

**Closing Remarks  
by the  
Governor of the Central Bank of Suriname**

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**On the occasion of the seminar  
“Migration and Development in Suriname; Mobilizing Financial and Business  
Know-How Resources Generated through Migration”**

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Distinguished guests and participants of this seminar, good afternoon. It gives me great pleasure to be with you this afternoon and to address you at the closing of the workshop that had its main focus on mobilizing financial and business know-how resources generated through migration

I must say that the decision of the Ministry of Foreign Affairs and the International Organization for Migration to hold this workshop here in Paramaribo is very timely. When things go well, we tend to take everything for granted; that is human nature. It is in challenging times however, that we come to realize the value of certain developments. It is in particular during the past few years that we again came to acknowledge the importance of remittances to our economy. Transfers from migrants to relatives over here are beyond doubt significant contributors to our economy. I therefore thank

the International Organization for Migration for the support and congratulate the Ministry of Foreign Affairs for taking the lead in hosting this event.

Ladies and gentlemen,

Most countries in the world are confronted with some form of inbound or outbound migration. Large migration flows nowadays are a tragic result of among others economic hardship and adverse political circumstances. We see many moderately to highly skilled persons seeking better income and educational opportunities overseas; especially in more developed countries.

In early years, the outbound migration of highly skilled persons was often depicted as **brain-drain**, **brain-waste** or even **brain lost**, primarily highlighting a situation of permanent loss to society of highly educated and skilled people.

Indeed, I must admit that we are confronted with that reality. However, what we also should continue to recognize is the importance of the support of the group of people who have physically left us but never detached themselves from our societies. Through remittances they indirectly support government policies as they relieve pressures on social spending. They also provide for a source of foreign exchange revenues while their bond with our societies assists in many other ways as well if we consider inter alia investments, innovation, brain-gain, knowledge transfers and technological and financial spillovers. I thus cannot keep myself from reiterating the timelines of this workshop as it

was, to my understanding, aimed at guiding and institutionalizing mobilization of inflows from abroad generated through migration. We should consider these inflows as capital in a broad concept that includes financial, human and business or entrepreneurial assistance.

Ladies and gentlemen,

As I represent an organization, which plays a pivotal role in collecting and analyzing quantitative data in relation to transactions between people in diaspora and Suriname as their country of origin, I would like to zoom-in a bit more on remittances and its implications for the financial sector and economic development.

As you all know the exact level of support through remittances is always hard to determine. Based on official statistics I can inform you as follows.

For the past decade, personal transfers through formal channels (e.g. Banks and Money Transfer Houses) on average contributed sufficiently to the current account of the balance of payments. The value of personal transfers inflows to Suriname is registered to be on average US\$ 95 million in the last four years, while the value of personal transfers outflows from Suriname are on average US\$ 65 million. In 2016, personal transfers inflows amounted 2.8 percent of Suriname's gross domestic product. Therefore, it provides a crucial financial

lifeline for many citizens and (small) businesses. As many other Central Banks, also the Central Bank of Suriname is struggling to capture the full coverage of remittances flows to Suriname. We continuously strive to improve the coverage of remittances, in particular because of the fact that there are strong indications that the level of under reporting is very significant. Statements have been made, for instance, that inflows amount far over US\$ 200 million annually.

Most of the remittances come from countries like the Netherlands, Belgium, the United States, French Guyana and the Netherlands Antilles. These are countries, where most of the diaspora of Suriname is situated. These remittances are often channeled through money transfer houses and commercial banks, but also through informal channels.

In our efforts to promote the support from our diaspora, there are a number of challenges that should not be under-estimated.

One such challenge is to find innovative and more cost-efficient ways to provide financial services as well as to expand the network of our financial institutions. Their infrastructure needs to be upgraded to reach an even greater number of the Surinamese diaspora and beneficiaries in urban and

rural areas. In order to lower transaction costs, remittance services providers should consider the adoption of a platform of advanced systems and new technologies such as internet/on-line banking, phone banking and short messaging. In Suriname these innovative systems are in their early stages of development. To promote the efficient delivery of competitively-priced remittance services by banks and non-banks, the Centrale Bank van Suriname is aware of the role it has to play in encouraging financial institutions to provide more competitive transfer costs and to increase their transparency in this regard a bit more

In addition our banks and non-banks should be more involved in the national effort to encourage the diaspora and their beneficiaries to channel a larger part of their funds through local banks and in so doing linking this to microfinance and small enterprise financing.

Let me assure you that a goal of the Bank is to contribute to an improved remittances system based on transparency, efficiency, security and fair prices aimed at creating a full range of banking services that can be offered to diaspora and their families. An essential part of realizing this goal is to ensure the integrity of these financial institutions by enforcing the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) legislation and

regulation and addressing the strategic deficiencies in our regulatory and supervisory framework.

Ladies and gentlemen,

Touching on AML and CFT issues, I should highlight a dark cloud that is hanging over our heads. That phenomenon that is referred to as de-risking is becoming more and more a challenge for developing nations like ours. From within the region concerted efforts are being made to tackle this problem that already has significantly affected most of our economies.

I'm delighted to mention here that Suriname has made great progress in the development of its AML/CFT framework. It is because of this achievement that the CFATF has reported to the international community that we are doing fine and that we have successfully exited the so-called third round of examination. I kindly refer you to the website of the CFATF; link:

<https://www.cfatf-gafic.org/index.php/documents/cfatf-public-statements/8160-public-statement-and-notice-of-exiting-the-follow-up-process-xlv-plenary-meeting-may-2017/file>

Ladies and gentlemen, the Bank recognizes the valuable contribution of the diaspora and applauds the intensified efforts of the Government to unlock the diaspora potential for the further development of Suriname

We are therefore looking forward to more workshops like these to help us improve faster and to provide more cost-efficient services to our diaspora that can boost economic development and stability, lower poverty and enhance the well-being of our society.

I would like to now close my presentation with the following statement of **Dilip Ratha**: a Lead Economist and Manager of the Migration and Remittances Unit in the World Bank.

“Remittance flows tend to be more stable than capital flows, and they also tend to be countercyclical—increasing during economic downturns or after a natural disaster in the migrants’ home countries, when private capital flows tend to decrease”

Thank you so much for your attention.