



## SOLAR ENERGY — OPPORTUNITIES IN SURINAME

### Solar Energy Project in Suriname

A large scale solar development has been planned for Suriname. The project will involve the installation of 5MW capacity of solar panels to supply seven large villages in the upper reaches of the Suriname river. The project will serve 2,500 households and 15,000 residents, based on an average consumption of 300 watts per household per day. Given the geographical distribution of people in and around the villages, the project will involve both centralized areas where solar panels are installed as well as solar panels on individual houses.

There is a strong demand for this project. The people in the interior of Suriname have never enjoyed 24 hours of electricity and all the individual and community advantages that this facility provides. People in the coastal areas have these advantages, which consist of access to information, refrigerated storage, development of small enterprise, etc. Access to 24 hour electricity will allow the local population to find social and commercial solutions within their own environment. The project will be subsidised by the Government of Suriname, with the end users only paying for the operational cost of the project. The local population will be trained to do maintenance and simple repairs, but the oversight will be done by a government agency.

The project will require US\$20m investment, of which 15% will be provided by the Government of Suriname and the remaining 85% is being sought in the form of a loan from a foreign investor. The term of the loan would be 15 years with a 4% interest rate.

### Solar Energy Market in Suriname

- ❖ Suriname has ideal environmental conditions for the use of solar as an energy source. The country receives large amounts of sunlight, with an average of 7.2 hours of sunshine per day<sup>1</sup> and an average daily solar irradiation of 5 kilowatts per square metre<sup>2</sup> (measurements taken at the capital of Suriname, Paramaribo).
- ❖ The nation has a population of 553,000 which is predicted to reach 700,000 by the end of 2030<sup>3</sup>. Much of the rural population is isolated and not connected to the national grid, making renewable energy sources, such as solar, the most practical form of electricity supply.
- ❖ Population growth combined with continued activity in Suriname’s extractive industries and economic growth and development through diversification will ensure continued growth in energy demands.
- ❖ Suriname, as a member of the Caribbean Community (CARICOM) has a target of 20%, 28% and 47% renewable electricity generation to be reached by 2017, 2022 and 2027 respectively emphasising the countries commitment to renewable energy investment.



### Testimonials

*“KPMG sees Suriname as a country full of potential. Suriname has proven to realize economic growth while the world was in the financial and economic crisis. There are all the ingredients to accommodate long term growth: abundant natural resources, safe working environment, improving investment climate and a motivated and skilled workforce.”*

Victor Bergisch, Managing Director of KPMG Assurance Services N.V.

<sup>1</sup> World Climate Guide

<sup>2</sup> Renewable Energy System Design Tool: Solar power calculator

<sup>3</sup> fDi Intelligence from the Financial Times based on Population Reference Bureau World Population Data Sheet

## Incentives

Suriname offers a wide range of incentives for foreign investors. These include:

- ❖ Tax based incentives under the Suriname Investment Act include a nine year tax holiday that can be extended for an additional year for large investments of at least US\$ 13 million: results in reduction of corporate income tax, accelerated depreciation on assets: results in an extension of corporate income tax, or tax consolidation which results in reduction of corporate income tax due, if any.
- ❖ In terms of non-tax incentives a license can be granted by the authorized institution regarding the repayment of the equity capital obtained from abroad to finance the investments as meant in this act, the payment of profit and/or dividend, the payment of interest and amortization for money borrowed from abroad to finance investments as meant in this act, and the payment of remunerations for management, technical assistance, knowhow, patent and such.
- ❖ Licenses will also be granted to investors by the authorized institution for residence and settlement of foreign personnel, occupation of foreign personnel, establishment of a company and import and export of goods and services

## Contact IDCS

Mr. Imro San A Jong

Deputy Director

Investment and Development Corporation Suriname

Brokopondolaan 97

Paramaribo

Suriname

Email: [imro.sanajong@idcs.sr](mailto:imro.sanajong@idcs.sr)

Phone: +597 494 386