

SBF

SURINAME BUSINESS FORUM



Suriname.....

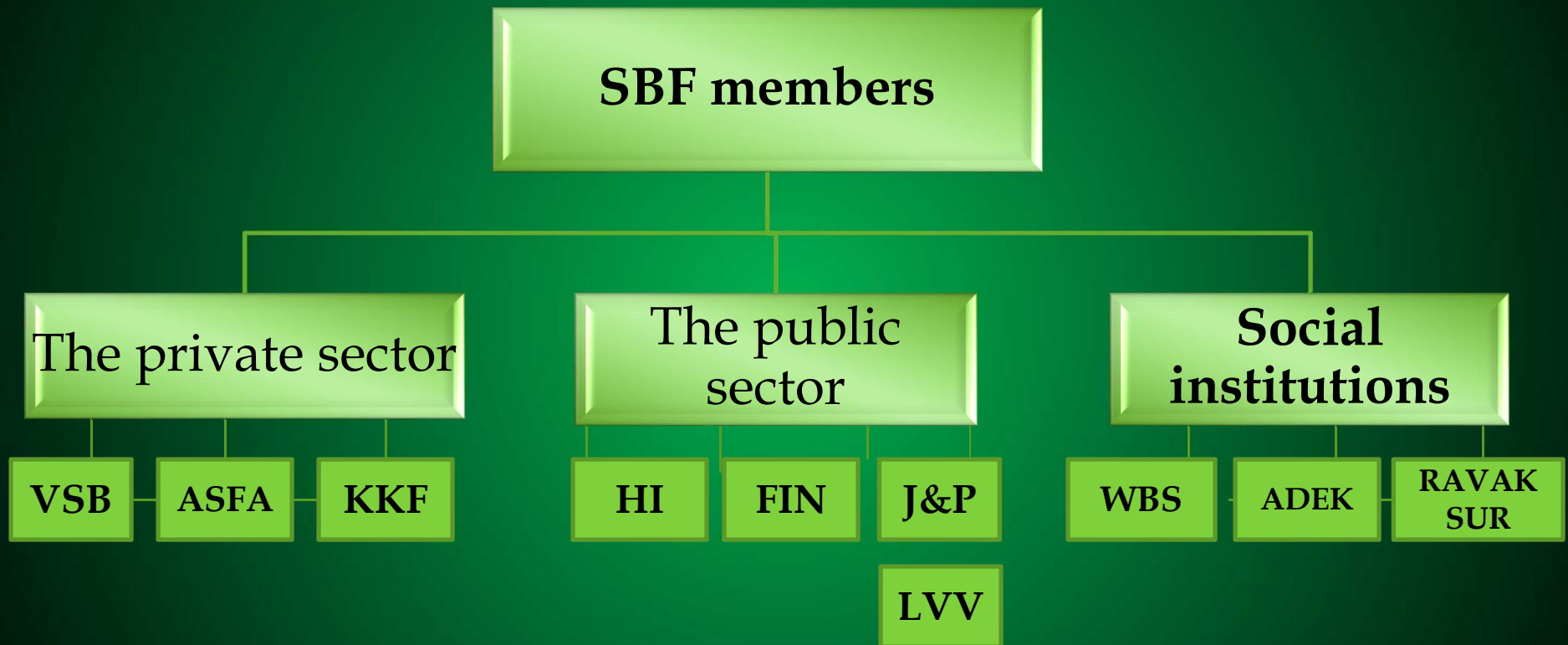
- ▣ Fertile soil (agro)
- ▣ Rich in natural resources (gold, bauxite, water, oil, etc)
- ▣ Fairly educated people
- ▣ Calling for diversification

Public Private Partnership ... From diversity to cooperation

Suriname Business Forum

- ▣ Established October 18, 2006
- ▣ A dialog platform of
 - ▣ The public sector
 - ▣ The private sector
 - ▣ The labor unions and
 - ▣ The Anton de Kom University

SBF Members



WET van 18 oktober 2006, (Wet Suriname Business Forum)

Suriname Business Forum

Primary objective

Development of the Local Private Sector (LPS)

- Partnership
- Dialogue
- Formulate National strategies
- Design Policy.

Suriname Business Forum

Partnership, dialogue, strategy

▣ Example:

- ▣ Drafting of legislation
 - What
 - Who are the partners
 - Which strategies
 - When deadlines

Suriname Business Forum Responsibilities

- ▣ Policy Implementation & monitoring
- ▣ Policy evaluation
- ▣ Enter dialog/cooperation => government and actors
- ▣ Implementation of the **National Strategie** :
 - ▣ Identification of van priority sectors

Biggest challenge of SME's

1. Access to finance

- a) Collateral (real estate)
- b) High interest rates (investment credit xx%, current account credit xx%)
- c) Availability of capital (no window for SME's)

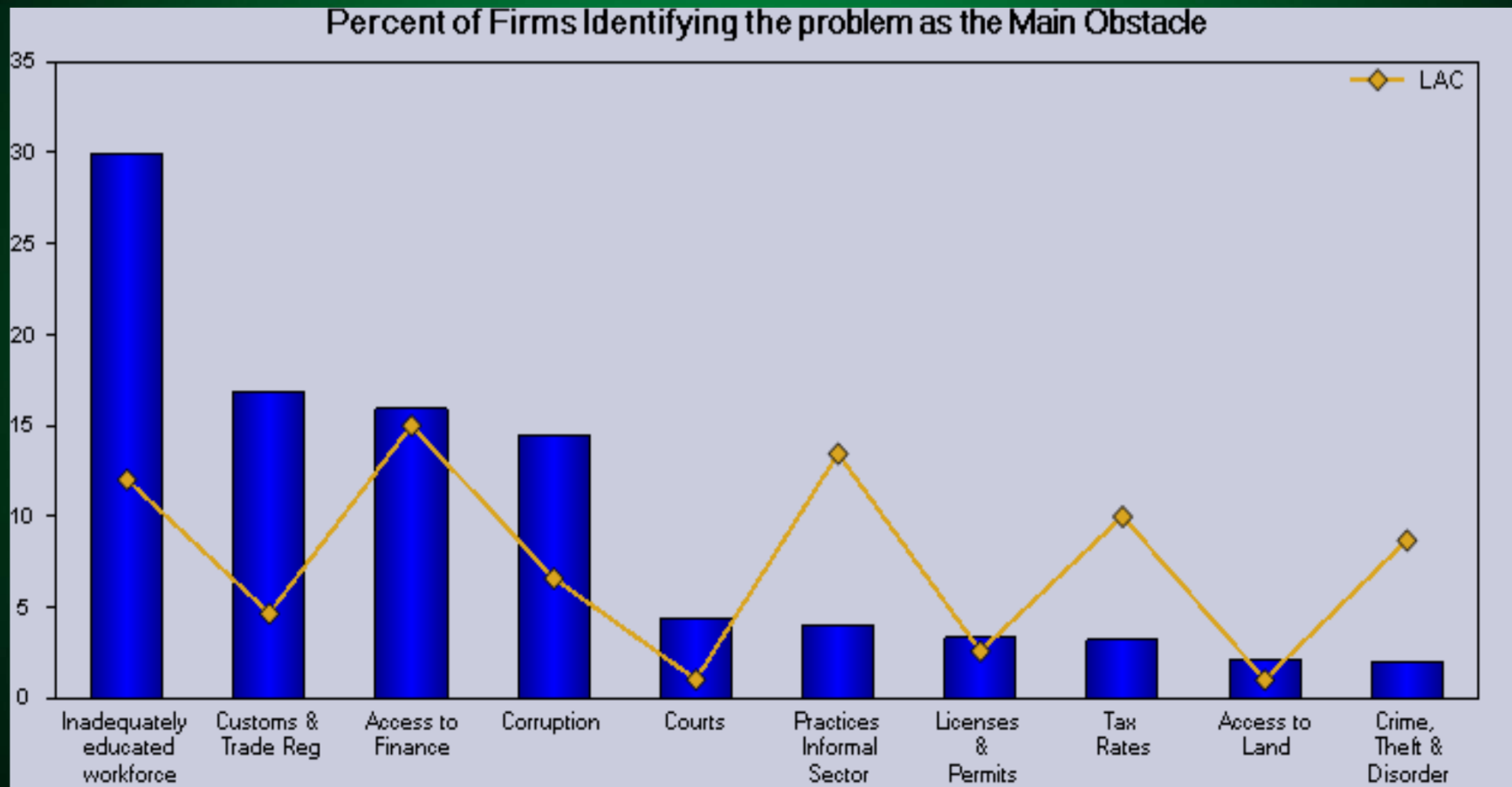
sustainable economic growth and diversification

- ▣ Improvement of the business regulatory environment
- ▣ Reducing the role of the state in private sector
- ▣ Developing infrastructure
- ▣ Improving the tax structure
- ▣ Strengthening corporate governance

Sustainable economic growth and diversification (cont'd)

- ▣ Development of skills, technologies and innovation.
- ▣ Developing clusters
- ▣ Improving small/large firm links
- ▣ Improving public private dialogue
- ▣ And improved access to finance for SMEs

Top Ten Constraints Identified by SME Firms



Source: World Bank Group Enterprise Survey in Suriname, 2010

Banking institutions targeting Micro & Small enterprises

1. Godo (Credit union)
2. De Schakel (Credit union)
3. Finatrust (Caribbean Microfinance Capacity Building Project)
4. DSB's Suritrust (6 mln euro treaty funds)
5. Women Business group (micro credit)
6. VCB (pawnshop secured with gold)

ASFA categorization SME

1. Small

o Micro

- employment : ≤ 5
- Turnover : $\leq \text{SRD } 10.000$

o Small

- employment : 6 - 10
- Turnover : $\leq \text{SRD } 10.000 \leq \text{SRD } 100.000$

ASFA categorization SME

- Middle

- Employment : 11 - 25
- Turnover : $\leq \text{SRD } 100.000 \leq \text{SRD } 500.000$

1. Middle

- Small Middle

- Employment : 26 - 50
- Turnover : $\leq \text{SRD } 500.000 \leq \text{SRD } 2.500.000$

- Middle

- Employment : 51 - 100
- Turnover : $\leq \text{SRD } 2.500.000 \leq \text{SRD } 5.000.000$

Added values of SME's

- ▣ Employment
 - Reduce the social and financial pressure on the government
- ▣ Tax payment (income for government)
- ▣ Exports

Challenges for SME's to access to finance

1. Small lending capacity of the banks.
2. Primary collateral for banks => real estate.
3. Banks more focused on larger and well known borrowers.
4. Lack of information on SME finances.
5. Lack of skills to prepare good business plans

Credit Guarantee Fund Suriname (CGFS)

Goal :

- To support SME's in implementation of their business plan if the plan is feasible.

Credit Guarantee Fund Suriname (CGFS)

Who can qualify:

- All sectors especially SME's, micro entrepreneurs and starters, except trade.

Credit Guarantee Fund Suriname (CGFS)

Added value for the SME's:

1. Entrepreneurs with a feasible plan but not enough collateral can still implement their plan and be successful.
2. Reduction the interest rates.

Credit Guarantee Fund Suriname (CGFS)

Concerns of the private sector:

1. Still a high interest with CGFS
2. Banks will benefit from CGFS
3. Uncomfortable that they can not contact CGFS directly

Credit Guarantee Fund Suriname (CGFS)

Solutions :

1. Set up an awareness plan to encourage the entrepreneur to shop with its plan at all banks.
2. Train the entrepreneur how to deal with banks for their plan.
3. Stimulate the entrepreneur to drop a good written plan at the banks.

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**THANK
YOU!**