

# Suriname



Suriname's capital, the former Dutch colonial town of Paramaribo (below), exports bauxite, sugarcane, rice, cacao, rum, and tropical woods.

## SCOPE FOR GROWTH IN AGRICULTURE

### Potential to develop into the breadbasket of the Caribbean

Already a major producer of sugar and rice, Guyana has ample land suitable for agriculture and with sufficient investment could feed the region



Agriculture is the main economic activity, accounting for half of export earnings.

WHILE sugar and rice will continue to be the mainstay of Guyana's agricultural sector for the foreseeable future, there is plenty of scope for investors to develop non-traditional areas of food production. Guyana's coastal areas offer fertile, irrigated land highly suitable for fruit, vegetable, dairy, beef and organic farming. The authorities are eager to encourage diversification and to develop processing and semi-processing activities.

There is ample pasture for cattle, and Guyana boasts one of the largest herds in the region. Furthermore, it is only the second country throughout South America to have been certified free of foot-and-mouth disease.

Meanwhile, the sugar industry is responding by making itself more competitive and seeking to develop new products. The Guyana Sugar Corporation (Guysuco) is undertaking a US\$165 million modernization program, including the construction of a new US\$135 million sugar-processing factory, distillery and refinery at Skeldon in Eastern Guyana. Overall production is expected to grow by more than 25 percent over the next four years.

Marine fisheries are being developed, with shrimp, prawn and finfish exports already accounting for approximately 12 percent of total exports, mostly to the United States. Inland fish farming has become one of the fastest growing industries in the country, and demand for its produce is rising.

The New Line Aqua Farm, in West Coast Demerara, is a prime example of the kind of development the government wants to see. With the help of bank loans almost totaling US\$1 million, the operation has already expanded from seven ponds in 2003 to 150 ponds. Each can hold 100,000 fish—enough to produce 100,000 pounds of fish per pond every six months.

## PREMIUM RUM AND SOFT DRINKS

### Driving international expansion with the spirit of enterprise

RUM has been produced in Guyana since the early seventeenth century, when many of the sugar estates of what was then British Guiana operated their own small distilleries.

Over three hundred years later, rum accounts for the bulk of the revenue of modern Guyana's largest private company, Demerara Distillers Limited (DDL), which enjoys an international reputation for the quality of its products. "We have positioned our products at the premium end of the market," says Chairman Yesu Persaud, who has led the company since 1975 and also heads the Private Sector Commission.

A leading supplier of bulk rums to North America and Europe, DDL has achieved increasing success in recent years with its branded products and is using its flagship El Dorado label to

spearhead its drive toward international expansion. It has demonstrated a readiness to adapt by successfully shifting from being a principally commodity-based group to incorporating value-added products and services, diversifying into supermarkets, insurance, shipping, warehousing, fish and shrimp processing, and internet service provision.

While rum still accounts for the bulk of its revenues, since 1995 DDL has also been producing soft drinks under license from U.S. giant PepsiCo, including Pepsi, 7UP, and Slice, as well as its own Soca, Topco juices, and Diamond mineral water. Since last year, it has had the distinction of being the only company outside the U.S. to have been granted a franchise to produce PepsiCo's internationally renowned Tropicana and Gatorade brands.

▶▶▶ THE SMALLEST INDEPENDENT NATION IN SOUTH AMERICA, SURINAME IS SEEKING TO BALANCE ECONOMIC DEVELOPMENT WITH PROTECTION OF ITS NATURAL BEAUTY AND POTENTIAL FOR ECO-TOURISM

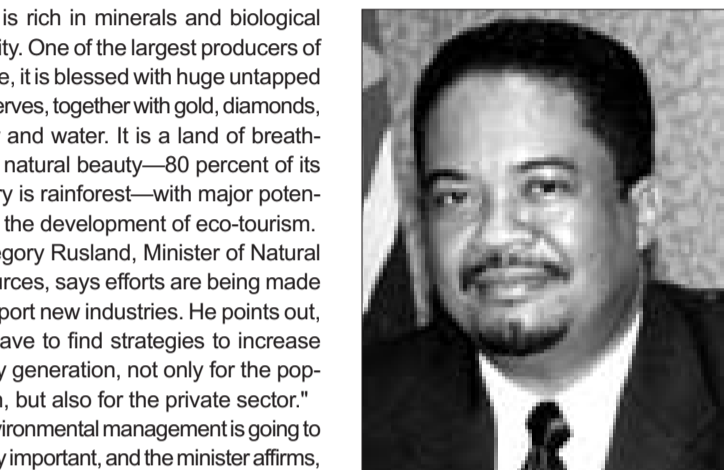
### Prospective partnerships in natural abundance

**B**oosted by a global boom in commodity prices and increased investment in the gold and bauxite sector, Suriname's economy has expanded tremendously in the past few years. Negative growth has been turned around to an increase in GDP of almost 5 percent in 2005, with a similar rise forecast for this year. The Surinamese dollar was successfully launched last year, and the privatization program is on track.

President Ronald Venetiaan says, "A country with such unexploited resources should be like heaven on earth for investors and tourists alike." The re-election of President Venetiaan last year has reinforced political stability, a key factor for Suriname's development.

"If we stay on course with this administration, then we can make good progress in the upcoming five years," says André Teltig, Governor of the Central Bank. "The major opportunities are in the mining sector, where there are different ores, not only bauxite, gold, or oil. Then we have the fishery and the lumber sectors to develop. We also need to upgrade our traffic, airport, and seaport systems."

Located on the Guyana shield on the northern edge of South America, Suri-



GREGORY RUSLAND  
Minister of Natural Resources

name is rich in minerals and biological diversity. One of the largest producers of bauxite, it is blessed with huge untapped oil reserves, together with gold, diamonds, timber and water. It is a land of breathtaking natural beauty—80 percent of its territory is rainforest—with major potential for the development of eco-tourism.

Gregory Rusland, Minister of Natural Resources, says efforts are being made to support new industries. He points out, "We have to find strategies to increase energy generation, not only for the population, but also for the private sector."

Environmental management is going to be very important, and the minister affirms, "We should be very careful in exploiting these minerals because what we have to work towards is sustainable development."

## EXPANDING GOLD MINING RESERVES

### High output at low cost spurs Canadians to go for gold

Cambior is pouring millions of dollars into its new pit and is ready to extend its search for new deposits

RECORD production at low operating costs at its two-year-old Rosebel gold mine last year has encouraged the Canadian company Cambior to focus on exploration and development drilling.

Rosebel Gold Mines, of which Cambior holds 95 percent and the Suriname government 5 percent, has been spending US\$5 million a year to expand the ore reserves. Proven and probable reserves at the six known deposits have increased by more than 60 percent to 3,212,000 ounces since production commenced.

Located approximately 70 miles south of the capital, Paramaribo, Rosebel has replaced the depleted Omai gold mine in neighboring Guyana as Cambior's most productive mine. Last year it produced 341,000 ounces of gold at an operating cost of just US\$208 per ounce. The mine has a pro-

jected life of 10 years and employs more than 1,000 people.

Denis Miville-Dechènes, the company's Vice-President and General Manager, says it will continue to invest in Suriname. "We like what we have seen up till now, and will look elsewhere in the country. You want to go where the better deposits are," he explains.



DENIS MIVILLE-DECHÈNES  
VP and GM of Rosebel Gold Mines

## OIL EXPLORATION

### Foreign firms bid to join in the widening hunt for oil

State-owned oil company sets up offshore exploration deals and aims to boost production onshore

EXPLORATION for oil is being stepped up, fueled by U.S. Geological Survey findings indicating that the Suriname-Guyana Basin could contain approximately 15 billion barrels of crude.

Repsol of Spain, Denmark's Maersk Oil, and Occidental of the United States have already signed deals with state-owned Staatsolie and are already active in the country. International bids to explore three more offshore blocks are currently being assessed.

Australia's Hardman Resources in April acquired a 40 percent interest in two large onshore concessions directly adjacent to the main oil producing fields operated by Staatsolie.

The state company itself aims to increase recoverable reserves from 85 million barrels to 115 million barrels by 2010. Daily crude production will be raised from the current 12,000 barrels

per day (bpd) to at least 15,000 bpd.

Marc C.H. Waaldijk, Staatsolie's Managing Director, says, "Furthermore it is a very rare crude oil, heavy but very sweet, and only 4 percent of the world production has this quality."

Staatsolie's total investments in its onshore operation for the period 2005-2010 are estimated at US\$360 million.



MARC C.H. WAALDIJK  
Managing Director of Staatsolie

## Explore for gold

## Protect nature

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