



**United  
Nations**

Department of  
Economic and  
Social Affairs



**SDG  
Investment** fair

# **Suriname – Green Wood Processing Finance Fund**



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# Country overview



655.000 multi-ethnic



Exponential economic growth expected after discovery oil and gas



Constitutional democracy (5yrs)



Relations with/ members of DDA, WTO, CARICOM, CARIFORUM-EU, EPA, CELAC, TPS-OIC



Est. GDP per capita USD 4,784



Gold mining, oil extraction, agriculture and tourism



Local and foreign partnerships encouraged by government



15 million ha of forests covers 93% national territory

# 2015 - 2021

- Low GDP growth
- High inflation
- Decline in purchasing power
- More than 50% deterioration in the balance of payments
- Increased debt burden of more than 80% of GDP
- Disruption of monetary stability

**Economic recession**

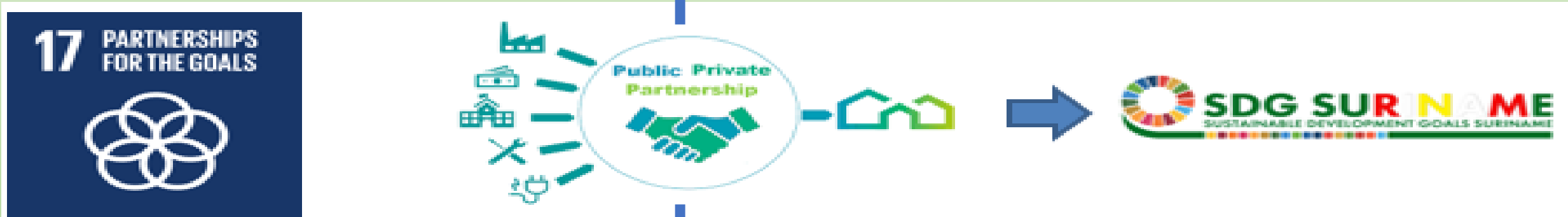
**IMF program**

- Strict reform program
- Recover the government budget
- Planning and monitoring system
- Improve the monetary economy with support of loans from IMF to level up the monetary

- Climate footprint
- Upscaling by partnership
- Value chain
- Centuries of experience with woodworking/ wood building materials

**Opportunities**

# Suriname's approach to SDGs



# Government strategy

## Goals

Economic growth and diversification using our natural resources

Protect the environment

Support value added agriculture, forestry sectors and tourism

## National Approach

Increase access to finance for small-scale industrial and other enterprises

## International Approach

Attract Surinamese diaspora community (approx. 310.000) in terms of investments, technical assistance, knowledge sharing

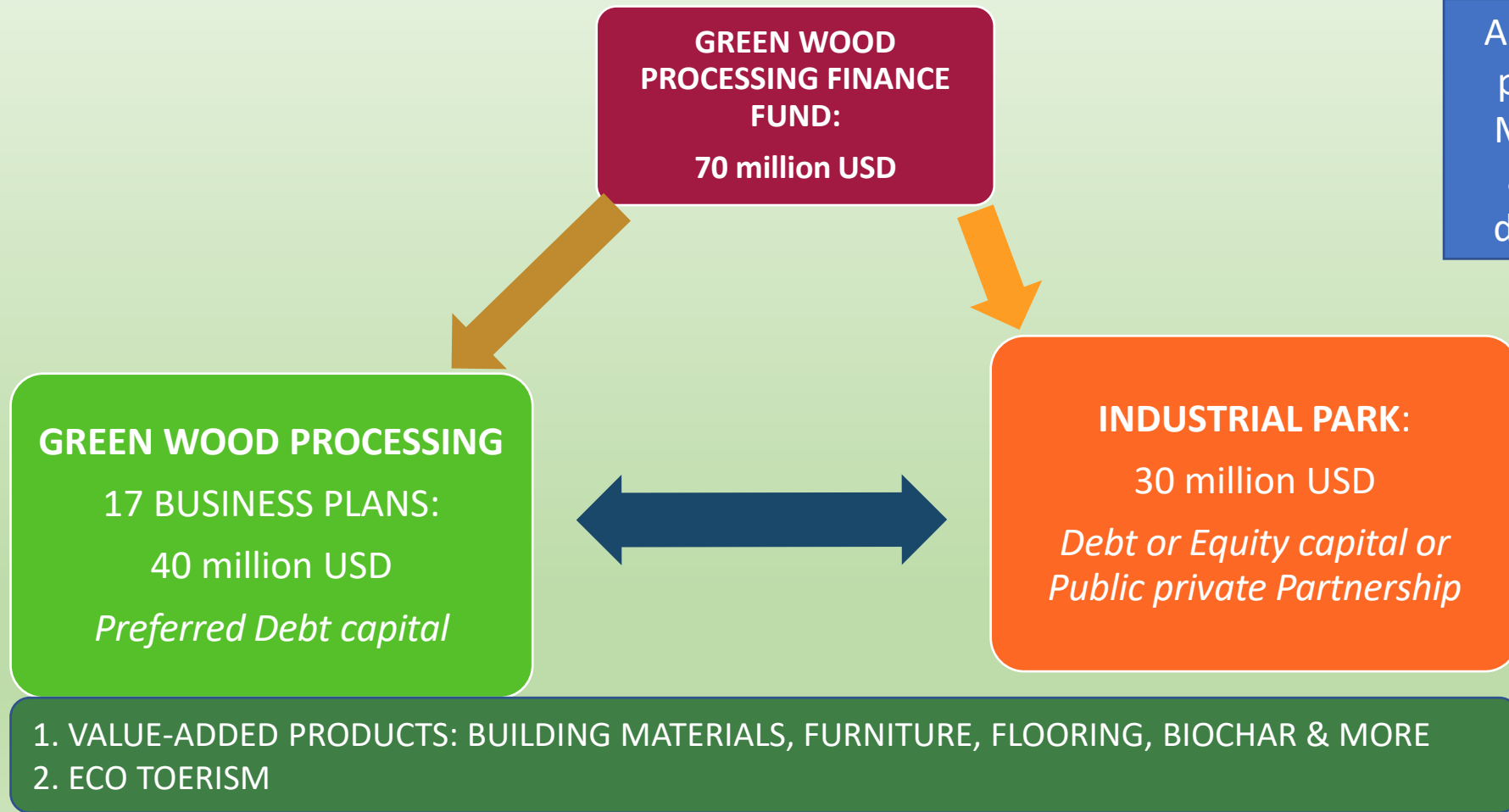
Make the business and investment climate attractive for Foreign Direct Investment

## Incentives

The government supports this initiative by providing an area for an Industrial Park



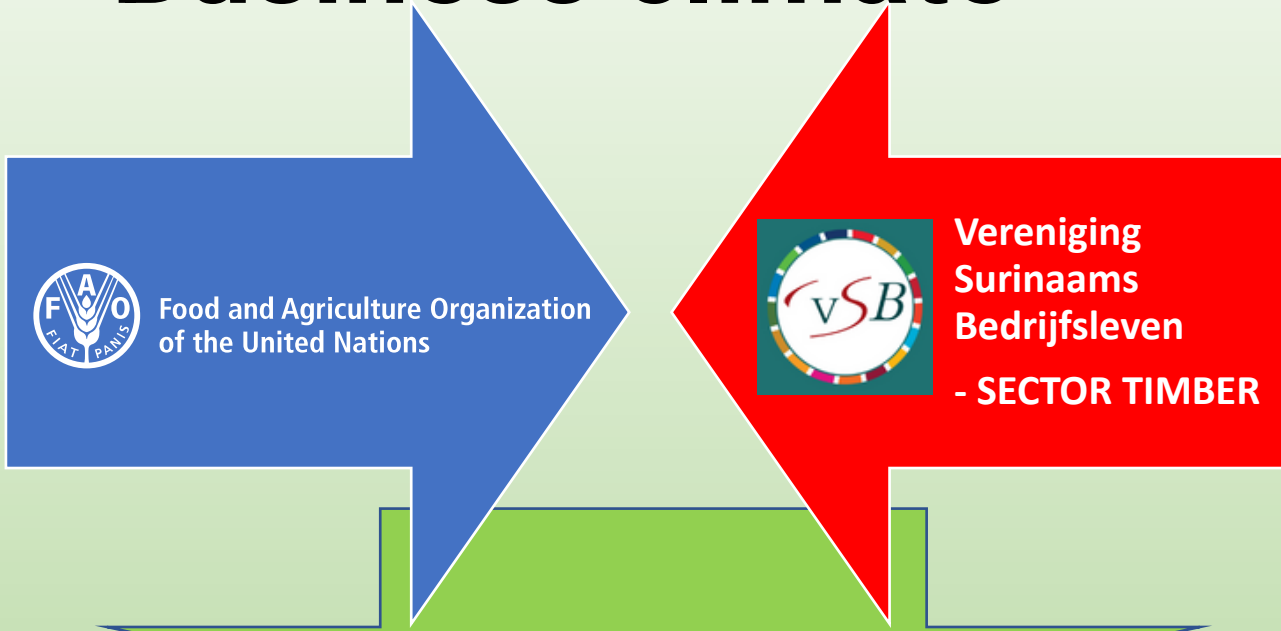
# Executive Summary



All projects are bankable and profitable. CAPEX is USD 70 Million, Payback period, IRR and NPV are elaborated in detail in the following slides

- STAKEHOLDERS:**
- Suriname Business Association (VSB)
  - Business owners/ investors
  - National Development Bank (NOB)
  - Government of Suriname

# Business climate



## FOREST FINANCE STRATEGY:

- REDUCE ROUND WOOD EXPORT
- USE SAME AMOUNT TO PROCESS LOCALLY (SUSTAINABLE)
- TURN WASTE INTO NEW PRODUCTS
- ADD NON TIMBER FOREST PRODUCTS & ECO TOERISM
- IDENTIFY LOCAL COMPANIES WHO WANT TO INVEST

## RESULT:

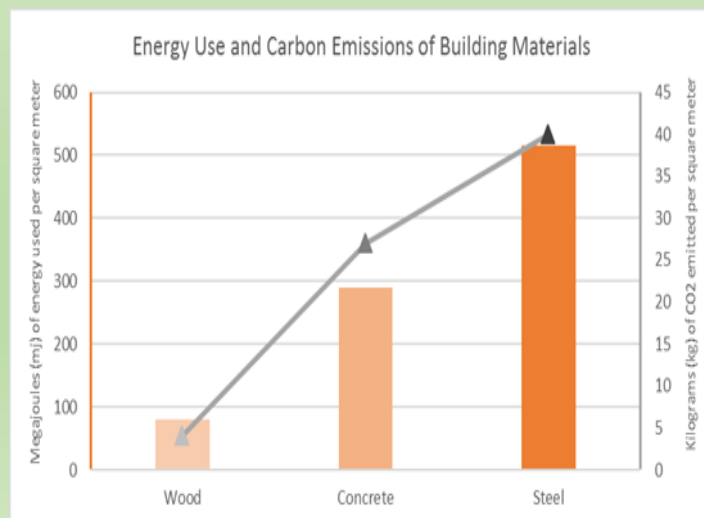
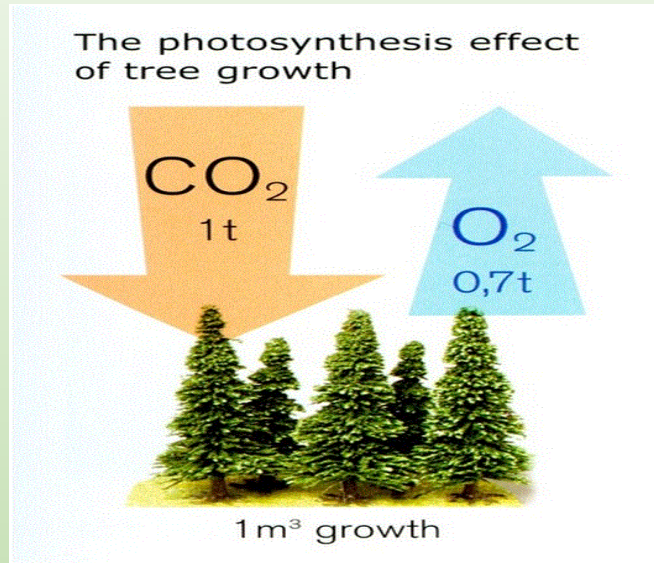
Green wood processing finance funding:  
Total investment 70 million USD

- 1. Green Wood Processing - 40 million USD**
  - Preferred Debt Capital
  - 17 business plans by local businesses divided in 3 categories:
    - Wood processing (value added products)
    - Eco or nature tourism (wellness resorts)
    - Non-Timber forestry products (acai, soaps, jewelry, etc.)
- 2. Industrial Park - 30 million USD**
  - Debt or Equity capital or Public private Partnership
    - Wood processing on 1 location for sustainable and efficient processing
    - All waste in 1 location and make waste a new product



# Business climate

## Why the use of wood is GREEN for the climate and Suriname



The HIGH potential of value-added revenues from wood

Product	Price per m <sup>3</sup>
Round wood value at Export	218
Price for rough sawn wood	233 or 280
Wood planed and dried	291 or 350
Value in a piece of furniture ( a table)	2910 - 3500
Wallaba decking ( outside flooring)	1863

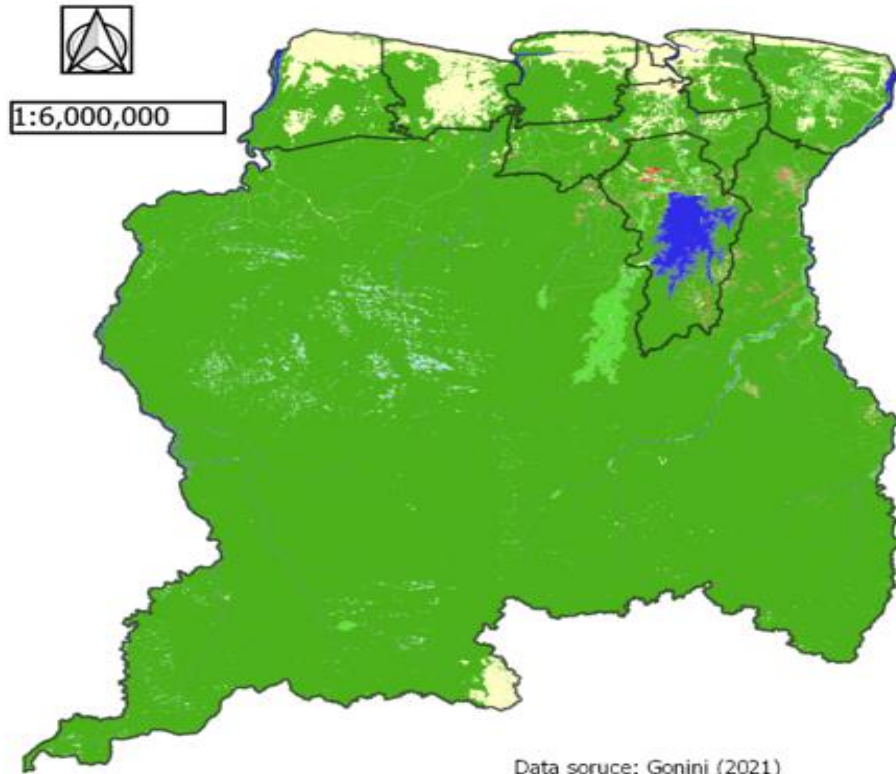
➤ STARTING POINT: Decrease export on logging, increase local wood processing to add value with same m<sup>3</sup> production!

Ideal material for a circular economy

# Business climate

## Market growth forecast

**SURINAME MAP<sup>1</sup> OF TREE COVER AND 20 YEAR DEFORESTATION<sup>5</sup>**



Data source: Gonini (2021)

Area:	16,38 million ha
Forest coverage:	93% (15,1 million ha)
Forest loss:	0,04% per year (1,2% from 1990 – 2020)
Forest ownership:	Public
Forest Management:	SBB (Suriname Forest Manag.)
Logging concessions area:	2 million ha
National wood production:	+/- 1 million m <sup>3</sup>
Sustainable wood logging:	Sustainable Forest Management system

# Project Overview

## Business case

Project 1: FUND for Green Wood Processing- 40 Million USD

#Companies	Description	Investment (USD)
13	Wood sector	26,717,500
3	Eco tourism	12,560,000
1	Non-timber forest products	778,000
<b>17</b>		<b>40,055,500</b>

Description	Wood sector	Eco-tourism	NTFP
Investment need	USD 187,000 - USD 4,860,000	USD 2,560,000 - USD 5,400,000	USD 778,000
Average Rate of return (ARR /ROI)	7% -80%	3% -30%	147%
Internal rate of return (IRR)	6% and 153%	7% and 34%	138%
Net present value	USD 336,744 - USD 4,467,513	USD 2,685,512 - USD 7,000,000	USD 347,755
Payback period	8 years	8 years - 15 years	5 years



Project 2: FUND for Industrial Park, production facility  
30 million USD

Financial plan: Depends on corporate structure  
Debt or Equity capital or Public private Partnership

# Project Overview

## Business case Project 1



### Wood processing companies:

- Furniture, chairs, tables, wall furniture, doors
- Planking, flooring
- Sawmill and upgrading sawmills
- Pre fab houses

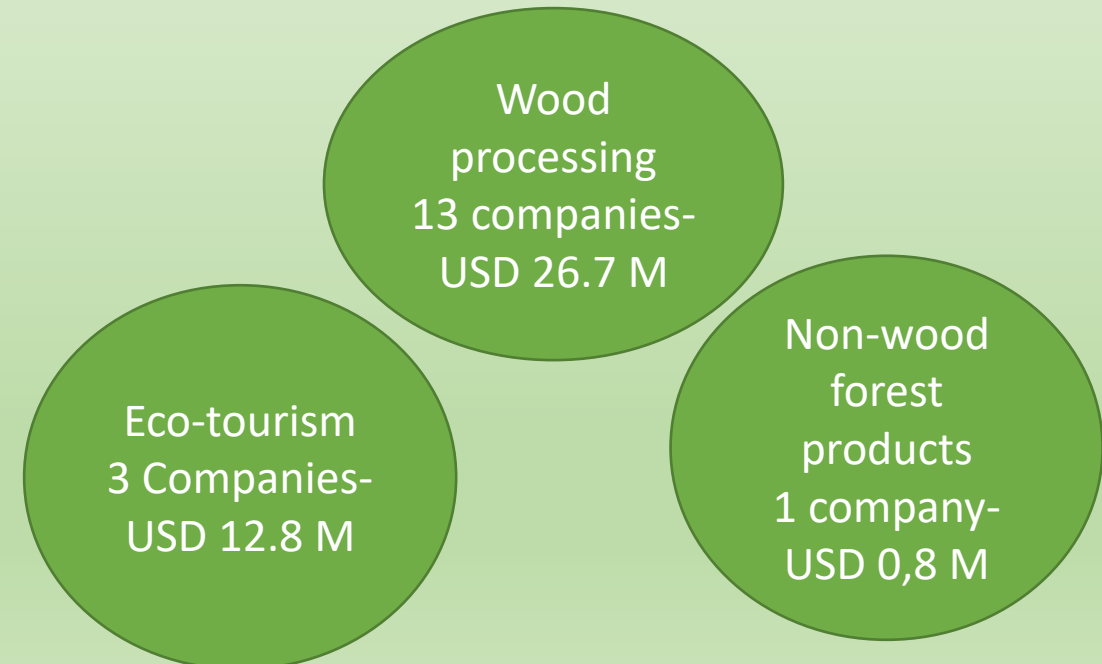
### Eco-tourism:

- Wellness resorts
- Lodges

### Non wood forest products:

- Acai, nuts
- Herbal soaps
- Cosmetics
- Jewelry

Project 1: All 17 business cases are worked out in detail by FAO consultants



# Project 1 Illustration

## Branche 1: Wood processing



13 companies-  
USD 26.7 M



# Project 1 Illustration

## Branche 2: Eco -tourism



3 Companies-  
USD 12.8 M



# Project 1 Illustration

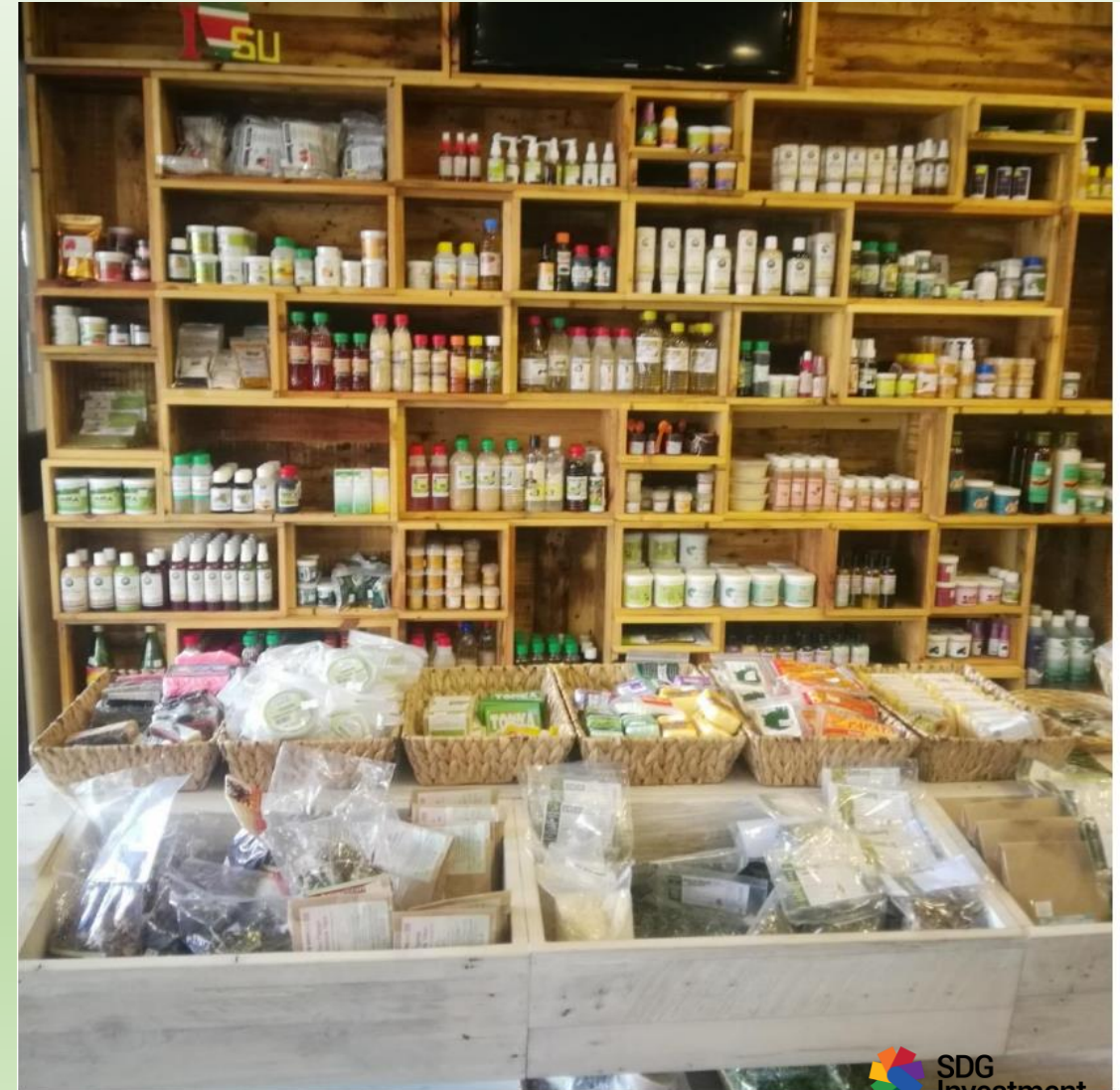
## Industry 3: Non-timber forest products



1 company-  
USD 0,8 M



<p><b>Hoepel oil</b></p>	<p><b>Names</b></p> <ul style="list-style-type: none"> <li>• Scientific: Copaifera</li> <li>• Common: Copaliba</li> <li>• Suriname: Hoepel</li> </ul> <p><b>Description</b></p> <ul style="list-style-type: none"> <li>• International market name: Copaliba oil</li> <li>• It is derived from the sap of the copaiba palm tree. The Amazon region is the main supplier.</li> </ul>	<p><b>Krappa Oil</b></p>	<p><b>Names</b></p> <ul style="list-style-type: none"> <li>• Scientific: Carapa</li> <li>• Common: Andiroba</li> <li>• Suriname: Krappa</li> </ul> <p><b>Description</b></p> <ul style="list-style-type: none"> <li>• International market name: Andiroba Oil</li> <li>• It is the extracted oil from the seeds of the Andiroba canopy tree</li> </ul>
<p><b>Mauritie Oil</b></p>	<p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Bactericide</li> <li>• Analgesic</li> <li>• Wound-healing</li> <li>• Anti-inflammatory</li> </ul>	<p><b>Ingi noto</b></p>	<p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Skin care</li> <li>• Pain relief</li> <li>• Insect repellent</li> <li>• Hair strengthener</li> <li>• Analgesic</li> <li>• Anti-inflammatory</li> </ul>
<p><b>Brazil Nut Oil</b></p>	<p><b>Names</b></p> <ul style="list-style-type: none"> <li>• Scientific: Mauritia Flexuosa</li> <li>• Common: Buriti</li> <li>• Suriname: Mauritie</li> </ul> <p><b>Description</b></p> <ul style="list-style-type: none"> <li>• International market name: Buriti oil</li> <li>• This oil is extracted from pulp of the Buriti fruit. Buriti fruit oil is rich in omega fatty acids and it has a lot of vitamin A. A high level of carotenoids gives this oil a red color.</li> </ul>	<p><b>Brazil Nut Oil</b></p>	<p><b>Names</b></p> <ul style="list-style-type: none"> <li>• Scientific: Bertholletia excels</li> <li>• Common: Brazil Nut Oil</li> <li>• Suriname: Ingi noto</li> </ul> <p><b>Description</b></p> <ul style="list-style-type: none"> <li>• International market name: Brazil Nut Oil</li> <li>• The Brazil nut is a three-sided nut with white meat or flesh 65-70% of oil can be extracted from the nut which makes it easy to work with and durable.</li> </ul>
<p><b>Brazil Nut Oil</b></p>	<p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Rich feel on skin</li> <li>• Rich essential fatty acids promote hair health</li> <li>• Good for sensitive skin</li> <li>• UVA absorption properties</li> <li>• Decolorized option available</li> </ul>	<p><b>Brazil Nut Oil</b></p>	<p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Rich in protein</li> <li>• Hair growth</li> <li>• Hair strengthening</li> <li>• Anti-dandruff</li> <li>• Skin care</li> <li>• Cooking</li> </ul>



# Project Overview

## Business case Project 2





# Investment details



Break down of 1 financial case study of the 17 companies

## BREAKDOWN BUSINESS CASE 2023-2029

- Capital: USD 1,990,000
- Average turnover: USD 4,289,520
- Average profit: USD 315.306
- Debt coverage ratio: 155%
- Accounting Rate of Return/  
Return On Investment: 15,40%
- Net Present Value: USD 954,345
- Internal Rate of Return: 14,60%



**CONCLUSION:**  
Payback within 6 years  
(USD 1,990,000 at a market rate of 5%)

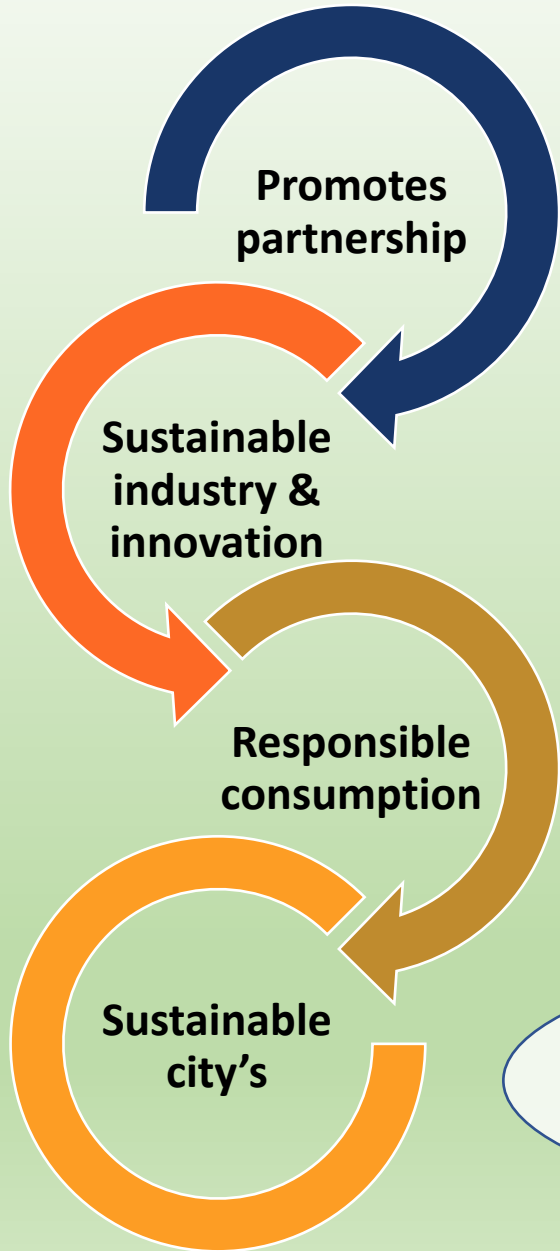
# Investment details



**Industrial Park  
USD 30 M**



**MULTI STAKEHOLDERS  
APPROACH  
(Public Private Partnership)**



# SDG Alignment



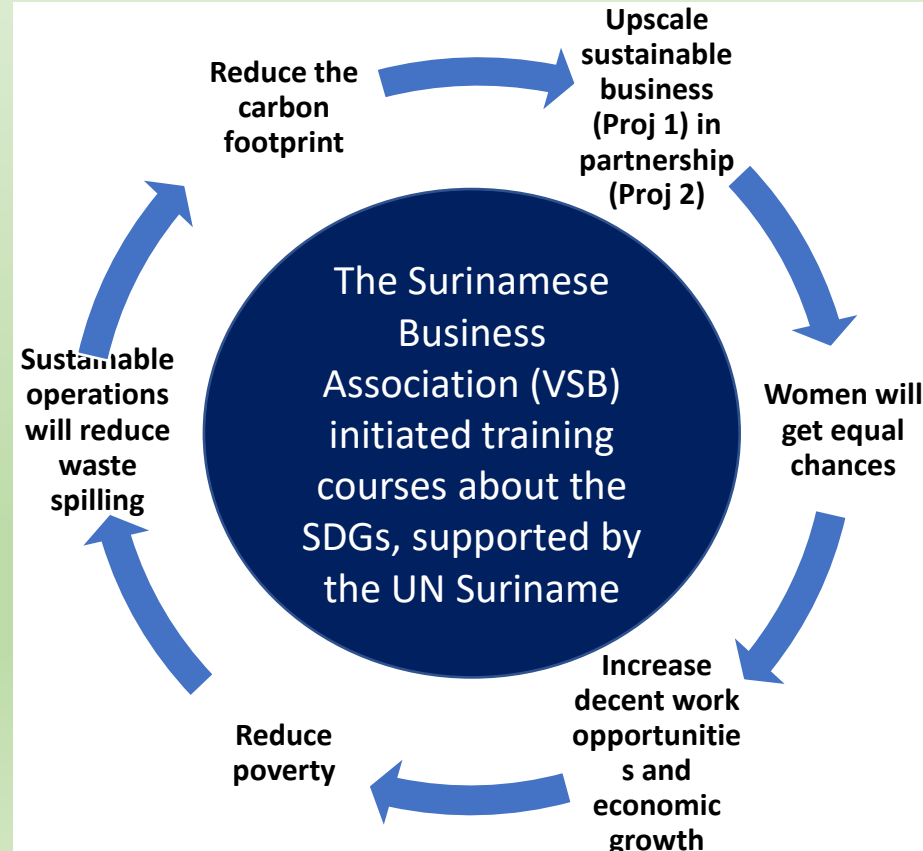
Increased exports and tourism

Increase Foreign and Local currency income of the Gov

Decrease foreign currency rate

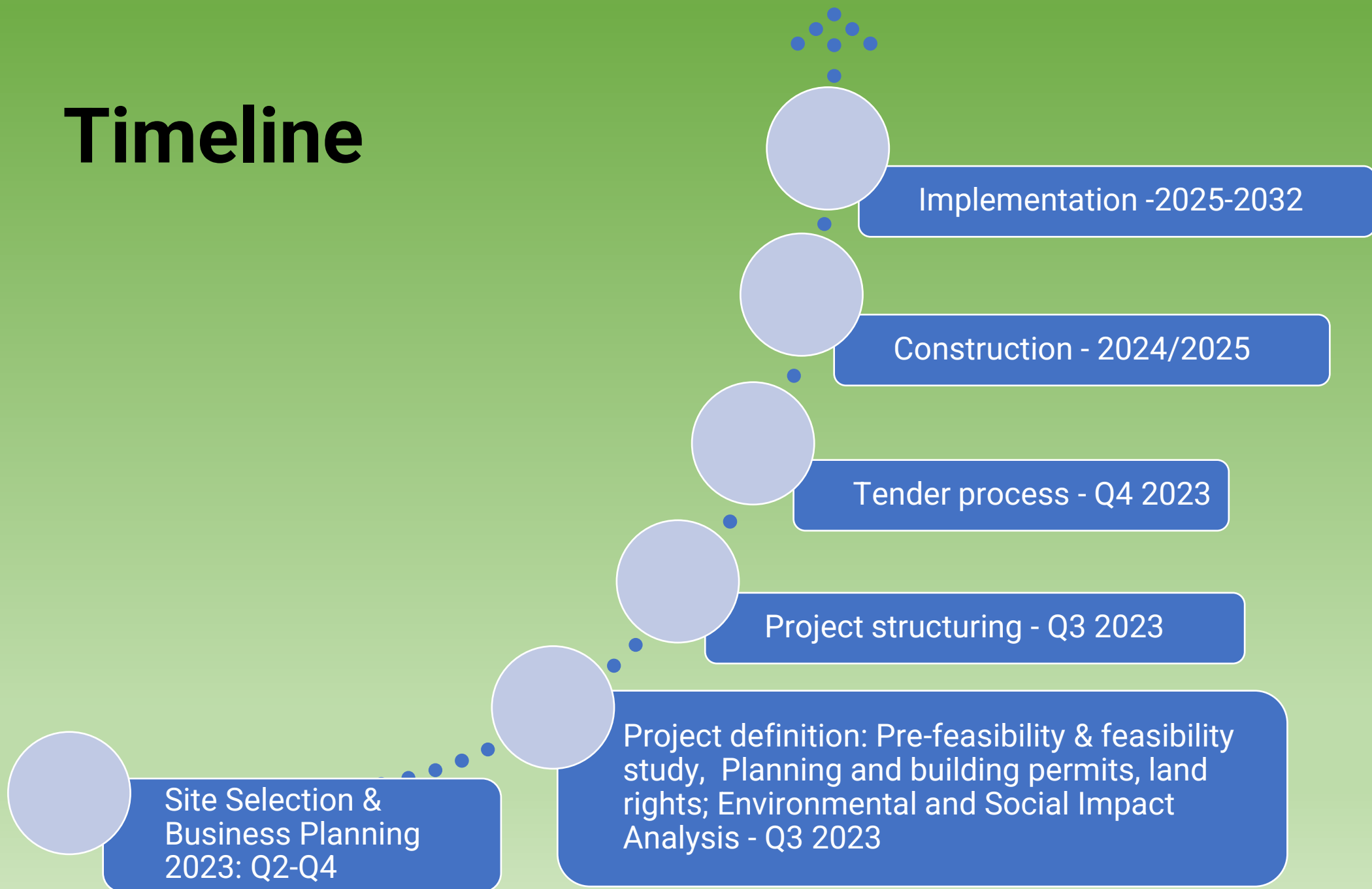
Decrease prices & increase living standard

Increase welfare population



Source: <https://statistics-suriname.org/wp-content/uploads/2022/08/VNR-2022-Suriname-Report.pdf>

# Timeline



# Key takeaways



## Industry park

- **Finance of USD30 Million** for the Industry Park for a centralized processing area that will assure sustainable operations.
- Finance requested: Debt, Equity or Public Private Partnership, profit based
- Government land available

## Green Wood Processing

- **Finance of USD 40 Million** for value added production, eco tourism and non-wood forest products.
- Finance requested: Debt but other options are negotiable.
- Financial details of the 17 projects are in the range:
- CAPEX total: 0.2-5 Million USD
- IRR: 6-150%
- NPV: 350.000-7.000.000
- Payback: 5-15 years
- .

The projects of Green Wood Processing Finance Fund can be financed individually or together.

All projects will be managed by experienced entrepreneurs and contribute to reach the SDG goals.

No single country can face the global challenges alone, partnerships become inevitable

# Thank you

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