



A BETTER GUYANA FOR ALL GUYANESE

"Guyana has been able to do what few developing forested countries have done - resist the economic forces to cut their natural resources for cash."
- Forbes.com (Apr. 2013)

"We believe that the best-kept secret for native English [outsourced services] in Latin America is Guyana."
- Frost & Sullivan (Jan. 2014)

"During the last decade, Guyana's strong macroeconomic performance has contributed to a reduction in public debt levels and sustained poverty reduction."
- International Monetary Fund (Dec. 2013)

"Guyana... may be the best kept secret in South America."
- National Geographic Traveler Magazine (Dec. 2013/Jan. 2014)

"Guyana is a good example of a country that has done some of the right things... they have come a very, very long distance in terms of their fiscal situation."
- Caribbean Development Bank (Feb. 2014)

BUDGET 2014

March 24, 2014

GUYANA

SESSIONAL PAPER NO. 1 OF 2014
TENTH PARLIAMENT OF GUYANA
UNDER THE
CONSTITUTION OF GUYANA

FIRST SESSION 2012 - 2014

BUDGET SPEECH

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Minister of Finance

March 24, 2014

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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 2014 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, even though we might today still be four short of thirty months into the current parliamentary term, this third budget of the tenth Parliament and the impending debate thereon inevitably offer some occasion for midterm introspection. In looking back at the first half of this term of office, it would take little effort to regurgitate the innumerable challenges of this unprecedented parliamentary configuration, styled by some a new dispensation. Unavoidably, over the course of the imminent debate, the anatomy of these challenges will once again come under the microscope and will be dissected from every imaginable perspective.

1.3 Suffice it to say for now, our constitutional framework has been put to the test, the boundaries of parliamentary norms and traditions have been stretched, new judicial interpretations have had to be sought and obtained, and legislative decision making in support of national development has become considerably more complicated and significantly more protracted than ever before. The headlines and conversations have been firmly seized and largely dominated by the more graphic parliamentary impasses, such as those on the Amaila Falls Hydropower Project (AFHP) and the Anti-Money Laundering and Countering the Financing of Terrorism (AMLCFT) (Amendment) Bills. These instances are illustrative of the gravely debilitating consequences of legislative stalemate.

1.4 Amidst all this and more, including persistently unhelpful external conditions, the task before this People's Progressive Party/Civic (PPP/C) Government has been to ensure that progress and development are not stymied or slowed in our country, a task to which we have remained resolutely faithful and at which we have still managed to accomplish much.

1.5 In the first two years of the current term, self styled new dispensation notwithstanding, our Government has ensured the gains of our previous terms of office were extended on and built upon. Over the biennium, the Guyanese economy has continued to grow at an annual average of 5 percent, at a time when growth in the Caribbean averaged 1.3 percent. Foreign direct investment (FDI) has totalled US\$507.7 million when FDI flows elsewhere have been contracting dramatically. Private sector credit has expanded by 34.6 percent cumulatively, and our external debt has declined from 46.7 percent to 41.9 percent of gross domestic product (GDP).

1.6 Over the same period, our Government has invested a total of \$89.8 billion in the education and health sectors, and a total of \$20.7 billion on our country's roads and bridges network. We have injected \$9.7 billion into the sugar industry, and spent a further \$6.2 billion subsidizing electricity in Linden and Kwakwani. We have increased old age pensions from \$7,500 to \$12,500 monthly, continued to pay water charges for old age pensioners and introduced an annual electricity subsidy of \$20,000 for the same target population, increased the income tax threshold from \$40,000 to \$50,000 monthly, introduced mortgage interest relief for first time home owners, and reduced the personal income tax rate from 33½ percent to 30 percent. We have recruited over 290 new doctors, trained 6,465 teachers in information and communications technology, and distributed 10,286 new houselots.

1.7 Mr. Speaker, every day chief executive officers of large companies, small business owners, and heads of households across our country grapple with the challenges of balancing amongst competing calls on finite resources. Worthwhile investment opportunities have to contest against each other for funding, consumption needs have to be prioritised, and savings have to be accumulated for unforeseen difficult circumstances. These choices are not drastically different at the national level.

1.8 As a country, we need to make the investments that are critical to raising quality of life for all our people. At the same time, we need to be constantly attentive to guarding the fiscal sustainability that we have worked so hard to achieve and that could so easily be lost if the wrong choices are made today. We need to implement the catalytic and transformative

projects that will see a truly modern Guyana emerge to take advantage of the opportunities of the future and realise our long term growth potential. At the same time, we need to address urgently the local nuisances that affect the day to day lives of our people. In all aspects of productive activity, we need to endeavour constantly to do more. At the same time, we need to endeavour constantly to do what we do better.

1.9 Budget 2014 seeks to continue the work this Government has been doing to build a more modern and prosperous Guyana. It seeks to promote both the creation of employment and business opportunities and to better equip our citizens to avail themselves of those opportunities. It seeks to expand our physical infrastructure and improve linkages with our neighbours. It seeks to improve the quality of our social services and address the concerns our citizens have about the cleanliness of their physical surroundings. It seeks to further improve the competitiveness of our business environment and strengthen our institutions.

1.10 Mr. Speaker, we may attend sitting after sitting, and argue and compete in this National Assembly over matters that we regard as politically important in this seemingly interminable contest for political space. The bottom line is that the average Guyanese person should be able to engage in fulfilling economic activity either as an entrepreneur or in a job commensurate with his skills. One should be able to aspire to own their own home and to realise that aspiration. They should have opportunities to raise the level of their professional and technical qualifications and be able to educate their children so that they can enjoy an even better quality of life. They should have access to a decent public health care system. Importantly, every family should have good reason for being optimistic about the future, and they should be motivated and incentivised for personal upliftment and upward mobility.

1.11 Ours is the obligation to ensure that these needs are met and these aspirations realised. In this august Assembly, in all our deliberations and on every occasion that we are required to make a decision or cast a vote, we must constantly be mindful of this, and be guided always by the answer to the question whether the choices we make will prove helpful or hindrance in meeting those very basic but eminently reasonable expectations of the Guyanese people.

1.12 Mr. Speaker, against this background, and continuing to be guided by the philosophy and principles outlined in our Manifesto and by the pillars identified in our first budget speech of the current term, our Government's commitment is to remain faithful to the task of ensuring steady and sustainable improvement in the quality of life enjoyed by the Guyanese people. Budget 2014 is therefore presented under the theme *A Better Guyana for All Guyanese*.

2.1 Mr. Speaker, the global economy has finally started to display signs of recovery, lifting itself out of the harshest economic crisis in living memory, even if at a somewhat modest pace. Significant further policy action and improved policy coherence are still needed if growth and job creation are to be accelerated.

2.2 Global output expanded largely on account of stronger demand in advanced economies and an associated export rebound in emerging economies. The world economy grew by 3 percent in 2013. The more advanced economies grew by 1.3 percent, with the United States economy leading this performance with growth of 1.9 percent, while the economies of Japan, United Kingdom, and Canada each grew by 1.7 percent. In contrast, the economy of the Euro area contracted by 0.4 percent. Emerging and developing economies grew more rapidly by 4.7 percent, with China maintaining its long trend of strong growth with 7.7 percent, while India grew more moderately at 4.4 percent.

2.3 In 2014, the global economy is projected to grow by 3.7 percent, with 2.2 percent growth projected in advanced economies and 5.1 percent in emerging and developing economies. Growth in the US economy is projected at 2.8 percent, in the Euro area at 1 percent after two consecutive years of contraction, in China at 7.5 percent, and in India at 5.4 percent.

2.4 Mr. Speaker, non-oil commodity prices declined generally in 2013, while oil prices recorded a modest increase. The latter peaked in September at US\$109 per barrel, and then declined later to end 2013 at US\$105 per barrel, 4.3 percent higher than at the end of 2012. The world market price for gold declined by 27.4 percent to US\$1,225 per ounce at the end of 2013, having fallen as far as US\$1,192 in June last year and having previously risen as high as US\$1,895 in September 2011. Aluminium prices ended the year at US\$1,740 per tonne, 16.6 percent lower than at the end of 2012. The world market price for sugar and rice declined by 14.5 percent and 20.9 percent, respectively, and that for wheat decreased by 16.2 percent.

2.5 Mr. Speaker, the economy of the Latin America and Caribbean region grew by 2.6 percent in 2013 and is projected to grow by 3.2 percent in 2014. The Brazilian economy grew by 2.4 percent in 2013, and is projected to grow by 2.6 percent in 2014. The Caribbean sub-region recorded marginal growth of 1.3 percent in 2013, up from 1.2 percent the previous year, with commodity exporters still growing significantly more rapidly than tourism dependent economies, notwithstanding the moderation in commodity prices on the world market. In 2014, the outlook for the sub-region is still favourable with growth projected at 2.1 percent, and all Caribbean countries anticipate positive growth. Nevertheless, several countries continue to grapple with the challenges of unsustainable debt burdens and scarce availability of financing for investment and development.

A. Real Gross Domestic Product

3.1 Mr. Speaker, over the years, our Government has aimed at creating an environment where the private sector can invest in profitable enterprise, expand production of goods and services, and create jobs. These efforts have resulted in a demonstrably more diversified productive base. It is this growing level of structural diversification, supported by our Government's attention to stable macroeconomic fundamentals and prudent public financial management, that has contributed to the economic resilience we have achieved and that has enabled us to withstand testing external and domestic shocks.

3.2 In 2013, the Guyanese economy recorded its eighth consecutive year of growth, with real GDP expanding by 5.2 percent. Non-sugar GDP grew even more rapidly by 6.3 percent, reflecting the underlying strength of the other sectors of the economy.

3.3 Mr. Speaker, it is significant to note that the eight years from 2006 to 2013 represents the longest period of uninterrupted real economic growth in independent Guyana.

B. Sectoral Performance

3.4 Mr. Speaker, while the overall performance of the economy remained strong, the sugar industry continued to struggle. Sugar production contracted by 14.4 percent in 2013 to 186,770 tonnes, extending further the industry's underperformance in recent years. The issues confronting the industry such as labour shortages and disruptions, irregular weather, and managerial capacity constraints, are well known, and a more concerted effort is required to return the industry to a growth trajectory that would be consistent with viability and profitability.

3.5 The rice industry, on the other hand, had another favourable year, with production of 535,439 tonnes in 2013, 26.9 percent over the previous year's output and setting a new record for the highest ever annual production in the history of the industry. Ongoing

investments in drainage and irrigation, increased acreage, and improved yields, together favour continued annual production of over 500,000 tonnes well into the medium term.

3.6 Production of other crops grew by 4.2 percent, while livestock production increased by 4.3 percent. The fisheries industry declined by 6.5 percent due to some overfishing, which resulted in a suspension of issuance of further industrial fishing licences and a reduction in operational trawler fleet. The forestry industry grew by 5 percent with total production of 398,964 cubic metres.

3.7 The mining and quarrying industry recorded 8 percent growth over 2012. The gold industry achieved total declarations of 481,087 ounces, 9.7 percent above the previous year, and a historic performance. This year's level of declarations represents the highest level of production in the history of the industry, exceeding production levels even when Omai gold mines were at their peak. The fortunes of bauxite were somewhat more tempered, with the industry registering an 11 percent decline in value added production. Diamond declarations increased by 56.9 percent, while stone production grew by 47.8 percent, the latter reflecting the strong boom in construction activity across the country.

3.8 Mr. Speaker, the manufacturing sector grew by 8 percent. This reflected growth in the manufacturing component of rice, aided by a 5.4 percent growth in other manufacturing, but offset partially by the decline in sugar manufacturing.

3.9 Mr. Speaker, the service industries continued to record overall positive growth with 5.5 percent achieved at the end of 2013. This growth was led by the construction sector which recorded 22.6 percent growth as a result of vibrant expansion in private sector construction buoyed by the national housing drive and by commercial construction, as well as implementation of public sector construction projects. Information and communication grew by 5.9 percent reflecting continued growth in demand with the increased availability of information technology products and services. Wholesale and retail trade declined by 0.9 percent consistent with reductions in imports of consumption, intermediate, and capital goods. Electricity and water output grew by 5.6 percent, transport and storage by 4 percent,

finance and insurance by 11.2 percent, rental of dwellings by 5.6 percent, while other services declined by 3 percent. Public administration, education, and health grew by 2.5 percent, 3.5 percent and 4 percent respectively, reflecting increasing activity in the social sector.

C. Balance of Payments

3.10 Mr. Speaker, at the end of 2013, the balance of payments deficit was contained to US\$119.5 million. This outturn is attributed principally to current account developments including a decline in net current transfers coupled with higher service payments, along with a lower capital account surplus.

3.11 Export earnings contracted marginally by 2.8 percent to US\$1.4 billion, mainly due a sharp decline in gold prices along with lower export volumes of sugar, bauxite and timber. Export earnings on sugar contracted by 13.6 percent to US\$114.2 million, due to an 18.7 percent decline in export volume to 160,284 tonnes, outweighing the 6.3 percent increase in prices to US\$713 per tonne. Rice export receipts expanded by 22.2 percent to US\$239.8 million mainly attributed to an 18.2 percent increase in export volume to 394,989 tonnes, combined with a 3.4 percent increase in average export prices to US\$607 per tonne. Gold exports amounted to US\$648.5 million, a 9.5 percent decline compared to 2012. This was due to a sharp decline in average realised prices to US\$1,344 per ounce compared to \$1,575 in 2012, outweighing the 6 percent increase in export volume which amounted to 482,527 ounces. In addition, bauxite exports contracted to US\$134.6 million, due to a 24.7 percent decline in export volume to 1,678,971 tonnes, outweighing the 18.6 percent increase in export prices to US\$80 per tonne. Timber exports earnings declined by 1.4 percent to US\$38.5 million, primarily as a result of lower export volume.

3.12 Merchandise imports declined by 7.5 percent to US\$1.8 billion. Across the categories, capital goods contracted by 9.7 percent to US\$415.2 million, non-fuel intermediate goods declined by 3.3 percent to US\$410.1 million, fuel and lubricants decreased by 9.9 percent to US\$574.7 million and consumption goods declined by 6.1 percent to US\$437.7 million.

3.13 Net current transfers decreased by 15.7 percent to US\$353.2 million, due to lower receipts of worker remittances which declined by US\$141.1 million to US\$328.2 million. Net payment of services amounted to US\$307.1 million compared to US\$204.6 million due to a US\$107.1 million increase in non-factor services mainly due to higher royalties and license fees.

3.14 The capital account recorded a lower surplus of US\$314.8 million compared to US\$418.3 million attributed to some moderation in FDI concentrated mainly in the mining and quarry sectors. Total FDI amounted to US\$214 million, compared to US\$293.7 million in the previous year.

3.15 Gross international reserves of the Bank of Guyana amounted to US\$776.9 million, equivalent to 3.9 months of import cover at the end of 2013.

D. Monetary Developments

3.16 Mr. Speaker, monetary policy continues to focus on maintaining stable prices while promoting private sector credit. Net domestic credit by the banking system is estimated to have expanded by 25.2 percent to \$123.9 billion in 2013, attributed to an increase in credit to the private and public sectors.

3.17 Credit to the private sector expanded by 14.5 percent, reflecting growth in all sectors. The manufacturing, construction and engineering, personal and real estate sectors grew by 22 percent, 18.8 percent, 17.4 percent and 16.9 percent respectively. In addition, credit to mining and quarrying also grew by 13.9 percent, followed by agriculture and rice milling which registered growth of 13.7 and 9.9 percent respectively.

E. Prices and Income

a. Inflation Rate

3.18 Mr. Speaker, prices remained relatively flat throughout the year aided by Government's continued financial support to the Guyana Power and Light Inc. (GPL) and other electricity suppliers in order to contain electricity prices, as well as close monitoring of fuel prices and taxes to dampen the pass through of imported price volatility. In addition, our continued emphasis on food production ensured an adequate supply of food commodities throughout the year and helped moderate prices. Altogether, these conditions resulted in consumer price index movement of 0.9 percent in 2013, the lowest rate of inflation in decades.

b. Interest Rate

3.19 Mr. Speaker, during 2013, the weighted average lending rate of the commercial banks increased by 8 basis points to 11.16 percent. This reflected a marginal increase from 11.08 percent in 2012 but, notwithstanding this movement, private sector credit continued to expand. The small savings rate declined by 36 basis points to 1.33 percent while the 91-day Treasury Bill rate remained stable at 1.45 percent.

c. Exchange Rate

3.20 Mr. Speaker, transactions on the domestic foreign exchange market contracted by 5.8 percent to US\$6.4 billion. Key exchange rates remained stable throughout the year and, at the end of the year, the Guyana Dollar was being traded against the US Dollar at \$206.25 compared to \$204.5 a year ago.

d. Developments in Wages

3.21 Mr. Speaker, over the years our Government has ensured that public sector employees are granted steady increases in their wages and salaries despite prevailing fiscal

constraints. In keeping with this commitment, a 5 percent increase in salaries was granted to teachers in the public education system with effect from January 2013 pursuant to the Memorandum of Understanding entered into between Government and the Guyana Teachers Union for the years from 2011 to 2015. Later in the year Government also granted a 5 percent across the board increase to all public servants and members of the disciplined services with effect from January 2013, along with a one month tax free basic salary incentive paid to members of the disciplined services in December 2013.

3.22 In addition, during 2013, Government issued a new national minimum wage Order, an initiative strongly supported by both the private sector and organised labour. This order introduced, with effect from July 1st 2013 and for the first time in our country's history, a national minimum wage applicable to all sectors of the economy, public and private. Set at \$202 per hour, \$1,616 per day, \$8,080 per week, or \$35,000 per month, this initiative would have benefited an estimated 31,000 working persons. Prior to the promulgation of this Order, no national minimum wage was in force, and only a small number of specific categories of employment were the subject of sector specific minimum wage orders.

3.23 Furthermore, Government reduced the personal income tax rate from 33½ percent to 30 percent in 2013, resulting in more than 184,000 taxpayers benefiting from increased disposable incomes. Together, these initiatives contributed significantly to improving the wellbeing of the working people of Guyana.

F. Fiscal Position

a. Non-Financial Public Sector

3.24 Mr. Speaker, the deficit of the non-financial public sector amounted to \$28.7 billion or 4.7 percent of GDP.

b. Central Government

3.25 Total current revenue collections for 2013, net of inflows from the Guyana REDD+ Investment Fund (GRIF), amounted to \$135.7 billion, 4.8 percent over 2012, reflecting strong performance across several tax categories. Tax revenue collections, which accounted for 93.3 percent of total current revenue collections (net of GRIF inflows), amounted to \$126.5 billion, a 6.9 percent increase over 2012.

3.26 Internal revenue collections amounted to \$51.7 billion, an increase of 6.3 percent over 2012 collections. This is attributed to continued growth of the private sector as evidenced by corporation tax collections increasing by 16.5 percent to \$21.6 billion, reflecting increases in several sectors within this category including financial, telecommunications and manufacturing. In addition, net property tax collections from private sector companies increased by \$507.1 million or 29 percent as a result of significant arrears collected. Personal income tax collections under the Pay as You Earn (PAYE) system contracted by \$955.8 million or 5.9 percent and income tax on the self employed declined by \$67.4 million or 2 percent, reflecting the reduction in the personal income tax rate from 33½ to 30 percent with effect from January 2013. Customs and trade tax collections were \$13.2 billion, representing a 2.4 percent increase, primarily attributed to increased collections of import duties.

3.27 Value Added Tax (VAT) collections totalled \$34.4 billion, 0.8 percent above 2012 collections. This was driven by a \$739.2 million or 3.8 percent increase in collections from VAT on imports for goods (net of refunds). In contrast, VAT collections on domestic supply contracted by \$499.5 million or 3.4 percent. Excise tax collections amounted to \$27.3 billion, 19.9 percent increase over 2012, primarily attributed to increased taxes collected on fuel which more than offset a reduction in taxes collected on motor vehicles.

3.28 With an increase of 7 percent, non-interest current expenditure amounted to \$115.9 billion. Underlying this was a 10.6 percent increase in employment costs, 9.8 percent increase in other goods and services, and 1.3 percent increase in transfer payments. The increase in wages and salaries was due to the across the board 5 percent increase granted to all public

servants in addition to new recruitment as services expanded across the country in the government sector. The increase in other goods and services was attributed to increased spending on social programmes, along with increased infrastructural maintenance. The increase in transfer payments was mainly on account of the increase granted to recipients of the old age pension along with the introduction of the old age pensioner electricity assistance programme. Capital expenditure amounted to \$50.1 billion, an 11.2 percent decline, mainly as a result of timing issues in execution of some projects.

c. Public Enterprises

3.29 Public enterprises recorded a deficit of \$1.6 billion compared to a surplus of \$1.6 billion in 2012. This outturn is mainly attributed to the financial results of the operations of the Guyana Sugar Corporation Inc. (GUYSUCO).

G. Debt Management

3.30 Mr. Speaker, at the end of 2013, Guyana's total external debt stock stood at US\$1.2 billion, a reduction of 8.3 percent from the previous year. This reduction was mainly as a result of Government concluding two additional compensation agreements under the Petrocaribe arrangement which saw US\$281.1 million of oil debt effectively cancelled, equivalent to the value of rice and paddy exported by Guyana to Venezuela from July 2011 to October 2013. In addition, Guyana negotiated and concluded a debt relief agreement with Bulgaria which further reduced the debt by US\$2.9 million. Total external debt service in 2013 amounted to US\$45.9 million or 7.9 percent more than in 2012, comprising principal repayments of US\$31.6 million and interest payments of US\$14.3 million.

3.31 At the end of 2013, the total domestic debt stock amounted to \$98.8 billion, an increase of 5.7 percent over the previous year. This increase was largely due to the monetary operations of the Bank of Guyana. Noteworthy, the stock of government debentures declined in 2013 by \$1 billion, and ended the year at 20 percent less than the previous year following the repayment of some debentures that had matured.

3.32 Mr. Speaker, earlier this month, Government concluded negotiations and signed two agreements that would further reduce Guyana's outstanding external debt by a total of US\$91.3 million. The first was a Debt Relief agreement that would write-off 100 percent of Guyana's debt owed to the CARICOM Multilateral Clearing Facility (CMCF) totalling US\$35.9 million. The second was a further debt compensation agreement under the Petrocaribe arrangement that effectively cancelled US\$55.4 million of the oil debt owed to Venezuela equivalent to the value of rice and paddy shipped from October 2013 to January 2014. We will also continue to pursue debt relief from our non-Paris Club bilateral creditors, all with the aim of ensuring that we closely guard the very important achievement of debt sustainability into the medium and long term.

A. The Medium Term Outlook

4.1 Mr. Speaker, our Government's vision is one where Guyana makes the leap from being a country of promise and potential, which it has been for a long time, to a country where that promise is fulfilled and that potential realised. It is one where all Guyanese can live and work comfortably and harmoniously in pursuit of personal prosperity and the collective wellbeing. It is one where our country occupies a place of respectability in the global community of nations.

4.2 Progress in the realisation of this vision is already very visible everywhere. Our demonstrated track record of robust and sustained economic growth, the emergence of new technology based industries, the dramatic changing skyline of Georgetown and its environs, the mushrooming of entire new communities on previously unoccupied lands, the substantial progress made in achieving several targets within the Millennium Development Goals (MDG) framework, and the global leadership Guyana now provides on issues like climate change, all place us on a development trajectory that brings us even closer to the realisation of this most worthy vision.

4.3 The Guyana we seek to build is one where the unique advantages of our geographic location and our historical and bilateral relationships, the vastness of our natural resources and the richness of our human resources, are all harnessed in service to the national good. That Guyana is one where we are better connected infrastructurally with our neighbours to realise more fully the benefits of integration and where, within our country, our people are better connected across land, air, and river to make our markets more efficient and to improve the ease with which our people can travel domestically. That Guyana is one where the domestic digital divide is eliminated, and where access to the vast advantages of information and communications technology is universally enjoyed. That Guyana is one where our domestic energy requirements are met entirely by renewable sources, and where we become an exporter of clean energy. That Guyana is one that is abundant in food supply far exceeding our domestic requirements and making a tangible contribution to regional and

global food security. That Guyana is one where every single Guyanese person has access to social services of a suitably high quality, and where our national health and education attainment indicators meet international standards. That Guyana is one where our physical environment is clean and habitable and where our surroundings are not despoiled of basic sanitation. That Guyana is one we would all be proud to call our home.

4.4 Mr. Speaker while we strive to achieve the lofty ideals which we hold dear for a better Guyana, we must pay equal heed to the details that often bedevil the achievement of the higher goal. As a responsible Government, we make policy and allocate resources across all sectors to meet the national objectives, but Government policy and budgetary allocations alone will not take us to the desired destination. Of equal importance are the efforts of the teacher who ensures he or she is in the classroom on time and delivers the right material to ensure a well educated child, the efforts of the doctor and the nurse who are attentive to standards of quality care that will meet or exceed the patient's expectations, the efforts of the public servant who is focused on results and improving the way we deliver services across government, the efforts of the employee who goes the extra mile to be productive at work recognising, as he should, that the profitability of his employer will determine the security of his job, the efforts of the citizen who takes care not to litter but instead to maintain his or her surroundings.

4.5 Of equal importance, indeed, are the choices we make in this Honourable House recognising the paramountcy of our obligations to the people of Guyana, and being so guided in determining our support for the various initiatives intended to make Guyana a better place for all Guyanese, those initiatives around which Budget 2014 is built.

B. Low Carbon Development Strategy

4.6 Mr. Speaker, in the wake of the intensification of the adverse impacts of climate change, Government continues to forge ahead with our innovative climate resilient and low carbon approach to economic development backed by our unwavering commitment to good forest governance and stewardship.

4.7 Over the past year, our Government continued to work tirelessly at the multilateral level to establish a Reducing Emissions from Deforestation and Forest Degradation (REDD+) framework that sets the stage for future payments for forest conservation and sustainable forest management. To date, Guyana has earned three consecutive payments from Norway totalling US\$115 million within the framework of our Low Carbon Development Strategy (LCDS). In the last quarter of 2013, the annual third party audit of Guyana's performance under this partnership was completed, clearing the way for a fourth payment.

4.8 Mr. Speaker, 2013 was a notable year of progress for activities under the GRIF. A total of four GRIF projects, with a combined approximate value of US\$30 million, were in their implementation phases. Under the US\$7 million Institutional Strengthening project significant progress was made towards the development of Guyana's first national scale Monitoring, Reporting and Verification (MRV) System. Under the US\$6 million allocation to the Amerindian Development Fund (ADF), milestone disbursements were made to all 26 of the initial beneficiary communities for the implementation of their development plans in promoting sustainable village economies. Under the US\$5 million Micro and Small Enterprise Development project, applications for loans with reduced interest rates have already started to be processed for entrepreneurs with business ventures in low carbon sectors. Furthermore, in the last quarter of 2013, the US\$10.7 million Amerindian Land Titling project was approved and commenced implementation.

4.9 In 2014, sums totalling US\$90.6 million have been allocated for continued implementation of the GRIF projects previously identified, along with new projects in the priority areas of adaptation, high potential low carbon sectors, hinterland development and low carbon infrastructure. Specific new interventions are expected to include ecotourism development, aquaculture development and rehabilitation works on the Cunha Canal. This second wave of projects will commence with a communication and outreach programme for the LCDS in the second quarter of this year, along with the development of a National Climate Resilience Strategy and Action Plan. In addition, a sum of US\$80 million is once again allocated to meet Guyana's equity contribution to AFHP.

4.10 On the international front, Guyana will continue to advocate more ambitious emission reduction targets by industrialised countries and scaled up financing for climate change, and push for a global agreement on climate change by 2015. On the domestic front, Guyana is on track to have the world's first fully operational REDD+ mechanism in place by 2015. This will enable Guyana to earn considerably more from the sale of REDD+ credits than we do today. Once this would have been achieved, Guyana would have successfully mobilised one of our most valuable, but thus far globally under-valued, resources in the cause of sustainable development.

C. Transforming the Economy

4.11 Mr. Speaker, in 1993, some two decades ago, the traditional sectors of sugar, rice and bauxite accounted for 30.4 percent of Guyana's GDP and 57.7 percent of our country's export earnings. Last year, those three sectors contributed 11 percent of GDP and 35.5 percent of export earnings.

4.12 Notwithstanding the evident progress made in diversification, itself a most commendable achievement, the sugar, rice and bauxite industries still provide direct employment to thousands across our country, support the livelihoods of tens of thousands more, and entire towns and communities depend on these industries as the main source of gainful economic activity. It remains within our grasp to harness the potential of these industries in an efficient manner to ensure that they make their optimal contribution to the economy of our country.

a. Modernising the Traditional Sectors

i. Sugar

4.13 Mr. Speaker, in 2013, sugar exports accounted for 8.3 percent of total exports valued at US\$112.2 million and the industry contributed 3.9 percent of our country's GDP. Approximately 18,000 families are directly dependent on the sugar industry for employment, making it still the largest single employer of all industries in Guyana. In total, it is estimated

that some 120,000 persons are directly or indirectly affected by the industry. The multiplier effects of the circulation of the incomes of these families as they acquire goods and services contribute significantly to overall economic activity. In addition, through cogeneration in 2013, GUYSUCO effectively supplied approximately 50 percent of electricity demand in the Berbice area. In short, the industry remains relevant to the health of the national economy.

4.14 Mr. Speaker, on the global market, sugar prices have been on a declining trend over the past two years. Furthermore, it is anticipated that the abolition of production quotas for beet producers in the European Union (EU) in 2017 may impact on the volume of sugar imported from ACP countries including Guyana and on the price received for sugar going into the EU. Furthermore, the current year represents the last year for EU accompanying measures which were intended to support countries in restructuring their industries. However, many countries including Guyana still require additional financing to undertake further investments to complete their restructuring process. On that note, particularly given the public debate on this issue, it is useful to indicate that Government transferred a total of US\$195 million to GUYSUCO over the period from 2005 to 2013 in support of its various restructuring and turnaround initiatives. This exceeds the total of €110.1 million equivalent to US\$145.9 million received from the EU under the accompanying measures programme since its introduction.

4.15 GUYSUCO must urgently increase production, lower cost of production, diversify target markets, and expand value added production in order to survive. At the same time, there remain some notable opportunities available to the industry to reverse its downward production trend. These opportunities include existing demand for approximately 70,000 tonnes of brown sugar within CARICOM which is currently being sourced extra-regionally, protection by a common external tariff within the region, the highest capacity in the region to produce sugar, capacity to process 50,000 tonnes of raw sugar annually for packaged sugar, and existing market access to the EU Sugar Regime until 2017 based on the recently reduced extension. In its plans to respond to these opportunities and to reestablish the vibrancy of the industry, GUYSUCO undertook significant recent capital investments in field conversion and upgrade, agricultural management and factory modernisation. Going forward, GUYSUCO aims to substantially advance the mechanisation process, increase

yields through piloting the use of organic fertilisers, lower transportation and production cost by improving access to sugarcane fields, create greater efficiency of the drainage and irrigation system, and establish a modern agricultural industrial complex at Enmore to produce direct consumption sugar. With a soon-to-be-appointed new board of directors and senior management, and the injection of more innovative thinking into both the strategic and operational challenges that continue to beset the industry and a more harmonised industrial climate, the emergence of a revitalised sugar industry is anticipated.

ii. Rice

4.16 Mr. Speaker, the excellent performance of the rice industry in recent years is a vindication of the substantial investments made by our Government in support of this sector. Investments in improved drainage and irrigation infrastructure, improved access to affordable fertiliser, ongoing attention to research and development to improve yields and facilitating access to the most favourable markets have together served the industry well. Higher earnings as a result of continued high market prices have enabled ongoing recapitalisation in the industry over the last four years valued at almost \$10 billion. In 2013, two new mills were established in Berbice and Essequibo bringing the total number of rice mills to seventy-four. In addition, the introduction of mechanisation in the planting process has helped to counter issues with labour supply.

4.17 The benefit of having attracted large scale investments into the sector also continue to abound. Work progressed on the US\$4 million Santa Fe project which saw the commencement of the construction of a silo and a rice mill on site. It is expected that during this year, rice cultivation will be increased to 2,000 acres in the area, and to approximately 5,000 acres in the near term. The transformation that is taking place in the area is remarkable and the rice being produced is intended mainly to be exported to Brazil.

4.18 Mr. Speaker, in the area of research, Guyana can now boast of having its first line of aromatic local rice variety with over 500 acres grown in 2013 and placed in the domestic market with additional varieties slated to be tested in yield trials in 2014. It is anticipated that

the expanded production of this variety will diversify our rice exports and reduce imports of similar types over the medium term.

4.19 Mr. Speaker, Government recognises that despite the record production levels the sector is still grappling with the challenges of inadequate drying and storage facilities and need for greater value added production. In addition, the sector is vulnerable to some measure of geopolitical risk given our current export markets. Against this background, Government will continue to facilitate a suitable business environment to attract investments in the required areas, and mandate greater diversification of export markets to reduce the existing vulnerability.

iii. Bauxite

4.20 Mr. Speaker, despite the global markets being relatively unfavourable our local bauxite companies continue to rise above the storm, with Bosai and BCGI investing sums exceeding US\$17.5 million in 2013. As in previous years, the fortunes of the two major bauxite companies continue to be mixed. Bosai's operations continue to be supported by relatively strong calcined bauxite prices of over US\$350 per tonne, while BCGI's operations continue to be challenged by costs that exceed prevailing market prices.

4.21 Increasing production and investments are nevertheless expected to continue with both Bosai and BCGI, and with a new transshipment port and dry docking facility soon to be constructed in Trinidad and Tobago, the future prospects seem brighter. BCGI is also expected to exceed investments of US\$20 million on the development of the Kurubuka deposit which is expected to commence during 2014, allowing for the company to become more efficient and sustainable. In 2014, Bosai's projected investments will be substantially applied towards the conversion of heavy fuel oil to coal for the production of energy for their kiln which will promote energy efficiency.

iv. Gold

4.22 The gold mining sector has for another consecutive year played an important role in the domestic economy and delivered record breaking production. The industry remained resilient to price shocks with growth only minimally affected as evidenced from the retention of jobs and the attendant multipliers in economic activity. Noteworthy is the fact that the adoption of innovative technology is unfolding as a necessary development to blunt the issues associated with mercury abatement, improve efficiencies in recovery to offset cost of production and reduce threats to the environment.

4.23 Despite the more cautious response by the global markets to the price shocks, the prospects for large scale mining for gold in Guyana are still very real. Fortunately, demonstrated investor confidence remained unshaken where large-scale projects for gold were concerned. Notably, the Guyana Goldfields project at Aurora is advancing aggressively for late 2014 start up which is earlier than originally projected and Troy Resources (Pharsalus) in the Kaburi area is on stream for late 2014 start up if not earlier. The ETK/Sandspring project at Toraparu is also poised for further developmental works geared to production start up by 2015. Collectively these injections of FDI are anticipated to increase production significantly, along with industrial and commercial linkages, which together bode well for Guyana's economy on the whole.

b. New and Emerging Sectors

i. Information and Communication Technology

4.24 Mr. Speaker, our Government has long prioritised information and communication technology (ICT) as a strategic catalyst for accelerating economic and social development across Guyana. In keeping with our national ICT for Development (ICT4D) strategy drafted in 2006, and consistent with our manifesto promises to provide every family with access to ICT, expand ICT infrastructure, attract and promote private investment in ICT enterprises, embed IT in the learning process in the school system, and develop online delivery of university courses, we have worked tirelessly to deliver these undertakings.

4.25 As we continue to implement the One Laptop Per Family (OLPF) initiative, 2013 saw an additional 9,052 laptops distributed to beneficiaries in Regions 4 and 5, resulting in a total of 35,884 laptops being distributed to date. Additionally, 3,494 recipients completed training in basic proficiency in the use of the computer, internet browsing, and basic word processing and spreadsheet skills. Hundreds of children can now do homework from the comfort of their own homes instead of having to go to an internet café or other public facility. Complementing this initiative are efforts to embed ICT into the learning process which have resulted in over 90 percent of our secondary schools having functioning information technology labs. In 2013, \$2.1 billion was invested by the Government to implement the e-Government project. To date, a data centre has been completed, which will act as the central hub for communications and computing for Government agencies. A fibre optic ring around Georgetown has been constructed and interconnection with management and information systems units in several Ministries and Government Agencies has been established. At the end of last year, 41 of the intended 54 4G Long Term Evolution Advanced (LTE-A) sites have been completed along the coast to facilitate transmission of e-Government content and delivery of e-Government services.

4.26 In the area of legislative infrastructure for ICT, the Telecommunications Bill 2012 and Public Utilities Commission Bill 2012 are currently under consideration by a Special Select Committee of the National Assembly. The passage of this suite of legislation will level the proverbial playing field for private sector entrants into the industry, increase competition, and lower of cost of related services to the end user.

4.27 Recognising the importance of ICT to our modernisation efforts, Government will continue to invest in the sector. The sum of \$1.1 billion is budgeted in 2014 for the completion of works under the e-Government project, which includes the completion of 13 additional LTE-A towers. The OLPF initiative will be relaunched and reinvigorated, and will benefit from a budgeted \$2 billion for the acquisition of a third batch of laptops, with an estimated 17,948 laptops scheduled for distribution this year. Before the end of the year, 100 percent of our secondary schools will have functioning IT labs.

4.28 Mr. Speaker, it is important to note that, as Government continues to invest in the sector, notable private sector investments are materialising in response, aiding in the transformation of the economy with the growth of the business process outsourcing (BPO) industry. This industry, which did not even exist a decade ago, now employs thousands of persons, making it the single fastest growing industry in terms of job creation of those years. Guyana is now recognised amongst the preferred destinations for investments in the BPO industry, and new entrants are seeking to locate operations in Guyana while existing investors in Guyana are seeking to expand their operations. During 2013, Qualfon commenced construction of a new facility in Guyana described as one of the largest contact centres in the world and which will see the creation of 6,000 new jobs for young Guyanese over the next five years. Our Government will continue to create the appropriate environment to attract investments that increase employment and boost growth. In this regard, the BPO industry will be a key driver of job creation in the years immediately ahead.

ii. Oil

4.29 Mr. Speaker, activity in the oil industry maintained a positive trajectory during 2013. Despite initial challenges, CGX Resources Inc. remained optimistic about the prospects within their offshore prospecting areas while a similar state of determination was also evident with Repsol Exploracion Guyana S.A. who, together with partners Tullow Guyana B.V., plan an aggressive programme to unveil the geological complexities of the block. Both Esso and Shell have been preparing with surveys of their own and prior actions that could be consistent with a favourable analysis for further defining exploration activity. Regrettably, however, Anadarko Guyana Co. was obstructed from conducting a geophysical survey in their Roraima Block within Guyana's maritime area by a Venezuelan Naval Frigate, an action which has curtailed Anadarko's programme in the ultra deep offshore waters. Onshore activity along the coast has been limited, with one company conducting a geochemical survey in the Mahaica area, meanwhile another was reflecting on their options for their project in the Takutu Basin.

4.30 Expectations in the sector run high and in an effort to strengthen our national management capability, Government undertook to develop a policy which seeks to address

such issues as licensing and contracting, fiscal framework, capacity building, transparency and accountability, environmental management and measurement indicators. This is intended to guide the creation of an institutional framework that will ensure greater predictability for all entrants into Guyana's upstream oil and gas sector.

iii. Agricultural diversification

4.31 Mr. Speaker, the challenge facing us and the world today is the creation of sustainable food production systems within the context of climate change. Our Government intends to remain focused and proactive in ensuring that all of the value chain actors, farmers, agro processors and exporters, capitalise on the many opportunities available in the sector and are equipped to confront the threats they might face. Our food security drive will see an intensified Grow More Food Campaign aimed to achieve a more secure domestic food supply as well as food production levels that permit both expanded exports and reduced imports.

4.32 In 2013, a total of \$2 billion was spent on agriculture diversification initiatives. Work on strengthening the legislative framework continued with the completion of the drafting of bills for animal welfare, food safety, food and exports while the drafting of a traceability regulation is ongoing and veterinarian legislation was enacted. These all aimed to bring Guyana more in line with international trade requirements. Various initiatives were undertaken to strengthen the agriculture subsectors. More than 200 persons were trained in aquaculture production while 5,800 farmers were trained in crop production. Improved breeds of ducks, sheep, pigs and cattle were procured and the Veterinary Diagnostic laboratory was substantially completed and staff identified and trained for its operations. A total of 17 community based organisations received financing for various agricultural related developmental projects and more than \$400 million was spent on seeds, fertiliser, planting materials, and extension services.

4.33 Mr. Speaker, in 2014 a total of \$1.5 billion is budgeted to be spent on the sector. As part of our continued drive to increase large scale private investments in the sector a 10,000 acre Canje Basin investment will be added to the landscape joining the Santa Fe mega-farm

investment. It is expected that potential crops under the Canje Basin project will include rubber, acacia, corn, soya, quinoa, and legumes with a focus on increasing exports to Trinidad and Tobago. We will also promote sustainable development of inland fisheries and aquaculture, and support fishermen in rebuilding cooperatives and in simplifying the license system for artisanal fishing. Government will also establish a Guyana Agriculture Research Oversight Committee (GAROC) to implement our national agriculture research agenda.

4.34 Focus will be placed on enhancing milk production to reduce milk imports, along with promoting greater self sufficiency in the production of poultry and other meats. Emphasis is also being placed on expanding the range of crops to reduce importation with specific focus on carrots, garlic, cauliflower, broccoli, turmeric, ginger and black pepper with the aim of reducing imported volumes. Government will also work closely with supply chain agents to lower transportation and transaction costs and with farmers to ensure a constant supply of raw material while the Guyana Shop will extend its service to other locations across Guyana and overseas. In addition, the resilience of the sector will be bolstered with the launch of the Agriculture Disaster Risk Management plan, we will move to enhance the Early Warning Systems (EWS) and commence the execution of the Pesticide and Toxic Chemical Emergency Response Plan.

iv. Tourism

4.35 Mr. Speaker, tourism remains one of the sectors in which Guyana has a strong comparative advantage given our vast and diverse endowment of nature, our geographical location, and the advantage of a large diasporic market. With these advantages in mind, Government continues to pursue initiatives to ensure the development of a vibrant and sustainable tourism industry, in collaboration with the private sector.

4.36 In 2013, visitor arrivals totalled 200,122 reflecting a 13.3 percent increase over 2012, while hotel and hospitality facilities recorded an occupancy rate of approximately 76 percent, relatively unchanged from 2012. Also during 2013, work commenced on the development of a Hinterland Tourism Development Plan and focus continued to be placed on community based tourism by rigorously continuing the processes of inspecting and registering interior

lodges, resorts, and tour guides. In the area of marketing, Government continued to reach out to the international media through familiarisation trips and social media and attracting prominent film and television producers to our shores. These methods have proven to be most effective and a number of documentaries were filmed in 2013 to be aired in 2014. Further, in an effort to build capacity, a total of 442 industry personnel were trained in a number of areas including customer service, frontline, housekeeping, kitchen procedures and community based tourism.

4.37 In 2014, a number of related developments will see the foundation laid for accelerated growth in the tourism industry. As a direct result of Government's ongoing efforts to increase airlift capacity and expand route options, two new Latin American airlines announced the introduction of flights to Guyana with effect from the current year. The Venezuelan flag carrier, CONVIASA, commenced flights between Puerto Ordaz and Timehri in January 2014. In addition, the Panamanian flag carrier, COPA, announced the introduction of flights between Panama City and Timehri from July 2014. These two new services will dramatically improve the ease of travelling between Guyana and Latin America and beyond including, in particular, through connections with destinations such as on the US west coast. These developments supplement the introduction, in July 2013, by LIAT of a daily service between Barbados and Ogle, adding to that airport's growing operations as a regional hub, with other airlines already offering daily services to Suriname and express courier flights to Trinidad.

4.38 Also in 2014, Guyana's premium hotel room stock will be given a significant boost with the opening for commercial operation of the five-star Marriott Hotel. This 197 room full service hotel will include an entertainment complex along with conference and banqueting facilities and a promenade. The Marriott is the first major international brand to come to Guyana in over 40 years and in terms of range of hotel products and quality of service the Marriott brand will raise the bar in Guyana and serve as a source of attraction for international travellers. It is expected that the facility will create direct employment for over 300 Guyanese and indirect business opportunities for a wide cross section of suppliers of goods and services. In addition to the Marriott, it is expected that one other major

international brand is likely to announce shortly their intention to open operations in Guyana.

4.39 In addition, focus will continue to be on such areas as strengthening institutional capacity, marketing and product development. A number of policies will be developed in an effort to further advance the sector by addressing a number of areas, including cross border travel through multi-destination packaging, group travel and temporary importation of vehicles for recreational purposes such as safaris and the development of event standards. Over the years, Guyana has continued to participate at European tradeshow which attract the highest numbers of nature and adventure travellers. In addition to these existing shows, in 2014, Guyana will participate for the first time at trade shows in Latin America. Also among the objectives for this year is the completion of the Hinterland Tourism Development Plan and commencement of its phased implementation from September 2014. With all these developments on the horizon, the tourism industry is poised to be a major driver of growth and job creation in Guyana looking ahead.

v. Small Business

4.40 Mr. Speaker small business development continues to be an important vehicle for advancing the economic viability of the individual and the economy. Government, recognising the challenges of financing and limited scale, will continue to provide tangible support to our small and micro enterprises (SME) to overcome these hurdles and accelerate their growth and ability to contribute to the development of the economy across all sectors.

4.41 Among the initiatives targeting SME development Government has sought to ensure greater access to affordable financing through three new facilities. The first is a Credit Guarantee Fund under which resources will be provided for up to 40 percent of the collateral requirement for any loan to a maximum of \$12 million. The second is a Low Carbon Grant Scheme that will provide a maximum of \$300,000 per applicant as a grant or partial grant to set up or expand businesses in a low carbon sector and can be used for such things as equipment upgrade, technological innovations or for legal and regulatory standards compliance, research and development and marketing. The third is an Interest Payment

Support Facility to provide reductions on interest costs to existing loans. Beneficiaries under the Credit Guarantee Fund are eligible but a higher interest rate reduction determined by the Partner Financial Institutions (PFIs) will be granted to those businesses in the priority areas of the low carbon sector such as fruit and vegetable farming and processing, aquaculture, eco-tourism, sustainable forestry and wood processing, business process outsourcing and bio-ethanol production. Further, Government has negotiated special concessions for the PFIs which allow SME beneficiaries to access financing at a maximum interest rate of 6 percent per annum. In 2013, a sum of \$360 million was expended in support of these three SME financing sources, conducting public awareness campaigns and designing a monitoring and evaluation system and a management information system. Thus far, over 30 loan applications for new and established entrepreneurs are currently being assessed and processed by the partner financial institutions in areas such as bio-plastics, agriculture, ecotourism, crafts, entertainment, and manufacturing, and over 2,200 jobs are expected to be created and sustained. In 2014 the sum of \$212.6 million is allocated to continue these facilities.

4.42 In the area of capacity building approximately 340 entrepreneurs benefitted from business development and technical skills training including basic business management skills, record keeping, packaging and labelling. In 2014 over 1,000 persons will be trained in business development and technical skills such as record keeping, market research, entrepreneurship, and other relevant areas.

4.43 Mr. Speaker the registration of existing SMEs in the national database is a crucial step for ensuring that such businesses are eligible for government financing and support. A management information system will be established and an additional 1,200 small businesses are expected to be added to the national register thereby increasing the number of small businesses registered to 3,385. With this crucial information Government is better able to effectively plan the scale of its intended interventions to SMEs.

4.44 In addressing the issue of economies of scale 40 outreach programmes will be conducted countrywide to explore the potential for networking and SME clusters to meet

the demand of the supply chain. Through this initiative the incomes of 1,000 new and 2,185 existing small and medium entrepreneurs will be significantly boosted. In addition we will undertake a study to identify and map SME clusters in across the country and support marketing both locally and internationally through exhibitions, trade fairs, conferences, skills matching and business advisory services.

4.45 In January 2014, the Board of the Linden Enterprise Network (LEN) was officially announced and installed to continue to offer the critical services previously provided by LEAP and LEAF to Linden and the Region 10 communities. These services include business development, business incubation, training and technical assistance in entrepreneurial skills, product development, employment readiness and business advisory services and a credit facility similar to the revolving fund concept under the LEAF. This programme specifically aims to generate long-term employment, encourage new business ventures and assist the Linden private sector to expand businesses opportunities through an inward investment policy. The initial start-up seed capital of \$50 million for the venture is already available and LEN will be operationalised this year.

4.46 Mr. Speaker, Government's resolute commitment to female single parents and female headed households is demonstrated from its ongoing support to the Women of Worth (WoW) Programme, through which the beneficiaries are provided with access to unsecured credit at a rate of 6 per cent per annum to start and grow their businesses. An additional 44 loans were issued in 2013 valued at \$9 million bringing the total portfolio to date to \$62.8 million. However, the level of non-performing loans remains a matter of concern and in collaboration with the supporting bank an extended outreach and targeted training to delinquent customers has already begun.

4.47 Mr. Speaker, in addition, Government has also commenced the implementation of the Caribbean Local Economic Development (CARILED) initiative with the goal of developing models of local economic development for replication in other Caribbean countries. Technical assistance and small equipment will be provided to targeted community development groups and emphasis will be placed women and youth. In the first phase four

demonstration projects have been approved for implementation. The Mara Agriculture Enhancement Project on the East Bank of Berbice has already been launched while the Tapakuma Women Agriculture Diversification Project, the Canal Polders Green Initiative Project, and the Friendship Swine Development Project are programmed to be launched soon.

D. Physical Infrastructure for Transformation

a. Roads and bridges

4.48 Mr. Speaker, Government recognises that investment in physical infrastructure remains a critical prerequisite to accelerated economic development given the existing infrastructure gaps. Improved linkages with our neighbours, within our own borders, between producers and consumers, across and within communities, all lend themselves to improved competitiveness and connectedness.

4.49 In 2013, Government invested \$11.3 billion to continue the construction of the East Bank Demerara and East Coast Demerara four lane highways, Cheddi Jagan International Airport (CJIA) access road, rural, community and hinterland roads, additional street lighting, and the rehabilitation of the Demerara Harbour Bridge.

4.50 In 2014, an amount of \$13.7 billion is budgeted to improve our roads and bridges network, of which \$12.9 billion will be spent on roads and \$844.2 million on bridges. The four lane access road to the CJIA and the East Bank Demerara four-lane highway are slated for completion this year and will alleviate much of the current traffic bottlenecks and improve safety. Works will commence on the West Coast Demerara Road and will include pavement rehabilitation, pedestrian and cycle lanes in selected high traffic areas, and street lighting. The widening of the East Coast Highway will continue and road reconstruction works for the upgrading of Better Hope to Belfield will commence. Construction of the Parika/Ruby backdam roads will begin, thus opening up access to over 330 farming households and over 2,000 acres of mixed crop farming. Engineering designs for the Canal Polder Nos. 1 and 2 roads and feasibility studies and designs for the extension of the

highway from Diamond to Timehri will be undertaken. On the East Bank Berbice, studies and designs will be completed and the complete reconstruction of 6 kilometres from Stanleytown to Everton and upgrade of 11.5 kilometres from Belle Vue to Light Town will commence.

4.51 Also in 2014, we will complete a financial feasibility study for the construction of a bypass road from Ogle to Eccles which will open new areas for development and investment and create a second route to reduce the congestion for the East Bank Demerara traffic. This will constitute the first phase in the development of an alternative route to the CJIA thereby linking our two international airports and opening up a new development corridor for the East Bank Demerara. An amount of \$7.7 billion is allocated for the improvement of rural, community and hinterland roads and for street lighting from Belle Vue to Patentia.

4.52 Mr. Speaker, negotiations have advanced substantially between the Brazilian and Guyanese technical working groups regarding the preparation of a design study for the construction of the Linden to Lethem road. The technical assessment for alternative transport options, including the cost benefit analysis of a rail link to ultimately connect with the deep water harbour and container port on the Berbice River, will be completed. In addition, our Government has collaborated with the Surinamese Government for the construction of the fixed bridge over the Corentyne River. Resources are budgeted to upgrade the road link from Springlands to Moleson Creek and to prepare the bridge terminal facility. Further, the feasibility study for the new Demerara Bridge has been completed, and Government has invited expressions of interest for a public-private partnership for its construction and budgeted \$338 million for critical works to extend the life of the Demerara Harbour Bridge.

b. Air and river transport

4.53 Mr. Speaker, meeting the growing demand for reliable and efficient airlift and riverain transport services to enable easy, safe and cost effective movement of people and goods remains a priority for our Government. The tasks of improving linkages with important international business and commercial centres, and bridging the spatial divide

between the populated coastal areas and the natural resource-rich hinterland communities with accessible transportation facilities and infrastructure, constantly preoccupy our development efforts.

4.54 In 2013, a total of \$1.1 billion was expended on the expansion and modernisation of the CJIA. Additionally, \$67.2 million was disbursed for the maintenance of hinterland airstrips while \$80 million was spent to procure an Automated Dependent Surveillance Broadcast to bring the precision and reliability of satellite based surveillance to our national airspace. Finally, \$682.6 million was spent for the docking of several ferry vessels, the acquisition of spares, and the rehabilitation of stellingen.

4.55 In 2014, a total of \$6.6 billion has been budgeted for the CJIA. The relocation of the Guyana Defence Force engineering division at Timehri is targeted for completion to facilitate construction works on the new airport terminal building. Additionally, \$231.1 million is allocated for the rehabilitation and maintenance of hinterland airstrips and a further \$773.9 million is budgeted for dredging equipment, ferry vessels, and spares and for the rehabilitation of stellingen.

c. Sea and river defence

4.56 Mr. Speaker, rising sea levels continue to threaten our already vulnerable coastland. As we continue to utilise new and emerging technologies for the improvement and sustainability of the structural integrity of our sea and river defence infrastructures, we are simultaneously promoting experimental soft and hard interventions.

4.57 In 2013, the sum of \$1.7 billion was disbursed for the improvement of our sea and river defence infrastructure. Under the piloted interventions, bamboo brushwood dams, iron bamboo fences and rubber mound groynes were constructed to protect young mangrove seedlings from destruction and promote mangrove restoration.

4.58 In 2014, the sum of \$1.9 billion is budgeted to ensure the further strengthening of our sea and river defence infrastructure. Critical works will be done in Regions 2 to 7. The mangrove restoration and replanting programme will continue with the planting of 50,000 mangrove seedlings, spartina grassing in selected areas, the construction of geotextile breakwater structures, and the hydrological restoration of Wellington Park mangrove site.

4.59 Looking ahead, Government will invest more than US\$65 million over the next 5 years in infrastructural works and coastal zone management systems, which will benefit almost 90 percent of our population. These interventions include construction, rehabilitation and maintenance of more than 80 kilometres of sea and river defence infrastructures, the implementation of an integrated shore zone management system that will enhance resilience to coastal and riverain hazards, and integrated flood risk preparedness strategies. To reduce the risk of flooding and loss of land, our policy is to foster better harmonisation among coastal zone and flood management stakeholders in close coordination with our national disaster management agency and strategy.

d. Drainage and Irrigation

4.60 Mr. Speaker, Government continues to place added emphasis on the improvement of our drainage and irrigation systems in an effort to reduce the vulnerability of our coastal belt to annual flooding. The efficiency with which our drainage and irrigation systems are designed, constructed, managed and controlled remains the focal point of our interventions.

4.61 In 2013, Government expended \$5.8 billion in this sector. Works continued on the Northern Relief Channel and its related structures. The Hope/Douchfour public road high bridge was substantially completed and works continued on the high level outfall sluice and the head regulator. Further, two new drainage pump stations were completed and operationalised and outfall channels in Regions 2, 3, 4 and 6, were desilted. The predictive modelling and feasibility analysis of the East Demerara Water Conservancy was completed with recommendations made for interventions necessary for improvements to flood control.

4.62 In 2014, a total of \$6.9 billion is allocated for the completion of drainage and irrigation structures for the Northern Relief Channel Project, the completion of Hope/Douchfour public road bridge, the construction of nine new drainage pump stations at Windsor Forest, Canal Polder, Pine Ground, No. 66 Village, Paradise, Gangaram, Eversham, No. 43 Village and Lima and the rehabilitation of intake structures and sluices at Ann's Grove, Hope, Annandale and Nancy in addition to other works.. A new project is being designed with targeted interventions for drainage works to reduce potential future flooding particularly in connection to the East Demerara Water Conservancy.

e. Energy, Power Generation and Supply

4.63 Mr. Speaker, our Government remains unwavering in its commitment to ensuring that our people benefit from a more reliable, dependable and affordable supply of energy, and that our country successfully pursues the path of sustainable electricity generation from renewable resources for domestic consumption as well as for developing a regional market for energy.

4.64 In line with the latter objective, we are pursuing initiatives with both Caribbean and Brazilian private sector partners to harness our vast hydropower capabilities to becoming a supplier of sustainable and renewable energy to our regional and hemispheric neighbours. To this end, an MOU establishing a Guyana-Brazil Joint Technical Group has been concluded which mandated the group to identify concrete actions and timelines for the construction of a hydroelectric plant in the Mazaruni and the transmission lines necessary to export electricity to Brazil and further afield.

4.65 In 2013 we had hoped to have been well underway to realising the AFHP through which we would have become self sufficient in electricity generation from this renewable green technology. However, the expectations of our people for hydropower and lower cost energy have remained stymied. Notwithstanding exhaustive efforts by both Government and the internationally reputed private sector partner to keep Parliamentary Parties and other stakeholders informed, this House still failed to grant unanimous consent to the legislation prerequisite to a project so essential to realising a better Guyana. Nevertheless we remain

resolute and have reengaged with existing partners to realise the anticipated transformation that will be ushered in by this project.

4.66 In addition, in 2013, an amount of \$10.6 billion was invested in the energy sector.. Investments included the completion of two new substations at Sophia and Good Hope and continuing works on five others, the rehabilitation and extension of transmission and distribution networks, frequency conversion, and installation of 8,846 prepaid meters, 785 Itron meters and 1,800 smart meters. Additionally Guyana Power and Light Inc. received substantial support in prioritising actions to ensure improvements in reliability of power supply and reducing both technical and commercial losses.

4.67 In 2014, \$7.7 billion is allocated to this sector. In excess of \$200 million has been budgeted for the implementation of activities targeting improved management capacity and capabilities, operational efficiency and loss reduction. Also, four new substations will be completed at Liliendaal, Ruimveldt, Golden Grove and Columbia, the substation at Onverwagt will be upgraded, transmission lines will be installed from Columbia to Onverwagt and new fibre optic cables will be laid from Sophia to Garden of Eden. As it relates to interventions promoting loss reduction, the rehabilitation and reconfiguration of distribution networks will continue unabated in order to improve efficiency. The remetering programme using smart meters, will continue utilising modern technology to combat the theft of electricity. These initiatives are critical for the efficiency of GPL, and in ensuring that GPL is prepared to be a capable offtaker for the AFHP.

4.68 Mr. Speaker, with respect to hinterland electrification, 2014 will see the completion of the distribution network in Matthew's Ridge, expansion of the electricity network in Port Kaituma and the distribution of 540 solar home systems to 10 hinterland villages benefiting in excess of 3,000 hinterland residents. Further, residents will continue to receive training to operate and maintain these units. Government remains committed to the micro-hydropower interventions in the Chiung River at Kato and is currently reviewing the design and financing arrangements to make this a reality. Additionally, in excess of \$200 million has been

budgeted for the relocation of the power plant in Lethem and the upgrading of power supply in Culvert City, Mahdia and Linden.

4.69 Notably, in the area of energy efficiency, GPL's largest customer, Guyana Water Inc., will be investing approximately \$338 million in an effort to improve operational efficiency through more efficient electromechanical and energy management. Further, Mr. Speaker, the Guyana Energy Agency (GEA) continues its efforts in ensuring the efficient management of energy and encouraging the utilisation of renewable and sustainable energy sources. Over the past year, focus areas have included public education through information dissemination, conducting energy audits and promotion of efficient street lighting. In 2014 work in these areas will continue and a policy will be drafted on including the use the seasonal energy efficient ratio (SEER) as part of the evaluation criteria for electrical appliances in the procurement process

E. Investments in Our People

a. Education

4.70 Mr. Speaker, the new Education Strategic Plan for 2014 to 2018 is currently being finalised and is anticipated to focus on improving literacy rates, early childhood development, teacher training, enrolment in single sciences, technical vocational educational programmes, and more structured partnerships with private sector providers and parents.

4.71 In 2013, \$28.5 billion was expended towards the final year of the last strategic plan. A sum of \$2.7 billion was spent on the infrastructure of schools and other educational facilities, including commencing the reconstruction of One Mile Primary School, La Venture Secondary School and Parfaite Harmonie Primary. Additionally, the \$50 million Harold B Davis Special School for differently-abled children was commissioned in January this year. In addition 16 secondary computer labs were completed as part of our efforts to ensure all secondary schools have access to IT. Another \$35.2 million was expended towards the commencement of the University of Guyana Science and Technology Support initiative,

while \$50 million was made available to ensure greater access to tertiary level education via online programmes.

4.72 Further, in the area of teacher training we continued the upgrading programme in the communities in Regions 1, 8 and 9 permitting more hinterland persons to be eligible to access the Trained Teacher's Certificate Programme and under which 159 teachers were certified in 2013. Additionally 177 teachers have entered the system as trained teachers from CPCE. Over \$1 billion was expended on the National School Feeding Programme to the benefit of over 65,000 children, while \$208 million was spent on the National Uniform Programme, benefitting over 139,000 children in our efforts to ensure improved attendance and attentiveness in the classroom.

4.73 Mr. Speaker, in 2014, the sum of \$32.3 billion has been allocated towards the implementation of the first year of our new Education Strategic Plan.

4.74 This year we have allocated \$2.9 billion towards the construction, rehabilitation, extension and maintenance of our educational facilities including a new and expanded Zeeburg Secondary School and the Kato Secondary complex. Moreover, we will commence implementation of a US\$10 million Universal Secondary Education initiative, which will facilitate the construction of new secondary schools and provision of materials for improved teaching techniques and technology assisted learning in mathematics. Our teacher training college will continue to offer their existing programmes, as well as focus on the appraisal and development of their lecturers including having some teachers pursue postgraduate degrees. We will intensify our efforts to eliminate illiteracy and strengthen public awareness to ensure that parents understand their vital role in the literacy development of their children. In the area of ICT, Government will allocate resources to ensure that an additional 2,500 teachers are trained, and all of our secondary schools are equipped with computer laboratories before the end of 2014.

4.75 Mr. Speaker, we recognise that equipping our young people with technical vocational education training (TVEET) skills linked with entrepreneurship training is an assured option

for enabling their prosperity, and this year we will expand opportunities to include occupational programmes to support the mining and hospitality industries.

4.76 Continued emphasis will also be placed on tertiary education with an allocation of \$1.4 billion towards the operation of both campuses of the University of Guyana, inclusive of \$450 million for our student loan programme. Later this year our students will have the option of online degree programmes for the first time ever. Also, through the University of Guyana Science and Technology Support initiative 14 science and technology buildings will be rehabilitated and equipped and a feasibility study for the new Centre of Excellence for the Study of Biodiversity will commence. Further, 17 programmes have been identified for curriculum reform which will be designed and tested over a 3 year period.

b. Health

4.77 Mr. Speaker, Government recently launched the updated National Health Strategy, Health Vision 2020, for the period from 2013 to 2020. The strategy seeks to integrate the delivery of quality, effective and responsive health services and prevention measures to improve the nation's physical, mental and social well-being. Government remains unwavering in our commitment to securing access for all to appropriate, promotive, preventive, curative and rehabilitative services without suffering financial hardship.

4.78 The sector expended in excess of \$17.7 billion in 2013 including over \$1.2 billion on construction and upgrade of health infrastructure countrywide and \$257.8 million was spent on medical equipment. Efforts also continued to advance the construction of Guyana's first specialty hospital, which aims to deliver tertiary level health care not previously available to our people.

4.79 Mr. Speaker, in 2013 the human capital of the health sector was strengthened by the return of 278 Cuban trained doctors. Significant progress was made in delivering post graduate programmes in gynaecology, orthopaedics, internal medicine, paediatrics, emergency medicine, anaesthesiology and surgery benefiting 44 government medical officers

as well as increasing the number of skilled operating room technicians and enhancing capability in neonatal intensive care and emergency obstetrics. Together these interventions reflected over \$364 million in health training.

4.80 In keeping with the need to combat the spread of vector-borne diseases such as malaria, over 78,000 long lasting insecticide treated bed nets were distributed to mining communities which contributed to a reduction of over a 1,000 malaria cases nationally. In the area of improving maternal health, Guyana completed an MDG Acceleration Framework which focuses on the MDG Goal to improve maternal health. The framework is intended to harmonise strategies to leverage resources for achieving sustainable improvements in the quality of maternal care offered nationally and which focus on solutions for the reduction of maternal mortality.

4.81 Mr. Speaker, in 2014, \$21.5 billion has been allocated towards the sector for the achievement of its strategic goals. Of this amount \$2.4 billion is budgeted for construction and upgrade of health care facilities countrywide including the Port Kaituma District Hospital, Linden Hospital Complex, Kwakwani Hospital the acute care facility at the National Psychiatric Hospital, and the Georgetown School of Nursing. Also, \$910 million is allocated for the specialty hospital while \$382.7 million is allocated for the purchase of medical equipment and \$117 million is allocated for the purchase of 12 ambulances which represents a 40 percent increase in the national fleet.

4.82 Mr. Speaker, in our efforts to continue both primary and specialised health training over \$428 million has been allocated to train 20 additional post graduate residents and upgrade over 4,000 providers.

4.83 In keeping with Government's focus on maternal and child health, Government will continue to prioritise resource mobilisation for improving maternal health and efforts will be made to accelerate the achievement of this goal in collaboration with our developmental partners. As such, in 2014, the sum of \$50 million is allocated to commence the extension of the maternity facility at the Georgetown Public Hospital to ensure increased bed capacity

while \$22.6 million is allocated for the establishment of maternity waiting homes in Lethem and Bartica to cater for antenatal high-risk mothers.

4.84 Recognising the growing incidence of personal and domestic violence, the provision of services in mental health will focus on the prevention and management of suicidal behaviours. In 2011, a cost of illness assessment for non-communicable diseases (NCDs) in Guyana was conducted and found that total annual direct and indirect costs accruing from NCDs were estimated at over \$40 billion. A national commission is soon to be established to oversee the accelerated implementation of the national plans for prevention and control of NCDs and \$50 million has been allocated to launch a public education and outreach programme.

c. Housing

4.85 Mr. Speaker, our vision for the housing sector is to further the realisation of better living conditions for Guyanese through the development of sustainable and viable communities and we will not stop until every Guyanese is able to have access to adequate and affordable shelter. To this end, continued attention will be placed on developing new housing schemes, consolidating existing schemes, increasing the provision of turnkey homes, expanding the construction of core houses, increasing access to affordable housing and financing for housing, integrating new housing areas with existing neighbourhood democratic councils, and increasing occupancy.

4.86 In 2013, a total of \$3.2 billion was spent in this sector for the conduct of eight One-Stop-Shop outreaches were conducted which contributed to 4,417 lots being allocated and 5,326 titles processed. Several new housing schemes were developed or consolidated with existing ones benefitting over 30,000 persons. Through the public-private turnkey housing initiative, more than 90 single flat concrete houses were constructed and under the Young Professional Housing Programme 55 homes were completed surpassing the 48 homes targeted. Under the Core House Pilot, 127 core houses were completed, enabling an additional 580 persons to benefit from improved housing, while an additional 153 subsidies were disbursed under the coastal home improvement programme valued at \$30.6 million

resulting in improved living conditions for 627 persons. Another 130 hinterland home improvement subsidies valued \$107.2 million were also granted increasing access to affordable shelter by the most vulnerable communities.

4.87 Mr. Speaker, in 2014, Government has allocated \$4.4 billion to the housing sector. We will allocate 5,900 house lots and process and distribute 4,100 land titles to new landowners. Further, housing scheme development will continue at Eccles, Diamond, Anna Catherina, Uitvlugt, Bath, and No. 77 Village, among others. In addition, through the continuation of the public-private turnkey initiative, another 100 houses will be constructed and an additional 50 police officers, nurses and teachers will be allocated land to construct their homes. The sector will also see the completion and distribution of another 176 core houses, disbursement of 134 coastal home improvement subsidies valued at \$26.8 million and an additional disbursement of 54 hinterland subsidies valued at \$54 million, benefiting a total of 1,248 persons.

d. Water

4.88 Mr. Speaker, Government's investments in the water sector seek to expand safe, adequate and affordable water coverage across the length and breadth of the country. As such, emphasis will be on the replacement of electro-mechanical equipment and infrastructure, continued construction of new water treatment facilities, the extension of the network and metering.

4.89 Over the past year, an amount of \$2.4 billion was expended in this sector of which \$649.1 million was spent to begin construction of two new water treatment plants, the installation of over 30 kilometres of transmission and distribution mains, and the upgrade of 1,500 service connections benefiting residents of Linden. Additionally, works continued on drilling of several wells including exploratory drilling at Mabaruma. Works also commenced on the installation of transmission and distribution mains in Regions 3, 5 and 6 and \$160 million was spent on the Hinterland Water Supply Programme which benefitted over 15,000 persons.

4.90 In 2014, over \$2.5 billion is allocated to the sector. This will be spent on the drilling, construction and completion of wells in Cotton Tree, Hope, Mon Repos, Sparendaam and Sophia, the construction of water clarifier and filter at Bartica and Eccles, the upgrade of service connections in East Berbice and Linden, and the installation of transmission and distribution mains in areas such as Vergenoegen, Victoria, Crabwood Creek, Angoy's Avenue, and Bartica. Further, the two water treatment plants at Wisroc and Amelia's Ward will be completed, benefitting more than 30,000 residents in Region 10. Additionally, water supply improvement works will be done in hinterland communities in areas such as Waikerabi, Santa Rosa, Arau, Taruka, Kanapang, Kathur, Aishalton and St. Ignatius, benefitting approximately 20,000 residents.

4.91 Furthermore, with electricity charges soaring to approximately 60 percent of production costs, the Guyana Water Inc. (GWI) has completed a comprehensive energy audit and will commence implementing initiatives dedicated exclusively to replacing and re-engineering the electro-mechanical features of its pumps and equipment in line with modern energy efficient technologies.

e. Sanitation

4.92 Mr. Speaker, this Government remains committed to ensuring that a safe and efficient sanitation system is established for the management and disposal of municipal solid waste and sewage in order to protect the health and well-being of our citizens.

4.93 In 2013, a sum of \$546.5 million was expended towards the continued rehabilitation of the Georgetown sewer system, along with the rehabilitation of 24 pumping stations.. In the area of solid waste management, our commitment to address the detrimental impact of improper waste disposal was further reinforced by the enactment of the Environmental Protection Regulations 2013, more popularly known as the "Litter Enforcement Regulations". Government has developed a draft Solid Waste Management Act, which seeks to establish a comprehensive legal and institutional framework to improve the conditions for waste management countrywide, establish a National Solid Waste Management Division within the Ministry of Local Government and Regional Development, and develop waste

management plans which will tackle the collection, transportation and disposal of solid waste.

4.94 In 2014, the sum of \$544.6 million is budgeted for the completion of the sewer system in Central Georgetown, the sewer outfall in Georgetown and the sewerage pumping station at Tucville.. The draft Solid Waste Management Bill is also being reviewed and is expected to be tabled in this Honourable House later this year. A sum of \$1.1 billion is budgeted for the completion of civil works and for operational expenses at the Haags Bosch Sanitary Landfill, which currently receives 320 tonnes of solid waste daily. In addition, we have commenced a pilot project on composting and public awareness campaign on management and disposal of solid waste. These issues strike at the core of our nation's health and our individual responsibility for keeping our environment clean which I will address this again later in my presentation.

f. Vulnerable Groups and Other Targeted Interventions

i. Children

4.95 Mr. Speaker, Government's relentless efforts to ensure the wellbeing and safety of our children continue unabated.

4.96 Work was concluded on the development of the Childcare and Development Services Regulations which contain the requirements for residential care facilities. Efforts by the Childcare and Protection Agency (CPA) prevented 2,432 children from being separated from their families, while 519 children were removed from abusive situations and 205 placed in a family setting through the foster care programme. In addition, the Mahaica Children's Home was completed and now houses 62 vulnerable children. Services were extended by assigning resident officers to Regions 1, 2, 3, 4, 5, 6 and 10, and visiting child protection officers and probation officers in Regions 7, 8 and 9 to ensure that childcare and protection services are delivered nationwide.

4.97 In 2014, a sum of \$382.5 million has been allocated to consolidate efforts made toward the delivery of childcare and protection services. Approximately 300 day care facilities are expected to be assessed and the staff advised and trained on regulatory requirements for licensing. In addition training will be conducted in all regions to equip approximately 2,000 parents and primary care givers with skills and information to improve their parenting capacity. Increased emphasis will be placed on strengthening inter-agency collaboration, increasing support to families and raising awareness to prevent, detect and address instances of child abuse. One Stop Centres which offer psychosocial support and video recording facilities will be expanded. Further, efforts will continue to be directed at strengthening the skills and capacity of those children who are ready to be phased out of the formal care system and to live independently, through the operationalisation of the half-way home.

ii. Youth

4.98 Mr. Speaker, Government continued to support the development of vulnerable youth across the country by empowering them with the skills and knowledge to improve their own livelihoods and contribute to our nation's development.

4.99 Over 2,300 young people benefited from training under the National Training Programme for Youth Employment (NTPYE), the Apprenticeship Programme, and the Youth Entrepreneurial Skills Training (YEST) along with other training programmes conducted by the Board of Industrial Training (BIT). Areas covered included carpentry, masonry, air conditioning and refrigeration, electrical installation, cosmetology, information technology and supervisory management. Over \$61 million was expended on equipping, maintaining and rehabilitating training centres nationwide and on advancing works at the juvenile correctional facility.

4.100 In 2014, it is expected that over 3,500 youth will benefit from continued training under programmes similar to those mentioned earlier. In addition, the commencement of a hinterland training programme under the BIT which is expected to target 150 persons and

has started in January in three communities in Region 9, Achiwuib, Kradanawa and Annai, in order to build capacity in carpentry and joinery and catering.

4.101 With regard to sport development, a sum of over \$1 billion was spent in 2013 to advance works on the athletic track at Leonora and the warm-up pool at the National Aquatic Centre and to develop and upgrade other sports facilities countrywide. In 2014, Government will continue to place focus on improving the quality of facilities available throughout the country, as well as offering quality programmes in the area of sports for both athletes and officials. To this end, a sum of over \$960 million has been allocated to the sector of which \$344 million is expected to be spent on continuing works at the Leonora athletic track and the warm-up pool at the National Aquatic Centre and another \$300 million is expected to be spent on the grounds enhancement initiative which aims at upgrading selected sports grounds countrywide.

iii. Single Parents

4.102 Mr. Speaker, single parents continued to benefit from a range of training programmes and initiatives delivered by this Government with the aim of enhancing their skills set and employability.

4.103 Under the BIT's Single Parents Training Programme, 447 persons graduated with skills in areas of garment manufacturing, cosmetology, catering and driver salesman. Training also continued under the Guyana Women's Leadership Institute (GWLI) for 174 single parents, benefiting from programmes covering areas such as sewing, information technology and office procedures. In addition under the Women of Worth (WOW) initiative new loans were issued while particular emphasis was placed on reducing the default rates and reinvigorating the programme.

4.104 In 2014, our commitment to support the livelihoods of single parents nationwide will continue. A total of 770 single parents are targeted to benefit from Government training programmes covering a wide range of areas. Moreover, in collaboration with the private

sector training will commence in basic entrepreneurship, networking, accounting, branding, promotion and advertising and packaging for the benefit of 50 single parents. This training is expected to strengthen capacity of the beneficiaries in managing and sustaining their business in order to further reduce the default rates of borrowers under the WOW initiative.

iv. Elderly

4.105 In 2013, Government sustained its commitment to the wellbeing of our senior citizens. A total number of 42,990 pensioners benefited from monthly old age pensions. In addition, 30 patient care assistants were trained to provide adequate care to those persons living in geriatric institutions, especially at the Palms Institution and Uncle Eddie's home. The National Commission for the Elderly visited these facilities and reviewed their minimum standards, covering areas such as rights of the elderly, family care giving, quality of housing accommodation, in-home and long-term care, nutrition, social and recreation facilities, hygiene and sanitation, capacity of and number of caregivers.

4.106 In 2014, focus will be placed on continuing the training for patient care assistants in both private and government-owned homes. Emphasis will also be placed on improving the standards of care being offered at the Palms Institution with the view of establishing best practices to be used by all private homes. In addition, having recognised that our programmes must go beyond financial assistance for the elderly, another priority area for 2014 will be to address their psychosocial needs. Centres for the elderly will be established in various communities in order to ensure our senior citizens are engaged in activities that promote their physical and mental health.

v. Homeless

4.107 Mr. Speaker, Government remains committed toward providing a sense of hope and belonging for the poor, vulnerable and disadvantaged members of society, including the homeless. In 2013, on average 190 street dwellers benefited daily from services provided at the Night Shelter. In addition, the Hugo Chavez Centre for Rehabilitation and Reintegration was commissioned and will accommodate 100 males and 80 females and will provide

services including training for its occupants in fulfilling its mandate to reintegrate the homeless into society.

vi. Indigenous Communities

4.108 Mr. Speaker, in a sustained effort to guarantee equal opportunities to Guyanese across the country, in 2013 Government continued to channel resources toward the development of Amerindian communities.

4.109 In 2013, a sum of \$77.9 million was spent to commence demarcation and extension activities in 8 villages while investigation activities continued in another 7 villages. Moreover, 26 Community Development Plans were implemented with the aim of improving the socio-economic development within the priorities of identified communities. Over \$1 million was expended with the focus placed on supporting beekeeping, the marketing of crab wood oil products and on strengthening the fish ponds and pineapple production. Programmes aimed at reviving the Arawak language and at developing eco-tourism in 19 villages were conducted.

4.110 Further, under the Hinterland Scholarship Programme \$74.6 million was spent to the benefit of 430 students. In addition, \$200 million was spent on the Youth Entrepreneurship and Apprenticeship Programme (YEAP which was launched in Regions 1, 7, 8 and 9, and 198 persons were trained in basic computer skills and solar panel installation. Further, \$287.7 million was expended to procure solar systems for ICT hubs in the roll out of OLPF to Amerindian villages.

4.111 Mr. Speaker, 2014 will see continued government interventions to enhance the livelihoods and development of Amerindian communities countrywide. To this end, \$796 million has been allocated for the continuation of YEAP, expanding to Regions 2, 3, 4, 5, 6 and 10. Under the OLPF initiative, work will continue on the construction of 100 hubs in 100 villages to the benefit of 57,000 persons, and one person from each village will be

trained in basic computer skills and maintenance. In addition, over 470 students will benefit from the \$66.6 million allocated to the Hinterland Scholarship Programme.

vii. Other Vulnerable Groups

4.112 Mr. Speaker, our Government remains committed to the ensuring the well-being of all Guyanese. In 2013 efforts continued to be directed toward disadvantaged individuals through the public assistance programme and toward employment seekers through the Central Recruitment and Manpower Agency (CRMA). A sum of \$15.2 million was spent on improved software which permits job seekers and employers to upload their applications or vacancy requests to the website. In 2013, the website was used by job seekers and employers alike. A total of 3,189 individuals were interviewed and 2,596 were employed. It is expected that over 3,000 individuals will gain employment in 2014 under the expanded efforts of this agency.

F. Enhancing Security and Justice

a. Public safety and security

4.113 Mr. Speaker, in keeping with the vision of ensuring the safety, rights and dignity of all citizens are preserved within the context of being responsive to a dynamic environment, Government will continue to prioritise resource allocations to our security sector. We will emphasise the need for competent human capital and modern technology as we strengthen the capability of our institutions and communities in a professional and proactive approach with the aim of maintaining law and order in our society.

4.114 Mr. Speaker, in supporting strategic planning and evidence-based intervention, technological advancement remains a priority. Towards this end, \$99 million was spent on the installation of IT equipment and software for the remote surveillance, the expansion of the Integrated Crime Information System (ICIS) to support the development of four additional modules in traffic, occurrence, digitising firearm licence and executive

management interface. Citizen confidence in law enforcement is one indicator used to measure the effectiveness of security systems. Several initiatives were undertaken directly targeting the restoration of public confidence including the administration of safe neighbourhood surveys, the institutionalisation of online crime reporting including reports from persons who have paid bribes across government agencies and the establishment of 10 Houses of Justice with 5 each in Regions 2 and 3.

4.115 Mr. Speaker, with the view of improving the effectiveness of the sector and to support the implementation of priority actions stemming from the strategic plans within the sector \$17.3 billion was expended in 2013. To this end, training remained a priority across the joint services and over \$230 million was expended targeting 81 police officers who benefited from overseas training in areas such as police procedures and operational issues, community oriented policing and leadership and computer skills, 12 coxswains were trained in command of territorial sea patrol boats, 60 firefighters underwent a training of trainers exercise in specialised rescue and municipal fire fighting while the first batch of 8 recently graduated traffic wardens are now working in Georgetown, Linden, West Demerara, East Coast Demerara and Berbice.

4.116 In terms of infrastructure development and enhancement, over \$1 billion was expended in 2013 for the construction and rehabilitation of joint services buildings countrywide including the forensic laboratory, \$338.1 million on police stations and related facilities, \$261.1 million was expended to provide a more secure environment for prison officers and inmates and \$67 million was spent on the fire service training school at Leonora. A further \$1.2 billion was spent on the acquisition and maintenance of equipment to support the operations of the security sector while land and water transport fleet benefitted from investments totalling \$913.1 million. Finally, \$232 million was spent to support marine operations in order to strengthen its capacity to combat piracy and other crimes committed in our territorial sea and internal waterways.

4.117 In 2014, Government will continue to place substantial emphasis to ensure that strategic planning and evidence based interventions are made towards the maintenance of

public order and safety throughout Guyana and to this end a total of \$19.5 billion is allocated for sector. Training will be conducted for the Special Weapons And Tactics (SWAT) Unit and a sum of \$382.6 million has been allocated to train the joint services, while \$413 million is budgeted to train and equip community policing groups countrywide in an effort to restore safe neighbourhoods to our citizens. Training will also commence with staff at the forensic laboratory on chemical analysis, drugs analysis, toxicology and court room procedures. A sum of \$1.2 billion has been allocated for the completion of the forensic laboratory and the fire training school and the continuous upgrading of physical infrastructure across the joint services in locations across the country. A sum of \$1.1 billion has been allocated to support land, air and sea operations of the joint services while another \$1.1 billion is allocated to effectively equip our forces to serve and protect our citizens.

4.118 The National Drug Strategy Master Plan (NDSMP) 2014-2018 will be finalised to enhance Guyana's ability to combat drugs at the local, regional and international levels. In addition, a new National Action Plan 2014-2015 for trafficking in persons is currently being developed and will guide ongoing efforts by seeking to reduce vulnerability to the lure of traffickers, expanding sensitization and awareness, broadening the involvement of civil society and strengthening law enforcement response

b. Justice

4.119 Mr. Speaker, our Government continues to place the highest priority on ensuring that our citizens have access to the justice system and that the system is strong and effective.

4.120 In 2013, \$275.5 million was spent on infrastructure in the justice sector for the construction and upgrade of several facilities including the Mediation Centre in New Amsterdam and various Magistrates' Courts, along with rehabilitation of the High Court. Additionally, the Chambers of the Director of Public Prosecutions (DPP) in Georgetown and New Amsterdam were fully renovated thus expanding the residential presence and by extension effectiveness of the public prosecutorial function beyond Georgetown.

4.121 With regards to strengthening effectiveness of the justice system, one Civil and three Criminal Justice Committees were established to review the functioning of our justice system, monitor and evaluate the performance of our courts, and make recommendations to improve their effectiveness in support of which a database to monitor court performance has been established. In addition, a Prosecutors Management Information System, which is expected to accelerate the processing of criminal depositions, was installed and is operational at the DPP's Chambers. Guyana's Law Reports for the period 1930 to 2007, and the revision of the Laws of Guyana up to 2010 were completed, and the latter is now available in print for the first time in 34 years. Reduction of backlogged cases continued apace, with an additional 1,000 cases being cleared out of the court system.

4.122 Mr. Speaker, in 2014, a sum of \$1.8 billion has been budgeted to consolidate the advances already made within the justice sector. In accordance with the Law Revision Act Cap. 2:02, the requisite law revision order was gazetted in February, bringing into effect the newly amended and consolidated version of the Laws of Guyana. Within the courts, a number of practice directions are being drafted to support the new Rules of the High Court Civil Procedure. These new rules will simplify the commencement of proceedings in court, allow citizens easier access to the court, and provide the mechanism for recourse to mediation, to which the Government has already appropriately demonstrated its support by the enactment of alternative dispute resolution legislation.

4.123 The Civil and Criminal Justice Committees will intensify efforts toward monitoring and evaluating the performance of Magistrates' and High Courts countrywide. A baseline report on the use of court resources is expected to be produced to aid the monitoring and evaluation of the performance of the courts thereby ensuring more timely access to justice. Additionally, in 2014 voice recording will be introduced for the first time in the Chief Justice's Court, the Commercial Court and the Court of Appeal which is expected to further reduce the time taken to record and process cases. Moreover, Government has also increased the number of Puisne Judges to 20 with a view to enhancing the system's capacity to discharge its important functions in a timely manner.

4.124 In addition, investment in infrastructure will continue apace, with an amount of \$238.5 million allocated to fund the construction of a Land Court, a new Magistrates' Court at Sparendam, the completion of the No. 51 Village Court, the rehabilitation of court rooms at the High Court, and maintenance of facilities nationwide.

G. Foreign Relations

4.125 Mr. Speaker, the preservation of Guyana's sovereignty and territorial integrity remains central to the policies of the Government.

4.126 During the past year, we embarked on an expanded programme of cooperation with Brazil and continued to enjoy good relations with Suriname. Following the detention of a research vessel by a Venezuelan naval vessel in Guyana's exclusive economic zone prompting the initiation of talks between the two countries, relations with Venezuela were kept at a satisfactory level.

4.127 Guyana's unwavering support for the Caribbean integration process was demonstrated by our active engagement in strengthening the CARICOM Single Market and Economy (CSME) across all sectors. In 2013, work continued apace, under Guyana's coordination, on the revision of the existing Treaty establishing the Caribbean Community, to update the institutional arrangements and modernise the region's infrastructure.

4.128 Our focus in 2014 is to expand programmes of cooperation and to ensure that relations with our neighbouring countries as well as those in the wider hemisphere and in other regions are enhanced. In 2014, Guyana will press ahead with deeper implementation of the CSME regimes. In this regard, it will be recalled that the Caribbean Skilled Nationals Act was amended and approved by the National Assembly on February 27, 2014, to confer a contingent right to the spouse of a person who holds a Skilled National Certificate, to enable that spouse to engage in gainful employment or other occupation without having to obtain a work permit. Further, we anticipate that with the development of a CARICOM regional strategic plan, the roadmap for socio-economic progress in the region will be

clarified within the current global and regional dynamics and the resultant strategic direction and actions once acted upon will boost the performance of our region as a whole.

4.129 Mr. Speaker, Guyana will also remain engaged as a serious partner in CARICOM's negotiations with third countries, such as the current trade negotiations with Canada and continued implementation of the Economic Partnership Agreement with the European Union. We will continue to be engaged in the activities of the regional mechanisms UNASUR and CELAC and continue to promote the interests and concerns of Guyana in international fora particularly in relation to climate change and the post-2015 sustainable development goals. In addition, securing markets for products and encouraging foreign investment remain paramount for our economic growth and efforts will continue in this regard. To this end our new mission in South Africa is strategically placed to fulfil this mandate.

4.130 Finally, the Government will embark on the next phase of the Guyana Diaspora Project to consolidate plans in response to the interest shown by several Guyanese in contributing their skills and expertise in specific areas of our national development.

H. Other Institutional Reforms

a. Financial Sector Reform

4.131 Mr. Speaker, the stability and strength of the financial system are an indispensable prerequisite for the overall health and wellbeing of the economy. As a result, our Government has spared no effort to ensure that the required regulatory and supervisory capacity and capability are in place to safeguard the integrity of the system. In this regard, efforts need to be made constantly to preserve the robustness of the regulatory and supervisory system, and to promote growth of the sector and access to its services.

4.132 Through the year, the banking sector remained strong, adequately capitalised, profitable and with high excess holdings of liquid assets. The strength of the deposit-taking

sector as evidenced by its capital adequacy ratio remained high at 23 percent, surpassing the minimum 8 percent benchmark by 15 percentage points as at close of 2013 and 2 percent points higher than the end 2012 position. The commercial banking sector continued its aggressive branch expansion drive with the establishment of branches countrywide particularly in the interior locations of Guyana. New branches were opened at Lethem in Region 9 and Port Kaituma in Region 1, while another bank would soon be establishing its presence in Region 6 at Port Mourant. Work is also continuing apace in the capital city on the construction of two new head offices for two of the smaller banks.

4.133 Despite the significantly negative impact on the industry's financial strength after the collapse of CLICO in 2008, the insurance industry has since rebounded successfully. The recovery of the industry was evident by the significant increase in assets, capital and net premiums from the amounts reported in 2008 when the CLICO crisis hit the industry. For the year ended 2013, the insurance sector was adequately capitalised in keeping with the requirements of the Insurance Act 1998. Both the long-term and general insurance sectors had assets in excess of liabilities by 72.3 percent and 103.8 percent respectively. This was complimented by the sectors' ability to meet their expenses from growth in net premiums. As a result of the industry's 2013 performance, positive growth in assets, capital and net premiums are also projected for the year 2014.

4.134 The industry's capital also recorded a positive rebound after the CLICO debacle, showing an increase of 115 percent above the \$11.3 billion as at the end of 2008 to \$24.3 billion. The insurance sector is presently quite solvent and stable, even though the concentration of assets is centred around only few companies. The systemic failures by CLICO have reinforced the need for enhanced regulation in the insurance sector. Drafting of the new Insurance Act and attendant regulations are currently being finalised and it is anticipated that this act will become law before the end of 2014.

4.135 The supervisory authority, the Bank of Guyana, in its ongoing efforts to foster more disclosure and transparency in the financial sector commenced the publication of the cumulative financial prudential ratios for the licensed financial institutions and the industry

on its website. This is in addition to the quarterly financial indicators that have been published over the years. In order to further strengthen its supervisory function, the Bank of Guyana issued Supervision Guideline No. 13 (Anti-money Laundering and Countering the Financing of Terrorism) to the licensed financial institutions during 2013. Drafting has also commenced on legislation for pensions to provide more effective supervision and regulation of pension schemes which will help to ensure the sustainability of the system.

4.136 A significant development within the financial sector was the licensing of the first credit bureau in Guyana. The milestone licence was issued to Creditinfo (Guyana) Incorporated in July 2013. All the commercial banks, two major utility companies and one microcredit provider have signed up to participate in the credit bureau. It is anticipated that the use of the credit reports generated by the credit bureau would contribute to significantly reducing the cost of borrowing while at the same time greatly increasing access to credit by a larger segment of the population thereby promoting a more efficient and stable credit market.

4.137 A further enhancement to the financial sector was the introduction of Mobile Money Guyana (MMG), a wholly owned subsidiary of the Guyana Telephone and Telegraph Company (GT&T). The service is marketed to reach a large segment of the unbanked population by providing mobile payment services such as money transfers and bill payments, payment of salaries and pensions through the use of mobile phones. As at end February [when?], over 3,000 users have taken advantage of this technology, performing 62,000 transactions valued at \$255.4 million. Notably, the service has been found to be popular with persons who have prepaid meters with GPL and can now purchase their electricity directly over the phone.

4.138 Mr Speaker, the payment system is currently being reviewed to ensure that it remains efficient and effective. Commercial banks are in the process of linking their point of sale (POS) terminals and their automated teller machines (ATMs) and it is anticipated that by the end of this year any ATM/POS would be capable of accepting any card issued by any local bank. The Bank of Guyana has agreed to provide settlement services to facilitate this

electronic switch which should see greater use of electronic services offered by commercial banks.

4.139 As it relates to the US Foreign Account Tax Compliance Act (FATCA), our Government has indicated to the Government of that country our availability to commence negotiations on an Intergovernmental Agreement (IGA) for implementation. The Guyana Revenue Authority has been identified as the conduit of financial information between Guyana and the US Inland Revenue Service (IRS).

4.140 In the area of AMLCFT, as is well known now, Guyana responded to recommendations made by Caribbean Financial Action Task Force (CFATF) by introducing into the National Assembly an Amendment Bill which will address more than 90 percent of these recommendations made. These amendments were reviewed by CFATF and it was agreed that they would effectively address the recommendations made. Other non legislative recommendations have been addressed, such as the creation of a national oversight committee that will provide policy and guidance on money laundering and countering the financing of terrorism to the entire country. We have also initiated a mechanism that will work in conjunction with the Financial Intelligence Unit (FIU) and law enforcement authorities to investigate special financial crimes. The FIU is working with co-operatives, friendly societies and credit unions to oversee them in the fulfilling of their obligations as reporting entities as well as in conjunction with the supervisors of gold dealers, dealers in precious metals and casinos to ensure their compliance as reporting entities. Meanwhile, efforts will continue to aim at persuading this Honourable House to enact the amendments that address the CFATF recommendations forthwith.

b. Improving the Business Environment

4.141 Mr. Speaker, the creation of an environment conducive to the robust and sustained growth and development of our private sector remains a top priority for our Government. No matter how micro the enterprise or how large scale the investment, whether you are a national or non-national, locating in a rural or urban setting, creating employment for

yourself or thousands, be reassured that you are all critical threads within our national economic fabric.

4.142 Throughout 2013, efforts to enhance the competitiveness of Guyana's economy to generate growth and prosperity through the creation of new jobs, the expansion of exports and the injection of increased investment, continued unabated. Building on the historic National Competitiveness Summit of 2011, a National Economic Forum took place last August providing the opportunity for Government and representatives of different industries in the private sector to discuss major challenges as well as recommendations aimed at further improving Guyana's business environment. Work advanced on some of the actions identified in Guyana's Doing Business Action Plan – specifically, in relation to the indicator targeting the property registration process, activities related to the physical, legal and administrative separation of Deeds, Land and Company registries to ensure greater administrative focus is placed on each aspect of the registries' functions. These included the passage of the Deeds and Commercial Registries Act 2013 by this Honourable House and the relocation of the Land Registry to a more central area facilitating greater ease of access.

4.143 In addition, in the context of the getting credit indicator, a credit bureau was launched with the aim of increasing availability of credit information thus facilitating lending decisions.

4.144 Further, in 2013, the Guyana Revenue Authority (GRA) continued to be committed to delivering high quality services to its clients by consistently applying policies, regulations and practices. The Total Revenue Integrated Processing System (TRIPS) was reviewed and enhancements were identified to improve technological capacity to reduce transaction time and costs. In addition, capacity was also built at Integrated Tax Offices to provide a full-range of services at locations in Parika, Lethem, Corriverton, New Amsterdam, Linden, Anna Regina and Bartica.

4.145 In 2013, work also continued to strengthen the technical capacity of the staff of the Competition and Consumer Affairs Commission (CCAC) with regard to consumer

protection and competition related issues, forensic accounting and public procurement. Moreover, public relations activities were carried out with the aim of raising awareness on Guyana's Competition and Fair Trading Act (2006) and Consumer Affairs Act (2011); World Consumer Rights Day; the rights and responsibilities of both businesses and consumers in relation to the return of goods and defective goods, and bid rigging in public procurement.

4.146 A diagnostic and readiness assessment was completed the implementation of the Single Window Automated Processing System (SWAPS) and stakeholder agencies were presented with revised business procedures, a draft Single Window bill and technical recommendations were proposed for a SWAP System that would best suit Guyana's needs.

4.147 In 2014, progress will continue to be made on the implementation of selected activities under the revised Doing Business Action Plan. Specifically, it is expected that the processing time to start a business will be reviewed with the aim of reducing it and the feasibility of introducing expedited one day services will be assessed. Moreover, work will commence toward the introduction of electronic filing of cases at the Commercial Court with the view of improving Guyana's position with regard to the enforcing contracts indicator, and a framework is expected to be introduced to allow insolvent companies to be able to reach agreements with their creditors out of court so as to avoid bankruptcy and improve Guyana's position with regard to the resolving insolvency indicator. In the context of the Registering Property indicator, efforts which have recently commenced on the digitisation of deeds conveyance records will continue throughout 2014 with the aim of reducing the number of days it takes to produce the deed certificate. In addition, the National Competitiveness Council will continue to provide support to established public private dialogue bodies and to address recommendations that resulted from the various working groups at the National Economic Forum.

4.148 With regard to customs and tax administration, in 2014, focus will be placed on consolidating efforts already made toward a more technologically-advanced system with the aim of further improving the quality of services offered to taxpayers and at the same time strengthening anti-corruption measures. Later this year taxpayers with internet connection will be able to access an electronic banking system to make payments of income, property

and other taxes thus reducing transaction time and costs incurred while work is ongoing to facilitate online filing of income taxes. The GRA has also already launched automated drivers licences with the view of encouraging the strengthening of controls, decreasing the risk of forgery, and expanding the use of technology in monitoring. Other means will also be sought to simplify and streamline taxpayer interaction with the GRA.

4.149 In addition, services for importers and exporters of goods will be enhanced given the recently operationalised second mobile container scanner which will contribute to a reduction in processing time and at the same time increase monitoring of goods entering and leaving our country. Transparency and accountability will also be strengthened through the introduction of a random selection of imported goods for examination. Moreover, to increase surveillance and to minimise tax evasion and smuggling activities, several initiatives are being undertaken including the operationalisation of multi-purpose ports of entry in Eteringbang, Parika and Charity to intensify the enforcement of customs and tax laws both on land and at sea.

4.150 Mr. Speaker, over the course of this year, the CCAC will continue to carry out its mandate in an increasingly effective manner, given the planned expansion in terms of both physical infrastructure and human resources. Continuous training of existing staff members will be another priority area. Furthermore, in order to complement the recently adopted Rules of Procedure for the Competition Policy Unit, work will continue in 2014 toward the amendment of Rules of Procedure for the Consumer Affairs Unit.

4.151 Altogether Mr Speaker these initiatives serve to make the environment for doing business in Guyana attractive to investors across the globe

c. Strengthening Public Administration

4.152 Mr. Speaker, the need to deliver services in a more timely and effective manner to the people remains of paramount importance. The reforms and systems strengthening that we undertake aim to achieve greater value for money ever mindful that everyone, from the

guard at the gate to the CEO or Minister in the office or the field, is there only in service of the people. Strengthening interagency collaboration, providing information and services on government websites, improving processing times for service delivery and developing more client-friendly systems continued to engage the attention of officials across the public sector.

4.153 Emphasis continued to be placed on strengthening the capacity of the national monitoring and evaluation (M&E) systems through the development of monitoring indicators to track outputs and outcomes where practicable. We continued to train the technical cadre of the public service in key concepts of monitoring and evaluation with 70 trained in 2013, bringing the total exposed to date to 473 persons with another 250 slated to be trained this year. In addition we conducted practical application of M&E techniques including the design and use of performance indicators to the work environment in several key programmes. Work intensified in the two pilot sectors of health and education and in 2014, an evaluation of the nurses training programme will be done in an effort to determine ways to improve student performance and achieve greater value for money given the significant expenditure outlay.

4.154 Support will be given to develop strategic plans for ministries and regions and for the first time regional action plans will be formulated to support the consistent roll out of the new five year strategic plan for education sector. In addition we will continue to invest in the upgrading of both software and hardware to facilitate greater automation of government systems and timeliness of reporting. Our internal audit capability continues to be strengthened with a high level oversight committee. The centralised internal audit staff will also review findings in the Audit Office's annual report and follow up with Government Agencies to ensure compliance with the relevant laws and regulations. In addition work commenced on a payroll audit for health and education that will be completed in the third quarter of 2014. In the area of public private partnerships a white paper to guide policy and modalities will be concluded while sensitisation sessions on issues related to discoveries of oil and gas will be conducted.

d. National Statistics

4.155 Mr. Speaker, as I have previously indicated, our Government is firmly committed to the continued strengthening of the national statistical system in support of stronger evidence based policy decisions.

4.156 To this end, work continued on compiling the results of the 2012 National Census. Completion of the Preliminary Report was somewhat hampered by the physical challenges of access to households and enterprises, particularly in mining areas within Regions 1, 7 and 8, for a final verification of data.

4.157 It is now anticipated that the preliminary report will be available by the end of the first half of 2014. Work will subsequently continue in 2014 on the processing and analysis of the data that would inform results in the main Report. The latter report is expected to address such topics as the changing age structure of the population, the changing composition of our labour market and employment profiles, the ethnic, gender, religious, marital, educational, and quality of life profiles of our population, with specific attention to the issues relevant to our females and children and children population among them being fertility rates, the size and other profiles of our elderly population, and the incidence of disabilities in our population, to name just some of the anticipated analyses. The analysis would also include the projections on our population size through to year 2050 based on current observed trends. Also during 2014, the Bureau will undertake to train data collection officers within the hinterland regions to ensure more timely data gathering and more efficient logistics in those areas in the future.

e. Governance

4.158 Mr. Speaker, much has already been said on the travails of this tenth Parliament. Suffice it to say that, for the first time in the history of independent Guyana, the judiciary has been approached on several occasions to interpret Parliamentary action and constitutional provisions on matters before or emanating from the National Assembly.

4.159 As I have already alluded, Guyana has been challenged in passing a CFATF compliant Anti-Money Laundering and Countering the Financing of Terrorism (Amendment) Bill. In this regard, Guyana presents a unique situation to FATF in that the non enactment of the requirements is not for want of executive effort. The fact that Guyana has missed successive deadlines means that Guyana now faces being blacklisted globally. Civil society and communities have all loudly called in unison on this Honourable House to enact the bill so as to bring Guyana into compliance with the CFATF requirements. The appeals of the Secretaries General of the OAS and CARICOM have similarly proven unpersuasive to our colleagues on that side of the House. Undaunted, we will continue the struggle to secure passage of the CFATF amendments and avoid the Gyanese economy being imperilled by blacklisting.

4.160 Mr. Speaker, in keeping with its treaty obligations with the Inter-American Convention against Corruption, Guyana just a week ago completed its Fourth Round Review before the OAS Mechanism for the Implementation of the Convention Against Corruption (MESICIC). Guyana's report and the report of the MESICIC on its review of Guyana are now publicly available.

4.161 We have also continued to deepen the democratic engagement through the participation of our people in every sector. We have consulted extensively and intensively in areas such as the development of national housing policy, identifying bottlenecks and solutions to improving maternal health, on the effectiveness of student based assessments and technical and vocational education training (TVET) policy, on bridging Guyana's mining sector with a low carbon development path, on disaster risk management within agriculture, on the phasing out of styrofoam use, the National Toshaos Conference and the National Economic Forum, to name but a few. We have created Houses of Justice, expanded the use of one-stop-shop modality for delivering greater access to services across several sectors including housing and human services and encouraged our citizens to be the eyes and ears of Government on the quality of goods, services and works delivered by the public sector.

A. Real Gross Domestic Product

5.1 Mr. Speaker, the resilience of our economy has already been underscored by the achievement of eight consecutive years of real growth up to 2013. The Guyanese economy is now projected to expand by 5.6 percent in 2014, with the non-sugar economy projected to grow by 5.2 percent.

a. Agriculture

5.2 Mr. Speaker, the sugar industry is projected to record an improvement of 15.6 percent in output to 215,910 tonnes in 2014. As has previously been stated, the sugar industry has played an important role in our national development and Government will continue to provide support to transform the industry into a profitable one in the long term.

5.3 The rice industry is projected to grow by a moderate 1 percent, with a production target of 540,793 tonnes, coming off the bumper crop of 2013. In addition, emerging challenges have manifested early in 2014, including lower paddy prices, late payment by millers, and some degree of uncertainty in key export markets.

5.4 Livestock continues to be a major contributor to overall agriculture and is targeted to grow by 3.3 percent in 2014. In addition, the forestry sector is programmed to expand by 3.3 percent, associated with improved monitoring and management practices and buy-in and cooperation of the harvesters. The improved monitoring and management of our fishing grounds is expected to return a 2.2 percent increase in output in the fishing industry.

b. Industry

5.5 The mining and quarrying sector is expected to return a moderate growth of 2.8 percent. Gold which is the dominant factor in this sector is targeted to produce 484,562 ounces, a moderate growth of 0.7 percent, reflecting the volatility of world market prices and

consequent impact on investment and production. The bauxite industry is projected to expand by 11.5 percent, mainly due to expanded production levels of metal grade bauxite

5.6 The manufacturing sector is projected to achieve a robust growth performance of 7.1 percent in 2014, primarily based on the anticipated recovery of the sugar industry.

c. Services

5.7 The services sector is projected to grow by 6 percent in 2014. The construction sector, one of the major engines of growth in recent years, is expected to grow by 7.5 percent. Rental of dwellings sector is projected to grow by 9 percent. Following a slowdown in 2013, the wholesale and retail sector is projected to grow by 4.5 percent, in line with the anticipated growth performances of key commodity and manufacturing sectors. The transportation and storage sector is projected to expand by 8.4 percent, reflecting the continued expansion of economic activity in the hinterland areas. The information and communication sector is expected to grow by 4.2 percent, as the economy continues to embrace and adopt the latest in digital technology. The banking sector has been a catalyst in the continued expansion of economic activity, recording double digit growth in recent years, and is expected to grow by 11.8 percent in 2014. The electricity and water sector is projected to expand by 7.2 percent, while education, health and other services are estimated to grow by 4 percent, 3.8 percent and 7.6 percent respectively.

B. Monetary Policy and Inflation

5.8 The primary objective of monetary policy continues to be price stability. For the year 2014, an inflation rate of 5 percent is targeted.

C. Balance of Payments

5.9 The overall balance of payments is estimated to record an overall deficit of US\$21.9 million in 2014, compared to a deficit of US\$119.5 million in 2013. This outturn is on

account of a higher surplus of US\$426.2 million on the capital account, compared to US\$314.8 million in 2013, reflecting an increase in FDI and disbursements.

D. Targets for the Non-Financial Public Sector

a. Central Government Operations

5.10 Total Current revenue (Net of GRIF) is targeted to increase by 10.3 percent to \$149.6 billion, with the Guyana Revenue Authority accounting for \$135.3 billion. This is driven by a projected 8 percent increase in internal revenue collections to \$55.8 billion, due to anticipated strong private sector performance at the company and the self employed levels. The returns of value added and excise taxes are targeted to increase by 6.7 percent to \$65.8 billion, associated with higher import levels. Non-tax revenue collections are projected to increase to \$14.4 billion, reflecting projected higher Bank of Guyana profits.

5.11 Total expenditure is projected to increase by 25.4 percent to \$215.9 billion, mainly attributed to \$31 billion increase in capital expenditure due to acceleration of key infrastructural projects, including the CJIA modernisation project and the commencement of key targeted environmental enhancement and rural enterprise programmes. Non-interest current expenditure is budgeted to increase by 10.6 percent to \$128.3 billion. This increase can be primarily attributed to continued investment in our social sectors.

5.12 The deficit of the Central Government is programmed at 4.9 percent of GDP in 2014, totalling \$32.4 billion.

5.13 Mr. Speaker the size of Budget 2014 is \$220 billion, Guyana's largest budget ever.

b. Summary Operations of the Public Enterprises

5.14 The overall deficit of the public enterprises is targeted at \$2.1 billion, equivalent to 0.3 percent of GDP. This outturn is attributed to a 6.8 percent increase in expenditure to \$137.9 billion.

c. Operations of the Non-Financial Public Sector

5.15 The overall deficit of the non-financial public sector is programmed at \$34.6 billion or 5.2 percent of GDP.

6.1 Mr. Speaker, as I have previously indicated, this Government has elevated as a principal macroeconomic objective the achievement and preservation of fiscal and debt sustainability into the medium and long term. For this reason, our fiscal deficits are contained to levels within a trajectory that would see Guyana meeting our financing needs of today without compromising our capacity to repay tomorrow.

6.2 Inevitably, a delicate balance involving difficult choices is required, to ensure that the investments needed to entrench accelerated economic growth and social development are made now, but also ensuring that they are made in a manner and at a pace closely aligned with the avoidance of penury and instead with the achievement of prosperity. With that constantly in mind, Budget 2014 includes the following measures.

A. Sugar Industry

6.3 Mr. Speaker, much has already been said and will undoubtedly continue to be said in the coming weeks about the challenges that bedevil the sugar industry. One thing is clear and should never be in doubt. Our Government's commitment to the long term viability and profitability of the sugar industry has been unswerving throughout the years, and this commitment has manifested itself not in void rhetoric but in tangible support.

6.4 Mr. Speaker, if further evidence of our Government's commitment to sugar was ever needed and I doubt it ever was, Budget 2014 makes a provision for Government to transfer a further \$6 billion to GUYSUICO to help the industry achieve the reversal of fortunes that it so badly needs. A commensurate effort is required by all other stakeholders, including management and labour, to ensure that this longstanding bulwark of the Guyanese economy is restored to a profitable operation. The provision of this very tangible support by Government to the sugar industry will benefit its 18,000 workers directly, including by helping to preserve their jobs, and a total of 120,000 persons directly and indirectly.

B. Rice Industry

6.5 Mr. Speaker, in much the same manner as the sugar industry has served our country well, so too has the rice industry. Thanks to favourable market conditions, along with supportive and facilitative initiatives by Government, the industry has grown to a historic high. As is the case with any externally traded agricultural commodity, the industry's fortunes are affected by both weather conditions which are increasingly unpredictable and the vicissitudes of world market price volatility. It is, therefore, imperative that the industry be placed on a path that would sustain its strong performance even under the most testing conditions.

6.6 In order to ensure that our rice industry retains its competitive advantage, even in harsher market conditions, Budget 2014 makes a provision of \$500 million to be injected into the industry to support its efforts to increase competitiveness and resilience.

C. Other Agriculture

6.7 Mr. Speaker, agriculture continues to be one of the sectors that offer brighter prospects for diversification of productive activity in Guyana. Whether it is other crops or livestock for meat production, the potential exists for Guyana to meet considerably more of our domestic food requirements from local production. In much the same manner, the potential exists for a much larger share of the Caribbean's food import bill to be met from our domestic production. To this end, an expanded effort will be launched by Government to promote increased and more diversified food production, including by the acquisition of planting material and breeding stock for distribution to farmers along with expanded extension services, for which purpose, a sum of \$200 million has been allocated.

D. Rural Enterprise Development

6.8 Mr. Speaker, there can be no doubt that over the years our Government has invested tremendously in rural development, in particular in infrastructure such as roads, bridges,

drainage and irrigation, and community market facilities. The result has been increased business opportunities and raised quality of life throughout our villages. In order to promote more sustainable progress in rural communities, however, it is important to encourage a deepening of entrepreneurial activity in these communities.

6.9 To this end, our Government intends to encourage and promote more aggressively the emergence of entrepreneurial ventures in rural communities with an emphasis on small businesses and labour intensive activities, the principal aim being creation of jobs for young people. A sum of \$1 billion has been provided in Budget 2014 to support this initiative and it is expected that thousands of persons will benefit, either through employment obtained or other linkages, from enterprise incubation grants made under this facility.

E. Tourism Development

6.10 Mr. Speaker, I have already addressed the strong performance and bright prospects of our tourism and hospitality industry over recent years. Accommodation capacity has increased considerably, with overall bed capacity at over 3,400, and the calendar of events has expanded significantly. Tourist arrivals have also increased, international media coverage has been strongly favourable, and important niche markets are emerging for our tourism product. All indications are that this sector will be a key contributor to value added production as well as job creation in the near and medium term.

6.11 In an effort to improve the quality of the product we offer, and at the same time so as to ensure that our young people are better equipped to take advantage of the job opportunities that will abound, the growing demand for skilled labour in the sector will need to be addressed. To this end, this year Government will commence making a US\$4 million investment in the establishment of a hospitality institute to ensure that we produce world class personnel for this important industry going forward.

F. Port Georgetown

6.12 Mr. Speaker, the urgent need for capital dredging of the mouth of the Demerara River has been the subject of considerable attention from our Government, and from the private sector affected by its implications for shipping access to the river channel. The depth of the channel basin has been reduced to an unsatisfactory level which has resulted in limitations in the draft of vessels able to transit the route. The consequence has been reductions of the volume of cargo per vessel being moved and increased freight costs. Government will establish a special purpose entity to address this matter this year, and will work closely with the private sector during 2014 to attract the necessary financing for this endeavour to commence and be successfully executed. To support the preparatory work, Budget 2014 makes an allocation of \$100 million to advance the required technical and other assessments.

G. Guyana Power and Light Inc.

6.13 Mr. Speaker, fuel prices remain high and, as was indicated last year, GPL has faced considerable challenges meeting the cost of its operations without a tariff increase since 2007. In order to ensure that the company can meet its investment and operational obligations, Government has included an allocation of \$3.7 billion to support critical capital expenditure by the company without which steeper tariffs would be unavoidable. This support will ultimately redound to the benefit of all 170,000 of GPL's customers and their families.

H. Linden Electricity

6.14 Mr. Speaker, no progress having been made on the matter of adjusting electricity tariffs in Linden, Budget 2014 allocates sums totalling \$3.2 billion to meet the cost of maintaining the electricity subsidy in Linden and Kwakwani so that 10,500 electricity customers in Region 10 can continue to benefit from rates that are highly subsidised. As indicated last year, this translates to a monthly benefit of over \$23,000 for each electricity customer in the beneficiary communities.

I. Old Age Pensions

6.15 Mr. Speaker, recent years have been marked by dramatic increases in the non-contributory old age pension paid to persons over the age of 65 years. This monthly cash supplement has been increased annually from \$3,500 in 2006 to \$12,500 last year. Budget 2014 provides for the old age pension to be increased by 5 percent with effect from 1 May 2014 to \$13,125 monthly. This increase would result in a total of \$212.5 million in additional disposable income being placed in the hands of 42,500 of our senior citizens, and will bring the total old age pension bill to \$6.6 million.

J. OAP Electricity Assistance Programme

6.16 Mr. Speaker, in addition to the old age pension we pay every month to our senior citizens, Government also assists our old age pensioners to pay the water charges due to GWI at an annual cost in excess of \$200 million annually. Last year, we introduced an annual contribution of \$20,000 payable annually to every old age pensioner who is a customer of GPL, helping them to meet the electricity charges they incur with that company. I now wish to announce that, with effect from 2014, the value of this electricity assistance programme will be increased by 50 percent to \$30,000 per annum for each eligible beneficiary. This will result in an additional \$300 million of disposable income being placed in the hands of our most senior citizens.

K. Hinterland Roads

6.17 Mr. Speaker, access remains absolutely critical to the wellbeing of our more remote communities as well as to the economy of our country. The opportunities that arise from improved access to Brazil via the Linden to Lethem Road, the reduced costs associated with accessing hinterland villages when our interior roads are in passable condition, the economic advantages that arise when hinterland routes are open, all make a compelling case for investment in hinterland roads. To meet this need, Budget 2014 provides an allocation of \$1 billion to be expended on rehabilitating critical interior arteries including the Linden to Lethem road.

L. Clean Up Campaign

6.18 Mr. Speaker, there can be no doubt in the minds of any observer that the city of Georgetown, and indeed many other places in Guyana, have a serious sanitation problem. Piles of garbage and litter abound. The national public health hazard that this presents especially in the face of emerging diseases can no longer be ignored. Notwithstanding the statutory responsibility of the local government bodies for maintaining the environment in our communities and neighbourhoods it is visibly evident that they have failed in the discharge of this basic duty. Government can no longer stand by in hope, waiting in vain for comatose local government bodies to address this problem.

6.19 In an attempt to address this problem, Government will spearhead an effort that will result in the capital city, all other towns, and rural villages implementing a Clean Up My Community action plan that will address the collection and removal of garbage as well as the reporting of residents who irresponsibly dispose of their garbage. Citizens, businesses and institutions will be tasked with ensuring that their garbage is properly discarded in appropriate receptacles. Efforts will be made to enlist the support of the private sector and other institutions to assume greater involvement in helping to maintain the environment in which they operate. While the support and involvement of businesses and households alike will be required to ensure the success of this initiative, Government will allocate the sum of \$1 billion to this Clean Up My Country initiative, of which the sum of \$500 million will be dedicated to immediate efforts to clean the capital city.

M. Education Grants

6.20 Mr. Speaker, Government has already made significant investments in the education sector, seeking to ensure universal access, and to raise both quality of delivery and attainment rates. The result has been the achievement of universal primary education and significant progress towards achieving universal secondary education. Supportive programmes have included the National School Feeding programme and the National School Uniform Programme, both of which have helped to lift attendance rates and, in particular in the case of the former, raise classroom attentiveness and participation also.

6.21 In an effort to provide additional support to parents with school age children, Government will provide this year a cash grant to the parents of every child attending a nursery, primary, or secondary school in the public education system in the amount of \$10,000 per child for the year 2014. This grant can be used to meet such costs as transportation, and will provide added impetus to raising enrolment and attendance rates, in addition to having the effect of increasing the disposable incomes of the parents of school aged children. This initiative will benefit the families of the 188,406 students of public nursery, primary, and secondary schools, and will cost a total of \$2 billion.

6.22 Mr. Speaker, it is important to note that notwithstanding the introduction of these measures along with all of the other expenditure plans announced, Budget 2014 is fully financed and introduces no new taxes.

7.1 Mr. Speaker, as you might shortly discover, the front cover of the printed version of this year's Budget Speech bears a number of quotations alluding to the natural beauty, vast wealth and evident potential of Guyana, from a number of prominent contemporary sources. One of my favourite external references to Guyana of all time is, however, much older and much more preeminent than any of these, if I may say so. More than four centuries ago, the inestimable William Shakespeare lyricised metaphoric designs to plunder, in his words, "Guiana, all gold and bounty". Since the days of the great Bard of Avon to now, successive generations have sung and celebrated the wealth and promise of this land that today is ours. Four hundred years later, those of us who live here today have within our grasp whether to be just the latest generation to laud the potential of Guyana, or whether to be the generation that realises and harvests that potential.

7.2 We can philosophise and intellectualise endlessly, but there is good reason for scepticism whether the philosophy alone can bring us the prosperity that we have sought for so long. What matters now and, equally, what will ultimately matter, are the practical things we do today to contribute to making our country a better place, and we are not short of examples of what such things would be.

7.3 They include ensuring that the climate and environmental services provided by our standing forests are adequately remunerated by the global consuming community, thereby generating revenue for our country while preserving our endowment of nature. They include attracting the inflows of private capital to make Guyana self sufficient in clean energy and an exporter of renewable energy to our neighbours, thereby reducing the cost and improving the reliability of power domestically while earning inflows from energy exports. They include producing more food for domestic consumption and for export to the Caribbean, reducing our import bill and creating growth opportunities for our agricultural sector. They include making Guyana a major exporter of services in the global business process outsourcing industry, creating technology based jobs for our young people. They include making Guyana a destination of first choice by the global tourist looking for forest and nature adventure, thereby creating business opportunities in our hospitality sector. They include ensuring that

every single young Guyanese person is sufficiently well educated and equipped with the skills required to enter and succeed in the world of work, thereby earning an income for themselves and contributing to the national productive effort. They include ensuring that every citizen has access to a safe and clean environment, thereby contributing to their own wellness and wellbeing.

7.4 Mr. Speaker, these are the things that matter, to our fellow citizens individually and to our country as a whole. These are the things Budget 2014 is all about.

7.5 To be fair, it would be an easy and perhaps understandable mistake to underestimate how some of these things impact on our lives. To the farmer of cash crops in Black Bush Polder who wonders why hydropower should matter to him, I would say that cheaper and more reliable power would make it more feasible for agroprocessing businesses to operate in Guyana, and would therefore create more markets for the fruits and vegetables he currently cultivates. To the housewife and mother in Den Amstel who wonders how our ICT strategy would benefit her, I would say that every ICT job that is created is an employment and income opportunity for her children when they leave school and are looking for work. To the Toshao in Muritaro who wonders what attracting foreign direct investment to Guyana would do for him and his village, I would say that every additional dollar of revenue earned by our country as a result of every investment makes us better able to improve the school, health hut, and other social infrastructure in his village. To the taxi driver from Charlestown who wonders how investment in the gold industry will benefit him, I would say that every dollar of earnings generated by that industry will be used to buy goods and services multiplied many times over in the economy and will generate greater demand for services like his.

7.6 Mr. Speaker, every day, each and every single one of us has an opportunity to make Guyana a better place, for ourselves and for our countrymen. Whether we teach a child to read or we repair an engine, treat a patient or saw some timber, pan some gold or cut some cane, paint a fence or sew some trousers, bake some bread or sell an insurance policy, create a job or open a business, build a bridge or carve a sculpture, we are producing and we are

earning, and the more of it we do and the more efficiently we do it, the more prosperous we will be and so too our country. As I have said on several other occasions, none of us enjoys the luxury of being a passive onlooker at the determination of either our own fortunes or that of our country. Instead, we are involved, and the tasks of improving our own lives and making Guyana a better place are no less in our own hands than in anyone else's.

7.7 Mr. Speaker, this is what Budget 2014 is all about, creating a better Guyana, a Guyana of greater opportunity, for all Guyanese. It might be somewhat ironic for me to say it now, but had brevity not been a paramount consideration, the theme of this year's budget could equally have been *By All Guyanese, A Better Guyana, for All Guyanese*.

7.8 Mr. Speaker, I now have the honour to commend Budget 2014 to the National Assembly of Guyana.

7.9 Thank you very much.



APPENDICES

APPENDIX I

SELECTED SOCIO - ECONOMIC INDICATORS

INDICATORS	2009	2010	2011	2012	2013
1.10 NATIONAL ACCOUNTS AGGREGATES (2006 Base)					
1.11 Growth Rate of Real GDP	3.3	4.4	5.4	4.8	5.2
1.12 GDP at current basic prices (US\$M)	1,776.6	1,970.1	2,265.1	2,506.8	2,611.3
1.13 GNP at current basic prices (US\$M)	1,759.7	1,982.9	2,255.8	2,530.8	2,639.8
1.14 Per capita GDP (US\$)	2,358.7	2,619.5	3,017.5	3,347.3	3,496.3
1.15 Per capita GNP (US\$)	2,336.2	2,636.5	3,005.0	3,379.3	3,534.4
1.16 Gross National Disposable Income (US\$M)	2,324.0	2,644.3	2,879.9	3,182.9	3,227.5
1.17 Private Consumption as % of Gross Domestic Expenditure	65.7	68.3	69.8	70.3	74.2
1.18 Public Consumption as % of Gross Domestic Expenditure	13.0	11.8	11.8	10.3	11.2
2.0 EXTERNAL TRADE AND FINANCE (US\$M)					
2.1 BOP Current Account Balance	-230.6	-247.4	-372.2	-366.7	-425.3
2.2 Imports of Goods and Non-Factor Services (G&NFS)	-1,451.8	-1,762.9	-2,204.8	-2,523.1	-2,347.7
2.3 Exports of Goods and Non-Factor Services (G&NFS)	938.5	1,133.0	1,426.4	1,713.2	1,540.6
2.4 Resource Balance	-513.3	-629.9	-778.3	-809.9	-807.0
2.5 Imports of G&NFS/GDP (%) at 2006 Base	81.7	89.5	97.3	100.6	89.9
2.7 Exports of G&NFS/GDP (%) at 2006 Base	52.8	57.5	63.0	68.3	59.0
2.8 Net International Reserves of Bank of Guyana	569.4	724.4	749.7	825.2	751.2
2.9 External Public Debt Outstanding	931.6	1,040.3	1,205.6	1,358.6	1,246.5
3.0 PRICES, WAGES & OUTPUT					
3.1 Rate of Inflation (% change in CPI) 1/	3.6	4.5	3.3	3.5	0.9
3.2 Public Sector Monthly Minimum Wage in G\$(e.o.p)	31,626.0	33,207.0	35,864.0	37,657.0	39,540.0
3.3 % Growth Rate	6.0	5.0	8.0	5.0	5.0
3.4 Electricity Generation (in M.W.H)	602.0	627.4	645.2	690.5	711.0
4.0 POPULATION & VITAL STATISTICS					
4.1 Mid-Year Population ('000)	753.2	752.1	750.7	748.9	746.9
4.2 Population Growth Rate (e.o.p)	-1.0	-1.5	-1.9	-2.3	-2.7
4.3 Net Migration ('000)	-13.3	-13.6	-13.4	-13.4	-13.5
4.4 Visitor Arrivals ('000)	141.3	151.9	156.9	176.6	157.8
4.5 Crude Birth Rate (per 1,000 persons)	18.9	19.0	18.8	18.4	18.5
4.6 Crude Death Rate (per 1,000 persons)	5.9	7.0	6.9	6.9	6.6
4.7 Crude Marriage Rate (per 1,000 persons)	5.6	5.4	6.1	6.4	NA
4.8 Infant Mortality Rate (per 1,000 live births)	10.8	14.7	14.4	13.8	12.9
4.9 Under 5 mortality Rate (per 1,000 live births)	14.3	18.2	17.9	16.2	15.8
5.0 HEALTH AND EDUCATION					
5.1 Public Expenditure on:					
5.1.1 Education as % of National Budget	15.7	15.3	15.2	13.8	13.6
5.1.2 Health as % of National Budget	9.9	9.4	9.0	8.9	8.5
5.2 Number of Physicians per Ten Thousand Population	5.9	6.8	7.0	7.7	9.5
5.3 Number of Nurses per Ten Thousand Population	12.8	10.1	13.0	14.2	15.3
5.4 Number of Hospital Beds per Ten Thousand Population	25.1	25.0	25.2	25.4	25.4
5.5 Low birth-weight babies (<2500g.) as a % of live births	10.1	10.9	9.3	9.6	8.9
5.6 Severely malnourished	0.2	0.5	0.3	0.3	0.2
5.7 Moderately malnourished	5.5	2.1	2.7	2.2	2.0
5.8 Overweight (%)	2.3	3.7	4.9	5.7	7.6
6.0 IMMUNIZATION COVERAGE					
6.1 1 year olds Immunized against DPT/ (Pentavalent) (%)	98.0	95.0	92.6	97.4	98.0
6.2 1 year olds Immunized against MMR, Yellow Fever (%)	97.0	94.5	97.4	99.1	97.5
6.3 1 year olds Immunized against polio (%)	97.0	94.8	93.3	97.4	97.5
6.4 1 year olds Immunized against TB, BCG (%)	98.0	97.6	97.4	98.0	97.8
7.0 CRIME					
7.1 Reported Serious Crimes	3557	3574	3789	3760	4204
7.2 of which: Murder	117	140	130	139	155

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/ Revisions made from 2009 in population estimates and per capita GDP due to current trends derived from current count of the population and updated vital statistics data from health sector.

APPENDIX II (A)

GROSS DOMESTIC PRODUCT AT 1988 PRICES BY INDUSTRIAL ORIGIN

SECTOR	ACTUAL 2008	Budget 2009	Revised 2009
TOTAL	6,253	6,548	6,397
Sugar	699	896	723
Rice	203	188	221
Livestock	137	141	141
Other Agriculture	347	354	367
Fishing	158	158	141
Forestry	179	179	178
Mining & Quarrying	434	428	437
Manufacturing	360	360	360
Distribution	648	670	690
Transport & Communication	860	894	877
Engineering & Construction	685	711	695
Rent of Dwellings	123	125	125
Financial Services	408	424	420
Other Services	277	282	285
Government	736	736	736

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

APPENDIX II (B)

GROSS DOMESTIC PRODUCT AT 2006 PRICES BY INDUSTRIAL ORIGIN

INDUSTRY	BUDGET 2010	Actual 2010	Budget 2011	Actual 2011	Budget 2012	Actual 2012	Budget 2013	Revised 2013	Budget 2014
Agriculture, Fishing and Forestry	65,470	63,514	67,568	65,199	66,949	67,579	70,070	69,151	72,718
Sugar	16,527	13,037	17,642	13,960	14,757	12,872	14,166	11,024	12,744
Rice	7,611	8,009	8,398	8,891	9,124	9,337	9,739	11,845	11,976
Other Crops	14,813	14,871	15,168	15,716	16,345	16,549	17,245	17,245	18,107
Livestock	8,368	8,160	8,046	8,632	9,052	9,878	10,273	10,305	10,644
Fishing	8,531	9,199	9,152	8,711	9,146	10,058	10,259	9,401	9,612
Forestry	9,619	10,238	9,162	9,289	8,526	8,886	8,389	9,330	9,635
Mining and Quarrying	32,543	29,531	29,905	35,202	35,844	40,411	41,623	43,656	44,895
Bauxite	5,296	4,529	5,140	6,252	6,238	7,036	7,492	6,261	6,979
Other	27,247	25,003	24,765	28,951	29,606	33,375	34,132	37,394	37,916
Manufacturing	21,575	20,770	22,376	22,185	23,059	22,717	23,715	24,524	26,260
Sugar	4,393	3,465	4,690	3,711	3,923	3,422	3,766	2,931	3,388
Rice	4,759	5,003	5,261	5,570	5,716	5,849	6,099	7,420	7,495
Other Manufacturing	12,423	12,302	12,425	12,905	13,421	13,447	13,850	14,173	15,378
Electricity and Water	5,576	5,446	5,446	5,560	5,753	5,878	6,111	6,208	6,657
Construction	29,209	31,703	33,162	32,579	34,631	28,983	31,881	35,520	38,185
Wholesale and Retail Trade	41,854	44,233	45,871	46,241	49,247	49,352	52,560	48,930	51,132
Transportation and Storage	22,944	23,673	24,471	27,042	29,603	32,143	34,643	33,422	36,219
Information and Communication	21,721	22,115	23,221	22,447	23,120	23,389	24,442	24,769	25,810
Financial and Insurance Activities	12,247	12,799	12,892	14,041	15,164	15,981	17,899	17,764	19,868
Public Administration	25,676	25,619	25,619	25,772	25,772	26,133	26,133	26,787	27,322
Education	14,180	14,187	14,329	15,141	15,412	15,474	16,016	16,016	16,650
Health and Social Services	6,217	6,268	6,331	6,508	6,876	6,709	7,004	6,977	7,243
Real Estate Activities	3,723	3,723	3,760	3,782	3,858	3,953	4,111	4,176	4,551
Other Service Activities	14,222	13,959	14,518	14,029	14,099	14,590	15,757	14,153	15,228
<i>less adjustment for FISIM</i>	<i>(7,827)</i>	<i>(8,168)</i>	<i>(8,177)</i>	<i>(9,535)</i>	<i>(9,917)</i>	<i>(11,386)</i>	<i>(11,842)</i>	<i>(12,294)</i>	<i>(12,786)</i>
TOTAL	309,329	309,373	321,290	326,194	339,471	341,905	360,123	359,758	379,952

Note: FISIM - Financial Intermediation Services Indirectly Measured

APPENDIX III

CENTRAL GOVERNMENT FINANCIAL OPERATIONS

	ACTUAL 2012	BUDGET 2013	REVISED 2013	BUDGET 2014
Total Revenue	130,228.6	162,777.6	136,494.8	168,190.3
Revenue	129,389.7	142,777.6	135,661.5	149,627.1
Tax	118,334.0	125,735.9	126,509.8	135,255.2
Income taxes	43,949.2	45,364.6	46,128.0	49,951.0
Consumption taxes	56,849.4	61,250.7	61,659.3	65,770.0
Trade taxes	12,900.6	14,075.0	13,411.8	13,988.1
Other	4,634.8	5,045.6	5,310.6	5,546.1
Non-tax	11,055.6	17,041.7	9,151.8	14,371.9
Private sector	5,699.1	12,131.7	4,111.3	9,121.9
Public enterprise & BOG	5,356.6	4,910.0	5,040.5	5,250.0
GRIF Inflows	838.9	20,000.0	833.3	18,563.2
Total expenditure	171,356.0	205,050.2	172,198.3	215,868.3
Current expenditure	114,914.5	119,391.2	122,054.1	134,674.7
Non-interest expenditure	108,379.1	112,491.8	115,947.7	128,292.7
Personal emoluments	34,793.9	39,408.1	38,489.0	42,965.2
Other goods and services	34,175.6	38,612.1	37,528.2	41,822.6
Transfer Payments	39,409.6	34,471.6	39,930.5	43,504.9
Interest	6,535.4	6,899.4	6,106.3	6,381.9
External	3,948.2	4,679.3	4,357.6	4,813.1
Domestic	2,587.2	2,220.1	1,748.8	1,568.9
Primary balance	21,010.6	30,285.8	19,713.8	21,334.4
Current balance	14,475.1	23,386.4	13,607.5	14,952.4
Capital Revenue	-	-	-	-
Capital Expenditure	56,441.5	85,659.0	50,144.2	81,193.6
Overall Balance before Grants	(41,127.4)	(42,272.5)	(35,703.5)	(47,678.0)
Grants	13,509.6	13,207.7	8,671.6	15,242.4
HIPC relief	1,876.8	2,101.5	1,586.1	3,303.5
Original	-	-	-	-
Enhanced	832.8	872.0	872.8	922.1
CMCF	-	518.8	-	2,021.8
MDRI	1,044.0	710.7	713.3	359.6
Other	11,632.8	11,106.2	7,085.5	11,938.9
Projects	6,048.5	4,951.2	1,493.2	3,909.2
Non-projects	5,584.3	6,155.0	5,592.3	8,029.7
Overall Balance after Grants	(27,617.9)	(29,064.8)	(27,031.9)	(32,435.6)
Financing	27,617.9	29,064.8	27,031.9	32,435.6
Net External Borrowing	22,044.3	29,925.5	18,545.2	21,089.0
Disbursements of Loans	30,043.3	27,627.3	8,749.1	25,956.4
Debt Repayments	3,764.8	3,822.1	3,592.6	4,196.3
Rescheduling	683.0	617.4	583.0	524.1
Guysuco - Escrow A/C	-	-	-	-
Overseas Deposits	(4,917.1)	5,502.9	12,805.7	(1,195.2)
Net Domestic Borrowing	5,573.5	(860.7)	8,486.7	11,346.6
Overall Deficit as a % of GDP	(4.7)	(4.6)	(4.4)	(4.9)

APPENDIX IV

CONSUMER PRICE INDEX - NEW SERIES

GROUP	2012	2013											
	Dec	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
ALL ITEMS	111.6	111.7	111.2	111.0	110.6	111.4	111.8	111.8	112.3	112.9	112.3	112.2	112.6
FOOD	124.0	123.6	122.0	120.8	119.7	122.2	123.4	122.7	124.0	125.6	124.3	124.3	124.1
CLOTHING	98.0	98.5	98.5	94.3	93.7	93.7	96.0	96.7	96.9	97.9	97.8	97.7	98.4
FOOTWEAR AND REPAIRS	104.6	103.9	104.2	101.8	94.1	94.1	94.5	90.1	90.8	86.6	89.3	89.3	89.8
HOUSING	100.7	100.6	100.6	100.9	100.8	100.8	100.8	100.7	100.7	100.8	100.8	100.8	100.8
FURNITURE	100.6	100.7	100.6	99.3	99.4	99.0	99.0	97.0	96.9	97.4	96.5	96.3	95.9
TRANSPORT & COMMUNICATION	114.6	115.8	116.1	117.0	117.2	117.2	117.2	119.8	119.9	120.1	119.9	119.5	121.9
MEDICAL & PERSONAL CARE	111.7	112.5	112.5	112.5	112.5	112.5	112.3	113.5	113.5	116.2	116.3	115.9	116.0
EDUC., RECR. AND CULTL. SERVICES	98.4	98.6	98.6	100.0	98.5	98.5	98.5	98.5	98.5	97.6	96.6	96.4	96.9
MISC. GOODS & SERVICES	111.0	111.4	111.6	111.9	113.0	112.9	112.9	112.3	112.3	112.3	112.1	112.4	112.6

GROUP	OLD SERIES CONCLUDED AT 31st DECEMBER 2009		NEW SERIES COMMENCED 1st JANUARY 2010						% Change DEC - DEC
	2008	2009	2009	2010	2011	2012	2013		
	DEC	DEC	DEC	DEC	DEC	DEC	DEC		
ALL ITEMS	265.9	275.6	100.0	104.5	107.9	111.6	112.6	0.9	
FOOD	285.9	273.7	100.0	110.4	113.2	124.0	124.1	0.0	
CLOTHING	84.7	80.8	100.0	99.3	101.8	98.0	98.4	0.4	
FOOTWEAR AND REPAIRS	78.9	73.8	100.0	100.5	103.5	104.6	89.8	-14.2	
HOUSING	296.5	352.7	100.0	99.7	100.4	100.7	100.8	0.2	
FURNITURE	168.9	173.9	100.0	99.2	101.1	100.6	95.9	-4.6	
TRANSPORT & COMMUNICATION	282.3	293.2	100.0	104.8	115.5	114.6	121.9	6.3	
MEDICAL & PERSONAL CARE	292.5	290.3	100.0	101.4	101.3	111.7	116.0	3.8	
EDUC., RECR. AND CULTL. SERVICES	273.6	286.4	100.0	102.0	98.7	98.4	96.9	-1.6	
MISC. GOODS & SERVICES	215.6	228.2	100.0	102.0	107.0	111.0	112.6	1.4	

APPENDIX V

BALANCE OF PAYMENTS ANALYTIC SUMMARY

ITEM	ACTUAL	BUDGET	REVISED	BUDGET
	2012	2013	2013	2014
A Current Account	(366.7)	(451.9)	(425.3)	(448.1)
1.0 Merchandise (Net)	(581.3)	(663.0)	(471.4)	(575.2)
1.1 Exports (f.o.b.)	1,415.5	1,492.4	1,375.9	1,370.8
1.1.1 Bauxite	150.8	173.8	134.6	145.4
1.1.2 Sugar	132.1	145.3	114.2	103.3
1.1.3 Rice	196.2	219.7	239.8	215.1
1.1.4 Gold	716.9	741.6	648.5	649.1
1.1.5 Timber	39.0	35.2	38.5	45.2
1.1.6 Other	158.9	147.3	186.5	193.6
1.1.7 Re - exports	21.4	29.6	13.7	19.0
1.2 Imports (c.i.f.)	(1,996.7)	(2,155.3)	(1,847.3)	(1,945.9)
1.2.1 Fuel & Lubricants	(638.0)	(659.8)	(574.7)	(612.6)
1.2.2 Other	(1,358.7)	(1,495.5)	(1,272.6)	(1,333.3)
2.0 Services (Net)	(204.6)	(239.4)	(307.1)	(257.4)
2.1 Factor	24.0	(17.5)	28.5	30.5
2.2 Non Factor (Net)	(228.6)	(221.9)	(335.7)	(287.9)
3.0 Transfers	419.2	450.4	353.2	384.5
3.1 Official				
3.2 Private	419.2	450.4	353.2	384.5
B Capital Account	418.3	509.5	314.8	426.2
*1.0 Capital Transfers	29.3	24.2	7.3	18.8
*2.0 Medium and Long Term Capital (Net)	454.0	525.7	288.6	435.3
2.1 Non - Financial Public Sector Capital (Net)	90.4	130.5	70.9	90.3
2.1.1 Disbursements	302.1	289.6	221.4	277.4
2.1.2 Amortization	(58.7)	(61.1)	(61.1)	(67.4)
2.1.3 Other	(153.1)	(98.0)	(89.4)	(119.7)
2.2 Private Sector (Net)	363.6	395.2	217.7	345.0
*3.0 Short Term Capital	(65.0)	(40.3)	18.9	(27.9)
C Errors and Omissions	(18.7)	-	(8.9)	0.0
D OVERALL BALANCE	32.9	57.6	(119.5)	(21.9)
E Financing	(32.9)	(57.6)	119.5	21.9
1.0 Bank of Guyana net foreign assets	(75.5)	(114.1)	74.0	(39.8)
2.0 Change in Non-Financial Public Sector Arrears	-	-	-	-
*3.0 Exceptional Financing	42.6	56.5	45.5	61.7
3.1 Debt Relief	3.3	15.0	2.8	15.5
3.2 Balance of Payments Support	-	-	-	-
3.3 Debt Forgiveness	40.2	42.5	43.6	47.2
3.4 Debt Stock Restructuring	(1.0)	(1.0)	(1.0)	(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 2011 (After E-HIPC & MDRI Reduction) 1/	Actual End-December 2012 (After E-HIPC & MDRI Reduction) 1/	Actual End-December 2013 (After E-HIPC & MDRI Reduction) 1/	Preliminary End-December 2014 (After E-HIPC & MDRI Reduction) 1/
TOTAL EXTERNAL DEBT	1,205.58	1,358.60	1,246.51	1,343.54
1.0 Multilateral	631.09	673.59	716.65	738.20
IBRD	0.00	0.00	0.00	0.00
IDA	10.02	11.00	12.86	17.83
IADB	365.94	415.34	469.09	518.27
CDB	134.19	139.76	139.84	144.47
CMCF	31.10	31.10	31.10	0.00
IMF	48.36	37.02	25.68	19.94
IFAD	9.32	9.32	9.86	10.18
EEC	10.22	9.87	9.77	9.21
EIB	3.27	2.49	1.74	0.87
OPEC FUND	18.67	17.69	16.70	15.72
CDF	0.00	0.00	0.00	1.71
2.0 Bilateral	554.55	665.38	510.66	586.21
2.1 Paris Club Creditors:	48.58	44.96	40.67	35.84
USA	0.91	0.82	0.77	0.72
-PL 480	0.91	0.82	0.77	0.72
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	43.31	39.72	35.57	30.80
Russia	0.28	0.28	0.00	0.00
Italy	4.08	4.15	4.33	4.33
2.2 Non-Paris Club Creditors:	505.97	620.42	469.99	550.37
Venezuela	286.65	364.17	198.27	197.53
Argentina	13.19	13.52	13.86	14.20
Kuwait	68.36	70.11	72.25	75.11
Libya	41.20	42.11	42.86	44.11
China	66.45	96.96	111.43	180.19
India	18.79	21.83	22.34	30.16
UAE	7.13	7.26	7.39	7.52
Bulgaria	2.99	3.23	0.32	0.27
Serbia	1.21	1.24	1.26	1.29
3.0 Private Creditors	19.95	19.63	19.20	19.14
3.1 Suppliers 1/	13.40	13.43	13.45	13.47
3.2 Financial Markets/Bonds 2/	6.54	6.21	5.75	5.67

Notes:

1/ Includes ITT and EPDS debts.

2/ Includes Bonds (Ruston Bucyrus), Lloyds Bank (O/Draft), GPL (RBTT Debenture) and Barclays Bank Debts