



Market Sounding

**for the Development of the North Facility
in the port of Paramaribo, Suriname**

Paramaribo, June 2022

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1 The country of Suriname and the market potential

Suriname is the second of the carbon negative countries in the world. Suriname is located on the North-East coast of South America, bordered on the East side by French Guiana, on the West side by Guyana and to the South by Brazil. Covering an area of 163,820 km², the country has one of the world's lowest population densities, with just 586,634 inhabitants. Nearly half the population of Suriname lives in the capital, Paramaribo.



Thanks to the waves of immigrants who arrived in Suriname at various times in its history, the population is amazingly diverse. The Surinamese nation consists of natives of Suriname, Creoles and Maroons (who are both descendants of slaves from West Africa), Chinese, Asian Indians, Javanese, Lebanese and Europeans (both Dutch and Portuguese).

An intriguing mixture of languages is spoken throughout Suriname. Dutch is the nation's official language, but Sranan Tongo is Suriname's lingua franca. The Maroon community has their own languages – Saramaccans and Aucaans – which are mixtures of English, Portuguese, Dutch, Spanish and native languages of the Maroons. English is widely understood in urban areas. Then there are the Hindustani and Javanese languages in which many people converse.

Suriname is a former Dutch colony, having gained its independence from the Netherlands in 1975. Economic, social and linguistic ties between Suriname and the Netherlands remain close.

Many Surinamese migrated to the Netherlands and have made a positive impact in their host country.

1.1 Import/Export flows

Trade balance and partners

In 2020, Suriname had a positive trade balance with exports amounting to \$2,34B and imports amounting to \$1,08B.

The exports for this year were primarily driven by gold (\$2B) with the other main categories being rough wood (\$82,2M), frozen fish (\$43,5M), refined petroleum (\$36,6M) and rice (\$34,6M). The most common destinations were Switzerland (\$1,23B), the United Arab Emirates (\$704M), the United States (\$179M), China (\$54,2M) and Belgium (\$53,2M).

The most import category for the same year was excavation machinery (\$55,2M). Other main imports included cars (\$48,2M), rolled tobacco (\$26,7M), delivery trucks (\$26,3M) and large construction vehicles (\$24,7M). The most common origins were the United States (\$246M), China (\$221M), the Netherlands (\$204M), Japan (\$46,9M) and Brazil (\$31,4M).

1.2 Main industries

After **gold**, **wood** is the most important export product (in value) of Suriname. Almost all of this wood is exported to Asia (India, China) in 40ft containers.

The production of **rice** happens mainly in the district of Nickerie. The total rice production is estimated at 250.000 tons per year, of which half is for local consumption. All the stakeholders that are involved in the rice business look at Guyana as the main competitor.

Because of a century old tradition of mining and the associated refinery, the country of Suriname was one of the world's biggest producers of **bauxite**, **alumina** and **alloy**. With the potential of obtaining more cost efficient cheaper energy resources, the bauxite market could develop a second life.

2 NV Havenbeheer Suriname/ Suriname Port Management Company

2.1 Introduction

First set up in 1971, the Suriname Port Management Company (SPMC) is an autonomous but state-owned limited liability company charged with the regulation and management of the nation's main ports, comprising of the Dr. Jules Sedney Port of Paramaribo and the Port of Nieuw Nickerie.

The Dr. Jules Sedney Terminal is managed by SPMC and the operations are carried out by two Terminal Operators through public private partnerships (PPP structure).

SPMC, which employs nearly 200 people, acts as a landlord for the ports under its management. Under the current management model SPMC provides the framework and the infrastructure so the stevedoring companies can develop their economic activities.



Aerial view of the existing port complex

The aim of SPMC is to be a strategic gateway and efficient service center within national and international transport systems. The focus lies on the development and provision of reliable and efficient port services, not only to support the Surinamese economic development, but also to serve the nation's overall distribution needs.

SPMC exercises control by concluding agreements, inspecting licenses and issuing permits. To ensure the long term reliability of the handling of cargo traffic within the port area, PPP

agreements were signed with two terminal operators. Other service providers are selected based on expected quality and guarantee of continuity.

The independent position of SPMC ensures professional and efficient management and maintenance of the port facilities. The Dr. Jules Sedney Port of Paramaribo is the only port that is permitted to accommodate general commercial shipments, including consumer goods. The port is also very well strategically positioned to offer the shortest distance to the offshore exploration sites. The Dr. Jules Sedney Terminal in the Port of Paramaribo has been awarded twice by the Caribbean Shipping Association for the best Multipurpose Terminal and one time as the most efficient port of the Caribbean. The Suriname Port Management Company is also ISO 9001, ISO 14001, ISO 45001, and ISPS certified.

2.1.1 Container market

The container traffic for the Dr. Jules Sedney Terminal has shown a strong positive trends in recent years, with a set-back due to the recent COVID-pandemic. Signs of recovery are noticeable however and it is likely that the container traffic will exceed the historical highs in the near future.

The export flow of containers is primarily driven by Suriname's main exports : wood, rice and fish. Wood and fish are primarily exported in 40ft containers, whilst rice is primarily exported in 20ft containers.

The import flow of containers is primarily driven by consumer goods destined for the local market and the neighboring countries of Guyana and French Guiana.

2.1.2 Breakbulk

Following the market trends more and more of the breakbulk products are containerized. As result the breakbulk traffic declined 47% since 2013. The breakbulk cargo consists mostly of imports.

2.1.3 Vessel calls

The number of vessels calling Suriname has shown a gradual decline since 2013 due to the fact that most of the liner vessels enter the port with consolidated cargo. The number of vessels calling the port of Nieuw Nickerie has shown a steady upward trend since 2013. The number of vessels calling at this port even doubled since 2017.

2.2 Existing facilities in the Dr. Jules Sedney Port

The Dr. Jules Sedney Port consists of the following facilities; the Dr. Jules Sedney Terminal, the Reeferstation, the Oil Jetty and the Support Facility.



Layout plan of the existing Paramaribo port complex, including the new North Facility

2.2.1 Dr. Jules Sedney Terminal



Dr. Jules Sedney Terminal is located on the left bank of the Suriname River, 21 miles (39 km) from the light buoy and covers about 18 ha in surface area. The terminal has 600 m of river-facing common users quay enabling approximately four vessels to berth simultaneously. SPMC invested in capital dredging in March 2022 that resulted in a draft of 7.46 m at low water spring along the entire 600 m quay. The terminal handles about 50 percent of Suriname's seaborne trade by volume. The terminal is served by some 19 international carriers and offers direct connections to Europe through main liner services and in direct connections by feeder services. The terminal handled just under 101,000 TEU in 2021 and expects a broadly similar throughput in 2022.

In addition, the port handled some 300.000 tons of breakbulk cargo in 2021. The terminal consists of 2 Gottwald and 2 Liebherr mobile harbour cranes.

2.2.2 Reeferstation

The Reeferstation, at the Southwestern part of the terminal, has a surface area of approximately 14.000 m². The station can connect import, export and transit reefer containers and offers repair facilities in addition to Pre-Trip and Inspection services. The Reeferstation has a capacity of 119 reefer plugs and is equipped with back-up generators to ensure power supply.

2.2.3 Oil Jetty



The Oil Jetty is the dedicated terminal where bulk ships carrying diesel, unleaded gasoline and kerosene are accommodated. The jetty allows vessels with an LOA (Length Overall) of up to 140m to berth. This terminal handled about 165.000 tons of liquid bulk in 2021.

2.2.4 Support Facility



The newest acquisition, the dedicated Support Facility, is separated from the main commercial operations. Its proximity to the main port however, guarantees the availability of all conceivable complementary facilities and services.

The facility has expansion possibilities for both mooring and land infrastructure as well as a good hinterland connectivity avoiding congestion to and from the facility. It offers 97.5 m quay length and a draft of 6.05 m at low water spring. The open storage surface area is 8.073 m² with an allowable load of the surfaced area up to 10 ton/m².

2.2.5 Port of Nieuw Nickerie

The Port of Nieuw Nickerie, 146 miles (235 km) West of Paramaribo is situated 11.8 km from the estuary, and has been under the management of SPMC since 1995. The total port area covers 1.5 ha and has a draft of 4.5 m at low tide to accommodate ships of 6.000 DWT (deadweight tonnage). The port has a quay length of 250 m. The port facilities will be upgraded in the near future based on the newest quality standards.

2.3 Existing clients

2.3.1 NV VSH Transport



Currently there are two terminal operators active in the Dr. Jules Sedney terminal.

VSH Transport offers port operations, stevedoring, off shore support, integrated logistics and custom brokerage. They handle all kinds of vessels, including but not limited to container, general cargo (break-bulk, ro-ro, pax) cruisers and navy. They have a fleet of own mobile harbor cranes, equipment and a large range of general and specialized stevedoring gear offering safe and flawless operations on the Dr. Jules Sedney Terminal.

2.3.2 DP World Paramaribo/ Integra Port Services NV



DP World is the world's third - largest terminal operator and is the larger in surface area of the two stevedoring companies working at Dr. Jules Sedney Terminal under the concession of SPMC.

Integra Port Services (DP World Paramaribo) is a subsidiary of DP World and offers vessel and yard operation services with state of the art equipment, container freight stations (CFS), LCL storage facilities, container stuffing and stripping, roll-on roll-off services and reefer station monitoring using a terminal operating system (TOS).

2.4 Opportunities

2.4.1 Value added logistics

Value added logistics (VAL) can be broadly defined as the creation of higher added value in the logistic chain through the provision of additional services such as inventory management,

trans loading , packaging, assembling, specialized storage and so forth.

An example of potential value added logistics services to be developed at the North Facility would be the consolidation of export cargo for the local CARICOM trade, the consolidation and distribution of cargo destined for the neighboring countries of French Guiana and Guyana and the repackaging of bulk goods such as coconut oil for exports.

Another example can be found when looking at the current export chain for wood which is primarily exported in its rough form with most of the value added processing taking place at the final destination. The North Facility is ideally positioned to host players with wood based activities.

2.4.2 Shore base potential

Investment bank Morgan Stanley announced in 2020 the huge oil potential in several offshore oil blocks with barrel supplies up to 6,5B barrels. The industrial advisor Rystad Energy estimates another 5 explored oil fields also contain another 1.9B barrels of oil supplies. It is expected that Total Energies and Apache will announce their definite investment decision in 2022 with first oil as soon as 2025. To facilitate and support the exploration works an on shore base is needed. The port of Paramaribo can play a vital role in supporting the offshore oil and gas sector and the maritime industry as a whole.

2.4.3 Transshipment Hub

Hubs are often established at locations near international trade routes with sufficient (natural) draft to accommodate large vessels (e.g. Kingston Freeport Terminal accommodates vessels with a draft of up to 15.5 m). The CARICOM region already has well-developed global and regional hubs and transshipment centers. These will continue to grow, both in throughput and ship size.

In combination with an increased draught, this offers a growth opportunity for Paramaribo to serve as a transshipment hub for French Guiana, Guyana, North Brazil, and the smaller Caribbean islands.

2.4.4 Throughput port for Suriname

Virtually all goods consumed by the local economy and exported goods go through the Dr. Jules Sedney Port. As a result, the growth of traffic is highly dependent on the local economy. Due to the recent economic downturn and the upward potential, port congestion is expected to be reached in 2026. If the port's infrastructure and layout are optimized, this can be postponed until 2028. There is a potential to attract and valorize additional cargo flows and supporting activities such as value added logistics and the export of locally produced goods.

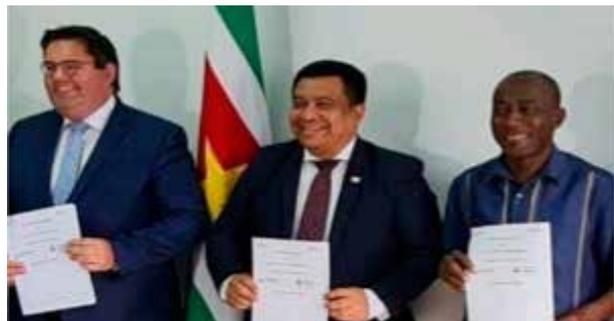
2.5 Supporting the oil and gas industry

Substantial quantities of oil are believed to be located offshore in the Guyana-Suriname Basin. In fact the United States Geologic Survey says that the Guyana-Suriname Basin is the second most prospective underexplored offshore oil basin in the world with an estimated and yet-to-be discovered 13.6 billion barrels of oil and some trillion cubic feet of natural gas.

Recognizing this potential, companies such as APA Corporation (Apache), Inpex, Kosmos Energy, Petronas, Total Energies and Tullow Oil are exploring a number of promising blocks in the Suriname part of the basin.

Until now, the exploration drilling rigs operated by these firms have been supplied mainly from Trinidad. With further exploration scheduled for their coming years, it is envisaged that firms drilling these wells will be serviced and supplied from Suriname – and, if exploration proves successful, so will any production platform. The Port of Paramaribo is the closest location to these offshore blocks.

2.6 Partnerships



2.6.1 Port of Antwerp-Bruges International

SPMC and Port of Antwerp - Bruges International (PABI) work together through the Antwerp/ Flanders Port Training Center (APEC) to strengthen the capacity of the employees of SPMC. In this context, more than a hundred participants have already followed training courses at the training center in Antwerp.

In August 2021, a delegation from PABI/APEC visited Paramaribo and agreed on a three-year cooperation agreement. During a subsequent visit in September 2021 to the port of Antwerp by a delegation of SPMC and the Minister of Transport, Communication and Tourism, the strategic three-year cooperation agreement was worked out in detail and signed. The cooperation agreement aims to create a sustainable logistics platform to consolidate the economic development of Suriname. A logistic port platform that can effectively, competitively and efficiently support the growing oil & gas industry, and be a trade facilitator for the anticipated growth of the country Suriname and the wider CARICOM region.

2.6.2 Phoenix Development Holding Company LLC

SPMC has entered into a Development Agreement with Phoenix Development Holding Company LLC, based out of Texas USA for the development of a world class Deep-Water Port and Special Economic Zone in the West of Suriname. Through this collaboration an efficient logistics center for local and international businesses will be created to deliver goods and services to the nearshore and offshore industries in the Suriname-Guyana Basin, while also creating the necessary infrastructure for the further sustainable development of trade, agriculture, manufacturing, and tourism.

The initial projects are estimated to be over \$2 Billion USD and include Deep- Water Port foundations, a natural gas pipeline, natural gas power plant, LNG liquefaction and export facilities, LPG separation and export facilities and the associated civil works and infrastructure.

2.6.3 NV VSH Transport - G-Port Inc. (John Fernandes and Edison Chouest Offshore)

SPMC, NV VSH Transport and G-Port Inc. have formed a consortium for serving the oil and gas industry in Suriname. G-Port Inc. in Guyana is a joint venture between Guyana based John Fernandes Ltd. and Edison Chouest Offshore. Edison Chouest Offshore (ECO) companies are one of the most diverse and dynamic marine transportation solution providers globally. The consortium's proven track record and capacity will ensure that the proposed Shore base development and operation will adhere to world-class safety and quality standards in providing "state of the art" service to the developing Suriname offshore oil & gas industry.

3 The North facility

3.1 Location

The North Facility is located in the port complex of Paramaribo at the Zwartenhovenbrugstraat and on the left bank of the Suriname River and has an excellent central location in the city of Paramaribo and is directly connected to the Suriname River.



The North Facility is positioned in the most Northern point of the port and offers a central location in Paramaribo

3.2 Technical specifications



As from May 5th 2022 the contractor has started with the levelling and surfacing of the North Facility. The ground works are expected to be completed within a period of 2 to 3 years. The total surface of the area is approximately 17.200 m². Once the land is surfaced it will allow loads up to 10 ton/ m² and add 84 m additional quay facilities on top of the existing 600 m common user quay in the dr. Jules Sedney Terminal. The draft is foreseen to be 7.46 m at low water spring.



4 Scope of the Market Sounding

The scope of this document is to reach out to the market and to discover the potential business opportunities that could be developed in the North Facility.

SPMC therefore invites interested firms to indicate the type of activities they wish to develop in the North Facility including their cargo generating potential that will ensure additional economic value to the port and the country of Suriname.

Note

This market sounding is not part of an official procurement procedure. It is merely intended for SPMC to uncover the potential of the Northern Facility. The gathered information will be used by SPMC to determine the vision for the future development of the North Facility. In a next step the firms will be invited to submit their proposal including a detailed business case.

5 Required documents for the Market Sounding

The interested firms are requested to submit the following information:

- Business case to provide insights into the activities that the North Facility will be used for including :
 - o Potential use of the quay side
 - o Traffic forecast of the potential activities
 - o General overview of the use of the North Facility
- Commercial presentation of the firm
- Contact details of the representatives of the firm
- Links to relevant websites, documents, brochures etc.
- References of similar activities
- Acquired certifications or accreditations of the firm

Interested companies are invited to submit the documentation needed for this market sounding until 15/07/2022 to the email address marketing@havenbeheer.sr.

For more information about this market sounding you can send an email to marketing@havenbeheer.sr or call (597)404044 extension 103 or 104.

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