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A Path to Recovery,
Economic Dynamism and Resilience

BUDGET 2021

AT A GLANCE

BUDGET 2021

“A Path to Recovery, Economic Dynamism and Resilience”

His Excellency, Dr. Mohamed Irfaan Ali has said Guyanese can look to the future with confidence as the people remain at the centre of all of the Administration's development plans, which will guarantee an enhanced quality of life for all.



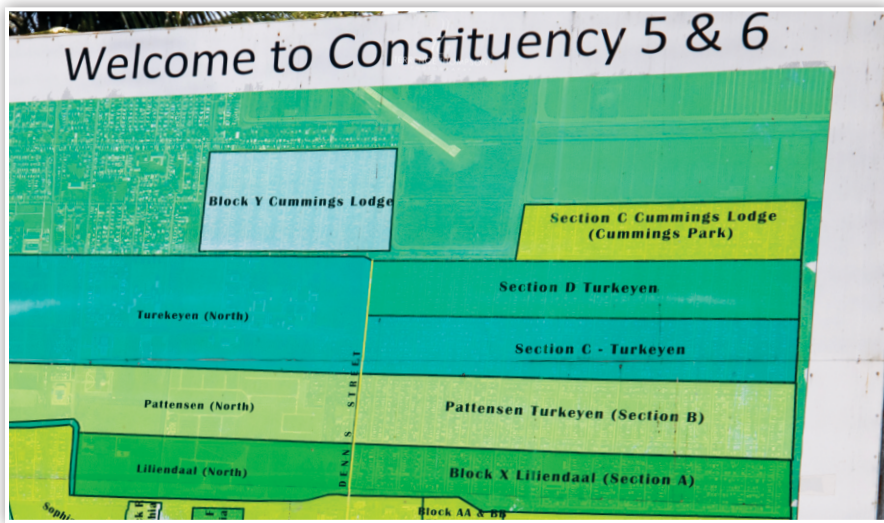
Public safety and security:

- **\$15.3 billion** has been allocated to the Guyana Police Force. Of this sum, \$300 million would be expended on its land and water fleet countrywide.
- **\$5 billion** has been allocated to enhance the operations of the Guyana Prison Service, including to upgrade the Lusignan and New Amsterdam prisons.
- **\$1.9 billion** would be provided for the Guyana Fire Service for the relocation of the Central Fire Station from the Stabroek Market square, for the construction of a new fire station at Eccles, procurement of six water tenders and two ambulances.
- **\$830 million** has been budgeted for the rehabilitation and maintenance of the Providence, Ruimveldt, Cove and John, Albion, Whim, Parika, Wismar police stations among others.
- **\$95 million** allotted to Community Policing Groups countrywide.
- **\$50 million** has been set aside to train inmates in the areas of anger management, literacy, agriculture, and culinary arts.
- 828 police ranks will undergo training in 20 different courses to improve their investigative and forensic capabilities.
- a building would also be constructed at the Mazaruni Prison to accommodate 220 high profile inmates.



Strengthening Local Government

- **\$552 million** to strengthen local democratic organs across the 70 neighbourhood democratic councils and 10 municipalities.
- **\$1.1 billion** is allocated for community enhancement workers to continue to enable a clean and safe environment.
- **\$172 million** has been budgeted for capacity building, institutional strengthening and infrastructural works for the local democratic organs.



National Security

Foreign relations:

- **\$3.9 billion** has been provided for our Missions and Consulates to promote Guyana's foreign policy.
- strengthening diplomatic presence in the Middle East with the establishment of two missions in Qatar and the United Arab Emirates.

This Budget comes to this Honourable House at a time of extraordinary challenge, both to our country and to the global community in which we live. But this Budget also comes to this Honourable House at a time when Guyana faces epic opportunity. The choice is ours whether to be weighed down by the challenges before us, or to be buoyed by the opportunities ahead of us.

This PPP/C Government has charted a course, outlined in our manifesto and elaborated by His Excellency the President that, once followed, will see us seizing those opportunities and will guide us to a destiny of which our foreparents have dreamt for generations.

The task will not be easy, but neither is it impossible. One thing is sure, the task will be made considerably easier if we have all hands on deck, embracing the spirit of oneness so eloquently elaborated by His Excellency.

[Budget presentation to the National Assembly on Friday, February 12, 2021]

Senior Minister
in the Office of the President
with Responsibility for Finance,
Dr. Ashni Singh



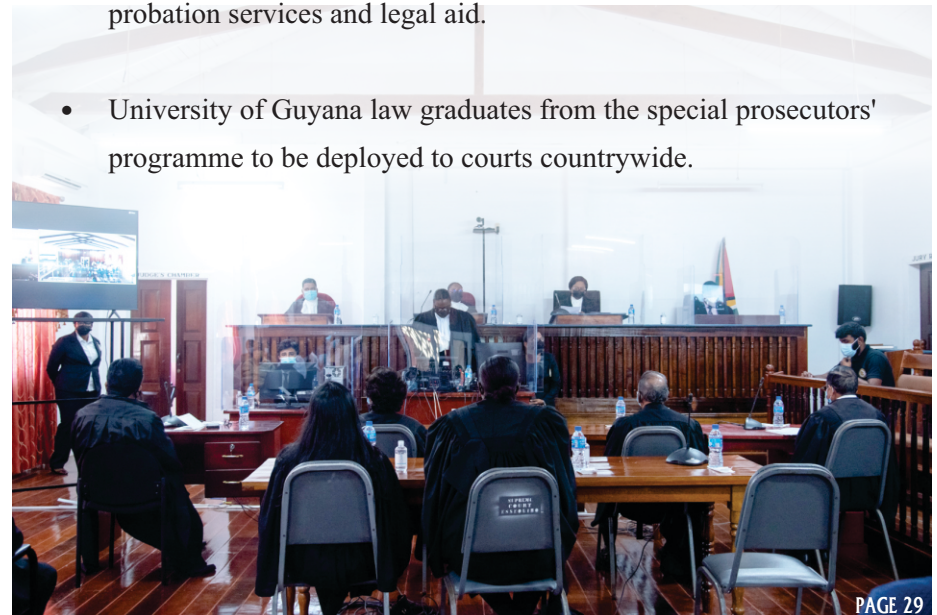
Selected Highlights

- **First full-year budget of this PPP/C Administration since returning to office in August 2020.**
- **Biggest budget ever at \$383.1 billion, fully financed with no new taxes.**
- **Reverses several punitive taxation measures implemented by the APNU/AFC.**
- **Caters for countrywide development and rapid economic stimulation.**
- **Lays foundation for immense transformational development, which the PPP/C Government embarked upon when it took office in 2020.**

Justice Sector Reform and Strengthening

\$4.6 billion has been allocated to the sector to:

- implement reforms to the criminal justice system to ensure that all citizens are protected.
- reprioritise focusing on reducing the backlog of cases, particularly those in the Court of Appeal.
- **\$1.2 billion** for the construction and equipping of new courtrooms, living quarters and supporting facilities at locations including Port Kaituma, Mabaruma and Vigilance.
- Law Reform Commission will be established, charting the way to advance our legislative agenda.
- **\$325 million** budgeted under Support for the Criminal Justice System programme for interventions including strengthening of probation services and legal aid.
- University of Guyana law graduates from the special prosecutors' programme to be deployed to courts countrywide.



Improved Governance and Institutional Reforms

Governance

- continue to seek greater participation of all Guyanese in development plans.
- focus on making Parliament a truly deliberative forum.
- work to protect and preserve Guyana's Constitution and the Standing Orders of the National Assembly.
- continue preparations for an active legislative agenda and oversight measures to enhance transparency and accountability, including the establishment of a “One Guyana Commission”.



Key Measures 2021

1. Reducing the Cost of Basic Food and Other Household Items:

- a. Restoring the VAT zero-rate on basic food items and household necessities that were zero-rated in May 2015 and moved to standard-rate or exempt over the past five years, e.g., basic wheaten flour, basic breads, oats, unflavoured cracker biscuits, cooking oil, locally produced bed sheets and pillowcases, toothbrushes.
- b. Reducing water tariffs by 5 percent across the board targeting all levels of consumers.

2. Reducing the Cost of Construction and Home Ownership:

- a. VAT zero-rating certain construction materials (stone imported for construction and housing from CARICOM, locally produced pre-stressed concrete piles, locally fabricated mild steel beams for building construction, locally manufactured roofing and PVC products for building construction).
- b. Duty on Industrial Grade Cement reduced from 15 percent to 5 percent.
- c. Increase in the Low-Income Mortgage Loan Ceiling from \$10 million to \$12 million.
- d. Increase in NBS ceiling from \$12 million to \$15 million.

3. Reducing the cost of connectivity - Remove the VAT on data for residential and individual use.

4. Reducing the cost of transportation in the hinterland- Remove the duty on ATVs for use in the hinterland.

Key Measures 2021 Cont'd

- 5. Supporting our School Children - Cash grant of \$15,000 per child to be given to the parents of children in the nursery, primary, and secondary schools in the public school system.**
- 6. Supporting the elderly - Increasing Old Age Pensions from \$20,500 to \$25,000.**
- 7. Supporting the vulnerable - Raising the Public Assistance payment from \$9,000 to \$12,000 monthly.**
- 8. Capital Gains Tax - Reinstate the original position whereby the sale of assets that were owned for more than 25 years will not attract capital gains tax on their disposal.**



Amerindian and Hinterland Development

- \$630 million to expedite the granting of titles to Amerindian villages.
- \$196.6 million provided for boats, engines and equipment to empower communities and improve their livelihood.
- \$1.75 billion for the hinterland roads interconnectivity programme.
- Employ 2,000 Community Service Officers.
- 196 scholarships would be awarded to bridge the educational disparities between the hinterland and coastland.



Human Services

Budget 2021 also makes special provisions for vulnerable groups:

- Total of **\$29.5 billion** allocated to Ministry of Human Services and Social Security.
- Increase in Old Age Pensions from \$20,500 to \$25,000.
- Increase in Public Assistance payment from \$9,000 to \$12,000 monthly.
- **\$120 million** has been set aside for programmes supporting the community of persons living with disabilities.
- **\$50 million** allocated to the National Commission on Disability.
- **\$30 million** for a complex at Mahaica to provide training for persons with disabilities.
- Increased allocations for Disability and Rehabilitation Services within the Ministry of Health.
- **Over \$50 million** for Help and Shelter and increase in subventions to organisations providing support to victims of domestic violence.



Macroeconomic Highlights

Real Gross Domestic Product

- Guyana's overall real GDP is projected to grow by **20.9 per cent**.
- The non-oil economy is projected to grow by **6.1 per cent**.

Agriculture, Forestry and Fishing

- agriculture, forestry and fishing industries are expected to expand by **5.6 per cent**, driven by growth across all sub-sectors.
- sugar industry is expected to grow by **9.6 per cent**.
- rice industry is forecasted to expand by **3.5 per cent**.
- forestry, livestock, other crops and fishing industries are expected to grow by **18.5 per cent – 5 per cent, 5 per cent, and 11.1 per cent** respectively.

Extractive Industries

- mining and quarrying sector is expected to grow by **39.1 per cent**.
- oil and gas subsector projected to grow by **46.7 per cent**.
- gold mining sub-sector is expected to grow by **4.2 per cent**.
- bauxite subsector is projected to grow by **18.4 per cent**.

Manufacturing sector projected to grow by 7.3 per cent.

Construction sector estimated to expand by 9.1 per cent driven by an expansion in Public Sector Investment programme and private sector investment.

Services sector is projected to grow by 5 per cent.

Agriculture and Food security

Agriculture is a major contributor to Guyana's Gross Domestic Product (GDP) and the PPP/C Administration intends to continue investing in the sector to expand it and return it to profitability. Since August, the Government has made massive investments in the sector, which at the end of 2020 accounted for 27.1 per cent of the non-oil GDP and 21.3 per cent of non-oil exports.

The Government has crafted a holistic plan for agriculture aimed at realising Guyana's potential of becoming the breadbasket of the Caribbean. This year, expenditure in the agriculture sector is expected to increase to \$22.6 billion from \$18.3 billion in 2020.

Sugar:

- Masterplan being prepared, estate by estate, to guide the future of the industry.
- **\$2 billion** has been earmarked for critical capital works at the Guyana Sugar Corporation.

Rice:

- Lower land rents at MMA/ADA have put back about \$1.3 billion in the hands of rice farmers.
- Six drying floors will be built at strategic rice-producing locations to provide support to farmers in Regions Two, Three, Five and Six.
- A soil laboratory will be established to facilitate efficient and economic production of paddy, among other provisions.



- **Over \$120 million** has been budgeted for capital works to advance and preserve culture and the arts,
 - to improve seating in the lower auditorium and the sound and lighting systems of the National Cultural Centre.
 - to improve visitors' experience at the Castellani House.
 - to rehabilitate the dance studio of the National School of Dance and other facilities.
- **\$36 million** has been budgeted to upgrade heritage sites at Fort Nassau, Dutch Heritage Museum and the Indian Arrival Monument at Palmyra.
- **\$30 million** has been allocated for grants to the cultural and creative industries, with specific emphasis on original cultural and creative projects with a credible plan for its commercialisation and sustainability.

Youth

President Ali's plan is to ensure the nation's youth has access to training and opportunities that would allow them to become productive citizens.

President Ali has also convened a Youth Advisory Council to craft policy for youth development. In keeping with this:

- **\$820 million** has been allocated for a Youth Entrepreneurship and Apprenticeship Programme to provide training and stipends for Community Support Officers from 213 hinterland villages.
- **\$90 million** to provide grants under the Youth Innovation Programme.
- **\$85 million** to deliver training in robotics, oil and gas, climate change, the environment, information technology, and agro-processing.

Culture, Sports and the Arts

The Government has proposed the allocation of \$2.7 billion to Culture (inclusive of arts) and Sports programmes with massive investments being made including:

- **\$1.5 billion** to facilitate the development of sports across the country.
- **\$915.5 million** has been budgeted to improve community grounds countrywide, to create modern, multi-purpose sporting facilities starting in Regions Two, Six and Ten.
- **\$618 million** will be used to host tournaments, maintain sports facilities and support select sports associations. Of this amount, \$320 million would be used to provide professional training for athletes and coaches.
- National Cultural and Creative Industries Policy to be established and the Advisory Boards for the National Gallery of Art and the National Archives are to be reconstituted.
- Legislation for the National Trust would also be updated to align with modern trends in heritage preservation and to support its expanding mandate. Additionally:



Other Crops:

- Over **\$1.2 billion** is budgeted to support the operations of NAREI.
- Four new coconut nurseries to be established in Wakenaan, Leguan, Canal No. 2, No. 63 Village, each producing between 1,500 and 3,000 coconut seedlings every three months, and **\$70 million** to support Hope Coconut Estate.
- 100 acres of planting material will be provided to support the production of corn for farmers at affordable prices.

Agro-Processing:

- **\$832 million** will be invested in agricultural infrastructure including agro-processing and packaging facilities.
- **\$60 million** will be used to purchase two freezer trucks and two 40-foot refrigerator for the New GMC.
- Through New GMC, **\$293 million** would be provided for agro-processors in the areas of equipment, technical and marketing support.

Livestock:

- **\$806 million** will be provided to the Guyana Livestock Development Authority in 2021.
- Construction of a modern abattoir at Onverwagt for beef and beef products.
- Invest in a modular abattoir at Garden of Eden for processing pork and pork products.

Fisheries and Aquaculture:

- **\$293 million** is budgeted to support the growth of this industry.



Intermediate Savannah Development Initiative:

- **\$500 million** will be invested in infrastructure to catalyse private investment in the production of corn and soya bean through the Intermediate Savannah Development Initiative.

Drainage and Irrigation:

- **\$12 billion** for drainage, irrigation development countrywide.



Sanitation

The Government would also be implementing an integrated sanitation management programme aimed at enhancing sanitation practices and solid waste management. To facilitate this:

- **\$1.1 billion** has been budgeted to undertake activities including the completion of the construction of Cell II at the Haags Bosch Sanitary Landfill Site; the upgrading of disposal sites at Rose Hall, Port Kaituma, Belle Vue, Lethem, Lima, Charity, Lusignan and D' Edward and for the preparation of temporary locations for waste disposal in Regions Two, Three and Five.



Water

The Government also plans to increase treated water coverage and access to potable water, reduce non-revenue water, and modernise sanitation facilities across the country. This year, it would be working to realise the objectives within the Guyana Water Incorporated's new, five-year strategic plan to provide a reliable source of potable water for the nation. To this end,

- **\$4 billion** has been allocated to procure equipment and improve and expand the water supply network systems across the country.
- **\$275 million** allocated for the procurement and installation of 20,000 water meters for residential and business areas countrywide.
- **\$200 million** has been allocated to expand the Sophia, Eccles, Covent Garden, Grove, Friendship and Vergenoegen water treatment plants to benefit over 50,000 residents.
- Upgrade transmission mains between Church to Cummings Street and Cemetery Road to Mandela benefitting over 35,000 residents.
- **\$100 million** has been provided to procure electromechanical equipment for the rehabilitation of water production facilities.



Sustainable Tourism

- **Private investment in new hotels** being facilitated, as many as six expected to start construction this year, including in partnership with major international brands.
- **\$185 million** has been budgeted for the construction of the Hospitality Tourism Training Institute to train and improve the quality of personnel and equip thousands of young people with skills to take up jobs in the sector.
- Work will continue with regional tourism committees to promote domestic tourism, including events-based tourism.
- We will also seek to increase air connectivity and make access easier for airline operators and reduce costs for air travel.

Information and Communications Technology (ICT)

- Establish a Universality Fund with an initial allocation of **\$360 million** to aid access to modern telecommunication services for the poor and vulnerable.
- 450 jobs expected to be created with call centres to be established in Enmore, Tuschen, and Linden.
- **\$67 million** allocated for rehabilitation of the facility in Linden to host the Call Centre.



Housing, Water and Sanitation

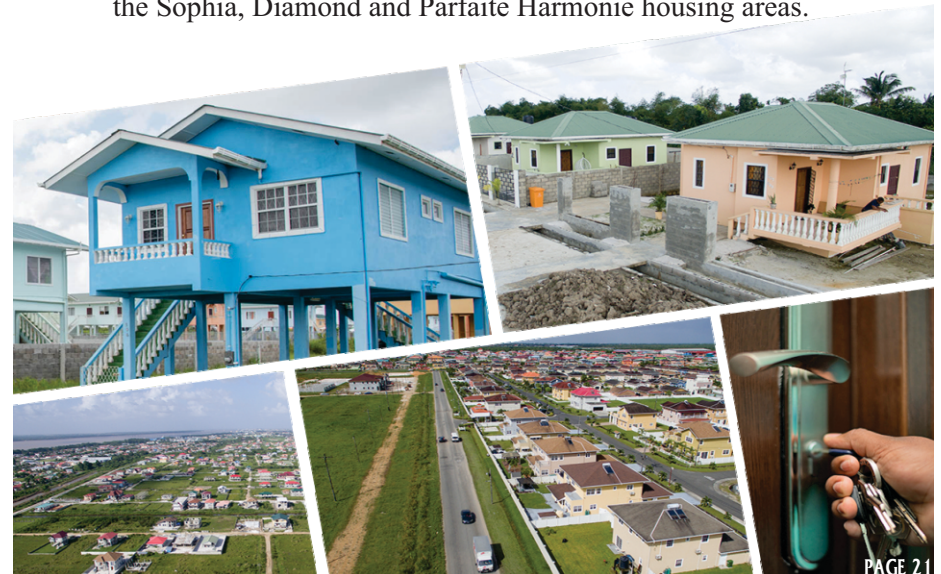
Housing

President Ali has said the people are at the core of the Government's transformational development agenda. In addition to major infrastructural projects that would modernise Guyana's physical infrastructure, Budget 2021 has included provisions that would ensure that more people can become home-owners.

In this regard, the Government would be constructing 1,000 homes for low-income earners and young professionals in 2021. These homes are in addition to the 1,000 homes it has pledged to provide in Upper Demerara- Berbice (Region 10).

In keeping with its manifesto promise to provide 50,000 house lots over five years, the Government would also be allocating 10,000 house lots and distributing 7,000 land titles this year. As such,

- **\$6 billion** has been allocated to further advance infrastructure and utility works in new and existing housing areas.
- **\$1.5 billion** has been budgeted to continue infrastructure works in the Sophia, Diamond and Parfaite Harmonie housing areas.



Education

The Government is investing \$60.7 billion to develop a world-class education system.

In order to ensure equitable access to quality education for all Guyana's children, the Government intends to improve and enhance the quality of teacher education training, increase the quantity of trained teachers in schools and incorporate modern technology and ICT platforms to improve education delivery and outcomes.

Provisions include:

- **\$5.2 billion** for the construction, rehabilitation and maintenance of educational facilities countrywide.
- **\$3.3 billion** to finance the operations of the two campuses of the University of Guyana.
- **\$884 million** to equip and retool technical and vocational training centres.
- **\$1 billion** is budgeted to support online scholarships to be granted in 2021 as Government intends to deliver 20,000 scholarships over the next five years with 4,500 scholarships planned to be distributed this year.



Industrial Development and Manufacturing

- Legislation to realise the Wales Development Authority (WDA).
- When in operation, over 3,000 persons will be employed.
- Consulting services being procured to conduct geotechnical, geophysical, environmental impact, and Light Detection and Ranging (LIDAR) studies to determine the location of gas-to-shore pipeline.

Small Business Support

- **\$250 million** budgeted to replenish the Small Business Development Fund.
- **\$200 million** has been allocated to the National Quality Infrastructure project.
- **\$135 million** for the procurement of Electronic Single Window system to improve the ease of doing business.
- National Entrepreneurship and Innovation Council to be established to promote entrepreneurship in Guyana.



Transformational Infrastructure

Energy Expansion and Diversification

- Work advancing on **gas to shore project**, will see building of power plant to generate 250 MW of power.
- **\$700 million** for installation of 10 mini-grids and four off-grid systems.
- **\$840 million** for solar farms at Mahdia and Leguan, at Bartica and Lethem. Tenders for two mini-hydropower plants, at Kumu and at Moco-Moco, will be out this year.
- Substantial completion of the 150KW Kato hydro project.
- **\$2 billion** for continued clearing of the receivable arrears inherited at the Guyana Power and Light.



- **\$750 million** to support the rolling out of COVID-19 vaccines.
- **\$35 million** for the establishment of a Diabetic prevention and rehabilitation clinic.
- **\$900 million** for HIV-related treatment and testing.
- **\$70 million** to address the shortage of essential medication for psychiatric patients.
- **\$26 million** for an 18-bed mental health ward at GPHC.
- **\$2.8 billion** for the modernisation and expansion of physical health infrastructure. This includes \$860 million for the upgrading and operationalization of SMART Hospitals: Leonora Hospital, commissioning of the upgraded Diamond Diagnostic Centre, Mabaruma, Lethem and Paramakatoi Hospitals.
- **\$88.3 million** for the completion of a polyclinic at Festival City and the remodelling of the Skeldon Hospital.
- **Over \$100 million** for Aishalton and Kumaka District Hospitals, intended for surgical interventions.
- **Over \$140 million** for maternal waiting homes and facilities at Moruca, Enmore, and Kato, and construction and retrofitting of the maternity ward and wing at New Amsterdam Hospital.



Investing in Our People

Health

On its assumption to office, the PPP/C Administration inherited a healthcare system on the verge of collapse, even as the nation was grappling with the COVID-19 pandemic. President Ali spearheaded several robust initiatives to buttress the sector, ensuring that critical medications and equipment were procured to monitor, test and treat COVID 19 and other communicable diseases.



This year, **\$53.5 billion** has been budgeted as advance provision for those programmes:

- **\$1.8 billion** for critical medical equipment. This includes \$99.8 million for re-equipping of the ophthalmology hospital in Port Mourant.
- **\$322 million** for medical equipment, including ventilators and anaesthesia machines for diagnosis and treatment capacity.
- **\$35 million** to strengthen emergency medical services.



Transport infrastructure

Roads and bridges:

- **\$25.6 billion** for roads and bridges, of which \$23.7 billion will be spent on roads and \$1.9 billion on bridges.
- **\$3.5 billion** for the commencement of Linden to Mabura Hill Road.
- **\$1 billion** for the continuation and completion of a four-lane highway from Eccles to Mandela Avenue.
- Construction of a Farm to market road from **No.58 Village linking the Corentyne Coast Highway to the Canje Creek.**
- **\$9 billion** for miscellaneous and other roads programme.
- **\$2.1 billion** for upgrades to hinterland roads.
- **\$150 million** for sectional rehabilitation of the Linden – Soesdyke Highway.

Transport infrastructure Cont'd

- Other major roads planned include:

- **Schoonord to Parika four lane super highway**, connecting communities throughout the West Coast of Demerara.
- **Parika to Goshen route**, establishing a linkage for the trade and commercial centres of Parika with the central gateway town of Bartica.
- **Timehri to Bartica link**, connecting the West Bank of the Demerara River at Sand Hills to Makouria on the Essequibo River crossing at Monkey Jump to Bartica.



Air Transport:

- **\$2.5 billion** for further upgrading and modernisation of the Cheddi Jagan International Airport.
- **\$415 million** for the completion, upgrade and rehabilitation of several hinterland airstrips.
- **\$187 million** for the Civil Aviation Authority to upgrade the Timehri Control Tower, procure a Safety Data Collection and Processing System and critical hardware and software upgrades.



River and Maritime Transport:

- **\$310 million** for upgrading and rehabilitation of Stellings, including at Wakenaam and Fort Island.
- Government has inked a **\$2.6 billion** contract to construct an **ocean-going passenger and cargo vessel to ply the North West District route**.
- **\$1.2 billion** to rehabilitate Morawhanna, Kumaka, and Port Kaituma stellingen.
- **\$500 million** to rehabilitate the M.V. Malali, M.V. Makouria and M.V. Kimbia.

Sea and River Defence:

- **\$5.1 billion** to further strengthen sea and river defence infrastructure.
- **\$50 million** to construct geotextile rubble groynes, and to conduct topographic surveys.