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**Suriname**

MP questions Dutch government over EU subsidies to Suriname banana industry

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By Ivan Cairo, Correspondent at Caribbean Net News Suriname

PARAMARIBO, Suriname: A member of parliament in the Netherlands has questioned the Dutch government over subsidies to the Suriname banana industry by the European Union (EU).

"The European Union has given aid worth millions to the Surinamese banana industry but nearly all these funds flowed back to Europe, since Suriname had to pay millions of euros to sell bananas on the European market.

European multinationals owned the exporting licenses and for each box sold to Europe Suriname had to pay 4 euros," said Harry van Bommel from the Socialist Party (SP).

According to Van Bommel, the European multinationals have profited most from the aid Suriname received to revive and modernize its banana sector.

Before the collapse of the state-owned banana company Surland in 2002, Suriname had to sell all production to Fyffes Plc one of the largest tropical produce importers and distributors in Europe, which owned the exporting licence for Surinamese bananas to the European market.

Raising several questions with the government of the Netherlands, Van Bommel wants to know whether most of the aid between 2004 and 2006 were channeled back to Europe through export licences.

"Can you indicate how this aid worth millions has contributed to revitalization and development of the banana industry in Suriname? Do you believe that this aid worth millions has been effective in reaching the intended goals?" asked Van Bommel.

Since 2002 the European Union has donated several million euros for the restructuring and privatization of the Suriname banana sector, while the Surinamese government also spent millions in the development of the industry.

According to company officials production soared from 46,500 tons in 2006 to over 60,000 tons in 2007. In 2008 production production and export is expected to increase further to over 70,000 tons. Meanwhile the target is still to privatise the industry before the end of 2008.

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