



## Commercial Sector

# A Top Export Prospect for Suriname

September 2014

- Sector #1 Gold mining
- Sector #2 Oil
- Sector #3 Bauxite
- Sector #4 Construction r
- Sector #5 Wood

### Gold mining Sector #1

Newmont Mining Company and the Government of Suriname (GOS) signed a preliminary mining services agreement in 2013 to begin commercial exploitation of gold in east central Suriname. If fully realized, the agreement could lead to a USD 1.2 billion investment in the Merian area of eastern Suriname. The GOS plans to invest capital to take a 25% stake in the joint venture. Newmont will announce later this year when it will start mine construction.

Rosebel Gold Mines, a subsidiary of Canadian company Iamgold, started production in 2004. Current production capacity averages about 365,000 ounces a year, with reserves for 20 years. Rosebel Gold Mines and the government reached an agreement in 2013 to expand the Rosebel Gold Mine in Brokopondo. The total investment approaches USD 1.5 billion. The GOS plans to invest capital to purchase a 25% ownership in the expanded portion of the gold mining operation. Earlier this year, Rosebel Gold Mines announced that due to low gold prices it will delay further investments until at least 2015.

Small-scale, informal gold mining in the interior has increased rapidly since the 1990s. Small-scale gold miners generally use hydraulic equipment and mercury, which damages the environment. According to some estimates, small-scale gold mining may account for as much as 60 percent of Suriname's total gold production.

State Mining Company Grassalco plans to extract additional gold by reprocessing ore. The company recently began exporting gravel to the region.

## Overview

Unit: troy ounces

Rosebel Goldmines	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size				
Total Local Production	382,000	336,000	350,000	
Total Exports				
Total Imports				
Imports from the U.S.				
Exchange Rate: 1 USD	3.35	3.35		

Source: <http://www.iamgold.com> IAMGold annual report 2013

## Sub-Sector Best Prospects

The anticipated need for heavy equipment and related supplies for the bauxite and gold mining industries may be an opportunity for U.S. companies.

## Opportunities

Opportunities may exist for suppliers to deliver equipment and services for mining.

## Web Resources

<http://www.iamgold.com>

<http://www.newmont.com/home/default.aspx>

## Oil Sector #2

The state-owned oil company, Staatsolie, holds sole rights to exploit fossil fuels in Suriname. To increase capacity, it enters into production and exploration partnership agreements with foreign companies. Staatsolie currently partners with U.S. companies Murphy Oil and Kosmos Energy for off-shore exploration, as well as other international companies.

Total crude oil production in 2013 hit 5.98 MMBLS. Staatsolie expects to increase refinery capacity from 7,000 to 15,000 barrels a day by 2014. The refinery will produce premium quality diesel fuel and gasoline. The Staatsolie Power Company Suriname, a subsidiary of Staatsolie, expanded its electricity-generating capacity from 28 MW to 62 MW in early 2014. According to estimates from the Central Bank, domestic oil consumption averages approximately 14,000 barrels a day.

Staatsolie began a pilot sugarcane ethanol project in 2010. Based on positive results, the company moved forward with an additional investment of approximately USD 300 million to build a plant capable of producing ethanol and sugar. The company plans to invest during 2014-2018, USD 1,845 billion in production, exploration, completion of the refinery.

## Overview

Unit: million of barrels

Staatsolie	2012		2013	2014 (estimated)	2015 (estimated)
Total Market Size					
Total Local Production	5.94 million barrels		5.98 million barrels		
Total Exports					
Total Imports	0.85 million barrels		1.1 million barrels		
Imports from the U.S.					
Exchange Rate: 1 USD					

Source: <http://www.staatsolie.com>

### Sub-Sector Best Prospects

Need may exist for equipment and supplies for the refinery and building of ethanol and sugar factory.

### Opportunities

Opportunities may exist for suppliers related to the oil and ethanol industry. Staatsolie is also looking for partners for the bio fuel project.

### Web Resources

<http://www.staatsolie.com>

### Bauxite Sector #3

Suralco, a subsidiary of U.S. company Alcoa, is the only bauxite producer in Suriname. Recently, production levels have dropped due to the dwindling bauxite reserves in the Paranam area, a drop in bauxite prices, and rising energy costs. Suralco is considering the development of a mine in the eastern Nassau region, with estimated reserves of 10 years. Cheaper energy, if found, and the acquisition of new bauxite reserves could boost prospects for the sector.

Suralco partnered with BHP Billiton until the latter's decision to withdraw its operations from Suriname by 2010. Suralco bought out BHP Billiton's share in their joint venture.

## Overview

Unit: USD millions

Suralco	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size				
Total Local Production				
Total Exports	USD 375	USD 500		

	million	million		
Total Imports				
Imports from the U.S.				
Exchange Rate: 1 USD	3.35	3.35		

Source: Central Bank of Suriname

## Sub-Sector Best Prospects

Prospects may exist for heavy equipment and related supplies for exploitation activities.

## Opportunities

Business opportunities may exist for suppliers related to the mining industry.

## Web Resources

<http://www.alcoa.com/surinameConstruction>

## Construction Sector #4

Suriname is experiencing a residential and commercial property boom, spurred in part by the government's plan to build 5,000 new low-income houses by 2014. Vacation and rental properties built by Dutch nationals of Surinamese origin contributed significantly to the sector's growth.

New housing and businesses are constructed primarily from concrete.

## Overview

Concrete  
 Construction Equipment  
 Ceramic tiles  
 Locks and Locksets  
 Faucets  
 Electrical Equipment

Plumbing Equipment and Materials  
Copper Products  
Bathroom Accessories

#### Sub-Sector Best Prospects

Business prospects may exist for suppliers of many types of construction materials and equipment.

#### Wood Sector #5

Suriname's abundant rainforest contains many valuable hardwood tree species. A sizeable portion of production remains in the local market as the industry has been unable

to compete in quantity, quality, or price with large logging companies in the region. The Hong Kong-based Greenheart Group is the largest timber-exporting company in Suriname.

Greenheart reported that its hardwood revenue increased 41.1% from USD 5.4 million in 2012 to USD 7.7 million in 2013.

In 2013 Suriname hardwoods were exported to Europe, Asia, the Caribbean region, and South America with Asia representing the largest market.

#### Overview

Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size				
Total Local Production				
Total Exports	USD 18.3 million	USD 9 million first half 2013		
Total Imports				
Imports from the U.S.				
Exchange Rate: 1 USD	3.35	3.35		

Data source: <http://www.sbbsur.org>

#### Sub-Sector Best Prospects

Best prospect for equipment used in the forestry sector.

## Opportunities

There are opportunities to access specialty markets by emphasizing the unique properties of these rare tropical species.

## Web Resources

<http://www.sbbsur.org/>

## For More Information

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