



# **BUDGET 2011**

**Together  
Building Tomorrow's Guyana  
Today**

**January 17, 2011**



**GUYANA**

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**UNDER THE**  
**CONSTITUTION OF GUYANA**

**FIRST SESSION 2006 – 2011**

**BUDGET SPEECH**

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**Honourable Dr. Ashni Kumar Singh, M.P.**

**Minister of Finance**

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**January 17, 2011**



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1.

**Introduction**

1.1 Mr. Speaker, I rise to move the motion for the approval of the Estimates of the Public Sector and the Budget for the Financial Year 2011 and, in so doing, I wish to indicate that, pursuant to Article 171 Paragraph 2 of the Constitution, the Cabinet has recommended that the National Assembly proceed upon this motion.

1.2 Mr. Speaker, the current PPP/Civic Government entered this Ninth Parliament of Guyana with a clarity of purpose that was defined in our Manifesto promise to deliver a Brighter Future For All Guyanese. This commitment formed the basis of our contract with the People of Guyana, and was further reinforced by His Excellency the President's Inaugural Address at the opening of this Parliament. We have since been guided by the vision outlined therein, fortified with the steadfastness of commitment that distinguished our preceding terms of office, with our focus sharply aimed at implementing the policies, programmes and projects required to realise a modern and prosperous Guyana.

1.3 Standing as we do in the fifth year since then, we are confident in our declaration that much has been achieved, promises have been delivered, and the future is brighter for our country than ever before. In absolutely every facet of the national development and transformation agenda, the progress and the prospects are there for all to see.

1.4 Today, the Guyanese economy is larger than ever before with gross domestic product (GDP) now measured at \$453 billion, and more resilient than ever before having recorded annual real growth of 4 percent on average over the past four years. External reserves now stand at US\$780 million compared with US\$277 million at the end of 2006. External debt has been reduced from 72 percent to 47 percent and the fiscal deficit from 7.2 percent to 4 percent of GDP, while the percentage of Central Government expenditure financed with our own domestic revenues has been increased from 60 percent to 81 percent, all over the past four years.

1.5 This strong and sustained macroeconomic performance has encouraged, and is simultaneously demonstrative of, increasing vitality from a private sector that is responsive

to the favourable policy environment established by our Government. Foreign direct investment has totalled US\$692 million, credit by the commercial banks to the private sector grew at an average annual rate of more than 15 percent, a total of 946 new companies were registered, and taxes paid on business profits increased by 65.5 percent over the past four years.

1.6 Mr. Speaker, these impressive macroeconomic achievements of the current term of office build on the already outstanding track record of our previous terms, and are replicated in a plethora of other examples of promises delivered.

1.7 In physical infrastructure, the past four years have seen the completion and opening of the long-awaited Berbice River Bridge under a truly historic public private partnership; the completion and opening of the Takutu Bridge through a strategic alliance with our Brazilian neighbours; completion of the four lane highway from Houston to Providence; repaving of the New Amsterdam to Moleson Creek highway; and upgrading of thousands of community roads throughout the length and breadth of our country.

1.8 In the social sector, during the current term of office our Government has built several new hospitals; trained hundreds of doctors and other health care professionals who are now deployed throughout the country; established thousands of new school places in order to ensure that all our young people have access to the education system; and launched nationwide school feeding and school uniform programmes. We have also revamped the legislative protections afforded to women and children, waged an unprecedented war against such social ills as domestic violence, and launched national single parent and foster care programmes that target assistance to the most vulnerable in our society.

1.9 In sports and culture, we completed construction of the National Stadium at Providence, the Swimming Pool at Liliendaal, and the Racquet Centre at Non Pariel; co-hosted Cricket World Cup 2007, ICC World Twenty-20, and CARIFESTA X; and launched the Guyana Classics.

1.10 In the justice sector, we constructed a new family court, legislated the introduction of judicial review and concluded new High Court rules, enacted legislation to govern alternative dispute resolution, and updated our law volumes under the prescribed law revision process.

1.11 In international affairs and diplomacy, we successfully defended Guyana's maritime boundary with Suriname before the Arbitral Tribunal established under the United Nations Convention on the Law of the Sea; chaired CARICOM and the Boards of Governors of the International Monetary Fund and the World Bank; hosted and chaired the 2007 Commonwealth Finance Ministers Meeting, the 2007 Rio Summit and the 2011 Summit of the Heads of Government of the Union of South American Nations (UNASUR), and we now hold the presidency of that important hemispheric Union.

1.12 On the environment, our country is now recognised as a global leader on climate change and particularly on the role of avoided deforestation in the fight against climate change; our President has been named a Hero of the Environment by Time Magazine, and a Champion of the Earth by the United Nations Environment Programme. We have developed and are implementing a visionary Low Carbon Development Strategy in alliance with international partners, including Norway, who have already disbursed US\$30 million of payments for forest services to the trustees of the pioneering Guyana REDD+ Investment Fund (GRIF) which we have established.

1.13 Mr. Speaker, these are but some of the innumerable examples of the progress and accomplishments we have made as a country since the commencement of this Ninth Parliament, but we are neither to conclude that these results were easy to achieve, nor to think that our work is complete.

1.14 In achieving the results reported, we have travelled the most perilous global and regional economic crises in living memory, circumstances which are still to be unwound completely and from which many around the world still reel. While our economy may have withstood the consequences of these external developments, and in so doing bore ample testimony to the resilience we have built conscientiously over the years, there are some unmistakable lessons to be learnt.

1.15 Foremost amongst these is that we must be unrelenting in our quest to build an economy that is unshakingly and lastingly equipped to withstand the realities of global interconnectedness, confront the vagaries of a trade and international financial system distinguished by its unhelpfulness to the cause of development, and overcome the inherent structural vulnerabilities of smallness. With this aim in mind, we are resolute about ensuring that the transformation already underway proceeds forthwith and uninterruptedly to materialise in its fullness.

1.16 No less is required, if we are to reduce our susceptibility to external shocks, reduce poverty to a minimum, and unleash the creative energies and productive efforts of all of our people to their maximum potential. Nothing less will assure us that the individual and collective aspirations of our People are realised.

1.17 This is the inspiration that drives this PPP/Civic Government to harness the most valuable non-human endowment of our country, our vast tropical rainforest asset, to generate development benefit in a manner compatible with the soundest of environmental responsibility. This is the reason we are so driven to convert our country to full reliance on clean and renewable sources of energy, and to develop a capacity to generate energy that will put issues of reliability and affordability to rest once and for all. This is the motivation for our untiring efforts to bring information and communication technology to every home, and to equip every Guyanese person, young and old, with the ability to put that technology into productive use. These are the initiatives that form the bedrock of our vision for a modern and prosperous Guyana, tomorrow's Guyana, and it is these truly transformative initiatives that will secure that tomorrow for us in a manner that sees us realising the long celebrated potential of our country.

1.18 Mr. Speaker, this fifth budget of the current PPP/Civic Government therefore comes at a most interesting and exciting juncture in our country's history. At no other time like the present, has there been more tangible and visible evidence of our country's transformation to a modern one. The progress has been real, and it has been rapid. Equally, never before in our country's history has the prospect of achieving national prosperity been

more evidently attainable. The opportunities are many, and they are within our collective national reach.

1.19 Mr. Speaker, against the backdrop of that which has already been achieved, and ever mindful of that which will be achieved with collective steadfastness to the path embarked upon, this year's Budget is presented under the theme *Together – Building Tomorrow's Guyana – Today*.

## 2.

### Global Economic Developments

2.1 Mr. Speaker, recent developments reflect tentative signs of recovery in the global economy, with real growth in global output estimated at 4.8 percent in 2010 in contrast with the 0.6 percent contraction recorded in 2009. This expansion resulted from a 2.7 percent growth in the advanced economies driven by a strong rebound in some Asian economies. The recovery in the United States is continuing but remains moderate as a result of private consumption remaining subdued. Growth in the emerging and developing economies is estimated at 7.1 percent, led by China and India with growth of 10.5 and 9.7 percent respectively. Growth in Brazil is estimated at 7.5 percent, making it one of the fastest growing economies in the world in 2010. Consistent with a global recovery, world trade volumes are estimated to have grown by 11.4 percent reflecting a turnaround from the decline of 11 percent recorded in the previous year.

2.2 That having been said, the global economic outlook remains uncertain for a number of reasons. Principal amongst these is the tension between the case for expansionary policies to boost lagging demand and secure the recovery on the one hand and, on the other hand, the case for fiscal consolidation in the face of a severe debt crisis in many large and systemically important economies. This was perhaps most evident in the Euro area, which grew by an estimated 1.7 percent in 2010, reflecting the effects of sovereign debt crisis in some member states, and resultant sharp adjustment measures including withdrawal of previous stimulus interventions, cuts in government spending, and increases in taxes. The Euro depreciated by 7.8 percent against the US Dollar in 2010. Given the potential for continued public debt problems and possible implications for economic growth, it is likely that the value of the Euro will continue to fluctuate in 2011, with attendant uncertainties for countries with trading ties and other interests in the European Union.

2.3 Developments in global commodity markets were reflective of the emergent recovery, with world market food, metal, and fuel commodity price indices rising by 26.8 percent, 29.6 percent, and 20.1 percent respectively in 2010. Despite the steady upward price drift which is expected to continue, even if at a moderated pace, in the coming year, there was relative unevenness across commodities. Gold rose by 22.5 percent to US\$1,391 per

ounce, aluminium rose by 8 percent to US\$2,357 per tonne, rice declined by 11.4 percent to US\$537 per tonne, sugar rose by 24.8 percent to US\$0.31 per pound, and wheat rose by 48.8 percent to US\$307 per tonne. On balance, the prospects for commodity producers appear positive, although the impact of rising oil prices is likely to dampen this outlook for the oil importers amongst them.

2.4 Mr. Speaker, against this background, global output is projected to increase by 4.2 percent in 2011, underlying which is projected growth of 2.2 percent in the advanced economies, while emerging and developing economies are estimated to grow more rapidly at 6.4 percent. World trade volumes are projected to continue to increase by 7 percent. Nevertheless, significant downside risks remain, and much of the global recovery will depend on the balance achieved by advanced economies and large emerging economies between accelerating growth in the immediate term and achieving fiscal sustainability into the medium term.

2.5 Closer home, the Caribbean economies are estimated to have recorded marginal growth of 0.5 percent in 2010 and are projected to grow by 2.2 percent in 2011. This reflects the slow pace of recovery in the tourism sector with many destinations still to resume previous levels of activity, the fallout from the Clico and Stanford debacles which are still to be resolved in most jurisdictions, continued difficulties faced by key industries such as bauxite and the international business sector, compounded by limited availability of fiscal space to accommodate countercyclicality.

### 3.

### Domestic Macroeconomic Developments

#### **A. Real Gross Domestic Product**

3.1 Mr. Speaker, despite the uncertainties of the prevailing global and regional context, the Guyanese economy recorded a most creditable performance in 2010, providing further evidence of the returns that can be had from sound policies and sustained implementation.

3.2 Real GDP expanded by 3.6 percent, the fifth consecutive year of positive growth. Of significant note is the fact that the expansion in output achieved in recent years has relied less on the traditional sectors and increasingly on new and emerging sectors, with the non-sugar economy growing by 4.3 percent in 2010.

#### **B. Sectoral Performance**

3.3 Mr. Speaker, at the time of Budget 2010, when sectoral targets were outlined, there was every expectation that the favourable results anticipated from implementation of the turnaround plan for the sugar industry would start to manifest themselves. The projected increase in output was premised on expansion in acreage under cultivation and gains being made in productivity. Disappointingly, these results remain elusive, and the industry ended the year with final production of 220,862 tonnes, 5.5 percent lower than in 2009. This outcome reflected a protraction of the challenges confronting the industry, with less than favourable weather conditions, complicated industrial relations, and the need for greater improvements in managerial efficiency and effectiveness.

3.4 Contrastingly, at the time of the Budget last year, performance in the rice sector was expected to moderate given the exceptional level of output in the preceding year. Instead, the industry continued its stellar performance, ending 2010 at 360,996 tonnes representing 0.4 percent growth in value added over the previous year, and causing 2010 to displace 2009 as the year in which the industry produced its second highest output since rice production commenced and its highest output in over a decade. This increased production was as a

result of weather conditions that on balance proved favourable to the industry's production cycle, and extended harvesting of paddy into late December.

3.5 The other crops sector grew by 2.5 percent, a performance which reflects the effectiveness of Government's Grow More Food Campaign and the fact that this programme has now matured and has built its own momentum. The livestock sector, on the other hand, recorded a decline in production by 1.1 percent in 2010. This was mainly as a result of an unanticipated shortfall in poultry production during the first half of the year, which recovered somewhat but could not fully compensate during the second half of the year. The fishing sector also rebounded in the second half to end with 7.4 percent growth, as harvesting activity accelerated as the year progressed.

3.6 The management of the forestry sector continues to occupy some prominence especially in view of Guyana's policy initiatives under the Low Carbon Development Strategy (LCDS). The sector recorded modest growth of 1.4 percent for the year, reflecting increased production of logs, lumber, sawnwood, and plywood, even though plywood production ceased towards the end of the year due to boiler damage at the plywood plant.

3.7 Mr. Speaker, buoyed by lucrative world market conditions and substantial investment in the sector, gold declarations increased by 2.9 percent to 308,438 ounces, exceeding the record set last year to become the highest level of gold output in any one year by our small and medium scale miners. On the other hand, the bauxite industry ended the year with total production of 1,082,512 tonnes, representing a 9.8 percent contraction in value added. This result reflected continued tight external market conditions along with the fact that the industry commenced the year with a substantial accumulation of inventory. As a result, the mining and quarrying sector as a whole contracted by 6.9 percent.

3.8 The manufacturing sector grew by 0.3 percent overall, driven primarily by an expansion of 2 percent in the output of light manufacturing industries, including in the areas of pharmaceuticals, beverages, and construction materials.

3.9 Mr. Speaker, construction activity continued to be a major catalyst in stimulating activity in the economy. The construction industry has benefitted from building projects being implemented by the industrial and commercial sectors, the sustained housing drive facilitated by Government's housing programme, as well as by public sector investments in the construction of roads, sea defences, and other infrastructural works. These combined to see the sector record overall growth of 10.8 percent.

3.10 The transportation and storage sector recorded 6.4 percent growth, reflecting increased motor vehicle importation and registration, improved coastal to interior overland transportation links, and increased productive activity in the hinterland.

3.11 The information and communication sector also maintained its robust activity of recent years and registered growth of 7 percent. Investments by telephone companies, increased bandwidth available to consumers, and the impact of competition particularly as it relates to cellular services have combined to generate a continuous expansion of the sector.

3.12 The financial and insurance services sector recorded a 9.3 percent expansion in value added. This resulted from improved access to financial services, including as a result of investment by the sector in its branch network and in technology, and from buoyant demand from the productive and household sectors for these services. The wholesale and retail sector recorded growth of 10.2 percent, fuelled by the growth in input levels of both consumer and intermediate goods. The education sector grew by 4.6 percent and the health and social services sector by 8.4 percent, reflecting both expanded services available from the public sector and privately owned facilities. The other services sector, which includes such activities as our growing tourism sector, grew by 6 percent.

### **C. Balance of Payments**

3.13 Mr. Speaker, at end 2010, the balance of payments reflected an overall surplus of US\$90.1 million.

3.14 On the current account, export earnings expanded by 16.1 percent to US\$891.9 million, reflecting both volume and price increases in the case of most commodities. Export proceeds from gold grew by 23 percent to US\$346.4, reflecting a 26.7 percent increase in price. The bauxite sector generated US\$114.6 million in export receipts, on the strength of average export prices increasing by 78.5 percent, outweighing the contraction in export volume. Rice export earnings expanded by 35.5 percent to US\$154.6 million, mainly attributable to a 28.9 percent increase in export volume to 336,313 tonnes coupled with a 5.1 percent increase in average export prices. On the other hand export receipts from sugar suffered a 13.2 percent decline to US\$104 million, on account of a 9.8 percent decline in the average export price and lower export volume.

3.15 Merchandise imports expanded by 20.2 percent to US\$1,417.7 million. This was driven primarily by a 32.8 percent increase in the value of imported fuel and lubricants. In addition, other imports also increased by 16 percent, with non-fuel intermediate goods increasing by 24.4 percent, while capital goods and consumption items increased by 12.3 percent and 12.2 percent respectively.

3.16 Net current transfers expanded by 23.7 percent to US\$370.8 million, with receipts from worker remittances increasing by 40.3 percent to US\$367.8 million.

3.17 Taken together, these developments resulted in the current account deficit widening by 3.6 percent to US\$239 million.

3.18 On the capital account, foreign direct investment increased by 20.7 percent to US\$198 million. Largely on account of the increased foreign direct investment, and notwithstanding the non-recurring nature of the allocation of US\$108.6 million of Special Drawing Rights by the IMF in 2009, the capital account registered a surplus of US\$325.8 million compared with US\$454 million in 2009.

3.19 As a result of the overall balance of payments surplus, the Bank of Guyana increased its external reserves position to US\$780 million at the end of 2010, exceeding last year's record level of reserves.

## **D. Monetary and Other Financial Sector Developments**

3.20 Mr. Speaker, monetary policy continues to be geared towards maintaining price and exchange rate stability while promoting private sector credit. Credit by the banking system to the private sector grew in 2010 by 19 percent to \$112.3 billion, attributed to a 71.5 percent increase in credit to the mining and quarry sector, a 32.8 percent expansion in the agriculture sector, followed by a 28.7 percent increase in other manufacturing and a 24.8 and 24 percent respective increase in the distribution and real estate sectors.

3.21 Elsewhere in the financial sector, the resolution of the Guyana chapter of the regional Clico debacle came a few steps closer as the Court granted the application to liquidate the company and appointed the Governor of the Bank of Guyana as the liquidator. The liquidator having been appointed, Government announced and provided an injection of \$3.6 billion to fund immediate payouts to holders of investment annuity policies and undisputed insurance liabilities subject to a maximum of \$30 million per policyholder. Since then, policyholders have been written to and invited to visit the company on appointment. To date, 4,567 policyholders have visited and uplifted cheques totalling \$3.1 billion. Judicial and other action will continue to be pursued in order to realise the remainder of the company's assets, and steps taken to discharge the balance of its liabilities.

## **E. Prices and Income**

### **a. Inflation Rate**

3.22 Mr. Speaker, inflation continued to be contained to modest levels through 2010, with the change in the consumer price index at the end of the year amounting to 4.5 percent. While there were increases in some categories of food items at times during the year, these were rarely for any sustained period, and increases in some months were countervailed by decreases in subsequent months. Government continued to apply concessional excise tax rates on fuel products, thereby helping to contain the pass through of upward movement in world market oil prices.

b. Interest Rate

3.23 Mr. Speaker, interest rates continued to trend downwards reducing the cost of borrowing for businesses. In 2010, the weighted average lending rate declined by 22 basis points to 11.95 percent, while the small savings rate declined somewhat more moderately by 12 basis points to 2.67 percent. The 91-day Treasury bill rate which is the benchmark rate declined by 40 basis points to 3.78 percent.

c. Exchange Rate

3.24 Buoyed by increases in both export receipts and import payments, the foreign exchange market recorded a 9.4 percent increase in activity over 2009, with a total of US\$5,134.1 million in transactions conducted. There was an adequate supply of foreign currency to meet demand and the market adjusted throughout the year. At the end of the year, the Guyana dollar had depreciated negligibly, by 0.12 percent, against the US dollar.

d. Developments in Wages

3.25 In 2010, public servants, teachers, members of the disciplined services, parliamentarians, and constitutional officeholders were all paid a 5 percent across the board increase in salaries effective from the start of the year. Teachers were also paid an additional 1 percent increase in lieu of the performance incentive contemplated by their 2006-2010 multiyear agreement, which agreement has now been fully implemented. Members of the disciplined services were also paid a tax free bonus equivalent to one month's pay, and Government pensioners were granted a 5 percent increase in their pensions. Government regards multiyear agreements as the preferred mechanism for achieving predictability in wages and salaries, and will continue to encourage the conclusion of such agreements with the representatives of organised labour in the future.

## **F. Fiscal Position**

### **a. Non-Financial Public Sector**

3.26 The fiscal deficit of the non-financial public sector was contained to \$18.2 billion or 4 percent of GDP, notwithstanding scaled up investment in physical and social infrastructure, reflecting Government's continued prudent management of the public finances.

### **b. Central Government**

3.27 Central Government revenue in 2010 amounted to \$108 billion, 13.8 percent over 2009, as a result of enhanced collections across both tax and non-tax revenue categories. Tax revenue increased by 13.3 percent and accounted for 93.6 percent or \$100.9 billion of total current revenue collections, while non-tax revenue collections increased by 19.1 percent to \$6.9 billion.

3.28 Internal revenue collections amounted to \$43.3 billion or 18 percent more than the 2009 level. This was largely on account of continued robust performance by the private sector, with corporation tax and income tax from the self employed increasing by 21.5 percent and 16.9 percent respectively to \$17 billion and \$2.4 billion on account of higher reported profits. Income tax generated from the pay-as-you-earn (PAYE) system surpassed 2009 collections by 15.8 percent as all sectors of employers remitted higher levels of PAYE and as the number of employers remitting taxes also increased. Withholding taxes increased by 16.5 percent or \$470.6 million due to increased collections from gold miners. Customs and trade taxes amounted to \$9.2 billion representing a 20.1 percent increase over 2009 mainly due to a 21.5 percent increase in import duties bringing collections to \$8.3 billion, driven by all categories of imports. Total value added tax (VAT) and excise tax collections increased somewhat more moderately by 8.2 percent to \$48.3 billion, with increases recorded on import and domestic supply VAT along with excise tax on motor vehicles, while excise tax on fuel products declined due to the lower tax rates applied.

3.29 Total Central Government expenditure amounted to \$133.1 billion or 4.5 percent above 2009, with current expenditure reflecting an increase of 7.4 percent and totalling \$86.4 billion mainly as a result of a 6.3 percent increase in non-interest expenditure. The latter was generated by increases in employment costs, other goods and services, and transfer payments. Employment costs were driven by the developments in wages during the year along with increased employment particularly in the education and health sectors. Other goods and services increased due to Government's commitment to expand maintenance of infrastructure combined with the delivery of expanded social services. Transfer payments increased largely as a result of increased focus on training within the social sector with specific emphasis in education and health, and increased pensions, subsidies and contributions. Capital expenditure remained at broadly the same level as in 2009, as some projects exited the portfolio while other new ones commenced implementation.

3.30 Total grants of \$11.7 billion represented a reduction of 32.6 percent when compared with 2009, principally driven by a 28.3 percent reduction in project grants and a 45.9 percent reduction in non-project grants.

c. Public Enterprises

3.31 The public enterprises recorded an overall deficit of \$4.7 billion as compared to the surplus of \$1.2 billion in 2009, mainly on account of Guysuco's production shortfall which had a direct impact on the financial operations of the company, along with increased investment expenditure of the Guyana Power and Light Inc. toward the procurement and installation of an additional 15.68 MW engine for the Kingston plant.

**G. Debt Management and Aid Effectiveness**

3.32 Mr. Speaker, over the year 2010, new disbursements of project loans were the main contributor to the 12 percent growth in the external debt stock to US\$1.0 billion at the end of December 2010. External debt service payments amounted to US\$28.8 million by the end of 2010 as repayment of the principal owed to several creditors including Venezuela and the International Monetary Fund commenced. We continue to use diplomatic and other efforts

to reduce debts owing to bilateral non-Paris Club creditors in keeping with our Paris Club obligations. The most recent analyses indicate that Guyana's external debt is, and will continue, on a sustainable path over the medium term. This is premised on Government continuing to engage in prudent borrowing, including contracting new debt on the most favourable terms.

3.33 Mr. Speaker, notwithstanding our robust economic performance in recent years, Guyana is still a developing country with significant developmental needs and investments to be made if we are to achieve the key goals we have set ourselves, including the Millennium Development Goals. For this reason, even as we increase steadily our own ability to finance these investments, Government will spare no effort in mobilising as much development support and assistance as we possibly can from willing partners, and at the most concessional terms available, to support our development efforts.

3.34 On that note, it is worthy of mention that among some of our current partners the landscape for accessing development assistance appears to have changed dramatically. As a consequence, reliability and predictability of development assistance is seriously jeopardised. The dislocating effect of unpredictable development assistance to the management of our economy compromises both near and medium term planning. We will continue the call for a show of greater commitment on the part of the more advanced economies both to their development support undertakings and, in particular, to the principles of timely and effective delivery of aid. Further, in recognition of the growing need to diversify the sourcing of concessional financing to support our expanding development agenda, work will be undertaken to strengthen the capacity in working with non-traditional development partners as well as the establishment of an information database to support the analysis of aid effectiveness to our country.

3.35 Mr. Speaker, in the case of domestic debt, the stock increased by 15.4 percent to \$100.5 billion, reflecting a higher issuance of treasury bills to contain the growth in liquidity. The total stock of treasury bills increased by 24.7 percent to \$93.2 billion, mainly due to higher issuance of 364-day bills for monetary operations, with the commercial banks accounting for a 70 percent share, down from 73 percent in 2009. Total domestic debt

service increased by 15.1 percent to \$4.9 billion due to higher principal payments associated with the redemption of debentures.

#### 4. Sector Developments and the Agenda for 2011

##### A. The Low Carbon Development Strategy

4.1 Mr. Speaker, Guyana's leadership, advocacy and early action on climate change continues to receive international recognition and support, and 2010 saw several key accomplishments in this regard. At the international level, Guyana continued to be active in the negotiations under the United Nations Framework Convention on Climate Change and through which was able to help shape a new international deal with respect to REDD+ as part of the Cancun climate meeting. This decision recognises the role of forest conservation and sustainable forest management in mitigating climate change, making these activities eligible for climate financing, much to Guyana's advantage. The Cancun decision also establishes an adaptation framework and a technology transfer mechanism to help developing countries adapt to the adverse effects of climate change and made provisions for climate financing of up to US\$30 billion by 2012, and US\$100 billion annually by 2020. In 2010 President Jagdeo was invited by the United Nations Secretary General to serve on a High Level Panel to examine climate financing. This Panel has just concluded its work, which will guide future activities in assuring financial support for adaptation and mitigation in developing countries such as Guyana.

4.2 In 2011, Guyana will continue to advocate a strengthening of the REDD+ decision to include market mechanisms for REDD financing, the raising of emission reduction targets by developed countries, and the operationalising of the administrative and financial mechanism to disburse the financing that was pledged.

4.3 Mr. Speaker, at the national level, Government was able to further advance the LCDS and start implementation of the Guyana-Norway Agreement. In 2010, important progress was made with our bilateral and multilateral partners towards building an innovative model for payment for forest climate services. This has been a challenging process and, in the immediate term, designing this model has called upon the collective resources of all to try to adapt existing financial and other instruments to fit a model that emphasises delivery of results while at the same time meets international standards for fiduciary, social and

environmental safeguards, and is one which could be replicable for other forest countries. In the future, it is the expectation that our advocacy, leadership and negotiations at the international level will see refinement to this model until one is achieved that that is fully reflective of the principles of payment for climate services.

4.4 Mr. Speaker, in 2010, the first tranche of performance-based funds, approximately US\$30 million was disbursed by Norway and deposited with the trustees into the GRIF. This was one of the first payments for forest climate services received by a developing country and represents a new economic opportunity for our country. This historic milestone could not have been achieved without the vision of our President, the broad-based support for the LCDS from the widest cross-section of Guyanese society, and the important role of the broad-based Multi-Stakeholder Steering Committee which is providing oversight and guidance to the LCDS process.

4.5 Mr. Speaker, 2011 will see a continued thrust in moving the LCDS forward with the implementation of the first wave of projects under the strategy. These projects will have a transformational effect on our economy at the national level as well as the village level. Principal among them will be the provision of equity financing for the Amaila Falls Hydropower Project (AFHP), support to the Amerindian lands demarcation process; rural electrification, financing for small and micro-enterprise development and support to the Amerindian Development Fund to finance indigenous community projects. Early in 2011, we also expect to receive the second tranche disbursed by Norway, amounting to US\$40 million, to lend further support to projects under the LCDS. Efforts will continue to advance our model of avoided deforestation and to build partnerships regionally and internationally while also seeking to broaden the range of partners to provide financial support for the LCDS.

4.6 Budget 2011 therefore provides for a total of \$14.4 billion, equivalent to the US\$70 million from these two disbursements, to be expended on the transformational LCDS projects identified.

## **B. Transforming the Economy**

### a. Modernising the Traditional Sectors

#### i. Sugar

4.7 Mr. Speaker, to say that 2010 was a disappointing year for the sugar sector would be an understatement of considerable proportions. Several factors contributed to the industry's weak performance. Irregular weather patterns contributed to loss of cane as a result of limited availability of water irrigation at times, hindered cane transport from field to factory, and resulted in loss of sugar content. In addition, poor labour turnout was reflected in a 52 percent crop attendance by cane harvesters as compared to 62 percent and 72 percent in 2009 and 2008 respectively. This is partly reflective of structural changes in the labour market induced by alternative employment opportunities being pursued by the existing workforce. Further, the new Skeldon factory continued to be beset with challenges constraining its operation.

4.8 Looking ahead, Guysuco's priorities are to increase cane availability, with expanded acreage under cultivation along with higher levels of participation by private cane farmers. In addition, the process of mechanising the operations of the company will advance, with the acquisition of additional mechanised harvesters, cane loaders, tractors and haulage units. Further, repairs will be completed to the No. 1 boiler at the new Skeldon factory, and other defects corrected, with the expectation that the factory will function at full capacity by the second crop. Other factories will be subject to heightened maintenance and key equipment replacement so as to increase efficiency of operations. In addition, the Enmore packaging plant will be completed and brought into operation increasing value added output. Guysuco is projected to incur in 2011 total capital expenditure of \$4.3 billion on these and related endeavours. Taken together, these factors should enable the company to recover its production levels and restore its financial performance.

ii. Rice

4.9 Mr. Speaker, despite fluctuations in weather conditions, the rice sector recorded yet another exceptional year on both the production and export fronts. Two seed dryers were acquired and their installation would be completed in January 2011 at the research station at Burma, and a new seed facility at No. 56 Village is planned for completion during the first quarter of this year. Thirteen drying facilities were constructed in Regions 2, 3, 4, 5 and 6 in order to reduce the spoilage of paddy. Meanwhile, on the rice development front, two new varieties were released in 2010 and two candidate varieties, currently under the final stages of testing, will be released in 2011.

4.10 Mr Speaker, so as to ensure sustained performance by the sector going forward, Government continues to provide substantial support in the areas of improved drainage and irrigation facilities, new and improved farming practices including weed and water management, plant nutrition and other agronomic practices, the evaluation of pesticides for weed, pest and disease control and the sourcing and testing of over 300 additional rice germplasm lines for possible release as varieties in the sector.

iii. Bauxite

4.11 Mr. Speaker, the global market for bauxite has been showing some improvement. Domestically, while BOSAI experienced improved sales as a result of increased prices for their product on the market, BCGI faced challenging mining conditions which led to reduced production. The latter has since invested in additional equipment that is expected to improve the production performance in 2011 while BOSAI expects continued strong performance in this year. Collectively the outlook for the industry remains on the upside.

4.12 Mr. Speaker even as the industry improves, other investment prospects are on the horizon. These include options in the area of mullite, a lower grade alumina, which is demanded in the refractory market. This could potentially result in a US\$50 million investment and discussions are ongoing.

iv. Gold

4.13 Mr. Speaker, the economic importance of the gold mining sector continues to be significant in terms of its contribution to production, exports and employment. This year has seen an increase in the number of operational dredges in the sector and for the second consecutive year gold has recorded declarations above the 300,000 ounce mark.

4.14 Going forward, strengthened management of the sector will result in greater emphasis being placed on the improved recovery of gold and fine gold, and improved environmental compliance. Technical assistance will be provided to small and medium scale miners to improve mining practices and increase levels of recovery. While the prevailing high prices augur well for the future of gold production by small and medium scale miners, it also acts as a strong incentive for sustaining large scale exploration efforts. Already, two potential large scale gold deposits have been identified for which feasibility studies are being undertaken. These large scale projects could result in substantial investments in the future, and infusion of new and transformative technology into the industry. As always, Government stands ready to support the expansion of this important sector.

b. New and Emerging Sectors

i. Agricultural diversification

4.15 Mr. Speaker, agricultural diversification continues to be one of the principal pillars of our strategy to broaden the productive base of the economy. Government continues to focus on the expansion of this sector with specific emphasis on the implementation of the strategic plans for the three cluster groups, namely fruits and vegetables, livestock and aquaculture. In this regard, measures have already been taken and investments made to provide institutional strengthening, capacity building, credit facilities, improved physical infrastructure and the upgrading and enactment of rules, regulations and legislation for the efficient operations of the plant, animal and food safety agencies. In pursuit of strengthening and streamlining the sector, several functional bodies were consolidated. This resulted in the

new National Agricultural Research and Extension Institute (NAREI) and the Guyana Livestock Development Authority (GLDA) being established.

4.16 In 2010, a total of \$1.3 billion was spent to expand the non-traditional sectors. Activities included the rehabilitation of the seed facility, the germplasm laboratory and the library, provision of equipment for NAREI, and acquisition of refrigerated trucks and containers for the new Guyana Marketing Corporation (GMC) with the aim of boosting available supplies of non-traditional crops for the export market. In addition, under the Rural Enterprise and Agricultural Development (READ) programme, over 1,000 farmers were trained in areas such as food processing, feed formulation and pest and disease control.

4.17 In 2011, Government will accelerate diversification and modernisation of the agricultural sector with a budgetary allocation of \$1.5 billion. This year, two financial facilities will be established to provide funding to benefit qualified producer groups for improvements to their farming systems and processing activities. Under READ, the facility will primarily be used for investment purposes including purchasing small farming and agro-processing equipment, land clearing and preparation works, building works and purchase of breeding animals. The Agriculture Export Diversification Programme (AEDP) credit facility will target individual farmers, as well as farmers' associations on a larger scale, through providing requisite infrastructure and equipment in an effort to boost value-added interventions, improve the business climate, encourage private sector involvement and create competitiveness within this sector.

4.18 Infrastructural works will also continue this year on the construction of a genetic bank at GLDA, the rehabilitation of the germplasm laboratory at NAREI, rehabilitation of quarantine stations, rehabilitation of control structures and access roads at Canals Polder, purchase of field, inspection and laboratory equipment, and the commencement of construction of an abattoir in Region 5. On the regulatory front, 2011 will see the enactment of new plant, animal and food safety legislation and upgraded regulations for pest and disease control during import and export. Further, 7,500 farmers will be trained to be better equipped to contribute to the diversification effort.

4.19 In addition, Government will continue efforts to facilitate large scale agriculture, including in the intermediate savannahs, in which a number of investors have already indicated interest. When realised, these projects will introduce agriculture at scale previously not seen in Guyana and make Guyana a significant player in the global market for the products cultivated.

ii. Information and Communications Technology

4.20 Mr. Speaker, this Government has long recognised the capacity of the information and communications technology (ICT) sector to catalyse major transformative change in the types of jobs we create, the manner in which business is conducted and government services are delivered, and the way in which we educate our people. For this reason, we have devised a strategy that prioritises legislative change to promote a conducive and competitive environment, investment in infrastructure to increase connectivity and reduce cost, promoting ICT education in our schools, and improving access to ICT for all our people.

4.21 Over the past year, substantial efforts have been expended in the completion of the drafting of the telecommunications legislative package. The new telecommunications legislative package comprises a new Telecommunications Bill, relevant amendments to the Public Utilities Commission Act and Regulations in the areas of licensing and access, spectrum management, universal service/access, pricing, competition and consumer protection.

4.22 In addition to work on the legislative aspects of the sector, Government has also undertaken investments to address the physical infrastructure necessary for the development of the sector. In 2010 Government committed \$846.5 million for a 560 kilometre high speed fibre optic network spanning Lethem to Providence. This network is designed to establish connectivity with Brazil and provide an alternate high speed connection to the internet. Further, a similar infrastructure link is being established connecting Georgetown to Moleson Creek in the east and to Anna Regina in the west. In 2011, an additional sum of \$2.5 billion is budgeted for the continuation of these critical infrastructure works. Mr. Speaker, the

completion of these infrastructure links will revolutionise the effectiveness of Government service provision and lay the basis for state of the art e-Government.

4.23 Mr. Speaker, 2011 will see the launch of Government's showpiece programme to improve access, the One Laptop Per Family (OLPF) programme, for which a budgetary allocation of \$1.8 billion is provided. This programme will be implemented over the next two years and will see 90,000 laptops distributed to families and communities across the country. Relevant training will also be provided on use of the computers to ensure that all of the beneficiaries are able to capitalise fully on the vast advantages that derive from computer literacy.

4.24 With these initiatives, Government's aim of making Guyana one of the most computer literate societies in the world would be advanced several steps towards being accomplished.

### iii. Tourism

4.25 Mr. Speaker, our tourism sector has been making an increasingly important contribution to the national development agenda with continued emphasis on eco-tourism and nature based tourism along with targeting special market niches. Marketing efforts have been upgraded with the substantially enhanced website of the Guyana Tourism Authority (GTA) now boasting additional information on filming in Guyana for documentary and travel journalism purposes, relevant maps and charts, updated weather information, as well as links to popular social networking websites. Reflecting these efforts, visitor arrivals rose in 2010 to 150,141, representing a 6.3 percent over the previous record high of 2009, with observable peaks during the April/May and July/August periods. These peaks coincided noticeably with the hosting of ICC World Twenty-20, and with several high profile entertainment events featuring regional and international headline celebrities performing to sold-out crowds at our national stadium and other venues, vindicating the emphasis on sports and other events-based tourism.

4.26 In 2011, over \$150 million is budgeted for the continued expansion of the tourism sector. The Government will continue its marketing efforts to attract increased visitors from overseas utilising social media and targeted consumer promotions. In addition, destination awareness will be raised by facilitating high quality video documentaries made by such agencies as the Travel Channel and the British Broadcasting Corporation. Increased focus on quality service will be achieved through regular monitoring of tourism services in the areas of accommodation, tour guides, tour operators and interior lodges and resorts during the year. Government will also continue to invest in supporting infrastructure, site and event development within the tourism sector, as well as continue working towards increasing the number and reducing the cost of airline seats available into Guyana.

iv. Small Business

4.27 Mr. Speaker, Government's role in promoting entrepreneurship lies in the creation and deepening of a favourable institutional and regulatory environment for the development of small businesses. In June 2010 the operational arm of the Council, the Small Business Bureau came into existence. Government also updated its database of small businesses, adding over 500 enterprises. Meetings, outreach sessions, and business training events were held to sensitise and develop synergies in the sector, with particular emphasis on arts and crafts and the agro-processing sectors. In the area of physical infrastructure, 4 additional market tarmacs were constructed at Waterloo, Best Klien/Pouderoyen, Enmore and Diamond, and the Port Mourant market was rehabilitated. In addition, access to financing for small business owned by single parents was given a boost with the legislative provision of fiscal incentives for approved small business lending companies and the resultant establishment of the Women of Worth (WOW) programme in collaboration with one private bank. Under this scheme, over 500 single mothers from Regions 2, 3, 4, 5, 6 and 10 have already benefitted from approved small business loans without the constraint of having to offer collateral.

4.28 In 2011, the drafting of a small business policy is expected to further streamline management of the sector. There are 4 key areas targeted by the government in its promotion of small business development: awareness and sensitisation of business

development services and opportunities, education and training, enabling physical infrastructure and improved access to financing for small businesses.

4.29 In 2011, Government seeks to intensify its public outreach through development of a website, as well as additional television and print media exposure. Training exercises will be extended to more businesses with a more comprehensive range of topics, including general interest as well as sector-specific issues, and training manuals and programmes will be developed and delivered in sectors such as agro-processing and apiculture. In addition, the establishment of a credit bureau under the Credit Reporting Act which was passed in 2010 is expected to dramatically improve the ease with which small businesses are able to access financing.

4.30 This year, works will continue on the market tarmacs at Plaisance and Buxton, and the construction of the Mahaica market, and Mahaica and Haslington market tarmacs for which \$171 million has been allocated, with the aim of improving the physical environment in which small businesses operate. Under the WOW programme an additional 1,720 female single parents are expected to be granted small business loans in 2011. Additionally, small businesses will benefit from the GRIF through its support for low carbon micro and small business development, and the creation of alternative livelihoods for vulnerable groups.

#### v. Oil Exploration

4.31 Mr. Speaker, there is every likelihood that Guyana will develop an oil and gas industry in the near future. Exploration activities were pursued in the shallower basin fringe of the coast in the Pomeroon and Northwest for any indications of hydrocarbons. During 2010, drilling commenced in the Takutu Basin, plans advanced for drilling in the offshore Georgetown Block, while preparations were also advanced for the construction of the multipurpose staging base at Grand Canal Berbice River in anticipation of drilling in the Corentyne Block. During 2011, these activities are expected to continue. Apart from the direct impact of activity in this sector, the linkages with and multiplier benefits for other suppliers of goods and services are tremendous and are already being capitalised on.

## **C. Physical Infrastructure for Transformation**

### **a. Roads and bridges**

4.32 Mr. Speaker, the continued investment in our transportation infrastructure is critical, as its continued expansion and modernisation play a pivotal role in supporting the economy and in improving quality of life for our citizens.

4.33 In 2010, \$7.9 billion was expended to improve our country's roads and bridges network of which \$5.9 billion was spent on roads and \$2 billion on bridges, thereby contributing to an expansion in the interconnectivity between productive, commercial and residential zones. Of this amount, \$943.2 million was spent to commence reconstruction of an all weather ring road in Black Bush Polder and all weather roads in East and West Canje. Works progressed in 2010 and are expected to be completed later this year which will result in the provision of access to over 18,500 acres of agricultural lands. In addition, over 300 urban, rural and hinterland roads were rehabilitated and maintained at a cost of \$4.1 billion. Further the feasibility study and conceptual design were completed for the Linden to Lethem roadway. Investment in the Demerara Harbour Bridge to the cost of \$700.5 million entailed the procurement of critical components. In addition, 2010 saw the completion of 9 critical structures amounting to \$894.6 million within Regions 4 and 5 reinforcing our intra regional linkages.

4.34 Mr. Speaker, in 2011 a total of \$10.1 billion has been budgeted for roads and bridges, of which \$8.2 billion will be spent on roads and \$1.9 billion on bridges respectively, and a number of major transformative projects will commence.

4.35 The sum of \$1.7 billion has been budgeted this year for the completion of 34.5 kilometres of all weather roads in the Black Bush Polder area and also 19 kilometres of roads in the East and West Canje areas to promote permanent accessibility, improve road safety and reduce transportation costs in this key agricultural zone. To further enhance urban and suburban mobility, reduce transportation costs and ease traffic congestion, Government has allocated the sum of \$1.6 billion for the rehabilitation and improvement of the Sheriff Street

to Mandela road, access road to the Cheddi Jagan International Airport, the continuation of the four lane highway from Providence to Diamond on East Bank Demerara and complete the feasibility studies for a four lane highway from Better Hope to Golden Grove on East Coast Demerara.

4.36 A sum of \$3 billion is also allocated to construct, rehabilitate and maintain urban, rural and hinterland roads while an additional \$1.8 billion is budgeted to upgrade approximately 85 kilometres of existing roadway and the construction of approximately 110 kilometres of new roads from Linden to Amaila Falls. The Amaila project also includes the building of pontoon crossings across the Essequibo and Kuribrong rivers.

4.37 In addition, works on 16 critical structures will be completed along the East Bank and East Coast highways of which a sum of \$953 million is budgeted. In order to sustain the main linkage between Regions 3 and 4, the sum of \$550 million is budgeted for the further upgrade of the Demerara Harbour Bridge, which includes the construction of pontoons and rehabilitation of cluster piles.

4.38 In addition to physical upgrading of our roads and bridges network, improved safety is an accompanying priority. To this end, street lighting and road marking are being installed in critical areas along highways in Regions 2, 5 and 6.

4.39 Mr. Speaker, discussions continue with interested partners regarding funding for the commencement of the construction of the long awaited Lethem to Linden roadway which would contribute significantly to the transformation of our infrastructure landscape, as well as strengthening even further our ties with our Brazilian neighbours. Together with our eastern neighbours, Government has identified technical teams and completed first round discussions regarding the bridging of the physical divide at the Suriname border which would also see the strengthening of those relations.

b. Air and River Transport

4.40 The link between the coastal and hinterland communities as well as our international partners is critical to both our social and economic development and having recognised this Government continues to allocate resources toward the expansion and maintenance of the air and river transport sector.

4.41 In 2010, approximately \$367 million was expended to further develop and upgrade the Ogle International Airport with an extended runway which now accommodates Dash 8 series aircraft. In addition, \$140 million was spent to upgrade equipment at the Civil Aviation Authority. The 39 original aerodromes were inspected and maintained during the year, while works on Wakenaam airstrip were substantially completed. Further, asphaltic works on the taxiway and apron of the CJIA airstrip were completed.

4.42 The sum of \$479 million was expended on the rehabilitation of the Leguan and Bartica stelling and the docking of several vessels including the MB Barima and MV Malali.

4.43 In 2011, the sum of \$178 million is allocated to commence preparatory work on designing an extension of the CJIA airstrip by 3,500 feet to accommodate 747-400 aircrafts, and extension of the arrival and departure lounges with attendant air bridges. Further, a sum of \$88 million is allocated for the construction and rehabilitation of the Leguan airstrip and an additional \$40 million for the maintenance of other domestic aerodromes across the country.

4.44 Mr. Speaker, to promote a fast and reliable ferry service across the major rivers and outlying areas of the country, the sum of \$173 million is budgeted for the modification of the Parika and Supenaam stelling and the construction of the Kumaka wharf. Further, a sum of \$366 million is allocated towards the procurement of 2 roll on / roll off vessels, which will complement the other aging vessels. Also, the sum of \$382 million is budgeted for the docking and rehabilitation of Dredge Steve 'N', Split Barge, MB Baramani and MV Torani, while the acquisition of spares and navigational aids will continue to ensure uninterrupted and reliable operations.

c. Sea and River Defence

4.45 The critical importance of our sea and river defence can never be over emphasised in light of the imminent threat of climate change and resultant rising sea levels. In an attempt to minimise the negative impact, Government has continually invested in strengthening our sea and river defence management.

4.46 In 2010, the sum of \$2.6 billion was spent to further reinforce, upgrade and maintain our sea and river defence infrastructure in Regions 2 to 7. Riprap and concrete sea defence works were completed in areas such as Wakenaam, Clonbrook, Kitty, Springlands, and Canje. The mangrove management project for sustainable coastal zone protection commenced with \$100 million expended on the construction of a mangrove nursery at Mon Repos and the cultivation of over 60,000 mangrove seedlings at Hope Beach, Triumph, Beterverwagting and Chateau Margot.

4.47 In 2011, Government has budgeted \$3 billion for the continued construction, reconstruction, rehabilitation, restoration and maintenance of sea and river defence structures throughout the country to ensure the protection of our socio-economic livelihood and improve our environmental conditions on the coastland.

4.48 The advancement of the shore zone management system will continue to contribute to the achievement of a comprehensive maintenance strategy. Further, the mangrove protection and regeneration activity would be expanded along the coastal zone in Regions 2, 4, 5 and 6 with an additional 200,000 seedlings being planted in areas such as La Belle Alliance, Lima, Victoria, Happy Acres, Nos. 4, 5, 6 and 7 Villages, Cromarty and Wellington Park. This project aims at providing immediate first line defence against flooding.

d. Drainage and Irrigation

4.49 In an effort to adapt to the anticipated and ongoing impacts of climate change, Government maintained its commitment to expand the agriculture sector through improved drainage and irrigation systems. In 2010, \$5.1 billion was spent on drainage and irrigation to

conduct major capital works which included rehabilitation of control structures, construction and rehabilitation of sluices and revetment at De Willem, Waterloo, Amersfoort, Buxton, Moleson Creek and Alness, and earthworks rehabilitation at Black Bush Polder. Earthworks have also commenced at Hope outfall, which entails the construction of a new outlet channel of the East Demerara Water Conservancy (EDWC) which is expected to advance in 2011.

4.50 In 2011, a further \$6.6 billion will be invested towards the purchase of equipment, and construction, rehabilitation and operational works of the national drainage and irrigation system. With the operation of an increased number of pumps and the construction and rehabilitation of key drainage and irrigation structures and access roads, there will be an improvement in the discharge capacity and flood control performance. Additional infrastructure works such as the construction of a drainage sluice at Cottage, and at Abary, rehabilitation of sluice at Lonsdale as well as rehabilitation and installation of pumps at Greenfield will also be completed.

e. Hydrometeorology

4.51 Government continues to make progress in the hydrometeorological service by improving the meteorology and hydrological technology and information system, with the aim of improving weather and climate forecasting for aviation activities, agricultural planning, decision-making and disaster risk management across the country, as well as, general public awareness.

4.52 In light of the climate change phenomenon the services provided by the hydrometeorological office have become pivotal to our decision making process, as such, in 2011, there will be an expansion and modernisation of the hydrological networking system along the country's coastal and inland locations. To this end a sum of \$24 million is allocated for the purchase of equipment, construction and maintenance of hydrological stations, training, and the launching of the National Water Information System.

4.53 Mr. Speaker, with the realisation of these activities, the hydrological services will be better equipped to discharge their mandate.

f. Energy, Power Generation and Supply

4.54 Mr. Speaker, the generation of adequate, reliable and affordable power to supply the needs of individual citizens and our burgeoning private sector remains an urgent priority, the realisation of which will ensure a more competitive private sector and a more productive citizenry.

4.55 In 2010 over \$5.3 billion was spent in the power sector. The year marked the end of the Unserved Areas Electrification Programme, which amounted to US\$21 million over its entire life. Major achievements under this programme included the grid network being extended to facilitate an additional 45,602 potential service connections with a total of 17,324 new connections achieved in areas such as Charity, Wakenaam, Anna Catherina, Stewartville, Lusignan, Bara Bara, Cumberland, Port Maurant, Four Miles, Byderabo and Amelia's Ward. The hinterland communities were able to benefit with 1,432 households and 4 primary schools now receiving electricity at Muritaro, Yarakita, Capoey, Kurukubaru, Chenaupou, Yupukari, Sand Creek, Red Hill, Santa Aratak, Jawalla and Paruima.

4.56 Other achievements over the last year include the rehabilitation of the Canfield power station, the completion of the 69KV link between Skeldon and No. 53 Village, the launching of the GPL customer information system, the ongoing replacement of defective meters and educational campaign to reduce non-technical losses and promote demand management.

4.57 Mr. Speaker, looking ahead, the pursuit of power generation through renewable resources remains foremost on our development agenda. Government continues to make progress on the Amaila Falls Hydropower Project (AFHP), which is being developed as a public-private partnership using a 20 year Build Own Operate Transfer (BOOT) model. The contract for the construction of the access roads was awarded in 2010. The AFHP is sized at 154 MW with financing for this project of approximately US\$650 million coming from

equity contributed by Sithe Global, equity from Government under the Low Carbon Development Strategy, and debt financing. Financial close is expected by the end of the second quarter of this year, thus allowing the construction to start late in 2011 while the commercial operations of the AFHP is slated for 2015. The AFHP is a major transformative project for Guyana that will allow a quantum shift from being a country entirely dependent on fossil fuels for electric power to one meeting its entire national requirements from clean renewable sources by 2015.

4.58 Mr. Speaker, notwithstanding the coming into operation of the AFHP, critical investments are needed more immediately to meet current growing energy demand. To this end, an additional 15.68 MW at a cost of approximately US\$18 million would be added this year to the 20.7 MW plant at Kingston. This will substantially improve the reliability of power, allow us to meet peak demand with an appropriate margin of comfort, and provide also for more efficient rotation of machinery for maintenance.

4.59 During 2011, further work will be done on the conversion to heavy fuel oil at the Canefield Power and work will commence later this year on the 69KV transmission line linking Vreed-en-Hoop and Edinburgh substations. Additionally works will also see the installation of two 500kVA generating sets at Leguan and one 500kVA in Wakenaam during the second half of this year. GPL will also seek to further reduce technical and non-technical losses to 30.7 percent through various interventions including the implementation of Phase 2 of the Georgetown frequency conversion/standardisation of a further 8 MW from 50 HZ to 60 HZ. Further, communities of Port Kaituma and Mahdia will benefit from the recently completed construction of networks and the installation of generators to supply 1200 households with electricity, while allocations of \$15 million each has been made to the recently established Port Kaituma and Mahdia Power and Light Inc. respectively, to ensure the sustainability of these interventions.

4.60 In addition, an amount of US\$4.2 million is earmarked under GRIF through the LCDS for the hinterland electrification programme which targets the distribution of 11,000 solar panels to homes and other critical installations in the hinterland.

## **D. Investments in our People**

### a. Education

4.61 Mr. Speaker, there is no investment more important than in our people and, particularly, in the education of our young people. Our Government's aim is to implement effective programmes to improve access to, and quality of education, with a strong emphasis on equipping the labour force with the skills needed in the domestic economy of tomorrow. This vision has been articulated and guided by a series of plans in the education sector, the current one being the National Education Strategic Plan 2008-2013, towards which Government expended a sum of \$21.8 billion over the last year.

4.62 Major initiatives undertaken by the Government in 2010 include the National School Feeding programme which cost over \$900 million and benefited more than 63,000 students, and the National School Uniform Assistance Programme which benefited over 200,000 students. Additionally, \$923 million was expended on construction works at 2 new technical institutes in Regions 3 and 5, along with the procurement of furniture, tools, and equipment for all institutes, while another \$129 million was expended on the Secondary Competency Certificate Programme implemented in 18 additional secondary schools. Furthermore, Mr. Speaker, \$875 million has been expended on teacher education towards the operations and renovation works at the Cyril Potter College, which added a total of 364 trained teachers to the education system in 2010. Additionally, the Guyana Improving Teacher Education Project commenced in October 2010 and attracted more than 400 students who are expected to graduate in 2012 achieving their Associate Degree in Education. Another \$2.4 billion was also expended in 2010 towards the maintenance, rehabilitation, extension and construction of educational facilities throughout Guyana, while 78 information technology laboratories were completed at primary and secondary schools, with 11 more slated for completion in 2011.

4.63 Mr. Speaker, a total of \$24.3 billion has been allocated towards the continued successful implementation of the National Education Strategic Plan in 2011.

4.64 A major initiative being launched by the Government in 2011 lies in the harnessing of ICT to aid in the delivery of quality education. Foremost amongst the initiatives to achieve this objective is the establishment of the Educational Television Broadcasting Service. Preparatory costs of over \$147 million have already been incurred, while another \$56 million is budgeted for the operations in 2011, which will see the transmission of educational programmes to all communities across the country, and will enable every community to access the education network within the first half of this year.

4.65 Also in 2011, a major effort to upgrade teacher training capability will be undertaken with the commencement of the US\$4.2 million Guyana Improving Teacher Education Project of which \$200 million is budgeted for 2011. This project will seek to improve the quality and efficiency of teacher education delivery, while building human resources and capacity for more effective teaching and learning. Further, an additional sum of \$919 million has been budgeted for teacher training towards the medium term target of achieving 70 percent trained teachers in the system by 2013.

4.66 Furthermore, work has commenced and will continue during 2011 on the design of a US\$10 million project to strengthen the School of Earth and Environmental Sciences at the University of Guyana as a permanent academic and research institutional presence, geared towards mainstreaming the environment by addressing the national priorities flowing from the implementation of the LCDS. Accompanying this initiative will be the establishment of a world class Centre of Excellence for Biodiversity Studies and Research at the University. Additionally, the University of Guyana has been allocated \$769 million towards the operations and maintenance of the Turkeyen and Tain campuses, whilst a further \$450 million has been provided for student loans.

4.67 Mr. Speaker, Government's commitment to support vulnerable members of society remains strong, especially when it concerns the children of Guyana. As such, the National School Feeding programme has been allocated over \$1 billion and will continue to deliver a snack to every student in all nursery schools and grades 1 and 2 of primary schools. Additionally, in an effort to ensure every child is afforded access to education, the National

School Uniform Assistance Programme will continue to be implemented in 2011, and will see every school child provided with one school uniform during the year.

4.68 Mr. Speaker, another \$1.6 billion has been budgeted for technical vocational education towards the completion of construction works at the vocational centres in Regions 3 and 5, the construction of a student dormitory at Essequibo Technical Institute, and provision of tools, equipment, materials and furniture for institutes countrywide, allowing increasing numbers of students an alternative pathway.

4.69 Additionally, \$2.8 billion has been allocated for the continued maintenance, rehabilitation, extension and construction of educational facilities countrywide including the construction of Diamond Primary School, the extensions of Annai Secondary, St Pius Primary, St Christopher and Albouystown Nursery Schools along with the completion of Leonora Secondary School, dormitories at Charity, Kwakwani and Sand Creek, and construction of science laboratories at a number of schools.

b. Health

4.70 Mr. Speaker, our Government remains committed to creating a health care system which delivers quality health services to all persons. To this end, Government expended \$13.4 billion in 2010 towards the implementation of the National Health Sector Strategy 2008-2012.

4.71 Mr. Speaker, over \$1.3 billion was expended for the construction, rehabilitation and maintenance of health care facilities in 2010, including \$685 million on the first phase of the new inpatient facility at the Georgetown Public Hospital Corporation (GPHC), along with the installation of two elevators at a cost of \$38 million, the construction and installation of a hydroclave system, the upgrade of the operating theatres at the Lethem and West Demerara hospitals and the completion of rehabilitation works at Mabaruma, Skeldon, Wakenaam and Leguan hospitals.

4.72 Mr. Speaker, over \$280 million was expended on training, while more than 150 new health workers entered the public health sector contributing to improved doctors and nurses' population ratio. In addition, Government has taken the extra step of providing extended home-based care as a pilot in Region 6, to vulnerable groups in the population, including the elderly, disabled, pregnant women and those suffering from chronic diseases, to deliver health care as needed.

4.73 Government is committed to reducing child and maternal mortality rates and has made good progress in this regard. Strident efforts such as the introduction and sustained implementation of the Basic Nutrition Programme, which enhanced the visitation of mothers to clinic, combined with the expanded immunisation programme assisted in improving the standard of maternal care offered. Additionally, the National Emergency Obstetric Care Assessment was completed in 52 obstetric sites and 4 neonatal hospitals, and the findings are being used to improve these sites.

4.74 Mr. Speaker, in 2011, \$14 billion has been allocated to the health sector with the aim of improving the quality of services provided, by continuing efforts to improve infrastructure, human resources, and the delivery of the publicly guaranteed health services package.

4.75 Mr. Speaker, Government has budgeted to inject \$345 million into training activities, which will provide for an additional 250 professional nurses being trained and 140 clinical and technical staff, while over 280 students in various health disciplines are currently in training across the various schools. Furthermore, health workers' capacity will continue to be developed through continuing education for nurses and midwives. In addition, the Medex and Community Health Worker curriculum will be revised and the training programmes strengthened, while the postgraduate training programme for nurses will be expanded and a new Nurses Psychiatric Programme will be introduced.

4.76 In 2011, Government plans to ensure testing accessibility continues to reach every citizen in an effort to achieve universal coverage for HIV prevention, diagnosis, treatment and care before 2015. In addition, Directly Observed Treatment Short-Course (DOTS) will

be decentralised to the regions, while the enablers programme will expand to Region 6. Additionally, further Roll Back Malaria Initiatives are planned to address preventative measures, early malaria diagnosis and effective treatment.

4.77 Over \$1 billion has been budgeted for the construction and maintenance of health sector buildings and infrastructure nationwide, including \$150 million to commence preparatory work to design a 150 bed surgical specialty hospital which will conduct specialist surgical procedures, including invasive cardiology and radiation oncology. Additionally an inpatient ward at the Diamond Diagnostic Centre will be constructed, and a new emergency ward at Fort Wellington Hospital. Furthermore, a storage bond in Diamond will be completed in 2011, while another \$235 million has been budgeted for the completion of the GPHC inpatient facility. Additionally, facilities at Enmore Polyclinic, West Demerara Hospital, Leguan, and Oscar Joseph District Hospitals will be upgraded.

c. Housing

4.78 Mr. Speaker, this Government is cognisant of the value of home ownership and its nexus with reducing poverty and improving standards of living. Our Government is not satisfied to only provide access to affordable housing infrastructure but has also advanced initiatives to ensure that the process of home ownership is made more efficient and accessible. Driven by this objective, the first ever International Building Exposition was held in 2010 under the theme “Building Business and Communities”. The event stimulated the interest of and established linkages between potential and existing homeowners, the financial institutions and the construction sector. This was all aimed at reducing the processing time and providing the opportunities for exposure to a wide array of options when acquiring a home.

4.79 Mr. Speaker, over \$9.6 billion was expended in the housing sector in 2010. Notable achievements included the allocation of 6,331 house lots as well as the distribution of 4,591 land titles surpassing our targets of 5,500 house lots and 3,750 land titles. This represents a significant increase compared to the 2009 allocation of 4,334 house lots and distribution of 4,257 land titles. Continuing to support this achievement is the ‘One Stop Shop Outreach’

conducted at fourteen locations in Regions 2, 3, 4, 6 and 10 which benefited over 2,000 persons who received on the spot house lot allocations while the online housing application attracted 312 local applicants and 42 overseas applicants.

4.80 Mr. Speaker, \$343.7 million was expended over the last year for the successful completion of a \$2.2 billion housing project which has realised the construction and upgrading of roads, drains and structures benefiting 4,636 lots in areas such as Cummings Lodge C&Y, Sophia, Westminster, Belle West, Glasgow and Onderneeming. In an effort to provide community services in the newly established schemes, multi-purpose buildings were completed in Belle West, Westminster, Cummings Lodge and Glasgow. A further \$680 million was spent on the construction of roads, drains and structures in areas such as Block 8 Mon Repos, Plantation Schoonord, Anna Catherina, Hope Estate while water distribution networks were provided at Parfaite Harmony, Block 8 Tuschen, Block X/Y Diamond and Amelia's Ward and electricity was supplied at Onderneeming, Plantation Schoonord, Section D Non Pariel, and Hope Estate benefiting over 40,000 residents.

4.81 Under the Second Low Income Settlement Programme, road and water distribution networks have commenced at established housing areas such as Block 8 Tuschen, Section EE Non Pariel, Ordnance Fortlands, No. 76 Village and Belle West as well as at squatter sites including Section D Sophia, Binkey Ally- Lusignan and Block 5 and Areas R Ankerville.

4.82 In 2011, a further \$3.6 billion is allocated to the housing sector to facilitate the development of housing schemes which is expected to result in the allocation of 7,500 house lots and the processing and distribution of 4,000 land titles. The One Stop Shop Outreach initiative will be expanded to include Region 7 and aims at making the allocation process more efficient. Of the total allocation to the housing sector \$700 million will be spent on improving the road network and water distribution systems in areas such as Plantation Zeelugt, Leonora, Mahdia and Providence to Eccles which will benefit approximately 1,500 households.

4.83 Under the Second Low Income Settlement Programme, 148 core houses are expected to be completed, 98 in the coastal regions and 50 under the Hinterland Housing

Pilot Programme. In addition the development of 7,446 new house lots in areas such as 5 Miles Bartica, Amelia's Ward, and Belle West is targeted for this year. Further, reconstruction and upgrading works for existing roads in established housing schemes under the Community Roads Improvement Project will commence. In addition, \$100 million is allocated to see the commencement of a US\$10 million East Bank Demerara Housing Development Project which aims at constructing main access roads to new housing sites benefiting over 3,000 residents.

d. Water

4.84 Mr. Speaker, the water sector continues to make significant strides as Government moves ahead in providing access to potable water for every citizen. This is the third year of implementation of the water company's Turnaround Plan which saw reduction in non-revenue water due mainly to an increase in metering, service connection upgrades and increasing the number of customers that were paying for actual consumption thereby aiding conservation of our limited resource.

4.85 In 2010, \$3.4 billion was expended in the water sector. This is attributed to the completion of the water treatment plants at Lima, Vergenoegen, Cotton Tree, Central Ruimveldt, Sophia and Corriverton benefiting over 100,000 persons with improved water quality. Notable achievements also included the expansion and improvement of water distribution networks at coastal locations and Linden. In addition, 15,000 service connections were upgraded and in excess of 5,000 water meters were installed. The hinterland water treatment programme has seen the successful installation of 7 solar photovoltaic systems, construction of 3 elevated storage tanks and completion of 23 shallow wells in Regions 1, 2, 3, 5, 7, 8, 9 and 10 benefiting 30,000 residents.

4.86 Mr. Speaker, GWI fulfilled its promise of launching the national water conservation education campaign. One of the major activities included the H2O Kids 'N' Action campaign where 21 schools and over 1,500 students benefited from educational activities. This will continue this year where 35 schools and over 2,500 students are expected to benefit.

4.87 Mr. Speaker in 2011, \$1.5 billion has been allocated to the water sector to achieve its objective of ensuring improved water supply. This will facilitate transmission and distribution main extension, treatment plant rehabilitation/upgrade and borehole construction activities benefiting over 100,000 persons. Under the Coastal Water Supply Programme \$850 million is allocated for improving water distribution in areas such as Hope, Calcutta, Lochaber, Anna Catherina, Diamond, DeHoop and Bartica. In Linden, \$75 million is budgeted to focus on improving the reliability, functionality and integrity of the transmission and distribution systems at Amelia's Ward and Wisroc from which over 7,000 residents will benefit. Another \$103 million is budgeted for provision of water to hinterland communities such as Sand Hills, Wiruni, Calcuni, Kariabo, Kwebanna and Mahdia where over 5,000 residents will benefit.

e. Sanitation

4.88 Mr. Speaker in 2010, GWI has completed its mandate of updating its Sewerage Master Plan for Georgetown and Linden which is complemented by the recently completed computerised model of the existing sewerage system thereby enhancing the effective management of the system. This year will also see an allocation of \$180 million to commence implementation of the US\$10 million Georgetown Sanitation Improvement Programme. The focus of this project will be to improve the operational performance of the Georgetown sewerage system through the reconstruction of its most critical components thereby improving the sewerage service to 52,000 residents in Georgetown.

4.89 The management of solid waste in the city has posed several challenges in terms of disposal. In this regard the Mandela landfill will continue to receive solid waste until February 2011 after which it will be completely closed in accordance with Environmental Protection Agency regulations. Work on the access road to Haags Bosch has been completed whilst work on the landfill is now expected to be completed and operations commenced using a 6.5 hectare cell during the first quarter. A sum of \$800 million has been allocated to facilitate the advancing of further works on the construction of the Haags Bosch sanitary landfill. This will greatly enhance the city's ability to cope with solid waste management and bring much needed relief to residents.

f. Vulnerable Groups and Other Targeted Interventions

i. Children

4.90 Mr. Speaker, the legislative landscape governing our children continues to be transformed with the Child Care Development Bill and the Custody, Maintenance and Guardianship Bill currently under discussion before a special select committee of this Honourable House. Further, the Child Care and Protection Agency has continued to execute its mandate responding to reported child abuse cases, resulting in 360 children being moved from abusive situations and placed in safe environments. Another 108 children were reintegrated into their families. The national foster care programme became fully operational and has seen the permanent placement of 69 children into foster homes. In addition, child protection officers are now being trained in foster care, case management, specialised counselling, and play therapy in an effort to improve their competence and quality of service.

4.91 During 2011, Government will continue to extend the protections we give our children through the passing of the two additional pieces of legislation governing child care. In addition, the foster care programme is expected to expand with more children being placed in stable family homes while the recently constructed Sophia Care Centre for children is expected to become operational in the first quarter of this year.

ii. Youth

4.92 Mr. Speaker, Government continues to empower our youths by educating and equipping them with the required skills and knowledge to secure their future livelihoods. In 2010, over 2,000 out of school youths were trained under the National Training Project for Youth Empowerment (NTPYE) programme while a further 570 young people were trained through the Youth Entrepreneurial Skills Training (YEST) Programme. In addition, 219 youths were trained in various disciplines such as basic air conditioning, electrical and fuel systems management and garment construction under the Board of Industrial Training. Further, \$34.4 million was expended to expand and equip the facilities at youth training centres at Kuru Kuru, Smythfield, Sophia and New Opportunity Corps, rehabilitate the

Smythfield Drop-in Centre and to improve facilities at the Madewini Youth Camp site, Kuru Kuru, Smythfield, Sophia and New Opportunity Corps.

4.93 In 2011, 261 youths are targeted to be trained under the BIT and over 700 more young people under the YEST programme. Additionally, \$120 million has been allocated to the National Sports Commission to facilitate the expansion of sporting activities in schools while another \$200 million has been allocated for the upgrade of several sports grounds countrywide. In addition, work will commence on the upgrade of the national cycling track and commence construction of the athletic track at Leonora.

iii. Women and Single Parents

4.94 Mr. Speaker our vulnerable women have been able to benefit from several initiatives in 2010. As indicated earlier, the Women of Worth (WOW) programme launched in June of last year resulted in over 500 women benefiting from approval of loans ranging from \$100,000 to \$250,000. Training programmes under the Guyana Women's Leadership Institute (GWLI) benefited 150 women in 2010. In addition it is important to note that the majority of the single parents are women who continue to benefit from the training and start up grant funding for graduates under the Single Parent programme. Last year 333 single parents from Regions 2, 3, 4, 5, 6, and 10 graduated in such areas as cosmetology, computer repairs and electrical installation.

4.95 In 2011, under the WOW programme a further 1,720 applicants are expected to be processed. In addition intensive outreach will be done in hinterland regions to ensure that women across the country are able to take advantage of these opportunities. Further, GWLI will train 220 women and once again \$25 million is allocated for the single parent programme which will expand to Region 7 and will target 400 persons.

iv. Elderly

4.96 Mr. Speaker, rehabilitation works to the physical infrastructure of the Palms Geriatric Institution is ongoing, while the newly constructed recreation facility is operational with a reading room, exercise room and canteen services, all intending to improve the quality of life of the residents. In addition, financial support in the form of monthly old age pension benefited over 42,000 of our pensioners and subsidised water payments were afforded to qualified pensioners to the tune of \$3.6 billion. In 2011, efforts will be placed on providing more opportunities for improving the physical and social well being of our elderly in social services and health care in addition to the continued financial support in the form of old age pensions and water payment subsidies.

v. Homeless

4.97 Mr. Speaker, the construction of the 300-bed residential centre for rehabilitation and reintegration at Onverwagt has commenced and is expected to be completed later this year while the Night Shelter has extended its capacity by 60 persons to now cater for 250 persons providing them with meals, medical assistance and more importantly accommodation on a 24-hour basis.

vi. Indigenous Communities

4.98 Mr. Speaker, our Amerindian brothers and sisters have continued to benefit from the security of land tenure through Government's ongoing land titling programme. In 2010, 11 villages had land titles issued. Under the Amerindian Development Fund (ADF), \$197.9 million was provided for projects and programmes arising from community development plans. The Secure Livelihood Programme expended \$31.7 million which benefited over 150 farmers who are now engaged in various aspects of crop production, aquaculture and apiculture.

4.99 Access to secondary, tertiary and technical vocational education for hinterland students continues to be addressed through several initiatives including the Hinterland

Scholarship programme which awarded 71 places in 2010. In addition to allocations for expanded school dormitories and related dietary a further \$92.1 million was spent on the construction of a student dormitory at Liliendaal with capacity to house 120 students.

4.100 In 2011 land titles will be issued to 13 villages in Regions 1, 7, 8, 9, and 10. Under the ADF \$78 million is budgeted for community programmes. The Secure Livelihood Programme is expected to expand within Region 1 to benefit over 200 farmers and for which \$33.7 million has been budgeted. Another \$56 million will be expended on the construction of a poultry pen, plant nursery and operationalisation of the student dormitory at Liliendaal. It is expected that an increased number of hinterland scholarships will be awarded in light of the additional accommodation capacity at the new dorm.

4.101 The recently established National Toshao's Council Secretariat will benefit from \$12.5 million for the execution of its mandate this year.

vii. Other Vulnerable Communities

4.102 Approximately 9,000 persons received monthly support through the public assistance programme which targeted cases of temporarily incapacitated individuals. Critical to the reduction in the level of the vulnerability of the disadvantaged, is the establishment of mechanisms geared to support the provision of employment opportunities such as the Central Recruitment and Manpower Agency launched in November 2010 an online vacancy registration service, which allows for automated registration and employment matching. This year will see the continuation of both programmes.

**E. Enhancing Security and Justice**

a. Public Safety and Security

4.103 Mr. Speaker, Government remains firmly committed to strengthening capabilities for taking proactive and preventive measures in addressing issues of national security and in securing our people.

4.104 In 2010, our security sector expended \$14.2 billion on institutional strengthening, capacity building, infrastructural works and equipment. The completion of the five year strategic plans for the Guyana Police Force and the Guyana Prison Service also augurs well for the organisation of the operations of our security forces. The cost of construction, rehabilitation and maintenance of police stations and outposts, fire stations, prisons, the barracks and bases of the security sector amounted to \$527.9 million. A further sum of \$580.8 million was spent on the acquisition and maintenance of vehicles including a mobile police station, motorcycles, trucks and buses while \$41.2 million was expended to resource community policing groups.

4.105 In 2011, greater emphasis will be given to serious crimes and activities that adversely affect the lives of every citizen and community across Guyana. The achievement of this will result from greater use of information and communications technology, intelligence gathering, operational capacity strengthening, training, improved investigative capability, strengthened community policing and intensified collaboration with our regional and international law enforcement agencies. A total sum of \$15.9 billion is allocated for the sector.

4.106 To ensure the effective operational capability of our security forces \$1.1 billion will be provided for the construction of a modern forensic laboratory and firefighting training school, new fire stations at Mahaica and Diamond, completion of the training facility for the Guyana Police Force, remodelling of six police stations, rehabilitation and maintenance of police and fire stations, outposts, prisons, barracks and bases countrywide. In addition, over \$140 million will be expended on training our security forces to improve their response capability. Further, the sum of \$662.2 million is allocated for the purchase of vehicles including trucks, pick ups, fire tenders and buses, of which \$80.5 million relates to the expanding the hinterland fire protection drive with the purchase of all terrain water tenders and trailer pumps for Port Kaituma, Mahdia, Mabaruma, Kwakwani and Lethem.

b. Modernising Justice Administration

4.107 Mr. Speaker, as part of the Government's mandate to ensure an efficient and capable judiciary several reforms were undertaken toward this objective.

4.108 In 2010, over G\$1.5 billion was spent in this sector. The continued investments in upgrading the infrastructure in the justice system resulted in the completion of the first ever Family Court at a cost of \$58.8 million while two new Magistrates' Courts were completed at Charity and Leonora at a total cost of \$22.8 million.

4.109 Sentencing guidelines for Judges and Magistrates were developed to facilitate simplification, uniformity and predictability of sentencing matters. In addition, Judges and Magistrates benefited from training in judgment writing and judicial leadership and development. Further, criminal and procedural manuals were completed to aid the processes and procedures of court.

4.110 For the first time in thirty-three years, the revision of the substantive laws to 2006 was completed while \$20 million was expended on law books to upgrade and maintain current library collections.

4.111 Mr Speaker, in 2011, a total of \$2.4 billion has been budgeted to consolidate advances made within the justice sector. The operationalising of the Family Court later this year will result in the provision of a facility where family law, including child custody cases, will be addressed in a specialised environment. A sum of \$195.4 million is allocated for the construction, rehabilitation and extension of Mibicuri, Whim, Lethem, Christianburg and Georgetown Magistrates courts.

4.112 In an attempt to improve the efficiency of the judicial administrative system, an electronic document management software will be implemented at the High Court in an effort to monitor new cases being filed and is expected to be operational later this year while the operation of the digital speech recording system to reduce time taken to record evidence in the Supreme Court and the Court of Appeal will be effected later this year. In addition,

Judges and Magistrates will benefit from training in court administration and time management, and methods of dealing with domestic violence.

## **F. Foreign Relations**

4.113 The Government remains committed to executing a foreign policy that continues to be based on the preservation of Guyana's sovereignty and territorial integrity. The Government's foreign policy is geared towards enhancing the economic and social development of our country and in the active promotion of Guyana's interests within the international community.

4.114 Through the conduct of its foreign policy, the year 2010 saw further strengthening of our relations with all our neighbours. As a result, a number of cooperation programmes will be pursued this year. Priorities for 2011 will include working with our neighbours to advance infrastructure projects in which we have common interests, especially Suriname on the bridging of the Corentyne River, and Brazil on the road from Lethem.

4.115 In November last year, we assumed the Chairmanship of UNASUR. Having ratified the Treaty of that Union, Guyana remains fully committed to this integration mechanism which has proved itself as a catalyst for consolidating policies in key areas such as finance, defence, social planning and the integration of physical infrastructure. We will continue to promote linkages between CARICOM and UNASUR, conscious of the immense economic benefits which these can accomplish.

4.116 Guyana's role as a proactive player in international affairs intensified in 2010 with strident advocacy in the fight against climate change. This occupied a position of priority on the national agenda as it did on the international one with the Low Carbon Development Strategy being developed as a model to be followed. In 2011, Guyana will continue to provide intellectual leadership to the global discourse and policy debates on the subject of climate change.

4.117 Government will continue to strenuously support the efforts of the Caribbean Community to deepen the regional integration movement. We must prove the doomsayers wrong. CARICOM is as important today as it was when it was founded over 3 decades ago. We will learn from mistakes and emerge even stronger and more united. We owe this not just to the founding fathers of this movement but to the people of our Region who deserve no less but to live assured of an acceptable standard of living in one Caribbean space with one Caribbean identity.

## **G. Other Institutional Reforms**

### **a. Financial Sector Reform**

4.118 Mr. Speaker, the strong regulatory and supervisory framework established for the financial sector by our Government over the years, served our financial system well through the recent regional and global crisis, with the domestic financial institutions remaining relatively unaffected by external events, with the exception of Clico.

4.119 During 2010, the introduction of quarterly stress testing of the banking system and individual banks indicated that, generally, the banking system and the individual banks' shock absorptive capacities were adequate under alternative scenarios. On-site examinations were also conducted. A number of legislative measures aimed at strengthening the financial sector and achieving greater compliance with recommended international best practices were enacted in 2010. These included legislation to establish the framework to license and supervise credit bureaus and to bring the New Building Society under the supervisory authority of the Bank of Guyana. A supervision guideline on Intervention Policy was issued to identify areas of concern at an early stage and to intervene effectively to minimise problems and likely losses to depositors and other creditors, as well as to maintain the overall stability of the financial sector. Further, and pursuant to the Money Transfer Agencies (Licensing) Act 2009, the Bank of Guyana in 2010 commenced the licensing and supervision of the money transfer agencies and agents.

4.120 Priorities going forward will include a review of extant legislation on the insurance sector in light of the Clico experience with the aim of identifying areas for possible strengthening, along with a similar review of the arrangements to supervise credit unions, with the ultimate aim being to bring the latter entities under the supervision of the Bank of Guyana. In addition, a guideline on related party transactions is also expected to be issued in 2011.

b. Improving the business environment

4.121 Mr. Speaker, Government has made significant progress over the years in improving the legal, institutional and regulatory frameworks making it easier to do business in Guyana.

4.122 Government has continued to modernise and reform the operations of the Guyana Revenue Authority (GRA) with the tangible results of enhanced revenue collection, shorter processing time for entries and goods at customs, further alignment of business and tax administration processes, improved supervision and transparency, increased enforcement and the widening of the GRA's reach across the country. The restructuring of GRA along functional lines has continued to result in more efficient services offered to citizens. Internal units, including the newly operationalised Debt Management Unit, have continued to be streamlined and have employed a risk profile management system for the identification of key areas of concern. Improvements continue to be made under the Total Revenue Integrated Processing System (TRIPS) which has facilitated timelier, more transparent and accurate data entry, processing and analysis of revenue collection. In addition to GRA's Risk Profiling System for customs inspection which reduces the number of physical inspections needed, the recently acquired container scanner is expected to improve customs performance. In 2010, GRA continued to expand its reach across the country through the establishment of fully integrated regional tax offices in Linden and New Amsterdam.

4.123 Looking ahead to 2011, Government will advance the implementation of the Single Window Automated Processing System (SWAPS) which will take place over the next two years. This system is expected to further reduce the cost and time incurred by businesses by simplifying, harmonising and electronically integrating the business processes of the licensing

bodies that account for the transactions associated with Guyana's trade. The project, upon completion, is expected to reduce the time required to process a request for an import/export license from 3-5 working days to within 1 working day. Further, additional modules will be added to the TRIPS system, including manifest and third party modules which will strengthen systems for detecting false declarations.

4.124 The Competition and Consumer Protection Commission functioned in a modest capacity in 2010 with two cases being brought before the Commission which are under current investigation. The Commission has also embarked on a public awareness campaign with the issuing of bulletins in the print media aimed at sensitising the general public to the Competition and Fair Trading Act 2006 and its provisions. In 2011, a comprehensive review of the existing competition legislation will be conducted, with particular attention being given to mergers and acquisitions, along with the building and implementation of a database. The Commission's secretariat aims to be fully staffed, to continue and intensify its training and to launch a more aggressive media campaign to raise awareness of the Commission and its functions.

4.125 During the course of this year, the Government expects to continue its legislative advancements in improving the business environment, and several bills are slated for presentation in 2011, including the E-Transactions and Consumer Affairs Bills.

c. Strengthening Public Administration and Accountability

4.126 Mr. Speaker, this Government is justifiably proud of its achievements in strengthening public administration and, in particular, in improving public accountability over the years. As a result of our efforts, Guyana now has modern fiscal management and accountability legislation, modern audit legislation, and modern procurement legislation. We reintroduced public tendering for procurement, Parliamentary tabling of audited public accounts and annual reports of public sector entities, and of a Treasury Memorandum in response to reports by the Public Accounts Committee. We computerised Government financial management functions, thereby enabling more timely and accountable management of public money.

4.127 Mr. Speaker, going forward, the realisation of greater value for money in the management of resources within the Government remains a prime focus. The effective and efficient delivery of government services is expected to be enhanced as work continues to advance on the development of a national monitoring and evaluation framework. Continued strengthening of public financial management will see the staffing of a robust internal audit function within the central government to ensure the improved quality of our system of internal controls. Greater use of information and communications technology and increased access to information via Government websites is reflective of the level of transparency and accountability within the public sector.

d. Governance

4.128 In 2010, our Government implemented a number of initiatives which contributed to further enhancement of democratic governance at all levels, political, economic and administrative, with the principles of inclusivity and participatory democracy remaining deeply entrenched in our governance model.

4.129 These efforts included accountability and transparency in keeping with our international treaty obligations. It should be noted that Guyana appeared before the United Nations Universal Periodic Review at its 8<sup>th</sup> and 15<sup>th</sup> sessions in May and September. There, Guyana's model of inclusive governance, our poverty reduction programme, and Low Carbon Development Strategy were commended. Guyana also met other international treaty reporting obligations in terms of the UN Convention on the Elimination of all Forms of Discrimination against Women, the UN Convention on the Rights of the Child, and the Inter-American Convention against Corruption.

4.130 With the appointment arising from the parliamentary consensual mechanism, and the establishment of the Women and Gender Equality Commission, the Rights of the Child Commission and the Indigenous Peoples Commission with budgetary allocations, offices and staffing, the Leader of the Opposition in accordance with the Constitution has been approached formally to provide the nominations from which the chairperson of the Human Rights Commission will be appointed.

4.131 Mr. Speaker, in this the 9<sup>th</sup> Parliament, the past four years have witnessed the most dynamic period of law-making with 124 bills being enacted, the largest number for any session in the history of the Guyana Parliament. These include new and modern legislation in every sector now properly positioning Guyana in the 21<sup>st</sup> century. Most notable among these are the new laws in the financial, judicial and security sectors, local government, the child protection and sexual offences laws, and the new maritime boundaries law. Fourteen bills were subjected to scrutiny by parliamentary special select committees and 5 are currently pending in committees.

4.132 The Parliamentary system also provided an important mechanism through which members of the Opposition posed over 300 questions to Ministers during this Session, and all were answered in keeping with the Standing Orders. The expanded committee system also continued to play a major role in building the inclusive governance model and enhanced transparency and accountability. The Public Accounts Committee led by the Opposition continued to scrutinise government's expenditure, and the sectoral committees government policy and performance. As a result of an amendment to the Constitution, a new standing committee to provide oversight to the security sector was established, which is the only one of its kind in the region.

4.133 In the day to day operations of government, there was no major issue, policy or programme, law or amendment to law, that was not subjected to discussion with various stakeholders, civil society, including with the interest groups, the National Stakeholders Forum, and communities as well as Cabinet and individual Minister's outreaches . Whether it was matters relating to taxi services, rice famers, sugar workers, market vendors, housing issues, the government's open door policy and accessibility is unique. In terms of consultations with the Amerindian communities and their Toshias, the National Conference in October 2010 continued to strengthen the engagement of the Government with the Amerindian communities and further their integration into the national developmental agenda.

4.134 Mr. Speaker, our credentials as a democratic nation will be on show later this year when the 2011 general and regional elections are conducted. This Budget increases the

budgetary allocation for the Guyana Elections Commission by \$2 billion for the conduct of the elections. It is incumbent on all of us that our maturity as a nation manifests itself in smoothly conducted and well executed polls later this year.

e. EU/CARIFORUM Economic Partnership Agreement

4.135 Mr. Speaker, as is well known, CARIFORUM countries concluded negotiation of the Economic Partnership Agreement (EPA) with the European Union (EU) in December 2007. That Agreement, however, was not formally signed by the participating States until October 2008. Guyana's reservations regarding the EPA are well known, as a result of which our Government had insisted that the Agreement must provide for a Review by the Parties. This was agreed to in advance of the October 2008 signature by CARIFORUM.

4.136 CARIFORUM countries are scheduled to commence their liberalisation of tariffs from January 2011, following a three year grace period or moratorium from 2008 to 2010. In this regard, Guyana's tariff treatment of goods originating in the European Union under the EPA will be as follows:

- (i) Products excluded from liberalisation – 17 percent of imports (or tariff lines) from the EU are excluded from liberalisation;
- (ii) Products that will be fully liberalised immediately – 60 percent of all imports or tariff lines will be liberalised immediately from 2011; and
- (iii) Products that will be fully liberalised during a phased out period over 5-25 years – the remaining 23 percent of imports will have their duties phased out over 5 to 25 years.

4.137 Mr. Speaker, last Friday January 14, I signed and caused to be published in the Official Gazette Order No. 1 of 2011 which amends the Customs Act to include the EPA Schedule of Tariff Rates. By taking this step, Guyana is the first among the Member States of CARICOM to implement the agreed EPA tariffs and fulfil the requisite obligations.

5.

## Targets for 2011

### **A. Real Gross Domestic Product**

5.1 Mr. Speaker, the economy is projected to continue to grow in 2011, by 4.6 percent, with the non-sugar economy projected to grow by 2.8 percent.

#### a. Agriculture

5.2 Mr. Speaker, the difficulties confronting the sugar industry are well known and have been much ventilated. Government has made clear to the industry our expectations with respect to implementation of the plans and achievement of the goals set out in the turnaround plan, including as they relate to increasing the acreage under cultivation, raising the conversion rate of cane to sugar, generating efficiency gains from increased mechanisation, and improving industrial relations between the sugar company and its workers. In return, the industry has given certain assurances that provide some room for confidence that the turnaround will be accomplished. As has previously been stated, the industry has no option but to ensure that the investments already made yield the returns expected of them. In 2011, reflecting the industry's expectation of a recovery to production levels previously achieved, sugar production is targeted at 298,879 tonnes, 35.3 percent above 2010 level of production.

5.3 The rice industry is projected to increase its production even further 379,628 tonnes which would be the highest ever level of production and, as a result, generate a 4.9 percent increase in value added. This reflects increased yields from the fields as farmers benefit from improved varieties of rice and also the expectation of favourable weather conditions. In addition, the securing of better export markets has also been a benefit to the industry.

5.4 The livestock industry is conservatively expected to maintain its level of output in 2011, while the other agriculture sector is projected to grow by 2 percent, reflecting the returns on the agricultural diversification programme and the Grow More Campaign. Output in the forestry sector is targeted to decline by 1.4 percent, especially given the absence of

plywood manufacturing capabilities for at least the first part of this year. Although the fishing sector performed well in 2010, it is only projected to grow by 0.4 percent in 2011, as systems are being put in place to ensure the sustainability of the industry and maintenance of fish stocks.

b. Industry

5.5 The mining and quarrying sector is expected to recover from 2010 performance and is targeted to achieve 2.8 percent growth. The bauxite industry is expected to recover with a 12.7 percent growth in production to 1,220,000 tonnes, as demand for aluminium continues to strengthen on the world market. Gold declarations are targeted to grow by 2.9 percent to 317,416 ounces, while diamond production is budgeted to contract by a further 10 percent as production capacity continues its migration into gold.

5.6 The manufacturing sector is targeted to grow by 7.7 percent, primarily reflecting increased processing activity as a result of the higher level of sugar production along with some expansion in output in light manufacturing.

c. Services

5.7 Mr. Speaker, as I reported in my Budget speech last year, the rebasing of Guyana's national accounts confirmed certain shifts in relative importance amongst sectors, with the service sectors reflecting a greater contribution to the economy's total output than before. The economy's performance in 2010 substantiated this reality, and the service sectors are expected to continue to play a lead role in generating growth in the economy's overall performance in 2011.

5.8 The information and communication sector is expected to lead the way with a 5 percent growth, fuelled by the significant investments made in the sector. The engineering and construction industry is targeted to grow by 4.5 percent, a reflection of Government's policy to ensure that every Guyanese family has their own home, manifested through the opening up of new housing schemes and allocation of new house lots. The wholesale and

retail sector is projected to grow by 4.4 percent, while the distribution sector is targeted to grow by 3.9 percent. Likewise, financial services, other services, and rental of dwellings are targeted to grow by 4, 4 and 1 percent respectively.

## **B. Monetary Policy and Inflation**

5.9 Monetary policy will continue to support the expansion of private sector credit in an environment of low inflation and a stable exchange rate. While global food and fuel prices are projected to increase, the domestic economy is expected to be insulated from these developments as we continue to gain from the investments made to assure food security, and regulate the excise on fuel to moderate pass through. Consequently, the inflation rate is targeted at 4.4 percent.

## **C. Balance of Payments**

5.10 The overall balance of payments is projected to achieve a surplus of US\$24.4 million, compared to US\$90.1 million surplus at end 2010. This is attributed to a projected widening of the current account to US\$385.6 million due to higher import commodity prices outweighing the projected higher export earnings. Meanwhile, the capital account is projected to improve by US\$84.2 million to US\$410 million surplus as the level of disbursements is expected to increase significantly.

## **D. Targets for the Non-Financial Public Sector**

### **a. Central Government Operations**

5.11 Current revenue (net of GRIF inflows) is budgeted to increase by 3.9 percent to \$112 billion, with Guyana Revenue Authority contributing \$104.4 billion. Customs and trade taxes are projected to collect \$10 billion, representing an 8.3 percent increase primarily attributed to higher import duty collections arising from higher import volumes after allowing for the impact of implementing the EPA. Internal revenue collections are targeted to increase by 1.9 percent to \$44.1 billion, reflecting improved performance of the self

employed category and PAYE. Value-added and excise taxes are targeted to increase by 3.9 percent to \$50.2 billion, primarily due to higher collections on imports, and on domestic supplies due to increased domestic trade activity. Non-tax revenue collections are projected to increase by 11.2 percent to \$7.7 billion, primarily on account of higher Bank of Guyana profits.

5.12 Total expenditure is projected at \$157.7 billion, an increase of 18.4 per cent over the 2010 level. Of this, current expenditure is projected to grow by 10.6 percent to \$95.5 billion, while capital expenditure is projected to increase by 33 percent to \$62.1 billion. The growth in non-interest current expenditure is primarily attributed to cost of conducting general and regional elections in 2011, with the Guyana Elections Commission's recurrent allocations being increased by a total of \$2 billion to accommodate this cost. The growth in capital expenditure is mainly due to heightened activity in ongoing projects and new projects commencing execution.

5.13 The overall fiscal balance of the Central Government as a percentage of GDP is expected to remain level at 3 percent.

5.14 Mr. Speaker, the size of Budget 2011 is \$161.4 billion, 13.1 percent higher than last year's budget and the largest budget in our country's history.

b. Summary Operations of the Public Enterprises

5.15 Total receipts of the public enterprises are projected to increase by 13.5 percent to \$109.5 billion mainly on account of higher export sales of sugar, while capital expenditure is projected to increase by \$5.7 billion attributed to the purchase of additional generating capacity by Guyana Power and Light. The overall deficit is projected at \$2.3 billion.

c. Operations of the Non-Financial Public Sector

5.16 The deficit of the non-financial public sector is projected to decline to \$17.3 billion or 3.5 percent of GDP.

**6.**

**Measures**

6.1 Mr. Speaker, as already indicated, Budget 2011 projects a reduction of the fiscal deficit reflecting the prudent policies embraced by our Government. In addition, the budget is fully financed without the introduction of any new taxes. That notwithstanding, Budget 2011 makes provision for the implementation of certain other specific measures designed to benefit the vulnerable in our society, the elderly, the working people of our country, and our rapidly growing private sector.

**A. Public Assistance**

6.2 Mr. Speaker, public assistance is currently paid at a rate of \$4,900 per month to approximately 9,000 beneficiaries. Budget 2011 provides for public assistance to be paid, with effect from February 1, 2011, at a rate of \$5,500 per month, a 12 percent increase.

6.3 It is worth noting that, just four years ago in 2006, public assistance was paid at a rate of \$2,350 per month. This latest increase therefore has the effect of causing the rate that is paid from next month to be more than double the 2006 rate.

**B. Old Age Pensions**

6.4 Mr. Speaker, in like manner, old age pension is currently paid at a rate of \$6,600 per month to 42,000 pensioners. Budget 2011 provides for old age pension to be paid, with effect from February 1, 2011, at a rate of \$7,500 per month, a 14 percent increase over the current rate and, as in the case of public assistance, more than double the rate that was paid as recently as 2006.

**C. Personal Income Tax**

6.5 Mr. Speaker, I also wish to announce that with effect from year of income 2011, the personal income tax allowance, or threshold as it is popularly known, will be increased from the current level of \$420,000 per annum to \$480,000 per annum.

6.6 As a result of this adjustment: every single taxpayer will benefit from higher take home pay; a taxpayer earning \$40,000 per month will now pay \$20,000 less in income taxes in a year; and approximate 38,000 taxpayers will be removed from the income tax net.

**D. Corporation Tax Rate**

6.7 Mr. Speaker, I further wish to announce that the following adjustments shall be made to the rates at which corporation tax is paid.

6.8 Firstly, whereas prior to this adjustment commercial companies would pay corporation tax at the rate of 45 percent of chargeable profits, such companies shall with effect from year of income 2011 pay corporation tax at the rate of 40 percent of chargeable profits, except for telephone companies which shall continue to pay corporation tax at the rate of 45 percent.

6.9 Secondly, whereas prior to this adjustment non-commercial companies would pay corporation tax at the rate of 35 percent of chargeable profits, such companies shall with effect from year of income 2011 pay corporation tax at the rate of 30 percent of chargeable profits.

6.10 Mr. Speaker, this measure has the effect of reducing the rate of corporation tax for all companies, except telephone companies, by 5 percentage points from the previous rates of 45 and 35 percent to 40 and 30 percent respectively. Consequently, companies benefiting from this measure would be in a position to retain and reinvest a significantly higher share of their profits.

## 7. Conclusion

7.1 Mr. Speaker, there can be absolutely no doubt about the progress our country has made over recent years, either about the sheer breadth of what has been achieved, or about the fact that it has touched almost every one of our citizens in one way or another.

7.2 This progress is being felt, and lived, every day: by the 15,148 persons who were allocated houselots who did not previously own their own home and the 20,629 persons who got connected to the national electricity grid for the first time during the past four years; by the 27,344 persons who saw an ophthalmologist and the 542 who had cataract surgeries in Port Mourant since the National Ophthalmological Hospital opened its doors; by the 4,000 passengers in the 900 vehicles that cross the Berbice River Bridge every day; by the 2,500 young men and women who go to work in a call centre and who provide services in a high technology environment to customers at the other side of the world; by the 90,000 families that will start receiving their laptops later this month. Even if we sometimes take these changes for granted, we live the transformation each and every day.

7.3 But, the work is not over and much remains to be done if we are to achieve all to which we aspire for our country. This is the reason Budget 2011 speaks of tomorrow's Guyana, a Guyana where all of its citizens live in harmony, peacefully, productively, and gainfully engaged, where there is no limit to what the young can achieve, where the elderly have no need that is not met, where the weak enjoy the protection of the strong, and where enterprise and hard work are justly and generously rewarded.

7.4 Mr. Speaker, this PPP/Civic Government believes that that Guyana of tomorrow must no longer be a distant dream. Its achievement depends on the actions we take today, and take them we must. It is for that reason that we have defined a vision, and built a strong degree of consensus around that vision: sustainable use of our land and our natural resources; closer partnerships and infrastructural links with our neighbours and within our own country; affordable and clean energy, a well educated work force equipped with the most current of skills; availability and productive use of cutting edge technology. These, Mr.

Speaker, define tomorrow's Guyana, and this is what Budget 2011 is about: investing in the transformation to tomorrow's Guyana, today.

7.5 Mr. Speaker, each and every one of us has a contribution to make in realising this vision and, were we each diligently to do our part, tomorrow's Guyana would surely be well on its way to being built, today.

7.6 Thank you very much.





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# APPENDICES



## APPENDIX 1

### SELECTED SOCIO - ECONOMIC INDICATORS

INDICATORS	2006	2007	2008	2009	2010
<b>1.10 NATIONAL ACCOUNTS AGGREGATES (2006 Base)</b>					
1.11 Growth Rate of Real GDP		7.0	2.0	3.3	3.6
1.12 GDP at current basic prices (US\$M)	1,288.6	1,514.6	1,731.9	1,776.6	1,946.0
1.13 GNP at current basic prices (US\$M)	1,245.5	1,503.4	1,717.1	1,759.7	1,958.8
1.14 Per capita GDP (US\$)	1,694.0	1,984.5	2,260.3	2,308.5	2,501.7
1.15 Per capita GNP (US\$)	1,637.3	1,969.8	2,241.0	2,286.6	2,518.2
1.16 Gross National Disposable Income (US\$M)	1,579.5	2,019.8	2,176.6	2,324.0	2,621.3
1.17 Private Consumption as % of Gross Domestic Expenditure	65.1	68.9	70.3	65.7	67.8
1.18 Public Consumption as % of Gross Domestic Expenditure	12.2	11.8	11.6	13.0	12.0
<b>2.0 EXTERNAL TRADE AND FINANCE (US\$M)</b>					
2.1 BOP Current Account Balance	-250.3	-189.1	-321.4	-230.6	-239.0
2.2 Imports of Goods and Non-Factor Services (G&NFS)	-1,130.4	-1,335.6	-1,648.8	-1,451.8	-1,762.5
2.3 Exports of Goods and Non-Factor Services (G&NFS)	732.7	870.9	1,013.4	938.5	1,140.0
2.4 Resource Balance	-397.7	-464.7	-635.4	-513.3	-622.5
2.5 Imports of G&NFS/GDP (%) at 2006 Base	87.7	88.2	95.2	81.7	90.6
2.7 Exports of G&NFS/GDP (%) at 2006 Base	56.9	57.5	58.5	52.8	58.6
2.8 Net International Reserves of Bank of Guyana	221.5	254.0	298.8	569.4	780.0
2.9 External Public Debt Outstanding	1,043.2	718.8	834.3	933.0	1,042.9
<b>3.0 PRICES, WAGES &amp; OUTPUT</b>					
3.1 Rate of Inflation (% change in CPI) 1/	4.2	14.0	6.4	3.6	4.5
3.2 Public Sector Monthly Minimum Wage in G\$(e.o.p)	26,070.3	28,416.7	29,836.0	31,626.0	33,207.0
3.3 % Growth Rate	5.0	9.0	5.0	6.0	5.0
3.4 Electricity Generation (in M.W.H)	534.6	559.2	569.2	602.0	627.4
<b>4.0 POPULATION &amp; VITAL STATISTICS</b>					
4.1 Mid-Year Population ('000)	760.7	763.2	766.2	769.6	777.9
4.2 Population Growth Rate (e.o.p)	0.3	0.3	0.4	0.4	1.1
4.3 Net Migration ('000)	-9.2	-10.8	-18.7	-6.4	-4.2
4.4 Visitor Arrivals ('000)	113.5	134.1	129.6	141.3	150.1
4.5 Crude Birth Rate (per 1,000 persons)	19.5	19.0	19.9	19.6	19.2
4.6 Crude Death Rate (per 1,000 persons)	6.6	6.6	6.5	6.2	6.4
4.7 Crude Marriage Rate (per 1,000 persons)	6.1	5.3	4.2	5.4	5.4
4.8 Infant Mortality Rate (per 1,000 live births)	19.2	20.3	17.5	14.9	15.1
4.9 Under 5 mortality Rate (per 1,000 live births)	20.3	23.9	20.2	19.8	20.5
<b>5.0 HEALTH AND EDUCATION</b>					
5.1 Public Expenditure on:					
5.1.1 Education as % of National Budget	13.0	17.1	15.5	15.7	15.3
5.1.2 Health as % of National Budget	9.0	10.6	9.3	9.9	9.4
5.2 Number of Physicians per Ten Thousand Population	4.9	5.1	6.6	6.6	6.9
5.3 Number of Nurses per Ten Thousand Population	10.8	10.1	10.6	11.2	10.1
5.4 Number of Hospital Beds per Ten Thousand Population	24.1	24.9	24.9	25.1	24.2
5.5 Low birth-weight babies (<2500g.) as a % of live births	10.8	11.6	11.0	10.1	10.9
5.6 Severely malnourished	0.4	0.5	0.3	0.2	0.2
5.7 Moderately malnourished	5.9	7.0	5.9	5.3	5.5
5.8 Overweight (%)	3.9	3.6	3.3	3.6	3.3
<b>6.0 IMMUNIZATION COVERAGE</b>					
6.1 1 year olds Immunized against DPT/ (Pentavalent) (%)	93.0	94.0	94.0	98.0	96.8
6.2 1 year olds Immunized against MMR, Yellow Fever (%)	90.0	96.0	96.0	97.0	92.0
6.3 1 year olds Immunized against polio (%)	92.0	94.0	94.0	97.0	96.5
6.4 1 year olds Immunized against TB, BCG (%)	96.0	97.0	96.0	98.0	97.5
<b>7.0 CRIME</b>					
7.1 Reported Serious Crimes 2/	4286	3428	3652	3346	2684
7.2 of which: Murder	153	115	158	117	139

Note:1/ Rate of inflation in 2010 is presented under the New Series with Base year December 2009, while for 2005

to 2009 data is presented under the Old Series with Base Year December 1994.

2/ The category 'Reported Serious Crimes' now includes the reclassification of certain offences.

## APPENDIX II (A)

### GROSS DOMESTIC PRODUCT AT 1988 PRICES BY INDUSTRIAL ORIGIN

SECTOR	2005	2006	2007	ACTUAL 2008	BUDGET 2009	REVISED 2009
<b>TOTAL</b>	<b>5,478</b>	<b>5,759</b>	<b>6,068</b>	<b>6,253</b>	<b>6,548</b>	<b>6,397</b>
Sugar	761	802	824	699	896	723
Rice	168	189	183	203	188	221
Livestock	129	125	128	137	141	141
Other Agriculture	288	308	322	347	354	367
Fishing	161	156	161	158	158	141
Forestry	199	237	211	179	179	178
Mining & Quarrying	426	334	409	434	428	437
Manufacturing	346	364	367	360	360	360
Distribution	483	532	579	648	670	690
Transport & Communication	629	692	782	860	894	877
Engineering & Construction	533	597	631	685	711	695
Rent of Dwellings	104	114	118	123	125	125
Financial Services	315	340	364	408	424	420
Other Services	228	246	258	277	282	285
Government	708	722	729	736	736	736

Note: Individual figures may not sum up to the total due to rounding

APPENDIX 11 (B)

GROSS DOMESTIC PRODUCT AT 2006 PRICES BY INDUSTRIAL ORIGIN

INDUSTRY	REBASED 2007	REBASED 2008	REBASED 2009	BUDGET 2010	REVISED 2010	BUDGET 2011
<b>Agriculture, Fishing and Forestry</b>	<b>63,131</b>	<b>61,280</b>	<b>62,060</b>	<b>65,470</b>	<b>62,368</b>	<b>67,568</b>
Sugar	15,730	13,358	13,794	16,527	13,037	17,642
Rice	6,613	7,311	7,974	7,611	8,009	8,398
Other Crops	13,545	14,313	14,508	14,813	14,871	15,168
Livestock	7,263	7,887	8,134	8,368	8,046	8,046
Fishing	9,649	9,483	8,488	8,531	9,113	9,152
Forestry	10,331	8,927	9,161	9,619	9,292	9,162
<b>Mining and Quarrying</b>	<b>32,196</b>	<b>32,166</b>	<b>31,233</b>	<b>32,543</b>	<b>29,078</b>	<b>29,905</b>
Bauxite	7,724	7,422	5,009	5,296	4,518	5,140
Other	24,472	24,744	26,225	27,247	24,561	24,765
<b>Manufacturing</b>	<b>20,784</b>	<b>19,863</b>	<b>20,714</b>	<b>21,575</b>	<b>20,770</b>	<b>22,376</b>
Sugar	4,182	3,551	3,667	4,393	3,465	4,690
Rice	4,132	4,567	4,986	4,759	5,003	5,261
Other Manufacturing	12,471	11,745	12,061	12,423	12,302	12,425
<b>Electricity and Water</b>	<b>4,751</b>	<b>5,203</b>	<b>5,390</b>	<b>5,576</b>	<b>5,423</b>	<b>5,446</b>
<b>Construction</b>	<b>27,882</b>	<b>28,508</b>	<b>28,649</b>	<b>29,209</b>	<b>31,734</b>	<b>33,162</b>
<b>Wholesale and Retail Trade</b>	<b>34,780</b>	<b>36,334</b>	<b>39,886</b>	<b>41,854</b>	<b>43,938</b>	<b>45,871</b>
<b>Transportation and Storage</b>	<b>21,032</b>	<b>22,353</b>	<b>22,148</b>	<b>22,944</b>	<b>23,558</b>	<b>24,471</b>
<b>Information and Communication</b>	<b>18,242</b>	<b>19,932</b>	<b>20,668</b>	<b>21,721</b>	<b>22,115</b>	<b>23,221</b>
<b>Financial and Insurance Activities</b>	<b>9,352</b>	<b>10,243</b>	<b>11,340</b>	<b>12,247</b>	<b>12,396</b>	<b>12,892</b>
<b>Public Administration</b>	<b>25,792</b>	<b>25,619</b>	<b>25,619</b>	<b>25,676</b>	<b>25,619</b>	<b>25,619</b>
<b>Education</b>	<b>12,579</b>	<b>12,937</b>	<b>13,564</b>	<b>14,180</b>	<b>14,187</b>	<b>14,329</b>
<b>Health and Social Services</b>	<b>4,266</b>	<b>4,849</b>	<b>5,782</b>	<b>6,217</b>	<b>6,268</b>	<b>6,331</b>
<b>Real Estate Activities</b>	<b>3,474</b>	<b>3,578</b>	<b>3,650</b>	<b>3,723</b>	<b>3,723</b>	<b>3,760</b>
<b>Other Service Activities</b>	<b>10,553</b>	<b>12,052</b>	<b>13,169</b>	<b>14,222</b>	<b>13,959</b>	<b>14,518</b>
<i>less adjustment for FISIM</i>	<i>(7,479)</i>	<i>(8,022)</i>	<i>(7,454)</i>	<i>(7,827)</i>	<i>(7,939)</i>	<i>(8,177)</i>
<b>TOTAL</b>	<b>281,335</b>	<b>286,896</b>	<b>296,417</b>	<b>309,329</b>	<b>307,198</b>	<b>321,290</b>

Notes: Years 2007 – 2009 have been rebased and rebenchmarked at the new base year of 2006 and are presented for comparative purposes.

FISIM – Financial Intermediation Services Indirectly Measured.

## APPENDIX III

### CENTRAL GOVERNMENT FINANCIAL OPERATIONS

	ACTUAL 2009	BUDGET 2010	REVISED 2010	BUDGET 2011
<b>Total Revenue</b>	<b>94,890.3</b>	<b>104,547.7</b>	<b>107,976.4</b>	<b>126,986.1</b>
<b>Revenue</b>	<b>94,890.4</b>	<b>98,197.6</b>	<b>107,806.6</b>	<b>112,048.4</b>
Tax	89,084.9	94,084.5	100,889.7	104,356.9
Income taxes	33,197.4	34,806.8	39,243.1	39,745.8
Consumption taxes	44,685.3	47,167.5	48,334.8	50,218.5
Trade taxes	8,067.8	8,732.2	9,697.9	10,300.0
Other	3,134.4	3,378.0	3,613.9	4,092.6
Non-tax	5,805.5	4,113.1	6,916.9	7,691.5
Private sector	3,347.6	2,604.3	4,853.5	4,431.1
Public enterprise & BOG	2,457.9	1,508.8	2,063.4	3,260.4
<b>GRIF Inflows</b>	-	6,150.0	-	14,350.0
<b>Total expenditure</b>	<b>127,429.9</b>	<b>135,881.4</b>	<b>133,105.0</b>	<b>157,658.5</b>
<b>Current expenditure</b>	<b>80,439.6</b>	<b>86,906.9</b>	<b>86,386.3</b>	<b>95,516.0</b>
Non-interest expenditure	73,852.2	79,249.8	78,506.9	87,651.0
Personal emoluments	26,170.4	28,150.4	28,367.3	31,523.2
Other goods and services	25,889.1	27,982.6	26,811.5	31,271.3
Transfer Payments	21,792.6	23,116.8	23,328.1	24,856.5
<b>Interest</b>	<b>6,587.4</b>	<b>7,657.1</b>	<b>7,879.4</b>	<b>7,865.0</b>
External	3,281.7	3,848.8	3,919.8	4,066.5
Domestic	3,305.7	3,808.3	3,959.6	3,798.5
<b>Primary balance</b>	<b>21,038.2</b>	<b>18,947.8</b>	<b>29,299.7</b>	<b>24,397.4</b>
<b>Current balance</b>	<b>14,450.8</b>	<b>11,290.7</b>	<b>21,420.3</b>	<b>16,532.4</b>
<b>Capital Revenue</b>	-	<b>200.1</b>	<b>169.8</b>	<b>587.7</b>
<b>Capital Expenditure</b>	<b>46,990.3</b>	<b>48,974.6</b>	<b>46,718.7</b>	<b>62,142.5</b>
<b>Overall Balance before Grants</b>	<b>(32,539.5)</b>	<b>(31,333.7)</b>	<b>(25,128.6)</b>	<b>(30,672.4)</b>
<b>Grants</b>	<b>17,275.0</b>	<b>16,477.6</b>	<b>11,650.9</b>	<b>15,648.5</b>
HIPC relief	2,222.4	2,690.0	2,155.9	2,384.5
Original	-	-	-	-
Enhanced	586.0	703.1	698.7	816.6
CMCF	257.0	518.8	-	518.8
MDRI	1,379.5	1,468.0	1,457.2	1,049.1
Other	15,052.6	13,787.6	9,495.0	13,264.0
Projects	7,681.1	6,605.4	5,510.0	4,245.3
Non-projects	7,371.5	7,182.2	3,985.0	9,018.7
<b>Overall Balance after Grants</b>	<b>(15,264.5)</b>	<b>(14,856.2)</b>	<b>(13,477.6)</b>	<b>(15,024.0)</b>
<b>Financing</b>	<b>15,264.5</b>	<b>14,856.2</b>	<b>13,477.6</b>	<b>15,024.0</b>
Net External Borrowing	15,526.2	19,192.5	12,989.8	20,508.0
Disbursements of Loans	19,824.7	37,718.8	15,427.5	31,949.0
Debt Repayments	2,254.8	3,687.0	3,714.6	4,528.7
Rescheduling	916.9	877.3	870.6	746.3
Guysuco - Escrow A/C	-	-	-	-
Overseas Deposits	(2,960.7)	(15,716.7)	406.2	(7,658.6)
Net Domestic Borrowing	(261.7)	(4,336.3)	487.8	(5,484.0)
Net Divestment Proceeds	-	-	-	-
<b>Overall Deficit as a % of GDP</b>	<b>(6.0)</b>	<b>(3.3)</b>	<b>(3.0)</b>	<b>(3.0)</b>

## APPENDIX IV

### CONSUMER PRICE INDEX – NEW SERIES

GROUP	2009	2010											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>ALL ITEMS</b>	100.0	99.6	100.7	100.5	102.0	102.0	102.0	99.9	102.5	103.5	104.1	103.7	104.5
FOOD (incl. Alcoholic Beverages)	100.0	98.7	101.9	101.3	105.5	105.3	105.5	99.2	106.8	109.9	109.9	108.2	110.4
CLOTHING	100.0	100.0	99.9	100.4	100.4	100.4	100.4	99.9	99.9	99.9	99.0	99.3	99.3
FOOTWEAR	100.0	101.2	101.2	100.5	100.5	100.5	100.5	98.6	98.6	98.6	100.3	100.6	100.5
HOUSING	100.0	100.0	100.0	99.9	100.0	100.1	99.9	99.6	99.6	99.6	99.6	99.6	99.7
FURNITURE	100.0	100.6	100.5	100.3	100.3	100.3	100.3	100.0	100.0	100.0	98.8	99.0	99.2
TRANSPORT & COMMUNICATION	100.0	99.3	99.3	99.1	99.5	99.8	99.6	100.2	100.2	100.2	104.5	104.8	104.8
MEDICAL & PERSONAL CARE	100.0	100.1	100.1	100.7	100.7	100.7	100.7	101.1	101.1	101.1	101.4	101.4	101.4
EDUCATION, RECREATION, CULTURE	100.0	102.3	103.3	102.3	102.3	102.3	102.3	102.6	102.6	102.6	102.8	102.8	102.0
OTHER GOODS AND SERVICES	100.0	100.8	100.7	101.9	101.9	101.9	101.9	101.8	101.8	101.8	101.4	102.2	102.0

GROUP	OLD SERIES CONCLUDED AT 31st DECEMBER 2009					NEW SERIES COMMENCED 1 <sup>st</sup> JANUARY 2010		
	2005	2006	2007	2008	2009	2009	2010	% Change
	DEC	DEC	DEC	DEC	DEC	DEC	DEC	DEC - DEC
<b>ALL ITEMS</b>	210.4	219.2	250.0	265.9	275.6	100.0	104.5	4.5
FOOD	200.1	212.4	256.2	285.9	273.7	100.0	110.4	10.4
CLOTHING	75.4	75.4	86.6	84.7	80.8	100.0	99.3	-0.7
FOOTWEAR AND REPAIRS	66.2	66.7	75.5	78.9	73.8	100.0	100.5	0.5
HOUSING	252.3	261.4	277.6	296.5	352.7	100.0	99.7	-0.3
FURNITURE	144.2	148.7	161.6	168.9	173.9	100.0	99.2	-0.8
TRANSPORT & COMMUNICATION	285.3	285.0	304.7	282.3	293.2	100.0	104.8	4.8
MEDICAL & PERSONAL CARE	206.5	242.0	287.4	292.5	290.3	100.0	101.4	1.4
EDUC., RECR. AND CULTL. SERVICE	235.4	232.6	270.1	273.6	286.4	100.0	102.0	2.0
MISC. GOODS & SERVICES	165.3	170.9	209.6	215.6	228.2	100.0	102.0	2.0

Old Series Base Year. Dec 1994=100  
 New Series Base Year. Dec 2009=100  
 Source: Bureau of Statistics

## APPENDIX V

### BALANCE OF PAYMENTS ANALYTIC SUMMARY

ITEM	ACTUAL 2009	BUDGET 2010	REVISED 2010	BUDGET 2011
<b>A Current Account</b>	<b>(230.6)</b>	<b>(263.8)</b>	<b>(239.0)</b>	<b>(385.6)</b>
<b>1.0 Merchandise (Net)</b>	<b>(411.2)</b>	<b>(442.5)</b>	<b>(525.8)</b>	<b>(616.9)</b>
1.1 Exports (f.o.b.)	768.2	776.5	891.9	922.3
1.1.1 Bauxite	79.5	94.4	114.6	127.4
1.1.2 Sugar	119.8	123.6	104.0	138.5
1.1.3 Rice	114.1	99.5	154.6	122.4
1.1.4 Gold	281.7	280.0	346.4	341.5
1.1.5 Timber	41.4	44.0	48.0	52.0
1.1.6 Other	120.2	120.0	113.0	125.0
1.1.7 Re - exports	11.5	15.0	11.3	15.5
1.2 Imports (c.i.f.)	(1,179.4)	(1,219.0)	(1,417.7)	(1,539.2)
1.2.1 Fuel & Lubricants	(296.7)	(324.0)	(394.1)	(449.7)
1.2.2 Other	(882.7)	(895.0)	(1,023.6)	(1,089.5)
<b>2.0 Services (Net)</b>	<b>(119.0)</b>	<b>(131.3)</b>	<b>(84.0)</b>	<b>(147.0)</b>
2.1 Factor	(16.9)	(20.0)	12.8	(12.0)
2.2 Non Factor (Net)	(102.1)	(111.3)	(96.8)	(135.0)
<b>3.0 Transfers</b>	<b>299.6</b>	<b>310.0</b>	<b>370.8</b>	<b>378.3</b>
3.1 Official	299.6	310.0	370.8	378.3
3.2 Private	-	-	-	-
<b>B Capital Account</b>	<b>454.0</b>	<b>252.5</b>	<b>325.8</b>	<b>410.0</b>
<b>'1.0 Capital Transfers</b>	<b>37.2</b>	<b>29.6</b>	<b>27.1</b>	<b>20.7</b>
<b>'2.0 Medium and Long Term Capital (Net)</b>	<b>392.9</b>	<b>257.8</b>	<b>299.3</b>	<b>425.2</b>
2.1 Non - Financial Public Sector Capital (Net)	184.9	89.4	39.6	218.0
2.1.1 Disbursements	135.2	177.0	142.0	213.5
2.1.2 Amortization	(42.7)	(52.9)	(52.9)	(59.6)
2.1.3 Other	92.5	(34.7)	(49.5)	64.1
2.2 Private Sector (Net)	208.0	168.4	259.7	207.2
<b>'3.0 Short Term Capital</b>	<b>24.0</b>	<b>(35.0)</b>	<b>(0.5)</b>	<b>(35.9)</b>
<b>C Errors and Omissions</b>	<b>11.0</b>	<b>0.0</b>	<b>3.3</b>	<b>0.0</b>
<b>D OVERALL BALANCE</b>	<b>234.4</b>	<b>(11.3)</b>	<b>90.1</b>	<b>24.4</b>
<b>E Financing</b>	<b>(234.4)</b>	<b>11.3</b>	<b>90.1</b>	<b>(24.4)</b>
<b>1.0 Bank of Guyana net foreign assets</b>	<b>(271.4)</b>	<b>(36.4)</b>	<b>(128.5)</b>	<b>(74.6)</b>
<b>2.00 Change in Non-Financial Public Sector Arrears</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3.0 Exceptional Financing</b>	<b>37.0</b>	<b>47.7</b>	<b>38.4</b>	<b>50.2</b>
3.1 Debt Relief	4.5	13.4	4.3	13.7
3.2 Balance of Payments Support	-	-	-	-
3.3 Debt Forgiveness	33.1	34.9	34.7	37.5
3.4 Debt Stock Restructuring	(0.6)	(0.6)	(0.6)	(1.0)

Figures: US\$m

Source: Ministry of Finance

Bureau of Statistics and Bank of Guyana

## APPENDIX VI

### ACTUAL AND PROJECTED EXTERNAL DEBT STOCK

ITEM	Actual End-December 2008  (After E-HIPC & MDRI Reduction) 1/	Actual End-December 2009  (After E-HIPC & MDRI Reduction) 1/	Preliminary End-December 2010  (After E-HIPC & MDRI Reduction) 1/	Preliminary End-December 2011  (After E-HIPC & MDRI Reduction) 1/
<b>TOTAL EXTERNAL DEBT</b>	<b>834.32</b>	<b>933.04</b>	<b>1,042.88</b>	<b>1,188.01</b>
<b>1.0 Multilateral</b>	<b>472.86</b>	<b>536.99</b>	<b>588.09</b>	<b>634.54</b>
IBRD	0.00	0.00	0.00	0.00
IDA	9.77	9.71	9.41	9.20
IADB	191.44	259.34	316.90	402.12
CDB	130.80	130.99	130.63	133.36
CMCF	31.10	31.10	31.10	0.00
IMF	60.18	58.10	55.65	47.90
IFAD	9.49	9.68	9.44	9.98
Others 2/	40.07	38.08	34.96	31.98
<b>2.0 Bilateral</b>	<b>340.63</b>	<b>375.22</b>	<b>434.43</b>	<b>533.42</b>
<b>2.1 Paris Club Creditors:</b>	<b>56.91</b>	<b>54.78</b>	<b>51.80</b>	<b>49.22</b>
USA	1.01	0.96	0.91	0.91
-PL 480	1.01	0.96	0.91	0.87
UK	0.00	0.00	0.00	0.00
Canada	0.00	0.00	0.00	0.00
Germany	0.00	0.00	0.00	0.00
-KFW	0.00	0.00	0.00	0.00
Netherlands	0.00	0.00	0.00	0.00
Denmark	0.00	0.00	0.00	0.00
Norway	0.00	0.00	0.00	0.00
Sweden	0.00	0.00	0.00	0.00
France	0.00	0.00	0.00	0.00
Japan	0.00	0.00	0.00	0.00
T&T	51.27	49.03	46.39	43.31
Russian Federation	0.28	0.28	0.28	0.00
Italy	4.35	4.51	4.22	5.04
Others 3/	0.00	0.00	0.00	0.00
<b>2.2 Non-Paris Club Creditors:</b>	<b>283.72</b>	<b>320.44</b>	<b>382.63</b>	<b>484.21</b>
Venezuela	109.52	143.04	187.69	248.61
Argentina	12.17	12.51	12.85	13.19
Kuwait	62.10	61.93	65.42	69.31
Libya	38.24	38.63	40.91	41.20
China	30.07	32.37	44.68	73.41
India	21.32	21.33	20.08	27.12
UAE	6.74	6.87	7.00	7.13
Others 3/	3.55	3.77	4.00	4.25
<b>3.0 Private Creditors</b>	<b>20.83</b>	<b>20.82</b>	<b>20.36</b>	<b>20.05</b>
3.1 Suppliers 5/	13.42	13.44	13.41	13.49
3.2 Financial Markets/Bonds 6/	7.41	7.38	6.95	6.56

Notes:

1/ Takes into account debt relief granted under the Enhanced HIPC initiative and the Multilateral Debt Relief initiative.

2/ Includes EEC, EIB, OPEC FUND and IFC Loans.

3/ Includes CDC Loans.

4/ Includes DPRK, Brazil, Bulgaria and Serbia (ex-Yugoslavia) Loans.

5/ Includes ITT, Caterpillar Americas, Nissho Iwai/Komatsu, Boskalis, GPL (Banco de Credito, Panama) and EPDS debts.

6/ Includes Booker plc, Bonds, Bank of Nova Scotia, Lloyds Bank, GPL (NBIC/RBTT Debenture) and Barclays Bank debts.

**Figures: US\$m**  
**Source: Ministry of Finance**