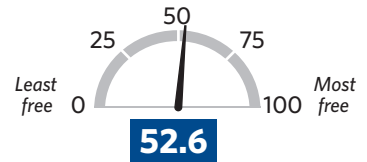


# SURINAME

## Economic Freedom Score



World Rank: **133**

Regional Rank: **22**

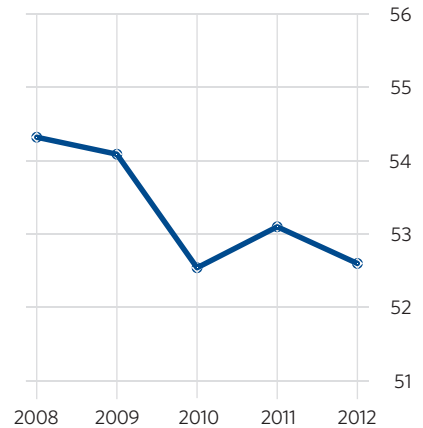
**S**uriname's economic freedom score is 52.6, making its economy the 133rd freest in the 2012 *Index*. Its score is 0.5 point lower than last year, reflecting declines in five of the 10 economic freedoms that overwhelmed a significant gain in investment freedom. Suriname is ranked 22nd out of 29 countries in the South and Central America/Caribbean region, and its overall score is lower than the world and regional averages.

Poor policy choices and the uncertainty generated by poor management of fiscal and monetary policy have severely weakened the prospects for much-needed long-term economic development in Suriname. Pervasive corruption continues to undermine the judicial system and the rule of law, increasing the difficulty of establishing a solid foundation for economic freedom.

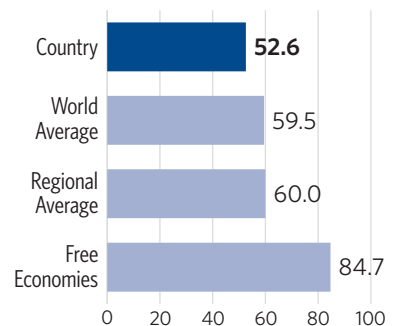
Despite some progress in achieving macroeconomic stability and market-oriented reform, there has been little overall development of a more dynamic private sector. Suriname's entrepreneurial environment remains constrained by a burdensome and inefficient regulatory framework, and private-sector growth has been hampered by the state's heavy presence in the economy. Privatization has been slow and uneven, with state dominance of the economy undercutting competitiveness.

**BACKGROUND:** Democracy was re-established in Suriname in 1991 after more than a decade of military rule. In 2010, former military dictator Desi Bouterse of the National Democratic Party, who ran in a coalition with the incumbent and economic reform-oriented New Front party, was returned to power by the voters as the country's new president. Suriname remains one of South America's poorest and least-developed countries. The economy is dominated by exports of natural resources, especially alumina, oil, and gold, and is highly vulnerable to commodity price fluctuations. Prospects for the onshore oil industry are positive, and bauxite deposits are among the world's richest.

## Freedom Trend



## Country Comparisons



## Quick Facts

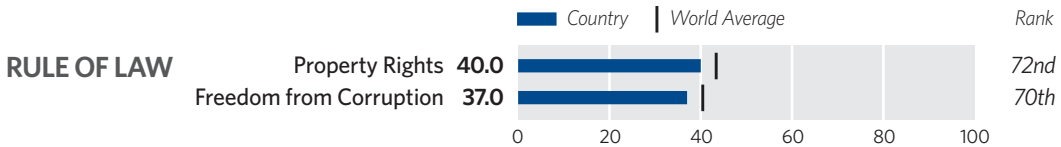
**Population:** 0.5 million  
**GDP (PPP):** \$4.7 billion  
 4.4% growth in 2010  
 5-year compound annual growth 7.0%  
 \$8,924 per capita  
**Unemployment:** 9.5%  
**Inflation (CPI):** 6.9%  
**FDI Inflow:** \$180.0 million  
**Public Debt:** 21.6% of GDP

### How Do We Measure Economic Freedom?

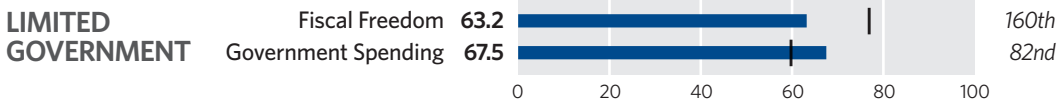
See page 455 for an explanation of the methodology or visit the *Index* Web site at [heritage.org/index](http://heritage.org/index).

2010 data unless otherwise noted.  
 Data compiled as of September 2011.

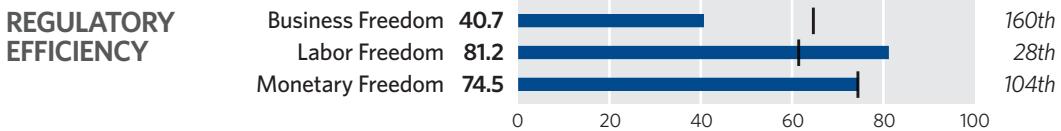
**THE TEN ECONOMIC FREEDOMS**



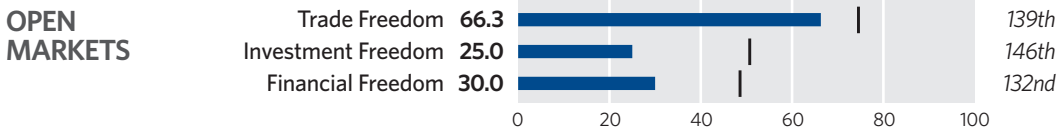
Property rights are not well protected. There is a severe shortage of judges, and dispute settlement can be very time-consuming. Suriname has signed key international intellectual property rights treaties, but IPR protection is nonexistent in practice because the treaty rights have not been incorporated into domestic law. Widespread corruption undermines the government’s capacity to provide basic public services.



The top income tax rate is 38 percent, and the top corporate tax rate is 36 percent. Other taxes include a property tax, a tax on dividends, and an excise tax, with the overall tax burden amounting to 30.6 percent of total domestic income. Government spending has increased to a level equivalent to 32.9 percent of GDP, leading to rising deficits. Public debt amounts to about 22 percent of total domestic output.



The overall freedom to launch and run a business is very limited under Suriname’s regulatory code. Licensing requirements are burdensome, and procedures for launching a business are very time-consuming. Bankruptcy proceedings are difficult and often prolonged. The formal labor market is not fully developed, and the public sector remains a major source of employment. The state influences prices through regulations and state-owned enterprises.



The trade weighted average tariff rate is prohibitively high at 11.9 percent, and pervasive non-tariff barriers further limit freedom to trade. Private investment remains weak, due in part to heavy government interference in the economy. The onerous and non-transparent investment regime still deters much-needed long-term foreign investment. The financial sector is underdeveloped, and credit decisions are subject to state influence.

**Score Changes**

| RULE OF LAW             |   | LIMITED GOVERNMENT  |       | REGULATORY EFFICIENCY |      | OPEN MARKETS       |       |
|-------------------------|---|---------------------|-------|-----------------------|------|--------------------|-------|
| Property Rights         | 0 | Fiscal Freedom      | -4.9  | Business Freedom      | 0    | Trade Freedom      | -0.1  |
| Freedom from Corruption | 0 | Government Spending | -12.8 | Labor Freedom         | -0.6 | Investment Freedom | +15.0 |
|                         |   |                     |       | Monetary Freedom      | -1.9 | Financial Freedom  | 0     |