SURINAME

By J. M. Harris
Peter W. Harben Inc. Mineral Consultancy

Bauxite mining, refining, and smelting have been the principal industrial activities in Suriname, and the bauxite industry accounts for more than 15% of GDP and 70% of export earnings. South America has about one-third of the world's bauxite resources and Suriname has ranked among the top ten bauxite sources, with annual production in the 4 Mt range and estimated reserves at 600 Mt. Suriname Aluminum (Suralco), an Alcoa subsidiary, and Billiton Maatschappij Suriname (BMS) dominate; their Paranam refinery, operated as a joint venture between Suralco (55%) and BMS (45%) with Suralco the operator, produces 1.6 Mt/y of alumina. The total ore reserves of BMS's mining joint venture are 21.6 Mt, grading 53% available alumina and reactive silica of 4.9%; of these, 19.3 Mt, grading 53.1% available alumina and 5% reactive silica are contained in the Lelydorp III deposit. Reserves at the latter are estimated to be adequate to maintain operations at a production rate of 2.2 Mt/y until 2006 and a feasibility study of a government-owned identified resource in the Bakhuis Mountains, about 200 km west of current operations, is being undertaken in order to continue to source bauxite locally.

Suriname shares the rich Guiana Shield with its neighbours and gold mineralisation similar to that of Guyane. Every month the gold sector provides US$25 million to the economy, but more than US$20 million is in the informal sector. A lot of French francs are also in the black market so gold is being smuggled into Guyane. Canarc Resources has found several gold prospects on the Sara Kreek property over the past six years In 1999, production by increased 10% at the Sara Kreek mine; production in 1998 jumped 36% to 9,500 oz gold from the small, open-pit placer mine and the property produced over 500,000 oz gold historically. Currently, however, Canarc reports that not much is happening in Surinam – it is continuing to mine gold at Sara Kreek's operation but is just breaking even and has had much more success in Mexico lately.

In the meantime, Canarc is waiting patiently for the government to resolve issues at the Benzdorp property, where exploration results in this historically most prolific gold-producing region in the country have confirmed the potential for a major new gold discovery.

Golden Star Resources and Cambior have been joint venture partners at the Gross Rosebel gold property, 80 km south of Paramaribo, but last year changed development plans in view of sustained low gold prices. An initial independent scoping study at the project demonstrated the possibility for a 5,000 t/d heap-leach operation based on a resource of 9.8 Mt grading approximately 2.4 g/t Au (calculated using a US$200/oz gold price) at a waste-to-ore ratio of approximately 1.4, but more work will be required to define a development option.

Vancouver-based Blue Ribbon Resources holds the Bemau, Toeboeka and Dijon concessions in the Saramacca River region and the Wetiedede concession in eastern Suriname as well as the Lawa gold concession. Savanna Resources has also been exploring two gold properties with rights covering over 87,000 ha of land within the eastern main gold bearing greenstone belt.

A small oil industry produces heavy, sweet crude oil at the rate of about 5,000 bbl/d from the Tambaredjo and Borneo fields by the state oil company, Staatsolie; proven reserves are 25 Mbbl with an additional 40 Mbbl as probable reserves. Last year crude oil ouptut at Tambaredjo, where substantial seismic studies have been undertaken, was expected to increase to 7,500 bbl/d. Some of it finds its way to the Pointe-a-Pierre refinery in Trinidad & Tobago. Staatsolie's exports mainly consists of crude to Trinidad as well as some to Guyana and Barbados. This has been a turbulent time for the company. Beside the opening of a refinery and a substantial increase in production, several attempts were made by the government to sell it to foreign investors which has led to many protests, and the dismissal of the Director of Staatsolie led to massive spontaneous demonstrations by the labour unions, employers organisations and the combined opposition The latter, which represents 25 of the 51 seats in parliament, also presented a proclamation to the government stating that as soon as it regained power in government it would annul all deals made without the consent of the Staatsolie management. After a month-long strike the court annulled the dismissal of the director, Dr S. E. Jharap, but apparently government efforts to sell the company continue. In the meantime, in the next five years, 17 open offshore areas will be offered in different rounds to the international community. A total of US$9 million have been invested to map the first six open offshore areas through recent seismic research. These areas will be open for bidding, some kind of contracting out, between November 2001 and May 2002.

This former Dutch colony, which only became an independent republic in 1975, has depended on its exports like bauxite, alumina, and aluminium as well as timber and foodstuffs which have contributed to a an aggregate GDP of some US$600 million or US$1,400 for each of its only 450,000 people, an interesting mix derived from Dutch colonisation, the early importation of African slaves and later indentured labourers from India and Indonesia. Ecotourism and its related concerns have also played increasing roles in the country which has given permanent protection to the 1.6 Mha of untouched tropical forests in its dense interior. An asphalting project to improve the state of the roads and traffic is on schedule and 65 km of 270 km have already been finished; priority is being given to those roads which run from and to the centre of Paramaribo.

Development and the sourcing of investment have been an issue and Suriname has just hosted a Dutch Parliamentary mission to discuss development between the two plus the IMF, World Bank, and Standard & Poor's have been visiting as well. The country, which has started paying off its debts with multilateral institutions, needs responsible monetary and fiscal policies and is still recovering from government monetary expansion two years ago which increased inflation.