

Explanatory note on the preliminary update of the Gross Domestic Product 2022-2024

Based on the new series of the Gross Domestic Product for the period 2015-2021, produced by the General Bureau of Statistics in August 2022, The National Planning Office presents an updated version of GDP by sectors for the period 2022-2024. These calculations are also based on data collection for 2022 and assumptions on prices and production growth for the period 2023-2024.

Real economic growth at market prices (2015=100) for 2022, 2023 and 2024 is estimated at 2,1%; 2,4% and 3,3% respectively. The economy is expected to recover in 2022 by 2,1%, following a decline in real growth rate of 2,7% in 2021, due to the COVID-19 pandemic. The positive real growth in 2022 is the result of production increase of the oil sector by 0,4% and the non-mineral sector by 3,0%. The real growth rate for 2023 and 2024 of 2,4% and 3,3% respectively, is the result of production increases in the mineral and non-mineral sectors.

The following is a more detailed explanation on the contribution of selected sectors in the growth forecast.

Agriculture, forestry and fishing

This sector is estimated to grow by 1% in 2022, due to production increases of paddy by 5% and forestry. The fishery sector is estimated to drop by almost 5,5%. The production of bananas is assumed to remain at the production level as of 2021. In 2023 the production of Agriculture, forestry and fishing is predicted to decrease by 0,3%, as a result of a drop in the production of the subsector fishery by 5,6%. Paddy production as well as forestry is expected to increase by 5% and 6% respectively. The real growth rate of Agriculture, forestry and fishing in 2024 is forecasted to increase by 3%, due to an increase of paddy production as well as forestry by 5% and 11%. The banana production is expected to remain at the level of 2021 for the period 2023 as well as 2024.

Mining and quarrying (extraction)

In this sector production of gold ore and crude oil are taken into account.

The Mining and quarrying sector is expected to decline in 2022 as well as 2023 by 0,8% and 0,2% respectively, as a result of a drop in the production of gold ore by 5% and 0,5% respectively. Real growth rate of Mining and quarrying is expected to be at 2,3% in 2024, due to a rise in the production of gold ore. Crude oil production is expected to increase by 0,3% on average during the period 2022-2024.

Manufacturing (inclusive milling and refining)

The manufacturing sector is expected to decline in 2022 by 1%, due to production decreases of gold by 0,3%; rice by 35% as well as fishery by 5,5%. Wood processing is expected to grow by 14%. For 2023 and 2024 the real growth rate of the Manufacturing sector is projected at 1,8% and 0,6%, due to production increases of gold by 3,5% and 1,2% respectively. An increase in the production of rice will also contribute to the real

growth rate of the manufacturing sector in 2023 and 2024, while the production of oil refinery products remain at the level of 2021. Wood processing is expected to decrease by 7% on average during 2023, 2024.

Electricity, gas, steam and air conditioning supply

Due to lack of data for this sector for the period 2022-2024, the assumption is that production will remain at the level of 2021.

Water supply; sewerage, waste management and remediation activities

Also due to lack of data for this sector for the period 2022-2024, the assumption is that production will remain at the level of 2021.

Construction

The growth rate of the construction sector in 2022 is estimated at 3,5%, due to an increase of the import of building materials. For the next two years, it is expected that this sector will continue growing by 3,4%(2023) and 6,3%(2024), due to investments in infrastructure and housing projects, and in anticipation of the oil and gas developments.

Wholesale and retail trade; repair of motor vehicles and motorcycles

It is forecasted that this sector will grow in 2022, 2023 as well as 2024 by respectively 2,5%; 2,1% and 4%, as a result of higher imports due to an increase in economic activities.

Accommodation and food services activities

The real growth rate of this sector for 2022, 2023 as well as 2024 has been predicted at 12% on average, as a result of an increase in activities in this industrial branch.

Transport and storage

The transport sector is projected to increase by 1% on average in the period 2022-2024, assuming higher performance in economic activities.

Information and communication

The growth of the sector information and communication is forecasted at approximately 5% for 2022, 2023 and 2024, as a result of positive developments in the area of telecommunication.

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