

Suriname: Geerlings-Simons became Suriname's first female president as the country stands on the brink of an oil boom | Credendo

Event

In mid-July, Jennifer Geerlings-Simons was sworn in as Suriname's first female president, marking a historic moment for the country. She is the leader of the National Democratic Party (NDP), which has been in opposition for the past five years. The NDP narrowly won the general elections held in late May, securing just one seat more than the incumbent Progressive Reform Party (VHP), led by outgoing President Chan Santokhi. After weeks of negotiations, the NDP successfully formed a coalition government in early July, partnering with five smaller parties.

Impact

Suriname is on the brink of a potential oil boom, with prospects that could mirror neighbouring Guyana's rapid transformation. However, short-term economic challenges remain pressing. The incoming government inherits a fragile economy, despite the [implemented IMF programme](#). The outgoing VHP government achieved a milestone by completing Suriname's first-ever IMF programme, despite its unpopularity. The VHP avoided a balance of payment crisis, rebuilt foreign exchange reserves and implemented fiscal consolidation, including the implementation of fiscal rules. Moreover, the VHP restructured sovereign debt and reduced the public debt-to-GDP ratio from an unsustainable 117% in 2022 to 87% in the end of 2024, which still constitutes a relatively high level.

Nevertheless, these improvements could be reversed, should the incoming government ease austerity measures. The NDP's previous tenure and fiscal policies under former President Dési Bouterse contributed to Suriname's sovereign default in 2022. The anticipation of substantial future oil revenues could tempt the government to ease fiscal discipline prematurely. However, oil production is not expected to begin before 2028, and Suriname's oil reserves are projected to be smaller than Guyana's, potentially limiting their long-term economic impact. Moreover, investment-related imports for oil development will put a strain on both the current account and fiscal balance, increasing the risk of renewed sovereign debt and liquidity pressures if fiscal prudence is relaxed. Lastly, a negative swing in commodity prices could severely harm the economy given its low economic diversification –gold and oil historically represent together around three quarters of export revenues.

In this context, the outlook for the medium- to long-term political risk rating (6/7) and short-term political risk rating (4/7) remains stable.

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