

2 May 2008

Suriname

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Friday, May 2, 2008

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PARAMARIBO, Suriname: While consumers in Suriname are bracing for a price hike for fuel next week, legislators are urging the government to freeze taxes on fuel in order to lower the price of diesel and gasoline for consumers. During a special session of the National Assembly members of parliament also appealed to the government to renegotiate the contract with Canadian multinational IAMGold to boost revenues for the country since also the gold price is soaring.

Coalition MP, Ruth Wijdenbosch, painting a bleak picture, disclosed that currently there is a trend where households are purchasing food from retailers, promising to pay later. She warned that individuals are becoming indebted without prospects how to pay off their debts.

Indicating that the forecast for improvement of the situation on the international markets are not positive, Wijdenbosch warned that the situation in Suriname could worsen and deteriorate.

She called on the government to take immediate steps to improve the purchasing power of especially low-income groups in the country.

According to opposition MP, Jiwana Sital (PVF), increasing the production of rice alone won't be enough to lower the increasing cost for food or avert the looming crisis. He also criticised decisions of the government to cross of or lower import duties for 48 items and introduction of several tax-free measures.

Sital argued that while the country is steadily earning more revenues from gold, oil, alumina and agro exports, the costs of living and food prices are increasing. The majority of the people are not benefiting from the registered 5 percent growth over the past several years, said the legislator, adding that only the multi-nationals and banks are profiting.

He therefore called on the government to freeze the government tax on fuel sales for one year, which according to Sital will have a positive impact on the entire economy, including lowering costs of energy for producers and households. The government tax on fuel sales is currently US\$53.7 million annually.

During Tuesday's session several legislators hinted at renegotiations with IAMGold. They argued that the mineral agreement signed with the mining company leaves room to adjust the agreement when conditions have changed. When the deal was signed the gold price was US\$300 per troy ounce and currently over US\$900.

Meanwhile, authorities here have announced the establishment of a US\$20 million social safety net programme to assist low-income groups cope with the costs of living. Sources indicate that among other measures the government will start a food distribution programme at schools, while subsidies in several sectors are also being considered.

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