

1 April 2008

Suriname

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Tuesday, April 1, 2008

By Ivan Cairo, Correspondent at Caribbean Net News Suriname

PARAMARIBO, Suriname: The Suriname banana sector will receive a 1.3 million euros subsidy with the signing Thursday of a contract between the European Union (EU) and the ministry of Planning and Development Cooperation.

According to officials this would be one of the last EU-grants for the local banana industry since all subsidies will end in 2009. Since 2000 the EU has made over 23 million euros available for restructuring the banana sector here, while the Suriname government contributed another 23 million euros.

Thursday's grant will be invested in expansion of the irrigation system at the Jarikaba plant of the Foundation for Preservation of the Banana Sector (SBBS).

At the signing ceremony EU-representative to Suriname, Heleena Laakso, noted that there are "serious challenges ahead", including privatisation of the company.

Laakso further noted that, since the Surinamese company is "a small one," it should cooperate with larger players in order to secure access to capital, investment facilities and information regarding the international market trends.

SBBS-president Andre Brahim told media this week that the privatisation is scheduled to be completed before the end of this year.

Minister Rick van Ravenswaay of Planning and Development Cooperation stated that the investments should eventually result in lower production costs and alteration of the company's production structure. According to the minister, the sector has the potential to become a major industry in Suriname.

Meanwhile the Jarikaba plant resumed operations Tuesday after a one-week closure, while exports to Europe were also restarted. On a weekly basis the company exports between 60 and 90 40-ft containers' to the European market.

The SBBS management were forced to close down the plant last week, said Brahim, in order to prevent serious damage to the operations due to a wildcat strike of some 50 workers, led by the workers union of the now defunct state-owned banana company Surland.

According to SBBS, the company's management could not engage in talks with this union since its constitution clearly stipulates that it only represents workers of the now defunct company.

Brahim denied media reports that all the Jarikaba workers participated in the strike. He contended that the 50 disgruntled workers tried to create chaos by preventing others doing their job. Brahim and other SBBS officials denied charges that the company was willing to pay a salary increase of only 5 percent, a presumption that led to the wildcat action.

According to company officials, the pay increase ranged from 5 to over 30 percent for the several categories of workers, while payment of additional allowances was also being implemented.

Although the definite figures were not readily available, the forced closure of the Jarikaba plant has resulted in an alleged lost of some 500,000 euros.

According to Brahim the SBBS will overcome these losses by increasing production and productivity of the workers.

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