

## Speech Asha Remesar

Mr. Alejandro Moreno, President of Copppal,

Board of Members of Copppal,

Delegations of Political Parties,

Ladies and gentlemen,

First of all, I wish to thank the Sandinista National Liberation Front (FSNL) for their hospitality and heartily welcome in the city of Managua.

It's a privilege and great honour to be here today to represent the Progressive Reform Party VHP.

On behalf of my Party the VHP, I congratulate the Permanent Conference of Political Parties of Latin America and the Caribbean, with the commemoration of the 40th anniversary of Copppal, which was created on October 12, 1979 in the state of Oaxaca, Mexico.

At its 40th anniversary Copppal stands for the most important forum of political parties in Latin America and the Caribbean, that brings together more than 60 political parties from 29 countries on the continent to promote democracy and regional integration.

The VHP congratulates Mr. Alejandro Moreno, the new President of the PRI (Institutional Revolutionary Party) party of Mexico with his fresh mandate as President of the Copppal to continue the scope of the present Copppal activities as well as to take on some new issues in the next years. Congratulation goes also to the new elected Board of Members of Copppal.

The VHP wishes to acknowledge the able leadership and contribution of your predecessor, Mr Manolo Pichardo of Dominica and the other former members of the board and expresses through you its appreciation for their good work.

The VHP also sends its warm greetings and sincere congratulations to two newly elected Presidents. His Excellency Laurentino Cortizo of Panama who won elections in May this year and His Excellency Alberto Fernandez of Argentina who won elections last month. Just today I read about the outcome of the elections in Uruguay and we congratulate them as well.

Mr. President,

Ladies and gentlemen,

The date for Suriname's general election has been officially set for May 25th, next year.

Suriname has a multi-party system with numerous political parties, in which most of the times no single party has a chance of gaining power alone. Parties must work with each other to form coalition governments.

Currently the Progressive Reform Party (VHP) is the biggest opposition party in the Parliament of Suriname.

According to current statistics, the Progressive Reform Party is also the second largest political party of Suriname.

One of the major issues in the upcoming elections will be the state of the economy.

In the past the macro-economic indicators of Suriname had been stable and we had one of the lowest debt to GDP ratio in the Caribbean region. This has changed in more recent years, however. In August this year Fitch rated Suriname as B- with a negative outlook. They cited an increased government debt-to-GDP ratio due to large fiscal deficits stemming from rising financing needs. They concluded that Suriname's May 2020 elections may lead to an increase in government debt, while uncertain financing options will add further to downside risks.

Fitch Ratings was right, because the debt-to GDP ratio is further increasing. As for now it is abundantly clear to every Surinamese citizen that the Government's borrowing policy is out of control.

The State's debt in 2010, was 3.3 billion Surinamese Dollars (SRD) or US\$ 1.2 billion. As of today it has exploded in terms of Suriname dollars to 20.4 billion SRD or US\$ 2.7 billion.

You can see from this figure that the Suriname dollar has been depreciated from SRD 2.8 for one American dollar to SRD 7.5 for one US\$.

This has led to further impoverishment of our people and the erosion of pensions and other social benefits.

Borrowing is not a crime if it is properly invested to generate more income and foreign exchange earnings. Unfortunately, the government has not been able to give a clear overview where all the money went to. The loans received are often shrouded in secrecy and are higher than the amounts that are officially tracked, resulting in much 'hidden debt'. We suspect that the country will not be able to repay its debt.

In addition, corruption cases are piling up. Suriname has experienced high inflation in the past as a consequence of heavy borrowing, without enough capacity to pay the loans back.

In order to limit borrowing to 60% of GDP a law was put in place, which also called for sanctions against the minister of Finance if this limit was exceeded. Unfortunately, the current coalition has not learned the lessons of the past and wants to borrow more, so that they can have more room to spend before the elections.

The situation has become even more critical as the ruling coalition has changed the law that would limit the borrowing by government to 60% of GDP. The limit has been removed without a new ceiling. This will lead to unfettered new loans and – as we suspect- increased spending to win the elections.

Actually as we speak the government is pursuing a new loan of US\$ 150 million on the international market at an estimated interest rate of 10-13%.

The VHP is fully aware of the detrimental impact which all these loans and corruption will have on the future purchasing power of the working population, while at some point the State will be required to implement a structural adjustment program. And as we have discussed yesterday in the meeting, structural adjustments are frequently at the expense of the poor.

In an effort to halt further irresponsible borrowing, the VHP in fact requested the Attorney General – based on the law to limit debts- to investigate the actions of the Minister of Finance. The Office of the Attorney General in fact has started such an investigation.

It was this inquiry that triggered the ruling National Democratic Party to quickly change the aforementioned Debt-Ceiling law on 1 November 2019 in parliament. The change not only eliminated all debt limits, it also removed any old or new criminal liabilities of the Minister of Finance.

The adoption of the amendment of the law on the state - debt is an interference in ongoing criminal proceedings. There has been a wide opposition to this change in the law by labor unions, business associations, professional groups, and opposition parties.

Debt transparency lets citizens hold their government accountable. Debt transparency is essential for economic development. However, there is a need for greater transparency and disclosure in public finances, elements critical for accountability in any democracy. This will surely be an election issue.

On the political front Suriname is also dealing with lingering political issues. As you may know, the President of Suriname, Desi Bouterse, is the main suspect in the 8 December criminal proceedings of the murder of 15 prominent Surinamese.

His lawyer and the State have tried to stall this process on several occasions, including the passing of a controversial amnesty law. The Court of Justice ruled that the amnesty law was interfering in ongoing criminal proceedings and rejected requests to stop the trial.

Today, after 12 years of challenging circumstances, the 8 December criminal trial has taken place under strict security. The Military Court has reached a verdict whereby President Bouterse is sentenced for 20 years prison. This sentence will undoubtedly also have implications for the upcoming elections.

Mr. President,

Ladies and gentlemen,

I have given you some insights into the issues that we have to deal with in Suriname. An increasing debt and corruption are among the main problems, while the trial of the President is a main issue as well.

The VHP is a party which has always had democracy and the rule of law high on its agenda. We want Suriname to be a stable democratic nation, but we also have to address the injustices of the past.

In many instances in the past the VHP has been part of the political solution to many major problems. We advocated a dialogue between the military junta and the banned political parties in the mid-1980s, which led to an orderly transition to democracy in 1987. We were also on the frontline to broker peace during the Civil war, which broke out in 1986; this engagement led to a peace treaty in 1992.

We came to power three times - together with other parties - after a former government left the economy in ruins and we cleaned up the mess with good policies and accountable government.

We feel sure that we will be able to clean up the mess again. Suriname needs a government that can stabilize the economy and put it back on a growth path, but at the same time strengthen democracy and the rule of law. This includes a balanced foreign policy.

Suriname is facing some tough challenges ahead, but we hope that the upcoming elections in 2020 will provide the voters with a new and more trustworthy government.

International support for efforts to change Suriname for the better, will be critical. The VHP is looking forward to working with you and calls upon Copppal to observe the elections in Suriname, May 25th, 2020.

Thank you.