

Report No. 10307-GUY

Guyana

From Economic Recovery to Sustained Growth

April 10, 1992

World Bank

Latin America and the Caribbean Region

MICROFICHE COPY

Report No. 10307-GUA Type: (ECJ)
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Currency Equivalents

Average exchange rates prevailing during recent years, Guyanese dollars (G\$) per US \$1.00, period average:

| | |
|----------------|--------|
| 1988 | 10.00 |
| 1989 | 27.16 |
| 1990 | 39.53 |
| 1991 | 111.80 |
| December, 1991 | 122.00 |

Fiscal Year:

January 1 - December 31

GUYANA - COUNTRY DATA SHEET

Area: 215,000 sq.km

Population: 0.8 million (1990)

Density: 4 per sq km

Rate of growth: 0.7 % (1990)

Population characteristics

Crude birth rate (per 1,000): 25.6
Crude death rate (per 1,000): 7.6

Health

Infant mortality (per 1,000 live births): 53
Population per physician: 6220
Population per hospital bed: 300

Income distribution

% of national income, highest quintile: ..
lowest quintile: ..

Distribution of land ownership

% owned by top 10% of owners: ..
% owned by smallest 10% : ..

Access to safe water

% of population - urban: 100
- rural: 65

Access to electricity

Energy consumption per capita: 585

Nutrition

Calorie intake as % of requirements: 86.6
Per capita protein intake (g/day): 59.0

Education

Adult literacy rate (%) : 93.9
Primary school enrollment
(%) of relevant age group: 90

GNP per capita (US\$, 1990 1/ : 360

GROSS NATIONAL PRODUCT, 1990

| | US\$ Mn | % | ANNUAL RATE OF GROWTH (% , 1977 prices) | | | | | |
|---------------------------|---------|-------|---|---------|---------|-------|------|------|
| | | | 1975-80 | 1980-85 | 1986-87 | 1988 | 1989 | 1990 |
| GNP at Market Prices | 292.6 | 100.0 | -1.0 | -6.2 | -5.6 | 4.7 | 13.9 | -4.8 |
| Gross Domestic Investment | 167.6 | 57.3 | -9.1 | -6.2 | -9.8 | -32.1 | 51.3 | 18.9 |
| Gross National Saving | 37.2 | 12.7 | -4.4 | -52.4 | 4.6 | -3.2 | -5.4 | -3.3 |
| Current Account Balance | -163.1 | -55.7 | .. | .. | .. | .. | .. | .. |
| Export of Goods, NFS | 235.8 | 80.6 | -2.9 | -4.4 | -6.2 | -9.6 | -2.8 | -4.0 |
| Import of Goods, NFS | 293.3 | 100.2 | -5.9 | -5.9 | -2.6 | -23.8 | -1.2 | 7.6 |

OUTPUT, EMPLOYMENT AND PRODUCTIVITY IN 1990

| | Value Added | | Labor Force | | V.A. per Worker |
|-----------------|-------------|-------|-------------|----|-----------------|
| | US\$ Mn | % | Mn | % | US\$ |
| Agriculture | 133.1 | 39.9 | .. | .. | .. |
| Industry | 71.3 | 21.3 | .. | .. | .. |
| Services | 129.4 | 38.8 | .. | .. | .. |
| Total / Average | 333.8 | 100.0 | .. | .. | .. |

GOVERNMENT FINANCE

| | General Government | | |
|---------------------|--------------------|----------------|-------|
| | G Mn | Percent of GDP | |
| | 1990 | 1986 | 1990 |
| Current Receipts | 5357.6 | 43.6 | 34.2 |
| Current Expenditure | 7605.3 | 81.0 | 48.5 |
| Current Surplus | -2247.7 | -37.4 | -14.3 |
| Capital Expenditure | 3320.4 | 15.0 | 21.2 |

1/ World Bank Atlas methodology.

GUYANA - COUNTRY DATA SHEET

| MONEY, CREDIT & PRICES | | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | |
|---|--|---------------------------------------|--------|--------|--------|----------------------------------|-----------|-------|
| ----- | | ---- | ---- | ---- | ---- | ---- | ---- | |
| | | (Mn G\$ outstanding at end of period) | | | | | | |
| Broad Money Supply | | 1977.3 | 2366.4 | 3170.2 | 4353.8 | 6580.1 | 10211.2 | |
| Bank Credit to Public Sector | | 4690.5 | 5066.9 | 7252.1 | 8883.8 | 11466.5 | 11911.2 | |
| Bank Credit to Private Sector | | 520.2 | 673.5 | 986.7 | 1590.9 | 2566.1 | 4159.6 | |
| | | (percentage or index numbers) | | | | | | |
| Broad Money as % of GDP | | 101.4 | 109.1 | 94.4 | 105.2 | 63.7 | 65.2 | |
| General Price Index (FY85 = 100) | | 100.0 | 107.8 | 138.6 | 193.3 | 312.7 | 521.2 | |
| Annual percentage changes in: | | | | | | | | |
| General Price Index | | 13.2 | 7.8 | 28.6 | 39.4 | 61.8 | 66.7 | |
| Bank Credit to Public Sector | | 21.9 | 8.0 | 43.1 | 22.5 | 29.1 | 3.9 | |
| Bank Credit to Private Sector | | 12.2 | 29.5 | 46.5 | 61.2 | 61.3 | 62.1 | |
| BALANCE OF PAYMENTS | | MERCHANDISE EXPORTS (AVERAGE 1985-90) | | | | | | |
| ----- | | ----- | | | | | | |
| | | 1987 | 1988 | 1989 | 1990 | US\$ Mn | % | |
| | | ---- | ---- | ---- | ---- | ----- | --- | |
| | | (US\$ million) | | | | | | |
| Exports of Goods, NFS | | 269.2 | 245.6 | 233.7 | 235.8 | Bauxite | 76.3 | 35.6 |
| Imports of Goods, NFS | | 273.9 | 263.0 | 259.3 | 293.3 | Sugar | 80.5 | 37.6 |
| | | ----- | ----- | ----- | ----- | Rice | 13.3 | 6.2 |
| Resource Gap (deficit = -) | | -4.7 | -17.4 | -25.7 | -57.5 | Gold | 0.0 | 0.0 |
| | | ----- | ----- | ----- | ----- | Spirits | 0.0 | 0.0 |
| Interest Payments (net) | | 80.8 | 85.0 | 54.9 | 55.6 | Other Goods | 44.2 | 20.6 |
| Other Factor Payments (net) | | 44.9 | 10.4 | 54.0 | 63.0 | | ----- | ----- |
| Net Current Transfers | | 10.9 | 12.8 | 14.0 | 13.0 | Total | 214.3 | 100.0 |
| | | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Balance on Current Account | | -119.5 | -100.0 | -120.6 | -163.1 | | | |
| Direct Pvt. For. Investment | | 5.0 | 5.0 | 7.0 | 14.0 | EXTERNAL DEBT, DECEMBER 31, 1990 | | |
| Net MLT Borrowing | | -94.6 | -100.9 | -107.2 | 103.8 | ----- | | |
| Disbursements | | 39.3 | 28.7 | 67.7 | 225.1 | | | |
| Amortization | | 133.9 | 129.6 | 174.9 | 121.3 | | US\$ Mn | |
| | | ----- | ----- | ----- | ----- | | ----- | |
| Subtotal (Dir. Inv. + Net MLT) | | -89.6 | -95.9 | -100.2 | 117.8 | Public Debt, MLT | 1663.0 | |
| Rescheduling | | 72.0 | 73.1 | 343.9 | 418.5 | IMF and Short-term | 297.0 | |
| Other Capital (net) | | -0.2 | 17.1 | -6.3 | 11.2 | Total Outstanding & Disbursed | 1960.0 | |
| | | ----- | ----- | ----- | ----- | DEBT SERVICE RATIO FOR 1990 2/ | | |
| Capital Account Balance | | -17.8 | -5.7 | 237.5 | 547.5 | | | % |
| Change in commercial arrears (increase = +) | | 3.9 | 3.5 | 9.6 | -101.3 | Public Debt, incl. Guaranteed | 53.9 | |
| Change in net reserves (increase = -) | | 133.4 | 102.2 | -126.5 | -283.1 | Non-Guaranteed Private Debt | .. | |
| | | ----- | ----- | ----- | ----- | Total Outstanding & Disbursed | 53.9 | |
| Gross Reserves 1/(end-year) | | 9.1 | 4.1 | 15.0 | 26.6 | | | |
| RATE OF EXCHANGE | | IBRD/IDA LENDING (Dec.31, 1990) | | | | | | |
| ----- | | ----- | | | | | | |
| | | Annual Averages (end of period) | | | | IBRD | IDA | |
| | | 1987 | 1988 | 1989 | 1990 | ---- | ---- | |
| | | ---- | ---- | ---- | ---- | ----- | ----- | |
| US\$1.00 = G\$ | | 0.10 | 0.10 | 0.04 | 0.03 | | (US\$ Mn) | |
| G\$1.00 = US\$ | | 9.76 | 10.00 | 27.16 | 39.53 | Outstanding & Disbursed | 59 | 94 |
| | | ----- | ----- | ----- | ----- | Undisbursed | 0. | 0 |
| | | | | | | Outstanding incl. Undisbursed | | 94 |

1/ Includes gold holdings.

2/ Debt service, as a percentage of exports of goods and non-factor services.

Glossary of Abbreviations

| | | |
|---------|---|---|
| BB | - | Bank of Baroda |
| BIDCO | - | Bauxite Industry Development Company |
| BNS | - | Bank of Nova Scotia |
| BOG | - | Bank of Guyana |
| CARDI | - | Caribbean Agricultural Research and Development Institute |
| CARICOM | - | Caribbean Community |
| CDB | - | Caribbean Development Bank |
| CEMLA | - | Centro De Estudios Montarios De Latin America |
| CET | - | Common External Tariff |
| COFA | - | Cooperative Financial Institutions Association |
| CXC | - | Caribbean Examination Council |
| DWL | - | Demerara Woods Ltd. |
| EC | - | European Community |
| ERP | - | Economic Recovery Program |
| GAIBANK | - | Guyana Cooperative Agricultural and Industrial Bank |
| GBTI | - | Guyana Bank for Trade and Industry |
| GCE | - | General Certificate of Education |
| GCIS | - | Guyana Cooperative Insurance Service |
| GCMFB | - | Guyana Cooperative Mortgage Finance Bank |
| GDP | - | Gross Domestic Product |
| GEC | - | Guyana Electricity Corporation |
| GFC | - | Guyana Forestry Commission |
| GNCB | - | Guyana National Cooperative Bank |
| GNP | - | Gross National Product |
| GNRA | - | Guyana Natural Resources Agency |
| GREB | - | Guyana Rice Export Board |
| GRO | - | General Registration Office |
| GTT | - | Guyana Telephone and Telegraphs |
| GUYMIDA | - | Guyana Manufacturing and Industrial Development Agency |
| GUYMINE | - | Guyana Mining Enterprise Ltd. |
| GUYSUCO | - | Guyana Sugar Cane Corporation |
| IDB | - | Inter-American Development Bank |
| IICA | - | Inter-American Institute for Cooperation on Agriculture |
| IMF | - | International Monetary Fund |
| IRP | - | Intra Regional Payment Arrangements |
| LBC | - | Linden Bauxite Corporation |
| LIDCO | - | Livestock Development Country |
| MFI | - | Mortgage Finance Institutions |
| MMA | - | Mahaica-Mahaicony-Abary Project |
| MOA | - | Ministry of Agriculture |
| MOE | - | Ministry of Education |
| MOF | - | Ministry of Finance |
| MOH | - | Ministry of Health |
| MW | - | Megawatt |
| NBIC | - | National Bank of Industry and Commerce |
| NIS | - | National Insurance Scheme |
| O & M | - | Operation and Maintenance |
| PCS | - | Public Corporations Secretariat |
| PSIP | - | Public Sector Investment Program |
| RG | - | Resource Gap |
| ROA | - | Return on Assets |
| SAPIL | - | Seals and Packaging Industries |
| SIMAP | - | Social Impact Amelioration Program |
| SPS | - | State Planning Secretariat |
| UNDP | - | United Nations Development Program |
| VAT | - | Value Added Tax |

PREFACE

This report is the first economic report to be written on Guyana since 1986. Because of the long absence of substantial economic work by the World Bank prior to this report, it attempts a fairly wide review of both the current macroeconomic condition of the country, as well as recent developments and issues in important sectors. The report's overall objective is to identify the critical areas on which the Government must focus in order to continue and extend the nascent economic recovery now taking place, and the level of external assistance necessary to support this recovery.

Part I of the report deals with the broader issues of macroeconomic management and resource allocation. Chapter I discusses recent economic events, policies and economic management. Chapter II looks at the public sector in more depth, including both revenue and expenditure issues, while Chapter III examines the allocation questions of the public sector investment program. Chapter IV looks at long-term prospects, and the need for further external assistance and debt relief. In Part II, the report examines in more depth issues in certain key sectors, and the role of public policy in sustaining the recovery effort. This includes private sector and industrial development (Chapter V), and the role of the state in setting incentives for private investment. Chapter VI examines issues in the financial sector, including bank regulation and supervision, and monetary policy. Chapter VII discusses the agriculture sector while Chapter VIII looks at poverty and the social sectors, specifically health and education.

This report is based on a World Bank economic mission which visited Guyana in October-November, 1991. The mission included Norman Hicke (chief, macroeconomics), Hilarian Codippily (public sector, bauxite), Coby Frimpong (public investment, statistics), Luis Guasch (financial sector), William Shaw (private sector) and Carolyn Winter (poverty, social sectors). The chapter on agriculture was written by John Panzer, and is based on the results of an agricultural sector mission which visited Guyana in October, 1991. Additional updating was undertaken after discussions with the Government in March, 1992. The report has also drawn on other work undertaken by Bank staff, including Peter Gyamfi (transportation), Vincente Ferrer (sugar), and Xavier Coll (SIMAP). The report was produced under the general direction of Jose Sokol.

GUYANA: FROM ECONOMIC RECOVERY TO SUSTAINED GROWTH

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GUYANA: FROM ECONOMIC RECOVERY TO SUSTAINED GROWTH

EXECUTIVE SUMMARY

Progress in Adjustment

i. Prior to 1988, Guyana followed a set of economic policies characterized as "cooperative socialism." These policies led to the domination of the public sector in the economy, and severely distorted incentives for the private sector. Existing private investments were nationalized, particularly the critical sugar and bauxite sectors, and government control extended to most financial institutions and consumer marketing. Government controls on prices, and the rationing of foreign exchange, also limited private sector activity and discouraged domestic agricultural production. While economic performance showed positive growth during the early 1970s, the collapse of sugar and bauxite prices after the boom years of 1974-75 led to a secular decline in output, large government deficits, accelerating inflation and increased reliance on external borrowings. While new investments were being made by the public sector in industry, traditional infrastructure was being neglected and gradually deteriorated. By 1988, output was only 68% of the 1976 level. After the devaluation of 1989, total debt was over 600% of GDP. The severe decline in real wages and living standards led to a major migration of talented Guyanese to jobs abroad. While the Government made some attempt to deal with these problems in the mid-1980s, these reforms were insufficient given the magnitude of the problem. In the early 1980s, the Government began to suspend payments on external debts, both to official and private lenders, and these arrears continued to accumulate during the decade.

ii. The Economic Recovery Program, launched in 1988, was a major and fundamental reversal in these policies. It aimed to eliminate distortions in commodity and factor markets, reduce the size of the public sector, and restore international economic relations. Few countries have moved so far, so fast. Specifically, during the last three years, the Government has:

- eliminated almost all price controls;
- established a floating exchange rate for the Guyanese dollar;
- eliminated import licensing and reduced tariffs;
- launched a major program of privatization of public assets;
- introduced private sector management into the sugar industry;
- reduced the numbers working for the Government, raised taxes, and reduced its reliance on domestic credit financing of the public deficit; and
- eliminated its arrears to international agencies, and agreed to a major program of rescheduling for its bilateral debts.

iii. In addition, the Government launched a program to offset the social impact of the adjustment program by providing funds for employment generating social projects at the local level.

iv. The years since 1988 have not been easy ones for Guyana, and the positive impact of the ERP is only now becoming evident. In 1990, a combination of adverse weather, strikes and power shortages produced decline in GDP of 3.2%, and a rate inflation of 65%. Large stocks of deposits in the banking system, the removal of price controls, and an overall lack of confidence in the economy, led to an increase in the velocity of money and high rates of inflation, despite tight controls on credit to the public sector. In 1991, with much more of the ERP reforms in place, the economy is estimated to have grown by about 6% in real terms. Inflation, which remained high during the first half of the year, was brought under control and reduced to average of about 1-2% per month. For 1992, inflation is expected to fall to about 12%, and growth continue in the range of 4-5%. Major sources of growth in the past year include the sugar sector, where output is estimated to be up 23%, the result of better weather, better availability of inputs, and introduction of private sector management in the state-owned sugar company. Likewise, better prices and weather resulted in an estimated 60% increase in rice production. Gold exports increased by about 50%, largely as a result of a decline in smuggling now that the Government's purchase price is in line with world prices.

Constraints on Development

v. The longer term outlook for Guyana, however, continues to be constrained. While the incentive system now provides an appropriate set of signals to the private sector, the response of the private sector to these signals will take some time. The country still suffers from the accumulated costs of past policies, including an external debt whose interest payments alone are over 40% of GDP. Per capita income is only \$360 (1990), one of the lowest in the Western Hemisphere.

vi. The Public Sector. Most public sector infrastructure necessary to support the private sector has deteriorated to the point of non-existence. Power and water supplies are so erratic that many large private sector firms have invested in their own generators and water sources. The road system has deteriorated, particularly critical farm-to-market feeder roads. The sea wall system which protects the most productive agricultural land has been breached in several places, and patched temporarily, but needs major reconstruction. Even in urban areas, most of the population lack access to safe water supplies. Social services are also in terrible shape. Schools lack basic repairs, books, equipment and supplies. Employers complain that secondary school graduates lack basic skills. Hospitals operate with most equipment not working, with no drugs to dispense, insufficient budgets for food, and the inability to carry out simple diagnostic tests, such as X-rays or blood tests.

vii. The decline of the public sector is also a result of the decline in real wages. It is estimated that real wages in the public sector are 18% below what they were in 1986, which itself was low, and are about one-third to one-fourth of that being paid in the Guyanese private sector. As a consequence, talented people at all levels have left for the private sector, or for jobs abroad, making it difficult, if not impossible, for the public sector to function effectively.

viii. The rebuilding of the public infrastructure, as well as the capacity of the sugar and bauxite industries, is a high priority for the public sector. However, such a program should only be undertaken provided that there is a clear commitment of resources to provide adequate maintenance. Otherwise, new investments will deteriorate and not provide the level of benefits expected. High priority areas for the public sector investment program are the reconstruction of the sea wall, the power sector, water supply, and the road system.

ix. In 1991, tax revenue from the private sector amounted to 21% of GDP, but interest expenditures by the Government equalled 35%. Clearly there is a need for more concessionary debt rescheduling in order to free up resources for the public investment program (PSIP). At present, its implementation is constrained, not by the lack of foreign funds, but by the inability of the Government to provide local counterpart resources, even though these constitute only 21% of total project costs.

x. However, the Government itself can do more. The tax system is badly administered, and the level of collection is far below the potential in the system. Evasion, avoidance and corruption are everyday occurrences. Many firms enjoy overly generous tax and tariff holidays as part of the Government's attempt to encourage new investment through fiscal incentives. The consumption tax is too high for some products (up to 150%), while ignoring others, such as services, entirely. Fees charged for public services are either very low, not having been adjusted for inflation, or uncollected, or non-existent. The Government attempts to provide free education from nursery school through university level without collecting any fees, as well as free health care. Irrigation water has a price, but collections average only 6% of total billed. The power company collected only 35% of billed power in the first half of 1991, and was a major factor in the public sector deficit.

xi. The Private Sector. Despite its many problems, Guyana remains a country with much potential, including a productive agricultural sector, vast timber resources, and mineral resources that include bauxite, gold and diamonds. With recent massive devaluations, the relative cost of labor in Guyana is one of the lowest in the world. With some improvement in public infrastructure, the country could be attractive to substantial foreign investment. However, the present tariff structure, although recently reformed, is still too protective. While it follows the CARICOM structure, the top rate of 45% is high by present standards in Latin America, where many countries have reduced tariffs to a maximum of 20%. As noted above, many firms enjoy tax exemptions as part of the Government's investment incentive laws. This further raises the level of effective protection, since firms can be exempted from import duties for periods ranging up to ten years. It has been estimated that the system of tariff protection and fiscal incentives costs the country \$150,000 for every job created, or \$360 for every dollar of foreign exchange saved.

xii. Serious attention needs to be directed toward reforming the system of fiscal incentives, which grant firms holidays from the payment of company tax, import duties and the consumption tax. The system of granting incentives includes a wide range of discretion and while it is based on the level of employment and value added by the investment, the application of these criteria is not transparent. While the system is in line with that of other

CARICOM countries, there is no evidence that it has materially increased private investment in Guyana. It also gives new firms in the same industry an unfair edge over existing firms. The fiscal impact is considerable, estimated to be about 15% of total tax revenues in 1991. On the other hand, a duty drawback system for exporters should be put in place to reimburse them for tariffs paid on imports.

xiii. The Financial Sector. The financial sector in Guyana is relatively underdeveloped, and continues to be dominated by public sector institutions. A stronger, more developed financial system can be an important component in promoting private sector development. Of the five commercial banks in the country, the three largest are either partly or wholly government owned. The country's only development bank, GAIBANK, has 35% of its loans in arrears. Most banks do relatively little lending, but simply collect deposits and funnel them into the treasury bill market. Lending and savings rates tend to follow treasury bill rates closely, since treasury bills represent the major alternative use for funds. At times, lending rates of some public sector institutions have been below the cost of funds to the Treasury. The supervision and regulation of the financial system is divided between the Bank of Guyana and the Ministry of Finance, with some overlapping and conflicting jurisdictions. The level of supervision has deteriorated in recent years owing to insufficient technical staff in the Bank of Guyana, and few public sector banks have recent supervision reports or public audits.

xiv. Agriculture. Guyana has a rich and potentially very productive agriculture sector, which can make a major contribution to the recovery of the economy. The Government has made significant progress in recent years in restoring output levels in sugar and rice. The introduction of private management in the Government's sugar company (GUYSUCO), has resulted in a resumption of replantings, higher wages for labor, and increased output. It is likely that Guyana will very shortly be able to meet its sugar quotas in the EC and U.S. markets. Rice production has directly benefitted from a decontrol of output prices, greater availability of inputs and spares, and the privatization of the public sector rice mills. Rice production is limited, however, by an absence of improved seeds and by infrastructure problems.

xv. Most of present agricultural output is derived from a thin belt of land close to the sea, most of which is below sea level. The sea wall system, which prevents inundation at high tide is in danger of collapse due to lack of maintenance and wave damage during storms. Repairs to the sea wall are a critical priority, and the immediate action program will cost about \$36 million, a large sum relative to the Guyanese economy. Beyond this fundamental investment, a strategy for agriculture should be linked to:

xvi. Water Resources. The rehabilitation of the country's drainage and irrigation systems is a necessary condition to raising yields. The participation of water user associations in the operation of these systems should be pursued.

xvii. Land Tenure. Most farmers lack clear title to their land, or lease it from the Government, and therefore cannot offer land as collateral for credit. The divestment of State-owned land and provision of adequate titling services to privately-owned farms is an essential first step in raising agricultural productivity.

xviii. Research and Extension. Research and extension should continue to focus on rice production, for which there is an ample untapped market. In research, the Government should focus on primary stages, and private sector participation should be promoted in the areas of seed production and extension.

Poverty and the Social Sectors

xix. It is difficult to know exactly the nature and extent of poverty in Guyana. Since 1980, however, out-migration has kept the total population roughly constant at about 750,000 people. At the same time real GDP has fallen 24% and consumption spending has fallen 22%. An estimate made by the IDB in 1989 indicated that 67% of the population were poor. Official estimates put the figure closer to 86%.

xx. The Government has made a major effort to organize a social program (SIMAP) to address the problems of the social cost of adjustment. It will particularly provide targeted nutrition and health interventions to the most at-risk group; pregnant women and young children. After a slow start-up, SIMAP is now beginning to identify and fund a wide variety of projects. However, to adequately deal with poverty will also require a major revamping of current government programs in health and education, beyond the improvements that SIMAP can contribute.

xxi. The percentage of public spending allocated to the social sectors has declined significantly since the beginning of the 1980s. Recurrent spending on the health sector, for example, accounted for 9.2% of public spending in 1984 and only 4.7% in the 1991 budget estimates. Similarly, recurrent spending on education has declined from 17.6% to 5.6% of public spending in 1991, all at a time when per capita GNP has been declining. These are well below levels reported for other Caribbean countries and are also low relative to the GNP.

xxii. Education. Historically, Guyana has had a high quality education system with broad coverage of the population. Education has been universally free at all levels since 1976. Literacy rates have traditionally been high (currently estimated to be around 84%) and coverage from pre-school to secondary level has been broad.

xxiii. Reduced investments and inefficiencies in the use of resources within the sector has meant that both human and physical infrastructure has deteriorated significantly at all levels. Many of the qualified and experienced teachers have been lost to emigration and other sectors and have been replaced by unqualified staff. School buildings have not been maintained and teaching resources are extremely limited. Daily school attendance rates are low in many regions. Employers complain about the poor quality of secondary school graduates.

xxiv. Health. The quality of health care has declined markedly over the past decade and shortages of staffing and equipment has effectively resulted in a contraction of the health services offered. The principal reasons for these declines include the severe shortage of resources, fragmented

organization of the sector, lack of coordination between relevant agencies, the breakdown of the central auditing system and lack of accountability of agencies to client populations.

xxv. The deterioration of health facilities and services at the regional level affects the entire population, but is most severe in smaller urban areas and rural areas where health facilities lack even the most basic drugs and diagnostic equipment. The regional hospitals are ill-equipped in terms of staff, basic diagnostic equipment and drugs and they are generally bypassed by patients who seek care directly from the somewhat better funded national hospital in Georgetown. Simple diagnosis of hypertension, diabetes (an important health risk in Guyana) and even anemia is not always possible in the regional hospitals because of broken diagnostic equipment, and they generally lack standard antibiotics, common painkillers, or anesthetics. The extremely low quality of care offered in regional facilities is reflected in severe underutilization of the facilities; occupancy rates in some are as low as 11%.

The Future Agenda

xxvi. Guyana is a country blessed with tremendous resources, but also burdened with tremendous problems. Sustaining the recovery effort, and transforming it into continuous long-term growth and development will require a major effort on the part of the Government. It will be essential that the Government continue to maintain a balanced and supporting macro-economic environment, free from the inflationary pressures of the last few years. In addition, it is important that the past changes in the incentive structure be maintained, and where possible, extended. But the major challenges for the Government are not in the area of the incentive framework. Rather, the biggest problems now lie in other areas, particularly in improving the functioning of the public sector, and the provision of adequate infrastructure for development. Over the medium term, it is important that the second phase of the Economic Recovery Program focus on the following, high-priority reforms in the public sector:

- a major adjustment of public sector wages to levels more competitive with the private sector;
- a significant increase in the real level of maintenance and operating expenditures, particularly for the health and education sectors;
- a major overhaul of the tax system, including better enforcement of the existing system, and modifications in the structure to both eliminate disparities in incentives and to generate more revenues (as required to finance the first two items). The most important changes in the revenue system should include:
 - a reduction in the number of consumption tax rates and its extension to services;
 - the elimination of special exemptions and fiscal incentives that reduce revenue;
 - the simplification of the common external tariff (CET) and a reduction in its highest rates from 45% to a maximum of 20%; and

- the introduction of user charges in the social sectors, and upward adjustment and better collection of existing charges in transport, drainage and irrigation.

Other measures urgently needed include:

- the development of a revised public investment program that is more tightly focused on the key areas of sea wall defense, power, transportation and water supply;
- the privatization of the sugar and bauxite industries, and
- privatization of public sector financial institutions, particularly in commercial banking;

Other important, but somewhat less urgent, reforms that should be undertaken include:

- improving the regulation and supervision powers of the Central Bank of Guyana, including the placing all deposit taking institutions under its supervision;
- establish the Bank as an institution more independent of the Ministry of Finance;
- elimination of the favorable tax treatment for bank deposits;
- adjust interest rates in public institutions upward to reflect cost of funds to the Treasury, and put long-term lending on a variable rate basis;
- bringing the auditing of all government departments, agencies and financial institutions up to date;
- undertake a major program to rehabilitate the health and education facilities, particularly in the rural areas;
- divest state-owned land to farmers and improve titling services for privately owned farms;
- develop water-user associations to take over the role of water charge collection and maintenance from the government;
- improve extension, credit and other services for agriculture; and
- improve the controls over forestry activities, so as to ensure that they operate on an environmental sound and sustainable basis.

Debt Relief and Aid Requirements

xxvii. Implementation of this reform agenda, and the maintenance of a stable macroeconomic environment, is an essential prerequisite for a sustained development effort. However, Guyana's continued development also depends heavily on continued access to concessionary external finance, as well as concessionary debt relief. Overall requirements for official inflows are estimated to be about \$550 million during the period 1992-95. Of this amount, about \$150 million could be drawn from existing loans, leaving \$400 million which would have to come from new loans and grants, or from additional debt relief. Of the total of \$550 million, about \$185 million (34%) is required to finance projects in the public investment program; the balance would have to be made available in the form of balance of payments assistance. The large size of these requirements, given the relatively small size of the economy, suggests that additional concessionary debt rescheduling would be the most

efficient means of effecting the necessary resource transfer. Donors should consider extending additional debt rescheduling on terms even more concessionary than the present Toronto terms, in light of Guyana's considerable achievements in structural adjustment and its heavy debt service burden. A rescheduling of all outstanding bilateral debts, including those recently rescheduled, on the more favorable Trinidad terms, for example, would reduce the required level of inflows by about \$180 million, from \$400 to about \$220 million.

PART I

MACROECONOMIC ISSUES, PROSPECTS AND AID REQUIREMENTS

I. MACROECONOMIC MANAGEMENT AND RECOVERY

Background

1.1 Guyana is one of the poorest countries in the Southern Hemisphere, having a per capita income of only \$360 in 1990. After its independence from Great Britain in 1966, Guyana followed a socialistic model of development. The Constitution called for a type of socialism based on "cooperative efforts" and "the extension of socialist ownership and the economic laws of socialism".^{1/} Major productive sectors were controlled either through government investment, or through price controls and foreign exchange rationing. Major foreign-owned investments in the sugar and bauxite sectors were nationalized. The government also controlled the major financial institutions, and most consumer and marketing agencies. By 1988, the Government controlled over 80% of recorded import and export trade and 85% of total investment. The rapid expansion of the public sector was accompanied by a concomitant decline in the private sector, and a emergence of a parallel economy, particularly as commodity, factor and foreign exchange prices began to diverge from their market equivalents.

1.2 Economic performance during the 1970s was mixed. During the first half of the decade, GDP grew by about 4% per annum in real terms as a result of favorable prices for Guyana's major export commodities, and the rapid growth of government expenditures. The increase in oil prices in 1973-74 was offset by a boom in the price of sugar during 1974-75. The windfall associated with the sugar boom was used by the Central Government to expand both consumption and investment expenditures. With a fall in the price of sugar after 1975, and weakening demand for bauxite, the public sector came under increasing pressure, deficits and foreign borrowings increased, and the resource gap widened to 12% of GDP (1975-80 average).

1.3 During the 1980s, real gross domestic product continually declined, averaging a -2.8% per annum during the 1980-88 period. The level of recorded output in 1988 was only 68% of the level of 1976. Because of the continued decline in the terms of trade, and the rising share of foreign interest payments, gross national income decline even faster, at a rate of -4.9% (see Table 1.1 below). Technical, organizational and financial problems in Guyana's key sectors (sugar, rice, bauxite), combined with falling world demand, led to a stagnation in output in these sectors and declining government revenues. At the same time, inflation averaged 20% per annum, as public sector deficits widened, and the government increasingly relied on foreign borrowings to finance resource imbalances. Interest on foreign debts, and losses of public enterprises, particularly in bauxite and sugar, added to the pressure on government finances. Foreign debt outstanding increased from 187% of total exports in 1980, to 668% in 1989, and with the devaluation in that year, total debt exceeded 600% of GDP. The public sector deficit increased from 21% in 1980 to 32% in 1988 and current account deficit in the balance of payments widened from 7% of GDP to 20% in the same period. By the

^{1/} Constitution of Guyana, Articles 14-16.

mid-1980s, the Government was unable to meet its debt service obligations, and ceased making payments to most of the bilateral and multilateral lenders. Some attempts were made to make adjustments during the 1984-87 period, by restructuring some public enterprises, reducing public sector employment, and establishing a de facto multiple exchange rate system. However, these reforms were generally insufficient given the magnitude of the problem. For example, attempts at devaluation of the fixed exchange rate in 1984 and 1987 yielded little real effect, as these nominal devaluations were offset by continued high rates of inflation fueled by continued large fiscal deficits. While total public sector employment fell after 1980, there was a large increase in public sector employment between 1984 and 1986. The worsening economic situation lowered real wages and consumption, and many talented Guyanese migrated abroad to more lucrative opportunities, further limiting the Government's ability to deal with its problems.

The Economic Recovery Program

1.4 In mid-1988 the Government announced its Economic Recovery Program (ERP), which called for a major redirection in Government policy. Specifically, it called for a much reduced role in the economy for the public sector, the removal of controls that distorted commodity and factor prices, and a greater role for the private sector. Following this program, the Government has during the last three years, undertaken the following steps:

- price controls were almost completely eliminated starting with food and consumer items (1988), and eventually including petroleum products and transportation (1991)^{2/};
- import prohibitions were eliminated for all items except food (1988), and these too were subsequently eliminated except for two items;
- the structure of tariffs was reduced, in line with the new CARICOM common external tariff with a maximum rate of 45%; - foreign exchange licensing for imports were essentially eliminated by making them non-binding;
- a free market for the sale of foreign exchange (cambio market) was established among banks and registered dealers (1990) and the official rate and the cambio rate unified (1991);
- a privatization program was initiated for a large group of public sector enterprises, with a number of them sold, closed, or leased;
- new tax measures were put in place, and exemptions eliminated, in order to increase revenues;

2/ The only product still under price control is sugar.

- rationalization of the operations of the bauxite and sugar sectors has begun, and work initiated toward the eventual goal of full privatization;
- power rates were increased substantially (over 400% in real terms between 1989 and 1991, and management changes were made in the power utility;
- the government structure was rationalized to reduce the number of ministries from 18 to 11, and non-critical positions were eliminated;
- fiscal deficits and money supply growth have been reduced, with a consequent drop in the rate of inflation; and
- a free auction of government treasury bills has been introduced, and interest rates now reflect market conditions.

Few countries have undertaken such a dramatic turnaround in economic policies, and few have implemented such a program with such speed and determination. Because of its efforts, a support group of donors was organized, and the Government was able to secure financing to clear arrears to the multilateral lenders. It also was able to agree with the IMF, World Bank and CDB on major programs of support, and to agree with the Paris Club on a major program of debt relief.

Economic Performance under the ERP, 1989-91

1.5 The Government has continued to implement the ERP despite disruptions in 1989 and 1990 which severely impacted on the economy. Strikes and work stoppages in the sugar and bauxite sectors, and continued power shortages, limited production in 1989 and 1990.^{2/} While the reform of the exchange rate system benefitted non-traditional exports, Guyana's main products suffered from the effects of a dual exchange rate system which applied an overvalued official rate to traditional products. In addition, unusually heavy rains in 1990 had a devastating effect on bauxite, sugar and rice production. The resulting flooding of the bauxite mining areas led to closure of the mines for protracted periods, while flooding of agricultural lands severely impeded sugar and rice production. Agriculture production was further constrained by the intrusion of saline water into prime agricultural lands, following extensive breaches in the protective coastal sea wall. Guyana was also adversely affected by the sharp increase in oil prices during the Gulf crisis. As a result, real GDP declined by 4.8% in 1989 and 3.2% in 1990 (see Table 1.1).

^{2/} Total mandays lost in public sector work stoppages in 1989 was 686,000 mandays, which was five times the level of 1987 (see Statistical Appendix, Table 1.3).

**Table 1.1: MACRO-ECONOMIC INDICATORS
(in percent)**

| | Actual | | | Estimated |
|--|---------|-------|-------|-----------|
| | 1980-88 | 1989 | 1990 | 1991 |
| --- growth rates --- | | | | |
| GDP (Factor Cost) | -2.8 | -4.4 | -3.2 | 6.1 |
| Investment | -10.5 | 63.2 | 18.9 | 10.9 |
| Exports | -5.7 | -6.3 | -2.1 | 12.5 |
| Consumer Prices | | | | |
| annual average | 21.5 | 89.3 | 64.9 | 102.0 |
| end year--end year | | 104.7 | 75.9 | 71.0 |
| GDP Deflator | 17.0 | 155.0 | 55.3 | 130.4 |
| --- shares of GDP (current prices) --- | | | | |
| Investment | 29.5 | 34.2 | 42.3 | 43.7 |
| Current Acct. Balance | -28.7 | -29.8 | -37.3 | -39.7 |
| Net Factor Income | -15.6 | 22.7 | 26.2 | 34.6 |

Source: Government of Guyana, IMF, World Bank staff estimates.

1.6 In 1991, the reform program began to show an impact, and weather and other conditions were favorable. The decontrol of producer prices and the establishment of a substantially depreciated exchange rate have had a significant impact on increasing production, and returning to the legal economy production of some items, such as gold and diamonds, which were previously smuggled out of the country. In the sugar sector, the installation of better management in GUYSUICO, the resumption of a replanting program, and a resolution of much of the labor problem, has resulted in output increase of 23% to 162,000 tons. Rice output has responded to better prices and improved weather, and is likely to increase production by 60% (to 150,000 tons). Production of calcined bauxite is estimated at 360,000 tons in 1991, up 14% over the previous year. Only the output of chemical and metal grade bauxite is down, because of depressed world market conditions. Gold production, as based on sales to the Gold Board, will be about 60,000 oz. in 1991, up from 41,000 in the previous year. Altogether, a real GDP increase of about 6% is estimated in 1991 on a preliminary basis. However, some of this increase may be merely the rerouting of activities previously taking place in the underground economy (see Annex I).

Demand Management and Adjustment

1.7 Despite a significant supply-side response in 1991, the Government continues to have major difficulties in limiting demand and controlling inflation. Consumer prices went up 89% in 1989, 65% in 1990, and 60% during the first half of 1991. Since July, inflation has been averaging approximately 1-2% per month.^{4/} The continuation of inflation has been the result of several factors, including the removal of price controls, declining output in 1989-90, and consequent shortfalls in government revenues. As a result, domestic deficit financing requirements of the public sector remained large, about 13% of GDP in 1990 and 17% in 1991 (includes the impact of the Bank of Guyana). The higher domestic financing in 1991 was a result of shortfalls in foreign loan disbursements. However, the overall deficit was reduced in 1991, to 24% of GDP, from 44% the year before.

Table 1.2: SUMMARY OF PUBLIC SECTOR OPERATIONS
(percent of GDP)

| | -----Actual----- | | | | | Estimated |
|----------------------------|------------------|-------|-------|-------|-------|-----------|
| | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 |
| Primary Current Account | 17.8 | 27.1 | 15.5 | 13.3 | 18.9 | 19.3 |
| Current account surplus | -13.6 | -8.8 | -15.8 | -18.8 | -21.6 | -15.6 |
| Capital expenditure | 24.9 | 29.1 | 18.4 | 18.8 | 27.5 | 16.5 |
| Overall surplus/deficit(-) | -37.2 | -34.8 | -32.7 | -35.2 | -43.6 | -23.9 |
| Net external financing | 26.4 | 37.0 | 17.6 | 26.2 | 30.8 | 6.9 |
| Net domestic financing | 10.8 | -2.2 | 15.2 | 9.0 | 12.8 | 17.0 |
| memo: GDP (C\$ millions) | 2170 | 3359 | 4138 | 10330 | 15665 | 38283 |

Source: IMF; includes non-financial public sector and Bank of Guyana.

1.8 Despite a contraction in credit to the public sector (see Table 1.3 below), money supply has expanded significantly during the period, increasing by 52% in 1990 and 59% in 1991 (broad money). This is in despite of the Central Bank's program to absorb 75-80% of the excess reserves of the banking system through the forced sale of long-term debentures. Control over the money supply has been made difficult by the series of rapid devaluations, which has moved the exchange rate from 4.4/US\$ in 1986 to 45/US\$ in 1990 and 120/US\$ in 1991, and the impact of the oil price shock of 1990-91. At the same time, the attempt by the Central Bank to build foreign exchange reserves has also added to the growth of the domestic money supply, and added to this has been an inflow of transfers and repatriated capital from abroad, and the

4/ There are no official consumer price indices; these numbers are based on staff estimates. The estimated inflation on an end-year to end-year basis is 71% (see Table 1.1).

problems of dealing with very large external debt service payments. Another important factor is the large size of the government deficit in relation to the monetary base. The domestic deficit in 1990 was G\$2.0 billion, over one-fifth of the money supply of G\$9.4 billion (M3).

1.9 Up until June, 1991, effective monetary policy was difficult to implement because the Government set the treasury bill rate without reference to market conditions, and could not sell unlimited amounts of treasury bills as a deflationary device. Large amounts of money held in the banking system, and uncertainties in estimating the demand for money further compounded the situation. Credit to the public sector increased by only 3% in 1990, and fell by 39% in 1991. Credit to the private sector, however, increased by over 60% in each year. In addition, the velocity of money has increased significantly since 1986 (see Table 1.3) as inflation and negative real interest rates have discouraged people from holding significant amounts of money and near-money instruments.

Table 1.3: MONEY AND CREDIT
(growth rates)

| | -----Actual----- | | | | | Estimated |
|-------------------|------------------|------|------|-------|------|-----------|
| | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 |
| Domestic Credit | -5.6 | 30.2 | 31.0 | -34.8 | 22.2 | -8.2 |
| to Public Sector | -5.2 | 25.3 | 20.9 | 20.9 | 2.7 | -39.1 |
| to Private Sector | 29.5 | 46.5 | 61.3 | 61.2 | 62.1 | 60.4 |
| Broad Money (BM) | 4.4 | 34.3 | 37.3 | 50.3 | 52.0 | 52.0 |
| Velocity (GDP/BM) | 1.0 | 1.2 | 1.0 | 1.7 | 1.7 | 2.7 |
| Inflation (CPI) | 7.9 | 28.5 | 40.1 | 89.3 | 64.9 | 102.0 |

Source: IMF, International Financial Statistics, and staff estimates.

1.10 The Exchange Rate. Guyana's foreign exchange system has been profoundly reformed, and both the nominal and real rates subject to substantial depreciation. The parallel market for foreign exchange was legalized in March of 1990, with the introduction of the "cambio" system, which allowed banks and non-bank dealers to trade foreign currency at freely determined rates. In fact, the rates tend to be set by the larger commercial banks. During most of 1990 a dual exchange rate system existed with an official rate for official transactions which was substantially more appreciated than the cambio rate. Initially, the cambio market only applied to nontraditional exports and nonessential imports and services, which essentially resulted in a dual exchange rate system. After June, 1990, the cambio rate applied to most trade, except for sugar exports and imports of fuel, sugar and official debt service. Full unification of the exchange rate

occurred only in February, 1991, when the official rate was adjusted to match the cambio rate, and was moved from G\$45 to G\$102. The official rate was abolished completely in October, 1991. Only sugar and a small amount of bauxite exports now must go through the Central Bank, and these are transacted at the official rate which remains equal to the cambio rate. The exchange rate in the open market depreciated in the early weeks after unification, reaching a peak of about G\$135 in March of 1991, but subsequently appreciated to a rate of about G\$122 by the end of the year.

Table 1.4: EXCHANGE RATES AND RELATIVE PRICES
(period averages)

| | -----Actual----- | | | | | Estimated |
|----------------------------------|------------------|-------|-------|-------|-------|-----------|
| | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 |
| Nominal Exchange Rate (G\$/US\$) | 4.27 | 9.76 | 10.0 | 27.2 | 39.5 | 111.8 |
| CPI (1985=100) | 107.9 | 138.9 | 194.4 | 368.0 | 606.8 | 1225.7 |
| MUV (1985=100)a/ | 117.9 | 129.5 | 138.9 | 138.0 | 146.2 | 153.5 |
| Relative Price Index | 109.3 | 93.2 | 71.5 | 37.5 | 24.1 | 12.5 |
| Real Effective Exchg. Rate b/ | 100.0 | 51.3 | 65.3 | 45.8 | 49.1 | 33.3 |

a/ World Bank export price index for manufactures, LDC weights.

b/ 1986 =100, decrease indicates depreciation.

Source: IMF & Bank Staff estimates.

1.11 In real terms, the exchange rate movements represent a substantial depreciation, despite rapid domestic inflation. As shown in Table 1.4, the index of the real effective exchange rate, with 1986 equal to 100, is estimated to be 33.3 in 1991, a real depreciation of 67%. The adjustment process has not been smooth, however, with a sharp real depreciation in 1987 (49%) followed by an appreciation in 1988 (27%), depreciation in 1989, appreciation again in 1990, and finally a major depreciation (32%) in 1991.

1.12 Interest Rates. The Bank of Guyana sets a Bank rate for rediscounting loans, and while this facility is rarely used, the Bank rate is an important signalling device to the financial system. The Bank rate at the end of 1991 was 32.5%, and the prime lending rate was 33.5% for loans from commercial banks. However, most borrowers are charged substantial spreads above the prime rate, so that most loans have average rates of about 37-38% (see Table 1.5 below). Until recently, interest rates on treasury bills were fixed by the Government, and were generally negative in real terms. In 1989, the treasury bill rate was increased substantially from 11.3% to 33.75%, and between 1989 and 1991, the rates were held at about this level. In June, 1991, the Government introduced a system for the competitive bidding of treasury bills at monthly auctions. The rate prevailing in the treasury bill auctions is used to adjust the Bank rate and other administered rates, such as

the lending rates for development banks and the rates paid on excess commercial bank reserves held in the Bank of Guyana. Since these funds represent the opportunity cost to the banks of alternative investments, the Bank's policy on setting interest rates on excess reserves helps determine the overall structure of rates.

Table 1.5: - SELECTED INTEREST RATES
(percent per annum)

| | <u>1986</u> | <u>1987</u> | <u>1988</u> | <u>1989</u> | <u>1990</u> | <u>1991</u> | <u>1991</u> | <u>1992</u> |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Dec | Dec | Dec | Dec | Dec | Jan | Dec | March |
| Prime Lending Rate | 15.00 | 15.00 | 14.80 | 37.50 | 31.00 | 33.50 | 31.50 | 32.25 |
| Bank Rate | 14.00 | 14.00 | 14.00 | 35.00 | 30.00 | 32.50 | 32.50 | 31.25 |
| Treasury Bills | 12.75 | 10.36 | 10.80 | 33.75 | 28.75 | 31.25 | 30.90 | -- |

Sources: Bank of Guyana, and IMF; International Financial Statistics.

1.13 Since the introduction of the auction, treasury bill rates have averaged close to 31%, with only minor fluctuations month to month. With a estimated rate of inflation of 102% in 1991, these interest rates would appear to be quite negative. With current inflation running about 1-2% per month, present rates would appear to be positive in a real sense. The needs of the Government to finance its deficits continues to dominate the financial market, both because of a low demand for private credit, and the large size of the government's deficits. Most commercial banks hold only about 20-30% of their portfolios in loans; the balance is in liquid assets, chiefly treasury bills. The continuation of high real interest rates is partly a function of the high interest rates paid by the Bank of Guyana on the excess reserves of the commercial banks, which discourages downward pressure on the treasury bill rate, to which the entire structure of interest rates is tied (see Chapter VI for a more detailed discussion of the financial system).

External Accounts

1.14 The large external debt of Guyana, presently about \$2.0 billion (end 1990), presents a continued burden on the recovery program. At current exchange rates, this represents a debt equal to about 6 times the total GDP (as of the end of 1991). Scheduled debt service in 1990 equalled 99% of the exports of goods and non-factor services. About one-quarter of the debt is owed to multilateral agencies, and therefore not subject to rescheduling. About half of the debt is owed to bilateral lenders, and only a relatively small portion is owed to private creditors, banks and suppliers (see Table 1.6 below).

Table 1.6: TOTAL DEBT OUTSTANDING, 1990
(US\$ million, end year)

| Creditors | US\$ million | % |
|---------------------------------------|--------------|--------------|
| Bilateral Donors | 1042 | 53.2 |
| Trinidad & Tobago | 414 | 21.1 |
| United States | 126 | 6.4 |
| United Kingdom | 138 | 7.0 |
| Others | 364 | 18.6 |
| Multilateral Agencies | 471 | 24.0 |
| CDB | 58 | 3.0 |
| IDA | 93 | 4.7 |
| IBRD | 59 | 3.0 |
| IDB | 193 | 9.8 |
| Others | 68 | 3.5 |
| Financial Institutions/Bonds | 88 | 4.4 |
| Supplier's Credits & Other | 62 | 3.2 |
| Total, MLT | 1663 | 84.8 |
| IMF | 113 | 5.8 |
| Short Term | 184 | 9.4 |
| Total, Public Debt | 1960 | 100.0 |

Source: IBRD, World Debt Tables, and Debtor Reporting System.

1.15 Dealing with the problem of the debt has occupied a major segment of the Government's attention. Under the chairmanship of the Government of Canada, a support group formed in late 1988 to help Guyana deal with the problem of the arrears to multilateral institutions, including the Bank and the Fund. These were successfully cleared in June of 1990, and government received a Fund stand-by arrangement as well as a drawing from the Enhanced Structural Adjustment Facility, and a Structural Adjustment Credit from IDA was also made. Guyana has received two reschedulings from the Paris Club, the latest in September 1990 on Toronto terms. However, the Paris Club reschedulings affected only about US\$350 million of the total external debt, and have included some capitalized interest into the debt owed. The effect has been mostly to postpone payments, rather than to reduce substantially debt service. Some bilateral lenders debts have been canceled unilaterally. These include US\$112 million owed to the United States under various development loans, US\$32 million owed to Canada, and US\$9 million owed to the United Kingdom. One commercial bank has canceled its debt of US\$13 million. While Guyana's debt of US\$437 million to Trinidad and Tobago has been rescheduled, payments are not being made, and this issue needs to be resolved. At present, no payments are being made on the US\$73 million owed to the commercial banks. While the impact of past debt relief and cancellation agreements has been to

reduce debt service somewhat, the projected debt payments for 1992 will amount to approximately 41% of exports of goods and non-factor services. The Government has made a proposal for a comprehensive debt restructuring arrangement centered on a debt buyback operation at a significant discount. Debt owed to commercial banks, however, is less than 10% of Guyana's total debt outstanding.

Table 1.7: SUMMARY BALANCE OF PAYMENTS
(US\$ millions)

| | 1986 | 1987 | Actual 1988 | 1989 | 1990 | Estimated 1991 |
|--|-------------|-------------|----------------|-------------|-------------|-------------------|
| Current Account (including transfers) | -141 | -109 | -94 | -113 | -148 | -134 |
| Merchandise trade (net) | -49 | -21 | -1 | -7 | -46 | -37 |
| Exports, f.o.b. | 210 | 241 | 215 | 205 | 204 | 238 |
| Bauxite | 82 | 86 | 80 | 73 | 75 | 87 |
| Sugar | 83 | 90 | 75 | 83 | 75 | 86 |
| Rice | 11 | 16 | 15 | 12 | 14 | 17 |
| Other | 34 | 48 | 45 | 37 | 40 | 48 |
| Imports, c.i.f. | -260 | -262 | -216 | -212 | -250 | -275 |
| Fuel | -74 | -77 | -74 | -70 | -87 | -79 |
| Other | -186 | -185 | -142 | -142 | -163 | -196 |
| Service (net) | -108 | -109 | -112 | -127 | -130 | -125 |
| Of which: investment income 1/ | -85 | -90 | -94 | -103 | -109 | -109 |
| Transfers (net) | 16 | 21 | 19 | 21 | 28 | 28 |
| Of which: private transfers | 10 | 11 | 13 | 14 | 13 | 16 |
| Capital Account | 1 | -24 | -23 | 231 | 531 | 210 |
| Nonfinancial public sector | | | | | | |
| Medium and long-term debt | 7 | -23 | -28 | 226 | 522 | 102 |
| Disbursements | 68 | 39 | 29 | 67 | 225 | 99 |
| Amortization | -126 | -134 | -130 | -175 | -121 | -52 |
| Rescheduling/Debt Relief | 66 | 72 | 73 | 344 | 418 | 55 |
| Short-term debt (net) | -- | -- | -- | -3 | -- | -- |
| Official development banks (net) | 2 | 6 | 1 | -- | -- | -- |
| Private sector/Commercial Banks | -8 | -7 | 4 | -5 | 9 | 100 |
| Errors and Omissions | -- | -4 | 11 | 1 | 1 | 8 |
| Overall Balance | -140 | -137 | -106 | 117 | 384 | 76 |
| Financed by: | | | | | | |
| BoG net foreign assets (incl. IMF) | 62 | 77 | 32 | 29 | -18 | -76 |
| Nonfinancial public sector arrears | 68 | 56 | 70 | -156 | -265 | 24 |
| Private sector commercial arrears | 10 | 4 | 4 | 10 | -101 | -- |
| Total | 140 | 137 | 106 | -117 | -384 | -76 |

1/ On an accrual basis, including interest on principal in arrears.

Source: IMF staff estimates. Note: earlier years might differ with the statistical appendix Table 3.1 due to adjustments made by the Fund.

Note: Current account includes official grants.

Balance of Payments

1.16 Guyana's economic situation remains constrained by its external payments difficulties, despite the fact that official arrears have been cleared, and exports are beginning to respond to recent adjustments in the

exchange rate. The current account deficit in 1991 still amounted to 52% of GDP, and interest owed on external debt amounts to 34%.

1.17 In 1991, total exports increased by 17%, largely on the basis of better results in bauxite, sugar and rice sectors. Imports, however, increased by about the same amount, reflecting increases in the level of investment, particularly in the public sector, and the general recovery of the economy. Most imports consist of capital goods (about 45% of total in 1990) and intermediate goods (42%), of which fuels and lubricants is the biggest component (see Box). Net investment income, which totaled \$109 million, largely for debt interest payments, was over 50% of commodity export earnings (see Table 1.7).

1.18 Guyana received substantial foreign assistance in 1990, both in terms of debt relief and new loans, some of which were used to clear arrears. Total disbursements of official loans amounted to \$225 million, in addition to \$418 million of debt relief. In 1991, disbursements are estimated to have been about only \$99 million. The success of the stabilization program can be seen in the ability of the Bank of Guyana to increase its reserve holdings of foreign exchange well beyond the goals set under the program. From a low of \$4 million dollars at the end of 1988, the authorities have managed to increase gross reserves by about \$90 million during the year. Gross reserves at the end of 1991 equaled \$123 million, which is equivalent to over four months of merchandise exports.

Trade in Petroleum Products

Imports of fuels and lubricants alone make up about 23% of total imports (1990). Guyana has no domestic petroleum resources. All petroleum products, other than those required by the bauxite industry, are imported by the Guyana National Energy Authority (GNEA), largely through a Venezuelan line of credit. The GNEA sells imported products to private distributors at prices reflecting import costs, and retailers are free to set prices as they wish. Since March 1991, the Government has decontrolled all prices of petroleum products at the retail level, including kerosene. Bus and taxi fares have also been totally decontrolled. At present, some exploration activity is going on both offshore and in southern Guyana, but no commercially viable resources have been located.

II. PUBLIC SECTOR FINANCES

Introduction

2.1 Public sector finances deteriorated markedly during the second half of the 1980s. Central government revenues eroded as a consequence of both the decline in real economic activity and the growth of a parallel economy dropping from 42% of GDP in 1986 to 19% in 1989 (see Table 2.1). At the same time, growing expenditures, especially interest payments and rising capital expenditures, led to an overall public sector deficits which averaged about 35% of GDP during 1986-1989. Much of this deficit can be traced to very high payments of domestic and foreign interest, over 30% of GDP in this period.

Table 2.1: CONSOLIDATED PUBLIC SECTOR FINANCES
(% of GDP)

| | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | Prel. 1991 |
|--------------------------------|-------|-------|-------|-------|-------|-------|---------------|
| Central Government 1/ | -5.8 | 4.8 | -3.2 | -4.0 | -2.3 | 2.1 | 7.6 |
| Revenue 2/ | 33.5 | 42.1 | 30.5 | 30.0 | 18.7 | 21.6 | 21.0 |
| Expenditure | -39.3 | -37.3 | -33.7 | -34.1 | -21.1 | -19.5 | -13.4 |
| Rest of Public Sector 3/ | 10.7 | 14.3 | 31.2 | 19.7 | 15.5 | 10.4 | 11.6 |
| Primary Current Balance | 4.9 | 19.1 | 28.0 | 15.7 | 13.2 | 12.6 | 19.3 |
| Interest Obligations | -29.0 | -32.7 | -36.8 | -31.6 | -32.0 | -34.1 | -35.0 |
| Domestic | -16.0 | -17.9 | -12.6 | -11.7 | -8.9 | -9.0 | -6.1 |
| External 4/ | -13.0 | -14.8 | -24.2 | -19.8 | -23.1 | -25.0 | -28.8 |
| Current Balance | -24.1 | -13.6 | -8.8 | -15.9 | -18.8 | -21.5 | -15.7 |
| Capital Revenue | 0.2 | 0.1 | 0.0 | 0.0 | 0.4 | 1.9 | 5.7 |
| Grants | 1.5 | 1.2 | 3.1 | 1.7 | 2.1 | 3.6 | 2.8 |
| Capital Expenditure | -24.7 | -24.8 | -29.4 | -18.4 | -18.9 | -27.5 | -16.5 |
| Overall Balance | -47.1 | -37.2 | -35.1 | -32.6 | -35.2 | -43.5 | -23.8 |
| Financing | 47.1 | 37.2 | 35.1 | 32.6 | 35.2 | 43.5 | 23.8 |
| External (Net) | 29.6 | 26.5 | 37.1 | 17.5 | 26.2 | 30.8 | 6.9 |
| Domestic | 17.5 | 10.6 | -2.0 | 15.1 | 9.0 | 12.7 | 16.9 |

- 1/ Excludes transactions with the Public Enterprises and the NIS.
 2/ Excludes the sugar levy and all other taxes from public enterprises.
 3/ Excludes transactions with the Central Government.
 4/ Starting from October 1990, interest obligations on rescheduled debt were estimated at 2% of the stock of such debt. These obligations were subsequently rescheduled by the Paris Club.

Sources: Government of Guyana, IMF and Bank staff estimates.

Recent Trends in Central Government Revenues and Expenditures

2.2 Since the mid-1980s, the Government intensified its revenue-collecting efforts in the wake of rising expenditures. Current revenues

increased significantly in 1986, reflecting improved collections of corporate taxes, an increase in the number of taxpayers, and increases in consumption tax rates. However, a setback was witnessed in 1987, as devaluation losses incurred by companies depressed the tax base, and the government eliminated consumption taxes on fuel and energy products. With the launching of the ERP in 1988, the Government began to intensify revenue collection efforts and in 1989 it converted some specific consumption taxes to an ad valorem basis and eliminated exemptions on consumption taxes and import duties previously provided to some public enterprises. Further steps were taken in 1990 to eliminate exemptions relating to fuel and imports of agricultural, forestry and mining equipment. In addition the coverage of these taxes was extended to previously prohibited imports. The introduction of the sugar levy in 1988 raised direct taxes, but subsequent adjustments in income tax rates have reduced direct taxes. At present, personal income taxes amount to less than 2% of GDP, and taxes on companies less than 8%.

**Table 2.2: CENTRAL GOVERNMENT CURRENT REVENUES
(% of GDP)**

| | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 |
|-------------------------|------|------|------|------|------|------|------|
| Direct Taxes | 15.6 | 19.1 | 12.8 | 21.8 | 14.1 | 17.5 | 15.2 |
| o/w Company Tax | 8.7 | 10.8 | 7.3 | 10.0 | 8.2 | 8.8 | 7.7 |
| Personal Income Tax | 4.8 | 6.1 | 4.7 | 4.3 | 1.8 | 2.4 | 1.3 |
| Indirect Taxes | 19.1 | 23.2 | 17.8 | 15.9 | 13.3 | 14.6 | 13.8 |
| o/w Consumption Taxes | 10.8 | 13.1 | 9.7 | 8.5 | 7.4 | 8.4 | 8.7 |
| Non-tax Revenues | 4.8 | 4.9 | 4.6 | 3.3 | 3.3 | 2.0 | 2.1 |
| Current Revenue | 39.4 | 47.2 | 35.1 | 40.9 | 30.7 | 34.2 | 31.1 |
| Total Revenue | 41.2 | 48.5 | 38.1 | 42.4 | 33.2 | 39.6 | 36.5 |

Note: The table includes all taxes from public enterprises (including the sugar levy) and are not comparable with those of Table 2.1 which excludes transactions with the public enterprises.

Source: Statistical Appendix Table 5.1.

2.3 Measures introduced in the February 1991 Budget included: (a) a modification of personal income taxes by replacing allowances and deductions by an income threshold, adjusting the tax bands and reducing the number of tax rates; (b) taxation of all allowances and prerequisites unless expressly excluded; (c) the introduction of a 15% withholding tax on interest on resident savings in lieu of taxation of personal income; (d) introduction of a 15% rice export levy to capture a part of the differential between the EEC preferential price and the world market price; and (e) a modification of the consumption tax structure with a reduction of the rate to 40% for most commodities previously taxed at 50%. In the 1992 Budget, the Government eliminated consumption taxes on medicines, essential foods and educational

materials, and reduced consumption taxes on cigarettes and tobacco, certain textile products and on electronic goods.

2.4 The Central Government's expenditures have been heavily dominated by debt service obligations stemming from Guyana's massive debt overhang. As Table 2.3 shows that interest obligations alone have exceeded 30% of GDP in most years when payments of external interest were being made. Faced with revenue limitations and increasing budget deficits, the Government had cut back on other items of current expenditure. Consequently, personal emoluments have decreased steadily from 18% of GDP in 1985 to 6% of GDP in 1991. This reflects conscious efforts by the Government to apply wage restraint as one of the measures in keeping down the fiscal deficit and a drastic reduction of central government employees from nearly 29,000 employees in 1985 to less than 18,000 in 1991. With the objective of eliminating overlapping functions and improving overall efficiency, the structure of the civil service also underwent a radical change in 1991, involving a reduction of the number of ministries from 18 to 11. The reduction of the number of ministries, however, did not lead to a significant saving of expenditures, as salaries were increased in an effort to retain staff.

**Table 2.3: CENTRAL GOVERNMENT CURRENT EXPENDITURES
(% of GDP)**

| | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 |
|--------------------------|------|------|------|------|------|------|------|
| Personal Emoluments | 18.1 | 17.8 | 16.9 | 13.8 | 7.2 | 6.8 | 5.9 |
| Other Goods and Services | 19.0 | 13.7 | 18.1 | 17.8 | 9.7 | 6.7 | 6.5 |
| Interest Obligations | 41.9 | 45.8 | 36.0 | 31.7 | 11.2 | 26.8 | 29.5 |
| Transfers | 4.8 | 9.7 | 6.5 | 7.3 | 7.6 | 8.2 | 9.7 |
| Current Expenditure/GDP | 84.3 | 87.3 | 78.0 | 70.8 | 35.9 | 48.5 | 51.6 |

Source: Statistical Appendix Table 5.2.

2.5 Since 1986 concerted efforts were also made by the Government to limit or cut back in real terms, expenditure on other goods and services, i.e., on materials, fuel, equipment supplies, travel, postage and other services. Consequently, expenditure on these items declined steadily from 19% of GDP in 1985 to 7% of GDP in 1991. As discussed below, the reduction of expenditures on other goods and services have been so severe that it has begun to impair the efficient functioning of government ministries and departments. On the other hand, current transfers rose significantly in 1989 and 1991, mainly owing to a sharp increase in transfers to the Guyana Electricity Corporation (GEC), which above reached the equivalent of 2% of GDP in 1991. The increase was also caused in part by higher transfers in G\$ terms to international organizations following the devaluation of the Guyana dollar.

Public Sector Management

2.6 **Wages and Manpower.** Probably the most fundamental constraint facing the Government is the deterioration in the quality of the public service. The shortage of professional and technical manpower continues to impede the operational as well as the development activities of the public sector. Even basic information needed for macroeconomic management such as the national accounting data, remains extremely weak, in large part, owing to the lack of personnel to collect, compile and analyze key economic data. The lack of professional manpower has also adversely affected the formulation of effective sectoral policies and the development and monitoring of the PSIP. Shortages are most acute in the fields of economics, engineering, accountancy and industrial management, as reflected by the large number of unfilled vacancies in the public service. Guyana's economic recovery program would crucially depend upon developing a "critical mass" of higher level manpower through increased incentives, training and technical assistance, and attracting Guyanese professionals abroad for short periods.

Table 2.4: CENTRAL GOVERNMENT REAL WAGES

| | -----Actual----- | | | | | Est. 1991 |
|---|------------------|--------|--------|--------|--------|--------------|
| | 1986 | 1987 | 1988 | 1989 | 1990 | |
| Number of Employees | 28650 | 27411 | 24391 | 22034 | 18656 | 17800 |
| Salaries and Wages (G\$ millions) ^{1/} | 385.4 | 535.2 | 602.5 | 754.8 | 1191.1 | 2248.3 |
| Average Nominal Wage (G\$ per month) | 1121.0 | 1627.1 | 2058.5 | 2854.7 | 5320.5 | 10525.7 |
| Consumer Price Index | 100.0 | 128.7 | 180.1 | 341.1 | 563.2 | 1137.7 |
| Average Real Wage (G\$ per month) | 1121.0 | 1264.3 | 1143.0 | 836.9 | 944.7 | 925.2 |
| Real Wage Index (1986=100) | 100.0 | 112.8 | 102.0 | 74.7 | 84.3 | 82.5 |

^{1/} Represents total employment costs which consist of salaries and wages, allowances and contributions.

Source: State Planning Secretariat and IMF.

2.7 While it is understandable that wages would fall in the early stages of an adjustment program, the adjustments in the public sector have been excessive. As Table 2.4 shows, the average real wage in the central government has declined by 18% between 1986 and 1991. Consequently, wage levels remain about one-third or one-quarter of those in the private sector. As a result, vacancies remain at about 20% of total positions, despite the abolition of a large number of redundant posts. Before recent increases, many lower level staff were not receiving sufficient remuneration to cover commutation and food costs of going to work.

2.8 Rapid rates of inflation have undercut what appear to be large nominal wage increases. Government wages were increased by 50% in January 1991, and additional 20% plus G\$ 800 per month in July. The result was that lowest ranked staff (GS-1) received a total increase of about 137%, while

upper level staff (GS-16) received only 79% (calculated at grade mid-points). Inflation, however, was 65% in 1990 and 102% in 1991. Even after these increases, the salary of permanent secretaries, the highest paid civil servant, is the equivalent of US\$370 per month, including allowances. For 1992, the Government has announced a general salary increase of 10%, with 27% for teachers and medical personnel. For most staff, this will be less than the rate of inflation.

2.9 The effect of the past increases has been to compress the overall salary structure between top and bottom levels. In order to retain qualified staff, the Government introduce market supplements for upper echelon staff, but these were paid only to a relatively small number of technical people. It is almost impossible for the public sector to recruit and hold technically qualified people at middle and upper ranges, and those that remain with the Government do so only with tremendous sacrifice. The Government's room for maneuver is constrained by the fiscal situation, and the need to keep the budget deficit in check. A team financed by the U.K.'s Overseas Development Administration is presently implementing a public service reform project, which includes reviewing job classifications and pay scales, including such issues as merit pay increases and allowances. Based on this work, the Government needs to adopt an immediate plan of action, which should include steps to:

- establish a goal for real wage increases so as to gradually reduce the wage gap over the next five years to some agreed level in relation to the private sector;
- further eliminate both redundant unfilled positions as well as staff, particularly those at the lower levels;
- regrade positions to put them in line with market competition; and
- use foreign funds to supplement salaries in critical areas.

2.10 Operations and Maintenance. Inadequate funds for the operation and maintenance of public capital is apparent in all sectors, and results from insufficient allocations for materials, supplies, fuel, equipment and spare parts. Since 1988, key operations and (O & M) maintenance expenditures in the Central Government Budget have fallen by 24% in real terms (see Table 2.5). It is extremely inefficient to undertake new investments if investments already made are allowed to deteriorate rapidly from inadequate maintenance. New investments often reflect capitalized maintenance expenditures, in that donors are funding projects to rebuild infrastructure that has deteriorated not just because of age, but because of inadequate or improper maintenance. Part of the deterioration in maintenance is also due to the shortage of properly qualified and trained staff. A comprehensive assessment should be undertaken to establish realistic levels for each sub-sector, and a plan developed to reach this level within the next two or three years. As a beginning, however, the Government should restore expenditures to the 1988 level in real terms.

Table 2.5: CENTRAL GOVERNMENT EXPENDITURES ON OPERATIONS AND MAINTENANCE

| | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 |
|---|-------|-------|-------|-------|-------|--------|
| Operations & Maintenance (G\$ million) | 140.8 | 248.1 | 313.5 | 601.9 | 644.9 | 1513.0 |
| Consumer Price Index (Base Year 1986) | 100.0 | 128.7 | 180.1 | 341.6 | 563.2 | 1137.7 |
| Real Exp. & Operations and Maintenance (G\$ million) | 140.8 | 192.8 | 174.1 | 176.2 | 114.5 | 133.0 |
| Index of Real Expenditure | 100.0 | 136.9 | 123.7 | 125.1 | 81.3 | 94.5 |

Source: Government of Guyana Estimates of the Public Sector.

2.11 The need to increase the public service, by raising wages and further streamlining its organization, plus the launching of an expanded program of O&M is the highest priority facing the Government. To do this, however, will necessarily raise current expenditures, and will have to be offset by increased revenues to prevent an additional increase in budget deficits. Any significant change will entail a substantial increase in resource mobilization efforts. For instance, a doubling of central government salaries would add expenditures equivalent to roughly 10% of GDP. A 50% increase in O&M would add another 3%. However, an additional cut of 10-20% in government employment would save about 1-2% of GDP. The overall impact would be a required additional effort of about 11-12% of GDP. However, given the tax enforcement of the current tax system, plus the widespread use of exemptions, it is possible that such a revenue increase could be accomplished without changes in tax rates.

The Tax Structure^{1/}

2.12 Although significant progress has been made by the Government in increasing tax revenues (para. 2.2), the tax burden continues to fall on a narrow base with relatively high rates while an extensive parallel economy remains largely untaxed. Thus, a major challenge before the Government is to widen the tax base to improve revenue performance, while also lowering some of the highest rates which discourage compliance in certain areas.

2.13 In an effort to simplify personal income taxes, the February 1991 budget reduced the number of rates from 6 to 3, widened the tax bands and lowered the highest marginal rate from 50 percent to 40 percent. In terms of these proposals, taxable income is determined after the deduction of G\$48,000

^{1/} This section discusses the tax system from a resource mobilization standpoint. Chapter 5 examines the incentive effects of the tax system on production and investment.

per year or one-third of an individual's income from all sources, whichever is higher. The rates applicable for taxable income are as follows:

| <u>Income Band</u> | <u>Rate</u> |
|--------------------|-------------|
| First G\$50,000 | 20% |
| Next G\$50,000 | 30% |
| Balance | 40% |

Thus, for someone with a gross income of \$G100,000, the tax would be G\$10,600 or about 11%. With an income of \$200,000, the tax would be G\$38,200, or 19%.^{2/}

2.14 Although the above structure represents an improvement over the previous one, personal income taxes still contribute only the equivalent of less than 2% of GDP, reflecting its narrow base consisting of public sector employees and employees of relatively large companies. The tax base needs to be widened to cover a large number of small companies - a task which would involve surveys of small establishments and improved data processing capacity. This calls for a major strengthening of the Inland Revenue Department in terms of manpower and equipment to process an increased volume of tax returns.

2.15 Company taxes presently constitute the equivalent of 8% of GDP, and are set at a rate of 35% of gross profits, and a 15% withholding tax on dividends. The highest priority, given limited staff resources, is to increase supervision and auditing of compliance by larger corporations. In addition, as in the case of personal income taxes, the coverage needs to be widened to include small companies. Revenue losses are also incurred by the Government's granting of overly generous tax holidays to new companies. Consideration needs to be given to abolishing or limiting such concessions (see Chapter VI).

2.16 The other large source of tax revenues in Guyana is the consumption tax which contributes the equivalent of 9% of GDP. But as in the case of other taxes, consumption taxes are also derived from a narrow base consisting of imports and domestic sales of a relatively small number of manufacturers, but excluding exports. There are currently seven rates of consumption taxes ranging from 0% to 150%, but 90% of all schedule positions are covered by rates 10% and 30%. These rates, which are relatively high and levied on top of import duties, combined with the lack of manpower at the Customs Department to enforce regulations have encouraged the smuggling of imports into Guyana (estimated to be as high as US\$50 million), and the evasion of taxes. High tax rates have also encouraged individual manufacturers and importers to seek and obtain tax exemptions under the Customs Act. Thus, one approach to improve compliance is to reduce the benefits of non-compliance by reducing the consumption tax rates. Consideration should be given to the adoption of a

2/ These are the rates prevailing in 1991. In March, 1992 the Government adjusted upward the minimum income level for paying taxes, and the basic deduction.

uniform rate of tax of 10% for most products as recommended by a recent study.^{3/} The study estimates an increase of about 4% in revenues from consumption taxes based on a reduction in the tax rate to 10%. Consideration also needs to be given to the extension of consumption taxes to services such as the use of telephone and transport services. It should be noted, however, that an essential part of tax reform is a strengthening the tax administration to detect evasion and enforce compliance.

2.17 Another area of taxation which could benefit from reforms concerns import duties which contribute the equivalent of 5% of GDP to government revenue. In early 1991, the Government adopted the CARICOM Common External Tariff (CET) which, as originally designed, had 5 rates, i.e. 5%, 10%, 20%, 30% and 45%. But the CET as modified and adopted by Guyana has 15 rates within which the original rates apply only to some 55% of customs positions. However, 80% of all imports in 1990 came into Guyana on a duty-free basis. Thus, on the one hand Guyana has too many import duty rates which hinders efficient assessment and distorts consumption patterns, most imports pay no tariff at all. A recent study has estimated that the pattern of exemptions provides a net implicit subsidy of some G\$1200 million to manufacturers, which is G\$270 million in excess of their estimated revenue contribution.^{4/} The exemption policy unnecessarily constrains revenue growth and prevents the Government from recapturing the costs of providing infrastructure services to the private sector.

2.18 Finally, two other important sources of central government revenue are the sugar levy and the rice levy. Both levies are designed to capture a part of the differential between the EEC price and the world market price for these commodities when exported to the EEC at the preferential price. The amounts transferred to the Government represent budgetary support as envisaged by the Lome Convention. There is scope to increase the sugar levy even after taking into account the investment needs of the industry. In any event, both levies need to be continued as important sources of government revenue.

2.19 In sum, the main areas of reform suggested are as follows:

- (a) the adoption of a simplified tax system with a consumption tax rate of 10% applied to most products subject to a few exceptions, instead of the 7-rate structure operating at present. In addition, excise duties of 15%, 30% and 50% should be levied before consumption taxes on three groups of items: all petroleum products except kerosene; beer and alcohol, and tobacco;
- (b) the extension of consumption taxes to services (e.g. telephone services, transport facilities);

3/ See Crittle F.J., "A Review of the Application and Administration of Consumption Taxes in Guyana" (Mimeo), Georgetown, Guyana, 1991. Also see A. Gersovitz, "A Report on the Consumption Tax in Guyana" (Mimeo), Georgetown, Guyana, 1991.

4/ See Crittle. op. cit.

- (c) adoption of the 5 level CET of 1991, i.e., 5%, 10%, 20%, 30% and 45%, rather than the modified 15 rate structure used at present and move by 1994 to a range of 5-20%;
- (d) a drastic reduction of the remissions (special exemptions) of consumption taxes and tariffs granted at present;
- (e) limiting fiscal incentives for new ventures only for "pioneer" industries; and
- (f) strengthening the customs and consumption tax administration through increased and better staff, consultancy services, staff training, computerization and tighter control over corruption.

Non-Financial Public Enterprises and Divestment

2.20 Nonfinancial public enterprises in Guyana consist of some 23 public enterprises supervised by the Public Corporations Secretariat (PCS) and a few independent corporations such as GUYMINE and GUYSUCO. The PCS group includes the Guyana Electricity Corporation (GEC). Trends in public enterprise finances are largely determined by the behavior patterns of GUYMINE, GUYSUCO and GEC, which together account for about 60% of total operating revenue of public enterprises.

Table 2.6: PUBLIC ENTERPRISE FINANCES
(as % of GDP)

| | 1986 | 1987 | 1988 | 1989 | 1990 |
|-------------------------|------|------|------|------|------|
| Operating cash balance | 3.8 | 19.9 | 10.4 | 18.8 | 6.6 |
| Current account balance | 1.0 | 18.2 | 4.4 | 12.2 | 1.4 |
| Capital expenditure | 9.6 | 10.5 | 5.5 | 9.4 | 12.3 |
| Overall Balance | -8.4 | 11.4 | 1.1 | 2.7 | -7.8 |

Sources: IMF and Bank staff estimates.

2.21 The operating cash balances of public enterprises markedly improved in 1987 and 1989 following the major devaluations in each of the years, i.e., from G\$4.40 to G\$10 per US dollar in January 1987 and to G\$33 per US dollar in April 1989. The overall balances also improved significantly in these two years. However, a setback was witnessed in 1990, mainly owing to unusually heavy rains which caused production losses in the bauxite, sugar and rice sectors. The resulting flooding of the bauxite mining areas led to closure of the mines for protracted periods, while the inundation of agricultural lands severely impeded sugar and rice production. Agricultural production was

further constrained by the intrusion of saline water into prime agricultural lands, following extensive breaches in the protective coastal sea wall.

2.22 With the elimination of current transfers from the Central Government to public enterprises, except for those to GEC, the priority effort of the Government in respect of these enterprises is now to improve the efficiency of their operations. The financial position of the public enterprises was strengthened considerably in 1991 on the basis of the favorable effects from the adjustments of the exchange rate and cost-cutting measures implemented by GUYMINE associated with the closing of a mine and the reduction of its labor force by about one quarter. The finances of the public sector will change as the divestment program proceeds, as ownership changes and as investment plans undergo consequential changes. On the assumption of existing ownership and associated projected levels of operations, the primary current account surplus of the public enterprises (excluding GTC which was divested in early 1991) is projected to increase from 10% of GDP in 1990 to 22% in 1993. Transfers of these surpluses to the Central Government will be ensured by a continuation of the arrangements already in place with the Accountant General for transfer or deposit of surplus funds of these enterprises, as well as by the enforcement of the payment of taxes and dividends. Of considerable importance in these arrangements is the requirement that GUYSUICO will begin to pay the sugar levy partly on a current year basis in 1991 and fully in 1992.

2.23 The Government continues to actively pursue its divestment program. In this connection, overseas private investment has been complemented by increasing investment by local businessmen who have been responding vigorously to the new opportunities the Government has made available. During 1991, the Government completed the sale of assets of three companies and partially divested two others. In addition, it is considering offers for a further four companies. The Government also has sold the bulk of its shares in Seals and Packaging Industries Limited (SAPIL) to the private sector to finance the company's capital expansion program. Excluding the rice mills, the Government has divested eleven major non-financial enterprises, including those in telecommunications, retail distribution, timber, paint, road transport and fisheries. Total divestment proceeds in 1991 are estimated at US\$33 million, of which about two-thirds were used to finance the 1991 public sector investment program. Table 2.7 shows cumulative proceeds received from divestment by the Public Corporation Secretariat. Excluded from this table are the divestment of the Guyana Telecommunications Corporation (which yielded US\$16.5 million), the public sector rice mills, SAPIL and GBTI.

2.24 In the short term Guyana's economic prospects are closely associated with the rehabilitation of the bauxite and sugar industries which continue to face severe technical, managerial and financial shortcomings. Booker Tate is preparing a blueprint for the divestment of GUYSUICO which could take place by end-1992. Also, the Government has selected a firm that will take over the management of GUYMINE and carry out a restructuring of its operations (see Annex II for a discussion of the bauxite sector. Other firms slated for future privatization include a pharmaceutical plant, an edible oil factory, a glassworks, a feed supplier, the national airline, a textile firm, and others.

Table 2.7: SUMMARY OF DIVESTMENT PROCEEDS
(‘000 of US dollars)

| | Contract Price | Amounts Received | Amounts to be Received |
|--------------------------------------|-------------------|---------------------|------------------------------|
| Guyana Fisheries Ltd. ^{1/} | 1,825 | 1,529 | 296 |
| Guyana Timbers Ltd. | 2,700 | 2,700 | 0 |
| Guyana National Trade Corp. | 5,810 | 5,359 | 452 |
| Guyana Nichimo Ltd. | 175 | 175 | 0 |
| Guyana Transport Services Ltd. | 858 | 795 | 63 |
| Quality Foods (G) Ltd. | 329 | 142 | 187 |
| Demerara Woods Limited ^{2/} | 16,678 | 3,928 | 12,750 |
| National Paint Company Ltd. | 1,150 | 200 | 950 |
| Sijan Palace | 6 | 6 | 0 |
| Leathercraft Ltd. | 3000 | 2000 | 1000 |
| Total | 32531 | 16834 | 15698 |

Source: Public Corporations Secretariat.

1/ Of G\$27,515 million received, G\$21,432 million relates to leasing fees from 1990 to October 1991.

2/ Contract price for Demerara Woods Ltd. (DWL) includes US\$167,850 and US\$10,000 received from DTL re DWL receivables, and leasing fees for Christianburg property respectively.

NOTE: The above table excludes divestment proceeds of the Guyana Telecommunications Corporation, GBTI, SAPIL, and the rice mills owned by the Guyana Rice Milling and Marketing Authority. Divestment proceeds in G\$ are converted to US\$ at a rate of G\$120:US\$1.0.

III. THE PUBLIC SECTOR INVESTMENT PROGRAM

Introduction

3.1 Over the past decade the country's capital stock has severely deteriorated. The lack of resources in the past, both domestic and external, prevented adequate maintenance, limited new investment, and contributed to the downturn in economic growth. The economic recovery program initiated in 1988 attempts to reverse this decline through the Public Sector Investment Program (PSIP) whose objectives are to rehabilitate and strengthen the country's economic and social infrastructure. However, the continuation of a severe resource constraint imposes the need to focus resources on those areas that are the most critical to the recovery process. More importantly, the level of maintenance expenditures will have to be accelerated markedly before new investments can be undertaken. Otherwise, there is a danger that the funds invested in new capital projects will not produce their intended benefits, and will begin to deteriorate prematurely.

Size of the Investment Program

3.2 The Government's proposed PSIP for 1991-93 is projected to total G\$27 billion (about US\$225 million) or 23% of GDP. This is high when compared to other countries, but as noted in Annex I, GDP is probably understated. Even so, about half of total expected investment in the economy during the next two years will be in the public sector. However, about 22% of the total program is for the sugar and bauxite sectors, which eventually will be privatized. There are two major components of the investment program; public enterprises and the Central Government. Public enterprises account for close to 50% of the investment program with investments in sugar, mining, and power representing more than 90% the public enterprises share. The Government share of the investment program is dominated by few large projects in the agriculture, transportation and the social sectors.

3.3 Table 3.1 presents two alternative estimates of the overall size of the PSIP. The original Government estimate gives an average PSIP equal to 23% of GDP, while the World Bank estimate averages about 20%. The Bank estimate is based on the assumption that implementation ratio would be 70% of the investment program in 1992 and 1993.^{1/}

3.4 Financing for the investment program over the period is covered by donor assistance, counterpart funds, corporations' funds and budgetary resources. Of the total of G\$23.7 billion of capital expenditures over the 1991-93 period, domestic financing is expected to be G\$5.0 or 21% of which G\$3.4 billion will come from public corporation resources. Foreign funding is estimated to average about US\$43 million per year in loans and grants for direct project funding, and US\$10 million per year in foreign grants which will generate counterpart funding. The ability of the Government to generate G\$5.0 billion per year in support for the program is problematic and is the most important resource constraint on the program. In addition, new

^{1/} 1993 also includes 70% of the slippage from 1992.

investments will require increase maintenance expenditures, which does not appear to have been taken into consideration. Although this PSIP has been already considerably reduced by the State Planning Secretariat (SPS) from investment program proposed by the public enterprises and the line ministries, it does not include some important projects for which financing is being sought. These include expanded rehabilitation for the sea defense, bridge replacement and feeder roads. Since the present program includes only projects for which financing has already been secured, it reflects both donor priorities as well as Government priorities. The Government program for 1992 and 1993 is still under revision, and the final program for 1992 is likely to be lower than that shown in Table 3.1 and Annex IV.

Table 3.1: THE PUBLIC SECTOR INVESTMENT PROGRAM, 1991-93
(G\$ millions)

| | Est. 1991 | Projected | | Total | |
|-----------------------------|--------------|-------------|-------------|--------------|---------|
| | | 1992 | 1993 | | |
| Planned Expenditures | | | | | |
| Government Estimate | 6598 | 12343 | 8443 | 27384 | |
| % of GDP | -- | 30.7 | 20.3 | 22.8 | |
| World Bank Estimate | 6598 | 8640 | 8502 | 23740 | |
| % of GDP | -- | 21.5 | 20.4 | 19.8 | |
| Financing | | | | | |
| | <u>6598</u> | <u>8640</u> | <u>8502</u> | <u>23740</u> | |
| Government Budget | 562 | 452 | 581 | 1595 | (6.7%) |
| Counterpart Funds a/ | 865 | 1334 | 1233 | 3432 | (14.5%) |
| External Loans & Grants | 3733 | 5688 | 5884 | 15305 | (64.5) |
| Enterprises Resources | 1438 | 1166 | 805 | 3409 | (14.4) |
| Memorandum Item | | | | | |
| GDP (G\$ 1991 bln) | 38283 | 40044 | 41686 | | |

a/ Represents funds generated from sale of commodities from foreign grant assistance.

Source: State Planning Secretariat and World Bank staff estimates (see Annex IV).
Figures for 1991 represent preliminary.

Composition of the Program

3.5 There has been no significant maintenance over the past decade of the Guyana's infrastructure and productive capacity. As a result, the need for urgent reconstruction and rehabilitation far exceeds the country's financial, absorptive and implementation capacity. This necessarily implies that some urgent needs would go unsatisfied in the short term. The highest priority is clearly to rehabilitate the public enterprises slated for privatization, sea defenses, and other infrastructure necessary to induce a quick supply response such as power, water supply and feeder roads.

3.6 A sectoral breakdown of the PSIP reveals that for the period 1991-93, economic sectors are scheduled to account for 39% of capital expenditure, infrastructure 30%, social services 21%, and general public services 10% (see

Table 3.2 and Annex IV). Among the investments programmed for the economic sectors, agriculture accounts for 68% of the total. The main focus of the investments in the agriculture sector is factory and equipment rehabilitation of GUYSUCO and the rehabilitation of drainage and irrigation projects.

3.7 In infrastructure, the Government's emphasis is to rehabilitate roads, sea defenses, river transportation and power supplies. Energy accounts for more than a third of the sector investments and 12% of the total investment program and represents about 50% of the foreign exchange cost of the sector's projects. While the transportation sector accounts for 15% of the PSIP, the Mabura-Lethem Road is responsible for 23% of investment in the infrastructure sector or 7% of the PSIP.

3.8 In the social sectors priority is given to improving the primary education system, developing human resources and rehabilitating the health system. Of the sectoral allocation, the primary education, Georgetown Hospital and Human Resource Development projects account for more than 85% of planned sectoral expenditures. Water projects amount to G\$1029 million or 4% of PSIP expenditure during 1991-93. They include the rehabilitation of equipment and rural water supply systems, institutional strengthening of Guyana Water Authority and improvement of the Georgetown water supply, sewerage disposal and storm drainage systems.

Table 3.2: COMPOSITION OF THE PSIP, 1991-93
(in percent)

| SECTORS | 1991 | 1992 | 1993 | Average 1991-93 |
|---------------------------------------|-------|-------|-------|--------------------|
| Economic | 69.7 | 34.2 | 13.7 | 39.2 |
| Agriculture | 45.5 | 25.3 | 8.6 | 26.5 |
| o/w GUYSUCO | 26.7 | 8.2 | 0.0 | 11.6 |
| Drainage & Irrigation | 5.0 | 3.4 | 3.5 | 4.0 |
| Mining | 19.7 | 12.2 | 0.1 | 10.7 |
| Infrastructure | 11.1 | 38.3 | 40.6 | 30.0 |
| Transport and Communications | 6.4 | 16.5 | 21.0 | 14.7 |
| o/w Mabura-Lethem Road | 2.0 | 7.0 | 11.8 | 6.9 |
| Power (GEC) | 2.4 | 18.0 | 14.7 | 11.7 |
| Social Sectors | 7.5 | 20.1 | 34.1 | 20.6 |
| Health | 2.2 | 7.1 | 22.2 | 10.5 |
| o/w Georgetown Hospital | 1.9 | 6.8 | 21.8 | 10.2 |
| Education | 4.8 | 9.7 | 7.8 | 7.4 |
| o/w Primary Education | 1.0 | 4.2 | 7.4 | 4.2 |
| Human Resource Development | 3.4 | 5.3 | 0.0 | 2.9 |
| Other Public Investment | 11.7 | 7.4 | 11.6 | 10.2 |
| Total Public Sector Investment | 100.0 | 100.0 | 100.0 | 100.0 |

Source: State Planning Secretariat

Sector Priorities

3.9 At present, almost every investment in Guyana appears to be a high priority because of the tremendous deterioration over the past decade. However, the Government lacks the administrative and financial resources to

implement a large program, and the current program itself may well be too large given these constraints. Four areas have been identified as being of particularly urgent priority, and should be the focus of donor assistance. These are sea defenses, power, transportation and water supply.

3.10 Sea Defenses. The most productive agricultural land in Guyana lies along the coast, in an area that is below sea level, and protected from sea water incursions at high tide by a series of dikes and tidal gates that permit drainage at low tide. The maintenance of this system is a high priority since it protects most of the prime sugar and rice growing areas. In addition, the Government has already made significant investments in irrigation and drainage improvements in areas which are now threatened with sea water flooding (namely the East Bank Essequibo Development Project, the Mahaica-Mahaicony-Abary Project (MMA) and the Black Bush Polder Rehabilitation Project).

3.11 At present, about 36 km. (of a total of 315 km.) of sea defense walls are in critical condition, both because of inadequate maintenance and monitoring of wave action, and shifts in wave pressures over time. An additional 71 km. of sea wall will require rebuilding in the next decade. In 1990 alone, there were at least 49 breaches occurring on a monthly basis throughout the coastline. It is estimated that it would cost about US\$36 million to rebuild the 36 km. of sea walls to a standard that would absorb the pressure of wave action without deterioration (see Chapter 7). The present program allocates G\$1.1 billion (US\$9.2 million) or 4.6% of total capital expenditure to sea defenses between 1991-93, an allocation that is adequate only to undertake "patchwork" repairs in the most threatened areas. The urgency of protecting these investment and the cost of seawall reconstruction would require a concerted action by all the donor agencies. The IDB has prepared a project to assist with rehabilitation of sea defenses and roads and the CDB has recently appraised an agricultural project with a sea defense component. Additional assistance is likely to come from the EC and other donors.

3.12 Power. Energy investment is one of the largest components of the investment program, and because of its long-term implications and the importance of its sectoral linkages, is probably the part that needs the most careful scrutiny at this time. Large power projects have progressed slowly and have become increasingly costly. Although the system has an installed capacity of 87 MW, only about 35 MW are currently being generated because of poor operating procedures and inadequate maintenance. Current peak demand is between 35-40 MW, with the result that power supplies are erratic, and power outages are a daily occurrence.

3.13 An Integrated Investment Plan (IIP) has been prepared for the Guyana Electricity Corporation for the period through 1999. It is designed to cope with an anticipated growth in electricity sales of 10% per year, based on the fulfillment of repressed demand (see Table 3.3). This plan has a cost of \$48 million over the period 1991-93. The present PSIP allocates 12% of the total for power development, or about \$23 million, which is less than the IIP.

3.14 Beyond 1993 the projected cost varies depending on the feasibility of using bagasse as a fuel for power generation. Even with bagasse, the plan would cost an additional \$100 million between 1994 and 1997. The plan, however, depends entirely on adding new capacity using oil-based power

generation. Potential also exists for hydro-power development, although this will entail greater transmission costs since it would not be located as close to the major population centers. Oil based power development, however, makes the country very vulnerable to fluctuations in world oil prices. Thus, some careful appraisal needs to be made of these alternatives, including their respective environmental impacts.

Table 3.3: GEC INTEGRATED INVESTMENT PROGRAM
(In constant US\$ millions)

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 |
|-------------------------------|------|------|------|------|------|------|------|
| Energy Sales (GWh) | 168 | 197 | 230 | 230 | 250 | 274 | 298 |
| Investment (with bagasse) | 13.8 | 11.6 | 23.0 | 38.4 | 30.4 | 24.7 | 7.2 |
| Investments (without bagasse) | 13.8 | 11.6 | 23.0 | 34.7 | 20.3 | 32.3 | 15.7 |

Source: Guyana Electricity Corporation.

3.15 The GEC continues to be affected by serious institutional, technical, commercial and financial problems. Institutionally, the GEC is poorly organized and inadequately staffed. The number of vacancies is high because salaries, particularly at the managerial and technical levels, are low. Technically, the power system has been unable to ensure a satisfactory electricity supply because of the deterioration of major generating plants, unreliable transmission and distribution grids, high technical losses and deficient operation and maintenance. The pricing, metering, billing and fraud-control practices have been extremely inadequate with the collection ratio falling to 35% of accrued revenue in the first half of 1991. Partly as a result, sales income has not been sufficient to cover the company's operational, maintenance and debt-service costs and therefore budgetary transfers from the Government have been necessary. The GEC is the only government enterprise operating at a loss. Private consultants are being hired, however, to improve its management and discussions for the divestment of GEC are continuing. A study has completed to define long-run marginal costs and plans are being made to revise the tariff structure on that basis. These issues of organizational effectiveness and cost recovery need to be addressed before any major investment program is initiated.

3.16 Transportation. Although transportation plays a critical role in the agriculture and mining sectors, the present investment program does not give adequate attention to the transport requirements of these sectors. Capital expenditure in feeder roads rehabilitation represents less than 1% of the agriculture sector investment and less than 4% of investment in the transport sector. At the same time, the Mabura-Lethem road, which entails the completion of the Brazil/Guyana Road, accounts for half of transport sector investment. The projects benefits of providing a communication link between Brazil and Guyana and reducing transport costs between the two countries are not directly linked to the economic recovery program, and do not constitute a high priority. While the road is 100% externally financed, no allowance has been made for its maintenance. On the other hand, internal transport with

Guyana is heavily dependent on river crossings. Investments are needed to rehabilitate the aging fleet of ferries, and to improve the Demerara River bridge.

3.17 Water supply and sewerage. In spite of substantial donor support in the past, the quality of water and sewerage services remains unsatisfactory. In Georgetown, water losses are estimated at 55 percent and breaks in the main pipes are allowing impure water to contaminate the remaining supply. The situation of the rural areas is no better; although many households have pipe connections, it is estimated that 70 percent of the population is not receiving regular water supply. As a result of a lack of maintenance, and scarcity of spare parts, many well pumps have stopped functioning. In other instances, wells have been drilled but pumps never installed. People have to walk several miles to obtain water. Drainage in urban areas is poor as the canals are silted, polluted with sewerage run-off, and in some cases, blocked by debris.

3.18 In addition to deficient revenue collection practices and insufficient resources to acquire the necessary equipment and spare parts, the crisis facing the water and sanitation sector stems from its cumbersome organization and a dearth of qualified personnel. With regard to the large urban centers, it would be desirable for the municipal authorities to run their own systems but with technical support from the water authority.

3.19 A master plan study financed by the IDB to improve Georgetown's water supply, sewerage and storm drainage is planned, but is not expected to be completed before 1994. In the meantime, emergency works to contain water losses and improve the water supply need to be undertaken. The present PSIP allocates only 4% of total resources to the sector. The authorities are deeply concerned at the existing situation in the sector and are seeking to identify additional projects and financing to address sector shortcomings.

Issues of Implementation

3.20 During 1991, G\$6.6 billion were disbursed out of a total of G\$12.2 billion initially budgeted for the program, i.e., an implementation ratio of 54%^{2/}. This low rate of implementation is a combination of the institutional weakness, inadequate implementation capacity, insufficient local resources, and understaffing of executing agencies. Given the shortage of technical manpower in Government ministries, consideration should be given to contracting out project management to private sector firms. In the longer term, given the weaknesses throughout the public sector, more efforts should be made to privatize as much of the public infrastructure services as possible. Leading candidates include the power sector, water supply and certain transport services, such as the ferries.

2/ This is a preliminary estimate; the actual could be substantially lower.

Institutional Framework

3.21 The PSIP process is not well developed in Guyana. Under the present practice, all public sector projects are basically identified and prepared by the line agency, the line ministry or the region. Projects involving foreign funding are approved by the Ministry of Finance and the Cabinet, with little or no involvement by SPS. SPS does apply a series of ranking criteria to all projects, but exercises effective control only over those which are funded by domestic resources. Since the bulk of the PSIP is foreign funded, this means that SPS is generally excluded from the identification, appraisal and project selection process. The criteria used by SPS and the weights attached to them are those referred to in the 1985 budget statement of the Minister of Finance. However, in the light of current changes taking place in the Guyanese economy, these weights should be reviewed.

3.22 Project implementation is primarily the responsibility of the executing agency, but it is the SPS which is charged with monitoring progress. Of necessity, SPS project officers need to be in close and frequent contact with their ministry counterparts. Two interconnected issues arise in this regard: human resource constraints compounded by low wage rates and the two way flow of information. Executing agencies include not only the various ministries, but also public sector entities. Although the formal procedures for information gathering are in place, the shortage of technical personnel endemic throughout the public sector means that often times there is no knowledgeable counterpart from whom SPS officers can glean information on matters such as cost overruns, delays and alterations in implementations schedules. Specific training in project management may alleviate some of the difficulties but would need to be carefully targeted both in terms of beneficiaries and content. For projects where the donor disburses funds directly to suppliers, contractors or consultants, the SPS has no accurate record of project status and has to rely on donors providing the data in a timely fashion. Part of the reticence by executing agencies in providing implementation information may be attributable to the lack of feedback received. To address this issue, status report of all projects under implementation, major project related issues and responses would have to be introduced, perhaps on a quarterly basis. This would allow implementing agencies to see their projects in the context of the overall capital expenditure program and would allow the discussion of key implementation bottlenecks as they emerge.

Discrepancies between Program and Actual PSIP Expenditure

3.23 The revised estimates for the 1991 budget indicate that there have been substantial discrepancies between programmed and actual PSIP expenditure. Over expenditure is a problem in some sectors, and under expenditure in others with the problem more pronounced at the project level. There are several factors contributing to this budget performance.

3.24 In the social sectors, substantial increase in programmed investment was not matched with sufficient project preparation and development of implementation capacity. For example, the major constraint preventing the completion of the Human Resource Development Project is the delay in

completing designs and drawings for the sewerage disposal system, completion of designs and drawings with respect to the backup water supply system and completion of the new buildings on which construction has actually stopped; and this has delayed disbursements from the IDB. Similarly, the Health Care II project is now behind schedule because of delays in completing drawings and other tender documents. In addition, the Georgetown Hospital suffers from serious shortage of suitable staff at all levels. Unless this situation is corrected, the country will not benefit fully from the institutional strengthening measures now underway, and much of the investment in equipment and physical facilities will be wasted.

3.25 Another serious implementation problem relates to the availability of counterpart funds. For example, in the case of the Primary Education Improvement Project, the lack of counterpart funds has resulted in the curtailment of the 1991 training program and the inability of the executing unit to provide satisfactory accommodation for the PEU staff. In GUYMINE, the lack of local funds is making it difficult to install already imported equipment. The shortage of counterpart funds has also slowed down GUYSUCO and GUYMINE drawings from the Inter-American Development Bank. The slow implementation of the East Bank Essequibo Development Project is also the result of the lack of local funds. The consequence of these delays is the escalation of project costs for these corporations and agencies.

Identifying Core Projects

3.26 Institutional problems, the capacity to implement projects, the shortage of adequate technical staff and related facilities, the size, scale, technical complexity and intersectoral relationships of many projects, make it difficult to determine what is a reasonable approach, in the medium-term, for the course of the investment program. One possibility would be to identify a list of "core projects". These projects would represent a subset of the PSIP that is critical for the country's economic recovery program, help mobilize foreign resources, and generate employment for the local economy. They would have first priority claims on budgetary resources. Projects that are important, but are fully funded by donor aid, with no reliance on budget resources, would not need to be included in the core project list. The core projects would be financed from a special account which will be credited with sufficient funds at the beginning of each quarter to fully meet the planned investment program of the included projects.

IV. LONG-TERM OUTLOOK, AID REQUIREMENTS AND DEBT RELIEF

Growth Prospects

4.1 There is already considerable evidence that an economic recovery is underway, and that this recovery will continue into 1992 (see Chapter I). The longer-term prospects, however, are somewhat more difficult to predict. A key factor will be the ability of the Government to continue the reform program, maintain a system of undistorted factor and commodity markets and a stable macro-economic environment, raise the efficiency of the public sector, and provide an improved level of supporting public infrastructure.

4.2 The Guyanese economy remains heavily based on agriculture and basic minerals; agricultural output constitutes 39% of GDP, and mining 15%. Manufacturing, excluding rice and sugar milling, is only 7% of GDP. Exports are basic on primary commodities, and external markets and prices for these products remain uncertain. Sugar exports are constrained by U.S. and EEC quotas, and the continuation even of these preferential access arrangements is in doubt. Guyana remains highly dependent on foreign markets for crucial raw materials, particularly petroleum, and is therefore vulnerable to fluctuations in the prices of these products.

Table 4.1: EXPORT PROJECTIONS
(growth rates of volume)

| | <u>Actual</u> | <u>Projected</u> | |
|--------------------|---------------|------------------|------------|
| | 1991 | 1992 | 1993-98 |
| Sugar | 11.6 | 25.0 | 4.5 |
| Rice | 9.7 | 15.0 | 10.0 |
| Bauxite | | | |
| Calcined | 16.0 | 0.0 | 7.4 |
| Dried | -10.7 | 0.0 | 6.7 |
| Gold | 63.5 | 100.0 | 10.0 |
| Others | 15.0 | 5.0 | 7.4 |
| Total Goods | 17.5 | 13.7 | 6.8 |

4.3 Total merchandise exports are projected to increase by 14% in 1992, although part of this increase represents the redirection of goods which were formerly sold on the black market to official channels. Growth during the period 1993-98 is projected at an average rate of 6.8% per year, based on the continuation of a market determined exchange rate and a favorable environment for foreign trade, including continued access to preferential export markets. Sugar exports are expected to increase rapidly to reach the EC quota (160,000 MT) and the U.S. quota (15,000 MT) by 1993. After 1993, more limited growth based on sales to the free market is expected. Recovery of bauxite exports depends on Guyana's ability to restore its market share, and the recovery of

the international economy and the demand for calcined bauxite, which is used largely in steel production. A further large increase in gold exports is expected in 1992 based on the completion of a large new gold mining investment. On this basis, merchandise exports are projected to total US\$474 million in 1998, compared to US\$210 million in 1990.

4.4 Conservative projections made in this report are designed to achieve a balance between Guyana's potential, which is great, and the likely reoccurrence of unforeseen external and internal shocks which will slow the growth process. The projection assumes that the reforms of the present Economic Recovery Program continue in place, and are extended along the lines described in this report. On this basis, it is feasible to project a growth in real GDP of 4.6% in 1992, an average of 4.4% per year during 1992-95 and 4.5% per year during 1995-97 (see Table 4.2). This would permit an improvement in private per capita consumption of about 4% per year during 1993-98, (compared to a decline of 4.1% per year during 1986-89). The economic growth would require maintaining investment at around 42% of GDP during 1992-95 (these estimates are based on 1989 prices and exchange rates). This high level of investment reflects the amounts needed for the rehabilitation of the productive sectors, especially sugar and bauxite, and a rebuilding of related infrastructure in the public sector. It also reflects the fact that it has a foreign component of about 70%, which is exaggerated in size by the present exchange rate. The projected rate of investment depends on raising the domestic savings rate from a level in 1991 of about 26% to an average of 37-41% of GDP during 1993-98, which should be feasible given the projected rate of GDP growth.

4.5 The sources of GDP growth during the 1990s are assumed to be an increase in volume in agriculture (rice, sugar, fresh fruit, livestock and vegetables), mining (bauxite and gold), manufacturing (textiles), lumber and the informal sector. Guyana has considerable potential in agriculture (see Chapter VII). A more efficient management, supported by additional investments should enable production of rice and sugar to increase substantially. Sugar production is expected to stabilize at levels compatible with the combined export quota to the EC and United States of around 175,000 mt. and domestic consumption of about 35,000 mt. The price incentives to rice producers are expected to yield positive results for rice production and exports. The provision of sufficient term finance and the gradual removal of power and transport constraints should engender further increases in output in the productive sectors in general. Privatization efforts and foreign investments, particularly in gold mining, should stimulate greater output in the mining sector. Calcined bauxite is projected to recover to the mid-1980s level, while that of dried bauxite is projected to increase to about 90% above the mid-1980s level. Given Guyana's vast timber resources, the lumber industry offers considerable potential, provided that adequate actions are taken to exploit such resources on a sustainable basis.

**Table 4.2: SELECTED MACROECONOMIC AGGREGATES
(%)**

| | 1992 | 1993-95 | 1996-98 |
|--|------|---------|---------|
| ---growth rates--- | | | |
| GDP | 4.6 | 4.4 | 4.5 |
| Agriculture | 5.0 | 3.9 | 3.5 |
| Industry | 4.1 | 4.8 | 5.5 |
| Private Consumption | -4.1 | 0.5 | 5.6 |
| Investment | 5.9 | 3.9 | 3.7 |
| Exports | 12.6 | 8.8 | 5.4 |
| Imports | 5.3 | 4.7 | 4.7 |
| ---shares of GDP (constant 1989 prices)--- | | | |
| I/GDP | 42.7 | 41.5 | 40.8 |
| GDS/GDP | 31.3 | 36.7 | 40.8 |
| RG/GDP(- = surplus) | 5.3 | 0.2 | -2.8 |

Source: World Bank Staff estimates

External Capital Requirements

4.6 Guyana will continue to need substantial levels of foreign capital inflows in order to finance the rebuilding of public infrastructure, and to provide sufficient resources to sustain economic growth. While exports are projected to rise to \$474 million by 1998, imports are estimated to be \$513 million. In addition, interest on long-term debt amounts to \$84 million, resulting in a current account deficit of \$218 million (see Table 4.4 below). In absolute terms, however, this is slightly lower than the current account deficit in 1990 of \$230 million. The estimates in Table 4.4 are based on a number of assumptions, including no new debt relief beyond the 1990 agreement, a continuation of foreign loan and grant assistance roughly at 1991 levels, a limited accumulation of reserves, and direct foreign investment of \$25-40 million per year. Inflows of foreign investment are assumed to be based on a continuation of the privatization program, as well as a return of Guyanese capital held abroad. Based on these assumptions, there is a need for additional assistance, or a financing gap, which is relatively small during the period 1992-93, but increases significantly after the expiration of the current Paris Club debt relief agreement, to \$72 million in 1994, and remaining at a level of about \$50 million annually through 1998.

**Table 4.3: PROJECTED BALANCE OF PAYMENTS AND EXTERNAL CAPITAL REQUIREMENTS
(US\$ millions)**

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1998 |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Current Account | | | | | | |
| Exports (fob) | 238 | 275 | 308 | 340 | 371 | 474 |
| Imports (cif) | 275 | 297 | 321 | 354 | 389 | 513 |
| Non-Factor Services (net) | -16 | -16 | -18 | -20 | -22 | -30 |
| Net Factor Income | -109 | -100 | -101 | -112 | -109 | -105 |
| Interest, total | 89 | 90 | 93 | 102 | 99 | 92 |
| Net Current Transfers | 16 | 18 | 20 | 20 | 22 | 26 |
| Current Account Balance | -145 | -122 | -113 | -126 | -127 | -149 |
| Financing | | | | | | |
| Direct Investment | 25 | 27 | 28 | 30 | 32 | 39 |
| Official Grants | 12 | 13 | 13 | 14 | 15 | 17 |
| Net Lending, long term | 47 | 39 | 23 | 35 | 49 | 61 |
| Disbursements | 99 | 92 | 71 | 77 | 89 | 100 |
| Repayments | 52 | 52 | 48 | 42 | 39 | 40 |
| Other Capital | 137 | 10 | 5 | 0 | 0 | 0 |
| Changes in Reserves | -76 | 24 | 9 | -25 | -17 | -20 |
| INF | 34 | 24 | 9 | -22 | -22 | -24 |
| New Financing Required, net | 0 | 9 | 35 | 71 | 49 | 52 |
| Repayments | 0 | 0 | 0 | 0 | 0 | 3 |
| Interest | 0 | 0 | 0 | 1 | 2 | 4 |
| New Financing Required, gross | 0 | 9 | 35 | 72 | 51 | 59 |
| Memo Items: | | | | | | |
| Debt Service Ratio (%) | 49 | 41 | 38 | 40 | 35 | 30 |
| Debt/GDP (%) | 784 | 763 | 734 | 706 | 675 | 601 |

Source: World Bank staff estimates.

4.7 The total capital inflow required during the 1992-95 period, excluding direct foreign investment, is US\$551 million (See Table 4.5 below). Of this amount, US\$149 million is expected to be met from existing loans with the balance of US\$402 million to be met from new loans (US\$347 million) and grants (US\$55 million). New "loans" could also include debt relief. Identified loans and grants equal US\$180 million, leaving a "gap" of US\$167 million. The total inflow of US\$551 million can be further disaggregated into US\$178 million (or 32%) required for project financing in the PSIP. Thus the bulk of the new aid requirements must come in the form of quick-disbursing balance of payments assistance or debt relief.

**Table 4.4: AID REQUIREMENTS
(US\$ million)**

| | 1992 | 1993 | 1994 | 1995 | 1992-95 | % |
|-------------------------------|------------|------------|------------|------------|------------|---------------|
| MLT Loans | | | | | | |
| existing (pipeline) | 62 | 41 | 26 | 20 | 149 | 27.0% |
| new MLT | 85 | 65 | 158 | 120 | 428 | 77.0% |
| identified | 30 | 30 | 21 | 29 | 110 | 19.8% |
| unidentified | 55 | 35 | 137 | 91 | 318 | 57.2% |
| grants | 13 | 13 | 14 | 15 | 55 | 10.0% |
| Total, new | 52 | 78 | 137 | 135 | 402 | 73.0% |
| Total Aid Requirements | 114 | 119 | 166 | 155 | 551 | 100.0% |
| Of which: PSIP Finance | 47 | 49 | 43 | 43 | 182 | 33.0% |

Source: World Bank staff estimates.

4.8 Extraordinary Debt Relief. Because of its tight fiscal and external debt situation, Guyana needs more favorable debt relief than that available under the "Toronto terms". One option being considered by the Paris Club for low-income countries is to increase the average grant element from 20% under the "Toronto terms" to a range of 50% to 80%, roughly in line with the proposal for "Trinidad terms". The proposal would to grant a 50% debt or debt service reduction for moderately indebted countries and 80% for severely indebted countries. If the latter option is applied to Guyana's bilateral debt to Paris Club Members and Trinidad and Tobago (about US\$600 million), total debt outstanding would be reduced by about US\$720 million, and the interest obligations would immediately decline by US\$29 million per year. The total debt service saving would be \$182 million during the 1992-1995 period (compared to an unidentified financing gap of \$167 million), and \$338 million during 1992-98. Thus, Trinidad terms, or some equally concessional rescheduling could help eliminate much of the unidentified financing gap shown in Table 4.5. The total debt service ratio, which is projected to be 41% of exports in 1992, would fall to 29% in 1992 with Trinidad terms, and would fall further to 21% by 1998 (compared to 30% in the original projection).

Table 4.5 IMPACT OF TRINIDAD TERMS ON DEBT AND DEBT SERVICE

| | <u>Without Further Debt Relief</u> | | <u>With Further Debt Relief</u> | |
|---------------------------------|------------------------------------|------|---------------------------------|------|
| | 1992 | 1998 | 1992 | 1998 |
| Debt Outstanding (US\$M) | 1959 | 2471 | 1246 | 1748 |
| Debt Service/Exports (%) | 41.4 | 30.0 | 29.4 | 20.7 |
| Current Account Deficit (US\$M) | 122 | 149 | 93 | 108 |
| Interest/GDP (%) | 26.0 | 15.6 | 18.5 | 10.8 |

Source: World Bank staff estimates.

PART II
ISSUES IN CRITICAL SECTORS

V. PRIVATE SECTOR DEVELOPMENT^{1/}

Introduction

5.1 The Economic Recovery Program has removed many of the policy-induced constraints on private sector activities in Guyana. The elimination of most price, input and foreign exchange controls has increased the role of the market in allocating resources and eased firms' access to essential inputs. In addition, the Government has established a more positive environment for business through initiation of a privatization program and a more cooperative posture towards foreign investment in Guyana's natural resources.

5.2 Uncertainty over the permanence of reforms after two decades of inappropriate policies towards private sector development has slowed reaction to the Government's program. Perhaps more importantly, after years of economic crisis the public sector is too weak to provide the services essential for growth. Remaining constraints on private sector growth include: (i) the shortage of skilled labor, owing to the deterioration in the educational system and large-scale emigration as a result of the declining economy; (ii) the terrible state of infrastructure, marked by intermittent power supply, a deteriorated transportation network, poor water quality and unreliable telecommunications services; and (iii) some remaining distortions in the incentives framework that have not been addressed, particularly the tax system marked by high rates, slack enforcement and numerous exemptions.

The Industrial Sector

5.3 Manufacturing. Manufacturing plays a limited role in Guyana's economy. According to available data, manufacturing accounts for less than 5% of value added and about 4% of export receipts. Nevertheless, Guyana's wealth of natural resources, low wages, and open economy, suggest the potential for considerable growth in manufacturing production. There is some evidence of recent growth in the sector, as the Guyana Manufacturers Association added 32 new companies over the past year, an increase of over 20%. However, this expansion has yet to be reflected in production data. Available information on production is fragmentary, but point to a significant decrease in levels of production during the first half of 1991, particularly in rum, pharmaceuticals, garments, matches, refrigerators, textiles, footwear and

1/ This chapter is based on a number of sources: (i) information on tax policy was taken from two consultant reports, "A Review of the Application and Administration of Consumption Tax in Guyana" by F. J. Crittle and "A Report on the Consumption Tax in Guyana" by Mark Gersovitz; (ii) the discussion of potential export industries was based on conversations with the UNDP consultants assisting those industries; and (iii) some of the observations on tourism were based on a draft report submitted by Edward M. Coe to the UNDP. In some cases, however, the recommendations differ from those presented by the authors of the reports.

bottled water. Processing of sugar increased, however, owing to improved management of the GUYSUCO.

5.4 Guyana's domestic market is limited. Thus, expansion of manufacturing would have to be directed primarily to export in order to be efficient. The potential for the efficient production of high-quality, standardized products necessary to compete in export markets exists in only a small group of Guyanese industries. In addition to the considerable success achieved in exporting rum and other alcoholic beverages (over US\$7 million in 1990, 3% of merchandise exports), examples of promising areas for future export expansion include furniture, garments and metalworking. An examination of these industries provides some insight into the general problems facing manufacturing.

5.5 The abundance of timber has facilitated the production of furniture. The local market is served by numerous small operations producing low-quality goods. While domestic firms export to CARICOM markets and to Cuba, they have made only limited inroads in the North American market. Two hurdles need to be overcome before production can reach the level of quality essential to penetrate developed country markets. First, the high-moisture content of Guyanese wood requires more effective drying processes than available to most firms. Second, production relies heavily on experienced carpenters for finished work. While Guyana boasts many skilled carpenters, consistent production of standardized, high-quality products requires more extensive use of machinery. Incorporation of more sophisticated production processes is hampered by the high tax rates on machinery and the lack of reliable power (see below).

5.6 Past shortages of foreign exchange and import controls have encouraged the growth of metalworking to maintain an aging capital stock. The presence of 30-40 year old cars on the streets of Georgetown attests to the skills learned. So far, this experience has been more helpful in servicing local industry than in production for export. A few firms are adopting more sophisticated processes, including computer-aided design, and there has been some limited production of steel frames for buildings and export of spare parts. The skills learned in production for the local economy could be extended to exports, if more information were available on potential markets.

5.7 Garment exports are produced by traditional sewing operations that use materials supplied by foreign country wholesalers. The very low wage rates make assembly operations an attractive industry for Guyana; unskilled factory workers earn between US\$1-2 a day, and even experienced mechanics earned less than US\$10 a day. Before the exchange rate became distorted, Guyana had a thriving garment export business. So far, linkages with the domestic economy have been limited, as Guyana has only one textile mill based on imported cotton. There may be some potential for expanding production of the fittings used in the assembly operations. Also, the presence of considerable textile imports raises the question of whether producers can increase their share of the domestic market. However, one suspects that many of imported textile products sold in Georgetown have entered the country free of taxes, making it difficult for domestic producers to compete.

5.8 Guyana also exports a limited amount of other manufactured goods, including pharmaceuticals, footwear, perfumes and refrigerators. While data by product and destination are not available, many of these goods probably are directed towards the protected CARICOM area. Producers may experience greater difficulty in penetrating developed country markets.

5.9 Mining. Private sector mining in Guyana mostly consists of small operators exploiting limited tracts for gold and diamonds. Despite its considerable potential, gold and diamonds exports amounted to only US\$15 million in 1990, or 6% of official exports. Reported gold production during the mid-1980s was about 10,000 ounces a year. Establishment of a more realistic price for gold purchased by the Gold Board (see below) has resulted in an estimated increase to 60-70,000 ounces in 1991, and a projected 100,000 ounces in 1992 due to some local production expected to come on stream. An improved policy regime for foreign investors has resulted in the signing of six agreements with large firms covering 15 mining properties. The first of these should begin production in 1993. Companies also have expressed interest in mining silicon sand for glass and clay for ceramics.

5.10 Some potential may exist for exploitation of petroleum deposits, although no wells are producing as of yet. The Government has licensed three offshore concession areas. In one area the firm soon will complete seismic reconnaissance work and should decide shortly whether it wishes to proceed with development. In the best of circumstances, however, no production can be expected for at least 5 years. Potential sites for petroleum development also exist onshore. One of these is an area near where Suriname is already producing heavy oil in small quantities.

Labor Markets

5.11 Labor markets in Guyana are relatively free of policy-induced distortions. However, the prolonged economic crisis has had a disastrous impact on the labor force. The lack of skilled labor probably is the most important constraint on private sector development. Extremely low wages have improved the competitiveness of some activities, but have contributed to the massive emigration of high-skilled workers. The deterioration in Guyana's educational system and technical institutes also has impaired the quality of the labor force. Employers claim that recent school graduates lack even the basic skills necessary to benefit from specialized training. Skilled managers are in particularly short supply. Some of the larger firms are making large investments in training, but both domestic competition and the attractiveness of opportunities overseas make it difficult for individual firms to capture the full return from such investments.

Infrastructure

5.12 Infrastructure is a disaster. The deterioration of the public sector's stock of capital has reached the point where basic services are provided by individual businesses. Firms thus fail to benefit from the enormous economies of scale available in the centralized provision of infrastructure services. While the Government is taking steps to address this

problem, inadequate infrastructure will remain a major limitation on industrial growth for a long time to come.

5.13 Power. The unreliability of electrical power is perhaps the most serious problem. Power outages are so common that most businesses and even many private homes have their own generators. It is estimated that the combined electrical generation capacity of the private sector is approximately 80 megawatts, or about the same as the capacity of the public sector. While data are not available on the costs of private electrical generation in Guyana, some conclusions can be reached based on experiences in other developing countries. The largest firms that run machinery continuously (i.e. the brewery and rice mills) rely almost entirely on their own generation capacity, which may exceed one megawatt. It is estimated that, for each kilowatt/hour produced, the capital cost of a one megawatt unit is twice that of the larger units used by public utilities. In addition, smaller generators involve higher current costs than larger ones, due to the higher per unit staff costs of operations and maintenance and lower efficiency in fuel consumption. The larger firms also complained of the need to devote scarce managerial time to managing their power plants. Smaller firms are even more disadvantaged by the lack of reliable power, as the cost per kilowatt/hour of electrical generation increases rapidly as capacity declines below one megawatt. This structure of electricity generation greatly increases costs, biases production away from energy-intensive activities (and thus slows the adoption of more sophisticated production processes necessary to compete in export markets), reduces the efficiency of firms that must switch between GEC and generators and impairs the competitive position of smaller firms which face greater unit costs in generating electricity.

5.14 Water. Reliable access to clean water also is lacking. Water service is erratic in Georgetown and absent in many parts of the country, and the quality of water provided can be very low. The larger firms that use water as a part of the production process have their own wells or have made arrangements with the Government to manage public sector wells. Other firms have large standby tanks supplied by trucks. Again, the major costs are borne by smaller firms that need water but do not have the resources to dig their own wells.

5.15 Internal transport. The transportation network suffers from serious deficiencies. Most goods are transported within the coastal strip where most of the population lives. While the main road going east from Georgetown to the Suriname border is in relatively good shape, the road west towards Venezuela is not. More seriously, it is necessary to cross wide rivers on both sides of Georgetown, and the ferry services across these rivers are not reliable. For example, a significant proportion of Georgetown's food is supplied from the area east of the Berbice river, and thus must cross on the ferry at New Amsterdam. Only one ferry is presently operating, which has limited capacity and is badly in need of repair. The tenuous communications along the coastal strip, not to mention the isolated areas in the south, reduce the potential size of the market for manufactures and raise the cost of living. Lack of adequate road transport has an even larger impact on mining operations. Much of Guyana's mineral resources are located far from the major population centers. Roads to one of the major gold mines are not always passable, and frequently it is necessary to use two trucks just to pull

another truck through bad spots in the road. Other companies have had to build roads of 10-30 miles to reach the mines.

5.16 Shipping. Greater mechanization is needed to handle goods at the ports, including conveyer belt systems and availability of basic machinery, such as fork lifts. The most serious problem is the shallowness of the Georgetown harbor, which means that only small or lightly loaded vessels can enter. Large cargos often must be shipped in parts from Georgetown to a deeper port, such as in Suriname, and from there to the final destination. The port at Essequibo faces similar problems, so that rice shipped from Essequibo must first go to Georgetown, which takes 1-2 days and adds about 5% to the price per ton. Unfortunately, the options for providing a deeper harbor are all very expensive, including moving the wharves, dredging the harbor on a continuous basis, or building a floating jetty.

5.17 Telecommunications. Telephone service is beginning to improve with the privatization of Guyana Telephone and Telegraph (GTT) the telecommunications company. Reportedly, calls to the United States can be made with less effort than before, although calls to Canada and Europe can still be difficult. Still, firms reported that lack of adequate communications continues to hamper operations. Delays in placing international calls and difficulties in calling Guyana from abroad particularly constrain firms involved in international trade. Domestic telephone service also is poor, with lengthy periods during which it is impossible to call within Georgetown. The modernization program now underway may improve matters.

Policies Towards Competition

5.18 Guyana is relatively free of the unnecessary bureaucratic requirements that hamper the private sector in many other countries. With some exceptions, administrative requirements are limited to those necessary for tax compliance, for enforcement of normal regulations at the municipal level (i.e. zoning, building codes) and for environmental and health reasons. There are no legal provisions which favor domestic over foreign investors, who can invest in any sector of the economy and can repatriate profits freely. Administrative requirements related to the tax system and the trade regime are discussed below. This section will cover other policies which affect competition in the economy, including support services provided by Government, the legal regime for tourism, restrictive legislation and the privatization program.

5.19 Government Support Services. Public services to the industrial sector suffer from the same problems facing other public sector activities: the inability to pay adequate wages to attract highly-qualified people. The Guyana Manufacturing and Industrial Development Agency (GUYMIDA) is the major source of assistance to the manufacturing sector. Some uncertainty exists concerning GUYMIDA's role due to the recent reorganization of public sector activities. GUYMIDA is now carrying out the following activities: (i) it serves as a one-stop shop to assist investors with bureaucratic requirements; (ii) it promotes investments through providing literature, evaluation of investment projects, and promotional tours overseas; and (iii) it provides

technical support to investors in the form of training and provision of information on technology. UNDP is now carrying out an evaluation of GUYMIDA to see how it meets these responsibilities.

5.20 A preliminary view of GUYMIDA's activities points out a number of problems. GUYMIDA does not have the resources to act as a true one-stop shop, that is to serve as the single location where investors can apply for all of the regulatory approvals necessary to conduct business. Instead, GUYMIDA simply responds to enquiries on Government policies and procedures and refers investors to the appropriate office. Only in special cases will GUYMIDA provide direct assistance to the investor in meeting regulatory requirements. GUYMIDA's technical assistance activities also appear questionable. It is not clear that GUYMIDA has the expertise to evaluate investment projects or to provide technical assistance to entrepreneurs. The private sector was quite negative concerning the value of GUYMIDA's assistance, claiming that the organization reacted very slowly to requests, did not provide relevant assistance and did not undertake effective promotional activities. The Government should consider reducing GUYMIDA's responsibilities to serving as a one-stop shop and provision of information, for example on export markets.

5.21 The Geology and Mines Commission provides information and services to the mining sector. Much of the Commission's resources appears to be devoted to the negotiation of agreements with mining companies (see below). However, the Commission does provide information on mining deposits and is involved in geological mapping. The Commission is receiving some technical assistance in this area from donors, and officials were able to cite examples of how their information assisted companies in selecting promising areas for exploration. Given Guyana's potential and the lack of information on mineral deposits, it may be useful to devote more resources to this area.

5.22 Tourism. Guyana has some potential for tourism due to the attractiveness of its tropical forests, birdlife, fishing resources and water resources. These kinds of activities need to be packaged for small groups and require relatively complex arrangements, such as guides services and transport to remote areas. While Guyana lacks attractiveness for large tourism facilities of the Caribbean islands, it is likely that the country has not fully exploited the available tourism opportunities. Impediments to a more developed tourist industry include strict visa requirements, lack of transport infrastructure and the poor security situation in Georgetown. In addition, the Government is now in the process of establishing review procedures for new tourism projects. At present, all tourism projects must be reviewed by the Ministry of Trade, Tourism and Industry for environmental soundness. The Ministry will seek assistance from the Tourism Association of Guyana, an umbrella association with private sector representation, to evaluate proposals, including hotel projects. The danger in this plan is that the Ministry will rely on existing businesses to vet potential competitors. The rationale is to make use of private sector expertise in evaluating the environmental consequences of new tourism projects. Given the weakness of public sector administration, this concern is understandable. However, the Government can ill afford to establish a system which would stifle competition in the sector, and may therefore need to establish some public sector capability in evaluating tourism proposals.

5.23 Restrictive legislation. One of the impediments to the recovery of the economy is the history of inappropriate economic policies, including the forced sale of businesses to the public sector and various interferences in private sector activities. While these practices are no longer followed, the legislative authority for some measures remains on the books. For example, the Compulsory Acquisition Act passed in the 1970s enabled the Government to take over property at its 1939 value and the Capital Issue Control Act required approval of the Ministry of Finance to transfer shares of private sector businesses. The Government reports that the latter measure has been abolished, although the law abrogating the Act has not been formally published in the official gazette. The Government has stated that as a matter of policy, the "era of nationalizations is therefore to be considered at an end."^{2/} However, a formal abrogation of the authority to nationalize private property (with the exception of the right of eminent domain with procedures to determine fair market value) would increase confidence in the permanence of present policies.

5.24 Privatization. Public sector enterprises dominated the economy through the mid-1980s. The present Government has launched an ambitious privatization program, which ultimately may include all public sector enterprises, to encourage a greater private sector role in the economy. The program began with 10 companies, in areas such as fisheries, timber development, distribution, transportation, foods, paint and rice milling. This stage is nearly completed, with contracted sales at close to US\$30 million, of which about US\$15 million had yet to be paid to the Treasury (as of October 1991). Many of the companies were broken up and the assets sold separately, although a few were sold as going concerns. Dismissed workers were paid their pension rights due and severance payments based on time in service. In some cases, workers received substantial raises in salary from the new owners. The Government is now proceeding with the divestment of an additional 16 companies, which tend to be the more profitable ones. There is also plans to eventually privatize GUYMINE, GUYSUICO, and possibly GEC, the electric power company.

5.25 The privatization program is important for increasing efficiency, competition and attracting a greater volume of investment. The program already has generated some benefits to the economy. Telephone service has improved since the privatization, and the new owners are embarking on a modernization program. The privatization of the rice mills has proceeded smoothly, and has increased the potential for investments in rice milling. The program also has drawn some criticisms. Some observers believe that the Government could have received higher prices, enabling private speculators to make substantial profits by the resale of companies purchased from the Government. Confidence in the process may have been reduced by the practice of managing a few of the larger privatizations by private negotiations outside of the normal public bidding procedures the Public Corporations Secretariat (the main agency responsible for implementation of the program). The Government should proceed carefully with plans for privatization of some of the larger companies. While an infusion of private capital would be useful

2/ Government of Guyana, The Guyana Investment Policy (State Paper, July, 1988).

for the electricity company, the Government should ensure that it has the authority and administrative ability to regulate GEC before selling it to the private sector. Also, the large size of GUYSUCO and its importance to the economy emphasize the need to ensure adequate tax revenues and service of Government-contracted debt after privatization.

The Tax System^{3/}

5.26 The tax system is characterized by high rates of nominal taxes imposed on a relatively small base due to numerous exemptions. These exemptions are granted in the interest of encouraging economic activities deemed desirable by the Government and compensating for various anomalies generated by the tax system. However, the administration of the exemptions is not transparent, appears to favor larger firms over smaller ones and results in a very complex set of taxes and subsidies which appear to have little economic rationale. The Government needs to work towards a system that would reduce tax rates, reduce cascading and eliminate exemptions granted to particular firms in order to have a tax system that is more neutral and encourages greater efficiency in production and investment decisions.

5.27 Consumption tax. The consumption tax unnecessarily distorts production decisions due to a dispersed structure of rates, narrow base, numerous exemptions and uneven taxation of inputs. Half of domestic consumption tax collections in 1990 were from alcohol and cigarettes, the latter of which is taxed at 100% rate. While it makes sense to levy higher taxes on these goods, very high rates may be ineffective when it is impossible to control smuggling (see below). On the other hand, many luxuries such as hard liquor, beauty products and tableware are taxed at relatively low rates. The large number and high dispersion of tax bands results in very different rates applying to close substitutes. For example, the tax on plywood is 40%, but the tax on solid timber is only 19%, thus discouraging domestic processing of lumber.

5.28 The company tax structure has also been improved through the adoption of a single corporate tax of 35%. Previously, non-commercial firms paid a 25% corporation tax on total profits, and a 20% income tax on retained earnings (commercial firms paid 35% and 20%, respectively). Consequently, the company tax is lower for a company that pays no dividends (35% as compared to 45% previously), but higher for a company that paid all its profits as dividends (35% as compared to 25% previously). Thus, relative to the earlier tax regime, there is an incentive to retain profits for reinvestment. However, firms also deduct and remit a withholding tax of 15% on all dividends. Dividends are then tax-free to recipients, regardless of their income level.

5.29 The tax base is limited to approximately 550 registered manufacturers, which simplifies administration of the tax. To avoid

^{3/} This section deals only with the impact of the tax system on resource allocation; Chapter II has already discussed the tax system from the standpoint of revenue generation.

cascading, registered manufactures are exempt from the consumption tax on their material inputs. However, this provision does not completely eliminate cascading, for a number of reasons. First, taxation at the level of the manufacturer may tax inputs at subsequent stages (i.e. repair shops). Second, inputs to production imported by traders are taxed, and there is no procedure for crediting the tax if a registered manufacturer purchases from a trader. This anomaly discriminates against smaller manufacturers who cannot import directly and encourages nonregistration by manufacturers. Finally, capital inputs are taxed, which further discourages the use of the more sophisticated production processes necessary for producing competitive exports.

5.30 Many of these problems could be avoided and the tax base substantially increased by replacing the consumption tax with a value added tax. However, administration of a VAT would place excessive demands on the Government's limited resources, and could actually result in lower tax collections by raising the potential for tax evasion. Instead, the Government should consider marginal improvements to the present system to reduce cascading and broaden the tax base, including allowing traders to obtain a rebate of the tax when they sell inputs to registered manufacturers, exempting capital equipment and other inputs that presently are taxed.

5.31 Fiscal incentives. The fiscal incentives program is designed to encourage investment in Guyana through granting of holidays from payment of company tax, exemptions from duties and exemptions from the consumption tax. Incentives are granted based on a number of criteria, the most important of which is the amount of value added to be produced in Guyana by the project. However, other criteria also are considered, including the location of the firm, the amount of investment, expected employment generation, the type of technology and the expected contribution to nontraditional export earnings. The Government states that it would like to encourage investment in light manufacturing, forestry and agricultural processing.^{4/} However, there are no fixed rules on how these several criteria are combined to determine the extent of fiscal incentives granted, and each application seems to be treated on a case-by-case basis.

5.32 The amount of fiscal incentives granted is quite large in comparison with revenues. The Government granted US\$10 million in fiscal incentives in 1990, and US\$61 million in 1991 (through September). These figures are estimates based on expected tax liability at the time of application, and refer to total revenue foregone over a period of years. The actual revenue loss is impossible to estimate, because data are not available on how much companies receiving fiscal incentives actually would have paid in taxes and the Government does not release information on the extent of incentives granted. However, if the average tax exemption granted equalled the median allowable exemption under the CARICOM harmonization rules (7 years), the estimated revenue loss in 1992 from incentives granted in 1990-91 would be US\$12 million, about 15% of expected tax revenues in 1992. It is noteworthy that the number of incentives granted and the amount of investment covered by exemptions has risen (see Table 5.1), so one should expect an increase in lost revenues in coming years. Given limited staff resources and lack of access to

4/ Ibid.

income tax returns, it is difficult for GUYMIDA to confirm whether the incentives are claimed for the approved project. This gives some opportunity for firms to include other transactions within their tax exempt operations, further increasing the revenue loss to the Treasury.

Table 5.1: FISCAL INCENTIVES

| | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 |
|--------------------------------------|------|------|------|------|------|------|------|
| Number Incentives | 11.0 | 8.0 | 9.0 | 13.0 | 11.0 | 12.0 | 23.0 |
| Planned Investment (US\$ million) | 3.4 | 0.9 | 8.0 | 6.0 | 15.7 | 10.1 | 61.3 |

Source: Guyana Manufacturing and Industrial Development Agency.

5.33 There is no evidence that the combination of high tax rates with widespread exemptions is effective in increasing overall investment in the economy or has any beneficial impact on the allocation of resources. Incentives granted recently appear to favor larger firms. Of the 12 incentive packages granted in 1991, 7 were for investments in excess of US\$1 million and only one was for an investment less than US\$100 thousand. The system lacks transparency, due to the multiplicity of criteria and the policy of the Government not to make available information on incentives granted. This lack of transparency raises doubts on the part of investors concerning the fairness of the system and may reduce investment if entrepreneurs have to worry about potential competition by firms receiving more generous incentives.

5.34 Eliminating fiscal incentives along with a sharp reduction in rates would improve the transparency of the system and reduce the importance of noneconomic factors in investment decisions. The common objection to eliminating the incentives system is that Guyana needs to grant incentives to compete with other CARICOM countries. However, the lowering of general income and consumption tax rates along with elimination of incentives would increase the ability of the typical Guyanese firm to compete, both in export markets and domestically against smuggled goods.

5.35 **Mining.** The tax regime for minerals and petroleum requires separate treatment. The general philosophy underlying Government intervention in this area has been that Guyana's mineral resources are the property of the State, which should share directly in profits from development. Prior to the mid-1980s, the Government required a majority equity share to grant large concessions. Further, all gold production had to be sold to the Gold Board at a below-market price. As a result, there were no large concessions granted, all mining activity was carried out by small operations with limited technology and reported gold production was estimated to be less than one-third of actual production.

5.36 Subsequently, the Government eliminated the requirement of an equity interest in mining, except where previous exploration had been done, in which case the requirement was reduced to 15%. The new regime for large companies led to the signing of a series of agreements for minerals and petroleum exploration (see above). The agreements generally granted exclusive right to develop a specified area, required payment of royalty (5% ad valorem for gold) and income tax, granted tariff and consumption tax exemptions on inputs and required the hiring and training of local staff. There is some concern that the extension of lengthy tariff exemptions for the larger mining companies was too generous and created a dangerous precedent for future negotiations. The less restrictive policy towards mining agreements was essential to provide for efficient private sector development of the mining sector. However, the Government continues to negotiate individual agreements on a case by case basis, which take an average of 2-3 months to complete. The lack of clear criteria for concessions granted is not likely to lead to an efficient tax rate on mining operations. An alternative approach would be to fix a profit-sharing schedule which would apply to all mining operations. Firms would receive a much clearer signal on their own and their competitors' expected tax liability. Individual agreements would still be necessary, but would focus on the companies financial and technical ability to exploit the concession, rather than the rate of tariff exemptions to be granted.

5.37 More recently, the Government established a market exchange rate for purchases by the Gold Board, which led to a sharp expansion in declared gold production in 1991. Some miners still are reluctant to declare their gold, both to evade taxes and to avoid announcing the value of their claims. The Government should consider the possibility of removing restrictions on the free sale of gold. The continued power of the Gold Board to fix the price at which all gold is exported creates some uncertainty regarding future gold policies. The only present benefit of the system is that it ensures that all officially-declared gold pays the royalty. If controls are deemed necessary for tax enforcement, the Government could require an export license, granted on evidence that the royalty was paid, as is now done with diamonds. This system would be no less effective than required purchases by the Gold Board, would simplify administration, would allow the market to differentiate prices on the basis of quality and would increase confidence in the Government's decision to cease manipulating the price of gold.

The Trade Regime

5.38 The Government has opened the economy through the unification of the exchange rate, liberalization of capital flows and elimination of almost all import prohibitions. Most of the distortionary trade policies that impaired the efficiency of the economy have been removed. The remaining problems with the trade regime are of a much smaller order of magnitude than those already resolved. Nevertheless, it is useful to focus on further improvements in trade policies that would enhance the credibility of the new regime and increase competition.

5.39 Tariffs. Guyana adopted the CARICOM Common External Tariff (CET) and rules of origin in the first quarter of 1991, resulting in a slight reduction in tariff rates compared to the previous schedule. The CET is a

highly-differentiated tariff schedule ranging from 0% to 45%, with the following broad categories: (a) tariff rates from 5-10% on imported inputs and basic commodities (certain foodstuffs and other critical supplies) that do not compete with CARICOM production; (b) tariff rates from 20-30% on inputs and basic commodities that do compete with CARICOM production; (c) a 30% rate on final goods (excluding basic commodities) that do not compete with CARICOM production; and (d) a 45% tariff rate on final goods (excluding basic commodities) that compete with CARICOM production.

5.40 Guyana has a complex system of tariff exemptions, granted either as part of a package of fiscal incentives (see above) or through separate approval by the Ministry of Finance. Section 12 of the Customs Act gives the authority to the Minister of Finance to remit any customs duty when deemed appropriate. In 1990, 80% of imports in value terms were exempt from duty, resulting in an average collection rate of 5%, compared to an average nominal protection rate of 20%. About half of all duty-free imports, however, result from international agreements (including CARICOM), or from imports under multilateral and bilateral aid programs. In addition, oil imports paid only minimal duties in 1990.

5.41 Crittle^{5/} estimates that the nominal structure of protection combined with exemptions, some subsidies and tax holidays, yields an effective rate of protection for manufactures of 55%. He estimates that the net implicit subsidy of the system is about G\$150,000 per employee, or G\$360 for each US dollar of foreign exchange saved. Despite this heavy protection, domestic manufacturers provide only about 15% of total taxable domestic demand. The relatively moderate average level of effective protection may be an understatement. Some firms are protected by a 45% tariffs on their final goods and in addition were granted exemptions for most duties on inputs. A recent survey of the 19 largest manufactures found that all but one were exempted from most import duty obligations on material inputs and capital goods. If it is assumed that value added is one-third of total output and if there are no duties on inputs, a 45% protective tariff on final goods implies an effective protection rate of 135%. Given that some firms enjoyed such high rates of effective protection, the average effective protection rate of 55% implies that other firms received much lower, or negative, rates of protection.

5.42 Thus, the combination of the CET and an arbitrary of system of duty exemptions results in a highly-differentiated structure of protection across products and firms. This structure is not consistent with any standard of economic efficiency, nor does it represent a conscious subsidization policy based on economic or other criteria. Furthermore, given recent reductions in tariff barriers in other Latin American countries, the CET is substantially out of line with regional averages. Most Central American countries, for example, have moved to a tariff system with a range of 5-20%. Countries such as Bolivia, Chile, Peru and Venezuela all have maximum tariffs of 20% or less (see Table 5.2). The Government should consider the following steps in achieving a more rational system of protection: (1) the Customs Act should be

5/ Crittle, F.J., "A Review of the application and Administration of Consumption Taxes, In Guyana" (Processed), Georgetown, Guyana, 1991.

amended to provide that any exemptions can be granted only by legislative approval; (ii) tariffs should be lowered by reaching agreement within CARICOM to change the tariff schedule, with a goal of reducing tariffs to a range of 5-20%; and (iii) a lowering of tariff rates should be accompanied with elimination of all duty exemptions and partial remissions.

Table 3.2: TRADE REGIMES IN LATIN AMERICA AND THE CARIBBEAN

| Country | Year | Imports Subject to Quantitative Restrictions | Unweighted Mean Tariff Including Surcharges | Range of Tariffs Including Surcharges |
|-------------------------------|---------|--|---|---------------------------------------|
| CARICOM MEMBERS | 1991-92 | QRs vary across countries | 20% ^{1/} | 0 - 45% |
| <u>CENTRAL AMERICA</u> | | | | |
| Mexico | 1991 | 20% of local production | 4% | 0 - 20% |
| Costa Rica | 1992 | QRs removed | 16% | 5 - 20% |
| El Salvador | 1992 | QRs removed | 16% | 5 - 20% |
| Guatemala | 1992 | | 16% | 5 - 20% |
| Honduras | 1992 | QRs removed | 16% | 5 - 20% |
| Nicaragua | 1992 | | 16% | 5 - 20% |
| <u>SOUTH AMERICA</u> | | | | |
| Argentina | 1991 | 8% of local production | 15% | 0 - 22% |
| Bolivia | 1991 | QRs removed | 8% | 5 - 10% |
| Brazil | 1990 | 10% of tariff items | 41% | 0 - 85% |
| | 1994 | | 14.2% | 0 - 40% |
| Chile | 1991 | QRs removed | 11% | 11% |
| Colombia | 1991 | 1% of imports | 6.7% | 0 - 15% |
| Ecuador | 1991 | | 18% | 2 - 40% |
| Paraguay ^{2/} | 1991 | QRs removed | 16% | 3 - 86% |
| Peru | 1992 | QRs removed | 15% | 15% |
| Uruguay | 1991 | QRs removed | 12% | 10 - 30% |
| Venezuela | 1993 | 5% of local production | 15% | 10 - 20% |

^{1/} Excluding surcharges/stamp duties

^{2/} Special import regimes enable actual tariffs to be below 15%

Source: IBRD staff estimates.

5.43 Trade Regulations. The Government has removed all import prohibitions (with the exception of meats and jellies), and there are no prohibitions on exports. However, the system of licensing requirements remains in effect. Export licenses are required for a variety of foods, fertilizers, hides and skins, gold and precious stones, metal products, machinery, vehicles, and various instruments. Licenses are required to ensure that products meet health and quality standards, to ensure that exporters have paid taxes on the product (particularly for minerals) and to guard against the export of stolen goods (the rationale provided for licenses on export of scrap metals). The Ministry of Trade, Tourism and Industry administers the licensing system, and claims to process most licenses with 48 hours. However, licenses that require review by other ministries, for example licenses that must be approved for health reasons and licenses for agricultural products, may take longer. Established exporters did not feel that the licensing system obstructed their operations, but the process is nevertheless lengthy, and

smaller firms may have a more difficult dealing with the paperwork. The Government should consider reducing licensing requirements to the minimum necessary to ensure that Guyanese goods meet health standards and to assist in tax collection. In the latter case, export licenses could be granted on the spot on presentation of proof of payment of taxes.

5.44 Most imports remain subject to licenses, with the exception of certain imports intended for personal use and goods from CARICOM states that conform to the CARICOM rules of origin. In many cases, licenses are automatic and granted within 24 hours. The exceptions largely concern goods screened for health reasons, including review of pharmaceuticals, cosmetics, foods and some chemicals. It also appears that licenses are granted for imports of poultry on the basis of domestic market conditions, to provide some protection for domestic industry. Again, the Government should consider eliminating all licensing requirements that are not necessary for reasons of health or safety. There also was some concern voiced by private sector organizations that health screening needs to be strengthened, particularly to guard against the importation of cattle infected with hoof and mouth disease.

5.45 Export incentives. As a result of the elimination of most quantitative restrictions coupled with adoption of the Common External Tariff, Guyana is an open economy with a substantial degree of tariff protection provided domestic producers. Such a regime makes it difficult for exporters to compete in international markets, as the protective regime raises their costs compared to exporters in other countries. Many of the larger manufactures exporters are able to avoid the impact of protection on their costs by gaining tariff exemptions, by evading payment of duties or by various non-legal methods. However, this is not an efficient means of compensating exporters for the costs of domestic protection, as this subsidy is granted regardless of the share of exports in production.

5.46 A more desirable approach would be to compensate exporters directly for the tariff on their imported inputs, through programs such as bonded warehouses or a duty drawback scheme. The difficulty in Guyana is that such programs require staff resources to administer effectively. The Government must ensure that goods imported through warehouses duty free are actually used in production for export, or that export declarations used to calculate compensation for import tariffs are accurate. The administrative burden in implementing a duty drawback program can be reduced by compensating exporters at a fixed rate for the estimated import duty paid, without requiring documentation concerning the value of imported inputs actually used. This rate would be varied by the type of product, although the Government should avoid an overly complicated scheme. The payment should be in the form of a tax credit to be applied to future corporate income taxes. Even with this simplified system, it is an open question whether establishment of appropriate export incentives is the highest priority for using the Government's scarce administrative resources. Perhaps the economies in staff resulting from the reduction of export and import licensing requirements could be used for this purpose. A similar approach should be used towards proposals to set up export processing zones or industrial parks with access to improved infrastructure facilities. While these ideas have considerable merit, it is necessary to ensure that they can be administered effectively.

5.47 Customs administration. The private sector generally gave customs administration mixed reviews. Established traders who were familiar with customs requirements felt that the system worked in an acceptable fashion, although some complaints were voiced concerning slowness of processing of goods. The head of customs receives a daily report on the progress of goods through the system, and is therefore in a position to resolve unwarranted delays. Customs officials stated that if proper invoices are presented, goods usually can be cleared within 1-2 days. However, goods may be delayed beyond that if it is necessary to obtain clearances from other agencies, for example health certificates. In general, though, the level and intensity of complaints about customs administration did appear less than in many other developing countries, perhaps because evasion is very common.

5.48 Considerable evidence exists of evasion of import tariffs, either through underinvoicing or smuggling. Underinvoicing takes various forms. About 25% of imports consists of "barrel trade", or household goods imported in barrels. Anecdotal evidence suggests that the majority of barrels are only cursorily inspected. An inordinate amount of barrels are declared as containing "food preparation not elsewhere specified", a category that accounted for 29,000 out of an estimated 100,000 imports cleared into Guyana in 1990. These items were valued at an average G\$5100 per import (about US\$130), while it is likely that many barrels contained high-value items for resale domestically. Another problem concerns undervaluation of container imports by the established traders. Examples have been reported of a container clearing customs with a declared value less than the cost of freight and insurance. Finally, there also are reports of goods imported duty free as inputs by registered manufactures being diverted to retail markets.

5.49 Smuggling appears commonplace, encouraged by the high consumption tax and tariff rates coupled with poor enforcement. Transport of dry goods (such as cigarettes and groceries) from Suriname across the Courantyne River is perhaps the dominant source of illegal imports, but they also enter from Venezuela and through the ports in Georgetown. Many of these products are exported legally from Suriname, although price controls in that country also encourage the illegal export of goods to be sold in the freer markets in Guyana. Discussions with retailers at the large markets east of the Berbice river confirmed that most of the goods came from Suriname. The size of the market in smuggled goods is of course difficult to judge. Based on reasonable estimates of the physical capacity to ship goods through Guyana's borders, an upper limit on illegal imports is US\$50 million, or about 25% of official imports.

5.50 Prevention of smuggling is a difficult task, given the length of Guyana's borders and lack of resources. The Suriname border is particularly difficult to police, as it is defined as the high water mark of the river on the Guyana side. Thus, goods can leave Suriname legally and cannot be interdicted on the river itself. Some success was achieved in raiding the markets in eastern Guyana and confiscating smuggled goods. However, these measures engendered considerable opposition, as people are accustomed to the availability of goods at prices that do not reflect consumption tax or tariffs. Since then, the customs administration has adopted the view that control of smuggling should be accomplished at the point of entry rather than in the marketplace.

5.51 Enforcement of the tax system is essential to domestic industry. Smuggled goods enjoy a large competitive advantage on many domestically-produced products; it is not reasonable to expect that domestic production can compete. The example of matches is particularly dramatic. The 100% consumption tax on matches makes it impossible for the local producer to compete with smuggled products, but the industry has been able to export matches to other CARICOM countries. This problem would be reduced, although by no means eliminated, if the recommended reductions in consumption tax rates were adopted.

VI. THE FINANCIAL SECTOR

6.1 During the last few years, the financial sector has been going through a severe contraction. Between 1988 and 1991, the level of real assets in the banking sector has decreased by 33%. Net credit in real terms has declined significantly, and the government share remains very high. This has been the result of macro-economic management policies designed to reduce high public sector fiscal deficits and high rates of inflation, and to realign the exchange rate. Aside from a shrinkage of real assets, the commercial bank subsector has not been particularly affected, with one exception, since their loan exposure was low. In fact, a number of them have significantly benefitted as a result of the revaluation of their foreign currency holdings. The impact on the non-bank financial institutions has been more severe, particularly for the development bank GAIBANK, since it had a high exposure to exchange rate risk. Overall the performance and solvency of the financial sector has been mixed. While most of the commercial banks appear solvent and profitable, two of the larger public financial institutions are in financial difficulty. Capital adequacy ratios are below prudential levels and the supervision structure is fragmented and inadequate. While interest rates in Guyana are fully liberalized, the unwarranted dominant presence of the state in the financial sector, casts doubts about the degree of "market" determination of interest rates. The economy is still highly monetarized and the financial sector remains fairly underdeveloped with a limited degree of financial intermediation and with a limited number of financial instruments.

6.2 In the following section we present a summary of the sector. A detailed analysis of each institution is provided in Annex I.

Structure of the Financial Sector

6.3 Banks. The banking sector consists of five banks: the Guyana National Co-operative Bank (GNCB, 40% of total assets) and the National Bank of Industry and Commerce (NBIC, 34%), are the largest. The remaining three are the medium-sized Guyana Bank for Trade and Industry (GBTI), with market share of 17% and the smaller Bank of Nova Scotia (BNS) and Bank of Baroda (BB), with market shares of 5.6% and 2.9%. Total assets in the banking sector as of September 1991, were G\$ 19,178 millions (see Table 6.1). The state owns 97% of GNCB, 53% of NBIC, and 30% of GBTI^{1/}. Bank of Baroda is owned by the state-owned Bank of India, and Bank of Nova Scotia is owned by a private Canadian bank. Overall the state owns about 62% of the assets of the banking sector. However, it has majority control in banks that have 73% of total banking sector assets.

^{1/} Prior to August 1991, the share had been 100%.

Table 6.1: GUYANA - Banking Sector

**Total Nominal Assets Banking Sector and Real Growth Rates
(G\$1,000,000)**

| | 1991 | | | 1990 | | | 1989 | | | 1988 | | |
|------------------------------------|---------------|---------------|--------------|---------------|---------------|-------------|--------------|---------------|------------|--------------|---------------|------------|
| | Assets | Share | Equity | Assets | Share | Equity | Assets | Share | Equity | Assets | Share | Equity |
| GNCB | 7,748 | 40.40% | 1,012 | 5,518 | 38.59% | 485 | 3,560 | 38.21% | 158 | 2,341 | 39.30% | 114 |
| NBIC | 6,467 | 33.72% | 318 | 5,086 | 35.57% | 245 | 3,508 | 37.65% | 133 | 2,005 | 33.66% | 68 |
| GBTI | 3,333 | 17.38% | 284 | 2,780 | 19.44% | 149 | 1,580 | 16.96% | 97 | 1,276 | 21.42% | 42 |
| SCOTIA | 1,073 | 5.59% | 6 | 490 | 3.43% | | 393 | 4.11% | | 176 | 2.95% | |
| BARODA | 557 | 2.90% | 18 | 426 | 2.98% | 9 | 286 | 3.07% | | 159 | 2.67% | |
| | <u>19,178</u> | <u>100.0%</u> | <u>1,638</u> | <u>14,300</u> | <u>100.0%</u> | <u>868</u> | <u>9,317</u> | <u>100.0%</u> | <u>388</u> | <u>5,957</u> | <u>100.0%</u> | <u>224</u> |
| Memorandum Item | | | | | | | | | | | | |
| | | | | <u>1991</u> | <u>1990</u> | <u>1989</u> | | | | | | |
| Annual Real Growth Rate of Assets: | | | | -20% | -8% | -18% | | | | | | |

Source: Bank of Guyana (1991).

6.4 The profile of all the banks is very similar, with the exception of GNCB. Their source of funds is mostly from deposits, which constitute between 80% and 90% of their liabilities. Their portfolio is highly liquid. They lend only a small proportion of collected funds, from 16% to 30%, with the rest invested in Treasury bills. As a result their risk exposure is minimal and can be considered quite safe. All of their operational and financial indicators appear to be quite adequate. Their operating costs to assets ratio have been in the 3% to 4% range. Their percentage of bad and doubtful loans does not exceed 5% of loan value. Their rates of return on assets have been quite healthy, in the 4% to 8% range annually. Their rates of return on equity have been in the 70% to 90% range, outpacing the inflation rates. Nearly one-third of these profits in 1990 and 1991, however, can be attributed to gains from the devaluation of the currency. The banks are urban oriented, operating almost exclusively in Georgetown. Their lending and borrowing rates are very similar, in the 26% to 27% and 36% to 38%, ranges respectively. While near 50% of their loans are technically over a year, that figure is misleading since most of the loans are on call. This means that the bank can terminate the loan at any time and request immediate full payment. As a result there is little term premium assessed on loans. Finally all banks appear highly leveraged with capital assets ratios well below the prudential required level of 10%.

6.5 In contrast to the other banks in the sector, GNCB, lends a substantial part of its funds, 60%, and is the only one to have branches outside Georgetown. As a consequence it provides for 75% of the loans of the banking sector, most of them on call, with an average maturity of over 5 years. In the process it has overextended itself, reaching unsafe capital adequacy ratios of 3 to 4%. While it has been fulfilling the role of financial intermediary and providing long term credit, its quality control and financial performance has been quite disappointing. It has over 25% of its

loan portfolio in arrears, and is in the process of writing off G\$ 1,400 million, a far larger amount than its equity.

6.6 Non-Bank Financial Institutions. Beyond the main stream banking sector, there are trust companies, and mortgage finance institutions (MFI). Their main source of funds is deposits, other than demand, from the public. Because of that restriction they are not considered banks, and thus not subject to the Banking Act regulations or to the supervision of the Bank of Guyana, (BOG). Nevertheless, trust companies can be considered as the closest competitors to banks for savings and term deposits. There are four trust companies, GNCB Trust, Trust Company Guyana LTD, Secure Trust International LTD, and Globe Trust and Investment Company LTD. GNCB Trust is the largest with 90% of the Trust market share, and is fully state owned. GNCB Trust engages in two types of activities. First, for a fee manages 12 pension funds of public institutions. And second it serves as a financial intermediary for mortgage and other loans. It lends at market rates and appears to be profitable. However, it is a highly leveraged financial institution, and its solvency is questionable, given its capital-asset ratio of 1.2%. There is little regulation to guide the operations of this institution, and literally no supervision. Although the nominal growth of its assets, through the last five years, has been significant, it has by no means outpaced the inflation rate. In fact, in real terms, from 1987 to 1991 assets have decreased by 30%.

6.7 Mortgage finance institutions are special institutions offering mortgage finance services to their depositors and special customers at privileged rates. There are two of them, the Guyana Cooperative Mortgage Finance Bank (GCMFB) and the New Building Society LTD (although technically GNCB Trust should be considered part of that subsector, since it engages in mortgage finance). The former is fully state-owned with a market share in the subgroup of 4%, while the latter is privately owned, with a market share of 60%. The GCMFB was designed as a government institution to channel government funds, at subsidized rates, for housing development at present, interest rates charged range from 13.5% to 24%. Its source of funds has been government transfers, loans from domestic insurance companies, and housing debentures. It has not been very active during the last couple of years, since no new funds have been transferred to it from the Government and it cannot afford to borrow from the private sector and make loans at below market rates. As a result of its lending practices, lax enforcement, and inflation, it does not have the potential to become financially viable. On the other hand, The New Building Society is highly capitalized and operates like a credit union. Its funds are deposits from its members, to whom it lends long term for housing mortgage operations at a below market rate. It is financially viable because it mobilizes its own deposits (offering below-market rates), invests 40% of its assets in Treasury bills, and is exempt from paying any taxes.

6.8 There is one development bank, the Guyana Co-operative Agriculture and Industrial Development Bank, (GAIBANK), the third largest financial institution in the country, specializing in lending to the agricultural and industrial sector. It is the only financial institution in Guyana that covers the non-urban sector, where the only alternative is the informal market where the current rate for loans is about 20% per month. It is not allowed to accept deposits from the public, and its source of funds is mostly (90%) from development credits from donors and international agencies. Because of restrictions on the use of these funds, GAIBANK's lending has been primarily

to the industrial sector. It lends medium to long term, to both public and private sector, in the part, its rates have often been below the Government's cost of funds; at present, it charges 32.5% for domestic currency loans, and 15% for loans denominated in foreign exchange. All of its financial indicators are quite unsatisfactory. It is perceived to be a grant-help institution, with an arbitrary assignment policy of loans, and with a lax policy of enforcement and collection and as a result it has accumulated high levels of arrears (35%). Aside from its numerous bad loans, in the past two years it has incurred significant losses, as a result of the currency devaluation, since most of its liabilities were in foreign currency, while most of its assets were in loans denominated in domestic currency. In the very near future it is going to have to write off those losses as well as the arrears accounts. Those losses are ten times the level of its equity. Although the government has agreed to cover the losses, its record through the last ten years would tend to indicate that its financial viability and capacity to administer credit according to bonafide economic practices is, at best, questionable. During the past year, however, it has attempted to reduce staff and improve its operating procedures.

6.9 Completing the description of the financial system, are credit unions (5), insurance companies (15 of them with assets of G\$ 4,800 million) and pension schemes (23 of them with assets of G\$ 1,000 million). There are two apparent problems in this subsector. First, it has been heavily decapitalized. Its assets have decrease in real terms by near 50% over the last four years. And second, most of its funds, which are long term, are invested in short term paper, like Treasury bills. The only exception are their limited investments in new equity, since these institutions are not allowed to invest in outstanding equity. The argument is that the absence of a secondary market for equity makes price determination difficult. Although the credit unions take deposits from the public, they are small and declining in importance. They accept non-interest bearing deposits, lend small amounts to their members (for small ticket durables and consumption) at a 1% interest rate.

6.10 With one exception, The New Building Society, of all of the important non-bank financial institutions are state owned and part an umbrella organization, the Co-operative Finance Administration (COFA). This organization is an administrative body established to exercise supervision and control over the financial institutions under its purview, with the exception of GNCB, since by being a bank is supervised by the BOG. The rest of the non-bank financial institutions are minuscule by comparison, with little financial impact. Including non-bank financial institutions, the state share of assets in the broad financial sector is around 75%.

6.11 Credit for small enterprises is also available from the Institute of Small Enterprise Development, a private, non-profit and tax-exempt organization founded in 1986 to serve small and medium scale enterprises. Funding for the ISED comes largely from foreign concessionary official sources, including IDB, USAID, and the British and Canadian aid programs. In 1991 it lent G\$ 103 million in 540 projects, or an average loan of G\$ 191,000. Interest charges are set to be slightly below the Bank rate, and were 29% in March, 1992. Although about five percent of its portfolio is in arrears, the ISED makes a profit since its funding is derived from grants or loans on very concessionary terms. It has three branches outside of Georgetown.

Regulation

6.12 The regulatory environment for the financial sector is embodied essentially in two acts, the Banking Act and the Co-operative Financial Institutions Act. The following issues are a concern:

- There are no standards set for provisions for losses in the regulatory environment. As a result the provisions set by a number of financial institutions are below the prudential levels (see Table A.4, Annex II). The Centro de Estudios Monetarios de Latin America (CEMLA) criteria on provisions should be adopted. These are described in Annex II.
- The capital required to start a new commercial bank (G\$1.0 million) is excessively low. The amount was set in the Banking Act, enacted in the late seventies, and has never been adjusted for inflation. A figure in the range of G\$30 million would be more appropriate. Since an application for the establishment of a new bank to serve the needs of the timber sector is in the process of being submitted, there is some urgency for the revision of this capital requirement.
- Minimum capital adequacy ratio (capital-asset ratio) is set at 10% for banks. There are no capital adequacy requirements ratios set for non-bank financial institutions. As of now almost all banks and all of the trust companies are below the 10% level. In particular, the levels for the trust companies are excessively and dangerously low (see Annex II).
- Existing guidelines on the use of funds by commercial banks are deficient. For example, there are no clear guidelines about equity investment. Likewise there are no rules about the issuing of debt or equity.
- As of now, loans to non-residents need to be approved by BOG. This requirement appears to be an attempt to maximize the inflow of foreign direct investment. However, it is too rigid, increases transaction costs, and burdens excessively the BOG. A maximum should be set, underneath which loans to non-residents need not be cleared by the BOG.
- There are no guidelines for lending to related parties, like shareholders and relatives of directors and employees. The Banking Act only addresses restrictions on lending to directors and employees. Maximum loan to a director is 2% of paid-up capital and reserves, while to an employee is two years emoluments.
- Any loans or deposits in foreign currency need to be approved by BOG.
- Maximum loan to an entity is 25% of paid-up capital and reserves.

- The liquidity ratios requirements are 25% of demand liabilities and 20% of time liabilities.
- The requirements and guidelines for entry and exit in the sector are ambiguous.
- Although the Bank of Guyana (BOG) is described to be an autonomous institution, in practice and in law it is not. Many of the clauses of the Banking Act, state that the actions to be taken by the BOG require the consent or approval of the Ministry of Finance (MOF). The Governor of the BOG reports to the Minister of Finance. The establishment of new banks as well as the creation of new branches by established banks needs to be approved by the MOF. Likewise, any changes of directives needs to be approved by the MOF, and there are no restrictions on the lending to the Government by the BOG. In just about any activity, as by the Banking Act the Minister of Finance has the authority to overrule the dispositions of the BOG.

Supervision

6.13 There are two basic problems with the supervisory system in the Guyana financial sector. The first one refers to the structure of supervision and the second one to the degree. The structure is fragmented and the degree ranges from insufficient to non-existent. The commercial banks are supervised by the Bank of Guyana (BOG), through the Inspector of Banks. The Co-operative Financial Institutions, which are non-bank state-owned financial institutions, are supposed to be supervised by the Co-operative Finance Administration (COFA)^{2/}. The New Building Society and private insurance companies are supposed to be supervised by the Ministry of Finance through its Commissioner of Insurance. The credit unions are supposed to be supervised by the Guyana Co-operative Credit Union League, through its Chief Co-operative Officer. And, finally it is unclear who is supposed to supervise the private trust companies and pension schemes, if anybody.

6.14 Part of the reason for this peculiar supervisory structure, is the Guyana Banking Act which defines banks as, "institutions that accept demand deposits from the public". That definition excludes any institution, like GNCB Trust and the New Building Society, that accepts savings and time deposits. The Act proceeds to give jurisdiction over the supervision of banks to the BOG.

6.15 An evaluation of the degree of supervision is underscored by noting that no inspection or examination of any of the commercial banks has taken place at all in the last three years. Moreover, out of eight positions in the Supervisory Department of the BOG, the four top positions have been vacant for at least three years, with the top position vacant for seven years and has not had a Supervisor since 1989. The dates of the last inspection of the commercial banks are as follows:

2/ while GNCB comes under COFA, it is supervised by the BOG as a commercial bank.

- GNCB Feb 1988, a loan inspection
- GBTI, Jan 1987, a loan inspection
- NBIC, Dec 1988, a loan inspection
- Bank of Baroda, Feb 1984, a general inspection
- Bank of Nova Scotia, Aug 1988, a general inspection

6.16 The non-bank financial institutions fare no better. COFA has never conducted any formal examination of the institutions under its jurisdiction; nor has it issued any guidelines governing the conduct of operations of these institutions. It remains a weak, understaffed organization that functions largely in an advisory role to the Ministry of Finance.

6.17 Some evidence of the undesirable consequences of the lax supervision in the Guyana financial sector is as follows:

- GNCB is planning to write off G\$1.4 billion of its portfolio, an amount much larger than its equity.
- GAIBANK has a 65% non-productive assets to assets ratio, and sooner or later will have to write them off.
- Despite the requirement that leverage ratios do not exceed a 10:1 ratio, capital adequacy ratios exceedingly and dangerously low. Examples are, GNCB Trust has a 2% capital to assets ratio; with over 60% of their portfolio in mortgage loans, it is extremely vulnerable to fluctuations in the economic environment. Trust Co. Guyana LTD, has likewise a 2% capital asset ratio, and GNCB capital asset ratio is 5%.
- The provision levels are exceedingly low, with differences between required and actual provision ratios of up to 8 percentages points.
- Some of the banks, particularly GNCB, are routinely excessively late in submitting their consolidated statements to the BOG.

6.18 In addition, the information routinely provided by the banks to the BOG is inadequate for supervisory purposes, particularly for the rating of portfolio loans, since there is no past due and maturity data on loans. The common practice for banks in Guyana of allowing for loans to be on overdraft (an additional 2% premium is charged) makes the rating of the portfolio more difficult. Lastly, the current staff at the Supervisory Department of the BOG, do not have the capability or skills to analyze and supervise the banks, mostly as a consequence of being severely understaffed.

6.19 The Bank of Guyana recognizes these problems and is receiving some technical assistance from the IMF to strengthen bank supervision. In addition, COFA is receiving technical assistance from the CDB.

Taxation

6.20 Direct taxes on financial institutions consist of a flat tax on profits of 35% (55% prior to January 1992). Interest from bank deposits is taxed only at a flat 15% rate, which is a final tax (although it is described

as a withholding tax, since it is withheld by the banks prior to payment). There is no double taxation.

Reserve Requirements

6.21 Reserve requirements are 11% of demand deposits and 9% of savings and time deposits. There are no forced investments in the system. Perhaps the only exception was in mid 1991, where commercial banks were compelled to purchase G\$ 4,089 million in three year debentures issued by the Treasury, to soak up their excess liquidity. They were issued at a variable rate linked to the average of the last three months Treasury bills. That rate was 34.3%, much higher than the existing Treasury bill rate.

Interest Rate and Credit Policy

6.22 In June 1991, the Government introduced a system for the competitive bidding of 90 days Treasury bills at monthly auctions. The importance of the Treasury bill auction is underscored by noting that it is "market" determined and it is supposed to be the anchor rate of the system, with the Government using it to set and adjust the Bank rate. And the latter is the reference rate for all the others rates in the system. The structure of the auction is as follows. Prior to the auction, information is provided to the public on past quantity and amount awarded, as well as the amount to be auctioned (the latter piece of information started to be provided at the September auction). Bids are submitted in sealed envelopes prior to the announced deadline. Multiple bids are allowed and each awarded bidder pays his bid value (discriminatory price auction). The minimum bid is G\$ 500. After all the bids have been submitted, the average price is computed. The cutoff level to determine awards has been 3% points above the average. Those bids above the cutoff level are rejected. If there is excess supply, Treasury bills can be purchased by anyone at the average price of the auction. There is no private secondary market for Treasury bills. However, the BOG stands ready to repurchase bills before maturity, if requested. Data on average rates, amounts auctioned and issued at the auctions is presented on Table 6.2.

6.23 The average quantity auctioned monthly has been around G\$ 2 billion. That means that at any time Treasury bills are absorbing nearly 33% of the assets of the banking sector, and over 50% of the productive assets of the sector. The average number of players has been moderate, about 20, mostly because single individuals can participate and the minimum acceptable quantity is quite low. However, 90% of the bid value has been concentrated in a few institutions. In that sense, the Treasury bill market is thin. There are basically five major players (and a number of small players) in the bidding and almost all of the most important are state-owned institutions. In the Treasury bill auction, in a sense, the government, is both the buyer and the seller, which is a point of concern.

Table 6.2: TREASURY BILL AUCTION DATA, 1991

| Date | Amount Auctioned (G\$ billions) | Aver. Rate (%) | Amount Issued (G\$ billions) | |
|--------------|--|---------------------------|---|--------|
| June | 2.4 | 30.83 | 2.20 | (1.63) |
| July | 1.5 | 30.93 | 1.40 | (0.95) |
| August | 1.5 | 31.25 | 1.47 | (1.20) |
| September | 2.3 | 31.12 | 2.30 | (1.86) |
| October | 2.5 | 31.14 | 1.84 | (1.96) |
| November | 1.5 | 31.01 | 1.45 | (0.63) |
| December | 2.6 | 30.89 | 2.65 | (2.02) |
| January 1992 | 1.9 | 30.68 | 1.85 | (1.21) |

Note: Numbers in parenthesis are the amounts awarded at the auction date. The other number includes additional purchases after the auction at the average price.

Source: Bank of Guyana (1991).

6.24 The BOG, with the blessing of the MOF, sets the bank rate. The BOG policy is for the Bank rate to be slightly above the Treasury bill rate. Interest rates for commercial banking are, in principle, fully liberalized. However, the BOG sets a suggested prime rate one percentage point higher than the Bank rate, although the banks are legally free to set lending rates as they please. Nevertheless, the evidence indicate that the quoted rates hover around the suggested ones with very small variance. While in the past the real rates were negative, from July 1991 on real interest rates appear to be positive. Table 6.3 presents a summary of interest rates in the financial sector and inflation numbers for 1991. While the estimated inflation for 1991 runs as high as 70%, most of it took place up till June (it was 60% from January to June), and was largely induced by currency devaluation. From July on, it has been running at a rate between 1% and 2% per month. Savings and term deposit rates have remained roughly constant through the year in the 26% to 30% range, while lending rates have been in the 35% to 40% range, and Treasury bills in the 31% to 32% range.

6.25 The stickiness of the interest rates in the face of significant changes in the inflation rate can be explained, in large part, by the BoG's policy of paying high interest rates on excess reserve deposits held by banks with the BOG. These accounts, called Special Deposit Accounts (SDA), were drawing interest of 30% during 1991. At this rate, there was little incentive for the commercial banks to bid rates for Treasury bills down below this rate, since SDA's are as safe and liquid as Treasury bills. In March of 1992, the BOG changed its policy slightly, and rate on SDA's is set at 2.50 points lower than the Bank rate, which is only slightly lower than the Treasury bill rate. Because of this narrow spread between Treasury bills and the SDA rate, and the circularity in the setting of the rates, there is still very little flexibility in the system. While interest rates are nominally free, they are very much influenced by the policies of the central bank, and as long as the

Treasury bill market is dominated by the commercial banks, there is little likelihood that rates will move.

6.26 Interest rate policy for non-bank financial institutions is set by the MOF. While interest rates for GAIBANK, at 32.5% for domestic loans, seems appropriate, in the past these rates have often been set substantially below the cost of funds to the Treasury. It is not entirely clear what rate is appropriate for long term loans from GAIBANK, and how they should be set in relation to the Government's cost of funds, which is essentially a short term Treasury bill rate. The best alternative, to insure automatic adjustment, is for GAIBANK to shift to a variable rate lending instrument, using a spread above the T-bill rate. Likewise, lending policies for the Mortgage Finance Bank need to be brought in line with market conditions. Rather than broad interest subsidies to all borrowers, the Government should shift to programs funded out of the budget that are clearly directed at the poor. Raising GCMFB's lending rates to market levels would also enable it to tap the private market. Again, given inflation and interest rate uncertainties, a variable rate instrument would seem to be the most prudent. However, some consideration needs to be first given to the future of GCMFB. This is a small institution with a weak portfolio, and mortgage finance is already provided at market rates by GNCB Trust and the New Building Society. It could be merged with or sold to one of these institutions, or simply closed.

6.27 The effective margins and spreads of the commercial banks also appear high. Their effective cost of funds is around 21%, while their effective lending rate is around 29% (accounting for reserve requirements). Given the low risk of their portfolio, over 60% in Treasury bills, for most of them, an 8 percentage points margin seems a bit high. Similar margins persists if we account for all assets (including fixed assets). That applies for all of the commercial banks, since as we described earlier, all follow the similar operational strategies. The only exception is GNCB that operates with smaller margins, and as a consequence of a higher percentage of loans in its portfolio and perhaps poorer screening, has a much higher percentage of bad loans. That uniformity in the system adds to the perception of a lack of effective competition in the system.

6.28 With one exception, all banks appear to be offering similar rates for savings and term deposits. As of 1991, while GNCB has been offering 30% for savings deposits, the rest of the banks have been offering rates in the 25.5% to 27% range. For term deposits the rates have been in the 28.5% to 31.5% range, with again GNCB offering the highest ones. The discrepancy with GNCB arises more from a lack of information on its part than from the pursuing of a deliberately different interest rate strategy.^{3/} On the lending side, the rates are in the 34% to 40% range, with GNCB rates being in the lowest part of the range.

^{3/} Even though GNCB has been offering a significantly higher rate for savings accounts than the other banks, its share of those deposits is not higher in relative and absolute terms than the other banks. In fact NBIC, offering a much lower rate on savings deposits at 26%, collected a larger amount of funds than GNCB.

**Table 6.3: INTEREST RATES OF GUYANA BANKING SECTOR, 1991
(in percent)**

| | <u>Savings Deposits</u> | <u>Time Deposits</u> | | <u>Loans</u> |
|----------------|-------------------------|----------------------|--------------|--------------|
| | | <u>3 mos.</u> | <u>6 mos</u> | |
| GNCB | 30.0 | 30.5 | 31.0 | 35-37 |
| GBTI | 27.0 | 28.0 | 30.5 | 35-39 |
| NBIC | 26.0 | 29.5 | n.a. | 34-38 |
| Scotia | 25.5 | 28.5 | 29.5 | 34-38 |
| Baroda | 26.0 | 28.5 | 29.5 | 34-38 |
| GNCB Trust | | 27.0 | 29.0 | 36-40 |
| GAIBANK | | | | 30 |
| <hr/> | | | | |
| Treasury Bill | 31.25 | | | |
| Prime Rate | 33.5 | | | |
| Bank Rate | 32.5 | | | |
| Inflation Rate | 70.0 | | | |

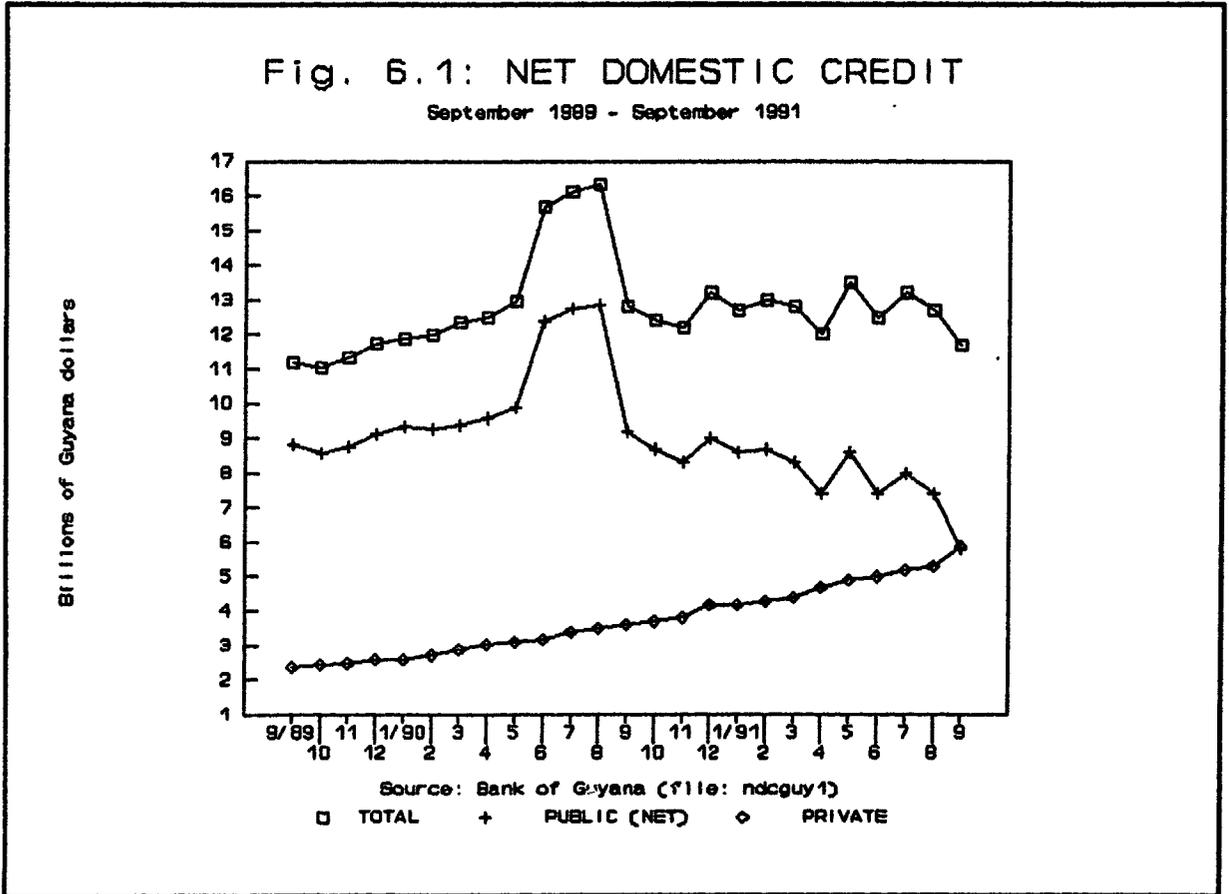
Source: Bank of Guyana (1991).

6.27 Access to credit appears to be adequate, at least in the urban areas, particularly for those who can provide collateral. All the commercial banks (except GNCB and GAIBANK) appear to be quite strict on the collateralization of their loans (GNCB is improving in this regard). This is a good business practice that minimizes costs and risk. However, it screens out a number of small merchants and agricultural producers from the formal credit market, that otherwise could be reasonable credit risk (they are the ones that borrow and repay in the informal market). It appears to be costly to identify them. Improving on the titling of property should be undertaken to ameliorate the access problem. Aside from collateral problems, the apparent low demand for credit from low risk borrowers, seems to be driven more from the "high" interest rates. The situation seems to be different in the rural sector, where access to credit is a problem. Most banks do not have branches outside Georgetown. GNCB has only 8 branches outside of the capital, and NBIC has one. This contributes to the exorbitant interest rates quoted in the curb or informal market, 20% interest per month. A policy to integrate the informal credit market operators into the formal credit market, by lending through them, should be worth considering, particularly given the record of GAIBANK.

Financial Intermediation

6.28 The financial system is relatively underdeveloped. Guyana has a cash economy and no institution induced innovation has taken place during the

last decade. The level of financial intermediation is very low. Checks are sparingly used, and payment by credit card is non-existent. The reason for the monetarized economy is twofold. First as a result of a weak legal enforcement of contracts (as the failure to cover a check), checks are undesirable. Second, this is a culture of tax avoidance, and cash transactions facilitate that activity.



6.29 If one of the desired roles of commercial banking is to channel deposits and savings to the productive sector, then the financial sector is failing in that regard. Particularly as a result of the crowding out effect on the credit market by the public sector. On average little more than 30% of the deposits and savings reach the productive sector. Moreover, there is little long term intermediation. Although most banks grant long term loans, most of them are on an "on call" basis, rendering moot the benefits of the long term of the loan. With one exception, the profile of the commercial banks portfolio is 20% loans, and the rest in heavily liquid instruments like Treasury bills. Even of more concern is the portfolio profile of institutions with long term liabilities as insurance companies, pension funds and trust companies. Most of the portfolio of those institutions is in short term Treasury bills, so that long-term deposits are funding short term credit needs, largely of the public sector. Figure 6.1 displays the distribution of total net credit in the system, in nominal terms, and its distribution between

the government and the productive sector, for the period 1989 to 1991. The proportion of domestic credit reaching the private sector is increasing, but remains rather small, in the 20% to 30% range. In part, this reflects the depressed level of demand in the private sector. In real terms between, Dec 1989 to Sept 1991, private sector credit, decreased by 15%, and total net credit to the system decreased by 60%.

Recommendations

6.30 To improve the performance of the sector in terms of efficiency and safety, the following would be required.

On Regulation and Supervision

- Establish the Bank of Guyana as the regulator and supervisor of the entire financial system, including any institution, public or private that collects funds from the public, not just demand deposits. This would include, GAIBANK, the Trust Companies, and Credit Unions.
- Abolish COFA or merge it with the Ministry of Finance.
- Rewrite the Banking Law Act so as to grant greater independence to the Bank of Guyana.
- Update the capital requirements needed for starting a banking institution; Minimum capital requirement should be at least 10% of demand and time liabilities.
- Adopt the CEMLA criteria for the banks setting of provisions for losses, (see Annex II).
- Impose a maximum loan level below which, loans to non-residents need not be cleared by the BOG.

On Interest Rates

- Widen the spread between the rate on excess reserves (SDA's) and Treasury bills.
- Modify the interest rate policies of the GAIBANK and GCMFB so that they lend at variable rates linked to the Treasury bill rate.

On Institutional Changes

- Consider further divesting the share of the state in the financial institutions. In particular the state should divest GNCB and GNCB Trust, and reduce its stake in NBIC, and GBTL. Another alternative would be to issue convertible bonds.

- Restructure GAIBANK including a redefinition of its lending strategy and strengthening of its enforcement and collection practices. Since GAIBANK is basically the only financial institution covering the rural areas or lending significantly to the rural sector.
- Close the Guyana Co-operative Mortgage Finance Bank, or merge it with GNGB Trust Company, which operates in the same market and is financially more viable. With GNGB Trust and the New Building Society covering the housing mortgage market, there is no justification for maintaining a separate, small and financially non-viable institution.

On New Financial Instruments

- To save on transaction costs, provide for more accurate planning and potentially develop a market for long term credit, introduce longer term Treasury notes or debentures, either at a fixed, market determined, price or at a variable interest rate linked to the Treasury bill rate.
- To facilitate the development of bonafide longer term credit, consider the issuing of bonds by public financial institutions at variable rates linked to Treasury bill rates. Another possibility is for state owned institutions to issue bonds convertible into shares over time as a way for the government to divest ownership.

VII. AGRICULTURE AND DEVELOPMENT

Output Structure and Trends

7.1 Guyana is endowed with ample natural resources. Of the country's 21.5 million ha., about 500,000 ha. are suitable for cultivation, 1.2 million ha. are in permanent pastures and 16.4 million ha. comprise forests and woodlands most of which are currently inaccessible. Of the 500,000 ha. suited for cultivation only 140,000 ha. are currently being used. The vast majority of agricultural activities take place in the coastal plains. Coastal soils are generally fertile yet extremely low-lying. For more than five miles inland the land is below sea level at high tide. Drainage and water control are therefore major problems, and agricultural development in Guyana is closely tied to the struggle of defence against water from the sea and the major rivers.

Table 7.1: COMPOSITION OF AGRICULTURAL GDP, 1983-91
(in percent)

| | 1983 | 1985 | 1987 | 1989 | 1990 | 1991 |
|-----------------|------|------|------|------|------|------|
| Sugarcane | 26 | 37 | 60 | 33 | 31 | 48 |
| Rice | 14 | 10 | 6 | 11 | 6 | 14 |
| Other Crops | 26 | 21 | 14 | 18 | 18 | 11 |
| Livestock | 14 | 10 | 7 | 8 | 7 | 4 |
| Fishing | 10 | 13 | 8 | 25 | 34 | 21 |
| Forestry | 10 | 10 | 6 | 5 | 5 | 3 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |
| Agr./GDP Share: | 24 | 27 | 30 | 40 | 38 | 39 |

Source: Statistical Bureau.

7.2 Agriculture has traditionally been one of Guyana's key economic activities. In 1990, the sector's value added of roughly US\$133 million accounted for almost 38% of GDP, 45% of registered merchandise exports, and 35-40% of total employment. Agricultural production is heavily based in sugar and rice; in 1990, these two crops accounted for roughly 31% and 6% of agriculture's GDP respectively (Table 7.1). Other relatively important crops produced (mainly for the domestic market) include: plantains, pineapples, coconuts, cassava, coffee, and citrus. Livestock production contributes to about 7% of agricultural GDP; fishing activities contribute another 34% of agricultural GDP. Although forest areas are extensive, forest activities account for only about 5% of agricultural GDP. Since most of the sugar, rice, fishing and forest activities are geared to the international markets, the sector has traditionally been a very important participant in the country's international trade (Table 7.2).

7.3 Livestock and crop production (with the exception of sugarcane), is characterized by the predominance of small farms. According to the last Farm Household Survey (1978), farms of less than 6 ha accounted for about 80% of the country's 24,000 farms. It is estimated that about 70%-80% of these small farms are geared to rice production, with the remainder producing food crops. Many of these small farms combine their crop production with some milk production. There are, however, several larger agricultural operations that include private rice growers, some medium- and large-sized forest and fishing operations, and large public-sector enterprises such as the Guyana Sugar Corporation (GUYSUCO) and the Livestock Development Company (LIDCO)--both in the process of being divested from the public sector.

Table 7.2: AGRICULTURAL EXPORTS, 1975-90 a/
(in US\$ million)

| | 1975-80 | 1981-85 | 1986-89 | 1990 |
|-----------------------|---------|---------|---------|-------|
| Sugar | 114.1 | 79.2 | 84.4 | 81.4 |
| Rice | 31.4 | 22.1 | 14.0 | 13.0 |
| Timber | 4.5 | 4.5 | 3.5 | 4.6 |
| Agriculture | 154.7 | 107.7 | 124.0 | 121.9 |
| --as % of all exports | 52% | 47% | 53% | 48% |

a/ Corresponds to the annual average value of exports of rice, sugar, timber and shrimp.

Source: Bank of Guyana.

Economic Policies and Economic Performance

7.4 Since the early 1970s increased Government intervention into all aspects of economic activities was the prevailing trend of Guyana's economy. Agriculture, being the country's most important productive sector, was no exception to that trend. The sugar industry was nationalized in 1976, Government monopolies were established for the importation and distribution of agricultural inputs, and restrictive trade and pricing practices were established for most of the sector's key commodities, i.e., sugar, rice, milk, coconuts (through price and trade restrictions on edible oils), and poultry products.

7.5 Direct interventions on the sector, however, were not the only venue through which the Government affected the sector's incentive structure and its performance. During the 1980s, Government financing of the increasingly large public sector deficit led to inflation. In its efforts to control inflation the Government introduced domestic price controls and did not undertake the necessary devaluations of the exchange rate. This led to a

significant deficit in the current account which the Government tried to control by imposing stringent controls on international trade. The above-mentioned difficult economic environment impacted the agricultural sector mainly through:

- (a) the absence of a devaluation led to an appreciation of the official real exchange rate altering the country's relative price structure to the detriment of exportables. This was magnified by the existence of a dual exchange rate regime; most private imports for the sector (e.g., inputs) had to be financed at the parallel exchange rate while export revenues had to be converted into domestic currency at the official exchange rate;
- (b) firms/farmers that were constrained to rely exclusively on officially imported inputs (e.g., public sector firms) faced severe shortages as official imports were greatly reduced because of lack of foreign exchange;
- (c) increased controls on domestic prices had a particularly negative effect on the rice sector. Price controls (at all levels of the rice production chain) kept the evolution of prices below both the rates of inflation and depreciation of the domestic currency in the parallel market, thus reducing the competitiveness and profitability of this crop; and
- (d) efforts to control the public deficit resulted in a steady decline of the public sector's real wages. As a consequence there was considerable loss of the most capable personnel. In the sugar industry, this policy gave rise to frequent and prolonged strikes. The continued management and budgetary problems also resulted in a steady deterioration of the country's infrastructure. This had a strong impact on agricultural activities in the coastal lands since maintaining their productivity requires adequate drainage and protection from the sea. It has also made the transportation of products more difficult.

7.6 As a consequence of the above-mentioned policies, the performance of the agricultural sector during the past ten years has been very poor (Table 7.3), and has been a major contributor to the decline in total GDP. The decline of the sugar industry itself (including sugarcane and sugar-milling activities) accounted for almost 60% of the decline in total GDP during the 1983-90 period.

**Table 7.3: GROWTH RATES, 1981-90 ^{a/}
(in percentage)**

| | 1981-90 | 1983-88 | 1988-90 |
|-----------------|---------|---------|---------|
| Total GDP | -3.0% | +0.2% | -5.2% |
| Agriculture GDP | -2.6% | -3.5% | -5.8% |
| Sugarcane | | -5.2% | -7.3% |
| Rice (paddy) | | -0.5% | -9.3% |
| Other crops | | +3.6% | +2.0% |
| Livestock | | 0.0% | -6.1% |
| Fishing | | +7.9% | -10.0% |
| Forestry | | -2.4% | -13.4% |

^{a/} Average annual growth rates

Source: Bank of Guyana.

The Potential for Agricultural Development

7.7 The agricultural sector could play an important role in the reactivation of the economy. Past economic policy mistakes were particularly harsh on the sector, and accordingly, the new policy environment should provide a boost to its activities. In addition, a significant--untapped--share of the country's resources are located in the sector. Growth could be achieved through enhanced productivity of currently used resources and by an environmentally sound expansion of forest activities.

The Sugar Industry

7.8 The decline of the sugar industry (Table 7.4) was mostly a reflection of management and labor problems and the lack of foreign exchange that prevented needed re-investments to maintain the industry's assets. A serious effort to address the management problems was initiated in 1989 when the Government turned over the administration of the company to Booker Tate--a subsidiary of the industry's previous owner. Furthermore, the company is currently in the process of being divested and the prospects of restoring past levels of efficiency and production are good.

7.9 The industry future lies in adequately supplying roughly 225,000 ton per year to its three main markets: (i) the European Community (EC) market where Guyana has preferential access to export 163,500 ton per year at a price of roughly US\$0.25/lb; (ii) the US market where Guyana has an export quota of 23,000 ton per year at the preferential price of US\$0.21/lb; and (iii) the domestic market with an estimated annual consumption of about 38,500

ton.^{1/} Some additional exports could be channeled to CARICOM's protected market (where imports from non-member countries are subjected to a 45% tariff). The potential CARICOM market has been estimated at 16,000 ton per year. Exports to non-preferential export markets are likely to be unprofitable given that Guyana's marginal cost of producing sugar beyond 235,000 ton is about US\$0.18/lb and the world market price for sugar is unlikely to surpass US\$0.16/lb during this decade.

7.10 It has been estimated that the goal of supplying Guyana's main markets could be achieved by 1997. Based on the value added that was generated by the industry in the past when annual production was roughly 240,000 ton, restoring production to that level would increase total GDP by 15% to 20%. Over a period of six years, sugar would then contribute to an annual average rate of growth of GDP between 2.5% and 3%.

Table 7.4: SUGAR AND RICE PRODUCTION AND YIELDS, 1980-1991

| | 1980-85 | 1986-89 | 1990 | 1991 |
|------------------------------|---------|---------|-------|-------|
| Sugar ('000 ton) | 265.8 | 199.7 | 130.0 | 162.5 |
| Yield (ton/ha) | 5.5 | 5.0 | 3.6 | 4.3 |
| Rice ('000 ton) | 163.7 | 147.5 | 93.4 | 150.0 |
| Yield (ton/ha) _{a/} | 3.3 | 3.3 | 3.1 | 3.4 |

a/ Yields of paddy rice.

Sources: GUYSUCO, MOA.

The Rice Subsector

7.11 Many Government interventions throughout the past decade were detrimental to the subsector. The implicit taxation of paddy rice production imposed by the controlled prices varied throughout the 1980s from a high of 43% (1980-82) to a low of 4% (1986), averaging about 24% from 1980 to 1988.

^{2/} The real price of paddy rice also decreased by about 25% during the

^{1/} The current domestic price policy should be revised. The 45% tariff to sugar imports is exceedingly high and should be changed to a pricing policy that would adequately reflect true border prices. Based on current projections for future world prices and of the domestic industry marginal costs of production, the domestic sugar could adequately compete with imported sugar within that policy framework.

^{2/} Implicit taxation is based on nominal protection coefficients estimated in Reza, L. and Maffucci, E. "Guyana: a proposal to Reactivate Agriculture in the Context of macroeconomic Policies", IDB, 1989.

decade. The main impact of these policies were to reduce the income of the majority of Guyana's small farmers. Despite the decline in rice's profitableness the decline in rice production has been moderate (Table 7.4) and aggregate rice production has proven to be quite inelastic to prices. This is a result of the lack of viable alternatives since the production possibilities of alternative crops or livestock have been constrained by the poor quality of land (a result of poor drainage), marketing problems and the size of the domestic market.

7.12 The Government has taken the required steps to correct its negative interventions on the sector. The State is in the process of divesting its mills, prices have been freed and the Government monopoly (and its participation) on rice exports has been eliminated. While there are still some remaining interventions, none of them has any significant negative impact on the industry.^{3/} Even though there has yet to be a significant supply response to the policy changes,^{4/} there are already some indications of positive changes taking place as several large domestic and foreign investors are engaged in the acquisition of large (formerly State-owned) mills and plan to increase the planted acreage of rice.

7.13 The rice sector could experience substantial growth provided that some critical issues on the production side (e.g., low yields in production because of stagnating technology and the deterioration of the drainage and irrigation systems) are successfully addressed. Rice, as sugar, has the distinct advantage of having preferential access to the European Community (currently the quota Guyana shares with Suriname is 142,000 ton per year), and also to the CARICOM market which imports roughly US\$40 million (100,000 ton) of rice per year (Table 7.5). Other non-CARICOM Caribbean countries import about 150,000 ton per year and constitute an additional potential market. By contrast, 1990 total registered exports of rice were roughly 50,000 ton, of which less than 10,000 ton were sold at the CARICOM market.

7.14 Other Crops. In the case of fruits and vegetables, the prospects of these crops are very limited and are unlikely to provide--at least in the

3/ These interventions are: (i) the Government captures part of the subsidy that is granted by the European Community to Guyana rice through a 15% tax on the preferential tariff; (ii) the Government requires that the domestic market be supplied before rice export licenses are granted. In practice this measure is non-distorting since the rice sold in the domestic market is of inferior quality and cannot be exported; and (iii) rice exports are still regulated by the Guyana Rice Export Board (GREB) who monitors that rice exports meet its contracted specifications. GREB charges 3% of the value of exports. This levy is excessive and constitutes an implicit export tax and the Government has agreed to revise this charge.

4/ The acreage of the 1991 post-liberalization crop is similar to the average that prevailed during the 1980s (Table 4). The increase in production from 1990 to 1991 is a reflection of the inordinately low 1990 production that was a consequence of extraordinary weather conditions.

short and medium term--a viable alternative to the production of major crops (i.e., rice and sugar). First, the production of non-traded commodities is severely limited by the size of the domestic market; secondly, the difficulties in developing a significant non-traditional export market are great. They encompass many aspects in both production and marketing, neither of which are likely to be solved in the near future. The most significant difficulty from the production viewpoint is lack of technology that extends all the way back to the absence of seedlings.

7.15 . Marketing problems are primarily related to constraints imposed by difficulties in domestic transportation, deficient post-harvest practices, and the small size of its most readily accessible market (CARICOM). In 1990 registered non-traditional exports of fruits and vegetables reached only about US\$375,000, of which pineapple exports to Barbados accounted for roughly 50%. Even taking into account that the official export data could have underestimated exports by as much as 70%, the limited size of the CARICOM market (Table 7.5) would indicate that market opportunities within CARICOM are extremely limited.

Table 7.5: CARICOM SELECTED AGRICULTURAL IMPORTS, 1989^{a/}
(in US\$ thousand)

| | Net Imports | Imports ^{b/} |
|----------------------------|-------------|-----------------------|
| Pineapples | 328.1 | + 319.4 |
| Plantains and bananas | 524.7 | - 1,937.1 |
| Dasheen and Eddoes | 948.7 | - 4,122.0 |
| Coconuts | 591.4 | + 261.3 |
| Cassava | 283.3 | - 8,000.4 |
| Peppers and Pimento | 2,004.3 | - 2,954.0 |
| Citrus (excluding oranges) | 152.9 | + 427.2 |
| Oranges | 1,223.9 | - 1,432.9 |
| Rice | 41,405.3 | + 38,859.0 |

^{a/} Corresponds to aggregate imports of all member countries excluding Guyana.

^{b/} The difference between the region's aggregate imports and exports.

Source: CARICOM Secretariat.

Forestry

7.16 The tropical rainforest of Guyana covers about 161,000 square kilometers (approximately 75 percent of the land area) and is composed of hundreds of hardwood species. Guyana is one of the few countries in the world that still has the majority of its forest intact and is implementing policies to manage in a sustainable manner and protect the forest areas. Only about 40 percent of the forest areas is presently accessible and only 10 percent is being exploited; a total of 3.7 million hectares have been allocated for

commercial use by ten large companies and 250 medium and small operators, which are supplying the domestic market and some Caricom countries. Development of the wood processing industry has been hindered by financial constraints, the lack of basic infrastructure (principally the inadequate electricity supply but also a lack of kiln drying facilities), staff shortages at all levels, a lack of equipment and spares as well as high freight costs for exports outside Caricom.

7.17 The liberalization and divestment process has triggered a rapid growth of foreign investment in forest and timber activities. The Government has welcomed the economic initiatives in this area and has been granting forest concessions based on the premise that forests will be harvested in a sustainable manner. The concept of sustainability has been defined as one that will not alter the tropical forests ecosystems and will provide a sustained yield of wood products. However, a sound scientific basis to determine what is required for such management does not exist. At present, the Government allows the harvesting of 20 m³ per ha. based on experiences of similar forests elsewhere in the world, but additional research is needed to determine the appropriate standard in Guyana.

Constraints to Agricultural Development

7.18 While the sector's development potential has been enhanced by the removal of distortions and pervasive Government intervention in almost all aspects of the economic activities, there are still many important issues that need to be addressed. These issues are closely tied to the deterioration of all services which included private sector participation, the most important being: (i) land tenure; (ii) financial markets; (iii) research and extension; water management; (v) regulation of forest activities; and (vi) roads infrastructure.

Land Tenure

7.19 According to the most recent farm survey (1978) about 45% of the Guyana's farmland is the property of the State and is leased to farmers. Current leasing arrangements have promoted inefficiency and inequity. Inefficiency has been promoted by the nature of the lease contracts, most of which have a duration of 20 to 25 years, and cannot be renewed automatically at the end of such periods. Moreover, because of the Governments' administrative difficulties, many of the lease-contracts have been granted on a provisional basis, contributing to increased tenure insecurity. This insecurity discourages the demand for land-specific investments and has impeded access to credit because land cannot be used as collateral. The same problems tend to apply for privately-owned land because of the lack of adequate titling services.^{2/} In addition, many of the leasing arrangements

^{2/} According to the MOA there are currently more than 5,000 ownership titles waiting to be regularized. This represents an exceedingly high number since according to the 1982 farm household survey, there were roughly 12,000 privately owned farms in Guyana.

contain provisions that limit farm size, therefore constraining land consolidation into optimal-sized units. Inequities are the result of lease contracts between the State and farmers at fees that are well below market values. The current average annual fee is less than US\$0.05 per ha. The State does not collect the fees and obtains practically no revenue from these arrangements (roughly US\$17,000 in 1990) which are an important source of rents for some lessees.

7.20 The Government is planning to depart from current practices by granting titles to all lessees with landholdings of less than 15 acres. According to Government estimates this would cover at least 80% of all current leases. The divestment of larger farms would be done at a latter stage pending the results of the initial land distribution. Unlike many other countries, the Government plans to grant full property rights, meaning that the distributed land could be transferred, used as collateral, rented, etc. This proposed Government policy could provide a significant boost to the sector and is a very necessary complementary measure to the achieved improvements in economic policy.

Agricultural Credit

7.21 Commercial banks and the State-owned GAIBANK are the two major sources of formal credit for agricultural activities in Guyana. Credit to large- and medium-sized farmers has been an important business activity for private commercial banks. By contrast, small farmers (as is common in many countries) have basically no access to services from commercial banks and have relied almost exclusively on the informal market or GAIBANK--the only financial institution servicing most areas outside of Georgetown--as a source of formal finance. However, access to GAIBANK's credit have been progressively reduced because of the institution's financial difficulties (see Chapter 6).

7.22 Because of its difficulties, GAIBANK has lost most of its capital which has severely constrained its ability to serve small farmers. In December 1990, the value of GAIBANK's active portfolio for agriculture was roughly US\$1.2 million, and total disbursements for agriculture in 1990 reached only about US\$1 million. A case in point is that throughout the last decade, the number rice farmers receiving loans from GAIBANK has never exceeded 1,500 in a given year (likely less than 10% of all rice farmers) and in 1990 the average size of approved loans was about US\$500.

7.23 However, the limited formal credit availability does not appear to have been binding since the demand for investment has also been low. This will hopefully change as the economy responds to the new economic framework and the proposed land reform takes place (as a result of the latter, land transactions should increase and so would land-specific investments). While informal lending activities are already extensively taking place (working capital loans provided by the private rice mills and large farmers in the form of inputs), it is unlikely that these sources will provide financial services for longer-term investments. Moreover, access to alternative--to the informal financial services provided by the mills--formal financial services, could be an important factor in reducing the potential monopsony power that the mills could exercise on paddy rice farmers. GAIBANK could therefore play an

important role provided that the institution can be satisfactorily restructured and/or privatized. In fact, based on the characteristics of Guyana's agricultural sector, the adequate management of such a bank should be an easier task than in most other countries since: (i) farms are very concentrated geographically; (ii) most farmers use a very homogeneous technology; (iii) the farmers' educational level is relatively high; (iv) it is expected that land can be used as collateral; and (v) production risks can be greatly reduced if a satisfactory solution is found for the drainage and irrigation problems. If GAIBANK is to remain in the public sector, it might be better for it to evolve to a second-tier institution, providing funds to banks and non-bank lenders in the agricultural sector.

Research and Extension

7.24 With the exception of sugar, technology generation is the responsibility of the National Agriculture Research Institute (NARI), a semi-autonomous public sector institution. However, as NARI has focused the vast majority of its efforts in rice, responsibility for livestock research has been assumed by the Caribbean Agricultural Research and Development Institute (CARDI) with some assistance from the Inter-American Institute for Cooperation on Agriculture (IICA). IICA is also the only agency active in fruit tree research.

7.25 Although NARI is well managed, its effectiveness has been limited by lack of funds and difficulties in recruiting and maintaining qualified personnel and research efforts in Guyana were stagnant for most of the 1980s. Nevertheless, the agency has recently succeeded in identifying a new rice-seed variety that will be released for commercial production shortly. This is a major advancement since varietal problems have been imposing serious production constraints in past years. Currently, more than 70% of the rice area is cultivated with an old variety that is subjected to rice blast disease. Current efforts are also focusing on seed multiplication. The MOA viewpoint is that, at this stage, private sector participation is critical and that the Government should limit its involvement until the research stage. The challenge is to find a strategy that will incorporate the private sector into seed production. This should not be difficult as several of the newly established milling companies have already expressed their interest in seed production activities.

7.26 Unlike research, in which a foundation exists for improvement, extension is in total disarray. Efforts have been initiated to re-activate the extension service. The proposed plan (sponsored by the Inter-American Development Bank) calls for the reunification of the entire system in the Ministry of Agriculture. However, the key question of how to attract quality staff within the public sector's salary scale has yet to be addressed. As in the case of research, private sector participation should be enhanced. Many large rice growers already have their own technical staff and have expressed interest in establishing a technical service to growers.

Water Resources Issues

7.27 Adequate water management and control is a key factor for Guyana's agriculture given that most land is below sea level. For the most part, all the water infrastructure (i.e., sea defenses and drainage and irrigation (D&I) systems) is in great need of repair because of the deterioration suffered in past years as a result of the public sector's budgetary difficulties and management problems. The result has been a decline in the productivity of land.

7.28 Sea Defenses. The coastal areas are protected by several types of sea defenses: earth embankments (165 km); earth embankments with slope protection (5 km); sea wall with reinforced concrete and/or sheet piling (69 km); and natural sand banks (75 km). While the sea defenses have always suffered from sea erosion, the shortage of financial resources have seriously effected the maintenance of these defenses which are now in precarious conditions. According to a study commissioned by the EC, about 35 km of the sea defense are considered a priority area for rebuilding. The protection of the entire coastline--critical for the development of agriculture--to adequate design standards may cost up to US\$300 million.

7.29 Drainage and Irrigation (D&I). Irrigated lands are confined to the coastal areas and are used for growing primarily sugar and rice. The total area with full development of drainage and irrigation facilities (including the sugar estates) is about 150,000 ha. All these areas are administered by the Regions with the exception of the Mahaica-Mahaicony-Abary and Tapakuma projects that are operated under an independent "authority" and GUYSUCO who manages the sugar estates. The administration of the D&I systems have been beset with severe budgetary difficulties and personnel problems that have precluded an adequate maintenance. As a result, overall water use efficiency has been estimated at about only 25%.

7.30 At the core of the maintenance problems is the administration's inability to set and collect water-user charges that would allow for the adequate maintenance of the systems. Water charges are assessed each year by the regional authorities who prepare a yearly budget to cover operation and maintenance costs. A water fee is then calculated by dividing 90% of the total estimated costs by the acreage within the irrigated area. The remaining 10% is a central government subsidy. Water fees across regions vary largely, depending basically on the targeted quality of the proposed maintenance and the inherent cost associated to different types of D & I schemes. In 1990, less than 6% of the projected water charges were collected, and collections were equivalent to about US\$50/ha/crop. The adequate maintenance of the systems--on average--would require an annual fee of about US\$20/ha.

7.31 The Regional Governments' inability in collecting water charges is in part the result of its lack of administrative capabilities to provide adequate services. Farmers currently do not participate in the management of the schemes which are administered by Government personnel who, with rare exceptions, lack experience and technical expertise. The result has been a disassociation between the providers of the services and the users which has

promoted inefficiency in water management^{6/} and difficulties in the collection of fees.

7.32 Rehabilitation of Existing Schemes. The rehabilitation of existing infrastructure is a necessary condition for increasing productivity (yields). The experience of some large private landowners in Guyana is indicative of the economic feasibility of the rehabilitation. Many of them lease lands to smallholders for an annual rental price that varies between US\$30 and US\$40 per ha. This high price (when compared to the ample available public land that is leased at a very small fraction of the above-mentioned prices) can be commanded because the landowners provide adequate infrastructure by undertaking their own maintenance of the irrigation systems and roads. This rental "premium" therefore represents the value farmers assign to the infrastructure, and its value indicates that the maintenance of rehabilitated schemes could be sustained in the long run by the farmers. However, the inadequate maintenance of the systems is only one of the main problems affecting the D&I schemes. Their rehabilitation should only take place if appropriate changes in the systems' administration are undertaken. Taking into consideration the budgetary difficulties of the public sector and in accordance with the overall direction of the economy, the best alternative is to enhance farmer participation in the administration of the D&I systems through the promotion of water user associations. Such approach would also contribute to solve the existing water-management problems arising from conflicting water-demand-drainage schedules among farmers.

Forestry

7.33 Forest resources in Guyana are vast and could be a long-term source of growth for Guyana--provided their exploitation is done in a sustainable manner. While the Government has expressed its commitment to monitor the sustainable management of the forests (para. 7.16) it has yet to put in place mechanisms to accomplish that. The responsible agency for the forest industry is the Guyana Natural Resources Agency (GNRA). The GNRA in turn supervises and delegates the regulation of the industry to the Guyana Forestry Commission (GFC).

7.34 The GFC is responsible for granting cutting rights, collecting royalties, enforcing environmental safeguards, controlling exports and collecting export fees, and conducting industry development activities. The agency is clearly unable to perform its functions, having--among its 170 employees--only one professional forester (other than the expatriate commissioner whose tenure lasts two years). In fact, the GFC seems to be a perfect example of the "capture" theory of regulation (i.e., a regulatory agency controlled by the industry that it is supposed to regulate). The GFC is largely unable to collect the fees it is due and is unable to enforce planning requirements and environmental safeguards. Moreover, there seems to be a large amount of discretion on the treatment regarding taxes and royalties

6/ This is the result of conflicting need of farmers who have different cropping calendars (i.e., along secondary canals, while some farmers want to drain their fields for harvesting, others demand water for land preparation).

granted to different firms, and the most pertinent information on how GNRA and GFC deal with individual timber operators is regarded as confidential and is not publicly available.

7.35 The Government has initiated steps to redress this situation. In February 1992 a donor's meeting was held in Georgetown at which the Government will present a project list that could be the basis for a comprehensive forestry policy. The main areas of involvement will be land-use planning and taxation. If forest activities are going to be a source of long-term growth for Guyana, a different institutional approach to regulate and monitor the industry is much needed.

Road Infrastructure

7.36 The improvement of the road infrastructure could provide an important boost to agricultural activities. The growth potential of agriculture is strongly linked to developments in this area since: (i) in terms of transportation, the potential development of non-traditional exports is more severely constrained by domestic transportation than by international transport availability. Perhaps the most significant indicator is that the domestic price of most non-traded commodities (tomatoes, bananas, cucumbers etc.) at the Georgetown marketplace is very similar to the retail price of at a supermarket in the Washington area. This reflects high marketing costs which are related to transportation difficulties; and (ii) to a large extent the success of the divestment process of rice mills will depend on the competitive evolution of the industry. The possibility that the large mills will form a monopsonistic cartel has to be taken seriously. One of the most effective ways to decrease the mill's monopsony power in a given area is to improve transportation facilities.

Main Issues

7.37 The trade and price-liberalization policies that have taken place, coupled with the divestment of the Government's rice milling operations and other public sector enterprises have created a new economic environment that is a necessary condition for the development of the sector. However, having lifted that "first layer" of constraints, there are still numerous areas that need to change to foster agricultural development and growth--particularly of small farmers.

7.38 Although the potential growth of the rice subsector is enhanced by its access to international markets, increased rice production is limited by technical problems--associated to the absence of improved seeds--and infrastructure problems. It is doubtful that any significant increases in production and/or productivity will be forthcoming without major improvements in water management. The growth of alternative--to sugar and rice--crops are limited by the size of the domestic market and exports are limited by not only by technical factors in production but also absence of adequate processing, storage and transportation facilities.

7.39 The Government needs to focus in three highly linked priority areas that would stress further private sector participation in the development of the sector:

- (a) land tenure. The divestment of state-owned land and provision of adequate titling services to privately-owned farms should be the cornerstone to the promotion of investment in agriculture;
- (b) water resources. The rehabilitation of the sea defenses and the D&I systems is a necessary condition to achieve increased yields in agriculture. Given the limitations faced by the country's public sector, the participation of the private sector in the management of these systems through water-users associations should be pursued. The land tenure reforms proposed in (a) would be a necessary condition for the implementation of such management scheme;
- (c) research and extension. Research and extension should continue to focus in rice production, for which there is an ample untapped market. In research, Government involvement should be limited to its primary stages. Private sector participation should be promoted in the areas of seed production and extension; and
- (d) comprehensive forestry policy. The exploitation of forest resources could contribute significantly to Guyana's growth and development. However, that can only be achieved if a forestry policy that encourages sustainable management practices, prevents deforestation and captures the rents associated to the exploitation of national natural resources is put in place.

VIII. POVERTY AND THE SOCIAL SECTORS

Introduction

The Extent of Poverty

8.1 There is no reliable way to estimate the extent of poverty in Guyana or assess the effects of the adjustment measures on the poor since recent data are not available on household income levels, employment and unemployment rates, or on other social conditions. The absence of even the most basic socio-economic data also makes it difficult to design social programs which effectively target the poor. Consequently, efforts to address poverty have focused on providing assistance to groups generally recognized as vulnerable, specifically women and young children and the unemployed. However, there remains a critical need for more adequate information.

8.2 Despite the lack of data, various attempts have been made to determine the extent of poverty in Guyana. Inter-American Development Bank estimates for 1989, based on an approximate minimum basket of needs, indicated that 67% of the population were poor at that time, although official calculations put the figure closer to 86%. However, the large increases in basic food prices occurring in 1990 have widened the gap between the earnings of the poor and the cost of a minimum food basket and very probably increased the number in poverty.

8.3 Data on undernutrition is sketchy and unavailable for some of the poorer regions of the country, but what data is available indicates that the incidence of moderate malnutrition among children is high in certain communities. Surprisingly, the data does not indicate that the incidence of severe malnutrition has increased over the past few years. The limited data on infant mortality shows the rate to be substantially higher than in other Caribbean countries. The Government plans to undertake a comprehensive survey of Income and Expenditures during 1992, covering 7,000 households in four survey rounds conducted in both rural and urban areas. The survey will also include a Living Standards Measurement Survey, which will link expenditure data to health and nutrition measures and provide information on consumption patterns.

SIMAP

8.4 The Government has acted to reduce the social costs of the ongoing adjustment measures by supporting the establishment of the Social Impact Amelioration Program (SIMAP), a short-term program designed to promote nutrition and health programs and labor intensive employment schemes in infrastructure rehabilitation. While SIMAP acknowledges the need to target benefits to the most vulnerable and needy groups, their target groups are necessarily very broad given the absence of socio-economic data. For instance, SIMAP plans to place special emphasis on nutrition programs targeted at pregnant women and children under five years.

8.5 SIMAP is undoubtedly the agency best equipped to respond quickly to address the most immediate needs of the poor. The line Ministries are severely understaffed, generally lacking qualified and experienced personnel,

and are confronting the need to improve and rehabilitate the services they presently offer. They do not have the institutional capability at this time to take on new fast-response programs. SIMAP has a comparative advantage in financing small, short-term, technically simple projects that can reach the intended beneficiaries in a more direct manner. It has the potential to reach a wider and more diverse group of beneficiaries as a result of its ability to channel funds through a wide network of sponsoring agencies, including local government, community groups, NGOs, churches, grass roots organizations and the private sector. SIMAP has suffered, however, from its own institutional difficulties, and its slow start-up time (two years) has delayed project implementation. SIMAP has been able to tap a diverse group of official and private donors for funding, including the IDB, the World Bank, the EEC, the UNDP, the French Government, and the FUTURES Fund. As of March, 1992, it had project funds available amounting to G\$636 million, and had committed G\$237 million in 128 projects. SIMAP projects typically focus on rehabilitation of schools and local infrastructure, vocational training projects, and infant and child nutrition projects.

8.6 Women's Issues. In 1990, a UNDP-financed survey identified the needs of women in twelve communities located outside the major cities. Potable water supply was considered to be a priority in two-thirds of the communities surveyed. The need for day-care centers was cited in 40 percent, and nursery schools in 30 percent. Women also expressed serious concerns about income generating activities which reflects a deteriorating economic situation where women feel unable to provide basic necessities, such as food, for their families. There are an estimated 173,000 women of child-bearing age (15-44) which comprises the key target group for SIMAP sub-projects in health and nutrition. These sub-projects would provide nutritional supplements, improved primary health care services, and educational programs (e.g. breast feeding and weaning programs). Sub-projects in water supply and basic sanitation, while not targeted to women per se, would provide important benefits in improved access and quality, responding to one of their major perceived needs. SIMAP would also provide financing to expand the coverage of day-care centers, delivering nutritional benefits to children while supporting the activities of working women.

The Social Sectors

8.7 The provision of extensive and free social services has historically been a major commitment of the Government of Guyana. Consequently, a large amount of resources have gone into the development of an extensive system of public social services. These include a public health system with a widespread network of rural health clinics, rural health centers and regional hospitals. Free education is provided from nursery school through university and estimated enrollment rates are high: 90 percent at the primary level and 55 percent at the secondary level.

8.8 The commitment of the Government to provide services, however, is not matched by its ability to meet these commitments. Years of economic decline and scarce public resources has meant declining allocations for the social sectors, inadequate investment and maintenance of the capital stock, and insufficient allocations for basic materials and supplies. Consequently, the quality of the services has dropped significantly. As shown in Table 8.1, the share of recurrent spending allocated to health dropped from 3.8% to 1.9%

of GDP between 1984 and 1991. In the education sector the drop was even more severe, with recurrent expenditures falling from 6.0% to 2.4% of GDP, or from 17.6% to 9.1% of the total recurrent budget.

8.9 The problems now confronting the social sectors are both of a short- and longer-term nature. In the short-term, efforts must be made to cushion the most vulnerable groups as the adjustment process proceeds and to maintain the provision of health and education services at a satisfactory level. Longer-term efforts must focus on defining sustainable sectoral policies, improving the quality of services which have declined substantially over the past decade, and rehabilitating the infrastructure which is severely dilapidated.

Table 8.1: GOVERNMENT HEALTH AND EDUCATION EXPENDITURE AS A SHARE OF TOTAL EXPENDITURE AND GDP, 1984-91. (G\$000'S)*

| | 1984 | 1986 | 1988 | 1989 | 1990 | 1991** |
|--------------------------------------|--------|--------|---------|---------|---------|---------|
| Total Current Expenditures | 569999 | 747183 | 1306205 | 2555135 | 3433084 | 7123729 |
| Total Current Health Expenditures | 64551 | 84961 | 197158 | 288736 | 335431 | 524750 |
| Health as a % of TCE | 11.3 | 12.9 | 15.1 | 11.3 | 9.7 | 7.3 |
| Health as a % of GDP | 3.8 | 3.1 | 3.8 | 3.3 | 2.6 | 1.9 |
| Total Current Education Expenditures | 100487 | 111389 | 333480 | 308253 | 231340 | 645802 |
| Education as a % of TCE | 17.6 | 14.9 | 12.1 | 12.1 | 6.7 | 9.1 |
| Education as a % of GDP | 6.0 | 4.1 | 6.4 | 3.5 | 1.8 | 2.4 |

Note:

* Total recurrent expenditures (TCE) include total statutory expenses (minus public debt) plus total appropriations voted.

** 1991 figures are estimates, not actual expenditures.

Source: Estimates of the Public Sector Current and Capital Revenue and Expenditure. Government of Guyana, 1986 to 1991.

Health and Nutrition

Health Status

8.10 **Mortality.** Life expectancy in Guyana is fairly high, being around 65 years. However, the limited data available suggests that mortality rates are high and increasing, especially among young children. The best estimate of infant mortality available for 1990 yields an infant mortality rate of 37 per 1,000 for 1990, well above rates reported by Suriname (30), Trinidad and

Tobago (20) and Jamaica (18).^{1/} Although the data are incomplete, it is clear that there are striking Regional differences in infant mortality rates. The rates are particularly high in Regions 10 and 8 (see Table 8.2).

Table 8.2: INFANT MORTALITY RATES PER 1,000 LIVE BIRTHS, 1990*

| Region | Estimated Mortality Rate |
|-----------------------------------|--------------------------|
| 1. Barima - Waini | 40.0 |
| 2. Pomeroon - Supernaam | 53.3 |
| 3. W. Demerara - Essequibo Is. | 17.6 |
| 4. Demerara - Mahaica | 48.3 |
| 5. Mahaica - Rosignol/Berbice | 52.5 |
| 6. E. Berbice - Corentyne | 21.4 |
| 7. Cuyuni - Mazaruni | 13.3 |
| 8. Potaro - Siparuni | 57.1 |
| 9. Upper Takatu - Upper Essequibo | n.a |
| 10. Upper Demerara | 65.0 |
| Country Average | 37.0 |

Note:

* Mortality rates are estimated from birth and death registration records for 1990. Unregistered births and deaths are thus not included.

Source: Statistical Bureau, Government of Guyana.

8.11 The principal causes of death among infants and young children are nutritional deficiencies and intestinal infections, conditions which can be averted through effective preventive care. Nutritional deficiencies and intestinal infections accounted for over 44% of infant deaths and just over 30% of deaths among children aged 1-5 years. The prevalence of deaths from these disorders indicates that water and sanitation conditions are poor and that the coverage and effectiveness of pre- and post-natal services is limited.

8.12 No national data on maternal mortality rates are available after 1984 when it was estimated to be 0.6 per 1,000 births. However, data collected at Georgetown Hospital in 1987 suggests that the rate is significantly higher, possibly around 1.8 per 1,000 births. Toxaemia in pregnancy and hemorrhage and sepsis during childbirth were reported to be the principal causes of maternal mortality.

8.13 The main causes of adult death are similar to those in most middle-income economies, with cerebrovascular and heart disease accounting for over

^{1/} The Infant Mortality Rate is estimated as the number of infant deaths per 1,000 live births. In 1990, the GRO recorded 14,484 live births and 534 infant deaths, yielding a mortality rate of 37 per 1,000.

37% of deaths. As is common in many Caribbean countries, diabetes is also a major cause of death.

8.14 **Morbidity.** Several tropical diseases have not been fully controlled in Guyana and continue to pose serious health risks. The most prevalent of these is Malaria (Plasmodium falciparum) which has spread rapidly in the hinterland and western areas of the country over the past five years. Although the disease was previously controlled in the coastal areas, increasing population movement between the goldmining areas of the hinterland and the coast has led to a resurgence of the disease in these areas. Reported cases of Malaria rose from 3,600 in 1984 to 20,822 in 1989, equivalent to an estimated morbidity rate of 4,510 per 100,000. The problem has been exacerbated by indiscriminate use of antimalarial drugs in the endemic areas, leading to drug-resistance. Vector control in the hinterland does not appear to be feasible and the Government will, therefore, have to rely on improved education of the population to limit the spread of the disease and widespread, regulated use of drugs.

8.15 **Filaria^{2/}** also continues to be a serious public health problem, especially in Georgetown, where the main vector responsible for its transmission is present in high densities. Although the Ministry of Health attempted to reactivate the filaria control program in 1989/90, no real progress was made because of funding shortages. The extent of infection is not known, but in 1990 over 16% of filaria smears done in Georgetown tested positive, an alarmingly high rate.

8.16 Sporadic outbreaks of immuno-preventable diseases such as measles and whooping cough gave impetus to the Government's Expanded Program on Immunization which aims to provide full immunization coverage to 80% of young children in Guyana by 1992. Although it is clear that this target will not be met, coverage of BCG and measles vaccines has improved in 1991, if somewhat unevenly across Regions. Regions 1, 7, 8 and 10 have particularly low coverage rates, with less than 50% of the target population being reached. Coverage of oral polio vaccine remains low across all Regions and well below levels in other Caribbean countries. Efforts to expand coverage continue to be frustrated by an inability to maintain cold chain facilities, the inaccessibility of some communities, and by a lack of adequate supervision and coordination at the Regional level.

8.17 Patterns of morbidity are also being affected by the breakdown in basic services such as the water supply, sanitation services and waste collection. Water services have been drastically reduced or completely cut in some areas and the sewerage system is severely overloaded. As a result, residents in poorly served areas draw water from roadside canals which are also used to remove household waste. The incidence of diseases such as typhoid, hepatitis and gastroenteritis has consequently increased substantially, as Table 8.3 shows.

2/ **Filaria** is a mosquito-borne disease with chronic symptomatology like elephantiasis and hydrocele.

Table 8.3: INCIDENCE OF DISEASES ASSOCIATED WITH POOR ENVIRONMENTAL HEALTH, 1983-1988.

| Disease | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 |
|----------------------|------|------|------|-------|-------|-------|
| Infectious Hepatitis | 181 | 168 | 126 | 310 | 151 | 241 |
| Typhoid Fever | 51 | 193 | 118 | 119 | 66 | 154 |
| Gastroenteritis | 2142 | 3907 | 3598 | 3895 | 4770 | 4396 |
| Malaria | n.a. | n.a. | 7680 | 16388 | 34136 | 35451 |

Source: Ministry of Health.

8.18 Nutritional deficiencies contribute significantly to morbidity and anaemia (a good indicator of undernutrition) is very prevalent among pregnant women and children. Data from health centers for 1990 showed that over 76% of pregnant women attending suffered from mild/moderate anaemia. Cases of severe anaemia increased from around 5% of health center attenders in 1986 to over 9% in 1990. Approximately 61% of all school children suffered from anaemia in 1986.

8.19 The principal causes of morbidity among the adult population are heart diseases and diabetes. No preventive education on diabetes is offered through the public health system despite the high costs of treating illnesses arising from this disorder. Cervical, stomach and breast cancers appear to be another principal cause of mortality although data on these disorders are incomplete. The health sector has very limited capacity to provide specialized services for the treatment of these disorders and provides no services for their early detection.

8.20 Nutritional Status. Currency devaluations and the removal of generous subsidies on many basic foodstuffs (which caused the price of some products to increase by more than 200%) have greatly reduced individual purchasing power. No reliable Consumer Price Index exists, but informal estimates of the price of a basic foodbasket show increases of 96% in 1989, 49% in 1990, and 84% in 1991 (to October). Although many households have reportedly met income shortfalls through receipts from family members abroad, there is widespread concern that nutritional deficiencies are increasing among the poor.

8.21 Data on nutritional status are extremely limited and are available only from attendance records at health clinics. These data show that over 30% of children under six attending the clinics suffered from mild/moderate malnutrition in 1988, a percentage substantially above those recorded in other Caribbean countries.^{3/} Table 8.4 shows that there has been little change in

^{3/} Malnutrition is measured using the Gomez classification, a scale which distinguishes three degrees of malnutrition -- mild (90 - 76% of expected weight for age, moderate (75 - 61% of expected weight for age), and severe (under 60% of expected weight for age). The reported percentage of malnourished children was 6.8 in Trinidad and Tobago (1987), 14.6 in Jamaica (1985), and 9.7 in St. Vincent and the Grenadines (1986).

the incidence of malnutrition between 1983 and 1988 and it remains uniformly high. Reliable data for 1990 is not available, but data from the Georgetown Hospital pediatric clinic show a significant increase in the number of malnutrition cases treated between 1989 (931 cases) and 1990 (3,506 cases).

Table 8.4: CLINIC ATTENDERS UNDER 5 YEARS WITH MALNUTRITION (%)

| | 1983 | 1985 | 1986 | 1988 |
|---------------------------|------|------|------|------|
| Nutritional Status | | | | |
| Normal | 56.1 | 57.0 | 59.5 | 60.4 |
| Mild | 33.6 | 32.5 | 30.1 | 30.1 |
| Moderate | 9.2 | 9.1 | 9.1 | 8.4 |
| Severe | 1.1 | 1.4 | 1.3 | 1.1 |

Source: F. Vio, Guyana's Nutritional Status, 1991.

8.22 Data on birth weight, a good indicator of the mother and infant's nutritional status, are poor and available only from a 1987 Caribbean Food and Nutrition Institute survey. This survey estimated that 16.3% of births were low weight but reports significant regional variations with the incidence being substantially higher in the hinterland Regions. In Region 10, for example, 21% of recorded births were low weight.

8.23 The Government currently maintains two programs aimed at improving the nutritional status of pregnant and lactating women and young children:

- (a) The Ministry of Health, with support from various international donors, administers a program to provide women with iron and vitamin supplements and improved ante-natal care through the Regional Health Centers. It is not known what percentage of pregnant women benefit from this program.
- (b) A school feeding program began in May, 1990, as a follow-up to an earlier nursery school feeding program. The project aims to provide 20,000 nursery school and 80,000 primary school children with a supplementary snack of biscuits and a glass of powdered milk during 195 school days. Basic foodstuffs, donated by the World Food Program, are made into biscuits and distributed by a private contractor. Despite some distributional problems, the program appears to be operating well.

8.24 Family Planning. The total fertility rate in Guyana was estimated at 2.9 in 1989, a level similar to Jamaica and Chile. Recent estimates from UNFPA and IPPF put the prevalence of contraceptive use at 45%, which is similar to other countries in the region at the same income level. Contraceptives are distributed free of charge in a majority of health centers

in the country. Education about the importance of breastfeeding and about family planning education are systematically carried out in health centers. WFPA and IPPF have been funding family planning through the Guyana Responsible Parenthood Association the last five years at a rate of US\$120,000 per year.

Organization of the Health Care System

8.25 In 1985 the Government decentralized the health system, passing responsibility for most health functions directly to the ten Regional Administrations. The Ministry of Health (MOH) has remained principally as a central quality control unit whose function is to monitor health conditions across the country and ensure that equal standards of care are provided in the different Regions. The MOH has also retained responsibility for a few key activities such as dental and preventive health. The Regional Administrative Councils operate independently of the Ministry, preparing and submitting their own budget proposals, deciding on staffing requirements, and receiving their funds directly from the Treasury. The Regional Administrations are thus central in ensuring the effective operation of the health delivery system. In each of the Regions a Regional Health Officer is responsible for the day to day management of the health sector. The Officer is supported by a staff of District Health Officers who monitor and supervise the various health facilities.

8.26 Several structural deficiencies in the decentralization system, however, have led to a deterioration in the quality of health care provided. First, as the Regional Administrations levy no taxes and receive their funding directly from the central Government, they are not held directly accountable by the population for the quality of services provided and no incentives exist to encourage Administrations to respond to citizen concerns. Second, efforts by the MOH to act as a central quality control body are thwarted by the absence of any accountability of the Regional Administrations to the Ministry; the Ministry is quite unable to effectively influence the operations or quality of services offered in the different Regions. The fact that the MOH has been unable to obtain even the most basic data on health conditions from several Regions illustrates this very clearly. And, third, the breakdown of the public auditing system means that the Regional Administrations are not accountable to the central Government.^{4/}

8.27 There is some evidence that funds transferred from the central government are considered fungible by the Regional Administrations and are thus transferred from the recurrent budget in one sector (be it health, education or agriculture sector) to cover urgent expenditures in other sectors. Actual spending on health in a Region thus largely reflects the Regional Health Officer's negotiating ability with the Regional Administration. This makes it extremely difficult for health facilities to plan or budget and, more seriously, it means that resources allocated to health by the central government are not necessarily spent in that sector.

4/ Audits of the Regional Administration are currently five years behind schedule.

8.28 The Health Care Delivery System. The system has 115 health posts staffed by community health workers which operate at the community grassroots level. There are 47 health centers which should be staffed by a health visitor, a medex (who has received 18 months of specialized health training) and nurses, and 16 district hospitals in 8 of the 10 Regions -- 4 larger Regional Hospitals with resident doctors (in Regions 2, 3, 6, and 10) who should be providing medicine, surgery, obstetric and pediatric services, and 12 cottage hospitals with no resident doctors. There is a national hospital in Georgetown and three specialized institutions (geriatrics, psychiatry and leprosy centers) which are funded and administered directly by the MOH.

8.29 The quality of health care offered has declined markedly over the past decade. Although government allocations to the health sector have dropped during this time, high levels of inefficiency, the fragmented organization of the sector and a lack of coordination between the relevant agencies are largely responsible for this. The deterioration in care is most severe in smaller urban and rural areas where health facilities lack even the most basic drugs and diagnostic equipment. The extremely low quality of care offered in Regional facilities has caused patients to bypass these services and seek care from either Georgetown Hospital which has better resources, equipment and staff, or from the six private hospitals. The latter hospitals are the preferred source of treatment for those who can afford it. Occupancy rates in some of the Regional hospitals are consequently extremely low, being only 11% in some cases. Field visits to these hospitals revealed that they lacked even the most basic equipment; x-ray machines had been out of service for almost a year, the complete absence of anesthetics made even simple surgical procedures impossible, sterilization equipment was frequently out of service, constant electricity outages and the lack of backup generators meant that the small bloodbank spoiled and that running water was intermittent, and even the most basic painkillers were not available.

8.30 These conditions have profound consequences in terms of equity since it is the poor who are unable to afford the costs of travel to Georgetown or the cost of private care. But they are also directly responsible for an increased reliance on more costly curative care since most people will not incur the costs of a trip to Georgetown until they are seriously ill. Preventive health care is limited almost exclusively to the provision of basic immunizations and maternal and child health care (MCH) which continues to have considerable support from international donors.

8.31 The quality of services and care provided in health institutions and services under the direct administration of the MOH is also very low. Preventive health care services and nutrition education are no longer offered at the national hospitals and preventive dental care does not seem to be practiced anywhere in the country. Dentists in the Regional hospitals (who are funded and equipped by the MOH rather than the Regional Administrations) lack basic equipment and even the materials necessary to fill dental cavities. Their work is therefore limited to tooth extractions.

8.32 Health Manpower. Manpower shortages are acute throughout the sector, and the MOH report for 1990 shows that close to 40% of the staff positions are vacant. Clearly, these shortages profoundly affect the quality of health care offered. The Government has taken some steps to try to meet the manpower shortfall, but extremely low salaries and poor working conditions

continue to encourage large-scale emigration of trained and qualified health manpower. Table 8.5 shows the estimated ratio of health personnel per 10,000 population for 1987 and 1990.

Table 8.5: NUMBERS OF HEALTH PERSONNEL AND RATIO PER 10,000 POPULATION, 1987 AND 1990.

| | -----1987----- | | -----1990----- | |
|-------------------------|----------------|-----------------------|----------------|-----------------------|
| | Total | Per 10,000 Population | Total | Per 10,000 Population |
| Physicians | 164 | 2.0 | 286 | 3.7 |
| Dentists | 16 | 0.2 | n.a. | n.a. |
| Nurses (all categories) | 2073 | 27.5 | 1905 | 25.2 |

Source: Statistical Department, Ministry of Health.

8.33 The ratio of physicians per 10,000 population has increased slightly in 1990 due to the recruitment of Cuban medical interns on short-term contracts. However, the ratio of nurses per 10,000 population has declined. Like all health sector personnel, physicians' salaries are fixed according to central government pay scales and most currently earn between G\$9,991 (US\$85) and G\$11,437 (US\$97) per month. Declines in the real value of salaries between 1985 and 1991 have been greater for more highly qualified staff, as Table 8.6 shows.

Table 8.6: AVERAGE MONTHLY SALARIES (IN CONSTANT 1991 PRICES) OF HEALTH PERSONNEL, 1985 AND 1991.

| Category | 1985 Salary* G\$ | 1991 Salary G\$ |
|---------------------|---------------------|--------------------|
| Medical Consultant | 25452 | 15014 |
| Medical Registrar | 19695 | 12069 |
| Medical Office | 13731 | 11437 |
| Medical Intern | 11574 | 9991 |
| Medex | 6435 | 5243 |
| Ward Sister | 6375 | 5538 |
| Staff Nurse/Midwife | 4963 | 5170 |
| Nurse | 4787 | 5019 |
| Midwife | 3660 | 3119 |
| Assistant Nurse | 3393 | 2943 |
| Nurse Aide | 2799 | 2552 |

* Adjusted using Guyana CPI.

Source: Ministry of Health, 1991.

8.34 The Government has, in accordance with its policy of providing universal and free health care, discouraged physicians from setting up private practices and foreign physicians are prohibited from working outside the public sector. Consequently, the majority of physicians continue to work for the public sector where, however, they are severely underutilized because of low occupancy rates and the lack of basic equipment and supplies. The lack of diagnostic equipment and basic drugs is so severe that the sick do not even attend the outpatient clinics, preferring instead to travel to Georgetown hospital or to purchase drugs directly from a pharmacist or black-market drug dealer.

8.35 Nurses are trained in four publicly funded nursing schools which graduate approximately 120 nurses per year. Students do not pay fees to attend these schools. The number of entrants to nursing schools has remained fairly steady over the past five years, despite declines in the real value of nurses wages. Wages are currently G\$5,019.30 (US\$42) for professional nurses and G\$2,943.22 (US\$25) for assistant nurses. It appears that a nursing career continues to be attractive largely because of the opportunities it presents for emigration to other Caribbean countries.

8.36 Provision of Drugs and Pharmaceuticals. Responsibility for the provision and distribution of drugs has remained centralized with the MOH. Although the MOH's budget allocation for drug purchases has remained relatively steady in real terms since the mid-1980s (see Table 8.7), hospital staff report that drugs have become extremely scarce over the past few years. The regional allocation of drugs is determined by quarterly Drug Consumption Reports which the Regions submit to the MOH as well as by the Regions' consumption patterns over the past quarter. This slow and unnecessarily bureaucratic system is complicated further by the MOH's inability to distribute and maintain drug supplies. Field visits to Regional Hospitals showed that they lacked even the most basic drugs and painkillers. Patients routinely purchase the drugs they need from private pharmacists or individual traders selling expired drugs smuggled from Venezuela.

Table 8.7: MINISTRY OF HEALTH ALLOCATIONS FOR DRUG PURCHASES, 1985-1990.

| Year | Actual Allocations G\$ | Allocations in real 1990 prices* |
|------|---------------------------|-------------------------------------|
| 1985 | 9,000,000 | 54,540,000 |
| 1986 | 11,252,000 | 63,236,000 |
| 1987 | 14,607,000 | 63,832,000 |
| 1988 | 43,475,000 | 135,542,000 |
| 1989 | 84,060,000 | 137,858,000 |
| 1990 | 65,129,000 | 65,129,000 |

* converted to 1990 prices using the Guyana CPI.

8.37 Health Monitoring Systems. The MOH retains responsibility for monitoring health conditions in the country and relies on the Regional Administrations to submit data annually. However, no incentives exist to ensure compliance by the Regional Administrations and, consequently, several Regions fail to provide data. The problems of working with incomplete and unreliable data are compounded by the limited institutional capacity of the MOH's central statistical department to process the data they receive. Without detailed and accurate data on health conditions it is impossible to accurately assess health conditions in the country or respond effectively to health needs. Improved monitoring of health conditions throughout the country and strengthening of the MOH's capacity to process this data should be given priority.

The Education Sector

8.38 Structure and Process of Sector Management. Since 1985, responsibility for education has been split between two government levels, the Ministry of Education (MOE) and the ten Regional Administrative Councils.^{2/} Under this decentralization program the MOE retained responsibility for curriculum development, coordination of national examinations and distribution of textbooks. The separate Regional Administrations took over all other responsibilities, including maintenance of physical facilities. Although teachers are appointed by a statutory central government body, the Teacher's Service Commission, and are paid according to central government pay scales, the separate Regions are responsible for determining staffing needs and for payment of teachers.

8.39 In each of the ten Regions a Regional Education Officer is responsible for day to day management of the education sector and is supported by a staff of District Education Officers and District Education Supervisors who monitor and supervise the schools. A detailed annual budget is formulated at the Regional level after discussions between the Regional Education Officer and the Chief Executive Officer of the Regional Council. This budget is submitted to the Ministry of Finance through the MOE, although the MOE has no direct input into the process. Education funds are allocated directly from the Ministry of Finance to the Regions.

8.40 Decentralization should have the advantage of making the system more responsive to the population it serves. In Guyana, however, no system of public accountability has been established between local residents and the Regional Administrations, in part because the Administrations have no power to raise funds and rely almost totally on central government transfers, but also because local residents do not elect the Regional Administration officials who

5/ Municipal Georgetown continues to be a separate school district and operates independently from the remainder of Region 4 in which it is situated.

continue to be appointed by the central government.^{6/} Regional Administrations thus have little incentive to respond to local education concerns or demands. The populace continues to view central government as being responsible for the quality of education offered, but has no recourse to an accountable agency.

8.41 The management capabilities of the various Regional Administrations differ significantly, and efficiency in the allocation and use of education funds largely reflects the capabilities of the Regional Education Officers. Central government transfers to the Regional Administrations have increasingly been treated as fungible as economic conditions have worsened, a practice that has been encouraged in the absence of effective auditing.^{7/} Funds may be transferred from the recurrent budget in one sector (health, education, agriculture, etc.) to cover urgent expenditures in another sector. The negotiating power of the Regional Education Officer has thus become crucial in determining the level of educational expenditures in a particular Region and central government transfers for education do not necessarily reflect real education spending. Improved efficiency in the allocation of education resources will clearly depend on the introduction of improved planning, budgeting and auditing procedures at the Regional level.

8.42 Structure of the Education System. Guyana is fairly well served by 320 nursery schools, 427 primary Schools, 62 academic secondary schools, 400 schools offering a combined secondary academic and vocational curriculum,^{8/} several post-secondary institutions and a university. There is also an adult education program. The education system closely resembles those in other English speaking Caribbean countries. Schools follow a centrally planned curriculum designed to guide students through a series of national examinations which determine their future educational opportunities. Primary school children are coached to write the Secondary School entrance examination in the sixth year of primary school which determines whether they gain access to an academic secondary school or a community/vocational school. Higher scoring students (usually those scoring in the top 33 percent) gain entrance to the academic schools where they then aspire to write the Caribbean Examination Council (CXC) examinations and/or the General Certificate of Education (GCE), a British-based examination, in their fifth year. Lower scoring students gain entrance to the less prestigious community/vocational schools, where the curriculum is vocationally based, and they write the Secondary School Proficiency Examination. Community/vocational students may transfer to an academic school if they do sufficiently well on a locally administered examination, but this is very uncommon. Students with CXC passes

6/ A report "The Participation of Local Communities in the Financing of Education in Guyana", prepared in 1986, specifies that local communities should be encouraged to mobilize regional resources for education and that they should have more influence over the management and delivery of education in their Region. No steps have been taken to implement the recommendations of this report.

7/ Auditing of the Regional Administrations is currently five years behind schedule.

8/ Some of these classes are located in the secondary departments of primary schools.

may enter a variety of post-secondary institutions for further teacher or vocational training, and those with CXG or GCE passes in five subjects may gain entrance to the university. Higher achieving students from community/vocational schools may pursue a post-secondary education at a Technical Institute or Technical Training Center.

8.43 Streaming of students within grades begins in the first year of primary school. Field visits to schools revealed that students in higher streams generally benefit from more highly trained teachers, better educational resources and slightly better access to textbooks. There is reportedly little movement of students between streams after their initial placement. Students in the lower streams are thus labelled as under-achievers from a very young age.

8.44 Education is compulsory for all children between 6 and 14 and a half years of age and enrollment rates are estimated to be over 97%. If a child progresses normally through the school cycle, this should mean that they receive six years of primary school and at least three years of secondary education. Pre-school education is not compulsory but, as is common in most Caribbean countries, it is well developed and attended by over 70% of children in this age group.

8.45 Cost and Financing of Education. Since 1976, when private schools were absorbed by the public sector, the costs of education have been borne almost entirely by the central government. Ninety five percent of the total volume of expenditure on education is currently from the central government. As no fees are charged at any level of education, primary through university, the central government supports all recurrent expenditures. Of capital expenditures, 68% is currently funded by the central government and the remaining 32% comes principally from foreign sources. Some limited direct financial assistance for school maintenance is obtained from public corporations who have been encouraged to "sponsor" a school.

8.46 Worsening economic conditions over the past decade have made it increasingly difficult for the country to maintain the high levels of educational investment recorded in the 1970s and, as a result, real government spending has declined. In addition, recurrent spending on education, as a proportion of total recurrent public spending, shows sharp declines since 1988 despite growing public concern over education quality. In 1984, 17.6% of public recurrent spending went to education. The percentage declined to 14.5 in 1987 and 6.7 in 1990, rising again to 9.1 in the 1991 budget (See Table 8.1). The 1991 allocation is about half the proportions allocated in Jamaica, Belize or Grenada. Education spending in Guyana, as a percent of GDP, has declined from 6.0% in 1984 to 2.4% in 1990.

8.47 The most recent estimates of unit recurrent government expenditures by education level are shown in Table 8.8. Expenditures are exceedingly low relative to other Caribbean countries; at the primary level, Guyana's unit recurrent government expenditures were US\$26 compared to US\$101 in Jamaica and US\$596 in Trinidad and Tobago. At the secondary level expenditures were US\$54 in Guyana, US\$257 in Jamaica and US\$811 in Trinidad and Tobago.

8.48 Despite the Government's stated policy of emphasizing primary education, unit costs are significantly higher at higher levels of education.

The unit cost ratio of secondary to primary education was 2.1:1 in 1988, higher than in almost any other Caribbean country. The ratio of tertiary to primary unit costs is higher still; thirty three primary school students could be educated for the cost of one university student.^{9/} However, absolute expenditures per university student are not especially high at US\$858 in 1988, indicating that the problem is low spending at the primary level rather than overspending at university level. Given the high emigration rate among university graduates, though, higher social returns are more likely to be gained from investments in primary and secondary education.

Table 8.8: CARIBBEAN COUNTRIES: UNIT RECURRENT GOVERNMENT EXPENDITURES BY EDUCATION LEVEL, 1988 (US\$).

| Country | Primary | Secondary | Tertiary | University |
|----------|---------|-----------|----------|------------|
| Bahamas | 640 | 1010 | 1200 | |
| Belize | 8157 | 362 | 699 | |
| Barbados | 672 | 913 | 1200 | |
| Guyana | 26 | 54 | 146 | 858 |
| Jamaica | 101 | 257 | 639 | 5138 |
| Trinidad | 596 | 811 | ... | 10510 |

Source: "Access, Quality and Efficiency in Caribbean Education, A Regional Study." World Bank. October, 1991.

8.49 From the perspective of resource mobilization, efficiency and equity, the case for introducing cost recovery measures at the higher secondary school level and in tertiary institutions is strong. The high level of student subsidies at tertiary level relative to the primary level works against the Government's stated commitment to provide high quality primary education to all children. Some consideration is currently being given to introducing fees at the university. If this were done across all tertiary institutions it would facilitate efforts to increase funding at the primary level and bring expenditures at this level closer to those in neighboring Caribbean countries.^{10/}

^{9/} Higher tertiary education costs are partly explained by the exceedingly low student/teacher ratio in some university courses. In the Agriculture faculty, for example, the staff/student ratio is 1:3. The highest staff/student ratio of 1:7 is in the Social Science faculty.

^{10/} It should be noted, however, that the move to introduce fees at the university has been initiated by this institution, not by the Government. In fact, the Government has expressed some reservations to this plan.

8.50 Educational Inputs. The availability of textbooks has been consistently associated with higher student achievement in developing countries. Under Guyana's decentralized education system the MOE retains responsibility for textbook provision. Budget allocations for textbooks and education materials have been greatly reduced over the past decade and are totally inadequate given that almost all textbooks must be imported from European publishers. Field visits to primary schools showed that in many cases the teacher used the only textbook. At secondary school there were generally 5 or 6 students to each book meaning that teachers were unable to assign homework. Other educational materials are almost completely absent from classrooms and learning occurs through repetition and rote learning.

8.51 Although teacher/student ratios have risen in recent years they remain at acceptable levels, averaging about 40 students per teacher in primary schools and 35 students per teacher in secondary schools. However, low pay scales and poor working conditions have encouraged better qualified teachers to move out of the sector leading to a heavy reliance on untrained and unqualified teachers. Thus, while student/teacher ratios continue to be relatively low, the quality of the teaching force is declining. There are significant differences between Regions in terms of the quality of their teaching force at the primary level; only 19 percent of teachers in the municipal Georgetown area are untrained compared to 69 percent in Regions 1 and 9 and 74 percent in Region 8 (See Table 8.9).

Table 8.9: UNTRAINED AND UNQUALIFIED TEACHERS, BY REGION, 1989.
(percent of total)

| Region | <u>Primary School</u> | <u>Secondary School</u> |
|--------|-----------------------|-------------------------|
| 1 | 69 | 44 |
| 2 | 36 | 39 |
| 3 | 22 | 36 |
| 4 | 21 | 11 |
| 4 G/T | 19 | 25 |
| 5 | 41 | 30 |
| 6 | 25 | 30 |
| 7 | 67 | .. |
| 8 | 74 | .. |
| 9 | 69 | .. |
| 10 | 31 | 34 |
| Total | 30 | 29 |

Note: .. means data not available.

Source: Ministry of Education.

8.52 Investment in the rehabilitation and expansion of school facilities has been extremely limited over the past two decades with the result that

school facilities are dilapidated and very crowded. Many students do not have access to a desk or writing space and in most schools three or more different classes will share one room, meaning that noise levels are high and teachers must compete with each other to be heard by their students. Few schools have libraries and where these exist the books are old and in poor condition. Sanitation facilities are generally completely inadequate.

8.53 Efforts to improve the quantity and quality of school inputs should focus on in-service teacher training and increased student access to textbooks and other educational materials. Local publishers could be encouraged to produce some texts, especially primary level texts, which would greatly reduce their cost. Increased investments in the education sector, especially in infrastructure and equipment, will be essential just to keep existing structures in a usable condition.

8.54 Efficiency of the Education System. The internal efficiency of an education system is assessed by comparing inputs into the school system with desired outputs, measured in terms of the quantity and quality of student learning. Improvements in internal efficiency can be achieved by altering the mix of educational inputs to improve student learning and achievement, by taking steps to improve school attendance and reduce dropout and repetition rates, and by improving the physical organization of schools and classes. Although the data available in Guyana for measuring education outputs are scanty, it is clear that efficiency is low and that significant improvements need to be undertaken.

8.55 Dropout and repetition rates at the primary level are not particularly high in Guyana; approximately 11% of the first grade enrollments are repeaters and dropout rates range from 3.2% in the first grade to 7.8% in the final grade. The primary cohort survival rate is around 80%. However, student learning, as measured by the secondary school entrance examination (taken in the final year of primary school) is low. Almost half of the students are unable to answer one third of the questions successfully. If the test scores are adjusted to correct for possible guessing, 50% of students score less than one sixth of the marks available. Pass rates in science and social science subjects have dropped during the past decade (See Table 8.10).

Table 8.10: PERCENTAGE OF STUDENT PASSES ON THE SECONDARY SCHOOL ENTRANCE EXAMINATION, 1980-90.

| Subject | 1980 | 1984 | 1987 | 1989 | 1990 |
|----------------|------|------|------|------|------|
| Mathematics | 19.3 | 13.2 | 18.0 | 17.0 | 17.6 |
| English | 20.1 | 17.4 | 18.0 | 21.0 | 19.3 |
| Science | 26.5 | 17.8 | 20.0 | 17.0 | 20.5 |
| Social Science | 23.3 | 18.1 | 20.0 | 19.5 | 19.0 |

Source: "Access Quality and Efficiency in Caribbean Education." World Bank. October, 1991.

8.56 Daily attendance rates at primary schools are extremely low in Guyana, averaging 68% nationally. There are, however, wide variations across regions; attendance rates are close to 80% in the Georgetown municipal area but drop to around 50% in Region 1. Attendance rates generally reflect the quality of education offered; poorly trained teachers, limited textbooks and teaching materials, overcrowded classes and a poorly developed curriculum are all factors commonly associated with low attendance rates and are clearly issues needing to be addressed in Guyana.

8.57 The secondary school enrollment ratio is low relative to other English speaking Caribbean countries, and shows some signs of having declined in recent years.^{11/} The estimated enrollment ratio of 59% in 1980 dropped to 56% in 1989, the most recent year for which estimates are available. Daily attendance rates are low but vary widely across Regions, averaging 30% in Region 1 and 78% in Georgetown in academic secondary schools. Attendance data for community/vocational secondary schools show that attendance rates are lower in these schools than in academic schools.

8.58 Secondary school examination results show very clearly that student learning has declined sharply in recent years. Students in the secondary academic track aim to write the Caribbean Examination Council (CXC) or General Certificate of Education (GCE) examinations in their fifth year, but only write the examinations if their teachers think they have a chance of passing. In Guyana, the proportion of the 15 - 19 year old age cohort entering the examination has dropped from 16.5% in 1965 to 4.9% in 1984. This is the reverse of trends in other English speaking Caribbean countries where the proportion of students entering the examination has more than doubled. Moreover, as Table 8.11 shows, the percentage of Guyanese CXC examination candidates achieving passes in the core subjects has fallen sharply in recent years. The 1984 pass rate in English of 23% dropped to 13% in 1990. In mathematics, student pass rates dropped from 20% to 15% over the same period. Guyana, which ranked third out of seven Caribbean countries in terms of its student pass rate in 1965, now ranks last.

^{11/} Secondary school enrollments include students in secondary schools, community high schools and students enrolled in Forms I to IV in all-age primary schools.

Table 8.11: PERCENTAGE OF CXC EXAMINATION CANDIDATES ACHIEVING PASSES IN SELECTED SUBJECTS, 1985-1990.

| Subject | 1984 | 1985 | 1988 | 1989 | 1990 |
|-------------|------|------|------|------|------|
| English | 23 | 20 | 11 | 12 | 13 |
| Mathematics | 20 | 16 | 16 | 13 | 15 |
| Social Sc. | n.a. | 25 | 18 | 10 | 12 |
| Business | n.a. | n.a. | 20 | 15 | 22 |

Source: National Examinations Board, Guyana.

8.59 Students enrolled in the community/vocational schools write the Secondary Schools Proficiency Examination and these scores are even more discouraging. Results for 1986, for example, show that in mathematics students, on average, scored 12.7 of a possible 40 points, only 2.7 points above the chance score (the score possible from random guessing). In Reasoning and Science, the average student scored 15 out of 40 possible points, 4.9 and 6.3 points above the chance scores, respectively.

8.60 Steps to increase educational efficiency should include efforts to improve student attendance, particularly at the primary level. Efforts to inform parents of the long-term benefits of schooling for children should be intensified but attention should also be given to eliminating the practice of streaming. Parents whose children are in lower streams are aware that teacher quality is lower and that their children have almost no chance of gaining access to the more highly regarded academic secondary stream. Consequently, they have little incentive to ensure that their children attend school regularly and may consider the value of a child's work in the home to be higher than their possible future returns from this form of schooling. Eliminating streaming and equalizing access to educational resources may work to improve attendance.

8.61 Equity Issues. The woeful state of education enrollment, expenditure, and performance data in Guyana precludes a rigorous analysis of equity issues. These data are unreliable at the Regional level and no household income data exist to permit an assessment of equality of educational opportunity. However, the partial data which exist permit two conclusions: (i) that there is a relatively high level of participation at the primary level and, (ii) that there are serious inequities in education inputs between the Regions. The quality of the teaching force differs significantly across Regions with the proportion of untrained teachers ranging from 19 to 74 percent in different Regions (See Table 8.9). In addition, field visits confirmed that schools in smaller urban and rural areas are less likely to have textbooks and other educational materials.

8.62 The lack of data also precludes any estimate of the extent of social selectivity in the education system. However, since a primary school entrant only has an estimated 26% probability of entering an academic secondary school

and a 4% probability of gaining entrance to the university, educational opportunities are clearly rationed, and this is most probably by socio-economic status. This is an issue deserving further investigation given the high level of public subsidies at tertiary education levels.

Improving Social Sector Services

8.63 Investment in human resources development is a key element in the development process. Limited resources, however, mean that great care must be taken in choosing appropriate investment strategies and in ensuring that sufficiently high returns on investments are achieved. Equity concerns must also be given priority when deciding between investment alternatives. In Guyana, it is clear that some important policy shifts must be made in the social sectors; the existing system of financing health and education services, and the problems arising from the decentralization of service provision, have led to significant declines in the quality of services offered and have also served to increase inequities in access. The situation in these sectors is now critical and a major effort is needed to initiate improvements. The more important issues at the present time include:

- The need to improve the collection and processing of basic education and health statistics and other socio-economic data. These data are vital in obtaining a reliable picture of health and education conditions in the country and in assessing differences in quality and access between the Regions. The data are also critical in improving understanding of the extent and regional distribution of poverty and in designing programs to effectively target poor groups.
- The need for a major program to rehabilitate existing infrastructure and facilities in the health and education sectors. Severely dilapidated structures in both sectors need urgent repairs if they are to remain in use and, in the health sector, basic diagnostic equipment must be replaced.
- The need for the introduction of user fees and charges to generate additional funds which could be used to finance recurrent expenditures on educational materials in the schools and diagnostic equipment and pharmaceuticals in the health sector. In the education sector, consideration should be given to introducing fees at post-school institutions and in the higher levels of secondary school so as to reduce the high level of public subsidies presently enjoyed by these students. Scholarships should be made available for students from lower-income families. In the health sector, some charges for outpatient services and diagnostic tests should be introduced. If responsibility for purchasing drugs was given to the hospitals this could provide another area where fees could be introduced. The introduction of user fees and charges should be undertaken in conjunction with a parallel effort to improve the quality of services. Users will only be willing to pay if substantial improvements are undertaken.

- **The need to reinstate the frequent and regular auditing of expenditures at the regional level to ensure that funds are being properly used and to ensure accountability of the Regional Administration to the Central Government.**

MEASURING GDP IN GUYANA

I.1 Guyana has some remarkable statistics in comparison to other developing countries. Investment in 1991 was about 50% of total GDP, the current account deficit was 52%, and the public sector deficit was 24%. The extremely high values for these ratios derives, in part, from the fact that gross domestic product (GDP) appears understated.

I.2 This understatement derives from two phenomena: first, it is generally believed that at least 25% of GDP, and perhaps a great deal more, is not included in the GDP estimates, largely because of illegal activities not reported, and undercounting of the informal sector. With the restoration of a more appropriate set of incentives, it is likely that there will be substantial apparent growth in GDP as many of these previously illegal smuggling activities now go through standard market channels. Secondly, because the rapid pace of exchange rate changes, GDP itself becomes an uncertain base to make comparisons. Since 1986, domestic prices have increased 912%, but the exchange rate has depreciated by 2,289%. Thus, the domestic, or non-tradeable, component of GDP, when valued at international prices using a straight exchange rate conversion, becomes extremely small. Tradeables or items that have a high component of foreign exchange, such as investment or the current account balance, remain relative large. Thus, the investment rate in current prices has increased from 31% to 42% of GDP (1986 to 1990), even though investment in constant prices has decreased by 32%. While the exchange rate in 1986 was over-valued with respect to its equilibrium level, the extent of depreciation reflects more generally the collapse of the export production, and the move toward a new equilibrium exchange rate which undervalues the non-tradeable sector.

THE BAUXITE SECTOR

II.1 The bauxite sector encompasses Guyana's major mining industry and main industrial activity, contributing about 8% of GDP and 38% of merchandise exports. The industry was developed by foreign investors in the 1920s and consists of two main operations, namely: (i) the Linden operation that produces high quality and high value calcined bauxite^{1/} representing only about 27% in 1988-90 of the tonnage but 68% of total industry sales and some metallurgic bauxite mainly as a by-product of the mining and processing of higher grade ores, and (ii) the Berbice operation that produces lower value metallurgic bauxite.

II.2 Both operations were nationalized with compensation in the mid-seventies and have since been wholly government owned. There are two public enterprises operating in the bauxite industry in Guyana, the Bauxite Industry Development Company (BIDCO) which is in charge of marketing bauxite products, and its subsidiary, Guyana Mining Enterprises (GUYMINE), which is in charge of bauxite mining and processing of the two operations referred above. Recently, the Government entered into a joint venture with Reynolds for the development and exploitation of new bauxite deposits in Aroima (76 miles southeast of Linden) under separate ownership and private management arrangements. This development represents a shift in government policy toward a market-oriented economy with a much greater role for the private sector.

II.3 During the early years of the industry and up to the late seventies, Guyana enjoyed a quasi-monopoly position for its high quality calcined bauxite. After the nationalization, Guyana continued to benefit from being able to command very high prices in the market. This allowed the industry to cover cost inefficiencies, while continuing to provide for generous maintenance, investment and marketing budgets. In the late 1970s, Guyana lost its market dominance when China entered the high value refractory bauxite market and gained a significant share through a substantial reduction in prices (a 35% reduction in nominal terms from 1980 to 1984). As a result, BIDCO/GUYMINE's share of the market dropped from 75% in 1975 to about 45% by 1984.

II.4 Despite the changing market conditions, BIDCO/GUYMINE did not take adequate steps towards adjustment. The loss in market share led to a substantial reduction in revenues that was not matched by an effort to rationalize costs, especially a very high fixed cost structure stemming from the capital intensive nature of the mining operation. By the early 1980s the BIDCO/GUYMINE started facing serious financial problems that were dealt with through increasing indebtedness and drastically cutting investment and long-term maintenance.

II.5 By the mid-1980s the financial problems were compounded by serious difficulties in the production side. Deteriorating mining and processing

^{1/} Includes refractory grade (RASC), abrasive grade (AAC) and high silica calcined bauxite. The average selling price of calcined bauxite is roughly six times that of metal-grade bauxite.

plant machinery and equipment, gradual depletion of existing mining deposits, industrial relation conflicts derived from overmanning and deteriorating compensation and a steady erosion of managerial and technical manpower capabilities has led to a steady reduction and increasing unreliability in the quality, of GUYMINE's output. By 1989 Guyana had further lost market share to about 30%, resulting mainly from inability to generate a reliable output.

Table I.1: BAUXITE PRODUCTION
('000 of metric tons)

| | 1986 | 1987 | 1988 | 1989 | 1990 | Est. 1991 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Calcined bauxite ^{1/} | 444.3 | 457.4 | 435.0 | 344.7 | 316.1 | 325.0 |
| Metal-grade, chemical and bauxite | 981.3 | 884.1 | 904.0 | 976.4 | 1113.6 | 938.0 |
| Total | <u>1425.6</u> | <u>1341.5</u> | <u>1339.0</u> | <u>1321.1</u> | <u>1429.7</u> | <u>1263.0</u> |

1/ Includes refractory grade (RASC), abrasive grade (AAC) and high silica calcined bauxite.

II.6 Calcined bauxite declined further in 1990 (see Table I.1), mainly owing to unusually heavy rains that filled up the bauxite mines and led to the closure of the mines for protracted periods. With the improvement of weather conditions in 1991, and greater availability of spares, the production of calcined bauxite increased slightly to 325,000 metric tons but was far below the target of some 425,000 tons mainly owing to softer market conditions in Europe and USA and high levels of stocks in Japan. Marketing problems have been compounded by the entry of Brazil into the calcined bauxite market. Although Guyanese calcined bauxite still maintains some advantage over Brazilian bauxite which is finer in particle size (and hence prone to processing losses) and Chinese bauxite which has a higher variability in aluminum oxide content, it is continuing to face high competition in terms of price. In the case of dried bauxite, production in 1991 has also suffered a setback owing to softer world market conditions.

II.7 Within the framework of the ERP, the Government is committed to the privatization of the bauxite sector as the main instrument to tackle the issues of poor managerial and technical capacity, lack of access to technological improvements and as a means of mobilizing the external financing required to bring about the industry's rehabilitation. The Government invited the two US companies that had their operations nationalized in the seventies to consider their return to Guyana by acquiring the Linden and Berbice

operations. However, the Government has not been able to interest private investors in either of these operation because of the high degree of uncertainty and high risks associated with establishing commercially viable operations.

II.8 A study carried out in 1990 concluded that the Linden operation would constitute a viable and attractive economic and financial proposition if operated in accordance with appropriate industry standards. It emphasized that the infrastructure, managerial, operational and financial capacity and the industrial relations at the Linden facility were seriously deteriorated and that a substantial effort would need to be initiated in all these fronts to restore Linden to an acceptable operational, thus, to a commercially viable position.

II.9 In light of this, the Government has designed a two-phase strategy to carry out the privatization process: an initial industry restructuring phase (IRP) that will set the stage for a rehabilitation/privatization phase. This phase is aimed at carrying out of basic restructuring tasks designed to put the Linden operation on a viable commercial position that would make it attractive for privatization.

II.10 The main tasks identified for achieving this objective are:

- production, defined in terms of achieving a reliable and sustainable production level of 400,000 tons of calcined bauxite per year within some specified production cost;
- basic equipment rehabilitation program, consisting in the carrying out of a program for the rehabilitation of stripping, mining, railways, bauxite plant and miscellaneous equipment;
- financial restructuring, consisting in the renegotiation of existing debt with suppliers and establishing the asset and liability base that would be transferred to the new corporate entity to be created at the end of the management contract period;
- labor rationalization, consisting in the reduction of personnel by about one-third, implementation of appropriate compensation policies and reallocation of personnel to ensure improved efficiency in operations;
- establishment of new corporation that will operate the Linden facilities, Linden Bauxite Corporation (LBC) and the preparation of LBC's, five-year business plan.

II.11 As a first step in the process, Government has selected a firm that will take over the management of GUYMINE and carry out a restructuring of its operations. It is expected that the selected firm will initiate its management assignment by May 1992.

THE INSTITUTIONS OF THE FINANCIAL SECTOR

The Banking Sector

III.1 This annex provides a more detailed analysis of Guyana's bank and non-bank financial institutions. The analysis of the five banks forming the banking sector is divided in three parts: (a) NBIC and GBTI, (b) Baroda and Nova Scotia and (c) GNCB. The criteria of the partition is the similarity of operations, mode of ownership and sizes.

III.2 NBIC and GBTI. Those are two very similar banks in their operating procedures and financial strategy. The share of the government in NBIC is 52.9%, and 30% in GBTI (although it was 100% up until August 1991, when it divested 70% of its share, mostly to the bank employees). NBIC is twice as large as GBTI with assets as of 1991 of G\$ 6,467 million and 3,383 respectively. Both of them are urban oriented, operating almost exclusively in Georgetown, NBIC with three offices and GBTI with two.

III.3 Their source of funds is mostly from deposits, which constitute 85% of their liabilities. The breakdown has for both of them been around 20% demand deposits, 60% savings accounts and the rest time deposits. Their portfolio is highly liquid, they have been lending only a small proportion of collected funds (16% for NBIC and 32% for GBTI), with the rest invested in Treasury bills. As a result their risk exposure is minimal and should be considered quite solvent. All of their operational and financial indicators appear to be quite adequate. Their operating costs to assets ratio has been in the 3% to 4% range. Their percentage of bad and doubtful loans does not exceed 5% of loan value. Their rates of return on assets, ROA, have been quite healthy, on the 4% to 5% range annually for NBIC and on the 6% to 8% range annually for GBTI range for the last two years (it was a bit lower in previous years). Their rates of return on equity, ROE, have outpaced the inflation rates, with both banks obtaining annual ROEs in the 75% to 90% range. Nearly one third of their profits in 1990 and 1991 can be attributed to gains from the devaluation of the currency.

III.4 Their lending and borrowing rates are very similar, 26% to 27% and 36% to 37%, respectively. While 50% of their loans are technically over a year, that figure is a bit misleading since most of the loans are on call. This means that the bank can terminate the loan at any time and request immediate full payment. As a result there is little term premium assessed on loans.

III.5 Finally both of them appear highly leveraged with capital assets ratios below the prudential regulated level of 10%. GBTI and NBIC capital asset ratios are 9% and 4.8%, as is indicated in Table II.1.

III.6 Bank of Baroda and Nova Scotia. Those are the two smallest and private banks of the sector. Although Baroda is a subsidiary of a state bank of India, while Nova Scotia is the subsidiary of a private Canadian bank. Both of them operate only in Georgetown, with just one office. Nova Scotia

has assets of G\$ 1,000 million and a 5.6% market share the numbers for Baroda are G\$ 557 and 2.7% as of 1991.

**Table III.1: GUYANA - SELECTED DATA/RATIOS
COMMERCIAL BANKS - CAPITAL REQUIREMENTS
(SEPTEMBER 1991 - G\$1,000,000)**

| | GBTI | NBIC | GNCB | BNS | BB |
|--------------------------------|---------|---------|---------|---------|-------|
| A. Total Liabilities: | 3,705.0 | 7,272.0 | 7,046.6 | 1,106.5 | 598.8 |
| B. Required Capital - 10% | 370.5 | 727.2 | 704.7 | | |
| - 7% | | | | 77.5 | 41.9 |
| C. Capital Accounts: | | | | | |
| 1. Share Capital/Assigned Cap. | 60.0 | 20.0 | 14.7 | 35.9 | - |
| 2. Statutory Reserves | 21.5 | 30.0 | 392.0 | 6.2 | - |
| 3. Subtotal | 81.5 | 50.0 | 406.7 | 42.1 | - |
| 4. Retained Earnings | 166.1 | 296.3 | 144.6 | 69.2 | 18.2 |
| 5. Undistributed Profit | 87.1 | | | | |
| 6. Total | 334.7 | 346.3 | 551.3 | 111.3 | 18.2 |
| D. Reserve Account - BOG: | 351.5 | 579 | 768.7 | 111.1 | 42 |
| E. Ratios: | | | | | |
| C.3/A | 2.2% | 0.7% | 5.8% | 3.8% | - |
| (C.3 + D)/A | 11.7% | 8.6% | 16.7% | 13.8% | - |
| C.6/A | 9.0% | 4.8% | 7.8% | 10.1% | 3.0% |

Source: Bank of Guyana (September 1991).

III.7 Their operational and financial profile is very similar to that of NBIC and GBTI. Their source of funds is mostly from deposits, where they offer similar rates as those two banks. Their portfolio is highly liquid. They lend also a small percentage of their funds, 30% to 35%, and the rest is invested in Treasury bills. Their non-performing loans and operating costs ratios are both slightly lower than those of NBIC and GBTI, while their ROA and ROE rates are similar to those two banks. Again they can be considered quite solvent and in good standing. Although their capital-asset ratio appears below the required levels (see Table II), it is not very significant since they are backed up by their parent institutions.

III.8 GNCB: Guyana National Co-operative Bank. Almost fully state owned (97%), GNCB is the largest of the commercial banks, with 12 branches and over 603 employees, and with assets of G\$ 7,748 million and a market share, in terms of assets, of 40%. In contrast to the other banks in the sector, it lends a substantial part of its funds, 60%, and is the only one to have branches outside Georgetown. As a consequence it provides for 75% of the loans of the financial sector, with an average maturity of over 5 years. In the process it has overextended itself, reaching unsafe capital levels of 3% to 4%. While it has been successful fulfilling the role of financial intermediary and providing long term credit, its quality control and financial performance has been quite disappointing. It has over 25% of its loan portfolio in arrears, and is in the process of writing off G\$ 1,400 million, a far larger amount than its equity. New initiatives are being taken to improve lending policies and financial controls.

Non-Bank Financial Institutions

III.9 With one exception, The New Building Society, all of the important (in terms of asset size) non-bank financial institutions, are state owned and are part an umbrella organization, the Co-operative Finance Administration (COFA). This organization is entrusted with control and supervisory powers over those institutions, including GNBC. However, since GNBC is a commercial bank, it is also supervised by the BOG. In fact, COFA has been a very weak institution. Part of the reasons is that its is understaffed. The staff of the institution consists of only four higher-level including the Executive Secretary. COFA's participation in those institutions is a non-voting seat for its Executive Secretary on the respective Board of Directors, with very limited influence in the operations of those institutions.

III.10 COFA will be receiving short-term technical assistance from the CDB to improve its performance. The institutions under COFA jurisdiction are:

- Guyana National Co-operative Bank (GNBC)
- Guyana Co-operative Agricultural and Industrial Development Bank (GAIBANK)
- National Insurance Scheme (NIS)
- Guyana Co-operative Insurance Service (GCIS)
- Guyana Co-operative Mortgage Finance Bank (GCMFB)
- GNCB Trust Corporation

The analysis of each one of COFA's institutions and the New Building Society is presented below.

III.11 GAIBANK. This is a development bank, specializing in lending to the agricultural and industrial sector, although the share of the latter is the largest, mostly as a consequence of sectoral restrictions on the source of funds. As of 1991, all the agricultural lending is from recovery loans from the sector. It is not allowed to accept deposits from the public, and its source of funds is mostly (90%) from development credits from donors and international agencies. A smaller percentage, (10%), of its funds comes from government transfers and sectoral credit programs, most of them as counterpart funds needed to match the foreign source funds. It is the third largest financial institution in Guyana with 16 branches, 280 employees (down from 375 as a result of migration or attrition, but still overstaffed), and assets of G\$ 3,755 million as of June 1991. It is the only financial institution that has a significant presence in rural areas, where the major alternative is the informal market where the current rates are 20% per month.

III.12 Its lending terms, are mostly medium to long term with a maximum of ten years. It provides for a grace period of 1 to 2 years, a practice not matched by the commercial banks. Moreover, it lends below the commercial rate and below the prime rate. For example, as of October 1991, GAIBANK rates were around 30% (for domestic currency loans), while commercial banks were lending at 36% (the lowest rate), the prime rate was at 33.5%, the bank rate was 32.5%, and the Treasury bill auction elicited rate was 31.4%. Therefore it is lending at subsidized rates below the government cost of borrowing. When the loan is in foreign currency, US\$, the interest rate is 15% and is to be repaid in foreign currency. The interest rate policy of GAIBANK is set by the Ministry of Finance.

III.13 Of its assets, 40% are Treasury bills and deposits, while the rest are loans. Over 40% of these loans are to the public sector.^{1/} The rest of its loans are to the private sector and private borrower profile is a medium to large entity, borrowing at least G\$ 12,000. Most of its loans are unsecured, although as of late it has been requiring co-financing by the borrower (around 40%). All of its performance indicators are quite unsatisfactory. That should not be surprising when noting that, its non-productive assets to assets ratio is 60%, including arrears, which account for 35% of its portfolio. Those numbers are most likely best estimates since GAIBANK tends to have a fairly liberal policy towards granting the rollover of part due loans.

III.14 Aside from its numerous bad loans and serious arrears collection problems, in the past two years it has incurred significant losses, as a result of the currency devaluation, since most of its liabilities were in foreign currency, while most of its assets were in loans denominated in domestic currency.^{2/} These losses are ten times the level of its equity. Although the government has agreed to cover the losses, its record through the last ten years would tend to indicate that its financial viability and capacity to administer credit according to bonafide economic practices is, at best, questionable.

Mortgage Finance Institutions

III.15 There are three financial institutions that specialize in mortgage financing, GNCB Trust, GNCFB, and The New Building Society. The first two are fully state owned and are part of COFA. The New Building Society is fully privately owned, and is the largest of them. Although it is not part of COFA, we will analyze it here given its line of operations.

III.16 GNCB Trust. GNCB Trust engages in two types of activities. First, for a fee manages 12 pension funds of public institutions.^{3/} And second it serves as a financial intermediary for mortgage and other loans. As the manager of pension funds, it has full discretion in the investment of those

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- 1/ The sugar consortium GUYSUCO is its largest public customer.
 - 2/ It has had little success expropriating assets or foreclosing on delinquent loans.
 - 3/ Those pension plans are the following, Bauxite Industrial Development Company Limited Pension Plan, Co-operative Financial Institution Pension Plan, Guyana School of Agriculture Pension Plan, Guyana Geology and Mines Commission Pension Plan, Guyana National Engineering Co-operation Pension Plan, Guyana Manufacturer Industrial Development Association Pension Plan, National Agriculture Research Development Association Pension Plan, Guyana Electricity Corporation Pension Plan, Mahaica Mahaicony Aberly Pension Plan, Guyana National Trading Corporation Limited Pension Plan, Sugar and Trading Enterprises Pension Plan, and Shipping Association Pension Plan.

funds. The standard pension plan portfolio is almost fully liquid, 95% Treasury bills and bank deposits and 5% on equity. They are only allowed to invest in new equity. The argument is that the absence of a secondary market for equity difficult price determination. As a result long term funds are converted in very short loans, mostly to the government.

III.17 In its second role, as a financial intermediary, GNCB Trust is, by far, the largest of the trust Companies, with assets near G\$ 600 million, and a market share of over 90% within the trust Companies sector. Its main source of funds is savings deposits from the public, which constitute 90% of its liabilities. Nevertheless it is not considered a bank since it is not allowed to offer demand deposits, and as a result not subject to the supervision of the BOG or to the regulatory structure provided by the Banking Act. However, it competes head to head with banks for savings deposits by offering similar rates.

III.18 Near 70% of its portfolio consists of mortgage loans. The rest are other loans and Treasury bills. In contrast to its sister institution, Guyana Co-operative Mortgage Finance Bank, it lends at market rates, 36% for domestic mortgages and 40% for commercial housing as of October 1991. However, it is a highly leverage financial institution operating with a capital asset ratio of 1.2%. There is little regulation to guide the operations of this institution, and literally no supervision from COFA, its supervisory body. It has been consistently profitable in nominal terms, obtaining net return on assets, ROA, around 2%. Given its leverage ratio its net return on equity, ROE, has been quite significant, outpacing the inflation rate. Although the nominal growth of its assets, through the last five years, has been significant, it has by no means outpaced the inflation rate. In fact, in real terms, from 1987 to 1991 assets have decreased by 30%.

III.19 GCMFB. The Guyana Co-operative Mortgage Finance Bank was originally designed as a government institution to channel government funds for housing development for low-income people at subsidized rates. Its source of funds has been government transfers and loans from the private sector. Its current asset portfolio is around G\$ 60 million, but it has been relatively inactive during the last couple of years, since no new funds are being transferred from the government, and it cannot afford to borrow in the private market. It lends at subsidized market rates (13-24%, depending on the size of the loan, with lower rates for smaller loans). GCMFB is perceived to be a grant-help institution, with an arbitrary assignment policy of loans, and with a lax policy of enforcement and collection. About 20% of its portfolio is in arrears, or has been rescheduled. Its future is questionable, and the Government should consider dismantling the institution.

III.20 The New Building Society. The New Building Society, with assets of G\$ 1,340 million as of 1991, is a private financial institution, that operates like a credit union. Its funds are deposits from its members, to whom it lends long term for housing mortgage operations at an 18% rate, which is 20 percentage points below the market rate. It is financially viable because its deposit rates are also below market rates at less than 10%, it invests 40% of its assets in Treasury bills, enjoying a margin of over 20%. Its profitability is further enhanced and finally because it is exempt from paying any taxes.

III.21 NIS and GCIS. The two insurance companies NIS and GCIS, cover two distinct areas, health and retirement benefits vs casualty. NIS is a compulsory insurance plan or social security system for private and public sector employees. GCIS sells casualty and other forms of insurance. Both of them are being rapidly decapitalized, in part because they were forced, in the past, to invest in government debt instruments at below market interest rates, and have been adversely affected by high inflation. Their assets as of 1991 are G\$ 1,647 million and 98 million for NIS and GCIS respectively, which are a net decrease in real terms of 50% for both from their 1989 levels. Similar changes apply for their equity.

Capital Adequacy

III.22 Table II.2, presents selected financial ratios on capital adequacy of the most important non-bank financial institutions. From that Table, it can be seen that both GNCB Trust and Trust Co. Guyana Limited are highly leverage with unwarranted and unsafe capital asset ratios of 1.2% and 1.8%, respectively. GAIBANK displays also an inappropriately low capital assets ratio of 7.5%. The rest of those institutions appear highly capitalized, much beyond the safe limit. However, the liquidity and arrears problems of GCMB, not visible in those statistics, described above would question its financial viability.

Table III.2: GUYANA - SELECTED DATA/RATIOS

| | NON-BANK FINANCIAL INSTITUTIONS (G\$1,000,000) | | | | | |
|----------------------------|---|---|-----------------------------------|--|---------------------------------------|---|
| | Guy. Coop Agr & Ind Dev. Bank (Sep. 91) | Guy. Coop Mortgage Fin. Bank (Jun. 91) | GNCB Trust Co. (Jun. 91) | New Bldg Society Ltd. (Sep. 91) | Trust Co. Guy. Ltd (Jun. 91) | Secure Trust Int'l Ltd (Sep. 91) |
| Total Assets | 4,597.2 | 61.7 | 564.2 | 1,461.0 | 17.0 | 39.5 |
| Liabilities | 4,134.0 | 31.7 | 557.7 | 95.6 | 16.7 | 29.5 |
| Deposits | - | - | 496.5 | 91.7 | - | 11.6 |
| Accts Payable/Other Liab | 1,279.6 | 10.7 | 27.3 | 3.9 | 2.2 | 5.1 |
| Loans Received | 2,854.3 | 21.0 | 3.9 | - | - | 12.8 |
| Trust Funds | - | - | 30.0 | - | 14.5 | - |
| Capital Accounts | 346.9 | 30.0 | 6.6 | 1,365.4 | 0.3 | 10.0 |
| Share Capital | | | | | | |
| Govt | 301.3 | 30.0 | 6.6 | 1,272.9 | | |
| Others | | | | | 0.3 | 10.0 |
| Surplus | 32.4 | | | | | |
| Reserves & Provisions | 13.2 | | | 92.5 | | |
| Ratios: | | | | | | |
| Capital Accts/Total Assets | 7.5% | 48.6% | 1.2% | 93.5% | 1.8% | 25.3% |
| Capital Accts/Liab. | 8.4% | 94.6% | 1.2% | 1428.2% | 1.8% | 33.9% |

Source: Bank of Guyana (September 1991).

Table III.3: GUYANA - SELECTED DATA/RATIO
CONSOLIDATED PORTFOLIO RATING SHEET (CPRS)
(G\$1,000,000)

| | GBTI (3/31/91) | NBIC (6/30/91) | GNCB | SCOTIA (3/31/91) | BB (3/31/91) |
|---|-------------------|-------------------|------|---------------------|-----------------|
| Required Provision for Losses per CEMLA Criteria | 57.071 | 17.959 | n.a. | 2.607 | 0.249 |
| Less: Actual/Booked Provision for Losses | 11.474 | 13.529 | n.a. | - | - |
| Excess (Deficiency) | (45.597) | (2.430) | n.a. | (2.607) | (0.249) |
| Total Credits: (incl. Accrual Interest) | 668.839 | 697.369 | | 87.314 | 21.061 |
| Commercial | 641.797 | 654.340 | | 55.930 | 20.387 |
| Consumer | 18.883 | 22.256 | | 25.269 | 0.668 |
| Housing | 8.159 | 20.773 | | 6.115 | 0.006 |
| Required Prov./Total Credits: | 8.5% | 2.6% | | 3.0% | 1.2% |
| Actual Prov./Total Credits: | 1.7% | 1.9% | | | |

Source: Bank of Guyana: Submitted reports (CPRS) of commercial Banks.

Appendix I: CEMLA PROPOSAL FOR EVALUATION OF CREDITS IN FINANCIAL INSTITUTIONS

A. RATING OF CREDITS

| | <u>Commercial Credits</u> | <u>Consumer Credits</u> | <u>Housing Credits</u> |
|---|--|--|--|
| Timing: | At least twice a year, during the last of each half year, closing at end of the and third quarter. Results should be reflected in the financial statements for June and December. | Permanent evaluation by verifying delay period. | Permanent evaluation by verifying delay period. |
| <u>Cover:</u> | At least 400 largest debtors or 75% of commercial portfolio, whichever is greater. All commercial credits should be rated at least once a year. | Total Consumer credits. | Total housing credits. |
| <u>Categories:</u> | | | |
| A. Normal Risk Credit. | No doubt about recovering loan, interest and associated debts. month overdue. | Credits with up-to-date payments and/or up to 1 month overdue. | Credits with up-to-date payments and/or up to 1 month overdue. |
| B. Potential Risk Credits. | Credits with certain degree of failure causes for which may be temporary and/or not materially affect recovery of debt. | Balances with payments between 1 - 2 months overdue | Balances with payments between 1 - 6 months overdue. |
| C. Deficient Credit. | Debtors show deficient payment capacity but recovery not seriously affected. | Balances with payments between 2 - 3 months overdue. | Balances with payments between 6 - 12 months overdue. |
| D. Credit of Doubtful Collectibility | Debtors show marked deficiencies in payment capacity that recovery is doubtful. Credits 6 months or more overdue included in this category | Balances with payments between 3 - 6 months overdue. | Balances with payments between 1 - 4 years overdue. |
| E. Non-Recoverable Credit. | Credit or portion of credit judged Credits 12 months or more overdue and backed by personal guarantee as well as those more than 3 years overdue with collaterals included in this category. | Balances with payments more than 6 months overdue. | Balances with payments more than 4 years overdue. |

B. REGULATIONS FOR PROVISIONS

| | <u>Commerical</u> | <u>Consumer</u> | <u>Housing</u> |
|------------------|---|--|---|
| Category: | | | |
| A | None | None | None |
| B | None | None | None |
| C | 20% of total value of credits not backed by collateral. | 20% of total value of credits not backed by collateral. | 50% of total value of credits not backed by collateral. |
| D | 50% of total value of credits If backed by collateral. 50% of capital and accruing interest not covered by guarantee. | 50% of total value of credits interest not covered by guarantee. If backed by collateral. 50% of capital and accruing interest not covered by guarantee. | 100% of credit and accruing interest |
| E. | 100% of value covering the whole amount of the interest they would have accrued. | 100% of value covering the whole amount of the interest they would have accrued. | 100% of value covering the whole amount of the interest |

* ADJUSTMENT PERIOD FOR COMPLIANCE - Not to exceed three (3 years). Supervisory body to agree on adjustment plan with each supervised bank.

**Appendix II: Matrix of Rules and Regulations
Pertinent to Banks and Other Financial Institutions**

| | Banking Act Cap. 85:01 | Co-operative Financial Institutions Act Cap. 75:01 | The New Bldg Society Act Cap. 36:21 |
|--|--|---|---|
| <i>I. Scope</i> | | | |
| (a) Definition: | Company licensed to carry on Banking business which includes acceptance of deposits of money from the public, repayable on demand, for the purpose of lending or investment. | An administrative body established to exercise supervision and control over the financial institutions under its preview. | The society shall be a Housing Association for the purposes of the Housing Act and has power to raise funds by issue of shares. |
| (b) - Accept demand & time deposit: | Yes | Yes: (Other than demand deposits) | No |
| - Borrow funds: | Yes | Yes | No |
| - Grant loans: | Yes | Yes | Yes |
| - Invest in securities: | Yes | Yes | Yes |
| - Purchase fixed assets: | Yes | Yes | Yes |
| - Engage in foreign exchange transaction: | Yes | Yes | No |
| <i>II. Organization/Licensing</i> | | | |
| (a) Minimum Capitalization | Local: \geq 10% of Demand and Time liabilities or G\$1 MM whichever is greater. Foreign: \leq G\$10 MM. To retain in Guyana out of funds originating from outside 7% of demand and Time liabilities or \$1 MM whichever is greater. | - - | - - |
| (b) Government Office Granting Licenses/Supervisory Body | Bank of Guyana (with Minister of Finance approval) | Ministry of Finance & COFA | - |

| III. Restrictions on Operations | | | |
|--|---|---|---------|
| (a) Reserve Fund | Transfer to fund a sum \geq 15% of net profits before dividends whenever amount in fund is $<$ the paid-up capital of the bank. | Transfer to fund a sum \geq 2.5% of net profits before dividends whenever amount in fund is $<$ the paid-up capital of the institution. | - |
| (b) Reserve Requirements | With effect from 16/05/91 - 22/05/91: 11% of Demand Liabilities 9% of Time Liabilities For banks incorporated outside Guyana, 25% of the minimum balance for deposit with Bank of Guyana shall be in the prescribed foreign currency (Sec. 40 A, Bank of Guyana Act). | Pertains to GNCB | - |
| (c) Liquid Assets | With effect from 15/05/91: 25% of Demand Liabilities 20% of Time Liabilities. Liquid Assets comprise: Cash, current balances with Central Bank and other banks; items in the course of collection; treasury bills, local and foreign; balance at any banking institution outside Guyana. | Pertains to GNCB | - |
| (d) Loan Limits | (1) \leq 25% of paid-up capital and published reserves; (2) No granting of credit facility against the security of its own shores. (3) Directors: \neq 2% of paid-up capital and published reserves. (4) Employees: \neq 2 years emoluments. Cannot be paid until reserve fund requirements have been met [see (a) above] | Pertains to GNCB | G\$1 MM |
| (e) Dividends | | Same | |
| (f) Management (Disqualification as Director/Officer) | (1) Where director has been directly or indirectly concerned in the management of a bank whose license has been revoked. (2) Where a director has been convicted by a court for an offence involving dishonesty and has not received a free pardon for that offence. | (1) Officers and employees owe their duty entirely to the financial institution and shall not engage in any other paid employment without approval of the Minister. (2) Where director or officer or other employee does not confirm to the preservation of secrecy. (3) Where director fails to reveal his interest whether directly or indirectly in an application for a loan. | - |
| (g) Foreign Exchange | - | Pertains to GNCB | - |
| (b) Others | - | - | - |

| | | | | |
|---------------------------------|--|---|-------------------------|--|
| <p>IV. Miscellaneous</p> | <p>(a) Report Submission</p> | <p>Balance Sheet; P&L in Gazette and newspapers and to B.O.G. (no later than 4 months after and of each financial year) BOG could exempt a bank incorporated outside Guyana from submission of reports.</p> | <p>Pertains to GNCB</p> | <p>BOG</p> |
| <p>(b) Audit</p> | <p>Annually by an approved auditor appointed by the bank. If the latter fails to appoint an approved auditor then BOG would appoint.</p> | <p>Annually by an auditor appointed by the minister of Finance</p> | <p>Pertains to GNCB</p> | <p>Annually by auditor(s) appointed at annual general meeting. If no auditor is approved on this occasion then the Board may appoint an auditor. Minister of Finance could order an inspection.</p> |
| <p>(c) Inspection</p> | <p>Periodically or at the discretion of the BOG by one or more of its officers.</p> | <p>Pertains to GNCB</p> | <p>Pertains to GNCB</p> | <p>Minister of Finance could order an inspection.</p> |

ANNEX IV

PUBLIC SECTOR INVESTMENT PROGRAM

SUMMARY TABLES

| <u>Table No.</u> | <u>Title</u> |
|------------------|--|
| IV.1 | Summary of Public Sector Investment Program, 1991-93 |
| IV.2 | Public Sector Investment Program and Total Transfers |
| IV.3 | Public Sector Investment Program, 1991-93, Detailed Listing by Project |

Table IV.1: GUYANA - SUMMARY OF PUBLIC SECTOR INVESTMENT PROGRAM, 1991-93a/
(1991 G\$ million)

| | 1991 Estimated Actual | | | 1992 Prel. Proposal | | | 1993 Prel. Proposal | | |
|-------------------------------|-----------------------|---------------|---------------|---------------------|---------------|---------------|---------------------|---------------|---------------|
| | Total | External | Local | Total | External | Local | Total | External | Local |
| TOTAL PROJECTS | 6598.1 | 3732.8 | 2865.3 | 12342.5 | 8126.1 | 4216.5 | 8442.5 | 5843.2 | 2599.3 |
| Economic Sectors | 4603.1 | 3016.3 | 1586.8 | 4216.7 | 2732.1 | 1484.6 | 1157.7 | 777.8 | 379.9 |
| Agriculture | 3002.6 | 1743.5 | 1259.1 | 2327.4 | 1656.2 | 671.1 | 723.5 | 601.8 | 121.7 |
| Manufacturing | 300.6 | 126.9 | 173.7 | 382.9 | 100.0 | 282.9 | 427.8 | 176.1 | 251.7 |
| Mining | 1299.9 | 1145.9 | 154.0 | 1506.4 | 975.9 | 530.5 | 6.4 | 0.0 | 6.4 |
| Infrastructure | 730.4 | 257.3 | 473.0 | 4728.4 | 3376.4 | 1352.0 | 3425.7 | 2556.0 | 869.6 |
| Power | 157.1 | 78.4 | 78.7 | 2215.9 | 1896.4 | 319.5 | 1242.4 | 1151.2 | 91.2 |
| Transport and Communication | 424.7 | 132.9 | 291.8 | 2041.5 | 1077.0 | 964.5 | 1774.3 | 1133.4 | 640.9 |
| Water | 148.6 | 46.1 | 102.5 | 471.0 | 403.0 | 68.0 | 409.0 | 271.5 | 137.5 |
| Social Sectors | 492.4 | 334.0 | 158.3 | 2480.0 | 1967.9 | 512.1 | 2881.8 | 2434.6 | 447.2 |
| Education | 314.0 | 244.9 | 69.1 | 1203.0 | 963.0 | 240.0 | 659.0 | 472.0 | 187.0 |
| Housing and Community Service | 33.3 | 1.0 | 32.3 | 255.6 | 61.7 | 193.9 | 181.7 | 111.0 | 70.7 |
| Health | 143.1 | 88.2 | 54.8 | 878.1 | 800.0 | 78.1 | 1876.5 | 1714.0 | 162.5 |
| SINAP | 2.0 | 0.0 | 2.0 | 143.3 | 143.3 | 0.0 | 164.6 | 137.6 | 27.0 |
| Other | 772.3 | 125.2 | 647.1 | 917.4 | 49.6 | 867.8 | 977.3 | 74.7 | 902.6 |

Source: State Planning Secretariat.

a/ As of March, 1992. This program is in the process of revision.

Table IV.2: GUYANA - PUBLIC SECTOR INVESTMENT PROGRAM AND TOTAL TRANSFERS, 1991-93
(1991 G\$ million)

| Projects | Status | Fin. | Source | 1991 Estimated Actual | | | 1992 Prel. Proposal | | | 1993 Prel. Proposal | | |
|----------------------------|---------|-------|--------|-----------------------|---------------|---------------|---------------------|---------------|---------------|---------------------|---------------|---------------|
| | | | | Total | External | Local | Total | External | Local | Total | External | Local |
| GROSS PSIP | | | | 7283.8 | 4122.0 | 3161.8 | 13767.8 | 9545.9 | 4221.9 | 9073.5 | 6467.8 | 2605.7 |
| TOTAL TRANSFERS | | | | 685.7 | 389.2 | 296.5 | 1425.3 | 1419.8 | 5.4 | 631.0 | 624.6 | 6.4 |
| Transfers to Corporations | | | | 26.0 | 25.0 | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GAIBANK | Ongoing | Loan | IDB | 25.0 | 25.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GUYMINE | New | Local | Local | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| NEOCOL | New | Local | Local | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GCMFB | New | Local | Local | 1.0 | 0.0 | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transfer to private Sector | | | | 659.7 | 364.2 | 295.5 | 1425.3 | 1419.8 | 5.4 | 631.0 | 624.6 | 6.4 |
| GAIBANK | Ongoing | Loan | IDB | 620.3 | 327.2 | 293.1 | 5.4 | 0.0 | 5.4 | 6.4 | 0.0 | 6.4 |
| Quarries - Private Sector | Ongoing | Grant | EEC | 0.5 | 0.3 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Agri-Rehab I | New | Loan | IDB | 1.1 | 0.0 | 1.1 | 1319.8 | 1319.8 | 0.0 | 524.6 | 524.6 | 0.0 |
| Fisheries Equip. Facility | Ongoing | Grant | CIDA | 37.7 | 36.7 | 1.1 | 100.0 | 100.0 | 0.0 | 100.0 | 100.0 | 0.0 |
| TOTAL PSIP (net) | | | | 6598.1 | 3732.8 | 2865.3 | 12342.5 | 8126.1 | 4216.5 | 8442.5 | 5843.2 | 2599.3 |

Source: State Planning Secretariat as of March, 1992.

Table IV.3: GUYANA - PUBLIC SECTOR INVESTMENT PROGRAM, 1991-93
(1991 GS million)

| Projects | Status | Fin. | Source | 1991 Estimated Actual | | | 1992 Prel. Proposal | | | 1993 Prel. Proposal | | |
|---|---------|-------|------------|-----------------------|---------------|---------------|---------------------|---------------|---------------|---------------------|---------------|---------------|
| | | | | Total | External | Local | Total | External | Local | Total | External | Local |
| ONGOING PROJECTS | | | | 6250.9 | 3364.8 | 2886.1 | 10330.4 | 7269.4 | 3061.1 | 7215.3 | 5245.2 | 1970.0 |
| Economic Services | | | | 5064.7 | 2936.1 | 2128.6 | 7427.6 | 5506.4 | 1921.3 | 3767.3 | 2997.6 | 769.7 |
| Agriculture Forestry & Fishing | | | | 2911.3 | 1406.0 | 1505.3 | 1909.4 | 1455.7 | 453.7 | 822.9 | 701.8 | 121.2 |
| National Agri Research Institute (NARI) | Ongoing | Grant | UNDP/FAO | 75.1 | 69.7 | 5.4 | 1.9 | 1.7 | 0.2 | 1.7 | 1.4 | 0.3 |
| GAIBANK | Ongoing | Loan | EIB/IDB | 646.1 | 352.2 | 293.8 | 742.0 | 712.0 | 30.0 | 416.0 | 396.0 | 20.0 |
| Forestry Studies | Ongoing | Local | Local | 4.0 | 0.0 | 4.0 | 80.0 | 0.0 | 80.0 | 0.0 | 0.0 | 0.0 |
| Misc. Drainage & Irrigation Works | Ongoing | Local | Local | 2.1 | 0.0 | 2.1 | 1.4 | 0.0 | 1.4 | 2.0 | 0.0 | 2.0 |
| National Land Registration | Ongoing | Local | Local | 0.4 | 0.0 | 0.4 | 0.6 | 0.0 | 0.6 | 0.6 | 0.0 | 0.6 |
| Drainage and Irrigation (Regions) | Ongoing | Local | Local | 3.1 | 0.0 | 3.1 | 5.0 | 0.0 | 5.0 | 8.0 | 0.0 | 8.0 |
| Agric. Dev./Equipment (Regions) | Ongoing | Local | Local | 5.6 | 0.0 | 5.6 | 24.9 | 0.0 | 24.9 | 4.4 | 0.0 | 4.4 |
| East Bank Essequibo Dev. Project | Ongoing | Loan | IFAD | 58.3 | 23.9 | 34.4 | 165.0 | 115.0 | 50.0 | 111.0 | 82.0 | 29.0 |
| GUYSUDD - Factory Rehab. | Ongoing | Loan | IDB/Credit | 1760.0 | 799.5 | 960.5 | 529.9 | 455.0 | 74.9 | 0.0 | 0.0 | 0.0 |
| Mahaica-Mahaicony-Abary Project (MMA) | Ongoing | Loan | IDB | 77.7 | 12.3 | 65.4 | 60.0 | 0.0 | 60.0 | 25.0 | 0.0 | 25.0 |
| Black Bush Polder Rehabilitation | Ongoing | Loan | IDB | 119.1 | 61.4 | 57.7 | 5.0 | 0.0 | 5.0 | 0.0 | 0.0 | 0.0 |
| Rehab. of Drainage & Irrigation Areas | Ongoing | Loan | IDB | 72.0 | 32.9 | 39.1 | 152.0 | 72.0 | 80.0 | 153.0 | 122.4 | 30.6 |
| Artisanal fishery (Coastal) | Ongoing | Grant | CIDA | 43.7 | 17.3 | 26.4 | 40.0 | 0.0 | 40.0 | 0.0 | 0.0 | 0.0 |
| Geodetic Survey | Ongoing | Local | Local | 0.7 | 0.0 | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Fishery Equipment Facility | Ongoing | Grant | CIDA | 37.7 | 36.7 | 1.1 | 100.7 | 100.0 | 0.7 | 100.7 | 100.0 | 0.7 |
| Artificial Insemination Program | Ongoing | Local | Local | 0.6 | 0.0 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| National Padi & Rice Grading Center (NPRGC) | Ongoing | Local | Local | 5.0 | 0.0 | 5.0 | 0.9 | 0.0 | 0.9 | 0.6 | 0.0 | 0.6 |

Table IV.3: GUYANA - PUBLIC SECTOR INVESTMENT PROGRAM, 1991-93
(1991 G\$ million)

| Projects | Status | Fin. | Source | 1991 Estimated Actual | | | 1992 Prel. Proposal | | | 1993 Prel. Proposal | | |
|--|---------|-------|--------|-----------------------|----------|-------|---------------------|----------|-------|---------------------|----------|---------|
| | | | | Total | External | Local | Total | External | Local | Total | External | Local |
| Manufacturing | | | | 214.2 | 126.9 | 87.3 | 249.9 | 100.0 | 149.9 | 132.7 | 124.8 | 7.960 |
| Guy. Manuf. & Indus. Dev. Agency (GUYMIDA) | Ongoing | Grant | UNDP | 106.4 | 103.1 | 3.3 | 3.0 | 0.0 | 3.0 | 3.0 | 0.0 | 2.960 |
| Guyana National Engineering Corp. (GNEC) | Ongoing | Local | Local | 21.5 | 0.0 | 21.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.000 |
| GNEC Works 1 | Ongoing | Grant | China | 29.8 | 23.8 | 6.0 | 16.9 | 0.0 | 16.9 | 0.0 | 0.0 | 0.000 |
| Seals & Package Industries Ltd. (SAPIL) | Ongoing | Loan | Credit | 39.0 | 0.0 | 39.0 | 230.0 | 100.0 | 130.0 | 129.8 | 124.8 | 5.000 |
| SAPIL - Other Capital Works | Ongoing | Local | Local | 17.6 | 0.0 | 17.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.000 |
| Mining | | | | 1296.5 | 1145.9 | 150.6 | 1474.5 | 975.9 | 498.6 | 5.4 | 0.0 | 6.412 |
| GUYMINE - Capital Works | Ongoing | Loan | YSMIM | 1285.2 | 1143.1 | 142.1 | 1122.2 | 975.9 | 146.3 | 0.0 | 0.0 | 0.000 |
| GUYMINE - Capital Works | Ongoing | Local | Local | 7.8 | 2.5 | 5.3 | 193.5 | 0.0 | 193.5 | 0.0 | 0.0 | 0.000 |
| GUYMINE - Barges | Ongoing | Local | Local | 0.0 | 0.0 | 0.0 | 153.4 | 0.0 | 153.4 | 0.0 | 0.0 | 0.000 |
| Quarries - Guyana National Service (GNS) | Ongoing | Grant | EEC | 3.0 | 0.0 | 3.0 | 5.4 | 0.0 | 5.4 | 6.4 | 0.0 | 6.412 |
| Quarries - Private Sector (IRP) | Ongoing | Grant | EEC | 0.5 | 0.3 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.000 |
| Power | | | | 150.4 | 78.4 | 72.1 | 2215.9 | 1896.4 | 319.5 | 1242.4 | 1151.2 | 91.242 |
| Power Extension (Regions) | Ongoing | Local | Local | 3.0 | 0.0 | 3.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.000 |
| Petroleum Explo Promotion Project | Ongoing | Local | Local | 0.0 | 0.0 | 0.0 | 18.0 | 16.3 | 2.0 | 0.0 | 0.0 | 0.000 |
| Hydropower Division | Ongoing | Grant | OLADE | 0.1 | 0.0 | 0.1 | 25.4 | 18.5 | 6.9 | 427.4 | 424.3 | 3.144 |
| GEC - Power Station | Ongoing | Loan | IDB | 140.4 | 78.4 | 62.0 | 2172.5 | 1861.9 | 310.6 | 815.0 | 726.9 | 88.098 |
| GEC - 5.7 MW | Ongoing | Loan | Japan | 1.6 | 0.0 | 1.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.000 |
| GEC - Other Capital Works | Ongoing | Local | Local | 5.3 | 0.0 | 5.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.000 |
| Transportation & Communication | | | | 355.1 | 132.9 | 222.2 | 1259.9 | 813.4 | 446.6 | 1391.7 | 913.4 | 478.380 |
| Guyana Post Office Corp. (GPOC) | Ongoing | Local | Local | 6.7 | 0.0 | 6.7 | 15.7 | 0.0 | 15.7 | 15.8 | 0.0 | 15.790 |
| Timehri Airport | Ongoing | Grant | Local | 42.0 | 0.0 | 42.0 | 16.0 | 0.0 | 16.0 | 45.0 | 0.0 | 45.000 |
| Stellings & Wharves | Ongoing | Local | Local | 2.7 | 0.0 | 2.7 | 3.0 | 0.0 | 3.0 | 3.0 | 0.0 | 3.000 |
| Demerara Harbour Bridge | Ongoing | Grant | EEC | 58.4 | 9.0 | 49.4 | 38.0 | 0.0 | 38.0 | 126.0 | 0.0 | 126.000 |
| Equipment - Civil Aviation | Ongoing | Local | Local | 10.4 | 0.0 | 10.4 | 30.8 | 0.0 | 30.8 | 19.8 | 0.0 | 19.800 |
| Guyana/Surinam Ferry Project | Ongoing | Local | Local | 0.6 | 0.0 | 0.6 | 2.6 | 0.0 | 2.6 | 3.3 | 0.0 | 3.324 |
| Hinterland Airstrips | Ongoing | Local | Local | 1.9 | 0.0 | 1.9 | 3.5 | 0.0 | 3.5 | 15.0 | 0.0 | 15.000 |
| Land and Water Transport | Ongoing | Local | Local | 12.7 | 0.0 | 12.7 | 10.0 | 0.0 | 10.0 | 10.0 | 0.0 | 9.990 |
| Reconditioning of Ships | Ongoing | Local | Local | 4.0 | 0.0 | 4.0 | 20.0 | 0.0 | 20.0 | 8.8 | 0.0 | 8.800 |
| Navigational Aids | Ongoing | Local | Local | 1.3 | 0.0 | 1.3 | 2.3 | 0.0 | 2.3 | 2.8 | 0.0 | 2.824 |
| Roads (Regions) | Ongoing | Local | Local | 25.5 | 0.0 | 25.5 | 46.0 | 0.0 | 46.0 | 37.0 | 0.0 | 36.990 |
| Ferry Services | Ongoing | Grant | EEC | 2.7 | 2.1 | 0.6 | 1.1 | 0.0 | 1.1 | 1.3 | 0.0 | 1.320 |
| Reconditioning of Ferry Vessels | Ongoing | Local | Local | 0.4 | 0.0 | 0.4 | 15.1 | 0.0 | 15.1 | 6.4 | 0.0 | 6.402 |
| Bridges | Ongoing | Local | Local | 23.3 | 0.0 | 23.3 | 33.8 | 0.0 | 33.8 | 20.0 | 0.0 | 20.000 |
| Nabura/Lethea Road | Ongoing | Loan | Brazil | 132.8 | 121.8 | 11.0 | 863.4 | 813.4 | 50.0 | 994.4 | 913.4 | 81.000 |
| Cargo Vessel Spares | Ongoing | Local | Local | 2.1 | 0.0 | 2.1 | 5.5 | 0.0 | 5.5 | 3.1 | 0.0 | 3.140 |
| Georgetown - Georgetown Timehri Road | Ongoing | Local | Local | 27.7 | 0.0 | 27.7 | 153.3 | 0.0 | 153.3 | 80.0 | 0.0 | 80.000 |

Table IV.3: GUYANA - PUBLIC SECTOR INVESTMENT PROGRAM, 1991-93
(1991 G\$ million)

| Projects | Status | Fin. | Source | 1991 Estimated Actual | | | 1992 Prel. Proposal | | | 1993 Prel. Proposal | | |
|--|---------|-------|--------|-----------------------|----------|-------|---------------------|----------|-------|---------------------|----------|---------|
| | | | | Total | External | Local | Total | External | Local | Total | External | Local |
| Water | | | | 137.1 | 46.1 | 91.1 | 318.0 | 265.0 | 53.0 | 171.0 | 106.5 | 64.483 |
| Water Improvement | Ongoing | Grant | IDB | 1.8 | 0.0 | 1.8 | 159.8 | 142.0 | 17.7 | 111.0 | 106.5 | 4.440 |
| Guyana Sewerage & Water Comm. Ph.II | Ongoing | Local | Local | 47.1 | 9.5 | 37.5 | 133.0 | 123.0 | 10.0 | 15.0 | 0.0 | 15.043 |
| Pure Water Supply - Guy. Defence Force | Ongoing | Local | Local | 3.0 | 0.0 | 3.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.000 |
| Water Supply (Regions) | Ongoing | Local | Local | 4.7 | 0.0 | 4.7 | 0.2 | 0.0 | 0.2 | 5.0 | 0.0 | 5.000 |
| Rural Water Supply | Ongoing | Grant | EEC | 80.5 | 36.5 | 44.0 | 25.0 | 0.0 | 25.0 | 40.0 | 0.0 | 40.000 |
| Tourism | | | | 0.0 | 0.0 | 0.0 | 5.1 | 0.0 | 5.1 | 6.0 | 0.0 | 6.042 |
| General Public Service | | | | 699.8 | 94.7 | 605.1 | 791.7 | 0.0 | 791.7 | 273.5 | 61.7 | 811.865 |
| Administration & Planning | | | | 136.7 | 46.8 | 89.9 | 80.4 | 0.0 | 80.4 | 65.6 | 0.0 | 65.636 |
| Guyana National Service (GNS) | Ongoing | Local | Local | 5.5 | 0.0 | 5.5 | 6.0 | 0.0 | 6.0 | 6.0 | 0.0 | 6.042 |
| Government Buildings (Rehab.) | Ongoing | Local | Local | 35.3 | 8.8 | 26.6 | 20.0 | 0.0 | 20.0 | 11.2 | 0.0 | 11.220 |
| Minor Works | Ongoing | Local | Local | 10.5 | 0.0 | 10.5 | 7.0 | 0.0 | 7.0 | 7.0 | 0.0 | 7.030 |
| Hydrometeorological Services | Ongoing | Local | Local | 0.9 | 0.0 | 0.9 | 2.0 | 0.0 | 2.0 | 0.2 | 0.0 | 0.200 |
| Office & Residence of the President | Ongoing | Local | Local | 2.0 | 0.0 | 2.0 | 5.0 | 0.0 | 5.0 | 4.0 | 0.0 | 4.000 |
| Buildings-Administration (Regions) | Ongoing | Local | Local | 11.6 | 0.0 | 11.6 | 9.1 | 0.0 | 9.1 | 9.0 | 0.0 | 9.001 |
| Equipment & Furniture | Ongoing | Local | Local | 14.3 | 0.0 | 14.3 | 11.1 | 0.0 | 11.1 | 11.0 | 0.0 | 11.000 |
| Technical Assistance | Ongoing | Local | Local | 0.6 | 0.0 | 0.6 | 2.0 | 0.0 | 2.0 | 2.0 | 0.0 | 1.973 |
| Project Development & Assistance | Ongoing | Local | Local | 15.5 | 0.0 | 15.5 | 15.2 | 0.0 | 15.2 | 15.2 | 0.0 | 15.170 |
| Public Corporation Secretariat | Ongoing | Local | UNDP | 40.5 | 38.0 | 2.5 | 3.0 | 0.0 | 3.0 | 0.0 | 0.0 | 0.000 |
| Contributions to International Agencies | | | | 106.0 | 0.0 | 106.0 | 284.8 | 0.0 | 284.8 | 307.9 | 0.0 | 307.893 |
| Multi-lateral Investment Guarantee Agency | Ongoing | Local | Local | 0.0 | 0.0 | 0.0 | 9.3 | 0.0 | 9.3 | 12.0 | 0.0 | 12.000 |
| Caribbean Development Bank | Ongoing | Local | Local | 78.0 | 0.0 | 78.0 | 144.0 | 0.0 | 144.0 | 165.0 | 0.0 | 165.000 |
| I.D.A | Ongoing | Local | Local | 0.0 | 0.0 | 0.0 | 8.3 | 0.0 | 8.3 | 8.3 | 0.0 | 8.261 |
| I.D.B | Ongoing | Local | Local | 28.0 | 0.0 | 28.0 | 76.0 | 0.0 | 76.0 | 85.0 | 0.0 | 85.000 |
| I.F.C | Ongoing | Local | Local | 0.0 | 0.0 | 0.0 | 29.7 | 0.0 | 29.7 | 20.0 | 0.0 | 20.000 |
| I.I.C | Ongoing | Local | Local | 0.0 | 0.0 | 0.0 | 17.6 | 0.0 | 17.6 | 17.6 | 0.0 | 17.632 |
| Public Safety | | | | 50.0 | 0.0 | 50.0 | 34.3 | 0.0 | 34.3 | 67.0 | 0.0 | 67.036 |
| Office Equipment & Furniture | Ongoing | Local | Local | 0.4 | 0.0 | 0.4 | 0.5 | 0.0 | 0.5 | 1.5 | 0.0 | 1.500 |
| Buildings (Home Affairs) | Ongoing | Local | Local | 0.7 | 0.0 | 0.7 | 0.5 | 0.0 | 0.5 | 0.0 | 0.0 | 0.000 |
| Buildings - Prisons | Ongoing | Local | Local | 1.4 | 0.0 | 1.4 | 10.0 | 0.0 | 10.0 | 15.0 | 0.0 | 15.043 |
| Fire & Ambulance Stations | Ongoing | Local | Local | 0.3 | 0.0 | 0.3 | 0.5 | 0.0 | 0.5 | 0.5 | 0.0 | 0.493 |
| Police Stations & Buildings | Ongoing | Local | Local | 32.7 | 0.0 | 32.7 | 12.0 | 0.0 | 12.0 | 20.0 | 0.0 | 20.000 |
| Tools & Equipment - Fire | Ongoing | Local | Local | 3.0 | 0.0 | 3.0 | 0.8 | 0.0 | 0.8 | 15.0 | 0.0 | 15.000 |
| Equipment - Police | Ongoing | Local | Local | 11.6 | 0.0 | 11.6 | 10.0 | 0.0 | 10.0 | 15.0 | 0.0 | 15.000 |

Table IV.3: GUYANA - PUBLIC SECTOR INVESTMENT PROGRAM, 1991-93
(1991 G\$ million)

| Projects | Status | Fin. | Source | 1991 Estimated Actual | | | 1992 Prel. Proposal | | | 1993 Prel. Proposal | | |
|---|---------|-------|---------------|-----------------------|----------|-------|---------------------|----------|-------|---------------------|----------|---------|
| | | | | Total | External | Local | Total | External | Local | Total | External | Local |
| Other fixed Investment | | | | 407.2 | 47.9 | 359.2 | 392.3 | 0.0 | 392.3 | 433.0 | 61.7 | 371.300 |
| Bureau of Standards | Ongoing | Local | Local | 0.2 | 0.0 | 0.2 | 0.2 | 0.0 | 0.2 | 0.3 | 0.0 | 0.250 |
| GAIBANK - PL480 | Ongoing | Loan | USAID | 13.0 | 0.0 | 13.0 | 15.0 | 0.0 | 15.0 | 0.0 | 0.0 | 0.000 |
| Infrastructure Rehab. Project | Ongoing | Grant | EEC | 316.6 | 16.7 | 299.9 | 350.0 | 0.0 | 350.0 | 350.1 | 0.0 | 350.050 |
| SPS/National Planning Project | Ongoing | Grant | IDB/IBRD/UNDP | 42.0 | 31.3 | 10.8 | 12.0 | 0.0 | 12.0 | 69.7 | 61.7 | 8.000 |
| Statistical Bureau | Ongoing | Grant | UNDP | 14.9 | 0.0 | 14.9 | 3.0 | 0.0 | 3.0 | 3.0 | 0.0 | 3.000 |
| Inst. of Applied Science & Tech. (IAST) | Ongoing | Grant | UNDP | 20.4 | 0.0 | 20.4 | 12.0 | 0.0 | 12.0 | 10.0 | 0.0 | 10.000 |
| Social Services | | | | 486.4 | 334.0 | 152.4 | 2111.1 | 1763.0 | 348.1 | 2574.5 | 2186.0 | 388.520 |
| Education | | | | 312.4 | 244.9 | 67.6 | 1202.0 | 963.0 | 239.0 | 658.0 | 472.0 | 186.000 |
| Carnegie School of Home Economics | Ongoing | Local | Local | 0.2 | 0.0 | 0.2 | 3.0 | 0.0 | 3.0 | 3.0 | 0.0 | 3.000 |
| Nursery, Primary & Secondary Schools | Ongoing | Local | Local | 6.2 | 0.0 | 6.2 | 10.0 | 0.0 | 10.0 | 15.0 | 0.0 | 15.000 |
| School Furniture (Education) | Ongoing | Local | Local | 1.2 | 0.0 | 1.2 | 17.0 | 7.0 | 10.0 | 5.0 | 0.0 | 5.000 |
| Primary Education Project | Ongoing | Loan | IDB | 68.7 | 39.4 | 29.3 | 515.0 | 392.0 | 123.0 | 625.0 | 472.0 | 153.000 |
| Human Resource Development | Ongoing | Loan | IDB | 223.8 | 205.5 | 18.3 | 652.1 | 564.0 | 88.1 | 0.0 | 0.0 | 0.000 |
| School Buildings (Regions) | Ongoing | Local | Local | 10.9 | 0.0 | 10.9 | 5.1 | 0.0 | 5.1 | 10.0 | 0.0 | 10.000 |
| President's College | Ongoing | Local | Local | 1.5 | 0.0 | 1.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.000 |
| Housing & Community Services | | | | 30.9 | 1.0 | 29.9 | 30.9 | 0.0 | 30.9 | 40.0 | 0.0 | 40.000 |
| Infrastructure Development & Blding | Ongoing | Grant | UNDP | 16.8 | 1.0 | 15.8 | 28.0 | 0.0 | 28.0 | 35.0 | 0.0 | 35.000 |
| Youth & Sports | Ongoing | Local | Local | 14.0 | 0.0 | 14.0 | 3.0 | 0.0 | 3.0 | 5.0 | 0.0 | 5.000 |
| Cultural Centre | Ongoing | Local | Local | 0.1 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.000 |
| Health | | | | 143.1 | 88.2 | 54.8 | 878.1 | 800.0 | 78.1 | 1876.5 | 1714.0 | 162.520 |
| Palms | Ongoing | Local | Local | 1.0 | 0.0 | 1.0 | 4.0 | 0.0 | 4.0 | 5.0 | 0.0 | 5.000 |
| Building | Ongoing | Local | Local | 5.4 | 0.0 | 5.4 | 8.0 | 0.0 | 8.0 | 11.0 | 0.0 | 11.000 |
| Georgetown Hospital (Health Care II) | Ongoing | Loan | IDB | 125.9 | 88.2 | 37.7 | 842.7 | 800.0 | 42.7 | 1837.0 | 1714.0 | 123.000 |
| Buildings - Health (Region) | Ongoing | Local | Local | 5.9 | 0.0 | 5.9 | 20.0 | 0.0 | 20.0 | 20.0 | 0.0 | 20.000 |
| Equipment - Health (Region) | Ongoing | Local | Local | 4.8 | 0.0 | 4.8 | 3.5 | 0.0 | 3.5 | 3.5 | 0.0 | 3.520 |

Table IV.3: GUYANA - PUBLIC SECTOR INVESTMENT PROGRAM, 1991-93
(1991 G\$ million)

| Projects | Status | Fin. | Source | 1991 Estimated Actual | | | 1992 Prel. Proposal | | | 1993 Prel. Proposal | | |
|---|--------|-------|--------|-----------------------|----------|-------|---------------------|----------|--------|---------------------|----------|-------|
| | | | | Total | External | Local | Total | External | Local | Total | External | Local |
| NEW PROJECTS | | | | 1032.9 | 757.2 | 275.7 | 3437.4 | 2276.5 | 1160.8 | 1858.3 | 1222.6 | 635.7 |
| Economic Services | | | | 952.9 | 726.4 | 226.5 | 2942.8 | 2022.0 | 920.8 | 1447.2 | 960.9 | 486.3 |
| Agriculture | | | | 775.5 | 726.4 | 49.1 | 1843.3 | 1620.4 | 222.9 | 531.6 | 524.6 | 7.0 |
| Guyana Rice Export Board (GREB) | New | Local | Local | 0.0 | 0.0 | 0.0 | 0.8 | 0.0 | 0.8 | 1.0 | 0.0 | 1.0 |
| Agriculture Rehabilitation I | New | Loan | IDB | 9.9 | 0.0 | 9.9 | 1323.8 | 1319.8 | 4.0 | 530.6 | 524.6 | 6.0 |
| East Bank Berbice Drainage Scheme | New | Grant | EEC | 0.6 | 0.0 | 0.6 | 33.0 | 33.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Guyana Rice Milling & Mkt. Auth (GRMMA) | New | Grant | China | 765.0 | 726.4 | 38.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Guyuco - Administration | New | Local | Local | 0.0 | 0.0 | 0.0 | 485.5 | 267.5 | 218.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | | | | 86.3 | 0.0 | 86.3 | 133.0 | 0.0 | 133.0 | 295.1 | 51.3 | 243.8 |
| GNEC | New | Local | Local | 82.4 | 0.0 | 82.4 | 0.0 | 0.0 | 0.0 | 192.4 | 51.3 | 141.1 |
| GPC | New | Local | Local | 2.2 | 0.0 | 2.2 | 6.4 | 0.0 | 6.4 | 14.6 | 0.0 | 14.6 |
| Seals & Package Industries Ltd. (SAPIL) | New | Local | Local | 1.5 | 0.0 | 1.5 | 39.0 | 0.0 | 39.0 | 5.0 | 0.0 | 5.0 |
| NEOCOL | New | Local | Local | 0.1 | 0.0 | 0.1 | 27.5 | 0.0 | 27.5 | 77.4 | 0.0 | 77.4 |
| Guyana Soap & Detergent Co. Ltd. | New | Local | Local | 0.2 | 0.0 | 0.2 | 0.3 | 0.0 | 0.3 | 2.3 | 0.0 | 2.3 |
| Guyana Stockfeeds | New | Local | Local | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Sanata Textile | New | Local | Local | 0.0 | 0.0 | 0.0 | 59.9 | 0.0 | 59.9 | 3.4 | 0.0 | 3.4 |
| Mining | | | | 3.4 | 0.0 | 3.4 | 31.9 | 0.0 | 31.9 | 0.0 | 0.0 | 0.0 |
| GUYMINE - Vehicles | New | Local | Local | 3.4 | 0.0 | 3.4 | 31.9 | 0.0 | 31.9 | 0.0 | 0.0 | 0.0 |
| GUYMINE - Others | New | Local | Local | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Power | | | | 6.6 | 0.0 | 6.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GEC - Other Capital | New | Local | Local | 6.6 | 0.0 | 6.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transport & Communication | | | | 69.6 | 0.0 | 69.6 | 781.6 | 263.6 | 518.0 | 382.5 | 220.0 | 162.5 |
| Bridges | New | Local | Local | 1.2 | 0.0 | 1.2 | 375.0 | 0.0 | 375.0 | 20.0 | 0.0 | 20.0 |
| Guyana National Shipping | New | Local | Local | 9.7 | 0.0 | 9.7 | 21.3 | 0.0 | 21.3 | 18.0 | 0.0 | 18.0 |
| Guyana Airways Corp. (GAC) | New | Local | Local | 36.6 | 0.0 | 36.6 | 45.9 | 0.0 | 45.9 | 47.1 | 0.0 | 47.1 |
| Guyana National Newspapers Limited | New | Local | Local | 9.4 | 0.0 | 9.4 | 15.0 | 0.0 | 15.0 | 22.5 | 0.0 | 22.5 |
| Land & Water Transport | New | Grant | IDB | 0.6 | 0.0 | 0.6 | 25.0 | 0.0 | 25.0 | 0.0 | 0.0 | 0.0 |
| Miscellaneous Roads | New | Local | Local | 12.2 | 0.0 | 12.2 | 299.5 | 263.6 | 35.8 | 275.0 | 220.0 | 55.0 |
| GPOC | New | Local | Local | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 | 0.0 | 0.4 |

Table IV.3: GUYANA - PUBLIC SECTOR INVESTMENT PROGRAM, 1991-93
(1991 G\$ million)

| Projects | Status | Fin. | Source | 1991 Estimated Actual | | | 1992 Prel. Proposal | | | 1993 Prel. Proposal | | |
|---|--------|-------|----------------|-----------------------|----------|-------|---------------------|----------|-------|---------------------|----------|--------|
| | | | | Total | External | Local | Total | External | Local | Total | External | Local |
| Water | | | | 11.4 | 0.0 | 11.4 | 153.0 | 138.0 | 15.0 | 238.0 | 165.0 | 73.000 |
| Environmental Sanitation | New | Local | Local | 11.4 | 0.0 | 11.4 | 15.0 | 0.0 | 15.0 | 18.0 | 0.0 | 18.000 |
| Guyana Sewerage & Water Comm. | New | Local | | 0.0 | 0.0 | 0.0 | 138.0 | 138.0 | 0.0 | 220.0 | 165.0 | 55.000 |
| General Public Service | | | | 75.0 | 30.8 | 44.3 | 125.6 | 49.6 | 76.0 | 103.8 | 13.1 | 90.720 |
| Administration & Planning | | | | 35.2 | 30.8 | 4.4 | 28.0 | 25.0 | 3.0 | 0.0 | 0.0 | 0.000 |
| Institutional Strengthening | New | Grant | IDB | 25.6 | 24.0 | 1.7 | 27.0 | 25.0 | 2.0 | 0.0 | 0.0 | 0.000 |
| Equipment & Furniture | New | Grant | IDB | 9.1 | 6.8 | 2.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.000 |
| Acquisition of Property | New | Local | Local | 0.5 | 0.0 | 0.5 | 1.0 | 0.0 | 1.0 | 0.0 | 0.0 | 0.000 |
| Public Safety | | | | 6.6 | 0.0 | 6.6 | 10.0 | 0.0 | 10.0 | 0.0 | 0.0 | 0.000 |
| General Register Office | New | Local | Local | 0.1 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.000 |
| Buildings - GDF | New | Local | Local | 0.3 | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.000 |
| Pistols & Ammunition | New | Local | Local | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.000 |
| Timhri Fire Hall | New | Local | Local | 4.8 | 0.0 | 4.8 | 10.0 | 0.0 | 10.0 | 0.0 | 0.0 | 0.000 |
| Land & Water Transport - Prison | New | Local | Local | 1.4 | 0.0 | 1.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.000 |
| Other Fixed Investment | | | | 33.2 | 0.0 | 33.2 | 87.6 | 24.6 | 63.0 | 103.8 | 13.1 | 90.720 |
| Guyana National Printers Ltd. (GNPL) | New | Local | Local | 6.7 | 0.0 | 6.7 | 15.9 | 0.0 | 15.9 | 31.5 | 0.0 | 31.490 |
| GUYOIL | New | Local | Local | 11.3 | 0.0 | 11.3 | 17.4 | 0.0 | 17.4 | 52.0 | 13.1 | 38.870 |
| Guyana Stores Ltd. (GSL) | New | Local | Local | 15.3 | 0.0 | 15.3 | 23.8 | 0.0 | 23.8 | 20.4 | 0.0 | 20.360 |
| Study Expert Fund (STEP) | New | Grant | CDB | 0.0 | 0.0 | 0.0 | 30.6 | 24.6 | 6.0 | 0.0 | 0.0 | 0.000 |
| Social Services | | | | 5.0 | 0.0 | 5.0 | 368.9 | 204.9 | 164.0 | 307.3 | 248.6 | 58.700 |
| SINAP | New | Grant | IDB/EEC/France | 2.0 | 0.0 | 2.0 | 143.3 | 143.3 | 0.0 | 164.6 | 137.6 | 27.000 |
| Education | | | | 1.6 | 0.0 | 1.6 | 1.0 | 0.0 | 1.0 | 1.0 | 0.0 | 1.000 |
| Critchlow Labour College | New | Local | Local | 1.0 | 0.0 | 1.0 | 1.0 | 0.0 | 1.0 | 1.0 | 0.0 | 1.000 |
| David Rose School | New | Local | Local | 0.4 | 0.0 | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.000 |
| Other Equipment | New | Local | Local | 0.2 | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.000 |
| Housing & Community Services | | | | 2.4 | 0.0 | 2.4 | 224.7 | 61.7 | 163.0 | 141.7 | 111.0 | 30.700 |
| Recreation Facilities | New | Local | Local | 1.4 | 0.0 | 1.4 | 3.0 | 0.0 | 3.0 | 3.0 | 0.0 | 3.000 |
| GCRFB | New | Local | Local | 1.0 | 0.0 | 1.0 | 10.0 | 0.0 | 10.0 | 0.0 | 0.0 | 0.000 |
| Urban Renewal Project | New | Local | | 0.0 | 0.0 | 0.0 | 211.7 | 61.7 | 150.0 | 138.7 | 111.0 | 27.700 |

Source: State Planning Secretariat as of March 1992.

STATISTICAL APPENDIX

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Table 1.1: GUYANA - POPULATION TRENDS, 1976-90

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|-------------------|------------------|--------------|--------------|--------------|--------------|--------------|
| Total Population (beginning of year)a/ | 732924 | 738858 | 744840 | 750870 | 756960 | 757173 | 757386 | 757600 | 757300 | 756900 | 756500 | 756100 | 755700 | 755300 | 754900 |
| Total births b/ | 23154 | 23300 | 22700 | 23120 | 23000 | 23000 | 23000 | 22500 | 23000 | 20900 | 18600 | 18300 | 19568 | 20521 | 17522 |
| Total deaths c/ | 6251 | 5895 | 5592 | 5560 | 5575 | 6000 | 6500 | 6500 | 9000 | 11500 | 5400 | 5800 | 5967 | 5605 | 6134 |
| Natural population increase | 16903 | 17405 | 17108 | 17560 | 17425 | 17000 | 16500 | 16000 | 14000 | 9400 | 13200 | 12500 | 13601 | 14916 | 11388 |
| Apparent net migration d/ (Reported net migration) | -10969 (-4869) | -11423 (-5000) | -11078 (-7000) | -11470 (-8000) | -17212 (-11000) | -16787 (-10000) | -16286 (-11010) | -10772 (-10000) | -14400 (-8113) | -9800 (-8000) | -13600 .. | -12900 .. | -14001 .. | -15316 .. | -11788 .. |
| Net population increase | 5934 | 5982 | 6030 | 6090 | 213 | 213 | 214 | -300 | -400 | -400 | -400 | -400 | -400 | -400 | -400 |
| Crude birth rate (per 1000) | 31.6 | 31.5 | 30.5 | 30.8 | 30.4 | 30.4 | 30.4 | 29.7 | 30.4 | 27.6 | 24.6 | 24.2 | 25.9 | 27.2 | 23.2 |
| Crude death rate (per 1000) | 8.5 | 8.0 | 7.5 | 7.4 | 7.4 | 7.9 | 8.6 | 8.6 | 11.9 | 15.2 | 7.1 | 7.7 | 7.9 | 7.4 | 8.1 |
| Rate of natural increase(%) | 2.3 | 2.4 | 2.3 | 2.3 | 2.3 | 2.2 | 2.2 | 2.1 | 1.8 | 1.2 | 1.7 | 1.7 | 1.8 | 2.0 | 1.5 |

note:

a/ April 7, 1970 census showed population of 669,848 excluding persons in institutions, and May 12, 1990 population census showed 756690.

b/ Estimated from 1977 onwards.

c/ Estimated from 1979 onwards.

d/ Equals net population increase less natural population increase

Source: Statistical Bureau.

Table 1.2: GUYANA - EMPLOYMENT IN THE PUBLIC SECTOR, 1980-90

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|--|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | (number of employees) | | | | | | | | | | |
| Total employment | 98848 | 86226 | 83754 | 81226 | 78106 | 75947 | 74048 | 74578 | 70394 | 66928 | 67461 |
| Central government | 42000 | 29981 | 27502 | 28096 | 28686 | 28686 | 28650 | 27411 | 24493 | 22034 | 18656 |
| Rest of the public sector | 56848 | 56245 | 56252 | 53130 | 49420 | 47261 | 45398 | 47167 | 45901 | 44894 | 48805 |
| Guyana State Corporations (GUYSTAC group) | 18100 | 17132 | 15059 | 14554 | 13407 | 12635 | 14165 | 13046 | 12628 | 10947 | 9993 |
| Guyana Rice Board (GRB) | 3427 | 2854 | 2486 | 1942 | 1697 | 1436 | 1677 | 1720 | 2000 | 1299 | 1050 |
| Guyana Nat'l. Eng'g Corp. (GNEC) | 1576 | 1744 | 1508 | 1603 | 1406 | 1527 | 1410 | 1108 | 1134 | 976 | 997 |
| Guyana Stores Ltd. (GLT) | 1796 | 1912 | 1621 | 1444 | 1387 | 1387 | 1396 | 1422 | 1440 | 1291 | 1306 |
| Guyana Electricity Corp. (GEC) | 1506 | 1544 | 1371 | 1292 | 1318 | 1380 | 1137 | 1499 | 1524 | 1582 | 2324 |
| Guyana Pharmaceutical Corp. (GPC) | 1119 | 1292 | 1031 | 1037 | 1050 | 1028 | 600 | 506 | 575 | 468 | 446 |
| Guyana Transport Corp. (GTC) | 1302 | 1321 | 745 | 749 | 718 | 693 | 695 | 742 | 255 | 236 | 75 |
| Other corporations | 7374 | 6465 | 6297 | 6487 | 5831 | 5184 | 7250 | 6049 | 5700 | 5095 | 3795 |
| Guyana Sugar Corp. (GUYSUCCO) | 31128 | 31374 | 30540 | 30756 | 28104 | 26700 | 24158 | 25260 | 24198 | 25502 | 30963 |
| Guyana Mining Enterprises Ltd. (GUYMINE) | 7620 | 7739 | 7676 | 5272 | 4887 | 4887 | 4016 | 5710 | 5692 | 5051 | 4507 |
| Other independent Corporation | 0 | 0 | 1920 | 1460 | 1293 | 1335 | 1253 | 1220 | 1381 | 1287 | 1232 |
| Financial institutions | 0 | 0 | 1057 | 1088 | 1729 | 1704 | 1806 | 1931 | 2002 | 2107 | 2110 |
| | (as percent of total employment) | | | | | | | | | | |
| Central government | 42.5 | 34.8 | 32.8 | 34.6 | 36.7 | 37.8 | 38.7 | 36.8 | 34.8 | 32.9 | 27.7 |
| Rest of public sector | 57.5 | 65.2 | 67.2 | 65.4 | 63.3 | 62.2 | 61.3 | 63.2 | 65.2 | 67.1 | 72.3 |
| GUYSTAC group | 18.3 | 19.9 | 18.0 | 17.9 | 17.2 | 16.6 | 19.1 | 17.5 | 17.9 | 16.4 | 14.8 |
| GUYSUCCO | 31.5 | 36.4 | 36.5 | 37.9 | 36.0 | 35.2 | 32.6 | 33.9 | 34.4 | 38.1 | 45.9 |
| GUYMINE | 7.7 | 9.0 | 12.7 | 9.6 | 10.1 | 10.4 | 9.6 | 11.9 | 12.9 | 12.6 | 11.6 |

Source: State Planning Secretariat.

Table 1.3: GUYANA - WORK STOPPAGES IN THE PUBLIC SECTOR, 1976-90

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---------------------------------|--------|--------|-------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Number of Strikes | 284 | 383 | 300 | 219 | 333 | 621 | 653 | 731 | 493 | 718 | 453 | 497 | 349 | 138 | 329 |
| Sugar Industry | 234 | 326 | 241 | 158 | 276 | 585 | 639 | 704 | 480 | 712 | 447 | 489 | 345 | 134 | 315 |
| Other | 50 | 57 | 59 | 61 | 57 | 36 | 14 | 27 | 13 | 6 | 6 | 8 | 4 | 4 | 14 |
| Workers Involved | 49422 | 89687 | 52060 | 106366 | 40652 | 87697 | 81564 | 103519 | 60300 | 93718 | 47550 | 57757 | 39358 | 113320 | 61474 |
| Sugar Industry | 45069 | 82999 | 48215 | 91463 | 35475 | 84100 | 80373 | 94818 | 58779 | 93304 | 46957 | 57052 | 38856 | 107875 | 60905 |
| Other | 4353 | 6688 | 3845 | 14903 | 5177 | 3597 | 1191 | 8701 | 1521 | 414 | 593 | 705 | 502 | 5445 | 569 |
| Man-days Lost | 175166 | 964282 | 75791 | 324473 | 67620 | 125582 | 140744 | 290296 | 152000 | 208888 | 138364 | 131449 | 232595 | 686356 | 244498 |
| Sugar Industry | 165931 | 932402 | 72875 | 139091 | 60593 | 110118 | 127987 | 164309 | 144157 | 208443 | 135109 | 128986 | 231089 | 594339 | 229291 |
| Other | 9235 | 31880 | 2916 | 185382 | 7027 | 15464 | 12757 | 125987 | 7843 | 445 | 3255 | 2463 | 1506 | 92017 | 15207 |
| Wages Lost (G\$ million) | 1.89 | 10.20 | 0.96 | 6.40 | 1.20 | 2.60 | 3.30 | 5.10 | 3.40 | 4.36 | 3.40 | 4.50 | 8.50 | 35.90 | 16.90 |
| Sugar Industry | 1.78 | 10.00 | 0.96 | 2.80 | 1.10 | 2.30 | 3.10 | 3.00 | 3.30 | 4.35 | 2.9 | 3.8 | 8.1 | 29.3 | 16.9 |
| Other | 0.11 | 0.20 | 0.00 | 3.60 | 0.10 | 0.30 | 0.20 | 2.10 | 0.10 | 0.01 | 0.5 | 0.7 | 0.4 | 6.6 | 0 |

Sources: Ministry of Labor; State Planning Secretariat; and GUYSUCO.

Table 2.1: GUYANA - SECTORAL ORIGIN OF GROSS DOMESTIC PRODUCT AT CURRENT FACTOR COST, 1976-90
(G\$ million)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | Prel. 1990 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Agric., Forestry & Fishing | 236.0 | 210.8 | 256.6 | 263.5 | 312.0 | 300.0 | 292.0 | 291.0 | 347.0 | 439.0 | 490.0 | 884.0 | 936.0 | 3622.0 | 5261.0 |
| Sugar | 141.6 | 77.3 | 122.0 | 123.0 | 149.0 | 120.0 | 84.0 | 76.0 | 104.0 | 162.0 | 183.0 | 529.0 | 397.0 | 1205.0 | 1618.0 |
| Rice | 25.0 | 49.0 | 41.0 | 34.0 | 41.0 | 43.0 | 46.0 | 40.0 | 48.0 | 42.0 | 58.0 | 50.0 | 53.0 | 400.0 | 304.0 |
| Other crops | 25.0 | 35.3 | 38.6 | 42.0 | 48.0 | 54.0 | 65.0 | 75.0 | 80.0 | 92.0 | 103.0 | 120.0 | 186.0 | 646.0 | 960.0 |
| Livestock | 24.4 | 26.4 | 30.5 | 37.0 | 41.5 | 44.0 | 50.0 | 40.0 | 45.0 | 43.0 | 48.0 | 59.0 | 94.0 | 275.0 | 358.0 |
| Forestry | 10.0 | 10.0 | 11.0 | 12.0 | 15.5 | 19.0 | 25.0 | 30.0 | 35.0 | 45.0 | 43.0 | 58.0 | 80.0 | 923.0 | 1768.0 |
| Fishing | 10.0 | 12.8 | 13.5 | 15.5 | 17.0 | 20.0 | 22.0 | 30.0 | 35.0 | 55.0 | 55.0 | 68.0 | 121.0 | 173.0 | 253.0 |
| Mining and Quarrying | 145.0 | 164.2 | 178.5 | 169.5 | 221.0 | 101.0 | 88.0 | 17.0 | 59.0 | 56.0 | 103.0 | 339.0 | 360.0 | 1027.0 | 1392.0 |
| Bauxite & Alumina | 138.0 | 154.2 | 165.0 | 159.0 | 210.0 | 85.0 | 70.0 | 1.0 | 39.0 | 28.0 | 53.0 | 288.0 | 300.0 | 777.0 | 697.0 |
| Other | 7.0 | 10.0 | 13.5 | 10.5 | 11.0 | 16.0 | 18.0 | 16.0 | 20.0 | 28.0 | 50.0 | 51.0 | 60.0 | 250.0 | 695.0 |
| Manufacturing & Processing | 134.9 | 122.9 | 137.5 | 146.0 | 162.0 | 201.0 | 179.0 | 158.0 | 183.0 | 227.0 | 271.0 | 411.0 | 460.0 | 1211.0 | 1425.0 |
| Sugar milling | 49.4 | 27.1 | 43.0 | 43.0 | 49.0 | 40.0 | 28.0 | 23.0 | 36.0 | 53.0 | 67.0 | 185.0 | 126.0 | 489.0 | 651.0 |
| Rice milling | 4.5 | 9.2 | 8.5 | 6.0 | 10.0 | 11.0 | 16.0 | 10.0 | 17.0 | 14.0 | 16.0 | 16.0 | 23.0 | 167.0 | 61.0 |
| Other a/ | 81.0 | 86.6 | 86.0 | 97.0 | 103.0 | 150.0 | 135.0 | 125.0 | 130.0 | 160.0 | 188.0 | 210.0 | 311.0 | 555.0 | 713.0 |
| Construction | 85.0 | 76.9 | 75.0 | 85.0 | 95.0 | 110.0 | 95.0 | 98.0 | 100.0 | 120.0 | 124.0 | 141.0 | 246.0 | 434.0 | 620.0 |
| Services | 437.5 | 444.5 | 488.0 | 515.0 | 546.0 | 638.0 | 596.0 | 636.0 | 715.0 | 794.0 | 849.0 | 1143.0 | 1598.0 | 2780.0 | 5117.0 |
| Distribution | 108.1 | 100.0 | 104.0 | 117.0 | 115.0 | 145.0 | 123.0 | 120.0 | 125.0 | 133.0 | 134.0 | 166.0 | 290.0 | 500.0 | 915.0 |
| Transport & communications | 55.0 | 58.0 | 65.0 | 72.0 | 75.0 | 90.0 | 85.0 | 98.0 | 100.0 | 128.0 | 139.0 | 188.0 | 299.0 | 546.0 | 1056.0 |
| Rent of dwellings | 16.0 | 16.4 | 17.0 | 17.0 | 18.0 | 23.0 | 25.0 | 27.0 | 30.0 | 32.0 | 34.0 | 39.0 | 65.0 | 392.0 | 700.0 |
| Financial services | 38.0 | 42.8 | 44.0 | 45.0 | 54.0 | 64.0 | 80.0 | 88.0 | 95.0 | 100.0 | 100.0 | 134.0 | 185.0 | 295.0 | 961.0 |
| Government | 193.4 | 200.5 | 230.0 | 234.0 | 250.0 | 276.0 | 238.0 | 255.0 | 315.0 | 346.0 | 387.0 | 535.0 | 634.0 | 822.0 | 1175.0 |
| Other b/ | 27.0 | 26.8 | 28.0 | 30.0 | 34.0 | 40.0 | 45.0 | 48.0 | 50.0 | 55.0 | 55.0 | 81.0 | 125.0 | 225.0 | 310.0 |
| Total GDP at Factor Cost | 1038.4 | 1019.3 | 1135.6 | 1179.0 | 1336.0 | 1350.0 | 1250.0 | 1200.0 | 1404.0 | 1636.0 | 1837.0 | 2918.0 | 3600.0 | 9074.0 | 13815.0 |
| Indirect taxes | 143.7 | 127.0 | 146.0 | 164.0 | 190.0 | 265.0 | 208.0 | 278.0 | 326.0 | 381.0 | 485.0 | 567.0 | 538.0 | 1256.0 | 1850.0 |
| Subsidies (-) | 45.9 | 21.7 | 14.0 | 17.0 | 18.0 | 18.0 | 12.0 | 10.0 | 67.0 | 67.0 | 152.0 | 126.0 | 0.0 | 0.0 | 0.0 |
| Total GDP at Market Prices | 1136.2 | 1124.6 | 1267.6 | 1326.0 | 1508.0 | 1597.0 | 1446.0 | 1468.0 | 1663.0 | 1950.0 | 2170.0 | 3359.0 | 4138.0 | 10330.0 | 15665.0 |

a/ Includes electricity, gas and water.

b/ For 1987, includes all services except Government

Source: State Planning Secretariat; and Statistical Bureau.

Table 2.2: GUYANA - SECTORAL ORIGIN OF GROSS DOMESTIC PRODUCT AT CONSTANT FACTOR COST
(1977 G\$ million) a/

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---------------------------------------|-------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Agric., Forestry & Fishing | 218 | 211 | 229 | 213 | 214 | 219 | 216 | 208 | 215 | 215 | 223 | 218 | 198 | 198 | 165 |
| Sugar | 100 | 77 | 105 | 96 | 89 | 99 | 95 | 93 | 89 | 89 | 89 | 82 | 63 | 62 | 49 |
| Rice | 26 | 49 | 42 | 33 | 39 | 38 | 42 | 37 | 46 | 39 | 46 | 45 | 44 | 49 | 32 |
| Other crops | 37 | 35 | 35 | 34 | 36 | 36 | 37 | 41 | 43 | 47 | 48 | 49 | 50 | 50 | 52 |
| Livestock | 31 | 26 | 25 | 27 | 28 | 26 | 22 | 16 | 16 | 14 | 15 | 16 | 16 | 16 | 11 |
| Forestry | 12 | 10 | 10 | 9 | 8 | 7 | 8 | 8 | 7 | 8 | 7 | 8 | 7 | 6 | 6 |
| Fishing | 12 | 13 | 12 | 14 | 14 | 13 | 12 | 13 | 14 | 18 | 18 | 18 | 18 | 15 | 15 |
| Mining and Quarrying | 162 | 164 | 145 | 132 | 140 | 124 | 85 | 51 | 62 | 74 | 68 | 70 | 69 | 51 | 61 |
| Bauxite & Alumina | 154 | 154 | 134 | 124 | 133 | 114 | 76 | 44 | 49 | 58 | 50 | 49 | 47 | 35 | 35 |
| Other | 8 | 10 | 11 | 8 | 7 | 10 | 9 | 7 | 13 | 16 | 18 | 20 | 22 | 16 | 21 |
| Manufacturing & Processing | 122 | 123 | 126 | 131 | 132 | 140 | 122 | 102 | 96 | 93 | 93 | 90 | 87 | 78 | 72 |
| Sugar milling | 37 | 27 | 36 | 33 | 30 | 33 | 32 | 31 | 29 | 29 | 29 | 26 | 21 | 21 | 16 |
| Rice milling | 5 | 9 | 8 | 6 | 7 | 7 | 10 | 9 | 11 | 10 | 12 | 13 | 13 | 11 | 10 |
| Other b/ | 80 | 87 | 82 | 92 | 95 | 100 | 80 | 62 | 56 | 54 | 52 | 51 | 53 | 46 | 46 |
| Construction | 93 | 77 | 66 | 68 | 70 | 71 | 64 | 61 | 61 | 61 | 60 | 63 | 64 | 62 | 64 |
| Services | 455 | 445 | 424 | 432 | 436 | 435 | 399 | 382 | 387 | 386 | 387 | 363 | 367 | 361 | 365 |
| Distribution | 107 | 100 | 83 | 87 | 89 | 85 | 68 | 55 | 58 | 58 | 58 | 62 | 65 | 62 | 64 |
| Transport & communications | 56 | 58 | 56 | 63 | 64 | 64 | 63 | 63 | 65 | 62 | 63 | 71 | 73 | 70 | 71 |
| Rent of dwellings | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 17 | 17 | 17 | 18 | 18 | 18 | 18 |
| Financial services | 41 | 43 | 41 | 40 | 41 | 42 | 40 | 40 | 40 | 42 | 42 | 5 | 5 | 5 | 5 |
| Government | 207 | 201 | 203 | 204 | 205 | 207 | 191 | 187 | 187 | 187 | 187 | 187 | 184 | 184 | 184 |
| Other | 28 | 27 | 25 | 22 | 21 | 21 | 21 | 21 | 20 | 20 | 20 | 21 | 22 | 22 | 22 |
| Total GDP at Factor Cost | 1050 | 1019 | 990 | 976 | 992 | 989 | 886 | 804 | 821 | 829 | 831 | 805 | 785 | 751 | 726 |

a/ Official data on GDP at 1977 prices do not cover the years prior to 1977. Data for 1970-76 have been on the basis of sectoral and subsectoral growth rates derived from table 2.2.

b/ Includes electricity, gas and water.

Source: State Planning Secretariat; Statistical Bureau; and mission estimates.

Table 2.3: GUYANA - IMPLICIT DEFATORS, 1976-90

 (1977 = 100)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| Agric., Forestry & Fishing | 108.3 | 100.0 | 112.1 | 123.7 | 145.8 | 137.0 | 135.2 | 139.9 | 161.4 | 204.2 | 219.7 | 404.8 | 472.7 | 1830.3 | 3180.3 |
| Mining and Quarrying | 89.5 | 100.0 | 123.1 | 128.4 | 157.9 | 81.5 | 103.5 | 33.3 | 95.2 | 75.7 | 151.5 | 486.9 | 518.9 | 2003.5 | 2300.4 |
| Manufacturing & Processing | 110.6 | 100.0 | 109.1 | 111.5 | 122.7 | 143.6 | 146.7 | 154.9 | 190.6 | 244.1 | 291.4 | 455.2 | 526.3 | 1555.7 | 2007.0 |
| Construction | 91.4 | 100.0 | 113.6 | 125.0 | 135.7 | 154.9 | 148.4 | 160.7 | 163.9 | 196.7 | 206.7 | 222.5 | 386.7 | 696.3 | 974.6 |
| Services | 96.2 | 100.0 | 115.1 | 119.2 | 125.2 | 146.7 | 149.4 | 166.5 | 184.8 | 205.7 | 219.4 | 314.8 | 435.9 | 769.5 | 1401.9 |
| Total GDP at Factor Cost | 98.9 | 100.0 | 114.7 | 120.8 | 134.7 | 136.5 | 141.1 | 149.3 | 171.0 | 197.3 | 221.1 | 362.6 | 458.6 | 1208.9 | 1902.3 |

Source: Tables 2.1 and 2.3, Statistical Appendix.

Table 2.4: GUYANA - EXPENDITURES ON GROSS DOMESTIC PRODUCT AT CURRENT PRICES, 1976-90
(G\$ million)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| Total Consumption | 949.6 | 935.9 | 989.9 | 954.0 | 1200.3 | 1469.5 | 1335.2 | 1428.5 | 1326.7 | 1521.0 | 1448.9 | 2796.4 | 3440.9 | 7688.0 | 11670.0 |
| Public | 320.1 | 290.0 | 296.0 | 348.0 | 365.0 | 464.0 | 373.0 | 398.0 | 301.0 | 352.0 | 683.0 | 952.0 | 1162.0 | 1701.0 | 2133.0 |
| Private (residual) | 629.5 | 645.9 | 693.9 | 606.0 | 835.3 | 1005.5 | 962.2 | 1030.5 | 1025.7 | 1169.0 | 765.9 | 1044.0 | 1330.0 | 2557.7 | 4225.3 |
| Gross Domestic Investment | 469.4 | 363.6 | 278.0 | 497.0 | 494.0 | 501.0 | 361.0 | 314.0 | 456.0 | 698.0 | 871.0 | 1025.0 | 890.1 | 3536.0 | 6624.0 |
| Fixed Capital Formation | 425.2 | 326.8 | 260.0 | 411.0 | 449.0 | 471.0 | 361.0 | 314.0 | 456.0 | 582.0 | 733.0 | 1025.0 | 890.1 | 3536.0 | 6624.0 |
| Public | 311.0 | 230.0 | 195.0 | 260.0 | 334.0 | 361.0 | 301.0 | 254.0 | 376.0 | 411.0 | 535.0 | 910.0 | 761.0 | 1697.0 | 3487.0 |
| Private | 70.0 | 60.0 | 47.0 | 65.0 | 70.0 | 80.0 | 60.0 | 60.0 | 80.0 | 55.0 | 60.0 | 115.0 | 129.1 | 1839.0 | 3137.0 |
| Change in inventories | 44.2 | 36.8 | 18.0 | 86.0 | 45.0 | 30.0 | 0.0 | 0.0 | 0.0 | 116.0 | 138.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Resource Balance | -282.8 | -174.9 | -0.3 | -124.9 | -186.3 | -373.5 | -250.2 | -274.5 | -119.7 | -269.0 | -149.9 | -462.4 | -193.0 | -894.0 | -2629.0 |
| Exports of goods & NFS | 750.7 | 710.9 | 799.7 | 793.1 | 1225.8 | 1100.7 | 763.2 | 673.5 | 734.4 | 937.7 | 1004.8 | 2635.5 | 2633.0 | 7945.0 | 12269.0 |
| Imports of goods & NFS | 1033.5 | 885.9 | 799.9 | 918.0 | 1412.1 | 1474.2 | 1013.4 | 948.0 | 854.1 | 1206.7 | 1154.7 | 3097.9 | 2826.0 | 8839.0 | 14898.0 |
| GDP at current m.p. | 1136.2 | 1124.6 | 1267.6 | 1326.0 | 1508.0 | 1597.0 | 1446.0 | 1468.0 | 1663.0 | 1950.0 | 2170.0 | 3359.0 | 4138.0 | 10330.0 | 15665.0 |
| Net factor income from abroad | -60.9 | -67.1 | -64.5 | -77.0 | -123.6 | -174.9 | -178.8 | -218.1 | -246.3 | -272.5 | -446.9 | -725.0 | -869.0 | -2343.0 | -4098.0 |
| GNP at current m.p. | 1075.3 | 1057.5 | 1203.1 | 1249.0 | 1384.4 | 1422.1 | 1267.2 | 1249.9 | 1416.7 | 1677.5 | 1723.1 | 2634.0 | 3269.0 | 7987.0 | 11567.0 |
| Gross Domestic Savings | 186.6 | 188.7 | 277.7 | 372.1 | 307.7 | 127.5 | 110.8 | 39.5 | 336.3 | 429.0 | 721.1 | 562.6 | 697.1 | 2642.0 | 3995.0 |
| Net transfers from abroad | -15.6 | -9.9 | -16.6 | 0.8 | -18.0 | 0.6 | -24.6 | 3.0 | 18.6 | 42.2 | 41.9 | 46.6 | 195.0 | 700.0 | 1575.0 |
| Gross National Savings a/ | 110.1 | 111.7 | 196.7 | 295.8 | 166.1 | -46.8 | -92.6 | -175.6 | 108.6 | 198.7 | 316.1 | -115.8 | 23.1 | 999.0 | 1472.0 |
| Memo Item: | | | | | | | | | | | | | | | |
| Depreciation | 54.0 | 60.0 | 70.0 | 85.0 | 95.0 | 103.0 | 118.0 | 120.0 | 125.0 | 126.0 | 134.0 | 140.0 | 144.0 | 325.0 | 140.0 |
| National Income at current m.p. | 1021.3 | 997.5 | 1133.1 | 1164.0 | 1289.4 | 1319.1 | 1149.2 | 1129.9 | 1291.7 | 1551.5 | 1589.1 | 2494.0 | 3125.0 | 7662.0 | 11427.0 |
| Indirect Taxes less subsidies | 97.8 | 105.8 | 132.0 | 147.0 | 172.0 | 247.0 | 196.0 | 268.0 | 275.0 | 290.0 | 399.0 | 464.0 | 538.0 | 1250.0 | 2140.0 |
| GNP at current f.c. | 977.5 | 951.7 | 1071.1 | 1102.0 | 1212.4 | 1175.1 | 1071.2 | 981.9 | 1141.7 | 1387.5 | 1324.1 | 2170.0 | 2731.0 | 6737.0 | 9427.0 |
| Public Savings | 23.0 | -9.8 | 74.0 | 54.6 | 32.5 | -288.1 | -309.3 | -543.4 | -499.9 | -879.3 | -787.5 | -386.6 | -386.6 | -386.6 | -386.6 |

a/ Domestic savings plus net factor income plus net current transfers.
Sources: State Planning Secretariat and Statistical Bureau.

Table 2.5: GUYANA - ESTIMATE OF EXPENDITURES ON GROSS DOMESTIC PRODUCT, 1976-90
(1977 G\$ million)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total Consumption | 969.7 | 936.4 | 814.1 | 709.8 | 847.9 | 933.1 | 821.7 | 787.8 | 641.4 | 651.5 | 670.3 | 579.6 | 682.4 | 583.0 | 569.3 |
| Public a/ | 346.8 | 290.0 | 257.2 | 256.6 | 235.9 | 245.5 | 163.6 | 151.5 | 91.5 | 93.0 | 167.3 | 181.2 | 310.0 | 122.0 | 93.9 |
| Private (residual) | 622.9 | 646.4 | 556.9 | 453.1 | 612.0 | 687.6 | 658.1 | 636.3 | 549.9 | 558.5 | 503.0 | 398.4 | 372.4 | 461.1 | 475.4 |
| Gross Domestic Investment | 511.8 | 363.6 | 241.6 | 372.6 | 307.4 | 279.1 | 183.0 | 147.8 | 186.8 | 230.2 | 249.4 | 252.2 | 124.5 | 203.2 | 241.5 |
| Fixed capital formation by | 463.9 | 326.8 | 226.0 | 309.1 | 278.3 | 263.3 | 183.0 | 147.8 | 186.8 | 199.5 | 215.6 | 252.2 | 124.5 | 203.2 | 241.5 |
| Change in inventories a/ | 47.9 | 36.8 | 15.6 | 63.4 | 29.1 | 15.9 | 0.0 | 0.0 | 0.0 | 30.7 | 33.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Resource Balance | -325.5 | -174.9 | 49.0 | 2.1 | -52.1 | -92.5 | -32.7 | -29.6 | 76.4 | 24.0 | 9.0 | 61.3 | 51.2 | 54.0 | 9.6 |
| Exports of goods & NFS c/ | 821.8 | 710.9 | 773.5 | 694.8 | 714.7 | 672.4 | 499.1 | 482.8 | 527.3 | 540.8 | 485.3 | 506.3 | 446.2 | 417.9 | 401.1 |
| Imports of goods & NFS c/ | 1147.3 | 885.9 | 724.5 | 692.8 | 766.8 | 765.0 | 531.8 | 512.4 | 450.9 | 516.8 | 476.3 | 445.1 | 395.0 | 363.9 | 391.5 |
| GDP at current m.p. d/ | 1156.0 | 1125.1 | 1104.7 | 1084.4 | 1103.2 | 1119.7 | 972.0 | 906.0 | 904.6 | 905.6 | 928.7 | 893.1 | 858.1 | 840.2 | 820.4 |
| FSY from abroad e/ | -67.0 | -67.1 | -56.1 | -59.1 | -73.6 | -103.6 | -107.3 | -134.5 | -154.5 | -132.9 | -164.5 | -252.2 | -125.1 | -112.3 | -127.5 |
| GNP at m.p. | 1089.0 | 1058.0 | 1048.6 | 1025.3 | 1029.6 | 1016.1 | 864.6 | 771.5 | 750.1 | 772.7 | 764.3 | 640.8 | 733.0 | 727.9 | 692.9 |
| Gross Domestic Savings f/ | 186.3 | 188.7 | 290.6 | 374.7 | 255.2 | 186.6 | 150.3 | 118.3 | 263.2 | 254.2 | 258.4 | 313.5 | 175.7 | 257.2 | 251.1 |
| Net transfers from abroad e | -17.1 | -9.9 | -14.4 | 0.6 | -10.7 | 0.4 | -14.8 | 1.9 | 11.7 | 20.6 | 15.4 | 16.2 | 28.1 | 33.6 | 49.0 |
| Gross National Savings f/ | 102.2 | 111.7 | 220.1 | 316.1 | 170.9 | 83.3 | 28.2 | -14.4 | 120.4 | 141.8 | 109.4 | 77.4 | 78.7 | 178.4 | 172.6 |
| Deflators | | | | | | | | | | | | | | | |
| GDP at m.p. | 98.3 | 100.0 | 114.7 | 122.3 | 136.7 | 142.6 | 148.8 | 162.0 | 183.8 | 215.3 | 233.7 | 376.1 | 482.2 | 1229.4 | 1909.4 |
| Consumption | 97.9 | 99.9 | 121.6 | 134.4 | 141.6 | 157.5 | 162.5 | 181.3 | 206.8 | 233.5 | 216.2 | 482.5 | 504.2 | 1318.6 | 2049.9 |
| Investment | 91.7 | 100.0 | 115.1 | 133.0 | 161.4 | 178.9 | 197.3 | 212.4 | 244.2 | 291.7 | 340.0 | 406.5 | 714.8 | 1740.4 | 2742.4 |
| Exports of GNFS | 91.3 | 100.0 | 103.4 | 114.1 | 171.5 | 163.7 | 152.9 | 139.5 | 139.3 | 173.4 | 207.0 | 227.1 | 537.0 | 1518.3 | 2324.0 |
| Imports of GNFS | 90.1 | 100.0 | 110.4 | 132.5 | 184.2 | 192.7 | 190.6 | 185.0 | 189.4 | 233.5 | 242.4 | 262.9 | 649.6 | 1935.1 | 2961.7 |
| MUV | 91.0 | 100.0 | 115.0 | 130.3 | 142.8 | 143.5 | 141.6 | 137.8 | 135.5 | 136.4 | 162.2 | 171.6 | 181.5 | 192.1 | 203.2 |
| MUV Index (adjusted) | 91.0 | 100.0 | 115.0 | 130.3 | 168.0 | 168.8 | 166.6 | 162.1 | 159.4 | 205.0 | 271.7 | 287.5 | 694.5 | 2086.3 | 3213.1 |
| Guyana CPI | 92.3 | 100.0 | 115.1 | 135.6 | 154.7 | 189.0 | 228.0 | 262.7 | 328.9 | 378.4 | 408.3 | 525.5 | 735.1 | 1394.6 | 2271.7 |
| Exchange Rate(G\$/US\$) | 2.6 | 2.6 | 2.6 | 2.6 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.8 | 4.3 | 4.3 | 9.8 | 27.2 | 39.5 |

a/ Current prices deflated by CPI.

b/ Current price data deflated by composite index of MUV (weight 0.5) and Guyana CPI (0.5).

c/ Merchandise exports/imports in G\$ (Table 3.1) deflated by G\$ price indices (Table 3.7) plus NFS in G\$ (Table 3.1) deflated by MUV (adjusted).

d/ Equals GDP at factor cost at constant 1977 prices (Table 2.3) plus indirect taxes less subsidies, both deflated by Guyana CPI.

e/ Deflated by MUV index (adjusted for currency valuation).

f/ Domestic savings plus net factor income plus net transfers.

Source: Mission estimates.

Table 2.6: GUYANA - NATIONAL INCOME RATIOS, 1976-90

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|--|-------|-------|-------|-------|-------|--------|-------|--------|-------|-------|-------|-------|-------|-------|-------|
| Percentage of GDP at Current M.P. | | | | | | | | | | | | | | | |
| Consumption | 83.6 | 83.2 | 78.1 | 71.9 | 79.6 | 92.0 | 92.3 | 97.3 | 79.8 | 78.0 | 66.8 | 83.2 | 83.2 | 74.4 | 74.5 |
| Public | 28.2 | 25.8 | 23.4 | 26.2 | 24.2 | 29.1 | 25.8 | 27.1 | 18.1 | 18.1 | 31.5 | 28.3 | 28.1 | 16.5 | 13.6 |
| Private | 55.4 | 57.4 | 54.7 | 45.7 | 55.4 | 63.0 | 66.5 | 70.2 | 61.7 | 59.9 | 35.3 | 31.1 | 32.1 | 24.8 | 27.0 |
| Gross Domestic Investment | 41.3 | 32.3 | 21.9 | 37.5 | 32.8 | 31.4 | 25.0 | 21.4 | 27.4 | 35.8 | 40.1 | 30.5 | 21.5 | 34.2 | 42.3 |
| Public | 27.4 | 20.5 | 15.4 | 19.6 | 22.1 | 22.6 | 20.8 | 17.3 | 22.6 | 21.1 | 24.7 | 27.1 | 18.4 | 16.4 | 22.3 |
| Private | 10.1 | 8.6 | 5.1 | 11.4 | 7.6 | 6.9 | 4.1 | 4.1 | 4.8 | 8.8 | 9.1 | 3.4 | 3.1 | 17.8 | 20.0 |
| Ratio of Public/Private Investment | 272.3 | 237.6 | 300.0 | 172.2 | 290.4 | 328.2 | 501.7 | 423.3 | 470.0 | 240.4 | 270.2 | 791.2 | 589.7 | 92.3 | 111.2 |
| Gross Domestic Savings | 16.4 | 16.8 | 21.9 | 28.1 | 20.4 | 8.0 | 7.7 | 2.7 | 20.2 | 22.0 | 33.2 | 16.8 | 16.8 | 25.6 | 25.5 |
| Public | 2.0 | -0.9 | 5.8 | 4.1 | 2.2 | -18.0 | -21.4 | -37.0 | -30.1 | -45.1 | -36.3 | -11.5 | -9.3 | -3.7 | -2.5 |
| Private | 14.4 | 17.6 | 16.1 | 23.9 | 18.2 | 26.0 | 29.1 | 39.7 | 50.3 | 67.1 | 69.5 | 28.3 | 26.2 | 29.3 | 28.0 |
| Gross National Savings | 9.7 | 9.9 | 15.5 | 22.3 | 11.0 | -2.9 | -6.4 | -12.0 | 6.5 | 10.2 | 14.6 | -3.4 | 0.6 | 9.7 | 9.4 |
| Public | 2.0 | -0.9 | 5.8 | 4.1 | 2.2 | -18.0 | -21.4 | -37.0 | -30.1 | -45.1 | -36.3 | -11.5 | -9.3 | -3.7 | -2.5 |
| Private | 7.7 | 10.8 | 9.7 | 18.2 | 8.9 | 15.1 | 15.0 | 25.1 | 36.6 | 55.3 | 50.9 | 8.1 | 9.9 | 13.4 | 11.9 |
| Exports of Goods & NFS | 66.1 | 63.2 | 63.1 | 59.8 | 81.3 | 68.9 | 52.8 | 45.9 | 44.2 | 48.1 | 46.3 | 78.5 | 63.6 | 76.9 | 78.3 |
| Imports of Goods & NFS | 91.0 | 78.8 | 63.1 | 69.2 | 93.6 | 92.3 | 70.1 | 64.6 | 51.4 | 61.9 | 53.2 | 92.2 | 68.3 | 85.6 | 95.1 |
| BOP Current Account | -31.6 | -22.4 | -6.4 | -15.2 | -21.7 | -34.3 | -31.4 | -33.4 | -20.9 | -25.6 | -25.6 | -15.2 | -23.6 | -31.7 | -46.9 |
| Growth Rates | | | | | | | | | | | | | | | |
| GDP f.c | 1.7 | -2.9 | -2.9 | -1.4 | 1.6 | -0.3 | -10.4 | -9.3 | 2.1 | 1.0 | 0.2 | -3.2 | -2.5 | -4.4 | -3.2 |
| GDP m.p. | 2.3 | -2.7 | -1.8 | -1.8 | 1.7 | 1.5 | -13.2 | -6.8 | -0.2 | 0.1 | 2.5 | -3.8 | -3.9 | -2.1 | -2.4 |
| GNP m.p. | 1.1 | -2.8 | -0.9 | -2.2 | 0.4 | -1.3 | -14.9 | -10.8 | -2.8 | 3.0 | -1.1 | -16.1 | 14.4 | -0.7 | -2.7 |
| GDPf.c/capita | 0.9 | -3.7 | -3.7 | -2.2 | 1.2 | -0.3 | -10.4 | -9.2 | 2.2 | 1.0 | 0.3 | -3.1 | -2.4 | -4.3 | -3.2 |
| GNP/capita | 0.2 | -3.6 | -1.7 | -3.0 | 0.0 | -1.3 | -14.9 | -10.8 | -2.7 | 3.1 | -1.0 | -16.1 | 14.4 | -0.6 | -3.7 |
| Consumption/capita | 11.7 | -4.0 | -13.8 | -13.9 | 20.3 | 8.4 | -12.9 | -4.7 | -21.5 | 2.5 | 4.9 | -17.0 | 27.0 | -11.6 | 2.0 |
| Exports of Goods & NFS | -4.1 | -13.5 | 8.8 | -10.2 | 2.9 | -5.9 | -25.8 | -3.3 | 9.2 | 2.5 | -10.3 | 4.3 | -11.9 | -6.3 | -4.0 |
| Exports of Goods | .. | -15.1 | 10.9 | -10.2 | 3.2 | -6.9 | -27.5 | -7.6 | 11.4 | 1.9 | -7.4 | 3.9 | -13.0 | -5.8 | -4.8 |
| Imports of Goods & NFS | 3.4 | -22.8 | -18.2 | -4.4 | 10.7 | -0.2 | -30.5 | -3.7 | -12.0 | 14.6 | -7.8 | -6.6 | -11.2 | -7.9 | 7.6 |
| Imports of Goods | .. | -22.0 | -19.5 | -5.8 | 3.9 | 6.3 | -36.4 | -9.6 | -17.7 | 27.4 | 1.9 | -8.0 | -14.7 | -8.8 | 11.5 |
| Others | | | | | | | | | | | | | | | |
| ICOR | -8.1 | -26.2 | 1.5 | 7.1 | 2.2 | 4.5 | -1.6 | 8.8 | 1.7 | 2.0 | 3.4 | 0.7 | 1.0 | 0.5 | 1.2 |
| Terms of Trade Index | 103.3 | 100.0 | 93.6 | 86.1 | 95.1 | 84.9 | 80.2 | 75.4 | 73.5 | 74.3 | 85.4 | 86.4 | 82.7 | 78.5 | 78.5 |
| Marginal National Savings Rate | 550.3 | -13.4 | 59.4 | 169.8 | -71.3 | -239.2 | 30.3 | -377.3 | 145.7 | 31.4 | 53.4 | -36.3 | 17.8 | 15.8 | 8.9 |

Source: Tables 2.1 and 2.5. Statistical Appendix.

Table 3.1: GUYANA - BALANCE OF PAYMENTS, 1976-90
(US\$ million)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|--|---------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Exports of Goods & NFS | 294.4 | 278.8 | 313.6 | 311.0 | 408.6 | 366.9 | 254.4 | 224.5 | 244.8 | 244.7 | 235.2 | 269.2 | 245.6 | 233.7 | 235.8 |
| Merchandise Exports | 278.9 | 259.3 | 295.5 | 292.5 | 389.0 | 344.4 | 231.8 | 192.6 | 215.5 | 212.8 | 210 | 240.0 | 214.6 | 204.7 | 203.9 |
| Sugar | 101.5 | 72.8 | 92.0 | 90.4 | 121.0 | 108.9 | 87.7 | 71.5 | 70.9 | 66.4 | 83.4 | 90.4 | 74.8 | 68.1 | 74.9 |
| Bauxite | 113.2 | 129.9 | 130.3 | 128.4 | 188.0 | 182.8 | 94.2 | 72.9 | 91.6 | 99.1 | 82.4 | 86.2 | 79.5 | 60.8 | 74.9 |
| Rice | 28.9 | 26.2 | 37.6 | 31.7 | 34.0 | 39.1 | 20.2 | 21.6 | 21.3 | 13.3 | 10.5 | 16.1 | 15.4 | 11.1 | 13.6 |
| Other | 35.3 | 30.4 | 35.6 | 42.0 | 46.0 | 43.6 | 29.7 | 26.6 | 31.7 | 34.0 | 33.7 | 47.3 | 44.9 | 64.7 | 40.5 |
| Nonfactor Services | 15.5 | 19.5 | 18.1 | 18.5 | 19.6 | 22.5 | 22.6 | 31.9 | 29.3 | 31.9 | 25.2 | 29.2 | 31.0 | 29.0 | 31.9 |
| Imports of Goods & NFS | 405.3 | 347.4 | 313.7 | 360.0 | 470.7 | 491.4 | 337.8 | 316.0 | 284.7 | 314.9 | 270.3 | 273.9 | 263.0 | 259.3 | 293.3 |
| Merchandise Imports | 363.6 | 315.4 | 278.9 | 317.7 | 396.1 | 440.0 | 280.4 | 248.3 | 214.3 | 255.5 | 230.3 | 231.6 | 215.6 | 212.2 | 249.5 |
| Consumer | 64.8 | 56.1 | 51.3 | 57.8 | 51.0 | 57.2 | 36.0 | 25.0 | 21.7 | 23.4 | 27.2 | 26.2 | 21.6 | 21.3 | 29.8 |
| Intermediate | 122.6 | 98.1 | 98.4 | 110.4 | 125.6 | 153.4 | 85.9 | 76.7 | 51.4 | 61.5 | 76.7 | 71.5 | 74.9 | 51.6 | 47.4 |
| Capital | 118.8 | 88.8 | 60.2 | 57.2 | 75.5 | 77.2 | 46.9 | 48.0 | 30.6 | 66.1 | 51.1 | 55.0 | 43.1 | 75.7 | 112.1 |
| Fuel & Lubricants | 53.9 | 62.9 | 66.7 | 90.3 | 141.2 | 149.2 | 109.0 | 96.6 | 108.3 | 102.9 | 73.5 | 76.9 | 73.8 | 61.3 | 56.6 |
| Miscellaneous | 3.5 | 9.5 | 2.3 | 2.0 | 2.8 | 3.0 | 2.6 | 2.0 | 2.3 | 1.6 | 1.8 | 2.0 | 2.2 | 2.3 | 3.6 |
| Nonfactor Services | 41.7 | 32.0 | 34.8 | 42.3 | 74.6 | 51.4 | 57.4 | 67.7 | 70.4 | 59.4 | 40.0 | 42.3 | 47.4 | 47.1 | 43.8 |
| Resource Balance | -110.9 | -68.6 | -0.1 | -49.0 | -62.1 | -124.5 | -83.4 | -91.5 | -39.9 | -70.2 | -35.1 | -4.7 | -17.4 | -25.7 | -57.5 |
| Factor Services (net) | -23.9 | -26.3 | -25.3 | -30.2 | -41.2 | -58.3 | -59.6 | -72.7 | -82.1 | -71.1 | -104.6 | -125.7 | -95.4 | -108.9 | -118.6 |
| Interest on M< Debt a/ | -19.8 | -15.2 | -17.3 | -25.2 | -26.7 | -36.3 | -31.6 | -36.0 | -32.5 | -60.0 | -76.9 | -80.8 | -85.0 | -54.9 | -55.6 |
| Other (net) | -4.1 | -11.1 | -8.0 | -5.0 | -14.5 | -22.0 | -28.0 | -36.7 | -49.6 | -11.1 | -27.7 | -44.9 | -10.4 | -54.0 | -63.0 |
| Current Transfers (net) | -6.1 | -3.9 | -6.5 | 0.3 | -6.0 | 0.2 | -8.2 | 1.0 | 6.2 | 11.0 | 9.8 | 10.9 | 12.8 | 14.0 | 13.0 |
| Current Account Balance | -140.9 | -98.8 | -31.9 | -78.9 | -109.3 | -182.6 | -151.2 | -163.2 | -115.8 | -130.3 | -129.9 | -119.5 | -100.0 | -120.6 | -163.1 |
| Public Capital (net) | 56.9 | 30.5 | 27.3 | 31.6 | 52.2 | 115.9 | 40.8 | 2.3 | -13.8 | -0.9 | 7.5 | -22.6 | -27.8 | 236.7 | 522.3 |
| Gross Disbursements a/ | 70.0 | 47.2 | 59.6 | 97.7 | 95.0 | 169.3 | 76.0 | 48.8 | 24.4 | 56.8 | 67.9 | 39.3 | 28.7 | 67.7 | 225.1 |
| Amortization | 13.1 | 16.7 | 32.3 | 66.1 | 42.8 | 53.4 | 45.4 | 78.1 | 81.7 | 113.2 | 126.2 | 133.9 | 129.6 | 174.9 | 121.3 |
| Rescheduling | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 10.2 | 31.6 | 43.5 | 55.5 | 65.8 | 72.0 | 73.1 | 343.9 | 418.5 |
| Other Capital (net) b/ | -6.7 | 38.6 | -7.8 | -6.5 | -40.9 | -43.8 | -13.8 | 5.7 | -13.8 | -73.9 | -0.8 | 4.8 | 22.1 | 0.7 | 25.2 |
| Capital Account Balance | 50.2 | 69.1 | 19.5 | 25.1 | 11.3 | 72.1 | 27.0 | 8.0 | -27.6 | -74.8 | 6.7 | -17.8 | -5.7 | 237.5 | 547.5 |
| Overall Balance | -90.7 | -29.7 | -12.4 | -53.8 | -98.0 | -110.5 | -124.2 | -155.2 | -143.4 | -205.1 | -123.2 | -137.3 | -105.7 | 116.9 | 384.4 |
| Change in Commercial Arrears (increase = +) | 0.0 | 0.0 | 22.2 | 5.2 | 17.0 | 36.3 | 47.7 | 37.9 | -2.7 | 16.1 | 9.8 | 3.9 | 3.5 | 9.6 | -101.3 |
| Changes in Net Reserves (increase = -) | 90.7 | 29.7 | -9.8 | 48.6 | 81.0 | 74.2 | 76.5 | 117.3 | 146.1 | 189.0 | 113.4 | 133.4 | 102.2 | -126.5 | -283.1 |

a/ Based on Table 4.2; excludes short-term public debt.

b/ Residual: Includes direct investment, private capital, short-term capital, errors & omissions, SDR allocation, debt refinancing/deferment and other.

Source: Statistical Bureau; Bank of Guyana; IMF; and mission estimates.

Table 3.2: GUYANA - MERCHANDISE EXPORTS (FOB), 1976-90
(G\$ million)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Total Exports | 711.3 | 661.2 | 753.5 | 745.9 | 992.3 | 968.5 | 754.5 | 580.0 | 831.3 | 910.3 | 947.1 | 2400.0 | 2146.0 | 6753.5 | 9441.0 |
| Re-Exports | 16.1 | 9.3 | 14.0 | 9.3 | 15.9 | 20.7 | 26.3 | 20.0 | 19.9 | 27.2 | 23.1 | 83.0 | 57.0 | 151.8 | 202.5 |
| Domestic Exports | 695.2 | 651.9 | 739.5 | 736.6 | 976.4 | 947.8 | 728.2 | 560.0 | 811.4 | 883.1 | 924.0 | 2317.0 | 2089.0 | 6601.7 | 9238.5 |
| Agriculture | 376.2 | 291.9 | 376.9 | 374.3 | 456.9 | 474.9 | 362.1 | 315.9 | 400.5 | 407.8 | 503.0 | 1276.7 | 1080.4 | 3854.9 | 4859.8 |
| Sugar | 259.0 | 185.7 | 234.6 | 230.6 | 307.6 | 305.9 | 263.6 | 214.5 | 271.5 | 282.3 | 356.2 | 904.0 | 745.0 | 2752.2 | 3370.0 |
| Rice | 73.6 | 66.8 | 96.0 | 80.8 | 87.5 | 110.0 | 60.7 | 64.9 | 81.6 | 56.6 | 57.2 | 161.0 | 154.0 | 396.0 | 612.0 |
| Other | 43.6 | 39.4 | 46.3 | 62.9 | 61.8 | 59.0 | 37.8 | 36.5 | 47.4 | 68.9 | 89.6 | 211.7 | 181.4 | 706.7 | 877.8 |
| Molasses | 6.0 | 6.0 | 8.9 | 13.1 | 12.3 | 12.9 | 6.3 | 2.3 | 3.5 | 2.0 | 5.0 | 8.0 | 2.2 | 1.4 | 4.5 |
| Rum & other alcoholic beverages | 14.0 | 9.1 | 11.6 | 15.1 | 20.5 | 20.6 | 11.7 | 10.8 | 18.3 | 26.1 | 32.4 | 94.5 | 82.5 | 209.7 | 286.0 |
| Shrimp | 12.9 | 12.3 | 12.4 | 17.6 | 7.8 | 2.7 | 2.3 | 4.2 | 4.7 | 18.3 | 23.9 | 47.0 | 41.0 | 171.0 | 225.0 |
| Natural spirits | - | - | - | - | - | - | 2.3 | 5.4 | 5.1 | 3.4 | 7.1 | 15.0 | 26.0 | 224.0 | 229.5 |
| Timber | 9.7 | 9.1 | 10.9 | 14.3 | 16.2 | 15.3 | 14.0 | 13.3 | 14.7 | 17.9 | 17.7 | 43.7 | 28.2 | 89.1 | 117.0 |
| Other | 1.0 | 2.9 | 2.5 | 2.8 | 5.0 | 7.5 | 1.2 | 0.5 | 1.1 | 1.2 | 3.5 | 3.5 | 3.5 | 11.5 | 15.8 |
| Minerals | 289.7 | 332.4 | 333.5 | 328.1 | 480.7 | 430.1 | 317.5 | 224.2 | 367.6 | 438.8 | 378.0 | 955.0 | 875.0 | 2580.4 | 3969.0 |
| Calcined bauxite | 190.6 | 211.5 | 201.6 | 218.3 | 305.5 | 259.5 | 205.8 | 142.3 | 270.9 | 311.4 | 261.4 | 667.0 | 579.0 | 1620.3 | 2142.0 |
| Dried bauxite & alumina cement | 33.7 | 41.2 | 48.5 | 54.8 | 62.4 | 78.1 | 71.4 | 69.5 | 80.0 | 110.2 | 92.5 | 194.0 | 216.0 | 772.0 | 1233.0 |
| Alumina & alumina hydrate | 64.4 | 78.5 | 82.0 | 53.7 | 111.4 | 91.9 | 35.9 | 7.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Gold | 0.2 | 0.9 | 0.2 | 0.1 | ... | ... | 4.0 | 5.0 | 16.6 | 17.2 | 24.1 | 94.0 | 80.0 | 188.1 | 594.0 |
| Diamonds | 0.8 | 0.3 | 1.2 | 1.2 | 1.4 | 0.6 | 0.4 | 0.4 | 0.1 | ... | ... | ... | ... | ... | ... |
| Other Manufactured | 29.3 | 27.6 | 29.1 | 34.2 | 38.8 | 42.8 | 48.6 | 19.9 | 43.3 | 36.5 | 43.0 | 85.3 | 133.6 | 166.4 | 409.8 |
| Clothing | 8.9 | 7.1 | 5.6 | 5.4 | 6.0 | 4.2 | 3.4 | 2.5 | 2.0 | 3.6 | 1.7 | 1.7 | .. | .. | .. |
| Footwear | 2.0 | 2.2 | 1.5 | 1.3 | 1.5 | 1.5 | 1.5 | 1.5 | ... | ... | ... | ... | .. | .. | .. |
| Drugs | 4.3 | 3.9 | 5.3 | 6.6 | 7.4 | 4.4 | 5.4 | 5.0 | 5.1 | 10.9 | 5.7 | 5.7 | .. | .. | .. |
| Perfumery | 1.8 | 2.3 | 2.2 | 4.5 | 5.4 | 4.8 | 4.3 | 2.0 | 5.2 | 10.9 | 3.4 | 3.4 | .. | .. | .. |
| Refrigerators & stoves | 1.7 | 3.4 | 7.2 | 7.8 | 7.8 | 12.7 | 16.9 | 8.0 | 9.9 | 8.0 | 6.0 | 6.0 | .. | .. | .. |
| Other (manufacturing) | 10.6 | 8.7 | 7.3 | 8.6 | 10.7 | 15.2 | 17.1 | 0.9 | 21.1 | 3.1 | 26.2 | 68.5 | .. | .. | .. |

... Not Available.
Source: Statistical Bureau.

Table 3.3: GUYANA - MERCHANDISE IMPORTS (CIF) BY END-USE CATEGORY, 1976-90
(US\$ million)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Consumer Goods | 64.8 | 56.1 | 51.3 | 57.8 | 51.0 | 57.2 | 36.0 | 25.0 | 21.7 | 23.4 | 27.2 | 26.2 | 21.6 | 21.3 | 32.6 |
| Foodstuffs | 22.3 | 26.5 | 24.5 | 24.4 | 24.4 | 23.0 | 9.5 | 6.3 | 7.5 | 6.8 | 7.9 | 7.6 | 6.3 | 6.2 | 9.5 |
| Clothing & Footwear | 7.5 | 6.0 | 4.6 | 4.8 | 4.5 | 5.8 | 5.4 | 2.8 | 2.8 | 3.1 | 3.6 | 3.5 | 2.9 | 2.8 | 4.3 |
| Durables | 10.6 | 5.5 | 3.7 | 5.0 | 6.3 | 8.5 | 8.1 | 4.7 | 4.1 | 5.0 | 5.8 | 5.6 | 4.6 | 4.6 | 7.0 |
| Other | 24.4 | 18.1 | 18.5 | 23.6 | 15.8 | 19.9 | 13.0 | 11.2 | 7.3 | 8.5 | 9.9 | 9.5 | 7.8 | 7.7 | 11.8 |
| Intermediate Goods | 176.5 | 161.0 | 165.1 | 200.7 | 266.8 | 302.6 | 194.9 | 173.3 | 159.7 | 164.4 | 150.2 | 148.4 | 148.7 | 112.9 | 113.9 |
| Foodstuffs | 26.8 | 20.0 | 19.1 | 25.1 | 23.1 | 23.4 | 10.9 | 4.3 | 4.4 | 5.4 | 5.5 | 5.4 | 4.5 | 3.4 | 4.2 |
| Fuels & Lubricants | 53.9 | 62.9 | 66.7 | 90.3 | 141.2 | 149.2 | 109 | 96.6 | 108.3 | 102.9 | 73.5 | 76.9 | 73.8 | 61.3 | 62.0 |
| Chemicals | 18.2 | 15.2 | 16.7 | 15.3 | 14.3 | 22.0 | 18.0 | 16.7 | 13.4 | 14.0 | 14.4 | 13.9 | 11.6 | 8.9 | 10.9 |
| Textiles | 16.8 | 10.7 | 10.8 | 11.5 | 11.7 | 13.3 | 4.7 | 4.5 | 3.9 | 3.4 | 3.5 | 3.4 | 2.8 | 2.2 | 2.6 |
| Other | 60.8 | 52.2 | 51.8 | 58.5 | 76.5 | 94.7 | 52.3 | 51.2 | 29.7 | 38.7 | 53.4 | 48.8 | 55.9 | 37.2 | 34.2 |
| Capital Goods | 118.8 | 88.8 | 60.2 | 57.2 | 75.5 | 77.2 | 46.9 | 48.0 | 30.6 | 66.1 | 51.1 | 55.0 | 43.1 | 75.7 | 122.7 |
| Building Materials | 36.0 | 20.6 | 17.7 | 20.3 | 12.7 | 20.7 | 12.0 | 12.8 | 9.2 | 9.7 | 7.5 | 8.1 | 6.3 | 6.3 | 6.7 |
| Mining/Transport Equipment | 37.4 | 37.7 | 13.6 | 16.1 | 21.9 | 24.3 | 9.2 | 10.4 | 4.8 | 15.5 | 12.0 | 12.9 | 10.1 | 17.8 | 21.2 |
| Agricultural Machinery | 4.0 | 1.0 | 1.1 | 2.2 | 7.8 | 7.3 | 3.6 | 0.8 | 5.0 | 10.6 | 8.2 | 8.8 | 6.9 | 12.1 | 19.7 |
| Other | 41.4 | 29.5 | 27.8 | 18.6 | 33.1 | 24.9 | 22.1 | 24.0 | 11.6 | 30.3 | 23.4 | 25.2 | 19.8 | 39.5 | 75.1 |
| Miscellaneous | 3.5 | 9.5 | 2.3 | 2.0 | 2.8 | 3.0 | 2.6 | 2.0 | 2.3 | 1.6 | 1.8 | 2.0 | 2.2 | 2.3 | 4.0 |
| Total Merchandise Imports | 363.6 | 315.4 | 278.9 | 317.7 | 396.1 | 440.0 | 280.4 | 248.3 | 214.3 | 255.5 | 230.3 | 231.6 | 215.6 | 212.2 | 273.2 |

... Not Available.
Source: Statistical Bureau.

Table 3.4: GUYANA - VALUE, VOLUME AND UNIT VALUE OF PRINCIPAL FUEL IMPORTS, 1977-90

(Value in millions of Guyana dollars; volume in millions of imperial gallons and unit value in Guyana dollars per imperial gallon) a/

| | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|
| Total value of fuel | | | | | | | | | | | | | | |
| Imports (cif) | 160.4 | 170.0 | 230.0 | 345.4 | 416.9 | 327.0 | 290.0 | 415.0 | 436.8 | 302.8 | 754.5 | 2435.4 | 2022.9 | 2790.0 |
| Gasoline | | | | | | | | | | | | | | |
| Value | 13.6 | 13.3 | 25.5 | 36.4 | 44 | 46.4 | 44.9 | 53.4 | 62.5 | 40.7 | 94.2 | 340.0 | 509.7 | 478.4 |
| Volume | 11.8 | 11.0 | 12.1 | 12.6 | 13.3 | 13.5 | 14.3 | 13.9 | 14.4 | 14.5 | 14.1 | 14.2 | 16.3 | 14.8 |
| Unit value | 1.2 | 1.2 | 2.1 | 2.9 | 3.3 | 3.4 | 3.1 | 3.8 | 4.3 | 2.8 | 6.7 | 23.9 | 31.3 | 32.3 |
| Kerosene | | | | | | | | | | | | | | |
| Value | 6.7 | 7.3 | 13.5 | 18.4 | 22.9 | 28.1 | 23.3 | 31.4 | 29.9 | 18.0 | 52.0 | 174.9 | 191.4 | 342.0 |
| Volume | 5.7 | 6.1 | 6.5 | 5.7 | 6.8 | 7.8 | 7.2 | 7.9 | 6.9 | 6.6 | 7.2 | 7.7 | 7.4 | 7.5 |
| Unit value | 1.2 | 1.2 | 2.1 | 3.2 | 3.4 | 3.6 | 3.2 | 4.0 | 4.3 | 2.7 | 7.2 | 22.7 | 25.9 | 45.6 |
| Gas oil/diesel oil | | | | | | | | | | | | | | |
| Value | 43.8 | 41.8 | 64.8 | 114.4 | 127.9 | 97.0 | 85.6 | 103.8 | 121.5 | 77.3 | 186.0 | 620.1 | 507.5 | 875.9 |
| Volume | 35.8 | 35.0 | 35.7 | 40.3 | 39.0 | 28.4 | 27.9 | 26.3 | 28.5 | 31.0 | 26.2 | 30.3 | 25.4 | 30.1 |
| Unit value | 1.2 | 1.2 | 1.8 | 2.8 | 3.3 | 3.4 | 3.1 | 3.9 | 4.3 | 2.5 | 7.1 | 20.5 | 20.0 | 29.1 |
| Butane and propane | | | | | | | | | | | | | | |
| Value | - | 1.6 | 4.1 | 7.7 | 9.1 | 9.5 | 9.2 | 10.7 | 11.9 | 7.6 | 18.8 | 72.6 | 55.0 | 82.0 |
| Volume b/ | - | 6.3 | 10.5 | 13.2 | 15.2 | 14.5 | 14.2 | 13.1 | 12.3 | 9.8 | 10.9 | .. | .. | .. |
| Unit value | - | 0.3 | 0.4 | 0.6 | 0.6 | 0.7 | 0.6 | 0.8 | 1.0 | 0.8 | 1.7 | .. | .. | .. |
| Aviation fuel | | | | | | | | | | | | | | |
| Value | - | 0.9 | 1.9 | 2.1 | 3.3 | 2.6 | 2.6 | 2.8 | 2.8 | 2.8 | 6.0 | 18.6 | 15.4 | 17.1 |
| Volume | - | 0.5 | 0.5 | 0.5 | 0.6 | 0.4 | 0.5 | 0.5 | 0.4 | 0.4 | 0.5 | 0.6 | 0.5 | 0.3 |
| Unit value | - | 1.8 | 3.8 | 4.2 | 5.5 | 6.5 | 5.2 | 5.6 | 7.0 | 7.0 | 12.0 | 31.0 | 30.8 | 57.1 |
| Bunker "C" | | | | | | | | | | | | | | |
| Value | 80.3 | 87.6 | 84.9 | 134.9 | 169.4 | 117.8 | 99.1 | 186.7 | 184.1 | 126.1 | 333.5 | 780.2 | 689.1 | 951.2 |
| Volume | 88.0 | 104.2 | 72.1 | 75.9 | 73.1 | 54.5 | 42.7 | 57.6 | 57.2 | 62.1 | 51.6 | 54.0 | 37.3 | 71.7 |
| Unit value | 0.9 | 0.8 | 1.2 | 1.8 | 2.3 | 2.2 | 2.3 | 3.2 | 3.2 | 2.0 | 6.5 | 14.4 | 18.5 | 13.3 |
| Cetane 47 | | | | | | | | | | | | | | |
| Value | - | - | 11.6 | 17.2 | 12.1 | 7.0 | 6.7 | ... | ... | ... | ... | ... | ... | ... |
| Volume | - | - | 6.0 | 5.8 | 3.6 | 2.0 | 2.2 | ... | ... | ... | ... | ... | ... | ... |
| Unit value | - | - | 1.9 | 3.0 | 3.4 | 3.5 | 3.0 | ... | ... | ... | ... | ... | ... | ... |
| Other | | | | | | | | | | | | | | |
| Value c/ | 16.0 | 17.5 | 23.7 | 14.3 | 28.2 | 18.6 | 18.6 | 26.2 | 24.1 | 30.3 | 64.0 | 429.0 | 54.8 | 43.3 |

a/ One barrel of petroleum is equivalent to 34.973 imperial gallon.

b/ In millions of pounds.

c/ Includes lubricating greases and oils, and white spirit.

Source: Statistical Bureau.

Table 3.5: GUYANA - EXPORTS, 1976-90
(US\$ million)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Bauxite Sector | 113.2 | 129.9 | 130.3 | 128.4 | 188.0 | 152.8 | 94.2 | 72.9 | 91.6 | 99.1 | 82.4 | 86.2 | 79.5 | 60.8 | 68.2 |
| Dried metal | 13.2 | 16.2 | 19.1 | 21.6 | 24.5 | 27.8 | 23.8 | 23.2 | 20.9 | 25.9 | 21.6 | 19.5 | 19.5 | 19.5 | 19.5 |
| Calcined Alumina | 74.7 | 82.9 | 79.3 | 85.7 | 119.8 | 92.3 | 68.6 | 47.4 | 70.7 | 73.2 | 60.8 | 66.7 | 66.7 | 66.7 | 66.7 |
| Alumina | 25.3 | 30.8 | 31.9 | 21.1 | 43.7 | 32.7 | 1.8 | 2.3 | 0.0 | 0.0 | 0.0 | 0.0 | -6.7 | -25.4 | -18.0 |
| Other | 165.7 | 129.4 | 165.2 | 164.1 | 201.0 | 191.6 | 137.6 | 119.7 | 123.9 | 113.7 | 127.6 | 153.8 | 135.1 | 143.9 | 141.6 |
| Sugar | 101.5 | 72.8 | 92.0 | 90.4 | 121.0 | 108.9 | 87.7 | 71.5 | 70.9 | 66.4 | 83.4 | 90.4 | 74.8 | 68.1 | 68.6 |
| Rice | 28.9 | 26.2 | 37.6 | 31.7 | 34.0 | 39.1 | 20.2 | 21.6 | 21.3 | 13.3 | 10.5 | 16.1 | 15.4 | 11.1 | 11.8 |
| Other | 35.3 | 30.4 | 35.6 | 42.0 | 46.0 | 43.6 | 29.7 | 26.6 | 31.7 | 34.0 | 33.7 | 47.3 | 44.9 | 64.7 | 61.2 |
| Merchandise exports | 278.9 | 259.3 | 295.5 | 292.5 | 389.0 | 344.4 | 231.8 | 192.6 | 215.5 | 212.8 | 210.0 | 240.0 | 214.6 | 204.7 | 209.8 |
| Non-factor services | 15.5 | 19.5 | 18.1 | 18.5 | 19.8 | 22.5 | 22.6 | 31.9 | 29.3 | 31.9 | 25.2 | 29.2 | 31.0 | 29.0 | 31.9 |
| Exports, GNFS | 294.4 | 278.8 | 313.6 | 311.0 | 408.6 | 366.9 | 254.4 | 224.5 | 244.8 | 244.7 | 235.2 | 269.2 | 245.6 | 233.7 | 241.7 |
| PRICE INDEX (1977 = 100) | | | | | | | | | | | | | | | |
| Bauxite Sector | 84.5 | 100.0 | 111.9 | 127.9 | 162.4 | 162.2 | 163.9 | 131.5 | 127.3 | 126.5 | 126.7 | 131.4 | 125.2 | 98.6 | 113.5 |
| Dried metal | 87.4 | 100.0 | 104.4 | 116.8 | 134.1 | 152.4 | 188.0 | 159.5 | 148.5 | 135.3 | 123.3 | 116.7 | 110.5 | 104.6 | 99.0 |
| Calcined Alumina | 85.1 | 100.0 | 114.6 | 132.0 | 168.7 | 157.9 | 157.0 | 126.0 | 122.1 | 123.6 | 128.0 | 136.4 | 145.4 | 155.0 | 165.1 |
| Alumina | 81.3 | 100.0 | 110.0 | 124.1 | 164.9 | 186.6 | 159.7 | 69.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 96.8 | 100.0 | 96.6 | 103.9 | 133.3 | 124.6 | 112.5 | 108.1 | 109.4 | 103.1 | 116.2 | 132.6 | 143.1 | 165.2 | 167.4 |
| Sugar | 97.4 | 100.0 | 93.4 | 97.9 | 138.7 | 117.2 | 100.0 | 95.2 | 99.8 | 89.8 | 112.8 | 148.7 | 195.9 | 258.2 | 340.2 |
| Rice | 102.3 | 100.0 | 90.3 | 95.2 | 108.6 | 128.2 | 148.4 | 132.4 | 113.5 | 116.0 | 69.6 | 58.3 | 48.9 | 41.0 | 34.4 |
| Other a/ | 91.0 | 100.0 | 115.0 | 130.3 | 142.8 | 143.5 | 141.6 | 137.8 | 135.5 | 136.4 | 162.2 | 171.6 | 181.6 | 192.1 | 203.2 |
| Merchandise exports | 91.4 | 100.0 | 102.8 | 113.2 | 145.9 | 138.9 | 128.9 | 115.9 | 116.4 | 112.8 | 120.1 | 132.2 | 135.9 | 137.5 | 145.0 |
| Non-factor services a/ | 91.0 | 100.0 | 115.0 | 130.3 | 142.8 | 143.5 | 141.6 | 137.8 | 135.5 | 136.4 | 162.2 | 171.6 | 181.6 | 192.1 | 203.2 |
| Exports, GNFS | 91.3 | 100.0 | 103.4 | 114.1 | 145.8 | 139.1 | 130.0 | 118.6 | 118.4 | 115.4 | 123.6 | 135.6 | 140.4 | 142.6 | 150.7 |
| Bauxite Sector | 134.0 | 129.9 | 116.5 | 100.4 | 115.8 | 94.2 | 57.5 | 55.4 | 72.0 | 78.4 | 65.0 | 65.6 | 63.5 | 61.7 | 60.1 |
| Dried metal | 15.1 | 16.2 | 18.3 | 18.5 | 18.3 | 18.2 | 12.7 | 14.5 | 14.1 | 19.1 | 17.5 | 16.7 | 17.6 | 18.6 | 19.7 |
| Calcined Alumina | 87.8 | 82.9 | 69.2 | 64.9 | 71.0 | 58.5 | 43.7 | 37.6 | 57.9 | 59.2 | 47.5 | 48.9 | 45.9 | 43.0 | 40.4 |
| Alumina | 31.1 | 30.8 | 29.0 | 17.0 | 26.5 | 17.5 | 1.1 | 3.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 171.3 | 129.4 | 171.1 | 157.9 | 150.8 | 153.8 | 122.3 | 110.7 | 113.2 | 110.3 | 109.8 | 116.0 | 94.4 | 87.1 | 84.6 |
| Sugar | 104.2 | 72.8 | 98.5 | 92.3 | 87.2 | 92.9 | 87.7 | 75.1 | 71.0 | 73.9 | 73.9 | 60.8 | 38.2 | 26.4 | 20.2 |
| Rice | 28.3 | 26.2 | 41.6 | 33.3 | 31.3 | 30.5 | 13.6 | 16.3 | 18.8 | 11.5 | 15.1 | 27.4 | 31.5 | 27.1 | 34.3 |
| Other | 38.8 | 30.4 | 31.0 | 32.2 | 32.2 | 30.4 | 21.0 | 19.3 | 23.4 | 24.9 | 20.8 | 27.6 | 24.7 | 33.7 | 30.1 |
| Merchandise exports | 305.3 | 259.3 | 287.6 | 258.3 | 266.5 | 248.0 | 179.8 | 166.2 | 185.2 | 188.7 | 174.8 | 181.5 | 157.9 | 148.8 | 144.7 |
| Non-factor services | 17.0 | 19.5 | 15.7 | 14.2 | 13.7 | 15.7 | 16.0 | 23.1 | 21.6 | 23.4 | 15.5 | 17.0 | 17.1 | 15.1 | 15.7 |
| Exports, GNFS | 322.3 | 278.8 | 303.3 | 272.5 | 280.3 | 263.7 | 195.7 | 189.3 | 206.8 | 212.1 | 190.3 | 198.6 | 175.0 | 163.9 | 160.4 |

a/ Deflated by the MW index.

Source: Based on Tables 3.1 and 7.1 of Statistical Appendix; and mission estimates.

Table 3.6: GUYANA - IMPORTS BY MAIN CATEGORIES, 1976-90
(US\$ million)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| CURRENT PRICES | | | | | | | | | | | | | | | |
| Fuel and lubricants | 53.9 | 62.9 | 66.7 | 90.3 | 141.2 | 149.2 | 109.0 | 96.6 | 108.3 | 102.9 | 73.5 | 76.9 | 73.8 | 61.3 | 62.0 |
| Capital goods | 118.8 | 88.8 | 60.2 | 57.2 | 75.5 | 77.2 | 46.9 | 48.0 | 30.6 | 66.1 | 51.1 | 55.0 | 43.1 | 75.7 | 122.7 |
| Other | 190.9 | 163.7 | 152.0 | 170.2 | 179.4 | 213.6 | 124.5 | 103.7 | 75.4 | 86.5 | 105.7 | 99.7 | 98.7 | 75.2 | 88.5 |
| Total goods | 363.6 | 315.4 | 278.9 | 317.7 | 396.1 | 440.0 | 280.4 | 248.3 | 214.3 | 255.5 | 230.3 | 231.6 | 215.6 | 212.2 | 273.2 |
| Non-factor services | 41.7 | 32.0 | 34.8 | 42.3 | 74.6 | 51.4 | 57.4 | 67.7 | 70.4 | 59.4 | 40.0 | 42.3 | 47.4 | 47.1 | 43.8 |
| Total goods & NFS | 405.3 | 347.4 | 313.7 | 360.0 | 470.7 | 491.4 | 337.8 | 316.0 | 284.7 | 314.9 | 270.3 | 273.9 | 263.0 | 259.3 | 317.0 |
| PRICE INDEX (1977=100) | | | | | | | | | | | | | | | |
| Fuel and lubricants a/ Other (incl. Capital goods) b/ | 84.5 | 100.0 | 96.2 | 139.6 | 201.8 | 242.5 | 232.1 | 231.6 | 232.2 | 217.8 | 112.3 | 136.1 | 165.0 | 199.9 | 242.3 |
| Total goods | 90.0 | 100.0 | 109.9 | 132.8 | 159.4 | 166.6 | 166.9 | 163.6 | 171.6 | 160.6 | 142.1 | 155.2 | 169.4 | 182.9 | 192.8 |
| Non-factor services b/ | 91.0 | 100.0 | 115.0 | 130.3 | 142.8 | 143.5 | 141.6 | 137.8 | 135.5 | 136.4 | 162.2 | 166.9 | 171.7 | 176.7 | 181.8 |
| Total goods & NFS | 90.1 | 100.0 | 110.4 | 132.5 | 156.5 | 163.8 | 162.0 | 157.3 | 161.0 | 155.4 | 144.7 | 156.9 | 169.8 | 181.7 | 191.2 |
| CONSTANT 1977 PRICES | | | | | | | | | | | | | | | |
| Fuel and lubricants | 63.8 | 62.9 | 69.3 | 64.7 | 70.0 | 61.5 | 47.0 | 41.7 | 46.6 | 47.2 | 65.4 | 56.5 | 44.7 | 30.7 | 25.6 |
| Capital goods | 130.5 | 88.8 | 52.3 | 43.9 | 52.9 | 53.8 | 33.1 | 34.8 | 22.6 | 48.5 | 31.5 | 33.0 | 25.1 | 42.8 | 67.5 |
| Other | 209.8 | 163.7 | 132.2 | 130.6 | 125.6 | 148.9 | 87.9 | 75.3 | 55.6 | 63.4 | 65.2 | 59.7 | 57.5 | 42.6 | 48.7 |
| Total goods | 404.1 | 315.4 | 253.9 | 239.2 | 248.5 | 264.2 | 168.0 | 151.8 | 124.9 | 159.1 | 162.1 | 149.2 | 127.3 | 116.0 | 141.7 |
| Non-factor services | 45.8 | 32.0 | 30.3 | 32.5 | 52.2 | 35.8 | 40.5 | 49.1 | 52.0 | 43.5 | 26.7 | 25.3 | 27.6 | 26.7 | 24.1 |
| Total goods & NFS | 449.9 | 347.4 | 284.1 | 271.7 | 300.7 | 300.0 | 208.5 | 200.9 | 176.8 | 202.7 | 186.8 | 174.5 | 154.9 | 142.7 | 165.8 |

a/ Curacao fuel price index (1976-81), International oil price index (1982), and unit price for local imports for 1983-86 (see Table 3.4).
b/ World Bank Index of International US\$ inflation (MUV).

Source: Based on Tables 3.1, 3.3 and 3.4 of Statistical Appendix; mission estimates.

Table 3.7: GUYANA- TRADE VOLUME, UNIT VALUES AND TERMS OF TRADE, 1976-90
 (US\$ million)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| In US\$ | | | | | | | | | | | | | | | |
| Export Price Index | 91.37 | 100.00 | 102.75 | 113.24 | 145.94 | 138.86 | 128.94 | 115.90 | 116.38 | 112.78 | 120.15 | 132.20 | 135.90 | 137.54 | 145.00 |
| Import Price Index | 89.97 | 100.00 | 109.87 | 132.81 | 159.41 | 166.56 | 166.90 | 163.57 | 171.62 | 160.57 | 142.05 | 155.24 | 169.36 | 182.86 | 192.77 |
| Commodity Terms of Trade | 101.55 | 100.00 | 93.52 | 85.26 | 91.55 | 83.37 | 77.26 | 70.85 | 67.81 | 70.24 | 84.58 | 85.16 | 80.24 | 75.22 | 75.22 |
| Export Earnings Index | 107.56 | 100.00 | 113.96 | 112.80 | 150.02 | 132.82 | 89.39 | 74.28 | 83.11 | 82.07 | 80.99 | 92.56 | 82.76 | 78.92 | 80.91 |
| Income Terms of Trade | 119.54 | 100.00 | 103.73 | 84.93 | 94.11 | 79.74 | 53.56 | 45.41 | 48.43 | 51.11 | 57.01 | 59.62 | 48.87 | 43.16 | 41.97 |
| In G\$ | | | | | | | | | | | | | | | |
| Export Price Index | 91.37 | 100.00 | 102.75 | 113.24 | 145.94 | 153.18 | 151.70 | 136.35 | 174.61 | 189.07 | 201.28 | 221.47 | 519.93 | 1464.77 | 2558.87 |
| Import Price Index | 89.97 | 100.00 | 109.87 | 132.81 | 159.41 | 183.74 | 196.35 | 192.44 | 257.50 | 269.19 | 237.98 | 260.07 | 647.95 | 1947.32 | 3401.76 |
| Commodity Terms of Trade | 101.55 | 100.00 | 93.52 | 85.26 | 91.55 | 83.37 | 77.26 | 70.85 | 67.81 | 70.24 | 84.58 | 85.16 | 80.24 | 75.22 | 75.22 |
| Export Earnings Index | 107.56 | 100.00 | 113.96 | 112.80 | 150.02 | 146.52 | 105.17 | 87.38 | 124.70 | 137.58 | 135.68 | 155.06 | 316.63 | 840.49 | 1427.83 |
| Income Terms of Trade | 119.54 | 100.00 | 103.73 | 84.93 | 94.11 | 79.74 | 53.56 | 45.41 | 48.43 | 51.11 | 57.01 | 59.62 | 48.87 | 43.16 | 41.97 |

Source: Tables 3.5 and 3.6, Statistical Appendix.

Table 4.1: GUYANA - EXTERNAL MEDIUM & LONG-TERM PUBLIC DEBT BY TYPE OF CREDITOR, 1976-90

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Total Debt | 460.8 | 484.0 | 656.9 | 737.2 | 769.6 | 869.1 | 858.7 | 831.0 | 839.7 | 897.4 | 951.8 | 1039.9 | 1047.9 | 1559.3 | 1863.6 |
| (incl. undisbursed) | | | | | | | | | | | | | | | |
| Commercial | 203.6 | 205.4 | 194.6 | 221.9 | 230.4 | 206.5 | 194.7 | 179.1 | 178.3 | 157.6 | 189.9 | 214.0 | 206.5 | 194.3 | 154.4 |
| Suppliers Credits | 28.8 | 29.2 | 27.9 | 25.9 | 30.9 | 23.6 | 19.6 | 16.9 | 19.1 | 21.6 | 58.3 | 77.1 | 63.9 | 58.2 | 36.5 |
| Financial Institutions | 82.9 | 85.3 | 79.2 | 113.7 | 121.2 | 119.9 | 115.8 | 113.4 | 112.9 | 88.6 | 88.7 | 94.4 | 101.1 | 96.3 | 80.1 |
| Bonds | 10.3 | 11.6 | 12.3 | 13.5 | 14.5 | 7.6 | 6.4 | 5.8 | 4.6 | 5.7 | 5.9 | 7.4 | 7.2 | 6.4 | 7.7 |
| Nationalization | 81.6 | 79.3 | 75.2 | 68.8 | 63.8 | 55.4 | 52.9 | 43.0 | 41.7 | 41.7 | 37.0 | 35.1 | 34.3 | 33.4 | 30.1 |
| Non-Commercial | 257.2 | 278.6 | 462.3 | 515.3 | 539.2 | 662.6 | 664.0 | 651.9 | 661.4 | 739.8 | 761.9 | 825.9 | 841.4 | 1365.0 | 1709.2 |
| Multilateral | 53.1 | 57.9 | 166.4 | 201.3 | 220.6 | 306.2 | 305.0 | 298.7 | 332.0 | 401.3 | 415.5 | 456.2 | 440.1 | 431.1 | 667.7 |
| Bilateral | 204.1 | 220.7 | 295.9 | 314.0 | 318.6 | 356.4 | 359.0 | 353.2 | 329.4 | 370.9 | 376.1 | 411.8 | 432.7 | 980.0 | 1068.4 |
| % of Total | | | | | | | | | | | | | | | |
| Commercial | 44.2 | 42.4 | 29.6 | 30.1 | 29.9 | 23.8 | 22.7 | 21.6 | 21.2 | 17.6 | 20.0 | 20.6 | 19.7 | 12.5 | 8.3 |
| Non-Commercial | 55.8 | 57.6 | 70.4 | 69.9 | 70.1 | 76.2 | 77.3 | 78.4 | 78.8 | 82.4 | 80.0 | 79.4 | 80.3 | 87.5 | 91.7 |
| Disbursed Debt | 363.8 | 404.4 | 438.7 | 507.1 | 559.3 | 638.4 | 682.5 | 699.1 | 693.4 | 769.8 | 841.1 | 937.2 | 960.8 | 1483.7 | 1662.8 |
| Commercial | 180.6 | 196.4 | 190.9 | 215.2 | 218.2 | 188.2 | 187.7 | 177.1 | 171.9 | 157.9 | 185.5 | 207.2 | 202.3 | 177.6 | 150.1 |
| Suppliers Credits | 17.4 | 25.8 | 27.8 | 25.3 | 26.3 | 20.8 | 18.2 | 16.8 | 14.0 | 21.9 | 53.9 | 70.3 | 59.6 | 41.5 | 32.2 |
| Financial Institutions | 71.3 | 79.7 | 75.6 | 107.6 | 113.6 | 104.4 | 110.2 | 111.5 | 111.6 | 88.6 | 88.7 | 94.4 | 101.2 | 96.3 | 80.1 |
| Bonds | 10.3 | 11.6 | 12.3 | 13.5 | 14.5 | 7.6 | 6.4 | 5.8 | 4.6 | 5.7 | 5.9 | 7.4 | 7.2 | 6.4 | 7.7 |
| Nationalization | 81.6 | 79.3 | 75.2 | 68.8 | 63.8 | 55.4 | 52.9 | 43.0 | 41.7 | 41.7 | 37.0 | 35.1 | 34.3 | 33.4 | 30.1 |
| Non-Commercial | 183.2 | 208.0 | 247.8 | 291.9 | 341.1 | 450.2 | 494.8 | 522.0 | 521.5 | 611.9 | 655.6 | 730.0 | 758.5 | 1306.1 | 1512.7 |
| Multilateral | 23.7 | 28.9 | 41.7 | 70.6 | 107.2 | 172.2 | 203.9 | 233.1 | 246.2 | 273.4 | 309.2 | 360.3 | 357.2 | 372.2 | 471.2 |
| Bilateral | 159.5 | 179.1 | 206.1 | 221.3 | 233.9 | 278.0 | 290.9 | 288.9 | 275.3 | 338.5 | 346.4 | 369.7 | 401.3 | 933.9 | 1041.5 |
| % of Total | | | | | | | | | | | | | | | |
| Commercial | 49.6 | 48.6 | 43.5 | 42.4 | 39.0 | 29.5 | 27.5 | 25.3 | 24.8 | 20.5 | 22.1 | 22.1 | 21.1 | 12.0 | 9.0 |
| Non-Commercial | 50.4 | 51.4 | 56.5 | 57.6 | 61.0 | 70.5 | 72.5 | 74.7 | 75.2 | 79.5 | 77.9 | 77.9 | 78.9 | 88.0 | 91.0 |

Source: Ministry of Finance; World Bank.

Table 4.2: GUYANA - SELECTED MEDIUM-TERM EXTERNAL DEBT INDICATORS, 1976-90

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| In Percentage | | | | | | | | | | | | | | | |
| DOD/XGS | 123.6 | 145.1 | 139.9 | 163.1 | 136.9 | 174.0 | 268.3 | 311.4 | 283.3 | 314.6 | 357.6 | 348.1 | 391.2 | 635.0 | 688.0 |
| DOD/GDP | 81.6 | 91.7 | 88.3 | 97.5 | 94.6 | 112.4 | 141.6 | 142.9 | 159.5 | 168.8 | 165.6 | 119.2 | 226.5 | 579.1 | 738.6 |
| Actual | | | | | | | | | | | | | | | |
| TDS/XGS | 11.2 | 11.4 | 15.8 | 29.4 | 17.0 | 21.7 | 18.7 | 23.2 | 15.7 | 9.5 | 12.5 | 9.6 | 8.6 | 11.5 | 56.7 |
| TDS/GDP | 7.4 | 7.2 | 10.0 | 17.6 | 11.8 | 14.0 | 9.9 | 10.6 | 8.9 | 5.1 | 5.8 | 3.3 | 5.0 | 10.5 | 60.9 |
| INT/XGS | 6.7 | 5.5 | 5.5 | 8.1 | 6.5 | 9.8 | 9.6 | 12.7 | 8.5 | 4.7 | 6.1 | 4.5 | 4.6 | 4.8 | 30.2 |
| INT/GDP | 4.4 | 3.4 | 3.5 | 4.8 | 4.5 | 6.4 | 5.1 | 5.8 | 4.8 | 2.5 | 2.8 | 1.5 | 2.7 | 4.4 | 32.4 |
| Scheduled | | | | | | | | | | | | | | | |
| TDS/XGS | 11.2 | 11.4 | 15.8 | 29.4 | 17.0 | 24.4 | 30.3 | 50.8 | 46.7 | 70.8 | 86.4 | 79.8 | 87.4 | 98.4 | 73.2 |
| TDS/GDP | 7.4 | 7.2 | 10.0 | 17.6 | 11.8 | 15.8 | 16.0 | 23.3 | 26.3 | 38.0 | 40.0 | 27.3 | 50.6 | 89.7 | 78.6 |
| INT/XGS | 6.7 | 5.5 | 5.5 | 8.1 | 6.5 | 9.9 | 12.4 | 16.0 | 13.3 | 24.5 | 32.7 | 30.0 | 34.6 | 23.5 | 23.0 |
| INT/GDP | 4.4 | 3.4 | 3.5 | 4.8 | 4.5 | 6.4 | 6.6 | 7.4 | 7.5 | 13.2 | 15.1 | 10.3 | 20.0 | 21.4 | 24.7 |
| In US\$ million | | | | | | | | | | | | | | | |
| DOD | 363.8 | 404.4 | 438.7 | 507.1 | 559.3 | 638.4 | 682.5 | 699.1 | 693.4 | 769.8 | 841.1 | 937.2 | 960.8 | 1483.7 | 1662.8 |
| GDP | 445.6 | 441.0 | 497.1 | 520.0 | 591.4 | 567.7 | 482.0 | 489.3 | 434.7 | 456.1 | 508.0 | 786.3 | 424.1 | 256.2 | 225.1 |
| XGS | 294.4 | 278.8 | 313.6 | 311.0 | 408.6 | 366.9 | 254.4 | 224.5 | 244.8 | 244.7 | 235.2 | 269.2 | 245.6 | 233.7 | 241.7 |
| MGS | 405.3 | 347.4 | 313.7 | 360.0 | 470.7 | 491.4 | 337.8 | 316.0 | 284.7 | 314.9 | 270.3 | 273.9 | 263.0 | 259.3 | 317.0 |
| TDS(scheduled) | 32.9 | 31.9 | 49.6 | 91.3 | 69.5 | 89.7 | 77.0 | 114.1 | 114.2 | 173.2 | 203.1 | 214.7 | 214.6 | 229.8 | 176.9 |
| INT(scheduled) | 19.8 | 15.2 | 17.3 | 25.2 | 26.7 | 36.3 | 31.6 | 36.0 | 32.5 | 60.0 | 76.9 | 80.8 | 85.0 | 54.9 | 55.6 |
| PRI(scheduled) | 13.1 | 16.7 | 32.3 | 66.1 | 42.8 | 53.4 | 45.4 | 78.1 | 81.7 | 113.2 | 126.2 | 133.9 | 129.6 | 174.9 | 121.3 |
| TDS(actual) | 32.9 | 31.9 | 49.6 | 91.3 | 69.5 | 79.7 | 47.6 | 52.0 | 38.5 | 23.2 | 29.4 | 25.9 | 21.0 | 26.8 | 137.0 |
| INT(actual) | 19.8 | 15.2 | 17.3 | 25.2 | 26.7 | 36.1 | 24.4 | 28.4 | 20.8 | 11.5 | 16.3 | 14.4 | 12.1 | 11.3 | 72.9 |
| PRI(actual) | 13.1 | 16.7 | 32.3 | 66.1 | 42.8 | 43.6 | 23.2 | 23.6 | 17.7 | 11.7 | 13.1 | 11.5 | 8.9 | 15.5 | 64.1 |
| Memo item: | | | | | | | | | | | | | | | |
| Average Exchange Rate (G\$/US\$) | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.8 | 3.0 | 3.0 | 3.8 | 4.3 | 4.3 | 4.3 | 9.8 | 27.2 | 45.0 |

Note:

DOD = Disbursed and Outstanding Debt (end-year).
TDS = Public Debt Service Payments (interest and amortization).
INT = Public Debt Interest Payments.
GDP = Gross Domestic Product.
XGS = Exports of Goods and Non-factor Services.
MGS = Imports of Goods and Non-factor Services.

Source: Mission estimates.

Table 5.1: GUYANA - CENTRAL GOVERNMENT REVENUES, 1976-90
(G\$ Million)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
| Direct taxes | 196.0 | 174.2 | 166.0 | 171.4 | 195.4 | 216.0 | 237.1 | 208.7 | 249.8 | 303.7 | 414.9 | 428.4 | 900.8 | 1458.8 | 2746.2 |
| Company taxes | 67.0 | 108.0 | 90.1 | 96.8 | 118.2 | 130.1 | 132.8 | 113.3 | 142.2 | 170.4 | 234.1 | 246.0 | 412.8 | 851.1 | 1375.4 |
| Personal income tax | 38.6 | 39.0 | 56.4 | 55.1 | 58.7 | 62.6 | 79.7 | 67.0 | 74.6 | 94.2 | 132.2 | 157.8 | 178.4 | 185.0 | 374.2 |
| Property tax | 4.1 | 4.3 | 3.7 | 4.0 | 2.4 | 3.6 | 3.8 | 7.5 | 10.5 | 10.4 | 12.9 | 10.6 | 9.4 | 14.0 | 39.7 |
| Estate duty | 0.9 | 1.4 | 1.1 | 1.4 | 1.6 | 2.3 | 2.4 | 2.8 | 4.0 | 5.8 | 5.7 | 6.0 | 8.0 | 11.9 | 12.9 |
| National Dev. surtax | 9.2 | 9.5 | 14.7 | 14.1 | 14.5 | 17.4 | 18.4 | 18.1 | 18.5 | 22.9 | 30.0 | 8.0 | 2.2 | 2.1 | 2.0 |
| Sugar levy | 76.2 | 12.0 | - | - | - | - | - | - | - | - | - | - | 290.0 | 225.3 | 478.7 |
| Rice Levy | - | - | - | - | - | - | - | - | - | - | - | - | 7.3 | 169.5 | 463.4 |
| Indirect taxes | 140.4 | 126.5 | 144.0 | 161.8 | 188.6 | 263.5 | 216.7 | 268.5 | 322.7 | 371.5 | 503.7 | 597.4 | 658.4 | 1376.6 | 2294.5 |
| Import duty | 52.0 | 39.1 | 33.9 | 36.4 | 37.4 | 46.9 | 26.8 | 29.0 | 28.9 | 31.7 | 51.3 | 81.3 | 91.9 | 305.9 | 544.3 |
| Excise duties | 23.6 | 26.4 | 35.8 | 39.6 | 41.1 | 39.3 | 43.0 | 37.2 | 40.8 | 49.7 | 56.9 | 53.2 | 70.2 | 84.6 | 83.8 |
| Consumption tax | 49.9 | 44.4 | 54.8 | 62.5 | 84.8 | 139.3 | 111.0 | 141.8 | 181.2 | 211.2 | 284.9 | 324.8 | 351.0 | 763.0 | 1315.0 |
| Export duties | 1.3 | 1.6 | 1.8 | 2.2 | 1.3 | 1.6 | 0.9 | 1.2 | 2.2 | 6.8 | 8.3 | 20.3 | 17.8 | 50.2 | 94.2 |
| Entertainment tax | 0.9 | 1.2 | 1.5 | 1.5 | 2.2 | 2.9 | 4.1 | 3.6 | 4.0 | 4.4 | 3.9 | 4.4 | 5.6 | 11.6 | 12.3 |
| License fees | 3.6 | 3.5 | 6.5 | 6.2 | 6.5 | 7.8 | 9.8 | 9.1 | 8.4 | 12.8 | 13.4 | 17.0 | 18.9 | 23.1 | 38.2 |
| Travel tax a/ | - | - | 7.1 | 7.9 | 8.8 | 17.8 | 16.8 | 41.9 | 50.5 | 46.3 | 58.2 | 51.2 | 48.7 | 57.0 | 79.7 |
| Other | 9.1 | 10.3 | 2.6 | 5.5 | 6.5 | 7.9 | 4.3 | 4.7 | 6.7 | 8.6 | 26.8 | 45.2 | 54.3 | 81.2 | 127.0 |
| Non-tax revenues | 53.3 | 51.7 | 53.6 | 61.7 | 67.3 | 80.4 | 85.6 | 70.8 | 87.0 | 93.2 | 105.6 | 153.0 | 135.0 | 338.7 | 316.9 |
| Rent, royalties, etc. | 1.2 | 1.1 | 1.5 | 1.1 | 0.7 | 0.8 | 10.1 | 11.1 | 12.8 | 13.2 | 16.0 | 1.3 | 2.0 | 10.9 | 7.4 |
| Other investment income | 0.1 | 3.0 | 1.4 | 1.2 | 3.5 | 3.4 | 3.7 | 4.1 | 4.1 | 16.0 | 6.0 | 11.7 | 12.0 | 12.0 | 5.4 |
| Dividends from Public enterprises | 28.7 | 28.7 | 22.2 | 28.4 | 12.5 | 13.3 | 8.8 | 9.7 | 12.7 | 10.0 | 7.9 | 10.3 | 27.2 | 62.3 | 62.7 |
| Fees, fines, etc. | 7.5 | 7.2 | 10.4 | 11.5 | 13.3 | 14.9 | 12.4 | 9.4 | 9.5 | 6.8 | 18.1 | 50.7 | 37.8 | 25.3 | 58.3 |
| Bank of Guyana profits | 13.0 | 9.2 | 9.0 | 13.1 | 28.3 | 39.8 | 38.4 | 22.1 | 31.5 | 30.0 | 30.0 | 30.8 | 32.0 | 5.7 | 0.0 |
| Special transfers, corpora | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. | 155.5 | 0.0 |
| Other | 2.8 | 2.5 | 9.1 | 6.4 | 9.0 | 8.2 | 12.2 | 14.4 | 16.4 | 17.2 | 27.6 | 48.2 | 24.0 | 67.0 | 183.1 |
| Total current revenue | 389.7 | 352.4 | 363.6 | 394.9 | 451.3 | 559.9 | 539.4 | 548.0 | 659.5 | 768.4 | 1024.2 | 1178.8 | 1694.2 | 3174.1 | 5357.6 |
| Total capital revenue | 0.2 | 2.7 | 2.2 | 17.3 | 3.8 | 20.7 | 3.3 | 2.0 | 51.2 | 34.6 | 27.1 | 102.2 | 60.9 | 252.1 | 849.8 |
| External grants | - | 2.1 | 0.7 | 15.8 | 3.0 | 9.9 | 2.5 | 1.2 | 50.8 | 30.7 | 25.5 | 101.4 | 59.2 | 215.8 | 551.3 |
| Other | 0.2 | 0.6 | 1.5 | 1.5 | 0.8 | 10.8 | 0.8 | 0.8 | 0.4 | 3.9 | 1.6 | 0.8 | 1.7 | 36.3 | 298.5 |
| Total revenue | 389.9 | 355.1 | 365.8 | 412.2 | 455.1 | 580.6 | 542.7 | 550.0 | 710.7 | 803.0 | 1051.3 | 1281.0 | 1755.1 | 3426.2 | 6207.4 |

a/ For 1973 thru 1977, included under "Other".

Source: Ministry of Finance; and mission estimates.

Table 5.2: GUYANA - CENTRAL GOVERNMENT EXPENDITURES BY ECONOMIC CLASSIFICATION, 1976-90
(G\$ million)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|--|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Total expenditures | 782.5 | 530.9 | 529.6 | 674.2 | 914.1 | 1165.2 | 1545.8 | 1239.8 | 1880.1 | 2061.0 | 3117.0 | 3278.4 | 3882.9 | 4959.9 | 10925.7 |
| Current expenditures | 457.2 | 415.0 | 423.8 | 497.3 | 613.9 | 805.7 | 787.7 | 1000.6 | 1241.5 | 1644.2 | 1895.0 | 2618.4 | 2930.9 | 3710.2 | 7605.3 |
| Goods & services | 304.2 | 284.0 | 281.6 | 310.1 | 364.7 | 463.5 | 392.0 | 457.9 | 566.0 | 723.1 | 682.6 | 1176.0 | 1306.0 | 1754.7 | 2118.8 |
| Personal emoluments | 128.8 | 154.0 | 176.2 | 183.7 | 196.0 | 228.3 | 225.8 | 238.8 | 293.1 | 353.1 | 385.4 | 567.0 | 571.0 | 748.0 | 1071.3 |
| Other goods and services c/ | 175.4 | 130.0 | 105.4 | 126.4 | 168.7 | 235.2 | 166.2 | 219.1 | 272.9 | 370.2 | 297.2 | 609.0 | 735.0 | 1006.7 | 1047.5 |
| Interest | 69.6 | 70.7 | 93.8 | 133.9 | 164.6 | 241.7 | 312.0 | 470.8 | 602.9 | 817.9 | 993.4 | 1207.8 | 1313.5 | 1155.3 | 4191.5 |
| External | - | - | - | - | - | 53.1 | 70.3 | 89.7 | 105.7 | 154.7 | 120.6 | 244.2 | 293.8 | 205.9 | 500.7 |
| Domestic | - | - | - | - | - | 188.6 | 241.7 | 381.1 | 497.2 | 663.2 | 872.8 | 963.6 | 1019.7 | 949.4 | 3690.8 |
| Transfers | 78.6 | 57.4 | 46.4 | 49.7 | 80.0 | 96.0 | 77.9 | 66.7 | 64.5 | 94.5 | 211.0 | 219.1 | 300.1 | 784.3 | 1288.5 |
| Consolidated Public Sector a/ | 10.4 | 1.7 | 0.5 | 0.5 | 0.5 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 96.5 | 57.4 | 58.0 | 124.3 | 170.5 |
| Other Public Sector (Uncons.) b/ | 16.8 | 15.6 | 22.9 | 25.1 | 30.0 | 26.7 | 21.2 | 19.4 | 19.6 | 23.6 | 7.7 | 9.7 | 12.0 | 16.8 | 16.1 |
| Pensions & gratuities to private sector | 12.7 | 13.7 | 18.5 | 16.8 | 20.3 | 27.6 | 14.6 | 23.5 | 15.1 | 17.6 | 20.2 | 21.3 | 25.8 | 31.3 | 39.9 |
| Other private sector | 34.2 | 20.9 | 3.2 | 2.9 | 22.7 | 20.9 | 16.7 | 9.8 | 15.2 | 20.7 | 28.7 | 41.9 | 86.5 | 0.0 | 0.0 |
| Local & International | 4.5 | 5.5 | 1.3 | 4.4 | 6.5 | 20.3 | 25.4 | 14.0 | 14.6 | 32.6 | 57.9 | 88.8 | 117.8 | 611.9 | 1064.0 |
| Refund of revenue | 4.8 | 2.9 | 2.0 | 3.6 | 4.6 | 4.5 | 5.8 | 5.2 | 8.1 | 8.7 | 8.0 | 15.5 | 11.3 | 15.9 | 6.5 |
| Capital expenditure | 325.3 | 115.9 | 105.8 | 176.9 | 300.2 | 359.5 | 758.1 | 239.2 | 638.6 | 416.8 | 1222.0 | 660.0 | 952.0 | 1249.7 | 3320.4 |
| Capital formation | 174.0 | 101.4 | 68.3 | 125.2 | 182.1 | 244.7 | 200.8 | 162.2 | 181.9 | 218.2 | 282.0 | 576.0 | 727.0 | 860.5 | 1842.2 |
| Acquisition of financial assets | 116.1 | 3.7 | 0.6 | 7.3 | 2.3 | 13.3 | 20.8 | 17.1 | 24.8 | 7.1 | 731.0 | 0.0 | 0.0 | 46.3 | 58.6 |
| Transfers (grants & loans) | 35.2 | 10.8 | 36.9 | 44.4 | 115.8 | 101.5 | 536.5 | 59.9 | 431.9 | 191.5 | 209.0 | 84.0 | 225.0 | 342.9 | 1419.7 |
| Consolidated Public Sector | 9.1 | 9.9 | 20.3 | 11.9 | 61.0 | 53.2 | 523.9 | 51.0 | 413.8 | 180.9 | 209.0 | 63.2 | 222.0 | 191.8 | 1264.6 |
| (of which special financing) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 475.0 | 0.0 | 378.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Public Sector (Unconsolidate) | 26.1 | 0.9 | 16.6 | 32.5 | 54.8 | 48.3 | 12.6 | 8.9 | 18.1 | 10.6 | 0.0 | 20.8 | 3.0 | 151.1 | 155.0 |

a/ From 1983, included in capital transfers (grants & loans).

b/ From 1983, includes National Service expenditures, previously designated as capital expenditure.

c/ Includes NIS contribution.

Source: Ministry of Finance; and mission estimates.

Table 5.3: GUYANA - SUMMARY ACCOUNTS OF CENTRAL GOVERNMENT, 1976-90
(G\$ million)

| | Actual | | | | | | | | | | | | | | |
|---------------------------------|--------|--------|--------|--------|--------|--------|---------|--------|---------|---------|---------|---------|---------|---------|---------|
| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| Current Revenue | 389.7 | 352.4 | 363.6 | 394.9 | 451.3 | 559.9 | 539.4 | 548.0 | 659.5 | 768.4 | 1024.2 | 1178.8 | 1694.2 | 3174.1 | 5357.6 |
| Tax revenue | 336.4 | 300.7 | 310.0 | 333.2 | 384.0 | 479.5 | 453.8 | 477.2 | 572.5 | 675.2 | 918.6 | 1025.8 | 1589.2 | 2835.4 | 5040.7 |
| Direct taxes | 196.0 | 174.2 | 166.0 | 171.4 | 195.4 | 216.0 | 237.1 | 208.7 | 249.8 | 303.7 | 414.9 | 428.4 | 900.8 | 1458.8 | 2746.2 |
| Indirect taxes | 140.4 | 126.5 | 144.0 | 161.8 | 188.6 | 263.5 | 216.7 | 268.5 | 322.7 | 371.5 | 503.7 | 597.4 | 688.4 | 1376.6 | 2294.5 |
| Non-tax revenue | 53.3 | 51.7 | 53.6 | 61.7 | 67.3 | 80.4 | 85.6 | 70.8 | 87.0 | 93.2 | 105.6 | 153.0 | 135.0 | 338.7 | 316.9 |
| Current Expenditure | 457.2 | 415.0 | 423.8 | 497.3 | 613.9 | 805.7 | 787.7 | 1000.6 | 1241.5 | 1644.2 | 1895.0 | 2618.4 | 2930.9 | 3710.2 | 7605.3 |
| Personal emoluments | 128.8 | 154.0 | 176.2 | 183.7 | 196.0 | 228.3 | 225.8 | 238.8 | 293.1 | 353.1 | 385.4 | 567.0 | 571.0 | 748.0 | 1071.3 |
| Other | 328.4 | 261.0 | 247.6 | 313.6 | 417.9 | 577.4 | 561.9 | 761.8 | 948.4 | 1291.1 | 1509.6 | 2051.4 | 2359.9 | 2962.2 | 6534.0 |
| Interest | 69.6 | 70.7 | 93.8 | 133.9 | 164.6 | 241.7 | 312.0 | 470.8 | 602.9 | 817.9 | 993.4 | 1207.8 | 1313.5 | 1155.3 | 4191.5 |
| Transfers | 78.6 | 57.4 | 46.4 | 49.7 | 80.0 | 96.0 | 77.9 | 66.7 | 64.5 | 94.5 | 211.0 | 219.1 | 300.1 | 784.3 | 1288.5 |
| Other goods & services | 180.2 | 132.9 | 107.4 | 130.0 | 173.3 | 239.7 | 172.0 | 224.3 | 281.0 | 378.7 | 305.2 | 624.5 | 746.3 | 1022.6 | 1054.0 |
| Current Surplus/Deficit | -67.5 | -62.6 | -60.2 | -102.4 | -162.6 | -245.8 | -248.3 | -452.6 | -582.0 | -875.8 | -870.8 | -1439.6 | -1236.7 | -536.1 | -2247.7 |
| Capital Revenue | 0.2 | 2.7 | 2.2 | 17.3 | 3.8 | 20.7 | 3.3 | 2.0 | 51.2 | 34.6 | 27.1 | 102.2 | 60.9 | 252.1 | 849.8 |
| Capital Expenditure | 325.3 | 115.9 | 105.8 | 176.9 | 300.2 | 359.5 | 758.1 | 239.2 | 638.6 | 416.8 | 1222.0 | 660.0 | 952.0 | 1249.7 | 3320.4 |
| Overall Surplus/Deficit | -392.6 | -175.8 | -163.8 | -262.0 | -459.0 | -584.6 | -1003.1 | -689.8 | -1169.4 | -1258.0 | -2065.7 | -1997.4 | -2127.8 | -1533.7 | -4718.3 |
| Financing | 392.6 | 175.8 | 163.8 | 262.0 | 459.0 | 584.6 | 1003.1 | 689.8 | 1169.4 | 1258.0 | 2065.7 | 1997.4 | 2127.8 | 1533.7 | 4718.3 |
| Net External Borrowing | 130.3 | 22.2 | 53.7 | 68.6 | 93.4 | 402.3 | 131.6 | 68.2 | 78.4 | 298.7 | 141.0 | 234.2 | 322.0 | 308.8 | 4131.0 |
| Disbursement | 162.7 | 57.1 | 106.5 | 135.2 | 154.3 | 435.9 | 180.8 | 140.0 | 99.0 | 264.8 | 131.2 | 217.6 | 172.0 | 1485.0 | 7664.0 |
| Amortization | -32.4 | -34.9 | -52.8 | -66.6 | -60.9 | -49.4 | -111.6 | -207.1 | -226.4 | -334.3 | -411.9 | -1034.1 | -967.0 | -4164.2 | -4874.0 |
| Rescheduling | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 30.6 | 69.3 | 134.1 | 199.8 | 244.8 | 536.6 | 646.0 | 1751.1 | 4434.9 |
| Change in Arrears | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 15.8 | 31.8 | 66.0 | 71.7 | 168.4 | 176.9 | 514.1 | 471.0 | 1236.9 | -3093.9 |
| Net Dom. Bank Borrowing | 240.3 | 143.1 | 71.8 | 137.3 | 288.6 | 139.1 | 726.5 | 346.4 | 1291.0 | 681.7 | 1179.5 | 2305.2 | 1261.6 | 2070.5 | 1317.0 |
| Other Domestic Borrowing | 22.0 | 10.5 | 38.3 | 56.1 | 77.0 | 43.2 | 145.0 | 275.2 | -200.0 | 277.6 | 745.2 | -542.0 | 544.2 | -845.6 | -729.7 |

Source: Tables 5.1 and 5.2 of Statistical Appendix.

Table 5.4: GUYANA - CENTRAL GOVERNMENT FINANCING, 1976-90
(G\$ million)

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Total Financing | 392.6 | 175.8 | 163.8 | 262.0 | 459.0 | 584.6 | 1003.1 | 689.8 | 1169.4 | 1258.0 | 2065.7 | 1997.4 | 2127.8 | 1533.7 | 4718.3 |
| External Borrowing (net) | 130.3 | 22.2 | 53.7 | 68.6 | 93.4 | 396.5 | 136.9 | 135.7 | 120.1 | 272.3 | 257.9 | 586.9 | 523.4 | 3619.1 | 4575.0 |
| Multilateral | 8.9 | 12.2 | 30.0 | 67.2 | 84.3 | 170.5 | 99.6 | 91.5 | 47.7 | 103.7 | 85.1 | 80.7 | 108.8 | 518.7 | 3546.0 |
| Disbursement | 9.9 | 13.6 | 31.1 | 69.2 | 86.8 | 173.2 | 101.8 | 97.8 | 73.8 | 116.0 | 102.3 | 85.4 | 128.8 | 638.2 | 5490.0 |
| Amortization | 1.0 | 1.4 | 1.1 | 2.0 | 2.5 | 2.7 | 2.2 | 6.3 | 26.1 | 12.3 | 17.2 | 4.7 | 20.0 | 119.5 | 1964.0 |
| Bilateral | 49.4 | 24.5 | 35.9 | 26.2 | 10.7 | 228.7 | 54.8 | 35.7 | 5.0 | 0.1 | 4.3 | 18.4 | 42.0 | 218.9 | 1190.3 |
| Disbursement | 58.8 | 33.4 | 48.7 | 50.8 | 37.4 | 244.4 | 63.7 | 35.7 | 5.0 | 2.7 | 11.2 | 34.6 | 62.4 | 267.1 | 1246.5 |
| Amortization | 9.4 | 8.9 | 12.8 | 24.6 | 28.7 | 15.7 | 8.9 | 0.0 | 0.0 | 2.6 | 6.9 | 16.2 | 20.5 | 28.2 | 56.3 |
| Financial Markets | 25.2 | 3.5 | 8.3 | -10.0 | 22.3 | -4.5 | -0.6 | 0.0 | 0.0 | 0.0 | 0.0 | -4.3 | 0.0 | 0.0 | 0.0 |
| Disbursement | 29.9 | 9.2 | 26.7 | 9.5 | 26.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 18.8 | 0.0 | 0.0 | 0.0 |
| Amortization | 4.7 | 5.7 | 18.4 | 19.5 | 4.3 | 4.5 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 23.1 | 0.0 | 0.0 | 0.0 |
| Trade Credits | -2.5 | -4.0 | -4.4 | 1.7 | -5.7 | 2.3 | 0.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Disbursement | 1.4 | 0.0 | 0.0 | 5.7 | 1.5 | 8.0 | 3.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortization | 3.9 | 4.0 | 4.4 | 4.0 | 7.2 | 5.7 | 2.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Nationalization | 49.3 | -14.0 | -16.1 | -16.5 | -18.2 | -8.3 | -25.0 | -7.2 | -14.4 | -14.5 | -14.5 | -17.9 | -27.3 | -81.5 | -161.2 |
| Disbursement | 62.7 | 0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortization | 13.4 | 14.9 | 16.1 | 16.5 | 18.2 | 8.3 | 25.0 | 7.2 | 14.4 | 14.5 | 14.5 | 17.9 | 27.3 | 81.5 | 161.2 |
| Change in errors | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 7.8 | 7.3 | 15.7 | 81.8 | 183.0 | 183.0 | 510.0 | 400 | 2963 | .. |
| Domestic Bank Borrowing (net) | 240.3 | 143.1 | 71.8 | 137.3 | 288.6 | 139.1 | 706.7 | 312.0 | 855.5 | 916.8 | 1438.4 | 1505.5 | 1260.9 | 2070.5 | 172.9 |
| Bank of Guyana | 252.2 | 91.7 | 66.8 | 158.0 | 277.5 | 111.0 | 535.7 | 149.5 | 804.4 | 916.8 | 1179.5 | 2305.2 | 906.2 | 211.7 | -1111.3 |
| Commercial Banks | -11.9 | 51.4 | 25.0 | -20.7 | 11.1 | 28.1 | 171.0 | 162.5 | 51.1 | 0.0 | 258.9 | -799.7 | 354.7 | 1858.8 | 1284.2 |
| Domestic Borrowing from | | | | | | | | | | | | | | | |
| Other Financial Intermediaries | 5.6 | 3.6 | 4.3 | 0.0 | -3.5 | 3.2 | 21.2 | 37.1 | 59.2 | 85.8 | 123.5 | 63.0 | -0.2 | 39.0 | 196.2 |
| New Building Society | 2.9 | 1.5 | -2.2 | 1.4 | -0.1 | 3.4 | 15.9 | 17.6 | 40.3 | 75.5 | 68.7 | 90.5 | 15.4 | 138.7 | 383.6 |
| Local Life Insurance Companies | 2.7 | 2.0 | 0.5 | 1.3 | 1.0 | 0.9 | 13.0 | 6.0 | 23.3 | 10.2 | 21.2 | -31.2 | 5.6 | 27.2 | 19.8 |
| Trust Companies | - | 0.1 | 0.4 | - | -0.6 | 0.1 | -0.1 | 0.7 | -0.2 | -0.5 | 5.0 | -5.7 | .. | .. | .. |
| Government development banks | - | - | 5.6 | -2.7 | -2.3 | -0.9 | -0.2 | 1.7 | 0.7 | 0.0 | 0.5 | -2.9 | .. | -197.9 | -200.7 |
| Pension funds | - | - | - | - | -1.5 | -0.3 | -7.4 | 11.1 | -4.9 | 0.6 | 28.1 | 12.3 | -21.2 | 71 | -6.5 |
| Domestic Borrowing from | | | | | | | | | | | | | | | |
| Consolidated Public sector | 31.3 | 9.2 | 38.3 | 64.0 | 61.5 | 67.8 | 107.9 | 150.1 | 102.2 | 176.7 | 80.2 | 87.0 | 122.7 | 13.5 | -49.6 |
| National Insurance Scheme | 21.1 | 23.0 | 34.5 | 61.3 | 75.2 | 57.4 | 94.8 | 125.2 | 123.8 | 174.0 | 64.6 | 91.8 | 110.7 | 77.5 | -53.0 |
| Government-owned corporations | 10.2 | -13.8 | 3.8 | 2.7 | -13.7 | 10.4 | 13.1 | 24.9 | -21.6 | 2.7 | 15.6 | -4.8 | 12.0 | -64.0 | 5.4 |
| Domestic Borrowing from | | | | | | | | | | | | | | | |
| Unconsolidated Public sector | -9.4 | 13.1 | 19.0 | -22.3 | -46.1 | -43.8 | -63.5 | -71.6 | -18.6 | -59.7 | -32.6 | 75.2 | 74.1 | 224.2 | 128.1 |
| Special funds | -1.0 | - | 5.0 | - | 1.4 | 9.5 | -2.7 | 0.1 | 0.0 | 1.8 | -1.5 | -4.3 | 0.2 | -19.2 | .. |
| Sinking funds | 2.3 | 25.1 | 28.8 | -4.1 | -25.2 | 1.9 | 26.7 | 18.3 | 40.4 | -32.2 | -1.8 | 108.8 | 73.9 | 243.6 | 128.1 |
| Government contributions to Sinking Funds | -10.7 | -12.0 | -14.8 | -18.2 | -22.3 | -55.2 | -87.5 | -90.0 | -39.0 | -29.3 | -29.3 | -29.3 | - | - | - |
| Other Domestic Borrowing | -5.5 | -15.4 | -23.3 | 14.4 | 65.1 | 21.8 | 93.9 | 126.5 | 51.0 | -133.9 | 198.3 | -320.2 | 146.9 | -4432.6 | -304.3 |
| Insurance companies, n.e.i. | 1.8 | 3.4 | 10.8 | 7.7 | 6.7 | 10.4 | 10.1 | 11.6 | 8.2 | 26.5 | 24.0 | -20.5 | 23.6 | 91.8 | 15.0 |
| Other a/ | -7.3 | -18.8 | -34.1 | 6.7 | 58.4 | 11.4 | 83.8 | 114.9 | 42.8 | -160.4 | 174.3 | -299.7 | 123.3 | -4524.4 | -319.3 |

a/ Includes holdings certificates and defense bonds.
Source: Ministry of Finance.

Table 5.5 : GUYANA - SUMMARY ACCOUNTS OF PUBLIC SECTORS CORPORATIONS, 1976-90
(G\$ million)

| | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Operating Revenue | 1186.7 | 1410.3 | 1610.0 | 2012.7 | 2122.3 | 1803.3 | 1609.5 | 1992.3 | 2273.9 | 2416.4 | 4492.1 | 4438.0 | 9610.1 | 14436.0 |
| Guymine/Bidco | 354.9 | 364.0 | 366.0 | 542.0 | 493.0 | 327.0 | 244.0 | 398.2 | 475.6 | 397.3 | 930.0 | 904.7 | 2233.5 | 3468.4 |
| Guysuco | 186.0 | 261.4 | 259.3 | 328.8 | 316.7 | 276.0 | 231.1 | 307.4 | 333.4 | 429.5 | 1078.8 | 691.9 | 2534.6 | 3738.9 |
| GRB | 91.9 | 130.4 | 113.1 | 122.6 | 156.6 | 137.7 | 113.7 | 132.5 | 110.0 | 114.3 | 185.0 | 194.3 | 439.3 | 523.5 |
| N.I.S. | 31.8 | 44.9 | 78.8 | 84.8 | 100.0 | 112.5 | 123.4 | 137.9 | 156.8 | 193.4 | 195.0 | .. | .. | .. |
| Other a/ | 522.1 | 609.6 | 792.8 | 934.5 | 1056.0 | 950.1 | 897.3 | 1016.3 | 1198.1 | 1281.9 | 2103.3 | 2647.1 | 4402.7 | 6705.2 |
| Operating Expenditure b/ | 1030.1 | 1198.4 | 1372.9 | 1743.7 | 2192.9 | 1907.6 | 1746.8 | 2011.5 | 2303.5 | 2293.9 | 4475.3 | 4094.8 | 9800.0 | 11325.2 |
| Guymine/Bidco | 264.0 | 285.0 | 310.0 | 459.0 | 588.5 | 458.0 | 398.0 | 507.3 | 613.6 | 511.6 | 1030.2 | 935.1 | 2817.7 | 3422.2 |
| Guysuco | 197.9 | 266.0 | 246.9 | 311.2 | 399.4 | 368.7 | 349.8 | 399.6 | 409.5 | 414.2 | 1058.2 | 681.7 | 1751.4 | 3179.8 |
| GRB | 80.7 | 100.0 | 109.7 | 122.0 | 161.8 | 156.8 | 129.2 | 132.3 | 134.7 | 143.4 | 197.8 | 206.0 | 379.6 | 492.4 |
| N.I.S. | 8.8 | 10.9 | 13.8 | 14.3 | 20.4 | 24.3 | 23.6 | 25.2 | 29.7 | 61.3 | 54.1 | .. | .. | .. |
| Other a/ | 478.7 | 536.5 | 692.5 | 837.2 | 1022.8 | 899.8 | 846.2 | 947.1 | 1116.0 | 1163.4 | 2135.0 | 2272.0 | 4851.3 | 4230.8 |
| Operating Balance | 156.6 | 211.9 | 237.1 | 269.0 | -70.6 | -104.3 | -137.3 | -19.2 | -29.6 | 122.5 | 16.8 | 343.2 | -189.9 | 3110.8 |
| Guymine/Bidco | 90.9 | 79.0 | 56.0 | 83.0 | -95.5 | -131.0 | -154.0 | -109.1 | -138.0 | -114.3 | -100.2 | -30.4 | -584.2 | 46.2 |
| Guysuco | -11.9 | -4.6 | 12.4 | 17.6 | -82.7 | -92.7 | -118.7 | -92.2 | -76.1 | 15.3 | 20.6 | 10.2 | 783.2 | 559.1 |
| GRB | 11.2 | 30.4 | 3.4 | 0.6 | -5.2 | -19.1 | -15.5 | 0.2 | -24.7 | -29.1 | -12.8 | -11.7 | 59.7 | 31.1 |
| N.I.S. | 23.0 | 34.0 | 65.0 | 70.5 | 79.6 | 88.2 | 99.8 | 112.7 | 127.1 | 132.1 | 140.9 | 0.0 | 0.0 | 0.0 |
| Other a/ | 43.4 | 73.1 | 100.3 | 97.3 | 33.2 | 50.3 | 51.1 | 25.0 | 82.1 | 118.5 | -31.7 | 375.1 | -448.6 | 2474.4 |
| Net Transfers | -103.8 | -77.7 | -80.1 | -73.9 | -67.3 | -54.8 | -50.3 | -49.4 | -64.3 | -77.0 | -64.9 | -138.5 | -351.0 | -732.0 |
| Transfers from CG c/ | 0.0 | 0.0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 334.0 | 0.0 |
| Transfers to CG | 103.8 | 77.6 | 76.6 | 69.9 | 63.9 | 51.8 | 44.2 | 44.4 | 58.6 | 72.0 | 59.9 | 126.0 | 664.0 | 725.0 |
| Local government taxes | 0.0 | 0.1 | 4.0 | 4.5 | 3.9 | 3.5 | 6.1 | 5.0 | 5.7 | 5.0 | 12.5 | 21.0 | 7.0 | 23.0 |
| Non-cash Expenditures | 0.0 | 0.0 | 0.0 | 0.0 | 95.6 | 98.1 | 96.8 | 150.7 | 104.0 | 124.0 | 597.7 | 235.9 | 1596.0 | 382.0 |
| Current Account Balance | 52.8 | 134.2 | 157.0 | 195.1 | -42.3 | -61.0 | -90.8 | 82.1 | 10.1 | 169.5 | 549.6 | 440.6 | 1055.1 | 2760.8 |
| Guymine/Bidco | 49.1 | 47.0 | 33.0 | 74.0 | -63.5 | -95.0 | -120.0 | -32.1 | -124.9 | -167.7 | -100.2 | -30.4 | -584.2 | 46.2 |
| Guysuco | -31.7 | -4.6 | 12.4 | 16.4 | -67.9 | -75.8 | -100.7 | -71.2 | -63.5 | 37.0 | 20.6 | 10.2 | 783.2 | 559.1 |
| GRB | 11.2 | 30.4 | 3.4 | 0.4 | 1.1 | -13.3 | -10.3 | 3.2 | -22.1 | -24.0 | 15.2 | 14.3 | 66.1 | 31.4 |
| N.I.S. | 23.0 | 34.0 | 65.0 | 70.5 | 79.6 | 88.2 | 99.8 | 112.2 | 126.3 | 130.7 | 137.2 | .. | .. | .. |
| Other a/ | 1.2 | 27.4 | 43.2 | 33.8 | 8.4 | 34.9 | 40.4 | 70.0 | 94.3 | 193.5 | 476.8 | 446.5 | 790.0 | 2124.1 |
| Capital Receipts | 9.9 | 20.3 | 11.9 | 61.0 | 53.2 | 523.9 | 51.0 | 413.8 | 180.9 | 209.0 | 63.2 | 222.0 | 191.8 | 1264.6 |
| Capital Expenditure | 151.6 | 102.2 | 114.0 | 117.6 | 115.8 | 89.1 | 86.6 | 176.0 | 141.0 | 259.0 | 461.0 | 458.0 | 978.0 | 2318.0 |
| Overall Balance | -88.9 | 52.3 | 54.9 | 138.5 | -104.9 | 373.8 | -126.4 | 319.9 | 50.0 | 119.5 | 151.8 | 204.6 | 268.9 | 1707.4 |
| (Exclude Capital Receipt) | -98.8 | 32.0 | 43.0 | 77.5 | -158.1 | -150.1 | -177.4 | -93.9 | -130.9 | -89.5 | 88.6 | -17.4 | 77.1 | 442.8 |

a/ The Guyana Group (excluding GRB) and Guyana Liquor Company.

b/ Includes depreciation allowances.

c/ CG = Central Government. From 1983, included in capital receipts.

Source: State Planning Secretariat.

Table 5.6: GUYANA - SUMMARY ACCOUNTS OF THE PUBLIC SECTOR, 1976-90
(G\$ million)

| | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|
| Current Account Surplus/Deficit | -9.8 | 74.0 | 54.6 | 32.5 | -288.1 | -309.3 | -543.4 | -499.9 | -865.7 | -701.3 | -890.0 | -796.1 | 519.0 | 513.1 |
| Central Government | -62.6 | -60.2 | -102.4 | -162.6 | -245.8 | -248.3 | -452.6 | -582.0 | -875.8 | -870.8 | -1439.6 | -1236.7 | -536.1 | -2247.7 |
| Other Public Sector | 52.8 | 134.2 | 157.0 | 195.1 | -42.3 | -61.0 | -90.8 | 82.1 | 10.1 | 169.5 | 549.6 | 440.6 | 1055.1 | 2760.8 |
| Central Government Capital Revenues | 2.7 | 2.2 | 17.3 | 3.8 | 20.7 | 3.3 | 2.0 | 51.2 | 34.6 | 27.1 | 102.2 | 60.9 | 252.1 | 849.8 |
| Capital Expenditures | 257.6 | 187.7 | 279.0 | 356.8 | 422.1 | 323.3 | 274.8 | 400.8 | 376.9 | 1272.0 | 1057.8 | 1188.0 | 2035.9 | 4373.8 |
| Central Government | 115.9 | 105.8 | 176.9 | 300.2 | 359.5 | 758.1 | 239.2 | 638.6 | 416.8 | 1222.0 | 660.0 | 952.0 | 1249.7 | 3320.4 |
| Other Public Sector | 151.6 | 102.2 | 114.0 | 117.6 | 115.8 | 89.1 | 86.6 | 176.0 | 141.0 | 259.0 | 461.0 | 458.0 | 978.0 | 2318.0 |
| Transfers to Corporations | -9.9 | -20.3 | -11.9 | -61.0 | -53.2 | -523.9 | -51.0 | -413.8 | -180.9 | -209.0 | -63.2 | -222.0 | -191.8 | -1264.6 |
| Overall Surplus/Deficit | -264.7 | -111.5 | -207.1 | -320.5 | -689.5 | -629.3 | -816.2 | -849.5 | -1208.0 | -1946.2 | -1845.6 | -1923.2 | -1264.8 | -3010.9 |
| Financing (net) | 264.7 | 111.5 | 207.1 | 320.5 | 689.5 | 629.3 | 816.2 | 849.5 | 1208.0 | 1946.2 | 1845.6 | 1923.2 | 1264.8 | 3010.9 |
| Net External Borrowing | 89.0 | 121.0 | 106.0 | 130.0 | 383.0 | 258.9 | 168.0 | 102.7 | 370.0 | 298.7 | 141.0 | 234.2 | 322.0 | 308.8 |
| Disbursements | - | - | - | - | 476.1 | 228.2 | 168.9 | 104.6 | 272.3 | 264.8 | 131.2 | 217.6 | 172.0 | 1485.0 |
| Amortization | - | - | - | - | -150.2 | -136.2 | -236.4 | -256.7 | -392.5 | -334.3 | -411.9 | -1034.1 | -967.0 | -4164.2 |
| Change in Arrears | - | - | - | - | 57.1 | 136.3 | 166.2 | 120.7 | 290.4 | 199.8 | 244.8 | 536.6 | 646.0 | 1751.1 |
| Rescheduling | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 30.6 | 69.3 | 134.1 | 199.8 | 168.4 | 176.9 | 514.1 | 471.0 | 1236.9 |
| Domestic Borrowing (net) | 175.7 | -9.5 | 101.1 | 190.5 | 306.5 | 370.4 | 648.2 | 746.8 | 838.0 | 1647.5 | 1704.6 | 1689.0 | 942.8 | 2702.1 |
| Banking System | 190.0 | 74.0 | 196.0 | 346.0 | 283.0 | 633.9 | 633.8 | 1201.6 | 1438.4 | 1505.5 | 1261.6 | 2070.5 | 172.9 | 1284.8 |
| Other (net) | -14.3 | -83.5 | -94.9 | -155.5 | 23.5 | -263.5 | 14.4 | -454.8 | -600.4 | 142.0 | 443.0 | -381.5 | 769.9 | 1417.3 |

Source: Ministry of Finance; and mission estimates.

Table 6.1: GUYANA - SUMMARY ACCOUNTS OF THE MONETARY AUTHORITIES, 1977-90
(G\$ million)

| | December 31 | | | | | | | | | | | | | |
|--|-------------|-------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|----------|----------|
| | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| Net International Reserves | -105.1 | -64.3 | -187.5 | -407.8 | -494.1 | -662.3 | -923.4 | -1694.0 | -2107.9 | -2367.2 | -6126.0 | -6334.2 | -21764.1 | -29403.5 |
| Assets | 59.6 | 148.6 | 44.7 | 32.8 | 25.7 | 25.6 | 19.3 | 20.7 | 26.8 | 37.8 | 89.0 | 40.4 | 501.6 | 1195.3 |
| Liabilities | 164.7 | 212.9 | 232.2 | 440.6 | 519.8 | 687.9 | 942.7 | 1714.7 | 2134.7 | 2405.0 | 6213.0 | 6374.6 | 22265.7 | 30598.8 |
| Net Domestic Credit | 302.7 | 339.6 | 459.5 | 709.7 | 792.3 | 1285.4 | 1371.4 | 2016.8 | 2233.3 | 3221.5 | 5491.2 | 6304.0 | 6097.3 | 6349.5 |
| Public Sector (net) | 337.5 | 386.0 | 541.4 | 829.2 | 926.0 | 1461.1 | 1615.5 | 2796.0 | 3178.0 | 3926.9 | 6288.5 | 7261.2 | 7326.9 | 6137.4 |
| Central Government | 346.0 | 392.9 | 550.9 | 837.9 | 939.4 | 1475.1 | 1624.6 | 2804.0 | 3228.4 | 3957.6 | 6262.9 | 7169.9 | 7381.5 | 6270.2 |
| Treasury Bills | 335.3 | 390.2 | 587.0 | 818.5 | 853.1 | 1403.8 | 2037.4 | 1870.6 | 2199.0 | 2171.5 | 3806.9 | 3591.6 | 3047.3 | 1662.4 |
| Debentures a/ | 5.9 | 5.9 | 2.2 | 2.2 | 0.9 | 0.4 | 0.4 | 955.0 | 930.5 | 783.1 | 750.9 | 714.2 | 672.1 | 458.5 |
| Advances | 4.8 | 0.0 | 0.0 | 17.2 | 85.4 | 70.9 | 0.0 | 0.0 | 98.9 | 1003.0 | 1705.1 | 2864.1 | 3662.1 | 4149.3 |
| Deposits | 0.0 | -3.2 | -38.3 | 0.0 | 0.0 | 0.0 | -413.2 | -21.6 | 0.0 | .. | .. | .. | .. | .. |
| Special Funds | -6.1 | -6.2 | -6.4 | -6.4 | -6.5 | -6.5 | -6.5 | -6.5 | -6.5 | -6.5 | -6.5 | -6.5 | -6.5 | -6.5 |
| Social Security & Pension Funds | -2.4 | -0.7 | -3.1 | -2.3 | -6.9 | -7.5 | -2.6 | -1.5 | -43.9 | -24.2 | 32.1 | 77.8 | -48.1 | -126.3 |
| Official Capital & Surplus | -11.7 | -12.7 | -14.2 | -48.6 | -56.6 | -94.5 | -188.1 | -544.1 | -708.9 | -43.1 | -46.6 | -46.6 | -46.6 | -46.6 |
| Unclassified (net) | -23.1 | -33.7 | -67.7 | -70.9 | -77.1 | -81.2 | -56.0 | -235.1 | -235.8 | -662.3 | -750.7 | -890.6 | -1183.0 | 258.7 |
| SDR Allocation Account | 20.1 | 22.5 | 31.5 | 44.4 | 39.1 | 50.1 | 43.9 | -391.0 | | 78.2 | 206.1 | 188.9 | 623.39 | 30.2 |
| Liabilities to Commercial Banks | 34.6 | 96.3 | 92.2 | 98.0 | 80.2 | 352.6 | 142.2 | 405.9 | 171.8 | 782.3 | 2369.8 | 2627.9 | 1861.1 | 1764.0 |
| Currency | 9.6 | 10.8 | 11.0 | 11.9 | 12.2 | 14.5 | 15.5 | 21.4 | 17.7 | 20.7 | 27.4 | 37.4 | 79.2 | 196 |
| Deposits (net of advances) | 25.0 | 32.4 | 12.7 | 15.8 | -65.5 | 57.6 | -267.5 | -80.2 | -316.4 | 178.3 | 1681.6 | 1811.9 | 825.5 | 652 |
| External payments Arrears Deposits | 0.0 | 53.1 | 68.5 | 70.3 | 133.5 | 280.5 | 394.2 | 464.7 | 470.5 | 583.3 | 660.8 | 778.6 | 956.4 | 916 |
| Currency in Circulation | 142.8 | 156.4 | 148.3 | 167.0 | 186.1 | 230.9 | 268.9 | 335.8 | 421.6 | 508.8 | 726.3 | 1057.8 | 1505.9 | 2211.5 |
| Currency Issue | 152.4 | 167.2 | 159.3 | 178.9 | 198.3 | 245.4 | 284.4 | 357.2 | 439.3 | 529.5 | 753.7 | 1095.2 | 1585.1 | 2407.5 |
| Less: Holdings of Commercial Banks | 9.6 | 10.8 | 11.0 | 11.9 | 12.2 | 14.5 | 15.5 | 21.4 | 17.7 | 20.7 | 27.4 | 37.4 | 79.2 | 196 |

a/ Since 1984, includes a special interest free debenture contribution from the Treasury to Bank of Guyana to cover exchange rate losses incurred during 1984.
Source: Bank of Guyana.

Table 6.2: GUYANA - SUMMARY ACCOUNTS OF COMMERCIAL BANKS, 1977-90
(G\$ million)

| | December 31 | | | | | | | | | | | | | |
|--|-------------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|---------|---------|
| | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| Net International Reserves | -5.8 | -15.9 | -16.7 | -11.1 | -30.9 | -45.7 | -39.1 | -35.9 | -28.4 | -46.7 | 16.8 | 22.8 | 571.0 | 1512.5 |
| Assets | 21.2 | 33.8 | 55.9 | 59.0 | 36.5 | 30.7 | 27.4 | 28.8 | 34.7 | 40.3 | 160.5 | 164.2 | 760.9 | 2402 |
| Liabilities | 27.0 | 49.7 | 72.6 | 70.1 | 67.4 | 76.4 | 66.5 | 64.7 | 63.1 | 87.0 | 143.7 | 141.4 | 189.9 | 889.5 |
| Claims on Bank of Guyana | 34.2 | 101.5 | 91.8 | 104.0 | 82.3 | 362.2 | 149.9 | 405.5 | 214.9 | 791.2 | 2414.7 | 2712.0 | 2115.2 | 1764.2 |
| Currency | 9.6 | 10.8 | 11.0 | 11.9 | 12.2 | 14.5 | 15.5 | 21.4 | 17.7 | 20.7 | 27.4 | 37.4 | 79.2 | 196 |
| Deposits (net of advances) | 24.6 | 37.6 | 12.3 | 21.8 | -63.4 | 67.2 | -259.8 | -81.3 | -313.8 | 187.1 | 1708.5 | 1895.6 | 1079.6 | 653 |
| External Payments Deposits | 0.0 | 53.1 | 68.5 | 70.3 | 133.5 | 280.5 | 394.2 | 465.4 | 511.0 | 583.4 | 678.8 | 779 | 956.4 | 915.2 |
| Net Domestic Credit | 393.9 | 439.0 | 534.6 | 644.7 | 870.3 | 960.7 | 1509.0 | 1516.4 | 2034.7 | 1819.0 | 1942.0 | 3224.1 | 6618.1 | 9951.7 |
| Public Sector (net) | 265.8 | 291.0 | 331.6 | 399.6 | 573.0 | 648.7 | 1093.4 | 1051.6 | 1512.5 | 1140.0 | 963.6 | 1642.6 | 4139.6 | 5773.8 |
| Central Government | 185.3 | 210.3 | 189.6 | 200.7 | 228.9 | 399.8 | 562.3 | 613.3 | 793.4 | 1052.2 | 252.4 | 607.1 | 2466.0 | 3750.2 |
| Treasury Bills | 170.8 | 198.2 | 190.1 | 210.9 | 238.0 | 402.1 | 563.0 | 615.0 | 791.6 | 1045.3 | 214 | 428.8 | 2382.6 | 3806.1 |
| Debentures | 16.4 | 14.5 | 8.5 | 5.5 | 9.6 | 13.0 | 11.8 | 10.4 | 24.8 | 32.4 | 88.8 | 277.7 | 276.8 | 269.6 |
| Advances | | 0.7 | 0.1 | 0.0 | 1.7 | 2.4 | 2.9 | 4.3 | 6.8 | 8.5 | 48.7 | 24.2 | 26.2 | 35.6 |
| Deposits | -1.9 | -3.1 | -9.1 | -15.7 | -20.4 | -17.7 | -15.4 | -16.4 | -29.8 | -34.0 | -99.1 | -123.6 | -219.6 | -361.1 |
| Social Security Fund (net) | -7.2 | -7.7 | -8.3 | -9.1 | -13.3 | -14.8 | -16.8 | -19.0 | -29.9 | -119.5 | -94.6 | -118.9 | -136.1 | -153.5 |
| State & Local Governments (net) | 3.7 | 4.3 | 3.3 | 3.7 | 5.8 | 4.7 | 1.5 | 0.4 | 1.9 | -0.7 | -0.1 | 0.9 | 5.5 | -16.3 |
| Public Enterprises (net) | 84.0 | 84.1 | 147.0 | 204.3 | 351.6 | 259.0 | 546.4 | 456.9 | 747.1 | 208.0 | 805.9 | 1153.5 | 1804.2 | 2193.4 |
| Credit | 118.8 | 121.9 | 172.6 | 229.3 | 375.7 | 306.3 | 613.5 | 551.4 | 837.7 | 322.7 | 355.2 | 551.9 | 651.7 | 754.9 |
| Deposits | 34.8 | 37.8 | 25.6 | 25.0 | 24.1 | 47.3 | 67.1 | 94.5 | 90.6 | 114.7 | -450.7 | -601.6 | -1152.5 | -1438.5 |
| Credit to Private Sector | 113.0 | 121.1 | 162.7 | 195.8 | 262.1 | 313.3 | 376.7 | 463.2 | 520.2 | 673.5 | 986.7 | 1590.9 | 2566.1 | 4159.6 |
| Interbank Float (net) | 4.4 | 4.2 | 5.3 | 4.4 | 2.9 | 3.9 | 9.9 | 0.7 | 18.6 | 49.3 | 27.2 | 50.4 | 35 | 44.1 |
| Unclassified (net) | 10.7 | 22.7 | 35.0 | 44.9 | 32.3 | -5.2 | 29.0 | 0.9 | -16.6 | -43.8 | -35.5 | -59.8 | -122.6 | -25.8 |
| Liabilities to Rest of Financial System | 18.7 | 26.0 | 22.2 | 57.0 | 58.1 | 92.7 | 119.6 | 164.6 | 152.0 | 122.7 | 362.3 | 680.7 | 981.3 | 1437.9 |
| Deposits | 19.4 | 27.9 | 24.1 | 59.2 | 62.5 | 95.2 | 124.6 | 166.3 | 155.4 | 129.3 | 356.3 | 675.8 | 974.5 | 1436.6 |
| Less: Advances | 0.7 | 1.9 | 1.9 | 2.2 | 4.4 | 2.5 | 5.0 | 1.7 | 3.4 | 6.6 | -6 | -4.9 | -6.8 | -1.3 |
| Deposits on External Payments Arrears | 0.0 | 56.3 | 69.4 | 75.0 | 137.1 | 271.6 | 396.2 | 464.9 | 513.0 | 583.4 | 678.8 | 788.9 | 957.5 | 916.2 |
| Liabilities to Private Sector | 403.6 | 442.3 | 518.1 | 605.5 | 726.6 | 912.0 | 1103.8 | 1256.8 | 1556.2 | 1857.6 | 2443.9 | 3296.0 | 5074.2 | 7999.7 |
| Monetary Liabilities | 395.3 | 433.6 | 504.2 | 587.1 | 702.2 | 872.8 | 1048.1 | 1187.5 | 1463.1 | 1725.2 | 2274.3 | 3062.1 | 4686.0 | 7202.9 |
| Demand Deposits | 79.2 | 66.1 | 79.2 | 91.4 | 100.8 | 105.4 | 131.2 | 160.1 | 195.3 | 200.4 | 352.5 | 468.1 | 652.1 | 1059.8 |
| Cashier's Checks & Bank Acceptances | 32.0 | 31.0 | 23.0 | 24.4 | 27.3 | 41.6 | 43.1 | 51.7 | 52.4 | 71.2 | 61.9 | 131.4 | 224.6 | 160.2 |
| Time & Savings Deposits | 284.1 | 336.5 | 402.0 | 471.3 | 574.1 | 725.8 | 873.8 | 975.7 | 1215.4 | 1453.6 | 1859.9 | 2462.6 | 3809.3 | 5982.9 |
| Private Capital and Surplus | 8.3 | 8.7 | 13.9 | 18.4 | 24.4 | 39.2 | 55.7 | 69.3 | 93.1 | 132.4 | 169.6 | 233.9 | 388.2 | 796.8 |

Source: Bank of Guyana.

Table 6.3: GUYANA - SUMMARY ACCOUNTS OF THE CONSOLIDATED MONETARY SYSTEM, 1977-90
(G\$ million)

| | December 31 | | | | | | | | | | | | | |
|---|-------------|-------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|----------|----------|
| | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| Net International Reserves | -110.9 | -80.2 | -204.2 | -418.9 | -525.0 | -708.0 | -962.5 | -1729.9 | -2136.3 | -2413.9 | -6107.2 | -6311.4 | -21193.1 | -27891.0 |
| Assets | 80.8 | 182.4 | 100.6 | 91.8 | 62.2 | 56.3 | 46.7 | 49.5 | 61.5 | 78.1 | 249.5 | 204.6 | 1262.5 | 3597.3 |
| Liabilities | 191.7 | 262.6 | 304.8 | 510.7 | 587.2 | 764.3 | 1009.2 | 1779.4 | 2197.8 | 2492.0 | 6356.7 | 6516.0 | 22455.6 | 31488.3 |
| Net Domestic Credit | 696.1 | 783.7 | 993.7 | 1367.8 | 1672.0 | 2265.3 | 2894.9 | 3561.0 | 4857.3 | 5692.5 | 10507.4 | 12758.2 | 29742.2 | 40456.3 |
| Public Sector (net) | 603.3 | 677.0 | 873.0 | 1228.8 | 1499.0 | 2109.8 | 2708.9 | 3847.6 | 4690.5 | 5066.9 | 7252.1 | 8883.8 | 11466.5 | 11911.2 |
| Central Government | 531.3 | 603.2 | 740.5 | 1038.6 | 1168.3 | 1874.9 | 2186.9 | 3417.3 | 4021.8 | 5009.8 | 6515.3 | 7777.0 | 9847.5 | 10020.4 |
| Treasury Bills | 506.1 | 588.4 | 777.1 | 1029.4 | 1091.1 | 1805.9 | 2600.4 | 2485.6 | 2990.6 | 3216.8 | 4020.9 | 4020.4 | 5429.9 | 5468.5 |
| Debentures a/ | 22.3 | 20.4 | 10.7 | 7.7 | 10.5 | 13.4 | 12.2 | 965.4 | 955.3 | 815.5 | 839.7 | 991.9 | 948.9 | 728.1 |
| Advances | 4.8 | 0.7 | 0.1 | 17.2 | 87.1 | 73.3 | 2.9 | 4.3 | 105.7 | 1011.5 | 1753.8 | 2888.3 | 3688.3 | 4184.9 |
| Deposits | -1.9 | -6.3 | -47.4 | -15.7 | -20.4 | -17.7 | -428.6 | -38.0 | -29.8 | -34.0 | -99.1 | -123.6 | -219.6 | -361.1 |
| Special Funds | -6.1 | -6.2 | -6.4 | -6.4 | -6.5 | -6.5 | -6.5 | -6.5 | -6.5 | -6.5 | -6.5 | -6.5 | -6.5 | -6.5 |
| Social Security Fund (net) | -9.6 | -8.4 | -11.4 | -11.4 | -20.2 | -22.3 | -19.4 | -20.5 | -73.8 | -143.7 | -62.5 | -41.1 | -184.2 | -279.8 |
| State & Local Governments (net) | 3.7 | 4.3 | 3.3 | 3.7 | 5.8 | 4.7 | 1.5 | 0.4 | 1.9 | -0.7 | -0.1 | 0.9 | 5.5 | -16.3 |
| Public Enterprises (net) | 84.0 | 84.1 | 147.0 | 204.3 | 351.6 | 259.0 | 546.4 | 456.9 | 747.1 | 208.0 | 805.9 | 1153.5 | 1804.2 | 2193.4 |
| Official Capital and Surplus | -11.7 | -12.7 | -14.2 | -48.6 | -56.6 | -94.5 | -188.1 | -544.1 | -708.9 | -43.1 | -46.6 | -46.6 | -46.6 | -46.6 |
| Credit to Private Sector | 113.0 | 121.1 | 162.7 | 195.8 | 262.1 | 313.3 | 376.7 | 463.2 | 520.2 | 673.5 | 986.7 | 1590.9 | 2566.1 | 4159.6 |
| Interbank Float (net) | 3.9 | 9.3 | 4.9 | 17.8 | 12.3 | 23.1 | 24.4 | 28.5 | 607.9 | 701.3 | 3101.4 | 3280.5 | 17061.8 | 24199.2 |
| Unclassified (net) | -12.4 | -11.0 | -32.7 | -26.0 | -44.8 | -86.4 | -27.0 | -234.2 | -252.4 | -706.1 | -786.2 | -950.4 | -1305.6 | 232.9 |
| SDR Allocation Account | 20.1 | 22.5 | 31.5 | 44.4 | 39.1 | 50.1 | 43.9 | -391.0 | 78.2 | 206.1 | 188.9 | 623.4 | 30.2 | 0.0 |
| Liabilities to Rest of Financial | | | | | | | | | | | | | | |
| System | 18.7 | 26.0 | 22.2 | 57.0 | 58.1 | 92.7 | 119.6 | 164.6 | 152.0 | 122.7 | 362.3 | 680.7 | 981.3 | 1437.9 |
| Deposits | 19.4 | 27.9 | 24.1 | 59.2 | 62.5 | 95.2 | 124.6 | 166.3 | 155.4 | 129.3 | 356.3 | 675.8 | 974.5 | 1436.6 |
| Less: Advances | 0.7 | 1.9 | 1.9 | 2.2 | 4.4 | 2.5 | 5.0 | 1.7 | 3.4 | 6.6 | -6.0 | -4.9 | -6.8 | -1.3 |
| Deposits on External Payments | | | | | | | | | | | | | | |
| Arrears | 0.0 | 56.3 | 69.4 | 75.0 | 137.1 | 271.6 | 396.2 | 464.9 | 513.0 | 583.4 | 678.8 | 788.9 | 957.5 | 916.2 |
| Liabilities to Private Sector | 546.4 | 598.7 | 666.4 | 772.5 | 912.7 | 1142.9 | 1372.7 | 1592.6 | 1977.8 | 2366.4 | 3170.2 | 4353.8 | 6580.1 | 10211.2 |
| Monetary Liabilities | 254.0 | 253.5 | 250.5 | 282.8 | 314.2 | 377.9 | 443.2 | 547.6 | 669.3 | 780.4 | 1140.7 | 1657.3 | 2382.6 | 3431.5 |
| Currency in circulation | 142.8 | 156.4 | 148.3 | 167.0 | 186.1 | 230.9 | 268.9 | 335.8 | 421.6 | 508.8 | 726.3 | 1057.8 | 1505.9 | 2211.5 |
| Demand Deposits | 79.2 | 66.1 | 79.2 | 91.4 | 100.8 | 105.4 | 131.2 | 160.1 | 195.3 | 200.4 | 352.5 | 468.1 | 652.1 | 1059.8 |
| Cashier's Checks & Bank Acceptances | 32.0 | 31.0 | 23.0 | 24.4 | 27.3 | 41.6 | 43.1 | 51.7 | 52.4 | 71.2 | 61.9 | 131.4 | 224.6 | 160.2 |
| Time & Savings Deposits | 284.1 | 336.5 | 402.0 | 471.3 | 574.1 | 725.8 | 873.8 | 975.7 | 1215.4 | 1453.6 | 1859.9 | 2462.6 | 3809.3 | 5982.9 |
| Private Capital and Surplus | 8.3 | 8.7 | 13.9 | 18.4 | 24.4 | 39.2 | 55.7 | 69.3 | 93.1 | 132.4 | 169.6 | 233.9 | 388.2 | 796.8 |

a/ Since 1984, includes a special interest free debenture contribution from the Treasury to the Bank of Guyana to cover the exchange rate losses incurred during 1984.

Source: Bank of Guyana.

Table 6.4: GUYANA - SUMMARY ACCOUNTS OF THE CONSOLIDATED FINANCIAL SYSTEM, 1980-90
(G\$ million)

| | December 31 | | | | | | | | | | |
|--|-------------|--------|--------|--------|---------|---------|---------|---------|---------|----------|----------|
| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| Net Foreign Assets | -405.3 | -517.8 | -678.1 | -911.8 | -1697.2 | -2137.2 | -2413.8 | -6107.2 | -6312.5 | -21193.1 | -27891.1 |
| Monetary System | -419.0 | -524.9 | -707.7 | -962.5 | -1730.0 | -2136.3 | -2492.0 | -6356.7 | -6517.1 | -22455.6 | -31488.3 |
| Other Net Foreign Assets | 13.7 | 7.1 | 29.6 | 50.7 | 32.8 | -0.9 | 78.2 | 249.5 | 204.6 | 1262.5 | 3597.2 |
| Net Domestic Credit | 1698.5 | 2073.1 | 2694.9 | 3379.7 | 4133.7 | 5059.0 | 4975.1 | 6576.7 | 8612.5 | 11609.3 | 14191.4 |
| Public Sector (net) | 1336.1 | 1612.4 | 2243.3 | 2875.5 | 4076.1 | 4995.7 | 5074.2 | 6357.3 | 7681.4 | 9162.5 | 9057.1 |
| Central Government (net) | 1142.4 | 1278.1 | 2004.7 | 2350.1 | 3642.2 | 4323.9 | 5009.9 | 6515.3 | 7772.2 | 9847.6 | 10020.5 |
| Treasury Bills | 1046.9 | 1114.4 | 1843.1 | 2665.9 | 2612.9 | 3158.2 | 3216.9 | 4020.9 | 4020.6 | 5430 | 5468.5 |
| Debentures a/ | 94.0 | 96.9 | 106.0 | 109.9 | 1063.0 | 1089.8 | 815.5 | 839.7 | 991.9 | 948.9 | 728.2 |
| Advances | 17.2 | 87.2 | 73.3 | 2.9 | 4.3 | 105.7 | 1011.5 | 1753.8 | 2883.5 | 3688.3 | 4184.9 |
| Deposits and Undistributed Profits | -15.7 | -20.4 | -17.7 | -428.6 | -38.0 | -29.8 | -34.0 | -99.1 | -123.6 | -219.6 | -361.1 |
| Public Enterprises (net) | 204.3 | 351.6 | 259.0 | 546.4 | 457.0 | 747.1 | 208.0 | -95.5 | -49.7 | -500.8 | -683.6 |
| Unconsolidated Public Sector | -10.6 | -17.3 | -20.4 | -21.0 | -23.1 | -75.3 | -143.7 | -62.5 | -41.1 | -184.3 | -279.8 |
| Official Capital and Surplus | -83.2 | -105.1 | -154.6 | -266.3 | -631.7 | -802.6 | -819.9 | -4303 | -4541 | -17586.6 | -25972.6 |
| Credit to Private Sector | 434.0 | 543.6 | 630.1 | 713.5 | 826.3 | 949.5 | 673.5 | 986.7 | 1590.9 | 2566.1 | 4159.6 |
| Unconsolidated Financial Institution (net) | -15.3 | 7.8 | 1.2 | 6.2 | -7.2 | -39.2 | 6.8 | 158.3 | 206.8 | 635.2 | 464.5 |
| Unclassified (net) | 26.9 | 14.4 | -25.1 | 50.8 | -129.8 | -44.4 | 40.5 | 3377.4 | 3674.4 | 16832.1 | 26482.8 |
| Counterpart Unrequited Foreign Exchange | 44.4 | 39.1 | 50.1 | 43.9 | -391.0 | -398.1 | -466.7 | -3822.2 | -3715.9 | -19034 | -27029.5 |
| Long-term Foreign Liability | 22.5 | 23.3 | 30.8 | 38.9 | 31.7 | 80.5 | 30.1 | 93 | 203.4 | 944.8 | 767.1 |
| Deposits on External Payment Arrears | 75.0 | 137.1 | 271.6 | 396.2 | 464.9 | 513.0 | 583.4 | 678.8 | 788.9 | 957.5 | 916.2 |
| Liabilities to Private Sector | 1151.3 | 1355.7 | 1664.1 | 1989.0 | 2330.8 | 2726.5 | 2488.8 | 3520.5 | 5024.7 | 7547.9 | 11646.4 |
| Currency in Circulation | 167.0 | 186.0 | 231.0 | 268.9 | 335.8 | 421.6 | 508.8 | 726.3 | 1057.8 | 1506 | 2211.4 |
| Demand Deposits and Cashiers' Checks | 115.9 | 128.1 | 147.0 | 174.3 | 211.8 | 247.7 | 271.5 | 414.4 | 599.5 | 876.7 | 1220 |
| Time and Savings Deposits | 496.8 | 609.8 | 782.2 | 944.5 | 1049.4 | 1307.9 | 1453.6 | 1859.9 | 2462.6 | 3809.3 | 5982.9 |
| Private Capital and Surplus | 39.6 | 35.1 | 50.0 | 70.5 | 86.2 | 114.6 | 132.1 | 169.6 | 233.9 | 388.2 | 796.8 |
| Other Liabilities | 332.0 | 396.7 | 453.9 | 530.8 | 647.6 | 634.7 | 122.8 | 350.3 | 670.9 | 967.7 | 1435.3 |

a/ Since 1984, includes a special interest free debenture contribution from the Treasury to the Bank of Guyana to cover the exchange rate losses incurred during the year 1984.

Source: Bank of Guyana

Table 6.5: GUYANA - NET INTERNATIONAL RESERVES OF THE BANKING SYSTEM, 1980-90
(US\$ million)

| | December 31 | | | | | | | | | | |
|-----------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| Net International Reserves | -159.9 | -164.7 | -220.6 | -307.6 | -401.6 | -507.2 | -406.9 | -612.5 | -633.5 | -661.9 | -653.8 |
| Foreign Assets | 12.9 | 8.6 | 8.5 | 6.4 | 5.0 | 6.5 | 8.8 | 20.2 | 4.1 | 14.7 | 27.3 |
| Gold | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Balances with foreign banks | 12.6 | 5.7 | 5.5 | 6.2 | 4.7 | 6.5 | 8.7 | 19.7 | 3.8 | 14.2 | 26.4 |
| Foreign notes | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 | 0.0 | 0.1 | 0.5 | 0.3 | 0.5 | 0.9 |
| Cash in process of collection | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Gold tranche in IMF | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| SDR holding IMF record | 0.0 | 1.2 | 2.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Money market securities | 0.2 | 1.6 | 0.2 | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Foreign Liabilities | 172.8 | 173.3 | 229.1 | 314.0 | 406.5 | 513.7 | 415.7 | 632.7 | 637.6 | 676.6 | 681.1 |
| Principal | 169.4 | 163.7 | 212.7 | 276.9 | 359.1 | 430.7 | 313.5 | 333.5 | 462.1 | 598.0 | 610.0 |
| Deposits of T&T Govt | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 41.4 | 41.4 |
| Deposits of Kuwait Govt | 11.1 | 10.7 | 10.4 | 10.3 | 10.1 | 10.4 | 0.0 | 0.0 | 11.1 | 10.0 | 10.4 |
| Deposits of Libya Govt | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 0.0 | 0.0 | 10.0 | 10.0 | 10.0 |
| T&T bilateral account | 0.0 | 0.0 | 0.0 | 56.0 | 141.5 | 205.0 | 205.0 | 221.0 | 221.3 | 283.1 | 283.1 |
| Caribbean Clearing Facility | 32.4 | 33.8 | 83.5 | 96.5 | 96.5 | 96.5 | 96.5 | 96.5 | 96.5 | 151.3 | 151.3 |
| BIS-Samuel Montague | 7.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Loan from Central Bank of Brazil | 3.0 | 3.0 | 2.5 | 2.5 | 2.5 | 2.5 | -2.5 | -2.5 | 2.5 | 2.5 | 2.5 |
| Royal Bank of Canada | 0.0 | 0.0 | 0.0 | 0.0 | 7.0 | 6.8 | 6.6 | 6.6 | 7.5 | 7.5 | 0.0 |
| Use of Fund credit | 86.0 | 86.2 | 85.8 | 77.2 | 71.3 | 78.8 | -12.6 | -8.1 | 93.2 | 92.2 | 111.3 |
| GDR US\$ deposit | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Export Dev Fund deposit 2 | 0.0 | 0.0 | 0.5 | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Outstanding foreign trade | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Liquidation account GDR/Guyana | 0.0 | 0.0 | 0.0 | 4.4 | 0.0 | 0.6 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest in Arrears | 3.4 | 9.6 | 16.4 | 37.1 | 47.4 | 83.0 | 102.2 | 299.2 | 175.5 | 78.6 | 71.1 |

Source: Bank of Guyana.

Table 6.6: GUYANA - EXTERNAL PAYMENT ARREARS, 1980-90
(US\$ million)

| | December 31 | | | | | | | | | | |
|--|-------------|-------|-------|-------|-------|-------|-------|--------|--------|-------|------|
| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| Total Arrears | 45.4 | 136.4 | 217.0 | 392.0 | 544.2 | 731.1 | 880.5 | 1005.2 | 1133.9 | 530.4 | .. |
| Commercial & other current payments | 29.3 | 45.7 | 93.5 | 131.4 | 128.7 | 140.7 | 153.4 | 145.2 | 151.9 | 122.3 | .. |
| Bank of Guyana Arrears | 16.1 | 80.7 | 94.3 | 191.8 | 320.7 | 438.9 | 498.9 | 564.3 | 600.9 | 156.3 | .. |
| Bilateral Deposits | 3.4 | 29.6 | 34.1 | 37.7 | 44.3 | 49.6 | 74.7 | 73.1 | 76.2 | 38.1 | .. |
| Principal | 0.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 40.2 | 41.1 | 40.6 | 20.7 | .. |
| Trinidad & Tobago | 0.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 | 20 | .. | .. |
| Bank of Libya | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 10.0 | 10.0 | 10 | 10 | .. |
| Bank of Kuwait | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 10.2 | 11.1 | 10.6 | 10.7 | .. |
| Bank of Brazil | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | .. |
| Interest | 3.4 | 9.6 | 14.1 | 17.7 | 24.3 | 29.6 | 34.5 | 32.0 | 35.6 | 17.4 | .. |
| Trinidad & Tobago | 3.4 | 9.1 | 10.8 | 13.5 | 16.6 | 19.8 | 23.4 | 18.3 | 20.4 | .. | .. |
| Bank of Libya | 0.0 | 0.5 | 2.2 | 3.0 | 4.5 | 5.7 | 6.4 | 7.2 | 7.8 | 8.7 | .. |
| Bank of Kuwait | 0.0 | 0.0 | 1.1 | 1.9 | 2.8 | 4.1 | 4.7 | 6.5 | 7.4 | 8.7 | .. |
| Bank of Brazil | 0.0 | 0.0 | 0.0 | 0.1 | 0.4 | 0.0 | 0.0 | 0.0 | 0 | 0 | .. |
| CARICOM Clearing Facility | 12.7 | 51.1 | 60.2 | 84.7 | 113.2 | 122.8 | 130.2 | 138.2 | 146.6 | .. | .. |
| Principal | 12.7 | 51.1 | 57.4 | 76.6 | 96.5 | 96.5 | 96.5 | 96.5 | 96.5 | .. | .. |
| Interest | 0.0 | 0.0 | 2.8 | 8.1 | 16.7 | 26.3 | 33.7 | 41.7 | 50.1 | .. | .. |
| Trinidad & Tobago Bilateral Account | 0.0 | 0.0 | 0.0 | 57.6 | 148.7 | 234.9 | 233.6 | 255.7 | 271.2 | .. | .. |
| Principal | 0.0 | 0.0 | 0.0 | 56.0 | 138.2 | 205.0 | 215.7 | 222.7 | 222.6 | .. | .. |
| Interest | 0.0 | 0.0 | 0.0 | 1.6 | 10.5 | 29.9 | 17.9 | 33.0 | 48.6 | .. | .. |
| IMF | 0.0 | 0.0 | 0.0 | 11.8 | 14.5 | 31.6 | 60.4 | 97.3 | 106.9 | 118.2 | .. |
| Principal | 0.0 | 0.0 | 0.0 | 7.6 | 14.5 | 27.3 | 48.4 | 75.6 | 78.6 | 84.1 | .. |
| Interest | 0.0 | 0.0 | 0.0 | 4.2 | 0.0 | 4.3 | 12.0 | 21.7 | 28.3 | 34.1 | .. |
| Public Sector Debt | 0.0 | 10.0 | 29.2 | 68.8 | 94.8 | 151.5 | 228.2 | 295.7 | 381.1 | 251.8 | .. |
| Principal | 0.0 | 9.8 | 21.8 | 53.9 | 68.2 | 101.9 | 156.9 | 200.6 | 240.8 | 151.2 | .. |
| Interest | 0.0 | 0.2 | 7.4 | 14.9 | 26.6 | 49.6 | 71.3 | 95.1 | 140.3 | 100.6 | .. |

Note: Arrears on account of merchandise and other current payments without local currency deposits are estimated at about US\$30 million in 1982, about US\$40 million in 1983 and US\$44.6 million in 1984.

Source: Bank of Guyana, State Planning Secretariat, and IMF staff estimates.

Table 6.7: GUYANA - SELECTED INTEREST RATES, 1977-90

| | December 31 | | | | | | | | | | | | | |
|--|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| | (percent per annum) | | | | | | | | | | | | | |
| Local Rates | | | | | | | | | | | | | | |
| Prime Lending Rate | 7.50 | 9.50 | 11.50 | 13.50 | 13.50 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 14.80 | 37.50 | 31.00 |
| Bank Rate | 6.50 | 8.50 | 10.50 | 12.50 | 12.50 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 35.00 | 30.00 |
| Maximum Charge on Commercial Bank Deficiencies | 12.20 | 12.20 | 12.20 | 12.20 | 12.20 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | .. | .. | .. | .. |
| Treasury Bills | 5.88 | 7.80 | 9.72 | 11.62 | 11.62 | 12.75 | 12.70 | 12.75 | 12.75 | 12.75 | 10.36 | 10.80 | 33.75 | 28.75 |
| Government Bond Rate | 7.00 | 8.00 | 9.00 | 9.00 | 9.00 | 14.50 | 14.50 | 14.50 | 14.50 | 14.50 | .. | .. | .. | .. |
| Small Savings Rate | 5.50 | 8.50 | 8.50 | 10.50 | 10.50 | 11.50 | 11.50 | 11.50 | 11.50 | 11.50 | 11.50 | 10.90 | 31.00 | 27.5 |
| Time Deposits | | | | | | | | | | | | | | |
| 3 months | 4.00 | 7.00 | 9.00 | 11.00 | 11.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 32.30 | 28.1 |
| 6 months | 4.50 | 7.50 | 9.50 | 11.50 | 11.50 | 12.50 | 12.50 | 12.50 | 12.50 | 12.50 | 12.50 | 12.50 | 33.00 | 28.5 |
| 12 months | 5.50 | 8.50 | 10.50 | 12.50 | 12.50 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 34.30 | 29.5 |
| Interest Paid on Deposits Against Payments Arrears with Commercial Banks | - | 7.00 | 9.00 | 9.00 | 9.00 | 12.50 | 12.50 | 12.50 | 12.50 | 12.50 | 12.50 | 13.00 | 34.00 | 29.00 |
| International Rates a/ | | | | | | | | | | | | | | |
| Eurodollar Rate (London) | 7.19 | 11.58 | 14.50 | 17.75 | 13.75 | 9.52 | 10.14 | 9.56 | .. | .. | .. | .. | .. | .. |
| Treasury Bill Rate In: | | | | | | | | | .. | .. | .. | .. | .. | .. |
| United Kingdom | 6.37 | 11.57 | 15.90 | 13.07 | 13.03 | 9.90 | 8.87 | 9.23 | .. | .. | .. | .. | .. | .. |
| United States | 6.06 | 9.12 | 12.07 | 15.66 | 14.08 | 8.01 | 8.93 | 8.79 | .. | .. | .. | .. | .. | .. |
| Canada | .. | 10.46 | 13.66 | 14.41 | 16.33 | 9.80 | 9.71 | 10.50 | .. | .. | .. | .. | .. | .. |
| Jamaica | 7.29 | 8.42 | 9.56 | 9.91 | 9.97 | 9.26 | 12.11 | .. | .. | .. | .. | .. | .. | .. |
| Trinidad & Tobago | 3.93 | 3.25 | 3.10 | 3.06 | 3.05 | 3.05 | 3.19 | 3.72 | .. | .. | .. | .. | .. | .. |

Note: Bank of Guyana pays 13% on deposits on payments arrears held by the commercial banks with the Central bank.

a/ Daily average for the month on Instruments of three-month maturity. Rates for 1984 refer to average up to November.

Source: Bank of Guyana; and IMF - International Financial Statistics.

Table 6.8: GUYANA - COMMERCIAL BANK CREDIT TO PRIVATE SECTOR AND PUBLIC ENTERPRISES, 1977-90
(G\$ million)

| | December 31 | | | | | | | | | | | | | |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| Total Gross Credit Extended a/ | 231.8 | 243.0 | 335.3 | 425.2 | 637.8 | 619.8 | 990.3 | 1014.6 | 1357.9 | 996.1 | 1301.5 | 2143.3 | 3206.5 | 4900.9 |
| Credit to Private Sector | 113.0 | 121.1 | 162.7 | 195.9 | 262.1 | 313.4 | 376.8 | 463.0 | 520.2 | 673.5 | 953.2 | 1579.3 | 2518.7 | 4108.6 |
| Agriculture | 11.0 | 11.1 | 14.1 | 14.4 | 17.7 | 18.7 | 20.7 | 31.8 | 46.0 | 55.3 | 85.1 | 144.7 | 266.1 | 335.4 |
| Sugarcane | 0.3 | 0.4 | 0.2 | 0.6 | 1.0 | 1.4 | 1.4 | 0.9 | 1.1 | 1.4 | 1.4 | 1.9 | 2.7 | 6.4 |
| Rice Paddy | 5.9 | 5.5 | 7.2 | 7.2 | 7.7 | 7.7 | 8.2 | 8.0 | 16.8 | 19.5 | 20.6 | 24.5 | 73.6 | 98.2 |
| Other | 4.8 | 5.2 | 6.7 | 6.6 | 9.0 | 9.6 | 11.1 | 22.9 | 28.1 | 34.4 | 63.1 | 118.3 | 189.8 | 230.8 |
| Mining | 0.6 | 0.6 | 0.6 | 0.4 | 0.6 | 0.6 | 1.4 | 4.1 | 6.5 | 9.3 | 15.9 | 62.2 | 117.0 | 178.3 |
| Timber and Sawmilling | 3.6 | 5.2 | 5.3 | 7.3 | 8.7 | 11.3 | 13.8 | 19.2 | 16.4 | 20.9 | 22.2 | 58.0 | 85.1 | 157.4 |
| Construction | 8.1 | 7.1 | 13.0 | 17.3 | 25.9 | 33.6 | 37.1 | 58.9 | 44.7 | 59.2 | 94.6 | 183.9 | 315.3 | 412.4 |
| Manufacturing | 11.1 | 13.7 | 22.5 | 24.2 | 36.2 | 32.5 | 36.6 | 45.1 | 64.4 | 76.2 | 107.7 | 188.4 | 307.0 | 492.5 |
| Sugar | - | - | - | 0.2 | - | - | 0.5 | 0.4 | 0.4 | 1.0 | 1.2 | .. | .. | .. |
| Other | 11.1 | 13.7 | 22.5 | 24.0 | 36.2 | 32.5 | 36.1 | 44.7 | 64.0 | 75.2 | 106.5 | 188.4 | 307.0 | 492.5 |
| Transport & Communications | 2.4 | 1.7 | 2.6 | 1.3 | 1.5 | 2.8 | 5.0 | 13.4 | 10.8 | 15.5 | 28.4 | 76.2 | 98.9 | 150.0 |
| Distribution | 18.3 | 19.0 | 22.6 | 30.4 | 32.6 | 42.0 | 61.6 | 68.4 | 62.9 | 73.8 | 105.5 | 248.8 | 302.5 | 574.3 |
| Housing and Real Estate | 16.9 | 18.2 | 20.5 | 19.8 | 21.9 | 24.0 | 28.0 | 47.1 | 40.8 | 54.2 | 60.7 | 60.7 | 67.7 | 125.9 |
| Personal (excluding housing) | 18.7 | 24.0 | 32.7 | 45.9 | 58.0 | 74.3 | 84.9 | 72.3 | 90.3 | 109.4 | 192.5 | 188.5 | 269.4 | 543.6 |
| Cooperatives | 3.8 | 2.5 | 5.8 | 5.2 | 6.9 | 9.1 | 13.3 | 11.8 | 16.0 | 18.8 | 28.1 | .. | .. | .. |
| Services and Other | 18.5 | 18.0 | 23.0 | 29.7 | 52.1 | 64.5 | 74.4 | 90.9 | 121.4 | 180.9 | 212.5 | 367.9 | 689.7 | 1138.8 |
| Credit to Public Enterprises | 118.8 | 121.9 | 172.6 | 229.3 | 375.7 | 306.4 | 613.5 | 551.6 | 837.7 | 322.6 | 348.3 | 564.0 | 687.8 | 792.3 |
| Sugar | 24.0 | 23.8 | 19.9 | 35.3 | 81.9 | 51.5 | 186.9 | 138.7 | 230.4 | 43.3 | 0.4 | .. | .. | 13.6 |
| Bauxite | 3.1 | 6.2 | 34.4 | 39.9 | 116.9 | 95.7 | 275.4 | 259.0 | 448.7 | 109.5 | 87.1 | 165.1 | 219.2 | 247.1 |
| Timber and Sawmilling | 1.7 | 0.8 | 4.0 | 5.0 | 5.8 | 7.0 | 8.7 | 0.0 | 0.0 | 13.4 | 16.1 | 19.2 | .. | .. |
| Electricity | 13.6 | 15.4 | 22.9 | 26.4 | 26.1 | 27.9 | 28.9 | 28.1 | 21.9 | 0.0 | .. | .. | .. | .. |
| Transport & Communications | 7.7 | 0.7 | 0.5 | 8.6 | 6.7 | 1.3 | 0.8 | 11.6 | 0.9 | 0.4 | 1.9 | 0.1 | 1.7 | 2.7 |
| Telecommunications | - | 8.0 | 8.9 | - | - | - | 6.0 | 3.0 | 1.7 | 0.5 | .. | .. | .. | .. |
| Distribution (including rice) | 65.3 | 63.4 | 67.6 | 87.8 | 97.5 | 94.0 | 84.4 | 87.5 | 92.6 | 129.0 | 182.8 | 225.4 | 28.1 | 13.3 |
| Other b/ | 3.4 | 3.6 | 14.4 | 26.3 | 40.8 | 29.0 | 22.4 | 23.7 | 41.5 | 26.5 | 60.0 | 154.2 | 438.8 | 515.6 |

a/ In August 1982 the Central Government made equity contributions to some corporations amounting to G\$475 million; in March 1984 the Central Government made transfers to some corporations (mostly Guyamine and Guysuco) amounting to G\$378 million, and in February & April 1986 the Central Bank made transfers to BIDCO & Guysuco respectively of G\$175 million & G\$225 million to pay their overdraft with the Cooperative Bank.

b/ Includes electricity.
Source: Bank of Guyana.

Table 6.9: GUYANA - CENTRAL GOVERNMENT BONDED DEBT BY HOLDER, 1977-90
(G\$ million)

| | Outstanding as of December 31 | | | | | | | | | | | | | |
|---|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| Total Bonded Debt | 853.9 | 1035.2 | 1312.5 | 1650.6 | 1809.1 | 2775.7 | 3820.8 | 4544.0 | 5272.4 | 6233.6 | 7006.2 | 7374.9 | 9294.5 | 9772.8 |
| Treasury Bills | 587.8 | 708.0 | 916.5 | 1191.0 | 1245.7 | 2069.3 | 2966.7 | 2980.2 | 3627.8 | 3978.8 | 4740.8 | 4804.0 | 7012.5 | 7556.1 |
| Banking system | 506.1 | 588.4 | 777.1 | 1019.9 | 1080.5 | 1801.0 | 2589.0 | 2511.4 | 3026.7 | 3242.4 | 4111.4 | 4109.7 | 5811.4 | 5849.4 |
| Bank of Guyana | 335.3 | 390.2 | 587.0 | 809.0 | 842.5 | 1398.8 | 2026.0 | 1887.7 | 2222.4 | 2185.6 | 3878.3 | 3654.7 | 3230.0 | 1767.1 |
| Commercial banks | 170.8 | 198.2 | 190.1 | 210.9 | 238.0 | 402.2 | 563.0 | 623.7 | 804.3 | 1056.8 | 233.1 | 455.0 | 2581.4 | 4082.3 |
| Other Financial Intermediaries | 10.1 | 12.9 | 8.3 | 8.7 | 17.7 | 31.9 | 65.8 | 106.6 | 142.6 | 142.6 | 142.6 | 142.6 | 142.6 | 142.6 |
| New Building Society | 4.2 | 2.0 | 3.4 | 3.3 | 8.7 | 17.5 | 24.0 | 64.7 | .. | 90.2 | 162.9 | 148.4 | 287.3 | 676.5 |
| Local insurance companies | 5.7 | 4.7 | 1.4 | 1.8 | 4.8 | 8.3 | 17.5 | 38.1 | .. | 44.0 | 20.7 | 9.2 | 39.8 | 61.9 |
| Trust companies | 0.2 | 0.6 | 0.6 | - | 0.1 | - | 0.7 | 0.2 | .. | 5.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pension funds | - | - | - | 3.6 | 4.1 | 6.1 | 21.9 | 1.2 | .. | 1.4 | 1.8 | 3.7 | 64.7 | 62.1 |
| Government development banks | - | 5.6 | 2.9 | - | - | - | 1.7 | 2.4 | .. | 2.9 | 0.0 | 0.0 | 0.0 | 18.2 |
| Public Sector | 37.8 | 60.5 | 78.1 | 57.8 | 63.6 | 87.4 | 131.1 | 154.0 | 115.4 | 142.7 | 275.7 | 371.7 | 472.6 | 651.1 |
| National Insurance Scheme | 4.4 | 6.9 | 5.0 | 10.7 | 7.4 | 2.3 | - | - | - | 1.0 | 10.0 | 18.5 | 24.5 | 29.0 |
| Special funds (Labor Welfare fund) | 3.7 | 3.7 | 3.7 | 5.1 | 4.6 | 4.0 | 4.1 | 4.1 | - | 4.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Debenture Sinking Fund (Bank of Guyana Trustee) | 15.1 | 31.5 | 48.3 | 34.6 | 29.5 | 45.9 | 66.9 | 111.4 | 84.2 | 90.6 | 213.7 | 294.2 | 448.1 | 616.7 |
| Government-owned corporations | 14.6 | 18.4 | 21.1 | 7.4 | 22.1 | 35.2 | 60.1 | 38.5 | 31.2 | 46.8 | 52.0 | 59.0 | 0.0 | 5.4 |
| Private Sector | 33.8 | 46.2 | 53.0 | 104.6 | 83.9 | 149.0 | 180.8 | 208.2 | 343.1 | 451.1 | 211.1 | 180.0 | 585.9 | 913.0 |
| Insurance companies n.e.i. | 8.4 | 16.2 | 19.0 | 20.4 | 34.6 | 37.5 | 25.7 | 25.2 | .. | 51.6 | 29.5 | 41.2 | 147.0 | 168.7 |
| Trust companies on behalf of customers | 6.3 | 6.3 | 7.8 | 9.1 | 9.7 | 13.5 | 19.3 | 41.8 | .. | 29.3 | 0.0 | 37.8 | 82.0 | 116.9 |
| Non-consolidated financial institutions a/ | 5.3 | 10.3 | 7.4 | 6.7 | 7.1 | 1.1 | 1.0 | 0.1 | .. | 1.1 | 0.0 | 0.0 | 1.1 | 2.5 |
| Commercial banks on behalf of customers | 6.0 | - | - | - | 0.5 | 8.6 | 52.9 | 18.6 | .. | 39.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other (residual) | 7.8 | 13.4 | 18.8 | 68.4 | 32.0 | 88.3 | 81.9 | 122.5 | .. | 330.0 | 181.6 | 101.0 | 355.8 | 624.9 |
| Debentures | 263.3 | 324.3 | 393.0 | 456.6 | 560.4 | 693.4 | 842.8 | 1550.3 | 1630.9 | 2238.6 | 2247.7 | 2549.9 | 2263.4 | 2200.4 |
| Banking System | 22.3 | 20.4 | 10.7 | 7.7 | 11.2 | 13.4 | 12.2 | 590.1 | 579.6 | 815.4 | 839.7 | 992.2 | 672.1 | 726.9 |
| Bank of Guyana | 5.9 | 5.9 | 2.2 | 2.2 | 1.6 | 0.4 | 0.4 | 580.0 | 555.5 | 783.0 | 750.9 | 714.2 | 396.2 | 457.9 |
| Commercial banks | 16.4 | 14.5 | 8.5 | 5.5 | 9.6 | 13.0 | 11.8 | 10.1 | 24.1 | 32.4 | 88.8 | 278.0 | 275.9 | 269.0 |
| Other Financial Intermediaries | 13.1 | 14.6 | 16.7 | 81.9 | 82.4 | 85.9 | 90.3 | 91.5 | 0.0 | 245.3 | 267.0 | 290.8 | 297.2 | 285.5 |
| New Building Society | 5.1 | 5.1 | 5.1 | 5.1 | 5.1 | 13.0 | 22.1 | 23.0 | .. | 141.7 | 159.5 | 189.4 | 189.1 | 183.6 |
| Local insurance companies | 7.9 | 9.4 | 11.4 | 12.0 | 13.3 | 15.2 | 17.5 | 21.1 | .. | 42.1 | 34.1 | 51.2 | 47.8 | 45.5 |
| Pension funds | - | - | - | 64.6 | 63.8 | 57.7 | 50.7 | 47.4 | .. | 61.5 | 73.4 | 50.2 | 60.3 | 56.4 |
| Government development banks | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | - | - | - | .. | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Public Sector | 152.6 | 202.0 | 261.1 | 319.1 | 392.5 | 500.6 | 625.4 | 745.1 | 905.2 | 974.4 | 914.4 | 1015.2 | 1152.0 | 1052.0 |
| National Insurance Scheme | 115.2 | 147.2 | 210.4 | 279.9 | 340.6 | 440.5 | 568.0 | 691.8 | 865.8 | 924.2 | 888.8 | 991.0 | 1062.5 | 1003.0 |
| Government-owned corporations | 4.3 | 4.3 | 4.3 | 4.3 | - | - | - | - | 10.0 | 10.0 | 0.0 | 5.0 | 0.0 | 0.0 |
| Special funds | 6.0 | 11.0 | 11.0 | 11.0 | 21.0 | 18.9 | 18.9 | 18.9 | .. | 19.0 | 19.0 | 19.2 | 0.0 | 0.0 |
| Sinking Fund | 27.1 | 39.5 | 35.4 | 23.9 | 30.9 | 41.2 | 38.5 | 34.4 | 29.4 | 21.2 | 6.6 | 0.0 | 89.5 | 49.0 |
| Private Sector | 75.3 | 87.3 | 104.5 | 47.9 | 74.3 | 93.5 | 114.9 | 123.6 | 146.1 | 203.5 | 226.6 | 251.7 | 142.1 | 136.0 |
| Insurance companies | 12.1 | 15.1 | 20.0 | 25.3 | 18.6 | 25.8 | 49.2 | 57.9 | .. | 82.2 | 83.8 | 95.7 | 81.7 | 75.0 |
| Other | 63.2 | 72.2 | 84.5 | 22.6 | 55.7 | 67.7 | 65.7 | 65.7 | .. | 121.3 | 142.8 | 156.0 | 60.4 | 61.0 |
| Defense Bonds | 2.8 | 2.9 | 3.0 | 3.0 | 3.0 | 13.0 | 11.3 | 13.5 | 13.7 | 16.2 | 17.7 | 21.0 | 18.6 | 16.3 |

a/ Includes the Guyana Housing and Development Company and several small credit unions.

Source: Bank of Guyana.

Table 6.10: GUYANA - PRIVATE SECTOR HOLDINGS OF DOMESTIC SELECTED FINANCIAL ASSETS, 1977-90
(G\$ million)

| | Outstanding as of December 31 | | | | | | | | | | | | | |
|------------------------------------|-------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
| Total | 772.6 | 909.5 | 1033.0 | 1272.2 | 1511.1 | 1896.3 | 2282.6 | 2676.8 | 3217.4 | 3908.6 | 4507.8 | 5976.6 | 8893.8 | 13674.1 |
| By type of asset | | | | | | | | | | | | | | |
| Claims on financial System | 660.7 | 773.1 | 872.5 | 1124.1 | 1355.4 | 1663.7 | 1984.8 | 2330.1 | 2725.6 | 3237.8 | 4052.4 | 5523.9 | 8147.2 | 12608.8 |
| Currency in circulation | 142.8 | 156.4 | 148.3 | 167.0 | 186.0 | 231.0 | 268.9 | 335.8 | 421.7 | 508.8 | 726.3 | 1057.8 | 1506.0 | 2211.4 |
| Demand deposits & cashier's check | 111.2 | 97.1 | 102.2 | 115.9 | 128.1 | 147.0 | 174.3 | 211.8 | 247.7 | 271.5 | 414.4 | 599.5 | 876.7 | 1220.0 |
| Time and savings deposits | 298.2 | 352.7 | 424.3 | 469.8 | 609.8 | 782.2 | 944.5 | 1049.3 | 1307.5 | 1453.6 | 1859.9 | 2462.6 | 3809.3 | 5982.9 |
| Other claims | 99.9 | 157.9 | 183.4 | 331.8 | 396.4 | 453.5 | 526.6 | 647.0 | 634.1 | 844.0 | 1051.8 | 1404.0 | 1955.2 | 3194.5 |
| Private capital and surplus | 8.6 | 9.0 | 14.3 | 39.6 | 35.1 | 50.0 | 70.5 | 86.2 | 114.6 | 159.9 | .. | .. | .. | .. |
| Claims on Central Government | 111.9 | 136.4 | 160.5 | 148.1 | 155.7 | 232.6 | 297.8 | 346.7 | 491.8 | 670.8 | 455.4 | 452.7 | 746.6 | 1065.3 |
| Treasury bills | 33.8 | 46.2 | 53.0 | 104.6 | 88.1 | 124.7 | 170.7 | 207.8 | 337.2 | 451.1 | 211.1 | 180.0 | 585.9 | 913.0 |
| Government debentures | 75.3 | 87.3 | 104.5 | 40.5 | 64.6 | 94.9 | 115.8 | 125.4 | 140.9 | 203.5 | 226.6 | 251.7 | 142.1 | 136.0 |
| Defense bonds | 2.8 | 2.9 | 3.0 | 3.0 | 3.0 | 13.0 | 11.3 | 13.5 | 13.7 | 16.2 | 17.7 | 21.0 | 11.5 | 16.3 |
| By institution | | | | | | | | | | | | | | |
| Financial intermediaries | 660.7 | 773.1 | 872.5 | 1124.1 | 1355.4 | 1663.7 | 1984.8 | 2330.1 | 2725.6 | 3237.8 | 4052.4 | 5523.9 | 8147.2 | 12608.8 |
| Bank of Guyana | 142.8 | 156.4 | 148.3 | 167.0 | 186.0 | 231.0 | 268.9 | 335.8 | 421.7 | 508.8 | 726.3 | 1057.8 | 1506.0 | 2211.4 |
| Commercial banks | 403.6 | 483.1 | 569.8 | 605.5 | 726.6 | 912.1 | 1103.8 | 1256.6 | 1556.0 | 1857.6 | 1857.6 | 1857.6 | 1857.6 | 1857.6 |
| Other intermediaries | 114.3 | 133.6 | 154.4 | 351.6 | 442.8 | 520.6 | 612.1 | 737.7 | 747.9 | 871.4 | 1468.5 | 2608.5 | 4783.6 | 8539.8 |
| Central Government | 111.9 | 136.4 | 160.5 | 148.1 | 155.7 | 232.6 | 297.8 | 346.7 | 491.8 | 670.8 | 455.4 | 452.7 | 746.6 | 1065.3 |
| | (as percent of total) | | | | | | | | | | | | | |
| By type of asset | | | | | | | | | | | | | | |
| Claims on financial intermediaries | 85.5 | 85.0 | 84.5 | 88.4 | 89.7 | 87.7 | 87.0 | 87.0 | 84.7 | 82.8 | 89.9 | 92.4 | 91.6 | 92.2 |
| Currency in circulation | 18.5 | 17.2 | 14.4 | 13.1 | 12.3 | 12.2 | 11.8 | 12.5 | 13.1 | 13.0 | 16.1 | 17.7 | 16.9 | 16.2 |
| Demand deposits & cashier's check | 14.4 | 10.7 | 9.9 | 9.1 | 8.5 | 7.8 | 7.6 | 7.9 | 7.7 | 6.9 | 9.2 | 10.0 | 9.9 | 8.9 |
| Time and savings deposits | 38.6 | 38.8 | 41.1 | 36.9 | 40.4 | 41.2 | 41.4 | 39.2 | 40.6 | 37.2 | 41.3 | 41.2 | 42.8 | 43.8 |
| Other claims | 12.9 | 17.4 | 17.8 | 26.1 | 26.2 | 23.9 | 23.1 | 24.2 | 19.7 | 21.6 | 23.3 | 23.5 | 22.0 | 23.4 |
| Private capital and surplus | 1.1 | 1.0 | 1.4 | 3.1 | 2.3 | 2.6 | 3.1 | 3.2 | 3.6 | 4.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Claims on Central Government | 14.5 | 15.0 | 15.5 | 11.6 | 10.3 | 12.3 | 13.0 | 13.0 | 15.3 | 17.2 | 10.1 | 7.6 | 8.4 | 7.8 |
| Treasury bills | 4.4 | 5.1 | 5.1 | 8.2 | 5.8 | 6.6 | 7.5 | 7.8 | 10.5 | 11.5 | 4.7 | 3.0 | 6.6 | 6.7 |
| Government debentures | 9.7 | 9.6 | 10.1 | 3.2 | 4.3 | 5.0 | 5.1 | 4.7 | 4.4 | 5.2 | 5.0 | 4.2 | 1.6 | 1.0 |
| Defense bonds | 0.4 | 0.3 | 0.3 | 0.2 | 0.2 | 0.7 | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.2 | 0.1 |
| By institution | | | | | | | | | | | | | | |
| Financial intermediaries | 85.5 | 85.0 | 84.5 | 88.4 | 89.7 | 87.7 | 87.0 | 87.0 | 84.7 | 82.8 | 89.9 | 92.4 | 91.6 | 92.2 |
| Bank of Guyana | 18.5 | 17.2 | 14.4 | 13.1 | 12.3 | 12.2 | 11.8 | 12.5 | 13.1 | 13.0 | 16.1 | 17.7 | 16.9 | 16.2 |
| Commercial banks | 52.2 | 53.1 | 55.2 | 47.6 | 48.1 | 48.1 | 48.4 | 46.9 | 48.4 | 47.5 | 41.2 | 31.1 | 20.9 | 13.6 |
| Other intermediaries | 14.8 | 14.7 | 14.9 | 27.6 | 29.3 | 27.5 | 26.8 | 27.6 | 23.2 | 22.3 | 32.6 | 43.6 | 53.8 | 62.5 |
| Central Government | 14.5 | 15.0 | 15.5 | 11.6 | 10.3 | 12.3 | 13.0 | 13.0 | 15.3 | 17.2 | 10.1 | 7.6 | 8.4 | 7.8 |

Source: Bank of Guyana.

Table 7.1: GUYANA - OUTPUT OF SELECTED COMMODITIES, 1976-90

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|------------------------------------|--------|--------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| Sugar | | | | | | | | | | | | | | | |
| ----- | | | | | | | | | | | | | | | |
| Area reaped ('000 acres) a/ | 137.8 | 113.8 | 144.4 | 137.8 | 122.0 | 166.1 | 160.0 | 119.4 | 125.9 | 107.8 | 110.2 | 102.9 | 82.8 | 84.0 | 89.9 |
| Cane yield/acre (LT) a/ | 25.6 | 23.0 | 25.2 | 25.1 | 27.8 | 21.6 | 20.8 | 25.9 | 25.6 | 26.1 | 28.0 | 28.0 | 27.9 | 28.6 | 21.3 |
| Cane production ('000 LT) | 4037 | 3108 | 4218 | 3872 | 3770 | 4126 | 3845 | 3571 | 3472 | 3153 | 3379 | 3119.8 | 2501.7 | 2565.5 | 2039.3 |
| Company estates | 3526 | 2619 | 3632 | 3463 | 3390 | 3581 | 3327 | 3092 | 3224 | 2815 | 3090.6 | 2877.8 | 2312.5 | 2403.1 | 1914.7 |
| Independent farmers | 511 | 489 | 586 | 409 | 380 | 545 | 518 | 479 | 248 | 338 | 288.7 | 242.1 | 189.1 | 162.4 | 124.5 |
| Sugar production ('000 LT) | 332.5 | 241.5 | 324.8 | 298.3 | 269.6 | 300.8 | 287.7 | 251.8 | 241.9 | 242.1 | 249.4 | 164.5 | 170.2 | 167.4 | 132.0 |
| Spring | 149.4 | 104.3 | 159.7 | 110.3 | 104.3 | 109.7 | 86.8 | 86.1 | 105.2 | 113.8 | 126.5 | 36.8 | 78.0 | 64.3 | 58.8 |
| Autumn | 183.1 | 137.2 | 165.1 | 188.0 | 165.3 | 191.1 | 200.9 | 165.7 | 136.7 | 128.3 | 122.9 | 127.7 | 92.2 | 103.1 | 73.2 |
| Exports | | | | | | | | | | | | | | | |
| Volume ('000 LT) | 297.0 | 207.7 | 280.7 | 264.2 | 248.1 | 264.6 | 250.2 | 212.2 | 205.9 | 213.5 | 214.3 | 179.3 | 146.9 | 170.0 | 134.5 |
| Value (G\$ mln.) | 258.7 | 185.7 | 234.6 | 230.6 | 307.6 | 305.9 | 263.1 | 214.6 | 271.5 | 286.6 | 356.3 | 882.3 | 748.5 | 2265.0 | 3434.9 |
| Unit value (G\$/LT) | 871.0 | 894.1 | 835.8 | 872.8 | 1239.8 | 1156.1 | 1051.6 | 1011.3 | 1318.6 | 1342.4 | 1662.6 | 4920.8 | 5095.3 | 13323.5 | 25538.3 |
| Local consumption | | | | | | | | | | | | | | | |
| Volume ('000 LT) b/ | 33.9 | 31.5 | 31.6 | 31.5 | 36.2 | 36.5 | 35.3 | 36.3 | 34.7 | 28.5 | 31.7 | 42.3 | 35.8 | 38.5 | 27.6 |
| Value (G\$ mln.) | 5.5 | 6.0 | 7.5 | 9.8 | 11.3 | 11.4 | 11.0 | 10.7 | 26.7 | 41.6 | 50.3 | 68.0 | 58.3 | 173.1 | 395.5 |
| Unit value (G\$/LT) | 162.2 | 190.5 | 237.3 | 311.1 | 312.2 | 312.3 | 311.6 | 294.8 | 769.5 | 1459.6 | 1586.8 | 1607.6 | 1628.5 | 4496.1 | 14329.7 |
| Changes in stock ('000 LT) | 1.6 | 2.3 | 12.5 | 2.6 | -14.7 | -0.3 | 2.2 | 3.3 | 1.3 | 0.1 | 3.4 | -57.1 | -12.5 | -41.1 | -30.1 |
| Rice | | | | | | | | | | | | | | | |
| ----- | | | | | | | | | | | | | | | |
| Area reaped ('000 acres) | 207.5 | 357.4 | 299.5 | 218.5 | 237.0 | 220.0 | 239.5 | 187.1 | 229.7 | 194.0 | 207.3 | 185.0 | 190.2 | 169.3 | 126.9 |
| Yield/acre (LT) | 0.53 | 0.59 | 0.61 | 0.65 | 0.70 | 0.74 | 0.75 | 0.79 | 0.78 | 0.79 | 0.87 | 1.31 | 1.21 | 1.40 | 1.23 |
| Production ('000 LT) | 110.0 | 211.5 | 182.0 | 142.8 | 166.4 | 163.0 | 179.0 | 147.6 | 179.6 | 153.0 | 179.5 | 242.7 | 230.4 | 237.2 | 155.7 |
| Spring | 48.0 | 80.7 | 62.4 | 66.0 | 78.2 | 78.7 | 85.0 | 60.1 | 80.1 | 55.9 | 79.1 | 109.5 | 107.4 | 119.5 | 86.4 |
| Autumn | 62.0 | 130.8 | 119.6 | 76.8 | 88.2 | 84.3 | 94.0 | 87.5 | 99.5 | 97.1 | 100.4 | 133.2 | 123.0 | 117.7 | 69.3 |
| Purchases by Rice Board | | | | | | | | | | | | | | | |
| Volume ('000 LT) | 122.0 | 148.0 | 125.0 | 122.0 | 127.0 | 126.0 | 110.4 | 80.3 | 81.0 | 78.6 | 74.0 | 81.5 | 85.8 | 50.3 | 42.9 |
| Value (G\$ mln.) | 52.4 | 66.5 | 63.4 | 59.3 | 69.0 | 80.0 | 88.6 | 62.6 | 79.5 | 87.8 | 95.1 | 166.2 | 199.4 | 342.2 | 429.7 |
| Unit value (G\$/LT) | 429.5 | 449.3 | 507.2 | 486.1 | 543.3 | 634.9 | 802.5 | 779.6 | 981.5 | 1117.0 | 1285.1 | 2039.3 | 2324.0 | 6803.2 | 10016.3 |
| Exports | | | | | | | | | | | | | | | |
| Volume ('000 LT) | 71.0 | 65.9 | 104.8 | 83.7 | 79.7 | 76.8 | 34.4 | 41.7 | 47.9 | 28.9 | 38.6 | 69.0 | 62.2 | 40.6 | 49.7 |
| Value (G\$ mln.) | 73.6 | 66.8 | 96.0 | 80.8 | 87.5 | 110.0 | 60.7 | 64.9 | 80.9 | 56.6 | 44.9 | 157 | 154.3 | 287.4 | 513.2 |
| Unit value (G\$/LT) | 1036.6 | 1013.7 | 916.0 | 965.4 | 1097.9 | 1432.3 | 1764.5 | 1556.4 | 1688.9 | 1958.5 | 1163.2 | 2275.4 | 2480.7 | 7078.8 | 10326.0 |
| Local sales by GRB | | | | | | | | | | | | | | | |
| Volume ('000 LT) | 46.0 | 46.0 | 39.0 | 36.4 | 37.0 | 30.0 | 42.0 | 29.9 | 36.8 | 46.2 | 50.4 | 41.7 | 49.6 | 29.9 | 22.3 |
| Value (G\$ mln.) | 12.7 | 12.9 | 16.9 | 19.0 | 20.6 | 21.3 | 41.7 | 30.3 | 40.5 | 57.3 | 109.2 | 113.6 | 145.4 | 458.4 | 470.0 |
| Unit value (G\$/LT) | 276.1 | 280.4 | 433.3 | 522.0 | 556.8 | 710.0 | 992.9 | 1013.4 | 1100.5 | 1240.3 | 2166.7 | 2724.2 | 2931.5 | 15331.1 | 21076.2 |
| Changes in stocks of GRB ('000 LT) | 5.0 | 36.1 | -18.8 | 1.9 | 10.0 | 19.2 | 34.1 | 8.7 | 3.7 | 3.5 | 0.1 | .. | 1.7 | .. | -4.6 |
| Other ('000 LT) c/ | -12.0 | 63.9 | 57.0 | 20.8 | 39.4 | 37.0 | 68.6 | 67.3 | 98.6 | 75.1 | 65.5 | 61.8 | 29.3 | 42.2 | 37.2 |

Table 7.1: GUYANA - OUTPUT OF SELECTED COMMODITIES, 1976-90

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|-------|-------|--------|--------|--------|-------|-------|-------|-------|--------|-------|--------|--------|--------|--------|
| Livestock & Related Products | | | | | | | | | | | | | | | |
| Meat production (mln. lbs.) | | | | | | | | | | | | | | | |
| Beef | 8.8 | 6.9 | 6.1 | 3.9 | 3.6 | 4.6 | 4.7 | 4.9 | 3.5 | 3.9 | 3.5 | 3.8 | 4.6 | 5.3 | 4.85 |
| Pork | 4.9 | 5.1 | 3.7 | 4.0 | 3.1 | 3.0 | 2.4 | 1.8 | 2.2 | 2.4 | 2.4 | 2.4 | 2.6 | 2.2 | 1.98 |
| Poultry meat d/ | 20.9 | 16.3 | 22.9 | 23.3 | 23.0 | 23.0 | 16.3 | 8.6 | 9.3 | 6.2 | 7.1 | 7.9 | 8.8 | 5.5 | 4.62 |
| Milk (mln. gallons) | 2.7 | ... | ... | ... | ... | ... | ... | 0.8 | 0.8 | 0.7 | 2.5 | 2.6 | 0.9 | 0.5 | 0.4 |
| Eggs (million) | 56.3 | 52.9 | 32.5 | 52.0 | 55.9 | 51.0 | 48.5 | 36.7 | 49.0 | 49.3 | 50.0 | 35.1 | 14.0 | 30.4 | 13.5 |
| Fishing (mln. pounds) | | | | | | | | | | | | | | | |
| Fish | 35.0 | 41.0 | 32.0 | 43.2 | 39.5 | 41.1 | 45.7 | 50.9 | 61.9 | 99.2 | 92.6 | 90.2 | 90.8 | 71.4 | 72.8 |
| Shrimp | 7.0 | 7.0 | 7.0 | 8.0 | 8.1 | 6.7 | 6.8 | 6.2 | 4.4 | 7.5 | 7.7 | 7.5 | 7.1 | 7.7 | 7.7 |
| Forestry (mln. cubic feet) | | | | | | | | | | | | | | | |
| Timber | 8.9 | 6.2 | 5.9 | 5.5 | 5.0 | 4.9 | 7.0 | 6.7 | 5.7 | 4.8 | 4.7 | 5.3 | 4.6 | 4.1 | 4.1 |
| Dried metal grade bauxite e/ | | | | | | | | | | | | | | | |
| Production ('000 LT) | 969.0 | 879.0 | 1021.9 | 1058.5 | 1005.0 | 982.0 | 958.0 | 761.0 | 797.0 | 1028.3 | 981.3 | 884.1 | 904.0 | 976.4 | 1113.6 |
| Exports | | | | | | | | | | | | | | | |
| Volume ('000 LT) | 825.0 | 882.0 | 999.0 | 1010.8 | 998.0 | 995.1 | 691.9 | 793.1 | 769.7 | 1029.4 | 957.3 | 912.9 | 851.0 | 1008.5 | 1083.8 |
| Value (G\$ mln.) | 33.7 | 41.2 | 48.5 | 54.8 | 62.4 | 78.1 | 71.4 | 69.5 | 80.0 | 110.3 | 96.0 | 207.8 | 253.8 | 630.1 | 1184.6 |
| Unit value (G\$/LT) | 40.8 | 46.7 | 48.5 | 54.2 | 62.5 | 78.5 | 103.2 | 87.6 | 103.9 | 107.1 | 100.3 | 227.6 | 298.2 | 624.8 | 1093.0 |
| Calcined bauxite | | | | | | | | | | | | | | | |
| Production ('000 LT) | 729.0 | 709.0 | 570.0 | 568.0 | 591.6 | 505.4 | 385.0 | 310.0 | 506.0 | 567.9 | 444.3 | 457.4 | 435.0 | 344.7 | 316.1 |
| Exports | | | | | | | | | | | | | | | |
| Volume ('000 LT) | 731.0 | 693.0 | 578.0 | 542.3 | 593.5 | 488.2 | 364.7 | 346.2 | 501.3 | 542.7 | 444.3 | 457.4 | 417.4 | 346.7 | 304.5 |
| Value (G\$ mln.) | 190.6 | 211.5 | 201.8 | 218.3 | 305.7 | 259.5 | 205.8 | 142.3 | 270.9 | 311.4 | 259.9 | 651.0 | 579.0 | 1336.5 | 1888.1 |
| Unit value (G\$/LT) | 260.7 | 305.2 | 349.1 | 402.5 | 515.1 | 531.5 | 564.3 | 411.0 | 540.4 | 573.8 | 585.0 | 1423.3 | 1387.2 | 3854.9 | 6200.7 |
| Alumina | | | | | | | | | | | | | | | |
| Production ('000 LT) | 265.0 | 273.0 | 236.0 | 159.7 | 211.5 | 167.1 | 93.0 | 0.0 | .. | .. | .. | .. | .. | .. | .. |
| Exports | | | | | | | | | | | | | | | |
| Volume ('000 LT) | 265.0 | 263.0 | 248.0 | 145.0 | 226.2 | 149.6 | 64.0 | 29.0 | .. | .. | .. | .. | .. | .. | .. |
| Value (G\$ mln.) | 64.4 | 78.5 | 81.2 | 53.7 | 111.4 | 91.9 | 36.0 | 7.0 | .. | .. | .. | .. | .. | .. | .. |
| Unit value (G\$/LT) | 243.0 | 298.5 | 327.4 | 370.3 | 492.5 | 614.3 | 562.5 | 241.4 | .. | .. | .. | .. | .. | .. | .. |
| Gold ('000 ounces) | | | | | | | | | | | | | | | |
| Volume ('000 ounces) | ... | ... | ... | ... | 11.0 | 19.3 | 8.6 | 5.4 | 11.1 | 11.4 | 15.4 | 23.5 | 17.8 | 19.0 | 42.5 |
| Value (US\$) | ... | ... | ... | ... | 11.0 | 19.3 | 1.3 | 1.7 | 4.3 | 3.4 | 5.6 | 9.4 | 8.0 | 5.7 | 13.2 |
| Diamonds ('000 carat) | | | | | | | | | | | | | | | |
| Volume ('000 carat) | ... | ... | ... | ... | 10.0 | 9.3 | 11.2 | 12.0 | 7.3 | 11.6 | 9.1 | 7.3 | 4.4 | 7.8 | 15.3 |

Table 7.1: GUYANA - OUTPUT OF SELECTED COMMODITIES, 1976-90

| | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|-----------------------------------|-------|-------|-------|-------|-------|--------|-------|--------|--------|--------|------|------|------|------|------|
| Miscellaneous Manufactures | | | | | | | | | | | | | | | |
| Rum (aln. proof gallons) | 4.6 | 3.3 | 3.4 | 3.5 | 4.0 | 3.9 | 2.7 | 2.9 | 3.4 | 3.9 | 3.7 | 3.9 | 3.9 | 3.8 | 4.0 |
| Molasses (mil. gallons) | 23.8 | 19.8 | 25.8 | 21.4 | 20.8 | 23.3 | 7.3 | ... | ... | ... | ... | ... | ... | ... | ... |
| Copra (aln. pounds) | 11.3 | 5.9 | 4.8 | 6.6 | 8.9 | 4.5 | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Copra derivatives of which: | | | | | | | | | | | | | | | |
| Copra meal ('000 pounds) | 4.6 | 1.2 | 1.4 | 1.7 | ... | 317.0 | 386.0 | 305.9 | ... | 211.2 | ... | ... | ... | ... | ... |
| Edible oil ('000 gallons) | 757.0 | 312.4 | 336.0 | 365.0 | 437.0 | 517.0 | 5.1 | 2.7 | 0.6 | ... | ... | ... | ... | ... | ... |
| Soap (aln. pounds) | 4.5 | 4.2 | 4.3 | 3.5 | 4.4 | 5.3 | 0.9 | 0.1 | 6.5 | ... | ... | ... | ... | ... | ... |
| Margarine (aln. pounds) | 4.7 | 4.6 | 4.3 | 4.4 | 6.4 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Bacon ('000 pounds) | 428.0 | 580.0 | 207.3 | 195.2 | 214.0 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Ham ('000 pounds) | 206.0 | 191.0 | 199.7 | 149.8 | 138.4 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Sausage ('000 pounds) | 17.0 | 19.0 | 4.3 | 11.1 | 23.7 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Beer and Stout (mil. gallons) | 3.1 | 3.6 | 3.6 | 3.1 | 3.9 | 3.5 | 3.5 | 2.0 | 2.0 | 2.1 | ... | ... | ... | ... | ... |
| Flour ('000 lb) | 39.4 | 35.9 | 35.3 | 28.1 | 36.2 | 30.7 | 8.0 | ... | ... | ... | ... | ... | ... | ... | ... |
| Cigarettes (millions) | 558.6 | 557.8 | 519.0 | 548.7 | 567.0 | 602.0 | 429.6 | 408.2 | 373.2 | 466.9 | ... | ... | ... | ... | ... |
| Stock feed (aln. pounds) | 93.0 | 80.7 | 110.3 | 126.5 | 118.3 | 105.4 | 71.3 | 55.0 | 57.3 | 56.2 | ... | ... | ... | ... | ... |
| Matches ('000 boxes) | 229.0 | 266.0 | 248.0 | 219.0 | 182.0 | 177.5 | 181.7 | 155.9 | 114.5 | 160.8 | ... | ... | ... | ... | ... |
| Garments ('000 dozens) | ... | 671.0 | 462.0 | 540.0 | 332.0 | 267.0 | 240.1 | 273.4 | 189.0 | ... | ... | ... | ... | ... | ... |
| Refrigerators ('000 units) | ... | ... | ... | 20.0 | 20.0 | 16.0 | 16.7 | 8.7 | 9.6 | 6.1 | ... | ... | ... | ... | ... |
| Textiles ('000 meters) | ... | ... | ... | ... | 457.0 | 1739.7 | 844.4 | 1109.0 | 1500.0 | 1700.0 | ... | ... | ... | ... | ... |

a/ Company estates (GUYRUCO).

b/ Includes packaged and dark crystal sugar.

c/ Includes seed, feed, on-farm consumption, change in farmers' and millers' stocks, private sales and unaccounted for; 1984 excludes on-farm consumption.

d/ Commercial producers only.

e/ Includes metal grade, chemical grade and alumina cement.

Source: Ministry of Economic Development; Statistical Bureau; Ministry of Agriculture; GUYRUCO; GRB; and Bank of Guyana.

Table 8.1: GUYANA - CONSUMER PRICE INDICES, 1976-90 a/
(1977 = 100)

| | Weights(%) | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | |
|---------------|------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|------|
| URBAN | | | | | | | | | | | | | | | | | |
| Food | 42.54 | 192.3 | 208.7 | 244.7 | 290.9 | 326.2 | 416.3 | 338.1 | 650.9 | 867.4 | 1043.2 | 1134.0 | 1474.1 | 2167.0 | 3562.2 | 7033.2 | |
| Clothing | 8.64 | 162.5 | 185.9 | 235.7 | 313 | 365.6 | 497.5 | 570.6 | 619.0 | 678.7 | 740.0 | 792.5 | 1157.1 | 1617.6 | 2647.8 | 3690.0 | |
| Housing | 29.46 | 113.4 | 115.3 | 116.6 | 125.4 | 140.7 | 151.2 | 158.5 | 168.3 | 178.0 | 192.8 | 200.5 | 230.2 | 240.3 | 351.5 | 406.3 | |
| Other | 19.36 | 147.6 | 164.5 | 195.5 | 228.6 | 273.5 | 308.5 | 343.8 | 357.7 | 402.1 | 430.9 | 467.5 | 475.0 | 627.0 | 965.0 | 1414.6 | |
| Total | 100.00 | 154.0 | 168.6 | 198.1 | 239.5 | 276.5 | 343.4 | 352.8 | 449.0 | 531.6 | 601.7 | 648.6 | 834.1 | 1163.0 | 1881.6 | 3136.0 | |
| Change(%) | | 8 | 7.9 | 9.5 | 17.5 | 20.9 | 15.5 | 24.2 | 2.7 | 27.3 | 18.4 | 13.2 | 7.80 | 28.6 | 39.4 | 61.8 | 66.7 |
| RURAL | | | | | | | | | | | | | | | | | |
| Food | 54.00 | 184.3 | 204.6 | 255.3 | 290.0 | 324.3 | 402.2 | 460.2 | 525.1 | 621.8 | .. | .. | .. | .. | .. | .. | |
| Clothing | 9.72 | 195.8 | 231.4 | 280.6 | 324.2 | 344.7 | 439.7 | 491.7 | 532.7 | 584.5 | .. | .. | .. | .. | .. | .. | |
| Housing | 19.06 | 115.3 | 117.9 | 121.0 | 140.2 | 163.9 | 177.4 | 185.5 | 194.8 | 200.7 | .. | .. | .. | .. | .. | .. | |
| Other | 17.22 | 129.8 | 154.7 | 185.0 | 216.3 | 258.0 | 299.1 | 321.9 | 336.3 | 362.3 | .. | .. | .. | .. | .. | .. | |
| Total | 100.00 | 162.9 | 181.9 | 219.9 | 252.1 | 284.7 | 345.4 | 387.3 | 431.2 | 512.0 | .. | .. | .. | .. | .. | .. | |
| Change(%) | | 8.5 | 11.7 | 20.9 | 14.6 | 12.9 | 21.3 | 12.1 | 11.3 | 18.7 | .. | .. | .. | .. | .. | .. | |
| GUYANA | | | | | | | | | | | | | | | | | |
| Food | 50.73 | 186.6 | 205.8 | 252.3 | 290.3 | 324.8 | 406.2 | 425.3 | 561.0 | 692.0 | .. | .. | .. | .. | .. | .. | |
| Clothing | 9.41 | 186.3 | 218.4 | 267.8 | 321.0 | 350.7 | 456.2 | 514.2 | 557.4 | 611.4 | .. | .. | .. | .. | .. | .. | |
| Housing | 22.03 | 114.8 | 117.2 | 119.7 | 136.0 | 157.3 | 169.9 | 177.8 | 187.2 | 194.2 | .. | .. | .. | .. | .. | .. | |
| Other | 17.83 | 134.9 | 157.5 | 188.0 | 219.8 | 262.4 | 301.8 | 328.2 | 342.4 | 373.7 | .. | .. | .. | .. | .. | .. | |
| Total | 100.00 | 160.3 | 178.1 | 213.7 | 248.5 | 282.4 | 344.8 | 377.4 | 436.3 | 517.6 | .. | .. | .. | .. | .. | .. | |
| Change(%) | | 8.3 | 11.1 | 20.0 | 16.3 | 13.6 | 22.1 | 9.5 | 15.6 | 18.6 | .. | .. | .. | .. | .. | .. | |

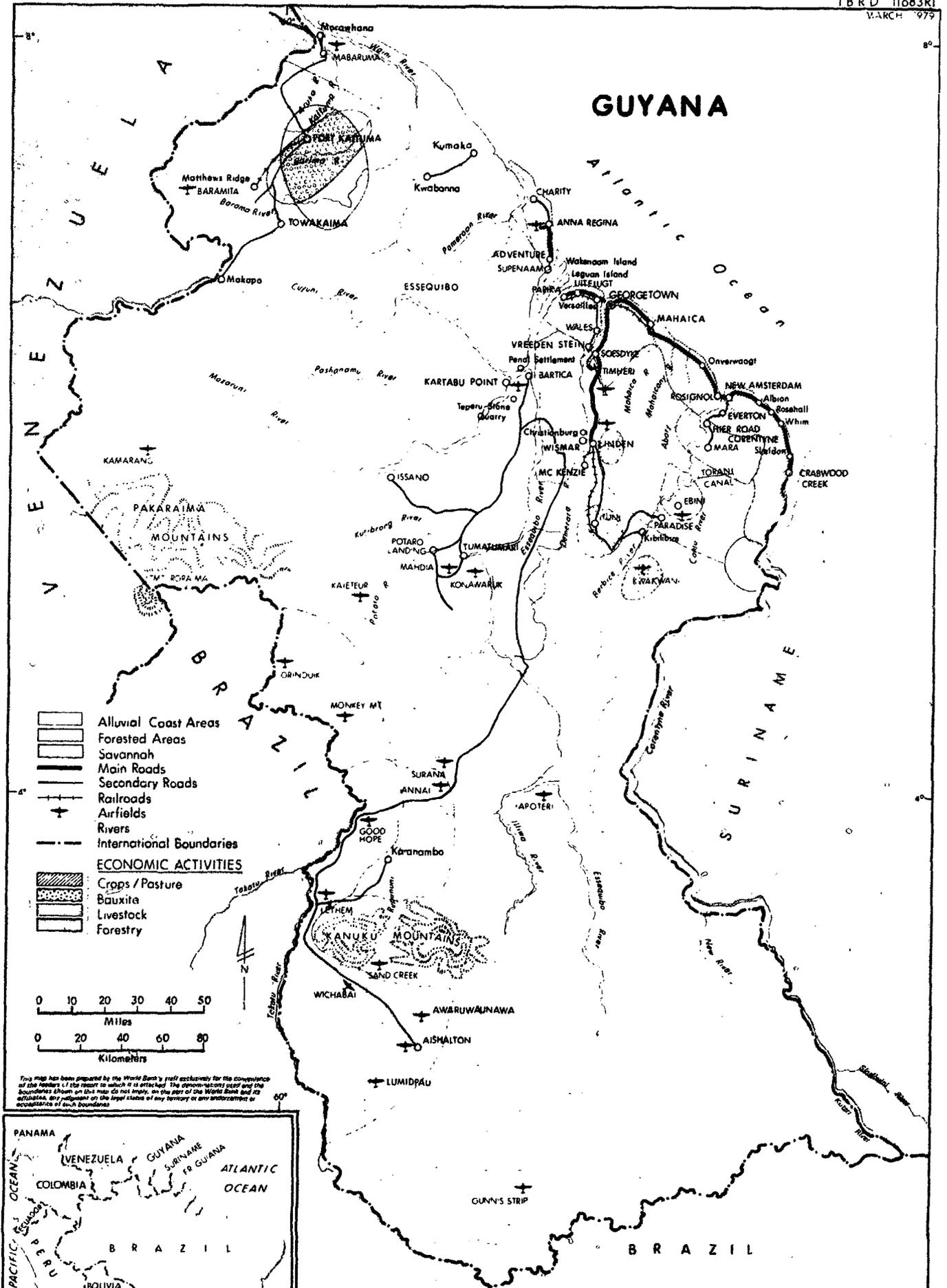
a/ Average during period.

b/ Weighted average of urban and rural indices with weight of 28.57% and 71.4%.

Source: Statistical Bureau.

MAP SECTION

GUYANA



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