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Système Economique  
Latinoaméricain et Caribéen



# Overall situation on SMEs capacities in Suriname

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**Chair Suriname Business Forum**

## Intra-Regional Relations

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# Overall situation on SMEs innovation capacities in Suriname



**Suriname Business Forum**  
**Mr. Ferdinand Welzijn**  
**Chair**  
**April 11<sup>th</sup> – 12<sup>th</sup>, 2013**

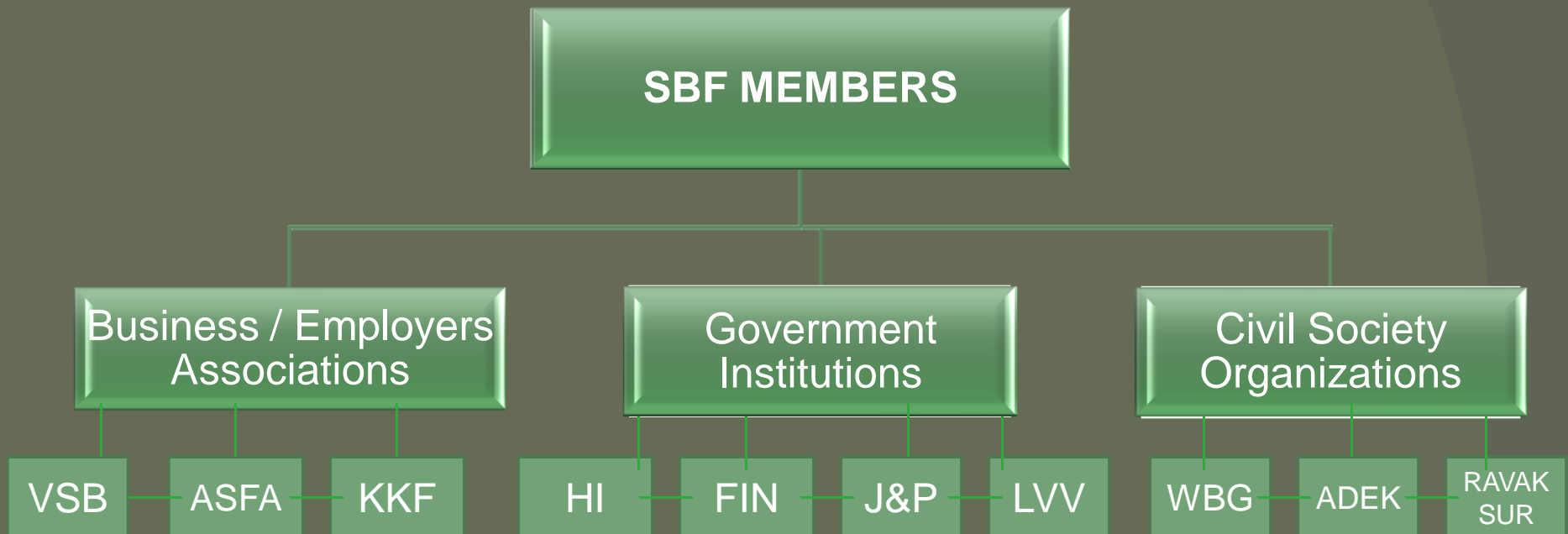
# Index

- ▣ SBF and stakeholders
- ▣ Private sector development and indicators
- ▣ 12 pillars of competitiveness
- ▣ Suriname's competitive position
- ▣ SMEs innovation capacities
- ▣ Quality analysis SMEs
- ▣ Suggestions / Recommendations to support SMEs
- ▣ Innovation in collaboration for SMEs
- ▣ Government programs and facilities to support innovation

# Input private sector stakeholders

- ▣ VSB – Suriname Trade and Industry Association
- ▣ AKMOS – Association of SMEs in Suriname
- ▣ ASFA – Suriname Manufacturers Association
- ▣ KKF – Chamber of Commerce and Industry

# SBF Dialogue Platform



# Stakeholders SBF

## ▣ Business Associations

**VSB = Suriname Trade and Industry Association**

**ASFA = Suriname Manufacturers Association**

**KKF = Chamber of Commerce and Industry**



# Stakeholders SBF



**HI = Ministry of Trade and Industry**

**FIN = Ministry of Finance**

**LVV = Ministry of Agriculture, Animal husbandry  
and Fisheries**

**J&P = Ministry of Justice & Police**

# Stakeholders SBF



Civil Society  
Organizations

**WBG = Women's Business Group**

**ADEK = Anton de Kom University of Suriname**

**RAVAKSUR = Council of Trade Unions in  
Suriname**

# Private sector development in Suriname

- ▣ Focused on:
  - Enhanced competitiveness
  - Supporting entrepreneurship
  - Business license reform
  - Starting up a business
  - Access to finance possibilities
  - Supporting innovative development
  - Value chain approach
  - Cluster development concepts

# Indicators for private sector development in Suriname

- ▣ A competitive private sector
- ▣ Supply of competitive goods and services
- ▣ Export development of SMEs
- ▣ Increase in export products and services: crosscutting sectors
- ▣ Decrease of import on food products – also regional strategy
  - Food shed of the Caribbean

# 12 Pillars of competitiveness

(source: Global Competitiveness report 2012-2013)

## Key for factor-driven economies

- ▣ Institutions
- ▣ Infrastructure
- ▣ Macro economic environment
- ▣ Higher & primary education

## Key for efficiency-driven economies

- ▣ Higher education & training
- ▣ Goods market efficiency
- ▣ Labor market efficiency
- ▣ Financial market development
- ▣ Technological readiness
- ▣ Market size

## Key for innovation-driven economies

- ▣ Business sophistication
- ▣ Innovation

# Suriname's competitiveness position

- Figure 1: Global Competitiveness index 2012-2013: basic requirements (source: Global Competitiveness report 2012-2013)

SURINAME ranking				
Basic requirements	1. Institutions	2. Infrastructure	3. Macro economic environment	4. Health & primary education
83	93	79	96	82

# Suriname's competitiveness position

- Figure 2: Global Competitiveness index 2012-2013: efficiency enhancers (source: Global Competitiveness report 2012-2013)

SURI-NAME ranking						
Efficiency enhancers	5. Higher education & training	6. Goods market efficiency	7. Labor market efficiency	8. Financial market development	9. Technological readiness	10. market-size
<b>124</b>	<b>102</b>	<b>128</b>	<b>96</b>	<b>107</b>	<b>105</b>	<b>139</b>

# Suriname's competitiveness position

- Figure 3: Global Competitiveness index 2012-2013: innovation and sophistication factors (source: Global Competitiveness report 2012-2013)

SURINAME ranking		
Innovation and sophistication factors	11. Business sophistication	12. Innovation
<b>117</b>	<b>112</b>	<b>124</b>



# Suriname's competitiveness position

Sustainable competitiveness must be focused on:

- ▣ Innovation technique
- ▣ Knowledge gap – how to ensure knowledge transfer for technological and innovative development
- ▣ Sustainable production processing
- ▣ Research & Development (R&D), to support SMEs in their innovative production and processing

# Top ranked competitive countries

- ▣ Figure 4: Top 10 ranked competitive countries (source: Global Competitiveness report 2012-2013)

## Countries top 10 ranked

1. Switzerland	6. Germany
2. Singapore	7. USA
3. Finland	8. UK
4. Sweden	9. Hong Kong SAR
5. The Netherlands	10. Japan

# SMEs innovation capacities

## Innovation in production and processing

- ▣ Innovation development in production and processing – niche market focus / quality approach, not producing for the mass production industry
- ▣ Innovation in the processing industry for added value (finished) products
- ▣ Innovation in preserving fruit and vegetable products
- ▣ ICT development and technology to stimulate innovative processing

# SMEs innovation capacities

## Bottlenecks to overcome

- ▣ Necessity for Industrial parks in the processing industry (food and non-food)
- ▣ Knowledge gap – technological development is essential and also the transfer of technology in production and processing
- ▣ Gap in support for “on the ground” expertise to grow towards full entrepreneurs

# SMEs innovation capacities

## Bottlenecks cont'd

- ▣ Local manufacturing is not properly adapted to innovation
- ▣ Implementation of innovation in SMEs has its constraints: traditional educational institutions are not equipped and thus not synchronized with innovation (development and technology)

# SMEs innovation capacities

## Synchronization: Training – education - manufacturing

- ▣ Proper synchronization of institutions with the local industry, this leads to gaps...student towards innovative entrepreneurs
- ▣ Formal partnership between the ASFA and PTC (Poly Technique College) also in the making an incubator program including incubator units

# SMEs innovation capacities

## Incubator approach for SMEs development

- ▣ Formal set up between ASFA and PTC: In the making an incubator program including incubator units
- ▣ To initiate manufacturing and to accommodate young entrepreneurs – by guiding them with business tutors who are local captains of industry

# Quality analysis SMEs

- ❑ 70 % is family owned
- ❑ Strongly dependant on imported goods and raw materials for production
- ❑ Cooperation between companies is at a low level
- ❑ Shortage of professionals in SME's
- ❑ Internal shortcomings within companies such as:
  - ❑ Company management (short term policy ; no strategic planning)
  - ❑ Low competitiveness
  - ❑ Distrust among enterprises
- ❑ Lack of company financing for investments
- ❑ Small Local Market; no export incentives
- ❑ Shortage on the labor market (lack of skills / education)
- ❑ Low quality of government services to the private sector
- ❑ Bureaucracy at public level



# Suggestions to support innovation in the SMEs

- ❑ Research and development programs by the institutes
- ❑ Training projects on:
  - ❑ Human resource management
  - ❑ Occupational Health Safety and Security
  - ❑ Environmental
  - ❑ Strategic planning
  - ❑ Communication
  - ❑ Business clustering
  - ❑ Accounting and Administrative skills
  - ❑ Business plans
  - ❑ Corporate Social Responsibility
- ❑ Programs on Certification and ICT

# Recommendations to support SMEs

- ❑ Training in writing Business proposals
- ❑ Administrative, Accounting and ICT Training
- ❑ Improve business and technical skills by qualifying for contracts to sell higher quality goods and services
- ❑ Research and development of products produced in Suriname
- ❑ Training and projects for SMEs on the following topics:
  - ❑ Export to regional and international markets
  - ❑ Investment in Logistics
  - ❑ Local and regional cooperation of companies
  - ❑ Promotion of SMEs (products and services) at trade fairs

# Recommendations cont'd.

- ❑ Develop programs to transform informal SMEs to formal sector SME
- ❑ Upgrade productivity of SMEs to compete in regional and international markets
- ❑ Development and production for niche markets
- ❑ Provide industrial areas with infrastructure and technical assistance and other incentives to encourage the start up and long term viability of SMEs (in Suriname)
- ❑ SMEs financing:
  - ❑ - help desk and support
  - ❑ - special interest rates
  - ❑ - guarantee fund for development
  - ❑ - investment bank based on PPP
- ❑ Micro-credits for micro-entrepreneurs

# Innovation in collaboration

## Clustering initiatives for sector development

- ▣ Business clusters within several sectors:
  - ICT
  - Hotel
  - Furniture
  - Textile
  - Agro: fruit & vegetables sector
  - Tourism
  
- ▣ Cluster development focused on value chain approach within specific sectors

# Innovation in collaboration

Regional Clustering initiatives for :

- sector development
  - innovation in SMEs
- 
- ▣ To promote industrial cross-border inter-enterprise cooperation in the Caribbean region
  - ▣ To promote partnerships intra-regional focused on complementing business structures and operational structures (production efficiency)

# Government programs to support innovation

- ▣ Through the ministry of Trade and Industry an innovation program will be launched and executed
  - Pilot program focused on 2 specific sectors: food and non-food (period: 2013 – 2014)
  - National Innovation program will be launched after the pilot 2014 – 2016, for crosscutting sectors
  - Results: set up of innovation centers and innovation fund (revolving)

# Government facilities to support innovation

- ▣ Innovation fund in a constructive PPP approach
  - Essential to continuous support innovation in SMEs and for innovative development of products and processing
  - Result: Surinamese SMEs deliver competitive and innovative products and services

# Government facilities cont'd

- ▣ Industrial parks to facilitate starting entrepreneurs in the processing industry food and non-food
  - Support with - as stated earlier – infrastructure / equipment / machinery / packaging facilities / technical assistance / hands-on market approach
  - Marketing and branding of the products to increase the level of competitiveness – niche as uniqueness.



# Government facilities cont'd

- ▣ Technological development to support new products for niche markets, focus on unique products
  - Bridge the gap of knowledge and know how by supporting technological development and innovation
  - Technical assistance to increase the technology and innovation in products and processes

# Government facilities cont'd

- ▣ Lab – for product sampling to continuous support SMEs in their development of innovative and unique products
  - R & D also being a major / essential factor
  - Through trial and error based on a certified approach to test / sample products according to food safety regulations for food products

Thank you!