



Republic of Suriname

Paramaribo, 22 October 2020

The newly-elected government (the “Government”) of the Republic of Suriname (the “Republic”) has inherited an economy in severe distress, characterized by high external and fiscal deficits, exacerbated by the COVID-19 pandemic. As a result, the Republic is facing severe financial imbalances, with the budget deficit expected to approach 20% of GDP in 2020. Public debt has risen to historical levels and borrowing continued even as severe macroeconomic and financial imbalances were building up. Thus, public debt cannot be refinanced at affordable market prices. In addition, debt service is conflicting with the significant domestic social needs generated by the ongoing economic crisis.

In its first three months, the Government has already developed a home-grown financial and economic reform program, of which the unification of the exchange rate and the increase of government tax on fuel have already been implemented. The Government is working hard to build a consensus platform with domestic stakeholders, including labor unions and the private sector. The Government is also actively engaging the IMF and other International Financial Institutions to secure financial assistance that would underpin an agreed programme of fiscal and economic reforms while, importantly, protecting the most vulnerable Surinamese citizens. The objective of the programme will be to stabilize the macroeconomic position of the country, improve medium term economic prospects, strengthen fiscal responsibility, create jobs, and raise living standards of the population.

Developing and implementing a plan aimed at restoring public debt sustainability will be a key element of the programme.

In this context, the Ministry of Finance (the “Ministry”) of the Republic will take advantage of the 30-day grace period on the coupon due 26 October 2020 on the U.S.\$550,000,000 9.25% Notes due 2026 to engage with its external financial creditors and international partners. The government is committed to finding a constructive and collaborative resolution to the debt sustainability issues it is currently facing.

The Ministry invites all holders of commercial obligations of the Republic, including the Notes, to an investor presentation that will take place on 30 October 2020 at 11AM (Paramaribo time). At the investor presentation, further details of Suriname’s current financial and economic position will be disclosed and the next steps in the process to restoring public debt sustainability will be discussed.

In the meantime, we encourage all holders of the Republic’s publicly traded bonds (being the 9.875% Notes due 2023 (ISINs US86886PAB85 and USP68788AB70) and the 9.25% Notes due 2026 (ISINs US86886PAA03 and USP68788AA97) to contribute to identification efforts that will shortly be announced by Morrow Sodali, the Republic’s identification agent, who can be contacted via the website: <https://bonds.morrowsodali.com/suriname> and at the following email address: suriname@investor.morrowsodali.com.

White & Case LLP and Lazard Frères are respectively acting as the Republic’s legal and financial advisors.