper-based customs declaration forms on the ASYCUDA World so that CBvS and GBS can broadly use customs data as the main source. Also, revise preliminary data when the final documentation becomes available;

- The GBS to use direct report on trade in goods data from the companies to complement customs data, and/or obtain the preliminary documents from customs, if not recorded in ASYCUDA World. Revise preliminary data when final documents become available and uploaded on ASYCUDA World.

9. The mission assessed the basis of recording and the classification of imports and exports. Temporary imports and temporary exports are not yet excluded. Also, the improved methodology for the free on board (FOB) valuation of imports based on customs data has not yet been used in the *BPM6*-based balance of payments. In line with previous mission's recommendations, ESD staff has produced improved estimates and assessed the impact of revisions in the balance of payments. Management decisions are yet pending to incorporate the required adjustments in the *BPM6*-based balance of payments data.

10. There is further information available in ASYCUDA World that is not exploited for statistical purposes by CBvS. During the meeting with customs, it was also found that there is further documentation scanned and available in ASYCUDA World (scanned invoices, bills and other documents related to the transactions) that are not currently provided to CBvS. This information can be useful for trade in goods statistics (e.g., volume, unit prices, etc.).

Recommended Actions:

- Exclude temporary imports and temporary exports from trade in goods statistics;
- Revise the FOB valuation adjustment to goods imports by using the methodology developed from customs data;
- Request customs to grant access to more granular data on trade transactions in documentation available in ASYCUDA World.

C. Services Account (Selected Items)

Insurance Services Account

11. Insurance services account is under-covered and probably some items are misclassified. The main sources to compile insurance services are the business survey and the International Transaction Reporting System (ITRS) data. ITRS data can be leading to a misclassification because its scope and code system is insufficient to provide compilers with the required input data to calculate the insurance services itself and the other related transactions to insurance operations. The latter should be separately compiled in the primary and secondary income (i.e., net premiums, claims received). Furthermore, while analyzing the financial statement of one of the most important insurance companies that operate in Suriname, it was possible to observe that the company has direct investment (DI) assets, portfolio investment assets (if the counterpart parties are confirmed to be nonresidents of Suriname), and reinsurance premium

paid (normally a cross border transactions). These transactions may be either misclassified or not included in ESS at all.

12. The mission provided a lecture-based training to CBvS officials in order to build their capacities to compile insurance transactions and positions. In addition to the ESD staff, staff from the other units within the CBvS Statistics Department in charge of the monetary and the real sector statistics also attended the training session. The head of the CBvS' Statistics Department plans to cover insurance companies' transactions and positions for all the sets of macroeconomic statistics within its scope, taking into consideration that the insurance industry is supervised and regulated by the CBvS.¹

Recommended Action:

- Introduce a target survey to insurance companies to identify cross-border transactions, as well as positions of the companies involved in the insurance services.

Travel Services Account

13. The main source to compile the travel services account is ITRS data. ITRS data of the credit cards are not recorded on gross basis, only the net is submitted, understating both, credits and debits. Furthermore, there are no records of the payments made outside the local banking system (e.g., hotel payments settled abroad or cash payments). The previous mission recommended a survey of visitors which, combined with immigration statistics have become the more comprehensive source data to compile travel services in many countries. CBvS officials explained to the mission that for budget reasons it seems to be unfeasible to conduct surveys of this kind.

14. Administrative records from immigration and border control for both entries and departures are available. These data are not analyzed or used on a regular basis by the CBvS as a source of travel account. The form requested at borders includes data related to purpose of the visit, intended length of stay, type of accommodation, nationality, and place of residence. According to the United Nations' *International Recommendations for Tourism Statistics 2008*, analysis of immigration records can be established as phase one of the compilation: measure the total number of international visitors. Furthermore, it can give some information related to phase two of the analysis: establish the characteristics of international visitors and tourism trips. For travel services credit, gathering information on the characteristics of the visitors can be complemented with a survey of hotels, other accommodation places, recreational place, and travel agencies requesting information on the characteristics of the travelers (distinguishing residents from nonresident travelers in order to estimate average daily expenditure per visitor (inbound tourism)). The mission's view is that a survey of these establishments could be less

¹ As per the Banking and Credit Supervision Act:

https://www.cbvs.sr/images/content/pdf/2016/DTK/Ovz_ondertz_st_verzek_inst_2015.pdf.

expensive and more easily implemented by the CBvS than a survey of visitors.² However, the mission is also of the view that surveys of visitors at the main borders would be the ideal solution if the response rate of a survey of these establishments is not satisfactory. As highlighted by the mission, a survey of either establishments or visitors should provide robust information by expenditure type (accommodation, food and drink, local transport, recreational and cultural activities, shopping, etc.) to be incorporated as a source for the compilation of travel services credit. For travel services debit, a sample data from the ITRS on a gross basis, data that may be publicly available on internet for hotel rates, cost of food and drink, recreational and cultural activities at destination, as well as mirroring data can be useful to estimate the average daily expenditure per visitor (outbound tourism). Currently travel account relies on ITRS data, and there is room for improvement in terms of data sharing among the Tourism Office and the CBvS.

Recommended Actions:

- Obtain and analyze administrative records from immigration and border controls to support the compilation of travel services.
- Estimate the average daily expenditure per visitor (inbound and outbound tourism) and expand the results to immigration data, in order to compile total travel services (credit and debit) in the balance of payments.

Transport Account

15. Freight services debit is based on ITRS data complemented with survey data.

As recommended by the previous mission, the ESD calculated freight debit estimates based on data recorded in ASYCUDA World. The use of the estimation based on the component of cost of freight from the cost, insurance and freight (CIF)/FOB adjustment will enhance coverage and classification of freight services debit.

Recommended Action:

- Adjust transport on freight services debit by using estimates based on customs data.

16. Air passenger estimate is still affected by several quality issues. During the last five years and before the COVID-19 crisis the number of foreign airlines that arrived in Suriname International Airport increased. Foreign airlines are not being surveyed by the CBvS, and CBvS does not cover air passenger debit transactions by any other means than ITRS. As for credit, the data are compiled based on ITRS and Suriname Airways reports.

²As discussed by the previous mission with the CBvS and the GBS, a recommended comprehensive survey of visitor requires a strong coordination with the GBS and the tourism and the immigration authorities.

Recommended Action:

- Launch a targeted survey to have better coverage on the debit side of air transport.

D. Financial Account (Selected Issues)**Trade Credit and Advances**

17. Trade credit and advances are compiled based on business surveys. A limited set of companies is being covered by the business survey. As for 2019 business surveys, compilers were able to collect data on trade credit and advances on 87 percent of total exports, which are largely concentrated in a few companies, and 35 percent of total imports. Therefore, there is a need for coverage improvements, especially for trade credit and advances provided to importers. At least 75 more companies need to be added to the sample survey to collect trade credits and advances on the remaining 65 percent of total imports.

Recommended Action:

- Increase the number of companies targeted by the business survey to improve trade credits and advances.

Currency and Deposits Held Abroad by Nonfinancial Private Sector

18. Deposits held abroad by nonfinancial corporations are compiled based on business survey; however, deposits held abroad by households are not compiled from any source; and mirror data suggest that households is a relevant sector with significant investments abroad. The position amount declared by surveyed companies exceeds the amount observed in the international banking statistics sourced from the Bank for International Settlements' (BIS) website attributed to nonfinancial corporations also affecting errors and omissions in the balance of payments (see table 2). However, households' data are not collected and not compiled in ESS from any source. An exercise was done with the ESD staff using BIS data as a source to compile households deposits abroad, following the previous mission's recommendation, and it became clear that including the data in the balance of payments and IIP will enhance the coverage (see Table 2). Loan and deposits for the unallocated non-financial³ sector from BIS data should also be assessed, as during some periods companies reported data exceeding both non-financial corporations and unallocated non-financial sector BIS data (e.g., end of March and December of 2018).

³ Positions reported under "Unallocated non-financial sector" can be any positions for which the sector of the counterparty is unknown.

Table 2. Suriname: Assets Deposits Position Abroad of Non-Financial Private Sector

		Suriname IIP data		BIS data / Non-financial private sector and unallocated non-financial sector					
Millions of USD/end of period		Assets / Other investment / Currency and deposits / Other sectors		Total	Non-financial corporations	Households	Unallocated non-financial	Other sectors Suriname IIP data / non-financial corporations BIS data	Other sectors Suriname IIP + Households - Total
		<i>a</i>		<i>b</i>	<i>c</i>	<i>D</i>	<i>f</i>	<i>a-c</i>	<i>a+d-b</i>
2014	March	185	122	8	34	79	177	97	
	June	121	124	12	31	80	109	28	
	September	130	155	7	26	122	123	1	
	December	145	481	111	180	34	-156		
2015	March	192	462	125	159	67	-111		
	June	160	468	101	187	59	-121		
	September	122	414	93	185	29	-107		
	December	77	398	69	192	8	-129		
2016	March	94	420	83	207	130	11	-119	
	June	139	453	107	210	136	32	-104	
	September	129	477	118	222	138	11	-126	
	December	155	463	118	210	135	37	-98	
2017	March	155	505	147	207	151	8	-143	
	June	169	516	167	200	148	2	-147	
	September	182	382	54	175	153	128	-25	
	December	201	365	42	158	165	159	-6	
2018	March	203	341	37	149	155	166	11	
	June	175	440	161	147	132	14	-118	
	September	163	336	41	153	143	122	-20	
	December	201	325	34	157	133	167	33	
2019	March	145	381	39	190	151	106	-46	
	June	142	378	35	193	149	107	-43	

Source: CBVS and BIS

Recommended Actions:

- Compile deposits abroad held by households based on BIS data and data compiled by the Supervision Department;

- Improve the coverage of nonfinancial institutions deposits abroad of the mining and non-mining sectors (remaining discrepancies with mirror BIS data can be used as a benchmark to assess data gap reductions).

19. Residents are used to saving in foreign currency (USD and euro being the most important ones), but estimates are not compiled in the ESS. The stock of foreign currency held by households is not collected, estimated or compiled from any source. An alternative way to estimate time series of foreign currency holdings and flows can be based on net flows of physical transportation of foreign currency from abroad. The records can be extracted from customs data. They are excluded from merchandise trade statistics, in line with the international recommendations, as they represent evidence of financial claims. These flows have to be adjusted by other flows in cash recorded in other balance of payments accounts, such as expenditures in cash for transactions related to travel credit account.

- Aiming to have a better coverage on external assets position, conduct a study based on customs data related to shipping of physical foreign currency as far back as possible, considering the point when households started to increasingly save in these assets.

E. Offshore Petroleum Exploration Companies

20. Total transactions and positions from offshore exploration companies are being excluded from the balance of payments and IIP. Although there is some information available from the customs, direct reports from the companies and data from the regulatory entity,⁴ balance of payments, and IIP do not reflect any of this information.

21. In practice, from customs data, two situations were observed: (i) not all the companies conducting offshore exploration submit documentation to customs (and for that they are not recorded); (ii) the ones that have submitted the documents do not separately identify temporary imports from final imports. Although temporary imports regimes exist, in general, it is not being used by these companies. There is no incentive to use the temporary regime to declare imports, as these companies are exempt from duty payments in any case. Furthermore, the CBvS has decided to exclude those transactions until they have more information on how the offshore companies operate. This practice also contributes to the differences in trade in goods data compiled and disseminated by CBvS and GBS.

22. The CBvS has identified the petroleum exploration companies by contacting the regulatory entity and surveyed them. As of October 3, 2019, there were 14 active production

⁴ The regulatory entity was set up in 1980 to monitor the operations of Gulf Oil that had an agreement to execute petroleum operations offshore Suriname. By virtue of the Mining Decree (Official Gazette 1986, no 28) concession rights for petroleum activities are granted exclusively to state enterprises. The regulatory entity is the only state enterprise with petroleum concession rights. According to the Petroleum Law (Official Gazette 1991, no 7), state enterprises with petroleum concession rights are authorized to enter into petroleum agreements with other established petroleum companies.

contracts (see Appendix III). As per collected data from the business survey, the companies reported imports of goods and services. However, some of them barely inform on offsetting financial account transactions to those reported as current account transactions. These companies also tend to net-out financial with real transactions. Furthermore, only a few transactions can be identified in the ITRS, and financial statements of those companies are not available, making it difficult to crosscheck the data.

23. According to the regulatory entity’s website, the operations of the offshore exploration companies are regulated by production sharing contracts (PSCs).⁵ These contracts are intended to provide a predictable legal and tax regime and include the following elements: (i) the contractors administer the business acting at their own expense and risk and sharing with the government part of the production output in accordance with the agreement; (ii) the contractors pays royalties to the government; (iii) the contractors receive production revenues to cover expenses “cost oil;”⁶ (iv) “profit oil”⁷ is split between contractor and the regulatory entity—as the agent of the Republic of Suriname—as a function of the value of the “R- factor” calculated for each commercial field on a calendar quarterly basis;⁸ and (v) the operator and/or investors pay income taxes on their portion of profits on production.⁹

24. For the balance of payments compilation purposes, the operators should be considered residents because their activities in Suriname territory last longer than one year. According to the contract model shown on the regulatory entity’s website, the operator is responsible for the management, coordination, implementation, and conduct of the day-to-day petroleum operations on behalf of the contractor parties. Even in the case when the companies do not have a legal status as a separate entity from the contractor parties, the compilers would need to create an artificial production unit, a direct investment enterprise (DIENT) because the center of economic interest of the operators is in Suriname. Although there are no balance of sheets of these operators in Suriname available it is possible to construct such balance sheets as follows: on the assets side of a PSC balance sheet there are fixed assets of the operator, and on the liabilities side there are liabilities vis-a vis the investor or contractor. The liabilities can be in the form of intercompany lending or equity with the investor who has funded the acquisition of goods and services for the formation of the fixed assets. When extraction of mineral resources begins, the revenue is used to repay the debt and recover equity (“cost oil”). After “cost oil” is

⁵ <https://www.imf.org/external/pubs/ft/bop/2011/11-17.pdf>.

⁶ According to the PSC model, “cost oil” means the amount of produced crude oil allocated to the contractor for the recovery of determined costs of exploration and development).

⁷ According to the PSC model the “profit oil” means the crude oil remaining after deducting the royalty and the cost oil from the crude oil produced from a commercial field and delivered at the delivery point..

⁸ $R = (\text{cumulative gross revenue} - \text{cumulative royalty} - \text{cumulative income tax}) / (\text{cumulative petroleum expenditures})$.

⁹ A contract model is available on <https://www.staatsolie.com/media/tuvjyme3/model-psc.pdf>.

repaid, the project will start earning profits (“profit oil”), part of which will be transferred to the government.

25. For statistical purposes the main challenge is gathering and classifying correctly data from the operators to cover all external sector transactions. For example, as it was mentioned in the previous paragraph, the funding of the operation is a liability in the form of intercompany lending or equity. If the funding of the operation was recorded as equity, “cost oil” should be compiled as withdrawals of DI equity and should not affect the net operating income that is used for the calculation of reinvested earnings. However, if the funding of the operation was recorded as intercompany lending, the “cost oil” should be compiled as a repayment of external debt. Compilers need to be aware that more clarity on how these companies and contracts operate will better inform the proper classifications in the balance of payments and IIP, and, depending on the nuances, will have different impact on the income and on the financial account. Additionally, to improve the quality of the data compiled, compilers need hands-on assistance and training from CARTAC to develop compilation skills on this matter. It would be also desirable to get specific training and collaboration from the local regulatory entity.

26. If the exploration turns out unsuccessful, no funds will be repaid to the investors. If the exploration turns out to be unsuccessful, and there is no production from which to recoup costs of exploration, it will turn into a cancellation of debt when the investor cannot longer collect the claim on the operator, if it was recorded as intercompany lending. Alternatively, if it was recorded as equity and exploration of natural resources proves unsuccessful, thus resulting in the shutdown of the notional DIENT, a negative adjustment for the remaining value of the company should be recorded as a volume change of DI liabilities of Suriname.¹⁰

Recommended Actions:

- Gather information on PSCs from main cross-border traders and other involved agencies to accurately identify transactions and positions that are relevant for ESS;
- Estimate ESS transactions and positions that are not gathered from the companies’ direct reports; calculations can be based on information obtained both from official sources (like reports of the government, foreign exchange commission, and so on), and also from international business reports, oil companies, analytical agencies and other sources.

F. Government External Debt

27. The main source to compile flows and stocks of general government external debt figures is SDMO’s data. The coordination among institutions is adequate. However, data provided by the SDMO are on a cash basis and, for the specific case of debt securities, the records are related to the debt outstanding (face value) instead of market value, and the

¹⁰ BPM6 CG paragraph 9.99.

classification between residents and nonresidents is based on the holders that acquire the security at the issuance. The possible secondary market transactions are not followed by SDMO.

28. The CBvS compiles government external debt (flows and stocks) at face value, records transactions on a cash basis, and excludes CBvS' holdings of the government bonds from external debt statistics. The CBvS does not make any adjustment to the SDMO data related to the valuation and basis of recording; nevertheless, the CBvS adjusts residency by excluding CBvS's own holdings of government bonds from external debt statistics but other residents' holdings might be included, as other resident investors/holders' portfolios are not being analyzed.

Recommended Actions:

- Compile external debt flows and stocks on an accrual basis;
- Compile external debt based on market value;
- Compile flows and stocks based on residency (including secondary market transactions);
- Follow the portfolios of the institutional agencies (i.e., deposit-taking corporation, insurance companies, pension funds) that might hold Surinamese bonds, in order to detect and exclude those holdings from external debt, and to record the related secondary market transactions.

G. Business Survey

Business Register

29. The CBvS does not have a business register. Companies that are targeted by the business survey are included based on the implicit relevance in Surinamese economy. Furthermore, companies are not identified by a unique and unified code (i.e., tax ID). For example, ITRS transactions are recorded under the name of the company with the possibility and high probability of misspelling. This situation makes it difficult to cross-check data from different sources.

Recommended Actions:

- Start to build a business register, at least for those companies that have international transactions;
- Once established, the business register should be updated regularly (i.e., once a year) with all the relevant companies that have international transactions (possible sources are ITRS, customs data, foreign exchange commission, and so on).

Survey Form

30. The form used to compile ESS positions and flows is based on the *BPM5* format and some *BPM6* transactions are not covered. A detailed cross-check with the actual form and the one recommended by the *BPM6 Compilation Guide (BPM6 CG)* was done with the CBvS staff, and it was found that there are transactions that are not covered with the form that is being used.

31. Only one generic form is used to collect business surveys. There is a need for developing specific survey forms, in addition to the generic one, in order to cover some specific transactions (e.g., transport air services survey form and insurance services survey form).

Recommended Actions:

- Update the business survey form to include all the relevant transactions for ESS according to *BPM6*;
- Introduce specific forms to cover specific transactions, such as transport and insurance services.

H. International Reserves

32. During the second half of 2019, the commercial banks were required to bring part of their reserve requirements on foreign exchange deposits under CBvS management.

At the time of this new banking regulation, both the increase of the international reserves (IR) and the reduction of the external assets of the commercial banks were recorded as a transaction in the balance of payments. These transactions are resident-to-resident transactions and for this reason they should be excluded from the balance of payments, although they do not affect the net result of the financial account. This reclassification from banks to the CBvS should be visible in the new positions in the IIP at end 2019. The resulting increase in the IR should be shown in the reconciliation of the IIP in “other changes” showing the changes in financial positions that arise for reasons other than transactions between residents and nonresidents, as in this case this was a reclassification due to resident-to-resident transactions in external assets (see paragraphs 6.104 and 9.1 *BPM6*).¹¹

¹¹ Paragraph 6.104 of *BPM6* states “When a central bank acquires or disposes of a liquid foreign currency claim on a nonresident from a domestic bank (e.g., through an exchange of foreign and domestic currency deposits, a change in reserve requirements on foreign currency deposits, or other domestic transactions that increase or change the composition of reserve assets), this is recorded through the other changes in volume account. It is not recorded in the balance of payments, however, given that the transaction is between two residents (see paragraph 3.6).

Paragraph 9.1 of the *BPM6* notes that in the international accounts, the other changes in financial assets and liabilities account shows changes in financial positions that arise for reasons other than transactions between residents and non-residents. These changes are also called “other flows.” Examples include the unilateral cancellation of debt by the creditor, holding gains and losses, and reclassifications (including arising from

(continued)

Recommended Action:

- Exclude from the balance of payments the specific transactions between resident commercial banks (reduction of external assets position) and the CBvS (increase of IR position) related to reserve requirements on foreign exchange deposits. They are resident-to-resident transactions that should be reflected as “other changes” in the reconciliation of the IIP with the balance of payments and other flows.

I. Transition from *BPM5* to *BPM6*

33. Among the priority recommendations of the 2018 mission was the dissemination of balance of payments, IIP and QEDS. The ESD has been compiling ESS in *BPM6* format (quarterly balance of payments for 2017 onwards, and quarterly IIP and QEDS for 2016 onwards). However, the CBvS has not disseminated these data yet, keeping resources focused on producing ESS in *BPM5* format.

34. STA publishes balance of payments and IIP data of Suriname on the *BPM6* presentational basis using a “generic conversion” of submitted *BPM5*-based data for Suriname. In cooperation with the ESD, a comparison was carried out between the balance of payments and IIP of 2018 published by STA and the one produced on *BPM6* format by CBvS. While making the balance of payments and IIP comparison, it was possible to observe that there are no significant differences between the version already published by STA and the one prepared by the ESD, as both are compiled with the same sources—the already published *BPM5* balance of payments and IIP. Only one difference was detected in the classification within secondary income credits and debits. While the conversion attributes all the reported transactions to “other current transfers”, the CBvS splits the amounts between “personal transfers” and “other current transfers”. However, total secondary income credit and debit do not differ, and neither does the current account. The standard presentation of IIP in *BPM6* format published by STA and the one compiled by the CBvS were also compared and no major differences were detected. Nevertheless, as further discussed in the following paragraph, changes will be significant once the CBvS implements the recommended enhancements.

35. Changes are expected to appear on the balance of payments and IIP only when the coverage and methodological issues highlighted by the previous and this mission are incorporated. The expected changes are related to the enhancements in coverage of some sectors (i.e., insurance and pensions funds, other nonfinancial and non-mining sector) and accounts (i.e., other assets/other sectors, or DI) or to methodological issues (i.e., exclude temporary imports and exports from goods account), only to recap a few of the recommendations that will enhance the quality of the balance of payments and IIP.

resident-to-resident transactions in financial assets issued by nonresidents). In international accounts, other changes are recorded only for financial assets and liabilities because the international investment position relates only to external financial assets and liabilities.

Recommended Action:

- Submit balance of payments and IIP data in the *BPM6* format to STA, as well as disseminate them on the CBvS' website;
- Submit *BPM6*-based QEDS to the World Bank.

J. Coordinated Direct Investment Survey (CDIS)

36. Inward CDIS has been prepared for 2018 and 2019 and is ready for submission to STA. The mission met with the CBvS management, who expressed willingness to submit *BPM6*-based balance of payments and IIP data and the CDIS template to STA. The mission explained to the CBvS authorities that the *BPM6* format strengthens the theoretical foundations and linkages to other macroeconomic statistics as well as the CDIS.

Recommended action:

- Submit CDIS data to STA and publish them on the CBvS' website.

K. Other Selected Issues

37. Last update of balance of payments and IIP metadata published on the IMF Dissemination Standards Bulletin Board (DSBB) was in November 2017. It was explained to the mission that ESD is waiting to release the balance of payments and IIP in *BPM6* format to update metadata.

Recommended action:

- Update ESS metadata on the DSBB.

38. The mission reviewed with the ESD the evolution of the account errors and omissions. A document prepared by ESD was shared with the mission. Suriname's balance of payments errors and omissions show a negative sign from 2008 onwards. It is possible to observe possible scenarios that are leading to errors and omission on the balance of payments of Suriname, as presented in Table 3.

Table 3. Suriname: Possible Scenarios Leading to Negative Errors and Omissions

	Probability		
	High	Medium	Low
Exports of goods overestimated			x
Imports of goods underestimated		X	
Exports of services overestimated			x
Imports of services underestimated		X	
Income credit overestimated			x
Income debit underestimated		X	
Net transfers (current and/or capital) overestimated			x
Increase in assets underestimated	x		
Decrease in liabilities underestimated			x
Some credit double counted			x

Source: Prepared by the mission based on information provided by the EDS of the CBvS.

39. Increase in assets is likely to be underestimated. Besides currency and deposits held by households and nonfinancial corporations, another form of savings that has not been targeted yet is pension fund assets held abroad. DI abroad also seems to be under-covered.

Recommended Action:

- Improve coverage of assets abroad (i.e., of pension funds transactions and positions and DI abroad).

L. Officials Met During the Mission

Name	Institution
Mr. Karsoredjo Customs Officer	Customs Suriname
Mr. Guillano Koornaar Manager Economic Department	GBS
Mrs. Sheila Elskamp Head of the Trade Statistics Department	GBS
Mrs. Magda Matkalsoem Electronic data processing	GBS
Ms. Sarajane M. Omouth BSc. (a conference call was held)	SDMO
Mr. William Orié Deputy Governor	CBvS
Mrs. Saira Jahangir-Abdoelrahman Director of Statistics Department	CBvS
Mr. Shared Boejhawan Deputy Director of Statistics Department	CBvS
Mrs. Rosie Budel-Karijotaroeno Statistics Assistant	CBvS
Mrs. Melissa Meursinge Staff Member Statistics Department	CBvS
Mrs. Gay Rose Archangels Staff Member Statistics Department	CBvS
Mr. Duncan Budel Statistics Specialist	CBvS
Ms. Wendy Marcus Junior Economist	CBvS
Ms. Prassana Meghoe Junior Economist	CBvS

Appendix I. Previous Mission's Action Plan

1. The mission assessed some progress in the implementation of the previous mission's recommendations.

Priority	Action/Milestone	Target Completion Date	Status
Outcome: Balance of Payments, IIP and QEDS: Data are compiled and disseminated using the classification of the latest manual/guide.			
PR	Publish balance of payments and IIP in <i>BPM6</i> format.	June 2019	Pending of management approval
PR	Use the <i>BPM6</i> template to submit enhanced QEDS to World Bank.	April 2019	Pending of management approval
Outcome: CDIS: A new data set has been compiled and/or disseminated internally and/or to the public.			
PR	Submit CDIS data to STA and publish them on the CBvS' website.	August 2019	Pending of management approval
Outcome: Balance of Payments, IIP and QEDS: Source data are adequate.			
H	Obtain insurance companies and pension funds data from internal sources. Otherwise, conduct a survey of insurance companies and pension funds.	May 2019	Reschedule / in progress
H	Further engage with the SDMO to obtain information on resident and non-resident holdings of the 2026 Global Bonds.	September 2019	Adjustment done by CBvS (SDMO publish external debt based on the holders at the issued date).
H	Improve transport services estimates by using alternative sources to ITRS, including survey of international transport services where necessary.	May 2019	Reschedule
H	Improve the VES questionnaire form by including questions on the payment instruments used by visitors for the acquisition of goods and services in Suriname.	September 2019	Postponed/cancelled due to budget constraint
H	Conduct monthly or quarterly VES.	2020	Postponed/cancelled due to budget constraint
H	Obtain resident arrivals data from the relevant government agency.	March 2020	No due date/ in progress
M	Introduce some minor changes to questions on direct investment- primary income included in the business survey form to ensure that <i>BPM6</i> reporting requirements are fully met. For instance, revise related questions on distributed earnings to ensure that <i>dividends and withdrawals from income of quasi-corporations'</i> data are captured by the business survey forms used for DIETs.	May 2019	Rescheduled / in progress
M	Require mining companies to report cash inflows from and cash outflows to direct investors and use the approach proposed by the mission as an alternative measure of withdrawals from income, in those cases where of withdrawals from income estimates are not properly captured by the survey form.	May 2019	Done
M	Follow up with the GBS on the provision of information on remittances collected from its household surveys.	December 2019	Source dismissed due to quality issues
Outcome: Balance of Payments, IIP and QEDS: Data are compiled using appropriate statistical techniques.			
H	Revise mining sector primary income estimates by excluding income attributable to resident investors.	Jun-19	Done

Priority	Action/Milestone	Target Completion Date	Status
H	Compile withdrawals from income by direct investors as part of the <i>BPM6</i> component of <i>dividends and withdrawals from income of quasi-corporations</i> (debit) (e.g., withdrawals of mining companies' income by direct investors).	Jun-19	Done
H	Compile reinvested earnings exclusive of withdrawals from income by direct investors.	Jun-19	Done
H	Exclude temporary imports and temporary exports from trade in goods statistics.	May-19	In progress, the exercise was done but not yet included in the balance of payments
H	Introduce a sound coverage adjustment to deposits assets held by the nonfinancial sector.	Jun-19	In progress, the exercise was done but not yet included in the balance of payments
H	Revise the CIF/FOB adjustment to goods imports by using CIF ratios calculated from customs data.	May-19	In progress, the exercise was done but not yet included in the balance of payments
H	Revise relevant mining companies' primary income estimates.	May-19	Done
H	Revise the compilation of non-resident holdings of the 2026 Global Bonds by excluding resident holdings and calculating positions at market value.	Mar-20	Partially done (NR adjustment done; market value adjustment not done)
H	Compile insurance services following <i>BPM6</i> guidelines.	Sep-19	Rescheduled / in progress
H	Compile nonlife insurance claims (credit) and net nonlife insurance premiums (debit).	Sep-19	Rescheduled / in progress
H	Compile financial account and IIP estimates for insurance companies, pension funds and Suriname's Social Security.	Sep-19	Rescheduled / in progress
M	Review re-exports and goods under merchanting estimates.	Jun-19	In progress, the estimation was done but not yet included in the BOP
M	Review data reported by mining companies to ensure that transactions and other flows related to the closure of their mining operations are not affecting their primary income estimates.	Sep-19	Rescheduled / in progress
M	Review and revise as necessary social benefits estimates (credit) and estimates compiled as the adjustment for change in pension entitlements (credit and debit).	Sep-19	Rescheduled
M	Compile debt interest on an accrual basis.	Jun-20	Due date not reached / no progress reported
M	Assess coverage of trade credits and advances by using a mix of customs data, ITRS and business survey.	Jun-20	No due date/ in progress
M	Improve the recording of travel services in the ITRS.	Sep-20	No due date/ in progress
M	Strengthen control and verifications to ensure that, when applicable, distributed earnings other than dividends are also reported by DIENTs.	Ongoing	Ongoing
M	Ensure the correct use of the <i>BPM6</i> sign conventions to denote net acquisitions of assets and net incurrence of liabilities in the financial account.	Jun-19	Done
M	Ensure the quality of mining companies' estimates by cross-checking financial reports published by their parent companies.	Ongoing	Ongoing

Appendix II. Goods Account (CBvS) vs Exports (GBS)

Millions of USD	Balance of Payments Goods Account (CBvS)			COMTRADE		
	Credit	Debit	Net	Export	Import	Balance
2011	2,646.9	1,679.1	967.8	2,466.9	1,637.8	829.05
2012	2,700.3	1,971.5	728.8	2,380.5	1,732.8	647.68
2013	2,416.7	2,125.6	291.1	2,204.4	2,308.5	-104.06
2014	2,148.9	1,965.6	183.2	1,917.7	1,826.7	90.94
2015	1,665.8	1,973.1	-307.4	1,814.3	1,904.5	-90.17
2016	1,440.2	1,202.4	237.8	1,235.3	1,174.9	60.37
2017	2,027.5	1,293.4	734.2	1,441.0	1,209.5	231.55
2018	2,124.1	1,498.7	625.5	1,502.8	1,526.9	-24.08

Source: CBvS and COMTRADE

Appendix III. Active Production Sharing Contracts (Updated October 3, 2019)

1. Public information on active production sharing contracts is provided below. The contract gives the contractors the authority to operate in the respective block on behalf of the regulatory entity.

Operator	Block	Effective Date
Kosmos Energy Suriname	42	13-December-2011
Kosmos Energy Suriname	45	13-December-2011
Tullow Suriname BV	47	30-September-2010
Petronas Suriname E&P BV	48	18-January-2012
Petronas Suriname E&P BV	52	26-April-2013
Apache Suriname Corporation LDC	53	01-April-2013
Tullow Suriname BV	54	14-February-2014
Apache Suriname 58 corporation LDC	58	01-July-2015
ExxonMobil Exploration and Production Suriname B.V.	59	09-July-2018
Equinor Suriname B60 B.V.	60	11-July-2018
Capricorn Suriname B.V.	61	26-June-2018
Tullow Suriname B.V.	62	02-October-2018
Decker Petroleum and Marketing CO. Ltd	Nickerie (onshore)	01-October-2019
Columbus Energy Resources PLC	Weg naar Zee (onshore)	03-October-2019

Source: <https://www.staatsolie.com/en/petroleum-regulator/active-production-sharing-contracts/>