

Official Report

PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF THE FIRST SESSION (2015-2017) OF THE ELEVENTH PARLIAMENT OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE REPUBLIC OF GUYANA HELD IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN

60TH Sitting

Monday, 30TH January, 2017

The Assembly convened at 2.14 p.m.

Prayers

[Mr. Speaker in the Chair]

PRESENTATION OF PAPERS AND REPORTS

The following Papers and Reports were laid:

1. Audited Financial Statements of the Government Information Agency for the year 2013.
[First Vice-President and Prime Minister]
2. (i) The Report of the Directors of the Dependent's Pension Fund for the year ended 31ST December, 2015.
(ii) Government Concessional Loan Agreement No. (2016) 32 Total No. (602) signed on 9TH January, 2017 between the Government of the Cooperative Republic of Guyana and the Export-Import Bank of China for Renminbi Yuan 313,838,900.00 for the purpose of financing the East Coast Demerara Road Improvement Project.
(iii) Audited Financial Statements of the Kwakwani Utilities Inc. for the year ended 31ST December, 2013.
(iv) Audited Financial Statements of the Linden Electricity Company Inc. for the year ended 31ST December, 2013.

- (v) Audited Financial Statements of the Linden Mining Enterprise Limited for the year ended 31st December, 2014.
- (vi) Audited Financial Statements of the Mahdia Power and Light Company Inc. for the year ended 31st December, 2012.
- (vii) Audited Financial Statements of the Matthews Ridge Power and Light Inc. for the year ended 31st December, 2014.
- (viii) Audited Financial Statements of the Port Kaituma Power and Light Company Inc. for the year ended 31st December, 2013.
- (xi) Annual Report of the Guyana National Printers Limited for the year 2014.
- (x) Annual Report of the Guyana National Shipping Corporation for the year 2014.
- (xi) Annual Report of the Guyana Oil Company Limited for the year 2014.
- (xii) Annual Reports of the National Communications Network Inc. for the years 2013 and 2014.
- (xiii) Annual Reports of the Property Holdings Inc. for the years 2013 and 2014.

[Minister of Finance]

- 3. Annual Report of the Guyana Geology and Mines Commission for the year 2015.
[Minister of Natural Resources]
- 4. Audited Financial Statement s of the Guyana Civil Aviation Authority for the year ended 31st December, 2010. *[Minister of Public Infrastructure]*

REPORTS FROM COMMITTEES

Fourth Periodic Report of the Parliamentary Sectoral Committee on Foreign Relations. *[Minster of Business]*

QUESTIONS ON NOTICE

For Oral Reply

Percentage Increases in Wages and Salaries from 1998 to 2014

Mr. Speaker: Hon. Members, there is only one question on the Order Paper and it is for Oral Reply. Hon. Member Mr. Figueira, please ask your question.

Mr. Figueira: Thank you Mr. Speaker. To the Minister of Finance, what was the percentage increase in wages and salaries given by the Government of Guyana to Public Servants, Ministers and the President for each year from 1998 to 2014?

Minister of Finance [Mr. Jordan]: For the year 1998, the wage increase given to Public Servants was 9.5% and it was the same increase given to the Ministers and the President. It was effective from the 1st January, 1998. In the same year, there was an additional 4% increase given to Public Servants, Ministers and the President and that was effective from the 1st July. In 1999, the increase given to Public Servants was 31.06%, 12% was given to the Ministers and 0% to the President. In 2000, 26.66% increase was given to Public Servants, 25% to Ministers and 25% to the President. In 2001, 5.5% increase was given to Public Servants, the same for Ministers and 0% for the President.

In that same year, also, Vacation Allowance for the Ministers had increase to \$420,000 from one month of their salary. In 2002, 5% increase was given to Public Servants and 0% for Ministers and 0% for the President. In 2003, 5% increase was given to Public Servants, the Ministers and the President. In 2004, 5% increase was given to Public Servants, the Ministers and the President. In 2005, 7% increase was given to Public Servants, the Ministers and the President. In 2006, 5% increase was given to the Public Servants. The Ministers were equated to Permanent Secretaries, resulting in an increase of 89.5%. In the same year, the President's salary was equated to that of the Attorney General with effect from October 2006 resulting in a 273% increase in the President's salary.

In 2007, 9% increase given to Public Servants, Ministers and the President. In 2008, 5% increase was given with effect from January, 5% increase was given with effect from May for Public Servants; for Ministers 5% increase was given with effect from January and 10% increase was given with effect from May; for the President 5% increase was given from January and 10% increase with effect from May. In 2009, 6% increase was given to Public Servants, the Ministers and the President. In 2010, 5% increase was given to Public Servants, the Ministers and the

President. In 2011, 8% increase was given to the Public Servants, the Ministers and the President. In 2012, 5% increase was given to the Public Servants, the Ministers and the President. In 2013, 5% increase was given to the Public Servants, the Ministers and the President. In 2014, 5% and 8% increases were given to the Public Servants and 5% increase was given to the Ministers and the President.

Mr. Speaker: Hon. Mr. Figueira, is there a third question?

Mr. Figueira: Mr. Speaker, all three of the questions that were posed, the Minister accurately satisfied the House with providing the answers to those questions. Thank you Sir.

INTRODUCTION OF BILLS

Presentation and First Reading

The following Bills were introduced and read for the first time:

CIVIL AVIATION BILL 2017 – Bill No. 1/2017

A BILL intituled:

“AN ACT to establish the Guyana Civil Aviation Authority, to make provisions to enable effect to be given to the Chicago Convention and the Agreement establishing the Caribbean Aviation Safety and Security Oversight System, to provide for offences relating to the safety and security of passengers, aircraft and airports, for the regulation, control and orderly development of civil aviation in Guyana and for related matters.”

[Minister of Public Infrastructure]

STATE ASSETS RECOVERY BILL 2017 – Bill No. 2/2017

A BILL intituled:

“AN ACT to establish a State Assets Recovery Agency in consonance with the United Nations Convention Against Corruption 2003, headed by a Director who shall be a corporation sole to recover through civil proceedings State property unlawfully acquired by a public official or any other person, to provide for investigations leading to the granting by the High Court of Restraint and Civil Recovery Orders in respect of

unlawfully acquired property, to engage in international cooperation in the recovery of stolen assets of States within the contemplation of the Act, and for related matters.”

[Attorney General and Minister of Legal Affairs]

DEEDS AND COMMERCIAL REGISTRIES AUTHORITY (AMENDMENT) BILL 2017

– Bill No. 3/2017

A BILL intituled:

“AN ACT to amend the Deeds and Commercial Registries Authority Act.” *[Attorney General and Minister of Legal Affairs]*

2.29 p.m.

PUBLIC BUSINESS

PRIVATE MEMBER’S BUSINESS

MOTION

RESTORATION OF ZERO-RATED ITEMS IN THE VALUE ADDED TAX (AMENDMENT OF SCHEDULES) ORDER NO. 18 OF 2016.

WHEREAS the Value Added Tax (Amendment of Schedules) Order 2016, Order No. 18 of 2016, made under the Value Added Tax Act, Cap:82:05, and published in the Official Gazette on December 19, 2016, seeks to amend Schedules I and II to the Act and moves items, which were previously zero-rated under Sections 17 and 18 to exempted status;

AND WHEREAS the Value Added Tax (Amendment of Schedules) Order 2016, Order 18 of 2016, was laid in the National Assembly on December 20, 2016;

AND WHEREAS the imposition of these amendments are likely to have an unfavorable effect on the people of Guyana and the economy;

“BE IT RESOLVED:

That this National Assembly **calls on the Government to repeal** the Value-Added Tax (Amendment of Schedules) Order 2016, Order No. 18 of 2016 made under the Value Added Tax Act **which comes into effect on February 1, 2017**;

BE IT FURTHER RESOLVED:

That this National Assembly calls on the Minister responsible to reinstate and bring back into force the Schedules I and II existing prior to Order No. 18 of 2016, Value Added Tax (Amendment of Schedules) Order 2016.” *[Ms. Teixeira]*

Opposition Chief Whip [Ms. Teixeira]: On 5th January, 2016, I tabled a motion in compliance with the Value-Added Tax (VAT) Act, section 98 and Standing Order 70, clauses 1 and 2, calling for the annulment...

Mr. Speaker: Hon. Ms. Teixeira, have you begun to address the House on your motion?

Ms. Teixeira: That is normal procedure, is it not?

Mr. Speaker: I am asking the Hon. Member a question. I know she will tell me yes or no.

Ms. Teixeira: Yes, Sir.

Mr. Speaker: Thank you. Please proceed.

Ms. Teixeira: Thank you Sir. For the Members of the House, there is a motion in my name and I will now begin to move my motion. On 5th January, 2016, I tabled a motion in compliance with the VAT Act, section 98 and Standing Order 70, clauses 1 and 2, calling for the annulment of the VAT (Amendment of Schedules) in the Order No. 18/2016. This was approved by the Speaker with an amendment and circulated to the House at the 6th January Sitting. This you would have in your possession, Members of Parliament (MPs).

The motion would have matured for debate on 17th January. Due to Standing Order 70, the motion would expire at the 40th day of the Order No. 18 being tabled in the House. As advised by the Clerk, our motion would have expired on 28th January and the Order would come into effect 1st February, which is tomorrow's date.

Attempts were made by me to have the Government Chief Whip, on 6th January, agree on the date for the next Sitting, which the Clerk advised was an Opposition or Private Members' Day. Those attempts included writing the Chief Whip and raising the matter with the Speaker twice during the Sitting, however, I had no success. At the end of the Sitting, when the Prime Minister was moving the Adjournment, I rose and proposed an amendment to meet on 26th or 27th January and gave the reasons concerning the Annulment Motion, in keeping with the VAT Act, the Standing Orders and the Interpretation and General Clauses Act to be heard prior to its expiration. This was unsuccessful and the Speaker offered to advise on the way forward so that such a motion would be heard.

On 19th January, I wrote a letter to the Speaker, appealing to him to call a Special Extraordinary Sitting to allow the motion to be heard, as provided for in the Standing Orders. I proposed the 26th or 27th January to discuss this one item in order to allow the motion in compliance with the VAT Act, section 98, which was put before the House to be debated.

On 23rd January, I was advised that the motion in my name would be allowed to be debated on 30th January, but only after I had agreed to it being amended as the Annulment Motion would expire. We acceded and this explains why Members have in front of them the Order Paper, Notice Paper No. 82 of 6th January, and the amended motion November's Notice Paper No. 82. So, today we are debating the amended motion.

This issue before the House is of such magnitude that we must debate the actual Order, Order No. 18 and what it will do to the people, and to all sectors of the economy in a time with a declining economy and certain sectors being threatened with absolute devastation. We hope at this nth hour, with less than 24 hours left, that the Government will reconsider its reckless decisions to remove essential items...

Mr. Speaker hit the gavel.

Mr. Speaker: Hon. Member, Ms. Teixeira, you are debating the item which is before us, "Restoration of Zero-Rated items in the Value-Added Tax." It is not a matter which is already before the House and has already passed the time for this debate.

Ms. Teixeira: No, Sir, the Order will expire tomorrow. The motion in our name has expired, but we are not debating the amended motion.

Mr. Speaker: Hon. Member, I will not allow you so to speak under the table in disregard of the understandings which would have emerged from what occurs there, for you to pretend that is something else. I am very clear about this and I will not allow you to do it.

Ms. Teixeira: You will not allow me to speak Sir?

Mr. Speaker: I will allow you to speak on the motion before you.

Ms. Teixeira: I am speaking on the motion.

Mr. Speaker: But not on the matter before the House which has already been settled.

Ms. Teixeira: I am afraid I am a bit loss Sir. Could you please tell me what matter was settled before the House? I am dealing with a motion, No. 82, which has to do with the reversal of the zero-rated items in Order No. 18 of 2016 that has not been debated. This is because it requires a Negative Resolution to be debated. By bringing this motion, we are debating the issue which is in Order No. 18.

Mr. Speaker: Hon. Member, if you are attempting to raise and debate here a motion which is already, so to speak, before the House and is only awaiting its effective or operational date of 1st February, then I must tell you that I would not allow it. If you are debating...

Ms. Teixeira: Mr. Speaker, we are not debating Order No. 18. There is no motion on Order No. 18 because it cannot be before the House. It is because it is required as a Negative Resolution. There is no affirmative motion on Order 18 that is why we brought a motion to debate it, according to the VAT Act and according to the Standing Orders. This matter was never resolved in this House because it was never before this House. Order No. 18 requires a Negative Resolution and the Annulment Motion was not, what one calls, accommodated.

Mr. Speaker: Hon. Member, so you were seeking to have it accommodated now.

Ms. Teixeira: Sir, you approved the motion amended. I have a letter from you approving the amendments to this motion to allow me to debate it.

Mr. Speaker: It is not a letter to approve this motion, Hon. Member. You have a different motion before the House. Anything else...

Ms. Teixeira: Sir no. I am serious. Could we look at Notice Paper No. 82, which is headed up "Amended" and this is what has been circulated in my name and it is what is on the Order Paper. Sir, the amended motion, as advised by the Parliament Office, has been circulated with the words "Amended" at the top. The Order Paper, which is before us today, encompasses and reproduces the amended motion which is the same as what was circulated. It is on the Order Paper today, Sir. That is what I am trying to speak on.

Mr. Speaker: Hon. Member, I just want to be clear that what you are not seeking to do and what we are not doing here is seeking to have a debate on an item or a matter which is already the law.

Ms. Teixeira: No, Sir it is not the law as yet, until 1st February. The VAT Act states 1st February, 2017.

Mr. Speaker: Hon. Member, the operational date of the law is 1st February. The law itself comes into force after the 40th day.

Ms. Teixeira: No, Sir.

Mr. Speaker: That is what the Standing Orders state Hon. Member. You may disagree with that, but that is what it states. It is the only reason why you sought, from the Speaker, his authorisation or concurrence, or whatever word you wish. You proposed to the Speaker an earlier date for a hearing. That could be the only reason and that is the only reason and so, clearly, you could not have it both ways. If it is valid and if it comes into effect on the 40th day with the operational date being the 1st February, that time is over. If you wish to discuss what you have here, you may proceed, but anything else, the Speaker does not understand it that way and you know it is not that way, and I will not permit it that way.

Ms. Teixeira: Mr. Speaker, could you please advise me. There is an Order Paper that has Notice Paper No. 82, which has come from the Parliament Office. I did not write this. This was produced and circulated on Tuesday last, in which the amended motion, as authorised by the Parliament Office, in my name, is on the Order Paper, exactly word for word. I am, therefore, doing my preamble to discuss the motion which states that there is this VAT amendment. It was

put on such a date, it was placed in the National Assembly on 20th December and states, “Whereas, the imposition of these amendments are likely to have an unfavourable effect on the people of Guyana and the economy”. You amended it Sir. And that “It Be Resolved... “We call on the Government to repeal and we call on the Government to restore”.

Mr. Speaker: Hon. Member, when you are through saying that, are you saying to me that you have been authorised by this House or by the Speaker to ignore the provisions of the Standing Orders in relation to when action can no longer be taken on a motion? Hon. Member, each person will have their turn, but we will not have it like that. Ms. Teixeira, let us be clear. You are discussing this motion and you are not seeking to interfere with the motion which its 40th day has expired. That is what you are doing. So, please proceed.

Ms. Teixeira: Yes, I am discussing the motion and the motion has to do with the amendment. So, I am kind of confused, but anyway Sir, I will try my best to comply with you.

The issue that this House must debate is the issue to do with the impact of the imposition, as according to my motion, of these amendments which are likely to have unfavourable effects on the people and the economy of this country. So, that is my motion and I will debate it Sir.

Mr. Speaker hit the gavel.

Attorney General and Minister of Legal Affairs [Mr. Williams]: Mr. Speaker, on a Point of Order, please.

Mr. Speaker: Hon. Member, go ahead.

Mr. Williams: Sir, lest this honourable House be led astray, Standing Order 70 is very clear.

Mr. Speaker: Hon. Member, we must observe the rules, which are to state the Standing Order, then to state what the problem is and then to leave it with the Speaker.

Mr. Williams: Yes, please. Standing Order 40 (a), Mr. Speaker; this deals with the application of Standing Order 70. Standing Order 70 deals with the Negative Resolution and it states, quite clearly, that if one wishes to challenge it he/she must do so within 21 days. That was done, but that the debate must occur before the expiration of the 40 days. So, once the 40 days has expired, there is no debate.

The other thing with the law on Negative Resolutions - the moment the subsidiary legislation is laid in the House it becomes law. It is law immediately, unless it is annulled and it has not been annulled. So, it would be useless to negotiate something that has been overtaken by time.

Mr. Speaker: I thank the Hon. Member for his observation. Ms. Teixeira, you were continuing, please proceed.

Ms. Teixeira: Yes. Mr. Speaker, I just want to be very clear that whatever law is passed in this country, one can repeal, annul, reverse, and amend it. It is the power of this House to do that and any Member of Parliament of this House can seek to do that. So, once something is approved and becomes law it does not mean it is un-amendable in the future.

We are hoping that the Government, at some point, if not recently, not today, will reconsider its reckless decision to remove essential items from zero-rated to exempt, to have a heart for the people of this country and to do what we are calling for in this motion, to repeal the Order and reinstate the previously existing orders reflected in the revised VAT Act, posted on the Guyana Revenue Authority's (GRA's) website, which includes all the zero-rated items as of 2008.

2.44 p.m.

There are problems with the Order for the ordinary man and woman to read it and to comprehend exactly what they have to pay. It has taken quite a bit of work on my part, personally, to be able to go through in detail the actual amendments and what will be the impact.

The *Laws of Guyana*, revised edition 2008, as I said, was downloaded from the Guyana Revenue Authority (GRA)'s website and it has been very helpful in guiding the Guyanese population, at least me, in terms of ascertaining what is actually being changed. It is only after one month, and on the eve of this motion being debated, that we noticed advertisements in the newspapers explaining to the Guyanese people these amendments, these zero-rated and exempt matters, what impact they would have.

If we look at the actual Order, one cannot debate the motion and talk about unfavourable items unless what we talk about what is zero-rated and what is exempt. One of the issues is that, for many people, are unclear as to what is exempt and what is zero-rated. What does that mean for the consumer in Guyana, the producer, the business man, and the farmer?

First of all, the Value Added Tax Act, itself, at section 17, deals with and states:

“Where for this section a supply of goods and services will charge with tax under section 9 (1) (a), the supplier is charged with the tax of a rate of zero per cent if it is specified in paragraph (2) of Schedule 1.”

Schedule 1 deals with zero-rated and Schedule 2, which is covered by section 18, deals with what is called exempt. Fundamentally for our people, it means that if an item has been zero-rated that the producer, manufacturer or importer does not pay any Value Added Tax (VAT) on it. If an item is exempt, then the producer, manufacturer or importer pays VAT on it. This was explained in the discussions in the National Assembly before the debate began in which the private sector was very clear in the concerns that what this may have on the people. For example, the Private Sector Commission (PSC) put out a statement that was published in *the Stabroek News*, “Public sector urges Government to rethink harmful VAT proposal”, December 2, 2016. I am quoting from the article. I am quoting from Mr. Ramesh Persaud of the PSC:

“VAT refunds are only applied to taxable supplies, not exempted supplies, so where you can claim a refund of VAT paid on zero-rated items you cannot do the same for items which are exempt. If you are provider of a totally zero-rated product, like education, you would’ve been able to reclaim all of your input VAT from government. If you were a mixed supplier, your refund was prorated based on proportion of items which were taxable and non-taxable.”

Therefore it is very clear that if you move items from zero to exempt, they are no longer zero-rated. VAT is charged and the consumer, down the line, will pay the consequences. There are a number of quotes in the same article from Guyana Telephone & Telegraph Company (GTT) and the flour company, the National Milling Company (NAMILCO) of Guyana, which are talking about the impact that these exempt items will now have.

When one looks at the actual Order...I cannot speak without going back to the Order. I believe that there is a freedom of expression in this House to be able to talk about the Order. If it is so, it is law, then I can talk about it. If it is not law, then I thought I could talk about it. However, the issue of the structure of it, regrettably, I believe, that the Government in trying to cushion the impact of taking the majority of items which were zero-rated up to 2008, essential item, goods

and services, it then realised that it emptied out the coffers, in terms of the list for zero-rated items. What it did - it thought rather cleverly - was to put back in some items that were originally zero-rated in 2006, 2007 and 2008 which were never taken out and put them back in the Order as if it is a “fresh start”, while, in fact, they were always there.

Let me give you some examples of this wonderful drafting law that we now have to abide by in this country. It talks about a number of areas. Clause 2, for example, is talking about consumable items, and I could read parts of it, but it is already there. There are other sections, for example the exporter service which I see in the advertisement being put out. It is talking about aircraft, re-conditioning and all of these issues that are now zero-rated. They were there before in section 2 (h) of the Schedule for VAT, going back to 2008. It is the same thing to do with the section of exporter goods.

Then there are other areas, for example, to do with supply of servicing, the filing prosecution granting, maintenance, transfer, including incidental services, for the supply of services and the obligation to refrain from pursuing and exercising and holding a part of any intellectual property. This is the section of intellectual property. This is now put in as if it was zero-rated for the first time. The problem is it is there in the downloadable version from GRA as the revised of the VAT Act as of 2008. All the Orders, which were brought in 2006, 2007 and 2008 post the VAT Act coming into Order, were incorporated into the Act revised and in a very helpful manner put on the website, so that you did not have to go through many different Orders.

These are repeated, as if it is brand new, as you know what is said, “brand new second-hand”, because they were there all the time. We can go on. There are sections to do with the importation of raw materials which will be subsequently exported by a taxable person who, to the satisfaction of the Commissioner, exporting only 50% of all his projects and his claim here is zero-rated. It is already in clause (2)(i) of the Schedule 1 of the VAT Act on the GRA’s version on the website. I can go on over and over. There are many examples of this in the section that deals with zero-rated.

Then, we come to the exempt section. These are goods that are now being exempted. This is where it becomes really interesting. If we look at food items, all the food items that were formally zero-rated have been moved to exempt and we can quote the sections. There are in the

VAT Act, Schedule II, under section 2(a). There are all there. This is talking about important items that our people need to live on, rice, sugar, cooking oil, Nestle, Gerber, fresh fruits, split peas, unprocessed wheat, flour of all types, barley, plantain flour, *cassareep*, and other. All of these items, which were formally zero-rated, have become exempted.

I know I heard the Hon. Member talked about diabetes. Let us go to health. Let us go to see how this Government feels about health issues. Thank you, Minister Jordan for giving me the *entree*. The VAT Act and the Schedules provided for under section 2, for example subsection (dd), that medical supplies which are drugs, prescription, states:

“a supply of medical services and prescription drugs to the extent. providing the regulations by the Minister, and over the counter drugs, but not including vitamins, tonics, energy drinks, food supplements and similar products and supplements for promoting health and wellbeing;”

The new amendment, which I am understanding is enforced, is that prescription drugs remain zero-rated. For some strange reason the Government decided to select and identify what were the over the counter (OTC) drugs. All of a sudden instead of having an Act that states OTC and prescription drugs, it ends up being that you have now to determine which OTC drugs are zero-rated. This seems to be inexplicable because the one question one must ask is: How did the list come about? There are things for tummy aches, coughs, gas, indigestion and oral dehydration. How did the Government come up with this list? Was it in consultation with the Ministry of Public Health, in terms of what are the essential and most commonly used OTC drug are? Did someone, as my friend over there, said that we are dealing with diabetes and he knows a bit about it and he puts in certain things into this? Was there consultation of the Ministry of Public Health and the National Formulary Committee on the Essential Drug that decides what are the most commonly used drugs in Guyana, the ones that are in most demand, and which most pharmacies bring in for the people of our country? All of a sudden the Government is now playing a ‘nanny’ culture deciding which of the OTC you can have.

Furthermore, it goes on to select certain aspects for diabetes. These were items which were already zero-rated, you now move them to exempt. If you are really concerned about non-communicable diseases, you are really concerned about diabetics, why did you not leave this at

zero-rated? Why would you move it to exempt? The same thing to do with insulin and syringes with needles and devices. Then you have also moved spectacles, which were zero-rated, to exempt. You have moved crutches, which were zero-rated, to exempt. You have left out two which were zero-rated and that was wheelchairs and hearing aids. Because now they have been eliminated from the zero-rated lists, and they are not put on the exempt list, therefore, they are VAT-able. What sensible hearing Government would do this? You had all these issues that were able to provide...

Winston Churchill said, "The best asset of a nation is the health of its people." Yet this Government has decided to take Schedule 1 of zero-rated items and tinker with them. We are not talking here about food supplement; we are not talking about energy drinks. We are talking about basic supplies of over the counter drinks and drugs that can be used by the people of this country. Therefore the costs of these items are going to be inexplicable. What mind would do this to our people? Let us go on because it gets worse.

I must say too that when we go further in it, in the original budget, medical service, and everything, was supposed to be exempted. I see that because a lot of noise which was made about the Act, it was modified and so medical and dental services are now exempt. They were zero-rated before. Funny enough you have left out veterinary services. In a country that is agriculture based, a country that depends on livestock production, you have decided that veterinary services are now to be VAT-able.

By the way, I just found out something on the way here. I will come back to my motion. Did you know that when you buy any card for the parking meters it is VAT-able?

2.59 p.m.

When you pay \$500, you have to add on \$80 for VAT. When you put your card in the machine, it then starts deducting the VAT again. When you are telling the people that it is \$50 for 15 minutes, it is \$50 for 15 minutes plus VAT. You did not tell anybody that in the budget debate. Anyway, it is VAT, and VAT is everywhere, Sir.

By the way funeral services were zero-rated. My God, you cannot even let the dead leave in peace! You now have to put the VAT on the dead. Funeral services, which were zero-rated, you

have now made them exempt. Human remains... Now, I have a feeling what you mean by “human remains”, because it was in the Order all the time. It was zero-rated. I guess it meant that people who had died overseas or people moving bodies that have to be used for medical purpose and or were injured elsewhere and had to be brought back into Guyana that they are VAT-able. They were zero-rated. Well, as it known now that you will have to pay on the exempted. Therefore whoever is handling these matters would now pay VAT on them and, of course, those services would go up. Do not be surprised, for funeral services - who offer services in this country - that you would find your bill, if you have to, unfortunately, bury or take care of a loved one who has passed, is higher because VAT is now going to be put on these services. The funeral services cannot go to the Minister of Finance and ask for a refund because it is exempted. If it was zero-rated, he could, but it is exempted, so he cannot. Funeral services, as it is known, we have to keep our cost under control.

The most glaring, horrific thing with zero-rating or the movement from a zero-rating to exempt is in the education. In the original Schedule it just states a supply of education services and education materials. The Government has decided to identify everything. Imagine children’s drawing books, story books, colouring books, recipe books, religious books - I do not know if the religious leaders know that the religious books that come under education, all are going to be exempt and not zero-rated anymore also - exercise books and educational charts. It has gone to the point of erasers, chalks, hand-held pencil, sharpeners. I mean seriously? What are you doing to the poor people of this country? What are you doing to the children of this country? You are the ones complaining that we do not have good quality of education; we do not have enough teachers; we do not have enough of this and we do not have enough of that. Look at this list, it is one whole page.

I am trying to understand the mindset of what kind of human beings sat down and put down all these items that the children of our country need to use in the classroom - what the teachers need to use in the classroom, what students who are going to Cyril Potter College of Education (CPCE), the University of Guyana (UG) and Guyana Industrial Training Centre (GTIC) have to use. Why would you do that to our people? Everything has been put exempted. Imagine you could not even give an eraser... You could not let the children get an eraser without having to leave it zero-rated, all the supplies, even for those who are doing...

We are talking about improving science in the schools. All the jars, bottles and stuff to go with sciences are now also exempted - lunch kits, lunch packs, lunch bags, geometry sets and we are talking about making mathematics better for our children and you have gone and move the children's geometry sets from zero-rated to exempt. As I said, this is the thinking of something that is terribly sick in this country,

When we go now to the agriculture area, again, I go back, this is a country that is based on agriculture, primary based. You have now decided that some things would be exempted. All the paddy, the fertilisers, fish hooks, even the ice for fishing purposes are now not zero-rated because VAT is being put on water and water becomes ice and, therefore, VAT is now going to be charged on ice. They are fishermen who are using some of these, all the things to do with the fishermen, fish hooks, fishing floats, cotton and all these things. I do not even know some of them well myself - weeders, cultivators. All these things that the ordinary people use to make a living, an honest living, and so all of these are going to impact on the consumers. It is going to impact on the producers. It is going to impact on everyone. All of these issues, which I called out, were originally zero-rated. If we look, and as I said, at veterinary services, they are VAT-able.

One of the things that we talked about in our country, it is about technology, the digital age, and one of the things which we were conscious about when we were in Government was to remove all the costs involved with people being able to access computers and parts and everything else with that. Again, the VAT Act, under Schedule 1, the original 2 (jj):

“a supply of -

(i) Computers

(ii) Computer monitors (of a kind designed solely to be used with computers).

Video monitors and television monitors are excluded.

(iii) Computer printers (excluding multi-function printers).

(iv) Mouse

(v) Keyboards

(vi) All internal components of Central Processing Units, including cabinet, internal cd/dvd writers, motherboards, video cards, sound cards, internal power supply, processors, memories, internal Input/ Output cards,

(vii) Routers, switches and hubs for networking computers

(Viii) Toner cartridges and ink cartridges for computer printers.”

There are eight listed categories under supply of computers and computer hardware and software that were zero-rated. Look at what the Government did. All, it states:

“Exempted for the purposes of section 18 are a supply of computers, computer accessories, notebooks, laptops and printers for personal use.”

The issues that were put under this, which included cartridges and ink and floppy disk and the power switches and all sorts of parts, are gone. Those are now VAT-able. We are talking about wanting to make a country more modern and to be computer literate. You said that you are going to give laptops to schools. What happened to the 9,000 laptops that came and you were going to give the teachers? That was in 2016. Where have they gone? Anyway, you could answer that another time. Where did they go? Whatever you gave the schools, for example, you have to be able to have maintenance. You have to upgrade, and so on, and this makes no provision for that.

It is just a side thing on the vehicles, when we come to the part that motor vehicles are exempt for the purpose of section 18 and it talks about altering vehicles for use in the mining industry and by the Toshias from Amerindian communities approved by the Commissioner. Now, in 2016, this was amended to allow for the Amerindian communities. It is now taken away. It was zero-rated and now it is exempt, so the miners and the Toshias from the Amerindian communities would have to now pay a higher price for their all-terrain vehicles (ATVs). There is a new thing because all of these things, I am talking about, Sir, are those that were originally zero-rated! I was looking at the new things, the “fresh start.” Where did it come in? I found it: “Motor vehicle imported by or for the use of the President” and “Motor vehicle imported by or for the use of the Prime Minister.”

Now, that was very interesting. That was really new, “fresh start”. I had to scratch my head because I thought when cars are bought for the Presidents’ use, these are also a set of things that

are not paid for because it is the Government buying it for the President, but then I saw the word “by”, so “motor vehicle imported by or for”, I had to look twice. When I saw it first I said that that is normal, a car has to be bought for the President and a car has to be bought for the Prime Minister. I mean, what is this? It is true what is the saying, one word, one tiny word, called “by” or “or” is a big word now. That word “by” suddenly changes the meaning of this amendment – “Motor vehicle imported by or for the use of the President,” “Motor vehicle imported by or for the use of the Prime Minister.” Now, the one for the Prime Minister confuses me even more, because the Prime Minister, as a parliamentarian, gets duty-free concessions. Why is it that there is this special arrangement put into the VAT Act? That was interesting, and we will monitor that. These were the new things in the VAT Act.

Well, let us go on. We are looking for new things, the “fresh approach.” The issues to do with renewal energy, and so forth, the section that deals with -

“...supply of machinery or equipment for generating electricity from renewable sources (including ...”

This is new. It both in the Custom Act, the regulations of VAT and now it is in the Order. As you know, what the original one was. The original zero-rated items, which I thought was great and I was saving up my money for, but now I have to change my mind...It is pointed out that what we were trying to do then, was to encourage people to look at solar systems for the household. What we did, was that, for example, there were zero-rated items which were for solar alternative energy for households. What the Government has done is to remove that section with households completely. We now have:

“A supply of machinery or equipment for generating electricity for renewal sources (including solar panels, solar lamps,...) wind turbines and energy efficient lighting.”

The specific thing about giving concessions for households, and in the case of Amerindian communities where we brought in the household, solar panels, they did not pay any VAT on that at all.

We saw these changes being made in the Bills to accommodate the wind farm and the solar, and so on. We understand what you are doing. We do not agree with what you are doing because we

think that it is against the procurement laws, but you are now enshrining it in this and eliminating the people of the household items who would have thought that they could put up a couple of solar panels. I would not have to pay Guyana Power and Light (GPL) and now with the 14% VAT. I really wish I had done it before because my electricity bill is going to be out of control.

Then, there is the sports gear. This is when it is said that you “cut your nose to spite your face”. All these amendments, which are brought, are “cutting your nose to spite your face”. You talk about crime, youth crime, youth violence and the zero-rating of sports gear and sports issues, you have now changed. For example, you now want to remove what was zero-rated for cups and medals which the sportsman would get. I mean this is a level of insanity. I mean, it is banal.

Let us go to the mining sector because the mining sector, the Guyana Gold and Diamond Miners Association (GGDMA) has publicly called, and it put out statements months ago, in December, appealing for the budget to be amended and the VAT and everything else, and up to recently it had been appealing. In fact, it had written to the President appealing to meet with him. There is no reply as yet. In *Stabroek News*, “Budget has no good news for miners – GGDMA, Guyana Women Miners Organisation (GMWO)”, they have pointed out in the statement that was published on 2nd December, 2016. They said:

“The Government has forecasted a 35% growth in the sector in 2016. Careful examination will show that there has been a slowdown in the local small and medium scale operations. This is because of the hardships that the sector faced. Several concessions were removed from the industry. Despite the Minister’s utterances none of these have been returned. We cannot do more for less.

In 2016 VAT was required on heavy-duty vehicles and a phased removal of all other concessions was implemented. We cannot do more for less.”

3.14 p.m.

This is what the Miners are saying. Yet the 2016 economy depended on what happened with gold to shore up this economy. Yet you treat this sector with such disdain. You are imposing more and more restrictions and more and more difficulties on the miners and you do not even want to meet with them.

There are also rather ludicrous things in the document. Locally produced bed sheets, pillow cases and mosquito nets were all zero-rated. For some strange reasons, these have all been taken off like with the wave of a wand or you can take these sections off and dump them off.

Women in this country who make these things and some of the garment manufacturers who make bed sheets, mosquito nets and such like will now have to pay VAT and these items are exempted. Why you do that to these cottage industries and some of these small businesses is incomprehensible.

The Hon. Minister, in his closing speech at the end of the debate on 9th December, 2016, quoted from recommendations of the Caribbean Regional Technical Assistance Centre (CARTAC) group and the Tax Reform Committee to justify this battery of tax measures in the 2017 Budget. However, no one has seen these reports and recommendations. In fact, the Hon. Minister quoted and made a number of recommendations from these bodies. A number of the recommendations have not been put in here but, nevertheless, the Hon. Minister was using them to support the view that VAT had to be imposed and these other taxes had to be imposed and was using the fact that these were consultancies and studies by the Tax Reform Committee. When you read the Hon. Minister's speech once again, you discover that the Tax Reform Committee had a slightly different take on things. It did not talk about removing the zero-rated items. It talked about the incremental shift but not about one swell swoop.

The problem, however, is that I had the distinct impression, from listening to the Hon. Minister's responses during the 2017 Budget and the Bills that arose out of these Budgets... I am saying this as a politician and former Member of Government and so forth... that budgets are not technical affairs. Studies and consultancies may be technical. Ultimately, it is the Government, from the political realm, that makes the decision of whether something is good or bad for their people. We have had all sorts of consultancies and studies when we were in Government. I remember, and the Leader of the Opposition might remember a million times more than I could, the kind of pressure that we went under about the regulations of the banks and a number of issues that we were told to do. Had we done those, when the 2008 global economic and financial crisis came, we would have been in trouble like many of our Caribbean sisters in the region. Our national sovereignty and our national interests do have to come into the decision-making process.

It cannot be good enough in this Parliament to say CARTAC recommended and the Tax Reform Committee recommended. By the way, if that is so, then I have to raise another issue.

The Commission of Inquiry on GuySuCo recommended that they do not close any Estates. How was that advice not taken? Yet, one uses, conveniently, what suits them and not what necessarily suits the country.

In 2016, 143 new taxes and 57 tax measures, in 2017, were imposed on this economy, an economy which is in trouble where people are hurting and catching hell and small, medium and large businesses are going down and down. Rice is down; sugar is down; bauxite is down; housing is down; entertainment is down; and gold will go down.

Lo and behold, persons woke up after the Budget was passed on 21st December, 2016 and we find that fuel price has gone up. That was never raised in the Budget.

Mr. Speaker: Hon. Member Ms. Teixeira, you have been speaking for 40 minutes.

Ms. Teixeira: Thank you. I am wrapping up. There are other impositions of tolls on the Demerara Harbour Bridge and so on. I will come back to that and other issues in my closing.

This motion is critical and we appeal to the Government, in the best interest of our people, to repeal the VAT Order No. 18 and reinstate all the items that were zero-rated previously instituted in the VAT Act. Thank you. *[Applause]*

Mr. Speaker: Hon. Members, I want to remind you that there is a requirement of relevance in your presentation. I say no more.

Minister within the Ministry of Finance [Mr. Sharma]: Thank you, Mr. Speaker. It is my honour to stand here today to debate the motion standing in Hon. Member Gail Teixeira's name.

Let me just debunk some of the things that the Hon. Member stated in her presentation. It is very important to note that the Hon. Minister, Winston Jordan, Minister of Finance, did say, in his wrapping up in Budget 2017, that the People's Progressive Party/ *small C* seems to be disjointed in their presentation, not in coherence and misleading. It is exactly the same thing happening today.

What is important to note is the difference between what is zero-rated and what is exempted. The ordinary people want to know if they will have to pay VAT should the Government make something that was previously zero-rated exempted. The answer to that is no. In both cases, where it is zero-rated and exempted, VAT will not be placed on that bill or receipt. That is what is important.

This issue that persons will be paying VAT is a misnomer. It must be stopped here; it must not be peddled. These measures basically benefit the business people. A businessman, at the end of every month, would have had to prepare to submit his VAT returns for refunds. That is more work for the businessman. The businessman does not have to have a big team of people to prepare a big list to send to the Guyana Revenue Authority (GRA) for VAT refunds. I see the Leader of the Opposition is walking out of the Chamber. What is important to note is that the previous Government did not refund large sums of moneys to the business people. It is this Administration that had to clean up that mess and refund that money to the business people. The business people do not have to wait for any VAT refund. It would not be applicable any longer. It is simple for them and life would be easier for them. Life would also be easier for GRA which would not have to spend time to implement those refunds.

A number of things that the Hon. Member mentioned are on GRA's website. I downloaded the list of zero-rated items and the list of exempted items. There is no difficulty understanding what the people need to know.

When the Hon. Member spoke about medical supplies, the Hon. Member did not state that medical supplies have (a) to (k). People should know that there is no VAT on prescription drugs. This was part (a) of zero-rated items.

It went to say (b):

“The following medicine for human use would be zero-rated...”

It spoke of things like painkillers, cough medicines, drugs used for worms, laxatives and so on. It went on to deal with diabetes and other issues. It is very clear how it is presented here. The poor people should not be fearful whenever they go to a private doctor that they would have to pay VAT on important prescription drugs. They would have to pay VAT on maybe the

consultation fees, be it \$3,000 or so on. The doctor cannot say that, if the entire bill is \$40,000, it would attract VAT.

These are the things that the people need to be made aware of. They will continue to hear this at each presentation. I think that there are five speakers from the Opposition. We will continue to hear these irresponsible distortions.

My presentation, today, will try to add a general understanding, justification and benefits in regard to the way we now treat VAT items for the purpose of being charged VAT. First, let me make some general observations. It appears as though when the PPP had introduced VAT in 2005, it did not utilise the theory of change. The theory of change is important. It is nothing new. It was around since mid-1990s. If they had utilised the theory of change, they would have realised that, if they were in Government, they would have had to make these same changes.

I am seeing smiles over there because they realise that this was their fault. It was said to us that VAT was revenue-neutral. I am asking the PPP/*small C* if this was true. Was VAT revenue-neutral? On the onset, it was misleading to the nation. My father, Mr. CN Sharma, protested against the VAT. He made jokes and said that VAT would drown all of us. He equated the VAT to a reservoir. That is what the PPP did. They lied to this nation.

Mr. Speaker: Hon. Minister, I am sure that you could express it differently.

Mr. Sharma: They misled and were not truthful to the nation. I asked if it were revenue-neutral and I did not receive any answer. Year after year, however, we would have seen, Budget after Budget, where the previous Government collected billions of dollars in surplus. It increased year after year. What did they give the poor people in return? A few zero-rated items were added to the list.

However, this Administration continued the same trend in the 2015 Budget by adding also until it realised that this was not the real way to proceed. The Government had to utilise the theory of change and had to study this carefully to deal with it in a more sensitive approach.

In 2011, the previous Government campaigned on a promise that, if elected, it would appoint a tax reform committee. The Guyanese people said that they were fooled because the recommendation was not presented to the people, much less implemented.

I say that the PPP/ *small C* kept its promise. It implemented a Tax Reform Committee and did not do anything. I quote the then President Donald Ramotar of 28th March, 2014, *Kaieteur News* Newspaper:

3.29 p.m.

“Tax is the lifeblood of government revenue so it has to be handled very carefully and not in a piecemeal manner,” he said yesterday during a press conference.

Of special concern to the business community was the Value Added Tax (VAT), which has been raking in billions every year since being introduced. Last year, more than \$30B was collected.”

And this headline in the *Kaieteur News* article was: Tax reform committee’s work almost completed. The President was saying that the work was completed but this nation never received the results of that report.

I just want to indicate here an extract from Minister Jordon’s speech, when he said:

“Mr. Speaker, we were reminded, again by His Excellency President Granger, during his address to the opening of this session of the Parliament, that this Government started its mandate with troubling economic and social indicators. We inherited an economy that was built essentially on the proverbial sand and running on the proverbial fumes. It is an economy which, in spite of positive growth performances, averaging 4.5 percent in the period 2010-2014...”

And I will end here and I will say no more at this point in time – no more.

I would like to ask the Hon. Member, Mr. Irfaan Ali, who likes to prepare to walk out, because the Hon. Member would speak a lot about the poor performance of the various sectors and in this Administration.... But what must be told is that poor performance is a spilloff of the poor management of the economy under the previous Administration. So, I would like to ask the Hon. Member, Mr. Irfaan Ali, what did the PPP/C do with those years of positive growth? The last Budget that was presented to this House by the previous administration said that there were eight consecutive years of growth. The public servants’ salaries did not increase dramatically but what

we heard here when Minister Jordon answered a question by the Hon. Member Figueira is that the Former President Bharrat Jagdeo's salary increased by 500% between 2006 to 2011. That is what we heard. So, what did they do with the increased money – tax collection and VAT money from the poor? The then President's salary was increased. So, this is what is important and they must ask themselves these very important questions.

Mr. Speaker, let me start on this Government and how it dealt with VAT and taxes on the whole. At first, of course, as one knows, there was a promise. The Manifesto stated that, when we got into office, we were going to appoint a Tax Reform Committee, which we did – not like the previous Government. We presented a report. The Minister has the Report there, and I think he held it up, and that Report was implemented. The measures that that Report had spoken about - the Tax Reform Committee and the Caribbean Regional Technical Assistance Centre measures - were reported and implemented. The Report was implemented because Minister Jordan, also in a *Kaieteur News* article, mentioned that tax exemption/concessions, last year, amounted to quarter of the National Budget. This was from *Kaieteur News* of 12th August, 2015. The headline states: "Tax exemptions, concessions last year amounted to quarter of Nat'l Budget". Fifty-five billion dollars was given in tax exemptions and concessions to friends, acquaintances and others. How much could this money have done for the sugar industry, for the bauxite workers, for the gold miners, teachers, nurses and public servants? Just imagine that, Mr. Speaker. And these are not fabricated things; these are factual. We could produce the annual reports from the Guyana Revenue Authority and bring them here today because the previous Administration wilfully did not present annual reports for GRA because it did not want the nation to know what were given in tax exemptions.

As I indicated, I will try to attempt to explain the rationale behind the way that VAT was treated. And I will now report on the zero-rated items that are now exempted or vatable. A comprehensive review was done by the Tax Reform Committee and CARTAC of the zero-rated schedule, which related that there were several items which should not be considered essential supplies based on the frequency of use by the poor. And this is important. The measures that we took here are for the benefit of the poor. The poor were crying; they were saying that they were treated like the rich man. So, the measures with the VAT was to ensure that the rich is being treated one way and the poor being treated the other way – a way that has less penalties to them.

So, basically this was the trend. So, when we made items taxable that were exempted, this was the reason. It was once zero-rated and now it is taxable. And the reason is that the poor man must see that the rich man is paying VAT and he is not paying VAT. He is going to feel, in some way, that this Government is fair in how it is distributing the income and the wealth of this nation. We are not charging them. If one likes to eat fancy food, then one has to pay the VAT. The poor man does not eat those foods so why must it be zero-rated and exempted? And this is the argument apparently the PPP/ *small C* does not understand. So, basically that was it.

In addition, the numerous instances of zero-rated domestic supplies and exempted imports effectively removed the economic sector or a large part thereof from VAT; net altogether and cause the VAT burden to be distributed on an even and unfair manner across sectors. It also generated more refunds and opportunities for misclassification of goods and fraud. Complicated tax administration considerably and demand an allocation of revenue that is contrary to GRA's interest since related administrative activities are not revenue producing: this is what I just explained. It is basically benefiting the businessman and GRA. If there is a list of hundreds of items, that supermarket will have to go through a whole series of activities to ensure that they identify which items are zero-rated and exempted and so on. Now, the supermarkets know what is taxable and what is exempted.

I will proceed. I hope I am making sense here in terms that the five Hon. Members, when they are speaking, would not repeat these errors. Thus, the zero-rated schedule was amended to exclude luxury items that are items not being frequently used by the poor, items that are not considered basic necessities, and certain supplies to budget agencies, *et cetera*. Additionally, staple food items and supplies were removed from the zero-rated list and reclassified to exempt. This is the important part. This will ensure that the low-income earners are not adversely affected in the acquisition of staple foods including some locally manufactured items. This is exactly what I meant in the commencement; if the item is going to be exempted, the poor man would not be paying VAT and this says to the business community that the business community is my friend – the Private Sector Commission, the Chambers of Commerce and what not; these are the business people. They are the engine of growth. But what this is saying is that the business people have to be responsible. So, the onus is given to the businessman if he wants to charge additional costs but remember it would not be shown as VAT. Let me give an example. I went

around this same month of January and I shopped in the supermarket. Guess what. The prices for commodities increased. What was the explanation for the increase in prices? I am buying a five-gallon bottle of water and the people increased the water. What is the explanation? VAT is not effective until the 1st February, 2017. So the business community is taking advantage of this Administration. Do you know what is going to happen? They have already increased the prices and, come February, they are going to increase the prices again and they are going to blame this Administration. [*Interruption*]

[*Mr. Speaker hit the gavel.*]

This is the issue. So what I am saying is that the business people of this country have to be responsible. They are part of the development of this country and they have to take the responsibility seriously. So, I think that the Chamber of Commerce and the Private Sector Commission should monitor the products that they are selling and be honest if indeed this is affecting them, and it is not. But, of course, this is part of economic sabotage and the Government will be blamed for the increase in any cost, and which is not so.

This part is important: all inputs for the production of exempted products will be exempted in order to insure that the prices are not increased, except for VAT on water and electricity which is expected to generate a very small increase. Now, if you are a producer and you are producing an item that is exempted, GRA ensured that the components or ingredients of that item are exempted, where is the additional cost? He or she would want to claim that the increase in the water and electricity is going to cause the product to be increased by 15%? No. It cannot. It will be a fraction of 1%. So, it is important that we consider that this Administration carefully thought out everything that is being done and, if anything should increase... I do not know because there is no price control mechanism but GRA may have to monitor and sanction persons who inflate their returns on investments. These are some of the measures. It was never contemplated but, if the business community is irresponsible, such actions may have to be considered by the Hon. Minister of Finance to protect the consumers, the poor people of this country.

I would also state that this which I just mentioned would also mitigate the problem of refund application from these manufacturers which place an administrative burden on GRA to process VAT refunds. In addition, the zero-rating of electricity and water discourages conservation and

promotes excessive usage and waste and put pressure on the supplies, which are not in keeping with the introduction of the green economy in which conservation is imminent and necessary. The VAT was to make people more responsible. We said that we are introducing a green economy and people must be responsible, and this is understandable, but, at the same time, removes that burden from the poor people by saying that, if it is below the \$1,500 for water per month or \$10,000 for electricity per month, one will not attract VAT. Of course, if it is above that, it therefore means that the consumer could afford it and therefore should pay the entire amount.

Revision of the exemption schedule: Several items, including the essential foods, consumers' education material, agriculture, health, medical services, and sports gear equipment that were previously classified as zero-rated were reclassified as exempted items. In addition, several machinery and equipment for generating electricity from renewable sources are also classified as items exempted from VAT. This is in keeping with protecting the environment.

3.44 p.m.

The extended zero-rated listing resulted in GRA receiving in excess of 1,500 refund applications yearly and paying out \$2.5 billion in refund. I do not know if the Opposition grasps that. The Opposition was in office for 23 years and implemented the VAT in 2005. If the exemption list is increased, that is tantamount to the Guyana Revenue Authority having to go through, on average, 1,500 refunds to verify and that transcends to \$2.5 billion a year that the GRA would have to refund to people. This is what I was explaining earlier. The businessman does not have to wait. As I said, in 2016, we had been refunding what the PPP/C did not refund from 2010, 2011, 2012, 2013 and 2014. For all those years, no refund was given to the businesspeople. The businesspeople are happy because of this Administration. Right away, they have billions in their hands. They are able to invest that money. These are important things to note. Now the GRA does not have to use its resources to pay staff to go through 1,500 refund applications and, in addition, to find \$2.5 billion to pay back the businesspeople.

The reclassification of zero-rated items to exempt will result in no VAT being charged on items such as essential food items, consumable, medical and educational material. Mr. Speaker, no VAT is going to be charged on these things. Raw materials for packaging used in the

manufacturing of exempted items will also be exempted, thereby allowing consumers to benefit. Here again, what will also be exempted is raw material for packaging in manufacturing. These are things for people to benefit from. If a businessman is in the manufacturing sector and he exports more than 50%, everything is without VAT. What we are promoting is industry. Our manufacturer would now be driven to export, not just produce for local consumption. Once the manufacturer exports, the VAT will be removed. [Ms. Teixeira: It was there before in 2008.] Mr. Speaker, you are hearing mumblings over there. You could ask if they ever implemented those things or encouraged the business community. Now the business community will understand that, if they should export, they will save.

In addition, several machinery and equipment for generating electricity for renewable resources are also classified as items exempted from VAT, in keeping with the current drive of protecting the environment. It must be emphasised that the Government has no intention, which you would see from the laws that are in place, of taxing these items. Hence, the exempt status is for all to benefit from the luxury of clean air and a low carbon environment with its enhanced health benefits. This is only one measure, the VAT measure, which we are speaking about, which will help this economy.

The PPP/ *small C* must answer me. There is a saying that change is inevitable. But there is a choice if there is going to be progress or growth. The PPP/C could be partners with us in moving this country forward or say, with these inevitable changes, if they are going to allow this country to proceed or not.

I could say, looking at this motion by the Hon. Member, Ms. Teixeira, that we cannot support it and we will never support it. As I said, we put careful thought and a lot of time in dealing with the VAT and other measures in the Budget. We cannot support this motion.

Thank you. [Applause]

Ms. Veerasammy: Mr. Speaker, I would like to thank the Hon. Member who clarified what an exemption means and what zero-rated means. The fact remains that the Hon. Member seems to be placing a lot of trust in the business sector. We are fully aware of the one fact and that is that the business sector is there only to make money. If there are no systems in place to ensure that

the business sector fulfils what it is supposed to fulfil, then, at the end of the day, the poor people of this country will have to bear the brunt of VAT.

I rise to support the motion tabled in the name of my Colleague, Hon. Member Ms. Gail Teixeira, calling for the annulment of the Restoration of zero-rated items in the Value-Added Tax (Amendments of Schedules) Order No. 18 of 2016. I would like to add my voice in calling for all items that were previously zero-rated to be reinstated as same. If I remember, the first Budget, when the Coalition Government took office in 2015, almost 50 items were added to that list of zero-rated items. What happened? I am still dumfounded or confounded. I do not know how to describe my feelings, because I really cannot understand what is going on and what is being peddled to this nation. I simply understand it differently.

This motion seeks to show that passing a law and forcing people to pay 14% VAT on all items will have an unfavourable effect on them and the economy. Reducing VAT by 2% will have no benefit to the citizens of this country. Two years ago, Guyana was deemed as one of the fastest growing developing third world countries in this hemisphere. Presently, with the exception of the gold mining sector, the entire economy has contracted. This is the result of poor management. The economy is not generating funds to balance the Budget and, yes, the Minister of Finance has to find moneys to balance the Budget, so the only thing left for him to do is to impose unreasonable taxes on poor people.

To keep a campaign promise, the Government sought to increase the wages of the public servants. For me, that was commendable. I watched the beaming faces of friends and colleagues whose salaries were increased to \$50,000 in 2015. A few months later, I saw even broader smiles when public servants were given a 10% increase in salary and the tax ceiling was increased to \$55,000. Low income workers were able to take home \$55,000 a month. The 2017 Budget decreased the income tax from 30% to 28% for low income earners. These measures, if taken in good faith, to give a good life to all would have been commendable. These measures were supposed to improve the standard of living for low income earners of Guyana. People were supposed to have more disposable income to do a few extra things for their families.

Let us examine the scenario and, believe me, Sir, it is a true story. A young woman I know began to live the dream, “a good life beckons”. She purchased a refrigerator and a three-piece suite for

her family on hire purchase and used the extra income she received to pay the monthly instalments for the items. She happily invited me to see the items she bought. When she heard about the imposition of the 14% VAT on all zero-rated items, this happiness turned to frustration. When this young woman took the steps to improve her living conditions, she did not know that she would have to find 14% of her income to pay for food items, school items – and she has four children – telephone, water and electricity. She clearly understands that she is going to be poorer now than she was one month ago. She knows that she would not have enough money to cover her family expenses. I forgot that she still has the rent to pay for the house she is living in.

Workers know that the increase in wages was a ploy to make them feel that they were cared for, but now they are conscious that all the extra disposable income they received in the last 20 or so months will be taken back in VAT in one way or another, whether on the exempted items or not. It is rather unfair to give with one hand overtly and take it back covertly with the other hand like a thief in the night.

The removal of zero-rated tax from over 150 items will push single parents, the elderly, students and low income earners farther back into poverty. What happened to the promise of “a good life for all”? This covert operation to balance the Budget is going to destroy peoples’ lives. Poverty, as I understand it, is peoples’ inability to purchase the things to meet the basic needs for their families. It is these very poor economic decisions that have brought the economy to its knees in less than two years. Our people have the right to dream. I have the right to dream. Our people have the right to enjoy a good life. The Government is not doing anyone a favour. The Government is in the driving seat and must ensure that people are paid decent wages and salaries so that the people could enjoy a decent standard of living or, as you put it, “a good life”.

The value-added tax is like a tidal wave that will be dragging our people into the ocean and, since they are not good swimmers, they would not be able to swim against it; our people would be drowned. I really do not fall for the way in which the taxation is being covered up and put forward to our people. At the end of the day, the real truth is that the people who are not earning enough will have to pay taxes for the basic amenities of life.

There are many countries in the world that give incentives to young families to encourage childbirth for population growth. In Guyana, persons are forced to pay 14% VAT for items for their babies. Are we encouraging population growth? The Government took away the \$10,000 per child “Because We Care” Programme and, instead, 14% VAT has been imposed on school items. This measure will crush the dreams of children, because parents may have to decide which child should receive an education and which child should not. I hope this is not the idea behind the measure.

The Budget has no plans for single parents, except the imposition of 14% VAT on food items. Most single parents are women who work for meagre salaries in the security service, as maids or in the delivery services. Imagine single parent women with three to five children trying to make ends meet. Can we really understand what this tax measure will do to them? Balancing a \$150 billion Budget is good but taxing the people is distasteful.

3.59 p.m.

I do not know what to think about, when I think about the elderly people of this country. This is the most disadvantaged group in our population. What has the Government done? It has removed the subsidy from water and electricity. The elderly has to find money to pay for water and electricity and now they are being told that they have to pay VAT. **[Mr. C. Persaud: Old**

age pension was increased.] Yes, old age pension was increased, but is that increase enough to cushion the imposition of VAT? Is it? The most vulnerable section of our society, whose children are already treating them like discards and has-beens, are now treated worse by these tax measures which have been imposed on them. How are they going to survive, Sir? The elderly cannot be taxed, Sir.

They have already contributed their sweat and blood to this economy and to this country. They deserve to live the last years of their lives in dignity. If this Government really intends to provide this nation with a good life and if this Government is genuine in its promise of a good life for all, it will reinstate all of the items that were zero-rated, so that the poor and the vulnerable will be protected. Do not put them in the hands of the private sector and expect the private sector to pass on the tax. That would never happen. It is so that the poor and vulnerable could actually see a

glimpse of the good life. Therefore, Sir, I join my Colleague in calling on the Government to reinstate the zero-rated items. Thank you, Sir. [Applause]

Mr. Neendkumar: I rise to make a few comments on the motion, Restoration of Zero-Rated Items in the Value-Added Tax (Amendment of Schedules) Order No. 18 of 2016, in the name of the Hon. Gail Teixeira, Opposition Chief Whip.

It cannot be denied that the imposition of these amendments will have an unfavourable effect on the people of Guyana and our economy. What are exempted and what are zero-rated seem to be nothing else but *control freakism*. This is what we call *control freakism*. It is not surprising that we see those *control freakism* persons are not small seeds but they are looking to liquidate themselves.

Rice production has dropped; sugar production has dropped, bauxite production has dropped and there is gross mismanagement at the Guyana Gold Board (GGB). As a result, we see tax and more tax. Production and productivity cannot be stimulated under the Coalition Government. They are falling apart. Only last week we saw the Hon. Prime Minister disagreeing with the Attorney General. When we look at the fights that are going on with the Attorney General and different people, it tells a story.

In making my contribution to the debate on this motion, I will start by addressing the issue of the increase cost persons are required to pay for the issuance of a certificate confirming their Taxpayer Identification Number (TIN). It is of note that in accordance with the proposed amendment of section 60 (A), subsection 6 (a) and (b), applicants reapplying for a TIN certificate would have to pay \$5,000. There is much that is fundamentally and conceptually wrong with these draconian impositions.

Firstly, it must be recognised that through these changes, this conscienceless Coalition Government would be asking the unemployed to pay a tax which would be taxed. While it is of note that this would mostly impact on the youths in our citizenry, the registration of a person is, indeed, a function related to the record-keeping structure in the Guyana Revenue Authority's or Government's automated system. Why is it then that potential taxpayers – our youths; our greatest asset – have to foot the bill for this function? In addition, the cost for a certificate is \$1,000 on first application. It means that the taxpayers' information should be in GRA's records

in cases where a reprint is requested and no real processing of data would be required. Hence, why \$5,000? Does the certificate cost this much? If so, what are the security features in this document and why are regular responsible businesses refusing to accept some photographic identification documents which are issued by the GRA, such as driver's licence, which is cheaper and which ought to have security features? Why?

In most cases, outside of employment, where persons require a first time registration or a reprint, it is related to the setting up of bank transactions or to pay GRA taxes for imported goods. The reprint fee suggests that persons are penalised for inadvertence. Hence, the Minister must justify the cost of each certificate, especially when the information should have already been recorded in an automated system at the GRA or at other Government agencies.

It is observed that the Bill has no provisions for exceptions. So, I wish to ask the Hon. Minister of Finance what happens in cases where persons suffer from the unfortunate situations due to circumstances beyond their direct control such as floods, fire, not to mention the significant increase in thefts and burglaries in which more than TIN certificates are taken away. I wish to state my strongest objections to and request a categorical withdrawal of these fees which are not well thought out, impartially harsh and are undeserved additional burdens on the Guyanese people.

Mr. Jordan: I rise on a Point of Order under Standing Order 40 (a). Mr. Speaker, I think that we are missing the boat, quite frankly. I thought that the motion is dealing with Schedules 1 and 2 of the VAT Act. What we are listening to is information about TIN certificates and other things. Perhaps, you can guide us as to whether we are on the right track or whether we have gone off-track.

Mr. Speaker: I thank the Hon. Member. Hon. Member, Mr. Neendkumar, you have heard the Minister of Finance.

Mr. Neendkumar: Mr. Speaker, I am speaking on all the burdens that the Guyanese people are getting. It is taxes and more taxes and I was giving a specific issue just now.

Mr. Speaker: Hon. Member, it is possible that what you want to do may be done on another occasion, but now we are speaking on a motion. That motion, if I may remind the Hon. Member,

is for the “Restoration of zero-rated items in the Value-Added Tax (Amendment of Schedules) Order No. 18”. That is what the motion before the House is about. So, please be guided and tailor your response accordingly.

Mr. Neendkumar: Thank you very much, Mr. Speaker. I am very firm in support of the Hon. Member, Madam Gail Teixeira, in respect of the restoration of items that were zero-rated. If one listened to what the Hon. Minister Sharma had said just now, when he was making his presentation, I noticed that even his Colleagues who were sitting next to him were laughing.

Is this Coalition Government going to put into the hands of businesses price control? Are they prepared to do that when it said that the business people must be more responsible? I want to ask the Hon. Member what would happen to death announcements. I see that the price has increased already. It is something as simple as that. Everything has increased. It was the Hon. Member, Mr. Sharma, who said that the people have started charging the higher prices. From the time the budget came out, people did not wait for the New Year, the prices went up. Why did the prices go up? It is because this is natural; this is Guyana. The Coalition Government cannot put our people in the hands of the business community.

If we want to talk about poverty, we must say that the National Milling Company (NAMILCO) will now have to pay millions of dollars more in taxes. NAMILCO will have to pay 14% more on electricity; NAMILCO will have to pay 14% more on water rate. This means that the roti and bread that the poor man has to eat, the prices for them would have to increase. Who will control that? Is the Coalition Government going to control it? It is really ridiculous what they are trying to say. They have added the 14% on everything.

How do we feel with respect to sports gears and equipment? The 14% on water means that the pool at Liliendaal would have to be closed down. The 14% increase means that the Cliff Anderson Sports Hall would not be able to be used. It would not be able to get electricity. Already, we have seen that the price of rental has gone up very high, extensively. This means that our sportsmen and women and the sporting fraternity....I want to know what the Hon. Minister with responsibility for Tourism would do when we check, carefully, with this 14% VAT.

It is my honest belief that the people in our country must benefit from the zero-rated tax. The People's Progressive Party/Civic (PPP/C) had given it to them and we feel very strongly that this imposition is going to tax us more and more. The producers would have to pay more to produce their goods. It is natural that, if one has to pay more to produce one's goods, one would have to charge more. I am looking to see whether the Government is going to bring price control on the businessmen because I understand that that is the next way in which the Government would go.

I want to urge that this House supports the motion which was moved by the Hon. Gail Teixeira. We must stop taxing people to pay the 'fats cats' over on the other side money. The fat cats must work for their money. They must not tax people for it. Thank you, Mr. Speaker. [*Applause*]

Mr. Speaker: Hon. Members, the time is now 10 minutes after 4 o'clock. We will take the suspension and we will return at 10 minutes after 5 o'clock.

I would like to remind Members of the meeting of the Committee of Selection, which should take place in the Chamber of the Speaker immediately after we rise.

Sitting suspended at 4.12 p.m.

Sitting resumed at 5.14 p.m.

5.15 p.m.

Ms. Pearson-Fredericks: I rise to support the motion brought to this House by the Hon. Member, Ms. Gail Teixeira:

“Restoration of Zero-Rated Items in the Value-Added Tax (Amendment of Schedules)
Order No.18 of 2016”

Mr. Speaker, I would particularly like to mention that, as I listened to the presentation made by the Hon. Member, Minister Jaipaul Sharma, I am a bit confused. The Hon. Member referred to us, on this side of the House, as the small “c” that was misleading the Guyanese people. Now, in listening in the Minister we, on this side, the small “c”, as referred to, would like to say that the big APNU/AFC Government is misleading the people.

Now, zero-rated items are those items which are exempted from tax. If there is no difference, if no one has to pay VAT on items that are exempted then why exempt them? Why not have a long list of zero-rated items. I have listened to the Minister and he admitted that there would be some payment of VAT but that it would go to the businesses. The Minister also said that he visited the market area and that the prices have already increased. If the businesses have to pay VAT then who will bear the burden? Of course, it will be filtered down to the consumer. So who is really misleading the Guyanese people? I wish that the Hon. Minister could say who is misleading the Guyanese people. VAT will have to be paid on items that are on the exempted list. We can call it a hidden VAT.

However, looking at the long list of items, particularly school supplies, parents are worried. As we speak, the ordinary people out in the streets, villages and communities are wondering what will happen to their school-aged children. The number of items that are listed, important and essentials items such as lunch kits, bags and lunch bags and such like... there is reason to worry. When textbooks, dictionaries and, more so, even religious books are looked at, it tells me that we will also have to pay VAT on the Bible. If that is not bad enough, when we see that services such as funeral service on human remains... if VAT is being paid on the Bible then the funeral homes will also increase their prices. If that is not bad enough, when one goes to the Cathedral of Immaculate Conception, Brickdam, one also would have to pay for parking. Where are we heading? Is this a 'good life' for all Guyanese? Hardship is everywhere. VAT and taxes have increased tremendously. One can hardly afford to live and we cannot even afford to die.

As I continue to look at the list of food items, the ordinary people are very much concerned. Listed are items such as cassava bread, *cassareep*, *farine*, uncooked bird eggs. I am not sure what that is because we use a lot of bird eggs. So that needs to be defined. Chicken, fish and pork, all of these items are listed here, so we need to know what is happening. We need to understand because the local people are under severe pressure and here we are seeing more pressure.

If the list is not good enough, let us look at section 5, which refers to sanitary napkins. The prices for toilet tissue, soap powder, laundry soap, matches and all of these items will increase. The Hon. Minister said that he has already noticed that some prices have increased in the market.

I wish remind the Government's side of the House of its Manifesto: *A Good life for all Guyanese, it is time for change.*

On page 39, it is stated that:

“The Coalition will:

- Commission a comprehensive review of the current taxation systems and policies, including the value-added tax, to identify and recommend fiscal innovations that will not only address the adverse consequences of the current structure of taxation, including hardship effects, but would create incentives that would attract needed investment in critical sectors of our economy.”

I think that the Hon. Members on the Government side of the House forgot about their Manifesto and all of the commitments that they had made to the Guyanese people. I wish to remind you that, maybe, you are so comfortable that you forgot about the promises you made to the people out there. However, the people still remember those promises. And here we see, instead of dealing with hardships, it is bringing more hardships on the people of this country.

I also wish to say that on 18th August, 2015, this is what His Excellency the President said at the Arthur Chung Convention Centre. It speaks about the hinterland Poverty Reduction Programme.

“We are aware that social protection is in crisis. Too many young and very old persons are still classified as very poor with an expenditure level that is below what is required to purchase a daily minimum low-cost diet.”

If on 18th August, 2015, this was said, and now, with the introduction of all of the taxes and all that goes along with it, how will the people continue to be able to afford to buy the minimum low-cost meal? What we are seeing here are daily struggles by the local people to put food on the table for their children. Where have all of the promises gone? If we continue in this way, we are afraid of what will happen to the poor people of this country.

I wish to say that we come to this honourable House, Members on both sides, and at every session, before we begin discussions in this House, a prayer is being read by the Clerk of the National Assembly. Mr. Speaker, allow me to read part of the prayer:

“Almighty God, we, who are here gathered together, do most humbly beseech Thee, to guide us in all our consultations, so that we may together build a land where knowledge is free, where the mind is without fear and the head is held high, and where words come from the depth of truth.”

I guess this is prayer is just read every time and no one, on the Government side of the House, took the time off to understand this prayer. I wish to say that “...we... humbly beseech Thee to guide us in all our consultations...” This is not so. We are making a mockery of this prayer. Is this the desire? I wish to remind that the people voted for us to be here. We have an obligation to the Guyanese population and we are making a mockery of it. “...so that together...” Not one sided, not one way, not a bullish Government, not a Government that does not respect its people and their wishes. Both sides of the House mean “together”. So that together we will build a land where knowledge is free and where the mind is without fear. As we speak, the people are out there fearful for their lives, they fear that they will be unable to provide for their children, they fear losing their jobs, they are fearful of discrimination and of many things. As we speak in this House, today, people are very fearful out there.

“...where the head is held high and where words come from the depth of truth”. Are we truthful? Is the Government truthful? Are you truthful today? If the Government was truthful it would have lived up to the promises it made in its manifesto. I, therefore, call on the Government side of the House to withdraw. Many will not understand what we are saying; they forget where they came from or have no feelings for the poor. We, the Hon. Members on this side of the House, call on the Government to repeal the Value-Added Tax (Amendment of Schedules) Order No.18 of 2016 made under the Value-Added Tax Act.

We further call on the Government to reinstate Schedules 1 and 2 which existed, prior, to Order No. 18 of 2016.

Thank you. *[Applause]*

5.30 p.m.

Dr. Anthony: Mr. Speaker and Hon. Members, I rise to make my contribution to this motion that has been put forward by the Hon. Chief Whip, Ms. Gail Teixeira. Mr. Speaker, Order No. 18

has created a false illusion that Guyanese would be better off if the Order is enacted. The sad reality is that the Order will impose more hardships and would overtax the already highly taxed citizens of Guyana.

When VAT was introduced in Guyana, services and commodities were placed in three main categories, those that attracted VAT, those that would be exempted from VAT and those that will be zero-rated. Those that are exempted and zero-rated were published in Schedules 2 and 1, respectively.

In the APNU/AFC's 2015 Manifesto, under the section "APNU/AFC Action Plan for the first 100 days", they promised:

"Immediately implement a phased reduction of VAT and the removal of VAT from food and other essential items."

In the 2017 Budget, the Minister of Finance announced on page 80 of his budget's speech that he intends to reduce the value-added tax rate from 16%-14%. Ram and McRae, in their report, focused on Guyana's National Budget 2017 and expressed a sense of disappointment. They pointed out that what the Minister was proposing differed, significantly, from what was recommended by the Duke Report and the Tax Reform Committee. They said:

"Duke recommended two rates – 16% and 8% and the Tax Reform Committee recommended 14% and 7%. The Minister, in his wisdom, have ignored these recommendations and decided on a minimal decrease from 16% to 14%. The Guyanese public, having been promised a lower rate during the electoral hustling, were expecting that VAT would be at least, maybe, 7% or 8%, but I guess this is another of those broken promises."

While the Government has grudgingly given the 2% reduction in VAT. They have resorted to new measures to increase the collection of VAT. These measures include moving items that were zero-rated to exempt. The experts have said to us that by doing so the GRA would not have to refund the money to businesses. We were told by the Hon. Minister Sharma, that GRA would have received, on an annual basis, close to 1500 claims which amounted to \$2.5 billion per year.

Well, if the GRA is not going to be refunding the \$2.5 billion. Then I want to say that the \$2.5 billion would be passed on to the consumers and that would be a burden on the consumers. The second measure that they have put in place is removing items that were already zero-rated and they have now added 14% VAT on them and we know some of those items. They include electricity and water which was zero-rated and is now attracting a 14% VAT and then there is a long list of food and school items and so forth.

The net effect of these measures is that the Government would exceed the current amount that it collects on VAT. In the Ram and McRae Report, in their analysis, they noted that the VAT collection was expected to raise by an average of 25% on imports as well as on domestic supplies. Going to the Minister's budget, one would see that, in 2016, the Government collected close to \$36 billion and they have projected to collect \$45 billion from VAT in 2017. This is an additional \$9 billion. So it is clear that implementing these measures of changing items from zero-rated to exempt and from zero-rated to 14% will create more hardships for everyone in this country. That is why we are against the amendment of these schedules.

Under the current law, most of the health supplies and services were zero-rated. There were glucometers, glucose test machines, needles, and glucose blood strips. Hearing aids were zero-rated, medical supplies, including making diagnosis, treatment, prevention of diseases, including mental health were all zero-rated. Optometric services and spectacles prescribed for human eyes and the visual system were zero-rated, medical supply services including those provided by qualified medical practitioners, a registered hospital, maternity home, nursing home, convalescent home and clinical laboratory all of these were zero-rated. Preparation of oral dental hygiene, including denture fixative paste and powders were all zero-rated. Vitamins, minerals, tonics for medical or health supplement use, some of them were zero-rated and, of course, wheelchairs were zero-rated.

When the Minister read his budget in November, we saw a lot of these items being removed. On page 101, under the caption "Health and Medical Services and Supplies". The Minister's 'good life' budget displayed only two items that were exempted and these were glucometers and clutches. All the rest were moved from zero-rated and they attracted a 14% VAT. With a stroke of his pen, the Minister and his Government have imposed 14% taxes on the sick, deaf, visually-impaired and the disabled people of our country. In short, these measures have attacked the most

vulnerable amongst us. In the budget debates that followed, speaker after speaker had exposed the Government's callousness and insensitivities. The citizenry was appalled by the so called 'good life' measures in the budget and they have called on the Government to withdraw these measures. It seems that the Government has grudgingly agreed to remove a few of these measures.

In the latest schedule, we now see that prescription drugs have now gone back and that is zero-rated and some of the Over-the-Counter (OTC) drugs have now gone back and those are zero-rated. But not all the items that were zero-rated have gone back. We would like to see all of those items go back to being zero-rated, not only in medicines and health services. We want to see the same for education, agriculture, sports, and the many food items that were previously zero-rated.

Under the current proposals, the new schedules for health and services, hearing aids that were previously zero-rated are now attracting 14% VAT; wheelchairs which were previously zero-rated are now attracting 14% VAT; dental supplies which were previously zero-rated are now attracting 14% VAT; medical consultation, when someone goes to see a doctor, it was previously zero-rated and is now attracting 14% VAT; surgical operations or whatever surgical procedures that someone needs to get done, which were previously zero-rated are now attracting 14% VAT; hospitalisation, if someone is recuperating on an bed in a private hospital that was previously zero-rated it is now attracting 14% VAT; maternity services, if someone is giving birth in a hospital, it was previously zero-rated and it is now attracting 14% VAT; home-based care services that were previously zero-rated are now attracting 14% VAT, laboratory services, previously zero-rated, are now attracting 14% VAT; imaging services, whether x-rays, Computerised Tomography (CAT) scans, ultra-sound, which were previously zero-rated, all of those are now attracting 14% VAT.

We are all aware that many persons try to access these services in the public sector. Unfortunately, there are many times when someone goes to the public sector and these services are not available. So what will happen? People would have to go to the private sector to access these services. Many times, when someone needs a laboratory test done at the public hospitals, they are out of reagents, so important diagnostic tests cannot be done that are required for the management of these patients. And what the doctors would do is to send the patients to the private sector so that they could have these services done. I would like to give a few examples,

when someone has to do a glycosylated haemoglobin test, which is for persons who have diabetes, very often this test cannot be done in the public sector, so they have to be sent to a private laboratory and that cost is about \$5000 and then the 14% VAT has to be added.

Persons who have enlarged prostates and have to go to do a Prostate-Specific Antigen (PSA), when they go to the private sector because they cannot get it done in the public sector, they would have to pay \$6000 for the test, plus the 14% VAT. Breast cancer testing, some of the latest testing for breast cancer, BRCA1 and BRCA2, if someone is going to do a comprehensive test in the private sector, they have to take the sample and send it abroad and that would cost around \$700,000 and, of course, 14% VAT on that and these are just a couple examples. There are many more. Tests in the private sector would range from a \$1000 to as much as \$800,000 for some of these tests. Where are the poor people of this country going to get that kind of money to do these tests and it is not being provided by the public sector. If one would read the *Constitution*, one would see that health care is a right for every single Guyanese. Yet, we cannot get it in the public sector, but now we have to go to the private sector and add another burden of 14%.

Patients with suspicious tumours that had biopsies, if those biopsies are sent to the public lab it will take months to get the results. I know of one patient who had his biopsy done and it was sent to the...

Mr. Speaker: Hon. Member, the Speaker, is very generous in his insistence on relevance and in staying close to the motion which is before the House. I am merely reminding you of that and that is all.

5.45 p.m.

Dr. Anthony: Thank you Mr. Speaker. Laboratory service, as I had previously said, persons now have to pay 14% VAT on those services.

Biopsies, which one cannot access in the public health system and have to wait months to get their results, and I know a specific case where a patient, while waiting for the results so that the doctors could treat him, died. Now, if that patient had money, he/she could have gone to the private sector, pay \$200,000 for a biopsy. Patients now have to pay 14% VAT on that.

CAT scans...

Mr. Speaker: Hon. Member, you have to get close to the motion or I will rule you out of order and proceed to the next speaker. We have to get close to the motion. We are getting a repetition of arguments that were presented here. I am simply asking for better use of our time. So, please Hon. Member, get close to the motion.

Dr. Anthony: Mr. Speaker, we are talking about VAT and Sir, if you believe that I am not close to the motion, in talking about these zero-rated items and about how much burden it is imposing on patients that have to access the health system, well then, Sir, I do not know what else would be closer to the motion.

Right now, CAT scans are not available at the Georgetown Public Hospital Corporation (GPHC). If one wants to do a CAT scan, and a lot of times the doctors recommend them, one has to go to the private hospital and it would cost about \$60,000 to \$80,000, plus 14% VAT now. Mr. Speaker, there is a long list of procedures. People are wondering now whether they would have to pay VAT on dialysis and, perhaps, the Minister when he speaks he would address those concerns. But Mr. Speaker...

Mr. Speaker: Hon. Minister?

Minister of Public Health [Ms. Lawrence]: Thank you, Mr. Speaker. I rise on Standing Order 40(a) to correct misinformation which was just given to this House by the Hon. Member on the floor. When machines or...

Mr. Speaker: Hon. Member, we have to not make a speech.

Ms. Lawrence: I am not making a speech, Sir.

Mr. Speaker: Let us state what it is, but please proceed.

Ms. Lawrence: Sir, I was just going to indicate that, while the Member spoke of persons going to the Georgetown Public Hospital Corporation are being asked to seek medical services outside, what he failed to say to the House and to the nation, is that those expenses are subsidised by the Government.

Mr. Speaker: I thank the Hon. Member. Hon. Member, please continue.

Dr. Anthony: Thank you, Mr. Speaker and I thank the Hon. Minister for the point that she has made. However, there are many instances when a lot of tests are ordered and persons go to the private sector and they are not paid for by the public sector. Right now, they have placed a limit on how many sessions a person who needs dialysis could get. It is not paid for fully, there is a limit and I think that limit is about 30 sessions, but maybe the Minister could correct that.

CAT scan - yes, the Government has given a small subsidy, however, one still has to pay for CAT scans in the private sector because it is not available in the public sector. *[Interruption]* The Minister was making a clarification, but the Government is not paying the full cost for the procedure.

Mr. Speaker: Hon. Member, address your remarks to the Chair and I will again ask the Hon. Member, to get closer to the motion. Illustrations are fine, but then we could overdo it. So, please assist by getting closer to the motion.

Dr. Anthony: The measures that were outlined in this Order and in the last budget, which we could call the 'Good life budget', these measures have done a lot of bad things for the people of this country. I do hope that the Government will ease the pressure on the Guyanese people by reverting all of the previously zero-rated and exempted items back to their original statuses. I implore all my Colleagues to be a little bit more compassionate to the deaf, the visually impaired, the disabled, the sick and to the vulnerable amongst us. Let us work together to stop this sick tax, Withdraw Order No. 18.

Thank you very much, Mr. Speaker. *[Applause]*

[Interruption]

Mr. Speaker hit the gavel.

Mr. Jordan: Mr. Speaker, I was caught off-guard because I thought there was another speaker before me, but thank you for the invitation to speak.

I believe that, just when we thought it was safe to go back into the water, up comes a massive crocodile to put us back on land. The crocodile in this case is this motion that has been brought

before this House at a time when the House is overflowing with business. It is not that I want to say that the motion is relevant or irrelevant, but what I want to say is that the contents of this motion have had ample and exhaustive discussions in this House. This is both in terms of the budget debate, where speaker after speaker on the Opposition spoke on it and our speakers were rebutting; and when the budget measures were in place, where speaker after speaker on the Opposition vented their spleen and where one person on the Government's side did a rebuttal. [Ms. Teixeira: That was your choice.] That was our choice and a well-made choice, indeed.

The motion in the name of the Hon. Member, Ms. Teixeira, senior Member of the Opposition, is seeking, asking and pleading, so to speak, for us to revert to old Schedules 1 and 2 of the VAT Act. As was indicated in this House, by virtue of the evidence that was presented, when the VAT Act was implemented fully in 2007, the VAT, as a per cent of total revenues collected by the Government, was 27.6%. This is net VAT after refunds were given back. That was in 2007. By 2008, it had shot up to 30.4% of revenues. But guess what Mr. Speaker? That was the last time, in 2008, almost nine years or a decade ago when the VAT, a very important tax in this country ever touched 30%. So, by the time the PPP small 'c' exited Government in May 2015, the VAT, which had reached 30.4% of current revenue in 2008, had regressed to 24.8% by 2015, never again to touch 30%. So, it is a very important tax.

While the economy, that the PPP loves to remind us, was growing, the VAT collections were declining and there are a number of reasons for that. They were all explained in this House before. One of which is that the policy measures that were being put in place were weakening the VAT base. I said as much in this House too, that we, on this side, also, were guilty of doing the same thing in 2015, as a result of attempting to keep a promise made in the manifesto. We made nearly 50 food items exempted, continuing to weaken the VAT. So, by 2016, the VAT base had further declined to 24% of the total revenue collection. How can we continue with a VAT that is supposed to be a major tax in this country, while its relevance keeps declining?

What is the implication? One implication simply is that development itself will be slowing because development cannot be financed out of our tax effort, thus further recourse has to be made to borrowing, which implies a burden in terms of interest on repayment on the very taxpayers.

We made a promise in the manifesto going into the 2015 Elections, that we would reduce the VAT rate and that, yes, we would reduce food items, removing them from vat-able or zero-rated to exempt. And we did that, but at the same time, we did not do the reduction of the rate and we said as much. We said that when we came into Office, we could not tamper with such an important tax until we understood where this tax was at. Even before we could even understand where this tax was at, we were confronted with a set of payments known and unknown; the collapse of the sugar industry in which we had to find \$12 billion, immediately; and the collapse of the rice market in Venezuela, of which we had to pay the rice farmers for rice that had already been shipped to Venezuela. The emergence of new threats by Venezuela of which we had to find money to do diplomatic manoeuvres and so on. So, we could not do the reduction in the VAT rate, immediately, but we always said that to do the VAT rate will require an expansion, a broadening of the base on which the VAT was taxed.

Mr. Speaker, do you know what is important to note? It is that this position was understood by the Opposition. They commissioned a study by Duke University. We inherited that study when we came into power in May 2015. **[Ms. Teixeira: We did not implement it though.]** Or you could not have had the chance to implement it. *[Interruption]*

[Mr. Speaker hit gavel]

So, we announced the formation of the Tax Reform Committee and part of its remit was to use the Duke Study as a jump off point, rather than to reinvent the wheel. I am going to promise the Hon. Member, Ms. Teixeira, that if she gives me her e-mail address I will e-mail a copy of the Tax Reform Report in soft copy to her.

6.00 p.m.

It is no secret. I could indicate to her very early that some of the things that certain people were telling her and the very people who were telling her who have copy of the report and they are not giving it to her. When you read the report, you will form your own opinions as to whether what you were being told is correct or not. I can tell you that the only thing that you were told that was correct was that two rates were recommended indeed in this report. When it comes to the VAT and phasing, you could read the entire report from cover to cover and you will find no such

thing, because in this report - as you rightly said, reports are made to guide and you do not have to follow them slavishly - we did not follow them slavishly.

When we got this report, we were a bit weary of many of the recommendations. As I repeated in this House before, many of the recommendations in this report were not heeded because we knew that they would have caused trouble. Even the recommendations for VAT, we were wary about. What did we do? We asked the Caribbean Regional Technical Assistance Centre (CARTAC), the unit of the International Monetary Fund (IMF), to come and do a study of the VAT. So concerned we were to do the right thing. The CARTAC report, which by now should be on the IMF website, because 60 days had already passed,... It is not that we did not want to give you the report, but there is a requirement that 60 days have to pass and the IMF has to put it on their website and then we could put it on our website afterwards. Do not blame us all the time. CARTAC came and did a study, and in many ways the study confirmed what the Tax Reform Committee report states, at page 6 of the report. This is what this study found in Guyana, in terms of the VAT:

“Adverse revenue impacts are attributed to several consequences of domestic zero rating including curtailing the revenue yield of the tax directly...”

[**Mr. Nandlall:** Could you get to the motion?] Yes. I am on the motion, and that is why I have not been rebuked as yet.

“...effectively removing economic sectors or large parts thereof from the VAT net all together. For example, agriculture and food distributing the VAT burden unevenly and unfairly across sectors generating more refunds and opportunities for misclassification of goods and fraud and complicating tax administration considerably and demanding an allocation of administrative resources that is contrary to GRA’s interest.”

These are things that we believed in. It made a number of recommendations many of which we agonised over, but then we believed these recommendations, if implemented, would achieve the overall objective of what the VAT was intended to do.

Among the recommendations, contrary to the report of Tax Reform Committee, which recommended two rates, this report states that we must tax at the standard rate. The standard rate,

at the time, was 16%. It recommends that we could go to 15%, 14%, or 13%, depending on how broad we made the base. It states that tax at 15%, 14%, or 13%, all semi processed or processed food and beverages, non-prescription drugs and health supplements, items per household use, computers and peripheral appliances and other final consumer goods.

It states:

“Exempt a short list, ten to 15 items maximum...”

This is what this report is asking us to do.

“...of currently zero-rated unprocessed staple foods not part of the exempt list.”

When you look at our list in Schedule I and Schedule II, when you look at the range of items on the exempt list for example... Exempt means, what it states, not paying any VAT. I do not have to repeat that, in terms of some of the ‘poor people’ foods that they are trying to tell people out there that they are going to be paying VAT...

Mr. Speaker: Hon. Member, you are making a justification for the position you are taken. Do not let us go back to the budget. Do not let us go back to the arguments which were made before. You have made the point, please proceed from there.

Mr. Jordan: That is why I am using examples from the ‘poor people’ foods from the exempt list. On this list, the following food items are exempt for the purposes of section 18. It is Schedule I and Schedule II, so this is on the motion itself. These are items that are exempt - bread made with wheat flour or whole wheat flour, whether plait bread, sliced or tennis rolls, raw brown rice, raw white rice, parboiled rice, raw brown sugar, cooking oil, whether vegetable, corn or coconut oil, cow milk, milk powder, evaporated milk, liquid cow’s milk, including Ultra High Temperature milk, and others, baby formula, baby cereal, including Nestum, Gerber and Cerelac, fresh fruits, fresh vegetables, dried split peas, wheaten flour, barely flour, plantain flour, roti mix...

Mr. Speaker: Hon. Minister, could we get to the point now please?

Mr. Jordan: It is the Schedule.

Mr. Speaker: I believe it would be fair to say that you have given many examples and without seeking to, a favourite word, “muzzle” you, I would suggest that we try to see how we can move on to the item before us. Please proceed.

Mr. Jordan: Sir, with all due respect to you, I know I only have half of an hour and I intend to use my half of an hour essentially to let the public know that contrary to what was being said, it is not so. All the items, which are deliberately called ‘poor people’ foods, are indeed on the exempt list. If we do not say it, Sir, even though it is in the papers they would not know it.

Mr. Speaker: Hon. Member, please proceed.

Mr. Jordan: Thank you Sir. Roti mix, self-rising flour, cassava bread, *cassareep*, cheddar cheese, *farine*, margarine, are all there as exempted.

How do we compare? The list is so long. You are right. You cannot even begin to list them. How do we compare with our neighbours? In Trinidad, for example, it implemented a similar arrangement such as us, except it did it one year ago, 1st February, 2016. Colm Imbert is the Minister of Finance of Trinidad. According to the *Newsday*, Tuesday, January 12, 2016, it states:

“Among the items which Imbert mentioned...”

Colm Imbert is the Minister of Finance of Trinidad.

“...as being removed from the VAT zero list and which are now VAT-able were rice, except parboiled and brown rice, flour, except all purpose and wheat flour, milk, including processed and tinned milk, UHT milk, condensed milk, flavoured and unflavoured milk and milk substitutes ... cheese, coffee, orange, table salt, salted butter, ketchup...”

All of these items are on our exempt list, whereas in Trinidad you are paying VAT on these very same items. When you hear the Opposition trying to make out that this Government does not have a conscience; that someone cannot buy a school bag; and that someone with four children has to decide which three will have to stay home, and on, ... We know that these are only not true, but they are not even playing to a gallery anymore. These are arguments that go beyond mischievous.

This is what I want to say about the VAT. This is also what Mr. Imbert had to say about the VAT. I believe it is true. This is from the *Guardian* of the 1st February 2016:

“One should note that VAT is an instrument of fiscal policy. It is not, as some people mistakenly believe, an instrument of social policy, and it is simply intended to raise revenue.”

This is the reason why we cannot look at the VAT in isolation and that is why all the other measures intended to help poor people and pensioners were given at the same time in Budget 2017. Unless I am accused of straying, I will quickly state that there was an increase in the threshold, or one third in their salary. There was a reduction in the marginal rate; there was increase for pensioners; there was reduction in the marginal rate for corporations, and there was an increase in the threshold for which we were looking at VAT, and so forth, because we recognise that when it comes to social policy, it is difficult to do it through something such as a VAT.

What is important about an indirect tax is that it only affects you if you consume the good or service as opposed to a direct tax that is taken out from your pay pocket, even before you could get the money. You make your choice as to what you want to consume right away.

On the matter that Hon. Member Ms. Teixeira raised, an advisory will be going out as it relates to VAT being paid on cards for parking. That is an error on the part of the Smart City Solutions (SCS) or the people who are running it. It is incorrect. The VAT is only supposed to go on the parking itself, treated the same way as how you would treat the telephone cards. You would buy the telephone cards and the VAT is on the telephone service itself.

A VAT, as an indirect tax, only affects you if you consume the good or service, to the extent that we have many categories of ‘poor’ foods. Let us not be naïve. I said this umpteenth time, in this House, at many press conferences, and so forth. We are fooling ourselves when we come here with good intentions. I have no doubt that the Opposition has good intention when the Members talk about this, to take the VAT off the ‘poor’ foods and the poor services, and so on. They never get the benefit. I have my test already in August 2015 when we removed the VAT on those 50 foods. I know of the particular instance of bread. There was a lot of support, even in this House

when we took off the VAT. Ask those very people who made the suggestions here if they took a good note of what happened to bread.

6.15 p.m.

It is difficult - in a climate where competition is not fierce in the sense that there are many suppliers of the goods, many producers of the good, and so on - to get people to pass on what the Government might have been giving as a benefit. That is why I raised, in our last debate, that the Guyana Oil Company (GUYOIL) of this world should be treasured because when they get a benefit and they pass it on to the consumer they force their competitors to also pass on the thing. In the absence of that kind of arrangement, it is difficult to see. My predecessor, Dr. Ashni Singh, in this very honourable House, made this same argument, because I went through the *Hansard*. He made the same argument that this business of trying to say that you champion the poor by removing all of these taxes does not get to them. You have to find another way of helping the poor and that is what we did with the many measures that we put alongside this VAT reduction rate and the broadening of the base.

We have to see it for what it is. So going back to what existed before cannot happen, will not happen because it did not work. Even the Opposition knew that it did not work and that is why it had commissioned the study by the Duke Center for International Development. The Members knew that it was not working. The fact that I just read out to you, speaks for itself. The VAT is becoming an irrelevance. What we had, the VAT was becoming an irrelevance, so we have to find ways of making this VAT relevant. If we get \$9 billion more, then look what the budget is doing for poor spending as opposed to removing the VAT. But it does not get to the poor because the businessmen appropriate it privately. It is a different story.

Sir, I do not want to waste my time anymore on this. I have talked extensively on this matter during the budget debates, extensively on this matter during debate on the measures, and it is the same point I am raising. The intentions are good. It is the wrong instruments we are attempting to use, and so going back to go forward is a no-no.

This motion, I feel, Sir, must be defeated. [*Applause*]

Ms. Teixeira (replying): I am very glad to have had Mr. Jordan to come before me because, in all the debates, we have been trying to solicit from the Government what was his rationale for taking items that were zero-rated and make them exempt. If there is nothing that this motion succeeds in doing, it is to have allowed the Minister Jordan to have the floor to explain to us and the Guyanese people why the Government chose this path. If we succeed in anything, Sir..., I do not mind being called “crocodile” or “we are wasting the time of this honourable House”. This is Opposition’s day, it is a Private Members’ day and this is a matter of great importance to the Guyanese people who want to know what is going on. They want answers, including your own supporters who voted for you. They want to know why you have done this. Why have you taken items that are zero-rated and put them on exempt?

I have listened to Mr. Jordan and appreciated his explanations. I do not agree with them, nor do I believe them, but I am very glad that you used your opportunity to represent them here because I understand the complexity of trying to maintain your manifesto’s promises and the difficulties you have encountered. Then, you are right, the social policy is difficult, but we are not in Guyana dealing with a problem as in other countries, including some of our Caribbean countries, which took on VAT and a lot of the items were VAT-able.

What Guyana did shortly after VAT is that we went and incrementally kept zero-rating items. I repeat because even you sometimes, Mr. Jordan, seem to have forgotten that some of these items were zero-rated and that the zero rating... You know that there are basically three types of VAT - the standard, the zero-rated and exempt. You, Sir, are more knowledgeable than many people in this room that the issue under the new system in which more zero-rated items have become exempt, input VAT cannot be reclaimed and this would result in the increase of prices of many basic commodities. That is the point we are making.

When the items are standard supplies, that is VAT-able and or zero-rated supplies, the producer, the manufacturer and maker are able to get a refund on VAT. Once it is zero-rated and it goes through all the paper work with the Commissioner-General and the consumers pay no VAT. In this case, what you have done is that you have moved items that were zero-rated to exempt, therefore, producer, manufacturer and importer now pay VAT, but cannot claim a refund and where the consumers now do not pay VAT, but they would pay the indirect cost because the man

or woman has to get back his or her money somehow and so that is the point we are making and it seems to have not resonated with you that the Government needs to reconsider seriously.

I understand what the Minister is saying about the CARTAC and all these tax reform committees and the study by Duke Center for International Development. We had many of these and there were many studies of them. One of the issues is the litmus test and how is the impact on the general population. What is your litmus test as a Government? Do these things you do improve the economy, or sensitise the economy, or kick start the economy? Does it make the quality of life of people better? Does it make things easier? Is the “good life” more attainable as you promote with the introduction of moving zero-rated items to exempt? If in your minds you have passed this litmus test, you have answered to these issues, then clearly the public will decide whether it agrees with you.

The issue is that the zero-rated items, which been moved to exempt, are putting more burden on people and have unfavourable impacts on people, particularly, the very poor and venerable, the people in the interior, people in the riverain areas, rural people as well as business and the economy.

The Hon. Minister said and I have his speech here, from the 9th of December, 2016, the last closing speech of the budget debate, and he is right, but he let, again, you see little words get left out. We are still dealing with the meaning of the word “or”. We are now dealing, in this meeting, with the word “by” or “for”. Now, in this case we are dealing with the Minister’s speech, where he does report on CARTAC, as he said just now, but what is it that he said in his speech? This is what the Hon. Minister said, and he paraphrased it today. I appreciated him paraphrasing it, but the paraphrasing sometimes does not do justice to what I believe he was doing in his budget speech;

“Consider reduction in the standard rate of 15%, 14% or 13% phase in if more than 1% only if the base is broadened simultaneously to reduce revenue risk.”

The operative word is “only”. That is if you are going to go in this way to reduce it and do all these things you have to deal with your tax base, not your VAT base, to be broadened. In addition, to that the other part about zero rating, one of the same things of the same CARTAC which somehow did not come out is that:

“...protect the elimination of the zero-rated treatment of the foodstuffs against pressure to revert to that treatment by developing a refundable compensation to low income households.”

I did not hear anything such as that coming out of the Government at all. I understand your predicament, Minister, but the issues are that VAT was able to incorporate a number of taxes, to reduce the bureaucracy. It was also able to make clear what the essential items were that people needed.

Now, the Hon. Member, just said something and I do not think he appreciated what he said when he said indirect tax, “only if you choose to consume”. Let us take that. I choose to consume rice. I think I need to have rice to eat, it is a staple, therefore, I would now pay the consequences of it. Now moving from zero to exempt the choice is that you are saying to people, on your essential items,... If the Minister was to say to me, Member of Parliament Gail Teixeira, if you choose to live with a Cadillac, and you want a Cadillac, you must pay the consequences. Of course, you must pay the taxes for that. If you are telling the ordinary people and all of us in this honourable House that we must choose to consume, are you saying to the Guyanese people do not eat rice or flour? Do not make roti and cook-up rice? What is it? [*Interruption*] On this motion, we are dealing with essential food items that were moved from zero to exempt.

Hon. Minister, it is very clear. I honestly say to you, Sir, I believe you need to explain to your colleagues the difference between exempt and zero and what the law states and what the VAT Act states unless you are amending the VAT Act. You are quite in order, Sir, and the Cabinet to amend the VAT Act that states even when we move things from zero to exempt there would be no VAT applicable. You could do whatever you want; you are the Government. Until that happens, we are dealing with the Act, the amendments and the Orders as is, today, 30th January, 2017.

It is regrettable that the Hon. Minister makes a very insensitive statement that you would face indirect tax only if you choose to consume. It is if the Minister would just say jewellery and expensive items, and whatever. If he is saying that a person who has cancer, that person chooses to consume, he will be telling that person’s family they choose to consume. What kind of thing is this? When someone is ill the family tries to do everything, including pawning their jewellery,

borrowing money, whatever it is to be able to take care of that person. When you have removed essential services, medical laboratory, educational services and make them exempt, you are saying to the people that run these services, you will pay the VAT, but you are not getting any refund by the way. Do you really believe that the people producing these services are not going to say to the consumers that you are going to pay a \$1,000 or \$2,000 more because, in the meantime, they have to pay VAT as well as on water and electricity?

The Government, regrettably, does not wish to consider other opinions.

I just want to quote to repeat something that I have said earlier in my budget debate speech and that is what a person, who the Government had used to do forensic audit, Mr. Anil Goolsarran, stated in relation to Budget 2017. This was his caution, and he said:

“We must avoid using the majority status in the Assembly to vote down well-intentioned, meaningful and justifiable suggestions for improvement. We must rise above partisan political interests and put the interest of the country and its citizens first.”

That is what a person is saying, “Look, do not close your mind to suggestions.” I brought up the issue of the parking meter, lo and behold, it is right. I am right. The Minister said that they would do something about it. I look forward for that, and so do all the people who had paid VAT on the parking meters for the last few days and I hope that they get a refund. I saw something on Facebook where it is saying that the city council noticed that the public is not using the parking meters and is parking elsewhere. It was a joke. It was saying that the city council may be introducing a walking tax for pedestrians, so that might be a next tax coming.

6.30 p.m.

Mr. Speaker, it is very clear that this decision... Just before I close, I want to say this: if the Government and Hon. Minister Jordan, as the spokesperson on this issue, had said, during the Budget debate, that we wanted to come with some new things, we want to zero-rate some new things and we want to do some new things. You likely would have gotten our support on a number of things, as we did with the 14% VAT and a number of other areas.

However, when you look at Order No. 18, there is nothing new there, except for four things. I want to highlight them to show what the priorities are. Other than taking 90% of all the zero-rated items and make them exempted, there are only four new areas or four amended areas.

Section 4 of the Order brings in a new thing about importation of packaging-materials to be used in the production of goods which will be subsequently exported by taxable persons, *et cetera*, at 50%.

In Section 4, you have new zero-rated items. You have, in the exempted, new things. And what are the new things? They are motor vehicles for the President and by the President and for and by the Prime Minister. The other new one is exemptions on renewable sources, excluding households. The third area that is new is that imported items for use by or for free distribution by charity or NGOs will be exempted.

In all of this discussion about social policy and making things fair for people and these wicked people out there who get these dispensations and still make the poor people pay, there is nothing in this Order that actually reflects that whatsoever. In fact, it reflects what is very narrow interests that are brought in as brand new - 10 and three exempt - and the rest are all what people benefitted from, over 208, and helped to cushion when Guyana was facing the global economic and financial crisis. It helped tremendously.

Social policy is made with every difficulty. I appreciate that and I agree with you but it has to do with how the Government governs and what is governance. If you have the power, are you governing on behalf of all the people or are you governing for something else or for self-interest? That is a question that the electorate will decide for you.

In closing, I just want to say that the Guyanese people are feeling tremendous pressure and are very worried. In addition to this Order, we have had the Demerara Harbour Bridge Toll increase, we had the Parking Meters, and we had the rental increase for Farmers in the Mahaica Mahaicony Abary Agricultural Development Authority (MMA/ADA). We had 12 new Tax Bills, Regulations and Orders, including the one today. We have fuel prices going up and the parking metres issue that is now being corrected.

In conclusion, from this side of the House, we have no doubt that these measures are irresponsible, reckless, senseless and anti-poor, anti-development and will hurt most of the poor and vulnerable in our country. It will also impact on all the people of this country and, most of all, the economy.

These measures will do nothing to develop or incentivise the economy, will do nothing to improve the earning and spending power of the people, will do nothing to elevate peoples quality of life and certainly, in terms of your own objective, your own promise to the people about “a good life”, this will not get the people a good life but a reversed life, a poor life. It will reverse whatever good there was in existence to cushion the impact on the ordinary and vulnerable people and to help women, in particular, as entrepreneurs and small business people.

They have not left out even the river transport. Imagine now it is exempt for river and air transport. I do not know if they expect that the people crossing the rivers with ferries and boats have to get VAT. This is ridiculous. They say *do not throw out the baby with bath water*. I do not know if your mother ever told you this. They say “what is working, leave it”, “do not trouble what is working.”

The zero-rate on items was working to cushion the impact for our people and to help spur our new industries and development. You have done the reverse. You are hurting all of that.

Mr. Speaker, we call on the Government, in our motion, to repeal Order No. 18 and to reinstate all the items that were zero-rated previously to Order No. 18. Thank you. [*Applause*]

Question put, and negatived.

Motion negatived.

GUYANA POWER AND LIGHT, INC.

WHEREAS electricity is considered the “staff of modern life” allowing for faster and enhanced communications, learning, production and productivity;

AND WHEREAS the Guyana Power and Light Incorporation (GPL) is a state owned company that offers an essential service to the country and its future developmental strategy, and, has

benefitted from significant investments through loan agreements, grants from international developmental partners and injection of public funds for its expansion and development;

AND WHEREAS GPL is in recent times being plagued by frequent widespread and unscheduled power outages affecting production and productivity in all sectors;

AND WHEREAS neither the GPL nor the Government has offered any acceptable explanation, nor measures for the amelioration of, these frequent widespread and unscheduled power outages;

AND WHEREAS the imposition of VAT on an already unreliable supply of electricity will only aggravate the frustrations people are experiencing and further disincentivize the productive and business sectors;

AND WHEREAS neither the Board of Directors of the GPL nor the Government appear to have any medium nor long term strategy for the energy sector and the provision of reliable, affordable and sustainable power;

AND WHEREAS neither the GPL nor the Government thus far has informed the public after 19 months of what is its long term strategy for this sector;

“BE IT RESOLVED:

That this National Assembly calls on the Government to inform the public and this House as to the causes of and measures it will be taking to ameliorate the frequent widespread and unscheduled power outages that the country is experiencing;

BE IT FURTHER RESOLVED:

That this National Assembly calls on the GPL and the Government to abide by the procurement laws of this country and ensure that contracts are fairly and transparently awarded so that the programmes in place for this sector can proceed with no further delays;

BE IT FURTHER RESOLVED:

That the Government unveils its long-term strategy for this sector through a national consultative process without further delay.” [*Bishop Juan Edghill*]

Bishop Edghill: Mr. Speaker, I would have been extremely happy this afternoon if, as a Member of this House, I was rising to commend our leaders for developing the culture of consensus which would have seen, in another few months, the realisation of a very significant project which would have reduced the cost of electricity in Guyana by, at least, 50%.

However, I stand this afternoon, moving this motion that is in my name, seeking to get clarity on where we are going as a nation as it relates to this issue of electricity and energy-generation in Guyana.

The first WHEREAS Clause in my motion outlines the importance of electricity. It is considered the staff of modern life. It is electricity that is needed for faster and enhanced communications. Electricity is needed to advance learning, needed for production and productivity, needed to ensure that we improve the quality of our goods and services and, certainly, pleasure and entertainment, which is an important part of human existence. In a time when we are plagued with rising crime, electricity is needed to enhance citizens’ security. We heard, in this House, the Hon. Vice-President and Minister of Public Security talking about the implementation of the Inter-American Development Bank (IDB) sponsored Smart City Solutions programme with cameras. The programme cannot work if there is not electricity. If we are to have competitive investments, where we are now having Caribbean Community (CARICOM) Free Trade and in order for us to abide by our Treaty’s commitments, we have to make our manufacturing industries in Guyana competitive so that they could compete with not only prices when they export, but compete also with prices even in our own local market because the goods are able to come in from other places and are being sold cheaper than goods that are manufactured even here in our own dear country.

Electricity is needed for competitive investment. I am sure that the Hon. Minister of Business would, by now, in his new portfolio, recognise that, where our seasonal props are considered, particularly fruits and vegetables, in the absence of refrigeration and agro-processing, there are large quantities of waste, and that is simply because of the price and cost of electricity.

In the second WHEREAS Clause, I identified that the Guyana Power and Light, Inc. (GPL), which is a wholly state-owned company, is very important in this whole walk or challenge that we face in providing our country with reliable electricity.

Our future development is heavily hinged to us getting what is taking place at GPL to significant investments over the period, recent past, would have invested in ensuring that we improved generation, transmission and we are still working on reducing both technical and commercial losses.

I can think about two such significant injections of funds. Almost US\$39 million from the China/Exim Bank, dealing with the Power Utility Upgrade Programme (PUUP), where we saw the establishment of seven sub-stations and the Demerara Inter-Connected System and the Berbice Inter-Connected System with the optical communication capacity to control what is happening across the country from a centralised location, all in a march to ensure that this dream of reliable electricity is realised.

6.45 p.m.

I am happy to know that we have increased capacity from 1992 – from about 30 megawatts serving about 77,000 households - to about 140 megawatts serving about 188,000 households to date. So, while there have been investments and there have been expansions, all of this is happening at significant costs. And, many times, the unscheduled and intermittent blackouts would have had significant impact even on the commercial sector. And one of the things that must be noted is that the capital investment cost in every commercial enterprise in this country has had a significant portion attached to redundant power or standby power. So whether it is the major beverage producers, the poultry farmer, the businesses that offer entertainment, whether for children or adults, they have had to put in place significant capital investments to keep their business going because of the lack of reliable electricity.

When there are blackouts, not only are we not having lights and the conveniences that people are accustomed to enjoying, but there is also significant impact on even the water supply. More than that, often times, people end up with damaged equipment. On this point, I think more needs to be done and more advocacies need to be done because, with these high voltage fluctuations and these sudden power surges when electricity is restored and people lose their refrigerator or their

fans are burnt or other household items are damaged, they must know that they could have their matters and concerns addressed. And that there is a Public Utilities Commission in place to adjudicate and to deal with such matters. It is the law and people should be seeking to make use of that because people should no longer sit quietly and suffer these uncalled for and unexpected damages to their household appliances.

What is more alarming is that neither GPL, whether it is its management or its board, nor the Government, through its various spokespersons, has really offered any acceptable explanation. They have not really outlined measures that are clear and can be understood by the Guyanese population of how they would bring an end to these frequent and unscheduled power outages. We are left to conclude that, perhaps, they do not know what they are doing.

Today is an opportunity for the Government to prove to the nation that it knows what it is doing, and I hope that it does that. Today provides an opportunity, as we debate these ideas, as it relates to improving electricity and power generation in Guyana and that the Government has in place a strategic plan that will see us realising the dreams of reliable, renewable and affordable electricity.

This motion seems to address the frustrations of the Guyanese people because their suffering is unbearable. We do not want to get back to the days of three-week blackouts. We have seen the people of the Essequibo Coast gone days without electricity. We have seen the residents of Bartica gone days without electricity. We have seen the people in Region 5 having power for two hours and then it is taken away for six and seven hours, sometimes going almost on a 24-hour cycle without electricity. In this environment, we are concerned that this might serve as a deterrent to the small and medium-scale investors to really get engaged, really lend their support and play their role in the scheme of development of our country.

Any government or administration that is serious about economic development must pay attention to electricity; it is a must. Serious economic development cannot happen without energy. What is worrying is that, when the PPP/C left office in May, 2015, between a loan and grant arrangements coming from the IDB and the European Union (EU) – \$37 plus million from the IDB and \$26 plus million from the EU - we are still yet to see the adequate, proper utilisation of these funds to help the people of Guyana realise their dream of a better supply of electricity.

After a nine-month delay, we heard about the announcement of an award of a contract for the smart metres, which is now practically on hold because it is being examined by the Office of Integrity at the IDB, where allegations of corruption in the evaluation and award of this contract have been levelled against those concerned. Moneys mobilised by the PPP/C Administration for the benefit of the people of the Guyana are not being able to be utilised, having had to wait nine months and, after that period, serious allegations are being raised.

What is very interesting is that I recall, during the Committee of Supply, asking the Hon. Minister if he were aware that there were such concerns and he was not aware but the matter is now before the IDB's Office of Integrity. That tells how close to the sector the Minister is and how aware he is of what is happening.

What is more worrying is that the Government, through our Head of State, would have made commitments that we will achieve 100% clean energy by 2025. But yet, up to today's date, with me moving this motion in this National Assembly, neither the President nor any of his representatives, including the Minister responsible for electricity, has indicated to this House or this nation how we will meet these commitments. And I will show, very shortly, that even the past that is most known to be acceptable and realistic for the achieving of such goals is under question. **[An Hon. Member: We are going back to Amaila Falls.]** Yes. We are going back there just now.

This motion is seeking to bring clarification to the Guyanese people whose representatives travel at international conferences and make fancy statements and the people here do not know how we are getting there. We want to know. We cannot continue to accept the excuse that we just got in, we are getting our feet wet, and we are looking at it. We are approaching two years and we do not yet have a strategy for this sector.

While we speak about electricity, it will be useful for me to also indicate that, apart from us working on the development of the national grid – expanding it – the Hinterland Household Electrification Programme was implemented. Three things happened in that regard: there was the establishment of what we might want to call mini grids – places like Mahdia, Lethem, Port Kaituma, and we can name others; some of them benefit from provisions in our Budget.

Then we worked with Amerindian communities and established mini grids in those Amerindian communities; to name a few, St. Cuthbert's, Orealla and Siparuta, because of how the people lived.

7.00 p.m.

Thirdly, there was a challenge as it relates to the distance to carry transmission lines. There was the acquisition of household solar units, commonly known as the photovoltaic (PV) units. By the time we left office, we had distributed 16,000 of those units and 5,000 were in stock to fill gaps in the various communities.

I recall asking a question to the Hon. Minister of State as it relates to the distribution of the remaining household solar units to Amerindian communities and he indicated to this House that they would be used at the Ministry of the Presidency and at the State House. We were championing the reduction of the gap that existed between rural and urban by ensuring that our Amerindian brothers and sisters, the Indigenous peoples, and those who chose to move to the hinterland to live benefitted from essential electricity. We are worried about what is happening there.

The Hon. Minister responsible for electricity was asked to bring to this House the IDB sponsored Energy Mix Study so that we could all be made aware of what the recommendations are as it relates to that mix of energy to satisfy our needs – winds, solar, hydropower, fossil fuel, bio fuel, ethanol and other forms of generating electricity. Up to now, we do not have that.

I am aware that my original motion that was presented to you was amended. But I believe that there was a mistake made because the last Further Be It Resolved Clause, I suspect, was accidentally omitted. Because I have the belief that it was accidentally omitted, I plan to ask that this motion be amended to include that Further Be It Resolved Clause that was original submitted, which would read:

“Be It Further Resolved:

That the Government table the Norconsult Report on the feasibility fact-based assessment of the Amaila Falls Hydropower Project, the IDB sponsored energy mix study and all other studies relating to wind, solar, hydro, ethanol, biofuels and any other form of

energy potential, within two (2) weeks and send to a parliamentary special select committee to scrutinize and return to the National Assembly with recommendations within two months.”

While I make my presentation, I am also asking that this Clause, which I believe was accidentally omitted, be restored to the motion because it is calling for specific action. I could not believe that a clause of this nature, asking for specific action, would be amended from a motion that is presented by an Hon. Member.

As we debate this tonight, the Guyana Power and Light Inc. (GPL), because of the benefit that it had as it relates to the price charged to the customer and the acquisition cost of fuel, has close to \$15 billion in savings parked in a bank account while the Guyanese people are still suffering from blackouts. What is of greater concern, and I want to speak specifically to the Amaila Falls Hydro Electricity Project, this motion, in the amendment that I am asking to restore, is asking for the tabling of the Norconsult Report. You are aware, Mr. Speaker, that the Norconsult Report has been publicised and there are a number of comments that need to be made.

The first point I want to make is that, in order for us to achieve reliable, renewable and affordable electricity, hydroelectricity is the fastest and safest path to that realisation. In the period 1974 to 1976, feasibility studies were done. I am sure Hon. Members of the now Government would be pleased to know that I am referring to that because it was a time when they were in Government. The PPP/C Administration picked up those feasibility studies and, now, what is clear is that, out of all the options that are available and all the sites...we have heard the Hon. Minister of Public Infrastructure speaking, at different times, saying different things about how many sites and the rest of it. We are talking about what is feasible, what is doable and what will bring solution to our problems. Amaila is the preferred site to bring to the Guyanese people affordable, renewable and cheap electricity. This evening, in this debate, I will expect to hear from the Government what it plans to do with the Amaila Falls Project.

I will like to establish here that it is clear that the build, own, operate and transfer (BOOT) model was the best model for the development of our hydropower potential in Guyana. As a matter of fact, we, at today's date, would have been just mere months away from realising that dream. We would not have been spending one cent of taxpayers' money. The model that was presented to

the Government, which was the Opposition at the time, the model which the Norconsult Consultants reviewed, confirmed that the \$80 million that we would have earned from Norway, which was at the World Bank, now sitting at the IDB, would have been used as equity. What is also clear is that, in 20 years, we would have saved US\$3 billion which is more than \$600 billion. That is what we would have been saving. This motion tonight is to bring definition. Where are we going?

The next thing that needs to be carefully established as it relates to the Amaila Falls Project is that the Leader of the Opposition offered to help the Government to understand the progress of the Amaila Falls Project. We stated that the PPP/C would support the Government if it puts the interest of the people of Guyana first. It was when the Government failed to take up this offer that the Leader of the Opposition called for an independent study to help the Government to proceed. And we welcomed the announcement that the Government of Norway would fund such a study.

The Government of Norway funded such a study; the Government of Norway handed over to the Government of Guyana such a study and such a study is not yet with the people of Guyana because it has not yet been tabled in the National Assembly. One year ago, Minister Trotman said that the study would be ready by May, 2016. In July, 2016, the Minister of State said that the Report would be ready by 1st September, 2016. Then, not so long ago, we heard that the Government would release the study in January, 2017. We are in January, 2017 and the study has still not been released. We are calling...

Minister of Natural Resources [Mr. Trotman]: Mr. Speaker, on a point of order, Standing Order No. 40 (a), I would like to say that the Government of Guyana released the study openly, which could be quoted from January, 2017.

Mr. Speaker: I thank the Hon. Minister for his statement. Hon. Member, please proceed.

Bishop Edghill: Mr. Speaker, the Government of Guyana released a press statement debunking the study.

Mr. Trotman: Mr. Speaker...

Bishop Edghill: Mr. Speaker, there are other people who would have a chance to debate.

Mr. Speaker: Hon. Member, please have a seat.

Mr. Trotman: Standing Order No. 40 (a): The press release contained an attachment with the full Report, which has been relied on extensively by the press and others and it is on our website.

7.15 p.m.

Mr. Speaker: I thank the Hon. Minister. Hon. Member, Bishop Edghill, you may continue your presentation, taking note of what the Hon. Member, Minister Trotman, said.

Bishop Edghill: Mr. Speaker, I insist. It might be the inconvenient truth, but such a study is not with this National Assembly. *[Interruption]*

No amount of *boom bazalling* could silence me. None! The issue that we have to deal with here, Sir, is... *[Interruption]*

Mr. Speaker, it is unfortunate that you do not hear these comments. It is very unfortunate that people are allowed to make such derogatory statements in this House, and if one responds one is being sanctioned. It is very unfortunate, Sir. *[Interruption]*

Mr. Speaker hit the gavel.

Mr. Speaker: Hon. Members, if you draw the Speaker's attention to a matter, then you will do so and leave it with the Speaker to treat with it. If Hon. Members would draw the attention of the Speaker and would also treat with the matter, then the Speaker, I fear, would have very little to say. We have to adopt the discipline of that. We cannot have a result that we want if we continue to ignore the rules by which we are in this House.

Hon. Member, please proceed.

Bishop Edghill: Mr. Speaker, respectfully, Sir, I sit in this House as a Hon. Member and I hear the gavel being pounded for simple infractions. Sir, derogatory statements, as they relate to my religion and ecclesiastical office, are being made in this House within the hearing of members of the media, who are not far away from the Speaker, and I have to be bringing it to the Speaker's attention. I strongly protest that, this afternoon, Sir. I strongly protest that! It must come to an end!

I, therefore, want to address some of the other concerns. I know that there are other Members on my side who would be speaking to this motion and I know that they would be addressing, adequately, some of these issues. But there are concerns as they relate to what is happening right now.

Mr. Speaker: Hon. Member, you have been speaking for 40 minutes.

Bishop Edghill: We have been told that wind is being offered as an alternative to fossil fuels. But any careful study and reading of wind farms and solar would tell us that the recommended base load to the national grid should not exceed 20%. It is because the reality is that solar only offers about four hours per day in dispatch-ability - total power that goes to the grid from solar. Even with the introduction of wind, redundant power still has to be put in. Either the supplier or the Guyana Power and Light Inc. (GPL) Company would have to have redundant power. If one puts in 25 megawatts of wind power, one's capacity, on average, would be about 10 megawatts. So, one would have to have a 10 megawatt spinning engine to deal with drops in supply and the fluctuations that take place.

What is more interesting is that, when we heard about the announcement of the proposed Power Purchase Agreement (PPA) of buying electricity from wind farms, this was done without any public procurement. Yet, when we were attacked on the Amaila Falls Hydropower Project, we were told that the Amaila Falls Hydropower Project was done in secrecy, which was contrary to the fact. The Amaila Falls Hydropower Project benefitted from competitive bidding and even the Norconsult Report, which is now being circulated, indicated that there was competitive bidding for the Amaila Falls Hydropower Project.

The whole approach to how we are going to solve our electricity needs must be done in an open and transparent manner. It cannot be left to a few people in a boardroom to decide. I have noticed that even the Chairman of GPL, as reported in yesterday's edition of the *Kaieteur News* newspaper, indicated that GPL would be moving from public procurement to selective procurement. That is what was quoted in the newspaper. These are very troubling signs.

The intent of this motion is that we expect that the Government would unveil its long-term strategy for this sector. We would expect that, in the formulation of that long-term strategy, the

Government would engage a process of consultation. We would like to see this being done without further delay.

Since we are aware that there are a number of studies and documents in the possession of the Government, we are asking to facilitate that public consultation and engagement, for the tabling of the feasibility study from the Norconsult people, on the feasibility facts-based assessment of the Amaila Falls Hydropower Project. We are asking for the tabling of the Inter-American Development Bank (IDB) sponsored Energy Mix Study. We are asking for all other studies. We are hearing about ethanol and wind farms. We would like to see the studies. We would like to see the studies as they relate to solar and bio-fuels and all other forms of electricity so that we would have a comprehensive strategy of how we are solving Guyana's electricity and energy needs and how we are going to achieve this goal of 100% renewable energy by 2025.

Thank you very much, Sir. *[Applause]*

Mr. Speaker: Hon. Member, I must correct you on one point. There was no error or inadvertence in the removal of that second Resolve Clause. That was deliberately done.

Minister of Business [Mr. Gaskin]: Mr. Speaker, with your leave, I wish to offer my views on this motion and, in particular, on why I do not believe that it deserves the support of this House.

Before I do so, I, too, would like to correct the Hon. Member who spoke before me. He suggested, I believe, that the Amaila Falls Hydropower Project benefitted from competitive bidding. He suggested this in relation to the point that he was trying to make about the wind farm project and the Power Purchase Agreement, which he claimed did not benefit from a competitive process. I am wondering whether the Hon. Member is confusing a Power Purchase Agreement and a contract to design and build. The only competitive process that was associated with the Amaila Falls Hydropower Project was the contract that was issued to the company to design and build the...

[Mr. Jordan: The roads.] It was not the roads. It was to design and build the project. I am saying that the Hon. Member is mixing up the Power Purchase Agreement and the contract. What I would like to know is whether he is suggesting that the Power Purchase Agreement between the Amaila Falls Inc. and GPL benefitted from a competitive bidding process. I do not believe that it did. I certainly do not recall any competitive bidding process

leading to the Power Purchase Agreement between GPL and Amaila Falls Inc. I just wanted to correct that.

To get back to my own views on this motion, I wish to say that there are some fundamental responsibilities that governments have to take on. Among those responsibilities is the provision of critical services and to ensure that those services are adequately provided to its citizens. Whether this is through its ownership of the service providers or through an effective regulatory system, it must ensure that these services are delivered so that individuals, businesses and the Government can operate with minimum interruptions. The supply of electricity is, indeed, one of those critical services – the staff of modern life, as the motion describes it. Our Government certainly sees it as one of its responsibilities to ensure that a continuous and reliable supply of electricity is distributed, not just through the National Grid, but also to those hard to reach places that, for practical reasons, cannot be connected to the national grid.

7.30 p.m.

Guyanese have lived for a very long time without a reliable and affordable electricity supply. Many Guyanese have never had electricity delivered to their communities. So, this is not a new problem and our Government never promised to fix it in its first 100 days or even in its first year in Office, but fix it we will. It is certainly not a problem that requires decades to fix. This motion, coming from an Opposition that for over two decades, while in power, was unable to provide a lasting solution, is somewhat surprising.

Throughout its time in Office it was standard practice for businesses to have standby generators to prevent downtime during the frequent power outages that occurred. This would add to what the Hon. Member earlier called the capital investment costs. This would add significantly to those costs. As the junior Minister of Finance, surely this would have concerned the Hon. Member since back then but, we never saw a motion or a letter or any sign of concern, whatsoever, during that period.

Now that Guyana is advancing on a green pathway to sustainable development and has made a commitment to the use of green energy from the renewable sources, up pops this motion demanding all kinds of long and medium term strategies and measures to deal with power outages. I find it hard to believe that the Hon. Member, only just discovered the importance of

this sector and the need for all of these strategies. Surely, while the rest of us were struggling with our candles and our kerosene lamps well into the new millennium, as it would have been then, and well into the term of the PPP small “c” Government, the concerns captured in this motion should have been engaging the attention of that Government at the highest levels, and had that happened then, perhaps, all of the long and medium term strategies and solutions that the Hon. Member is asking of this Government would have been formulated and applied a long time ago. This motion, which is indeed a motion, would not be consuming the attention of this House tonight.

I wish to refer to a public advisory published in the *Stabroek News* on Monday, 23rd January and in a number of the other daily newspapers. It was an advisory placed by the Guyana Power & Light Inc., the very company that is the subject of this motion. It is also on GPL’s website and it informs the public that the company has embraced the Government’s vision for a ‘Green State’ and that the company has commenced establishing a commercial and technical framework to accept electricity from renewable resources on its distribution network. The framework will include the introduction of a tariff to calculate the credit due to a customer for any excess energy supplied to the grid. The advisory also provides some guidelines and technical specifications on the application process and the technical standards that consumers will have to adhere to in order to supply excess energy to the grid. I raise this point to show that GPL is on board with the ‘Green State’ and GPL is preparing itself, as well as its consumers, to partner in the realisation of that vision. This is because the APNU/AFC Government is prepared to partner with the people of Guyana and with businesses in Guyana to maximise the benefits of the natural resources available in Guyana. We believe in inclusivity and we want the use of alternative energy to be an inclusive initiative that is relevant and meaningful to the people of Guyana.

I would like to contrast that to the approach taken by the Opposition while it was in Government. Apart from not being able to provide the people of this country with an acceptable supply of electricity, it was never prepared to give the people an opportunity to participate in its renewable programme. In fact, its concept was deliberately designed to exclude rather than to include because it was meant to give the foreign investors the best possible return on their investment. This required GPL to take off the full amount of energy generated by the investor. There was no way that it was going to develop a framework for the acceptance of excess energy generated by

local consumers. It was simply not in its interest to do so since its flagship project, which it was promoting as the silver bullet for Guyana's electrification requirements over the next two decades, depended on a single supplier. As a result Guyanese were shut out except for the man with the road.

This takes me to another part of this motion which I believe is coming a few years too late. The second Resolve Clause states that:

“This National Assembly calls on the GPL and the Government to abide by the procurement laws of this country and ensure that contracts are fairly and transparently awarded so that the programmes in place for this sector can proceed with no further delays;”

Where was the Hon. Member when GPL was spending huge sums of money and no one knew how those contracts were awarded? Furthermore, I do not know what procurement laws were abided with when the PPP/C Government awarded a US\$15.4 million contract to construct a road which was 110 kilometres long and upgrade another 85 kilometres of road leading to the Amaila Falls. This substantial contract was awarded, not to an engineer or a construction company but to a grocer who had never built anything before and could provide no documentation showing that he had any relevant experience or any equipment. Nevertheless, he was awarded a huge contract and, of course, it did not end well. Contrary to the assertions of the Hon. Member, in whose name this motion is in, it has cost the taxpayers of Guyana an arm and a leg and not as he put it – “not a single penny”. The sum of \$30 million and counting was spent and it is still not finished as yet. To hear our Government being admonished by the Opposition on the issue of procurement is indeed astonishing.

If we were to look at page 698 of the 2017 Budget Estimates of Expenditure, Volume 1, at the list of outstanding loans contracted by the Government of Guyana and utilised by public corporations, we would see that GPL accounts for more than half of those outstanding loans to the tune of a staggering US\$160 million. I do not recall an open and transparent process leading to the award of the several large contracts that were funded by these loans. When it comes to abiding by the procurement laws, as this motion is calling on our Government and GPL to do, let me quote from the Public Procurement Act, the relevant provisions:

Section 24 (1) of the Act reads:

“Public corporations and other bodies in which the controlling interest is vested in the State may, subject to the approval of the National Board, conduct procurement according to their own rules or regulations, except that to the extent that such rules and regulations conflict with this Act or the regulations, this Act and the regulations shall prevail.”

Section 24 (2) of the Act states:

“If funds are received from the Treasury for a specific procurement, then the corporation or other body shall be obliged to follow the procedure set out in this Act and the regulations.”

In other words, if GPL has been issuing contracts outside of the requirements of the Public Procurement Act and its regulations, then there ought to be some documented waiver from the National Procurement and Tender Administration Board (NPTAB). I would like to hear from the movers of this motion whether contracts funded by those large loans were issued in accordance with the provisions in the Public Procurement Act. If not, where is the documented approval from the National Procurement and Tender Administration Board granting GPL the required waivers? Then the Opposition can talk to the Government about procurement. This motion should have come to the National Assembly five years ago. It is no longer relevant, it is no longer needed, the dark days are over, the dark nights will soon be over and I certainly, will not support this motion.

Thank you. [*Applause*]

Mr. Speaker: Hon. Members, it is now 20 minutes to 8 o'clock. I would suggest that we take the half an hour suspension and return at 10 minutes after 8 o'clock.

Sitting suspended at 7.42 p.m.

Sitting resumed at 8.15 p.m.

Mr. Speaker: Hon. Members, the Sitting is resumed. The next speaker is the Hon. Dr. Vindyha Persaud. You have the floor.

Dr. Persaud: Thank you Mr. Speaker. I rise to support the motion of my Colleague because I think that in this modern age of convenience and technology, electricity is integral to everything. It is a necessity and it is something that drives many other sectors. When we think about the Guyana Power and Light Inc., we understand that it continues to deliver unreliable electricity across the country. However, there is consistency because consumers have been plagued by consistent widespread and unbearably long hours of power outages, what we call “blackouts”. Even the little children know what blackouts are. Aside from taking a toll on people’s nerves, frustrating them and getting them angry enough to coin new epithets for GPL, the most popular being *GPHell*.

8.17 p.m.

These blackouts are causing losses in productivity/production and fluctuations in voltage continue to destroy appliances. Imagine someone who would have saved up to buy a new refrigerator, a microwave or even a simple fan, being hit by a power surge or a large power fluctuation and their appliance is destroyed. That is the story of many people across this country. In the face of all of that, GPL continues to offer little or no plausible explanation as to why these power outages or blackouts continue. Not only are they prolonged, but they are unscheduled. Worse than the explanation as to why, there is no solution, long term plan and strategy to alleviate the suffering of people who have to be without power for many days.

We can speak of the people on the Essequibo Coast, the people from Region 5 or from personal experiences. Any one of us could say in the last few months and in this month that we would have experienced at least 24, 48 or, for some of us, even 72 hours of blackout. I am sure that resonates with people right here in the National Assembly. In my opinion, we are definitely looking down a dark tunnel without light, literally and figuratively, in sight.

We in this House remain in the dark too because there are no answers to many questions, and I have quite a number of questions to ask this evening in this House. When we think of how we function as a country, we can divvy it up as the commercial sector and as domestic consumption of electricity. When one thinks of the business and commercial entities, what is a given in this country is that there must be redundant power.

That forms part of any business' capital investment because power is not consistent. When we think of the cost of an investment like that to the investors, right away it can be seen that many investors may back away from the country because there is no consistent power supply. If one looks at the small business enterprises and at entrepreneurial spirit, those are also being strangled. This is because of inconsistent power supply. Worse than that, inconsistency is one thing, but I think we are even paying for power outages because we are now being taxed not 1% or 2 %, but 14 %.

When we look at the cost to businesses and commercial entities, not only is there a capital investment to set up all these alternative sources of backup power, but we also have to factor in maintenance, fuel, repairs and replacements. The fallout is inconsistency in production, for those who cannot afford that, loss of investment and also the inability to sustain all of this would result in cessation of businesses. Consistent and reliable power makes any country attractive to investors, either in that country or externally. The failure to achieve that and to give this country, after 19 months in Government, a tangible strategy to ameliorate this in this country, I cannot say anything more than bad decisions, bad management, bad governance and an awful 19 months of governance.

In this situation, we have to talk about alternative energy sources, much has been said about wind farms and some about the Amaila Falls, but the reality is Norconsult has advanced the Amaila Hydropower Project as the most viable option for alternative energy in this country. Will the Government say what it plans to do with that report? Will the Government say if it is going to act on that recommendation or is it going to just disregard that independent study?

If we looked at the Amaila Falls, we would have seen that that cost to the average taxpayer would have been reduced. Currently, we are paying some \$0.19 cents per kilowatt an hour. With the introduction of the Amaila Hydropower Project it would have been reduced to about 12 cents in 12 years and, progressively, that cost would have been less to the consumer. Even in the face of unstable fuel prices the benefits would have accrued from the Amaila Falls Hydropower Project. The truth is, if that was not voted down in this House, we would have seen some progress already. Even if we start now, we are looking, at least until 2022– 2023, to see something happen. But where is the concern for the average citizen, ordinary man, business and commercial sectors?

I am not sure what the Government's thoughts are, but I do know that the people out there are frustrated, angry and they want to see something done. This is because these days it is not fairy lights, instead it is long hours of blackouts. With the long hours of blackouts, many of us would pick up the telephone and call for an explanation. What are we met by? Sometimes no one answers the phone; sometimes we are stonewalled, people do not know why there is a blackout; people tell you that you could not possibly be having a blackout, yet you are in the blackout for more than 24 hours. But just as the people of this country have taken a stance on the parking meters, and I leave that there, one day they will take a stance on the electricity. This is because everyone now has to pay 14% on their electricity, once they spend more than \$10,000.

I like to come to this House and I like to do so with solid information. Well, if there are 188,000 customers of GPL and we are told that only 20% of those customers are paying more than \$10,000, I think the figures do not reflect accurately what is happening. Why do I say that? It is because I have been asking random people who live just about anywhere in the country how much they pay for their electricity? Let me tell the House some of the figures that I have received and I have asked those questions until a few moments ago before I got up to speak. A Carpenter on the East Coast of Demerara, \$12,000 - \$15,000 a month; a Hairdresser on the East Bank of Demerara, \$15,000; a Farmer's representative on the East Bank of Demerara, \$18,000;...
[Ms. Patterson: You are making that up.] No. I am not making this up.

A Reporter right in this House, more than \$12,000. Are these people fabricating this or are we refusing to accept what is happening in this country. When I asked these people, further, whether they had air condition units, the answers were no. When I asked these people what appliances they have at home, they said things like fans, television sets and microwaves. Are we telling people in this modern age of convenience and technology that they should not be using these appliances? Is the Government telling the people to temper their expectations on what they want to acquire in life because the Government has decided, through GPL and the Guyana Revenue Authority (GRA), that they must pay a punitive tax of 14% on a necessity.

The ordinary consumer, at home, lives in the daily struggle to structure routines around blackouts. We all know that, we have been late because when the lights go off, so does the water. We cannot iron our clothing. We all know that we have to get the children ready for school. If there is no power how are we going to do this in a timely and efficient manner? It is the real talk

of the people out there and they want this House to hear it. Not everyone can afford a generator, solar panel or a backup up power plant. But even those who would have saved up or who would have wanted to do that, those things are now going to be taxed. So where does that leave them?

A direct result of the VAT will be an increase in cost to the average customer. Let us look at the businesses. If we say that the majority of the 20% of the consumers who are paying over \$10,000, as was said in the press, are commercial enterprises and businesses. Mr. Speaker, do you not think that the 14% that the commercial enterprises and business are now going to pay will be passed on to the consumers. So, indirectly, the consumers are going to feel the brunt of that or that is the people of Guyana. When we look at the economy and how stagnant the economy is, businesses are struggling, can they afford to subsume these costs? The answer is no. So who is going to pay for it? Every poor person, pensioner, single mother and you name it, is going to face the brunt of it.

I was listening to the Hon. Minister within the Ministry of Finance, Minister Sharma, and what he said left me nothing short of incredulous. However, I will say that he did get around to making a case for the Opposition on VAT and for that I thank him. He said it would increase the cost. So even if he does not see it, he said it. So there must be something in there that made the Hon. Member realise that the average person on the street will be affected by VAT on electricity.

The motion speaks of many things and when we think of what the citizens of this country are facing, when it comes to the myriad tax measures and the VAT on electricity and water, we are waiting with bated breaths to see what this Government has to offer in terms of a long term strategy. We do not want “gaff”. We want strategy and effective plans. This is what the country wants.

The Public and I want to know what would be the projected income generated by VAT on electricity. We understand that none of this is going directly to GPL. So the consumer will not even be benefiting from the moneys that they would have put out from their pockets because it goes directly to the Government’s coffers. What measures would be put in place to alleviate our frustration with this horrible issue that is called blackout, which wrecks our day, makes us late, spoils an evening at home, deprives us of sleep because darkness is a perfect cover for crime.

Why are the blackouts unscheduled, when last year there was no shortfall in electricity generation? Could we get an explanation for this?

We need answers. We need a proactive approach to this sector and we need comprehensive programmes and initiatives to tangibly lessen the hardships of people, attract investment, increase production and productivity. But for all of this to happen, there must be vision and vision can only be manifested through a long term strategy. Clearly this Government is at sea when it comes to strategies, management and prudent decisions.

So, I urge the Government to initiate a consultative process, nationally, so that clarity and guidance can be given to have a sound strategy for this sector.

8.32 p.m.

Before I close I just want to ask the question. We have noticed, also, as it relates to GPL, a shift away from Wartsila. Is there a new company? The public wants to know because all of this seems to be shrouded and clouded. Will this company be able to effectively manage as Wartsila did? Will this be a temporary arrangement? Will this company be sold? Now that Wartsila is not there, will GPL be asking Wartsila for spares? Will they have to pay more for these spares? Will they have to pay more for technical assistance from Wartsila? Will GPL be going to other companies for parts that may not have the lifetime or may not have the specifications required for the equipment that we currently have? Would this new company be able to provide comparative analysis and all the things that an international company would have provided?

The country eagerly awaits something or anything to stop the blackout situation. The country does not want 14% on electricity. The country does not want to have these long periods of blackout. The country wants to see an economy that can move forward but it cannot do so with what is going on in this sector.

Therefore, I would like to join my Colleague, Bishop Edghill, and ask that the Government unveil a long term strategy for this sector through a national consultative process without further delay.

Thank you. *[Applause]*

Minister of Public Telecommunications [Ms. Hughes]: Mr. Speaker, I will be the first to admit in this most honourable House that this morning I woke to the sound of an Uninterruptable Power Supply (UPS) beeping, a clear indication that there was a blackout. I mentioned that to say that there are some important facts. In fact, I noticed that from the other side there are some alternative facts that seem to be missing most recently in our discussion.

As far back as 1973, when the Arab Oil Embargo occurred, we knew that around 1973 and 1974, we in Guyana started to have problems with electricity. I cast my mind back to 1979, when I studied for my Caribbean Examinations Council (CXC) and in those days, I studied by a gas lamp and when that ran out, it was a candle light. But the most hurtful thing was growing older and going through the 1990s to establish my own business and to still struggle with blackouts.

By the mid-90s, it was clear to me that I could not develop my business without having to spend millions of dollars on a variety of generators, moneys that could have been invested in better cutting edge digital equipment or a million other things to make my business competitive. Remember, I am talking about post 1994. For me, the next decade, 1995 to 2005, was the decade of damage and lost equipment. In that respect, I have so much in common with my Friends on the other side of this honourable House.

Of course, we all went through the filing of complaints with the Public Utilities Commission (PUC). Why am I saying all of this? It is because my plight as a consumer and as a committed Guyanese is and was applied to thousands of Guyanese. What I am attempting to remind us all is that these challenges have plagued us for the last 40 years. My point is that Guyanese have been living with blackouts since GPL was the Guyana Electricity Cooperation (GEC) and, yes, we all agree it is absolutely high time we fix it.

My Colleague on the other side that moved this motion started off by making an important observation. He said that the fastest road to developing a secure energy source, and, of course, I am paraphrasing what he said, is through the implementation of hydropower. He is absolutely correct. I want to take this opportunity to remind us, lest we forget, that our first hydropower station was located at the Tumatumari Fall on the Potaro River. It was a small hydropower plant, built in the 1950s by the British Guiana Consolidated Gold Fields Company to power a gold mining operation. In the 1960s, a workers' strike closed it, but guess what? My Friend on the

other side talks about feasibility studies but he does not mention that we actually did re-implement the Tumatumari Plant. It was put back into service by the Guyana National Service (GNS) in 1976. The GNS kept it in operation through the 80s, but unfortunately by 1981, the last seven 50 kW turbine had failed and, unfortunately, since 1989, there was no provision of electricity to the communities of Region 8 in that time. After 1989, the residents' lives were lit by flambeau, candles, gas lamps, bonfires and several other things.

I want to say that, really, this entire issue of insufficient and unstable electricity is far more complex than we remember. In fact, it was our honourable President who came to the Parliament on the 9th July, 2005, that reminded us that President Luis Campins of Venezuela, in April, 1981, stated Venezuela's claim on the Essequibo territory and asserted the rejection of Venezuela to any hydro project in the Upper Mazaruni area.

A lot has been said about the Amaila Falls Hydropower Project, but at the end of the day we know, I know and the Members on the other side know that the Amaila Falls Hydropower Project was shrouded in secrecy from its inception. It moved from US\$325 million to over US\$1 billion. The financial burden of the Amaila Falls Hydropower Project and what it would have placed on GPL have always been questioned.

Yes, I served as the Public Relations Officer (PRO) and I knew and I know that it was a deliberate policy of the former Government not to share the relevant documentations with the then Opposition. Too often we also forget that the Amaila Falls Hydropower Project was not going to provide power to our hinterland communities. Therefore, our Government has expressed its commitment to exploring and investigating the establishment of smaller hydropower plants that can service a variety of geographical areas. This, we feel, is a far more productive approach to the challenge.

When we talk about the reduction in price, we must go back to those days, go back to the old newspapers, go back to the letters of the editors and we will be reminded that there was always speculation as to how much the rate would actually come down. It was never stated, publicly, what that potential rate could be. Therefore, there was always concern that we can be spending over a \$1 billion on a project, where at certain times of the year, there was insufficient water flowing and, of course, insufficient electricity to a range of different areas. I do not even want, in

the interest of time, to talk about the road that went to nowhere and the road and the moneys we spent on that.

Unfortunately, the quality of life of Guyanese people living on the coast has not improved we realise, in terms of electricity supply over the last 30 years. I want to make the observation that, for the last 23 years of the PPP's rule, it also did not change. So when my Friend on the other side talks about this Government clearly not knowing what it has been doing, after approaching only two years, I say to you, you clearly did not know what you were doing after 23 years. Yes, there was one attempt and that was the Moca Moca Hydropower Project, which was built by the Chinese and funded in 1995. It provided limited amounts of power to the border town of Lethem from 1999, but, as we all know, almost four years later, it was gone. The victim of a landslide and no matter how people begged, nothing was done to replace it.

Power outages are not something that any Government anywhere would ask its citizens to get accustomed to. Not any Government in this 21st Century that has modernisation and a Green Economy at the top of its agenda. With that in mind, I would like to go very quickly to some specific aspects of the motion. In the fourth WHEREAS clause, my Colleague states:

“...neither the GPL nor the Government has offered any acceptable explanation...”

And yet, I am able to go to the *Stabroek News* newspaper of 20th September, where GPL clearly explains that, in addition to the transmission problems that it was having, one of the key issues was the destruction of the submarine cable across the Demerara River. Therefore, any suggestion that there was insufficient information is totally inaccurate.

My Colleague, the last speaker made mention about an Hairdresser having to pay \$15,000 a month for electricity. A hairdresser is an individual who uses a hairdryer for 90% of the tasks she/he performs. Therefore, I really do not think that it is unacceptable for hairdryers that pull so much power and are like microwaves, to ask the Hairdressers to pay \$15,000 in electricity. Then, of course, the suggestion that all these blackouts that we have been having are unscheduled - I was very disturbed at Christmas when there were those blackouts, but guess what? The Head of GPL sat in a press conference and I watched him say that he was sorry and that they were going through these challenges, but that there was light at the end of the tunnel. I appreciated the fact that he could say to us that they were having a difficult time, but that they were going to come

through it. So, again, any suggestion that the public was not adequately informed, clearly, all the advertisements in the newspapers were missed. The advertisements were in all four of the dailies, so in case a person did not read one newspaper it was in another.

The final WHEREAS Clause talks about the Government not having a plan or a strategy - yet, if one simply went to GPL's website, and persons can actually do it while they are in Parliament right now, they will see on the GPL's website, a selection of documents. One is called *Strategic Plans, Operating Standards and Performance Targets*. And guess what? It is a series of plans. The first one goes from 2011 to 2015, the next one 2012 to 2016 and the final document is a strategic plan for 2013 to 2017. Therefore, any suggestion, again, that the information, the strategies and the plans are not there, it is there for public consumption.

The very last clause, the BE IT RESOLVED Clause refers to the fact that the procurement laws of this country were not going to be abided with. That is the suggestion. There again, my Colleagues so eloquently... the first speaker on our side, Minister Gaskin, went into the contracts and also mentioned the circumstances surrounding the road contract and several other documents.

8.47 p.m.

I really do not want to dwell on that. I do want to say that there are a few things that will make 2017 different. What are those things? If one refers to yesterday *Kaieteur News* newspaper, on page 10, there are very well put together in a short article but these are things that we have been hearing from the management of GPL since just for about November to January. In yesterday's newspaper the Chairman of the board outlines some specifics. Three new engines of 1.7 megawatts costing US\$5.2 million are to be installed in Anna Regina and the Essequibo Coast, which we know has been neglected for years. Also, outlined in that newspaper article is the fact that for the first time this Government and the GPL has made an agreement and is willing to purchase residual power from any of the private operators. As we have heard just recently, in the last two days, advertisements are going to be coming out so that private operators and businesses, which would have excess power, will be able to sell it to the grid. I want to remind us all that it was a deliberate policy of the last Government not to allow that to happen.

I know we are running out of time and there are many more speakers. I do want to say that for all that I have said there is no way I can support this motion. I am looking forward and I do believe that we will see the things outlined in this newspaper realised between 2017 and 2018 as the GPL has promised. It is our responsibility to ensure that we force GPL as a very important company in our economy to deliver on what it says it can.

Thank you very much. [*Applause*]

Mr. Lumumba: I rise to support this motion before the Eleventh Parliament of Guyana that has been submitted by the Opposition. This motion, in particular, raises several questions and issues that highlight the mismanagement, confusion and misdirection of the Guyana Power and Light Inc. To be specific, I would like to focus on the Be It Resolved clause, on page 2 of the motion.

“That this National Assembly calls on the GPL and the Government to abide by the procurement laws of this country and ensure that contracts are fairly and transparently awarded so that the programmes in place for this sector proceed” ...

It is without unnecessarily delays or clouds of unfair or corrupt practice.

I must remind the House that GPL is now the recipient of windfall amount of billions of dollars as a result of low oil prices and because of proper management that was put in place prior to the advent of the new Government. Solar, wind and any other form of renewable energy cannot be the base load of any developing nation. Therefore I think it is urgent and very important that the Minister tells us how will Guyana get up to speed, in particular, if at some future point Guyana wants to aim toward 200 megawatts which would enable to put the country in a development mode.

It is important that we understand the objective of this project which recently gain the attention of the Guyanese public. The constant blackouts by GPL have been an indignant concern of all Guyanese people. Just any attempt to reduce the incidence of blackout is welcomed by the Guyanese public. We all know that the blackout had basically disappeared under the People's Progressive Party/Civic (PPP/C) and you can make the comparison. When we first came into power blackouts were three weeks or four weeks and we had a little touch of it maybe one day every month, which was not too bad. The blackout has again prevailed. I think both of our

speakers on this side had made the point that many people refrigerators, washers, dryers, stoves and many of their domestic appliances have been destroyed by the blackouts and nothing seemed to be done about that.

This particular scandal prone project is an Inter-American Development Bank/European Union (IDB/EU) funded with the objective to reduce technical and commercial losses. The approach is to upgrade distribution lines, which are done properly, will reduce technical losses and introduce smart meters in the system with the objective of reducing commercial losses. Again, this project is the brainchild of the PPP/C Government.

Let us be specific, allow me to provide a brief description of the project to this National Assembly. The project name is Power Utility Upgrade Programme. The general objective of this project or programme is to enhance efficiency and corporate performance in order to prepare the organisation to supply electricity in a sustainable manner over the long term. As part of the effort to reduce the technical and commercial losses, the IDB agreed with GPL for an integrated approach whereby one could measure losses per sub-area. Then based on a planned approach. To reduce losses through one meter replacement with smart meters to rebuilding distribution network, one could target loss reduction in a precise measurable manner. Budgets and priorities were defined based on this approach, pilot programme were carried out, and the plan was the focus on high losses with integrated approach. These areas could be reduced to 8% technical and commercial losses. With The EU/IDB project major component, there was less loss reduction. Core to this, is the implementation of smart meters in combination of building distribution network. The project had three elements which are 'a', 'b', and 'c'. If 'a', as we all now, is over budgeted by \$1.3 billion, its total exercise might be downgraded to meet the needs of 'a'. We will talk about that a bit later.

I want to use this moment to do two things. Firstly, I want to congratulate the Public Procurement Commission for handing Demerara Distillers Limited (DDL) matter, the juice transaction, when it became clear that the original position was unfair, incorrect, and corrupt. By the end of my presentation, the response by the Minister and agency should use his initiative and take this pending GPL matter to the same Public Procurement Commission to find a resolution to this matter

Secondly, I want to congratulate the Chairman of the GPL board Mr. Robert Badal for his recent but late decision to call for a more transparent but efficient process of GPL. While he was not specific for his reason to make such call it could be interpreted that he was also burdened by the recent decision made to grant China National Machinery Import and Export Corporation (CMC) a contract at \$1.3 billion above two other companies. I need to remind Mr. Badal that he cannot go towards selective tendering. Any tender process should be opened and it should be available to all.

Every tender board and every government make mistakes. Mistakes are part of life, but when you make a mistake and you know it is a mistake, you must correct it or find ways to correct it. Corruption or improper decisions must not be tolerated. This project is vital to the long term efficiency to GPL, but incompetent, political interference, and later there delay of over 12 months. During this period the decision making process has been polluted by different sets of evaluators and of today the issue is still tarnished by acquisition and counter acquisition. A tender process should be transparent and the valuation report should not be clouded in secrecy.

The National Assembly, Public Accounts Committee, should be provided with the names of the evaluators. If it is true that there is more than one evaluation, the individual specifics of the evaluations should be provided so that the rejections could be looked at after the reports are submitted.

Incidences such as these can strengthen the call on this side of the House for the need for a more vigilant and transparent procurement system. For example, let us look at the GPL's meter fiasco. There were five bidders and the lowest bidders were two Guyanese companies in partnership with foreign entities. One of the companies was Cummings Electrical Company Limited, a company that has done outstanding work in Guyana, and whose reputation in electrical works has been second to none. The other company is Fix-it Depot, a company that has provided GPL with over 70% of its prepaid meters. What is interesting here is that both of the companies bid prices were \$1 billion to \$1.3 billion lower than the price of CMC the company has recommended. Again, the number here, CMC bid price was \$4,614,000,000 Cummings Electrical Company Limited bid price was \$3,671,000,000, Fix-it Depot - \$3,520,000,000. There are occasion when higher bid prices justify the decision to accept the highest bidder, but not in this case. The

Government and GPL are armed with requisite information to annul this process and select either of the two local bidders.

Let us look a moment at the company and how it had handed the project. My criticism is not to the company *per se*, but I am criticising the process. I am not in any way trying to target CMC, which in many ways is a reputable company. Furthermore, I will present to the National Assembly a study that was done by GPL. I have a copy of the document. It is right here. I know, Mr. Speaker, you had said that we should not speak on documents unless it is brought before the National Assembly. It is a study that was carried out, *Consultancy Services, Contractor Supervision Final Report Volume 1. Main Report 2 and 3 Test Reports*, November 2014, by Caribbean Engineering and Management Consultants. The comment is an extract from this consultant review.

“Selection of contractor. The firm CMC, selector for this substantial contract, is not a construction company but being mainly a trading company for the export of Chinese engineering products. It appears that the pre-qualification or post-qualification assessment was either not performed or not adequately performed during the tendering selection phase of this project. The contractor CMC engaged other Chinese firms to perform all aspect of the contract except for purchasing goods for the contract and even this aspect was not adequately performed evident by shortage of materials and factory defence.”

In essence, we bypass the two local companies both Cummings Electrical Company Limited and Fix-it Depot with their respective partners who are qualified to install meters and plant poles while CMC has no history of installing any meter. Certainly, of the Guyana history of planting pole, we do not need the Chinese company to come to Guyana to teach us to plant poles.

This project is not rocket science. It is implementation that does not require Einstein. As a matter of fact, Mr. Speaker, let me quickly tell you about this company that will walk away with \$1.3 billion which could have gone to pay our teacher or bonus to Guyana Sugar Corporation Inc. (GuySuCo) workers. This National Assembly must come together and object to waste. Waste is not good for a poor country. Giving \$1.3 billion additional to a company who is just a broker is waste and borders on corruption.

9.02 p.m.

This is very important, I am speaking to the National Assembly as a Guyanese, if the People's Progressive Party (PPP) was in power and it had given this contract to the CMC other than Cummings Electrical Company Limited, we would have been accused of racism. If we had rejected Fix-it Depot, we would have been called anti-national. I think it is important that the appropriate Minister of this relevant agency, which he has a responsibility to Guyanese taxpayers, explain why \$1.3 billion was given to another company when evidence clearly shows that either of the Guyanese company in collaboration with the foreign entity could have installed the meters or plant some electrical poles. Again, planting poles is not rocket science. Mr. Speaker, I am sure you had planted some poles in the old days, maybe, to catch birds or parrots. I hope I am not going over the line, Sir, but we all have planted some poles, but these are huge poles. This obvious malpractice causes the struggle that my friends on the other side face with providing the "good life" for all Guyanese, including the small contractors and the small businessmen. I think it is important that we empower small businesses and urge them to look at this matter carefully.

Now, the Hon. Minister, Catherine Hughes, spoke briefly, and I think Minister Gaskin to some degree, about what the green economy could look like and about renewable energy. Renewable energy has always been a fundamental goal of developing countries, but renewable energy has never been the base load for the development of any economy. In particular, an economy that is moving towards manufacturing and economies that are trying to get a stable source of electricity. Renewable energy acts a good backup system. Our effect to keep the green economy or more to the direction should be hydro.

If you look around the world and I would like to note the Pacific Northwest or Canada even Panama recently. Hydroelectricity is the key to development, not because it is so much cheaper, but there is a reliability of electricity. [Mr. Patterson: Nine months of the year.] Nine months of the year is better than two days a year with GPL. My own view is that the Government, which is in power today, and my friend, Hon. Minister Mr. Patterson, there is an obligation to come before this National Assembly and put forward a national plan for energy development. It is not just some report of what you are going to do up to 2017. What is our plan to move this country forward in the area of electricity and energy development? How much of

megawatts of hydropower? How much megawatts of renewable energy? How many years they would take to develop? What is going to be the cost? When is going to be the period? We are now on the verge of having access to oil and gas or you find that you might not be something in the distant future, but maybe gas could be something in the distant future, so if we combine gas, hydro and renewable energy, we would look at clean energy. The whole concept of a green economy is not only about painting some buildings green and wearing green ties, but it is about the notion of moving toward using a strategy that could take us towards a world of development.

I am urging my friends on the other side not to interpret my presentation of one of being obnoxious, but one of trying to learn. We have a tendency in the National Assembly not to learn from each other. We show disdain for each other and we have to grow past that. I do not think I have said anything that is anti-development. I believe in pro-growth. I believe in an economic and development plan. I believe that we should have plans that would show and point out where we are going with electricity. The people of Guyana cannot continue living like reptiles in blackouts. It has to come to an end. I am hoping that the Ministers and the Members of Cabinet on the other side could sit down and put together a national plan that you could bring to the National Assembly. Maybe we could have a Special Select Committee and we could work together and say this is ours. Let us try and find something. There must be something that we could do and say it is ours as oppose to yours and mines. There has to be something, and what else could it be, but a national development plan that focuses on electricity and energy development. Something that wraps the arms of the future and our children, so 20 or 30 years from now we all could say this is ours.

Thank you. [*Applause*]

Mr. Trotman: Mr. Speaker, I thank you for the occasion just to make brief comments in respond really to some misstatements made this evening. We came to debate a motion of frequency of blackouts, and I believe at the time that the motion had been filed it was of December, 2016, when indeed we were experiencing a spate of unscheduled blackouts due to mechanical failure. Unfortunately, what has emerged is a debate on renewable energy and Amaila Fall Hydroelectricity Project and its virtues. I believe that we have grazed into pastures that we did not intend to be grazing in this evening. I just wish to correct a few misstatements made, an ecclesiastical order, notwithstanding.

Firstly, in December of 2015 at a meeting at which the Minister of Finance was the lead Minister with Government, a representative delegation from the Kingdom of Norway and the IDB, it was decided that there would be an independent review of the Amaila Fall Hydroelectricity Project. The Government did not shy away from that. In fact, it embraced the idea of having an independent review. That review has never got going until on or about the end of April when Norway sent to Guyana a draft terms of reference.

It was August, when the report should have been produced, we were asked for more time and that report never made its way in any final shape or form to Guyana until December of 2016. According to my records, it was the 28th December, 2016 that this Government released the full report with a press statement accompanying that report. It was woefully false. I would not say the word “lie” because that would be unparliamentarily. It would be false to anyone to stand knowing that he or she has access to that report from the Government of Guyana’s website and other sources other to say that it is not available.

As I said, that notwithstanding, we welcome a debate on this matter. We believe that renewable and clean energy is where Guyana has to go. The very report, which has paraded itself, states that we must, for the next three years gather data on hydrology on water flows, so it is not a ready package and can go project. It states for the next three years we are to go and measure because there are no empirical studies supporting the flows of water at the Amaila Fall Hydroelectricity Project. When there is discussion or talk about Amaila Fall Hydroelectricity Project being the most available, it is really because more studies had been done on it, but because of fundamental design flaws, because of the absence of reliable data, as to the hydrology at the Amaila Fall, it is not and cannot be ready for at least for another three to four years. It is not true to say that Amaila Fall is available to Guyana and the Government is not using it.

Quite apart from Amaila Fall, my learned friend coloured but knew that there is the Northern Arc Project, which is a project being undertaken a study with Brazil, Suriname and French Guiana to provide a reliable supply of energy to the northern arc of South America which includes those four countries. The site is likely to be in Guyana and, at its maximum output, it would produce 4,000 megawatts of power. When Mr. Lumumba spoke about tell us your plan, they are well aware that these plans have been ongoing and they did not start during the life of this Government. We will produce the reports in due season. We will consult in due seasons with

those who, with the greatest of respect, are deserving of being consulted with. Many people have presented themselves in the place of the Leader of the Opposition and we would consult with the Leader of the Opposition at the appropriate time. We have nothing to hide and the Amaila Fall project, as we are saying, is not ready to go, but we are prepared to examine it as we are prepared to examine a number of other light projects with similar or greater capacity to the Amelia Falls.

Three days ago there was an interesting article in the newspapers about a project being unveiled in India, solar power. The technology has now been made much cheaper, more readily available and there is a possibility that we could have far more than four hours of supply of power from solar as well as being able to produce energy from the hydropower, in which we have the potential, and from wind.

The last speaker, Mr. Lumumba, spoke about natural gas. There has been gas found in association with the petroleum and we are currently examining - just to let Mr. Lumumba know - the possibility of harnessing some of that gas for powering our generators as an interim measure as we transition into renewables. I have no doubt that with the support from the international community Guyana can and will get to meet its targets as set by His Excellency the President.

With that said Mr. Speaker, I thank you, and this Government remains committed to the green economy and to going 100% renewables, notwithstanding the vast discoveries of petroleum.

Thank you Mr. Speaker. *[Applause]*

Minister with in the Ministry of Public Infrastructure [Ms. Ferguson]: I rise to make my contributions on the motion tabled by the Hon. Member, Bishop Juan A. Edghill. My other colleagues had ventilated and addressed other aspect of the motion, however my presentation will focus on the performance of GPL and procurement.

I thank you the Hon. Member Bishop Juan A. Edghill for his questions and concerns raised in the motion which are being debated this evening. My difficulties with the motion, apart from its lack of substance and in dire need of a good footing, the preamble of the motion is riddled with the speculation and misinformation purported to be delivered as facts to this honourable House. This I find very disingenuous from otherwise well informed other Hon. Member.

In the preamble of the motion the Hon. Member stated that “GPL is in recent times being plagued by frequent widespread and unscheduled power outages affecting production and productivity in all sectors.” For the Hon. Member, to make such broad statements unfounded in facts, give this honourable House an indication of what type of motion is being proposed for deliberation.

9.17 p.m.

Further, since the motion has eluded or deliberately avoided what the Guyana Power and Light Inc., both its management and Board are doing, and what the Government is doing for the power sector, it demonstrates partiality in the motion.

The motion further states, in the third And Whereas Clause:

“AND WHEREAS neither the GPL nor the Government has offered any acceptable explanation, nor measures for the amelioration of, these frequent widespread and unscheduled power outages”.

Again, Mr. Speaker, this is a broad, baseless, non-factual statement. The Government, GPL and the acting Chief Executive Officer (CEO) were on numerous media platforms — internet, television and the printed media - explaining the reasons for the blackouts and what is being done to correct the situation.

To be specific, on 19th December, 2016, during a press conference, the Acting Chief Executive Officer of GPL and his Deputy Chief Executive Officer, who is a Technical Officer of GPL, briefed the media on the reasons for the recent blackouts. The Technical Officers explained that the blackouts were as a result of: one, the piston crowns and cylinder wires at Wartsila needed to be repaired.

Two, one of the feeders at the Kingston Plant had a failed conductor. It burnt off and fell across another line which is fed from Sophia. As a result, the line linking the Kingston and Sophia substations tripped on overcurrent and this led to total outage of the system.

Three, there was a failed insulator problem. Subsequently, the feeder that provides electricity to Alberttown, Queenstown and other nearby areas along Thomas Lands went down and there were

power outages in large portions of those areas, including the Georgetown Public Hospital Corporation (GPHC).

Four, two of the feeders from the Kingston plant became entangled. Subsequently, because of the entanglement, the Kingston plants were overloaded and tripped.

Fifth was the tripping of the power transformer at Kingston, which converts power from generators. Additionally, a cubicle at Kingston suffered from installation failure which resulted in severe damages, causing the power company to take the generation set out to service and complete the repair.

These are all information that was made public.

Like my Colleagues of the Government, I found the motion baseless and very difficult to support. I wish to go on record to say that the issues of GPL, VAT on electricity and procurement in general were all ventilated and discussed extensively by Hon. Members on this side of the House just last month during the 2017 Budget debate.

To bring a motion on the very issues that were discussed amounts to politicking and the using of the honourable House for advancing the PPP's political agenda. Nevertheless, the motion prompted my assessment of GPL under the stewardship of the PPP/C and now the A Partnership for National Unity/Alliance For Change (APNU/AFC) Government.

Based on the data provided by GPL, I wish to provide the House with the following facts, looking at power generation between 2014 to 2016. I would just give an overall percentage: an increase of 11.4% in gross generation of megawatts per hour from 2014 to 2016.

I now turn my attention to repairs and maintenance costs in Guyana dollars for Transmission and Distribution: 2011 - \$156 million; 2012 - \$164 million; 2013 - \$207 million; 2014 - \$211 million; 2015 and 2016 respectively - \$234 million and \$257 million. Mr. Speaker, please note that, during the years 2015 and 2016, repairs and maintenance costs were highest over the last six years.

The Hon. Member asked about the reasons and causes for the blackouts. If the PPP/C was skimping on the maintenance of the transmission and distribution, it is only natural for those

problems to show up in the future. For example, it is like your car; if you do not maintain it and then you sell it, it is the buyer who will have to contend with all the maintenance faults that will show up later. In this case, the root cause of the problem is the negligence of the previous owner. The APNU/AFC Government inherited the negligence of the PPP/C at the GPL Inc.

Maintenance costs in Guyana dollars for generation (including Wartsila): 2011 - \$2.020 billion; 2012 - \$2.366 billion; 2013 - \$2.137 billion; 2014 - \$2.468 billion; 2015 and 2016 respectively - \$2.507 billion and \$2.288 billion. An analysis of the numbers shows that a total of \$4.794 billion was spent on maintenance for power generation in 2015 and 2016, a 4.1% more than the preceding two years under the stewardship of the PPP/C.

I now turn my attention to the power outages. Unscheduled power outages occur in two areas - the generation of power and the transmission and distributions. The numbers provided by the GPL Inc. are follows:

Unscheduled Frequency and Hours for Power Generation

Year	Frequency	Total Hours
2014	2,395	2112.6
2015	1,361	931.31
2016	1,419	1150.90

From 2014 to 2016, the number of unscheduled frequency in power outages decreased by 41%, while the number of hours decreased by 45% for generation of power.

In the interest of time, I now turn my attention to the formation of the new Power Producers Distribution Inc. I know my Hon. Friend across there, Dr. Persaud, raised the question. Wanting to be prudent and diligent in managing the affairs of the power sector, our Government supported the formation of Power Producers Distribution Inc., a company that will replace Wartsila in power generation.

If the Hon. Members on the Opposition are interested in knowing what real measures the

Government is taking to address sustainability and development in the power sector, they should pay keen attention to this.

The benefits of PPDI to GPL Inc. are as follows: The cost per MWH of energy produced will be lower than what Wartsila had proposed. The cost for spare parts will be significantly lower than what is being sold by Wartsila. The PPDI will be buying majority of the spare parts from the original equipment manufacturer, which will minus the mark-up from Wartsila.

Local field service engineers, who were trained and certified by Wartsila and now work for PPDI, will be conducting maintenance and technical services. This means a result in lower maintenance cost.

All experienced employees who worked with Wartsila prior to the changing in organisation are now on board with PPDI. This testifies to the quality of services that will be delivered.

I indicated earlier that, under the APNU/AFC Government, more megawatts of power were produced and, with the anticipated lowering costs to GPL from buying power from PPDI, it means putting Guyana in an advantageous position in terms of its productive and manufacturing potentials.

The motion speaks to the second BE IT RESOLVED Clause:

“That this National Assembly calls on the GPL and the Government to abide by the procurement laws of this country and ensure that contracts are fairly and transparently awarded so that the programmes in place for this sector can proceed with no further delays;”

This motion has a hidden agenda and is crafted to reflect that this APNU/AFC Government is not transparent and fair. Based on information submitted by GPL, an analysis was done on the major procurements for GPL under the PPP/C and the APNU/AFC Government. The analysis reveals the following facts: 2011 - \$8.255 billion; 2012 - \$7.232 billion; 2013 - \$2.827 billion; 2014 - \$2.453 billion; 2015 and 2016 respectively - \$781 million and \$403 million. The procurement figures given show that, under the PPP/C, a greater volume of procurement was done, which means the need for greater transparency was required. Yet, the PPP/C was adamant in establishing the Public Procurement Commission (PPC) to enhance the transparency and fairness

of public procurement.

Let me say this before I bring my presentation to a conclusion: it must be noted that the author of this motion, the Hon. Bishop Juan Edghill, held the portfolio as Junior Minister within the Ministry of Finance with responsibility for procurement. It was under his watch that GPL's procurement flaws and lack of transparency started. This honourable House must take note of that fact.

The motion from the Hon. Member, Bishop Edghill, reflects a double standard. It was this Hon. Member who, during his Budget presentation in 2014, at the 71st Sitting of the Tenth Parliament, passionately lobbied for his then Cabinet to have a voice in the form of a "No Objection" for award of contracts. It was also at that same Sitting that the Hon. Member explained that the work of the Public Procurement Commission, a high priced entity, would be to deal with 24 complaints that were brought against the National Procurement and Tender Administration Board during that period.

Mr. Speaker, permit me to now quote the Hon. Member's presentation on procurement:

"Let me remind us that when it comes to public procurement, bids are opened in the presence of bidders or their representatives, and the media. This is no secret thing."

Let me inform the honourable House that, in public procurement, bids are opened in the presence of bidders or their representatives and the media. This is no secret thing. The GPL Inc. is absolutely no exception.

9.32 p.m.

Repetition helps to make the point even better. In my presentation of Budget 2017, I took the time to explain to the honourable House that the PPP/C was in power for 20 plus years and, after constitutional amendment in 2001, which required the establishment of a Public Procurement Commission, the PPP/C had almost 14 years to implement this very oversight body that would have overseen billions of dollars in annual procurement. What the PPP/C could not do and refused to do in 14 years, the APNU/AFC Government did; it delivered the establishment of the Public Procurement Commission in just a mere 18 months in office.

Our Government has nothing to hide or conceal from the nation. APNU/AFC wants transparency in handling of public funds. That is why, in an expedient manner, His Excellency the President established the PPC which should become operational before mid of this year. GPL is one of many State entities under the responsibility of the Government and it is our Government's mandate to make all State entities transparent and fair in their procurement process, hence the Government's rush to establish the PPC.

Given the fact that the issues raised in this motion have been discussed extensively during the recently concluded Budget 2017 debates, and the motion, as I said before, is partial in its construction, contains speculation based on non-factual data and does not accurately reflect the facts of the Government, I cannot give my support to this motion as tabled and, therefore, it should be withdrawn.

I thank you and may God richly bless us. [*Applause*]

Mr. Ali: Thank you very much, Mr. Speaker.

My intention tonight was to address the specific issues of this motion and to deal, in a broad way, with some issues as it relates to the improvement of the system and the development of an overarching plan that would address the issues that we face in relation to energy and electricity in this country. We must be aware in this House that the present conditions are not desirable. We are not competitive and we are not sustainable. And if we are neither competitive nor sustainable, then it says to us that we need to improve. We need to find the solutions.

Before I go there, I must address some of the issues raised by the previous speaker. The Hon. Member referred to repairs and maintenance costs and she gave the figures under the PPP/C Government. The Hon. Member concluded that, when the APNU/AFC came to Government, it inherited a system that required tremendous investments in repairs and maintenance.

If we go back to 1992, I can tell you that we also inherited a broken system, but we had to fix the system. We had to ensure that we continued to improve and build the system. The Hon. Member then said that the operational costs, as it relates to maintenance and repairs, were high. But the Hon. Member did not say, in the same breath, that, over the last six years, when the APNU/AFC came to Government, it also inherited the lowest price of fuel per barrel. **[Hon.**

Members: Six years?] She used a six-year timeframe. I am saying, in the two years that the APNU/AFC came to Government, it benefited from tremendous cost savings as a result of cost of oil per barrel. Where did the savings go? What was the savings utilised for? After acquiring such large amounts of savings, one would assume that you would have, at least, invested those savings into the system to bring greater efficiency and delivery to the people of Guyana.

The Hon. Member said that we brought this motion because we have a political agenda. Well, if the Hon. Member wants us to believe that representing the interesting of the people, standing up for the rights of the people, standing against the 14% VAT on electricity, and standing against the inconsistency and the inefficiency in the delivery of energy to the people is political, then we are proud to stand on the side of the people with this motion.

The Hon. Member said that the motion is filled with speculation and misinformation. This Hon. Member is part of a Government that, a year ago, had a public advertisement saying that it had brought an end to blackouts and flooding. That is what this Government said in its advertisement. That is what I consider misinformation and false information, not what this motion is bringing to us.

How can we say that the situation is stable? The situation, as it relates to energy, is not stable. And if we want to deal with the problem, we, first of all, would have to acknowledge that there is a problem. We cannot fix the situation if we do not acknowledge that there is a problem on our hands. And in a few moments, I will go into that, but let me say this: the Hon. Member spoke about procurement and the Hon. Member mentioned that, under the PPP/C, there were more resources and more services procured because we spent more money. However, what the Hon. Member did not say was that, in that period, we were implementing two large loan projects at GPL that this Government inherited, including the improvement of the transmission main and the interconnection project. And then the Hon. Member went on to say that, in 2015 and 2016, they spent only \$781 million and \$403 million, respectively on procurement. The Hon. Member did not go on to say why. It is because there was tremendous underperformance. And one of the major reasons was that the largest contract that was supposed to be awarded through the procurement process is now in a bid protest with the IDB so this project could not have been implemented because there is a bid protest.

Now, the Hon... [An. Hon. Member: The system provides for that.] I am not saying no; I am just addressing why. I would like the Hon. Member to address us on a few issues. And let me ask the Hon. Member to say to us, on the wind farm, when was it advertised? Who are the providers of this service? What is the track record of the service provider? Where is the memorandum of understanding (MoU)? What consultations were done in relation to this project? I would like the Hon. Member to give us this information.

Finally, let me say and set the record straight that the Public Procurement Commission was appointed by the Public Accounts Committee of the Parliament of Guyana, not the APNU/AFC Government, and this House should be proud because it is this House that unanimously agreed on the Members of the Public Procurement Commission.

Let us look at the Global Competitiveness Report 2015-2016. In that Report, it identifies electricity as the primary challenge for Guyana. When the World Bank did its survey among businesses and individuals, the number one issue that was raised was that of electricity. And when it was broken down into the various components, they were the cost of electricity, the timeframe that it took to get a connection for the service and the efficiency of the service.

Today - and I challenge anyone of the Members to check this out - if a household in a new housing scheme requires a connection and a new metre, do you know how long it will take them to get that new metre? There are hundreds of persons waiting between six months to one and a half years for a connection from GPL right now. There are persons in the Eccles Housing Scheme waiting over one year for a metre from GPL. I would challenge the Hon. Minister to doubt that.

As I said, in that Report, electricity was ranked as the highest or the most serious obstacle to business in Guyana. And the Hon. Minister of Business must recognise this. It takes approximately 104 days to obtain an electric connection, which is significantly above the average in the Caribbean and the rest of the region which is 62 days. There is an average... [Interruption]

[Mr. Speaker hit the gavel.]

When the facts are presented to the Comrades, they get all *bazodee*. Do you know of the movie *Bazodee*? You should look at that.

In Guyana, we experience an average of eight power outages per month with an average duration of three hours. This is what the Report stated. In Guyana, we experience an average of eight power outages per month with an average duration of three hours. It is the highest in the Caribbean.

9.47 p.m.

[**Mr. Felix:** What year?] This is 2016. The estimated loss is the highest in the Caribbean and exceeds the levels incurred by the counterparts in the Caribbean. I can help the Hon. Members. How can the Hon. Members claim to have a plan when they do not have the input data to help them develop that plan? This is the input data derived from the international body. You do not have that data to develop your plan. How is it that you came up with a plan? Let me say that the solution to our problems does not lie in a one-way street.

There are many approaches that we can take. And that is why I am saying let us have the development plan. Let us examine where you want to go. Let us examine what the challenges, the opportunities and the threats are. What is certain is that, if we want to achieve sustainable energy production, if we want to be a country with 100% renewable energy, we cannot continue in this way. We cannot continue in the present way. It is justifiably so because, according to the projections, by 2020, the price for a barrel of oil could go to US\$73.6. By 2030, it could go to US\$101.08 per barrel and, by 2035, it could go to US\$119.5 per barrel. If we look at our consumption and examine the issue of GPL, we also have to look at the growth in terms of the consumption and the growth in terms of the output of GPL.

In the 1970s, we had 74 gigawatts per hour; in mid-1975 to 1980s, we had just below 150 gigawatts per hour. In the 1980s to 1992, we had just below 200 gigawatts per hour; between 1992 and 2016, we had a growth from 350 gigawatts per hour to almost 780 gigawatts per hour. This is the type of growth that we have had in the system. It is because of the increase in the number of households and increased access to electricity. More persons are on the grid now than were on the grid in the 1970s and the 1980s. That is a fact and we have to deal with this.

The other issue is: where do we want to go? Where is this discussion going? Is it that we are looking at the production of energy to meet only our national requirements? All the experts would have pointed to the fact that we have enough capacity in terms of renewable energy to be

a net exporter of energy. We have the ability to be a net exporter of energy. Whilst there is a lot of emphasis in the oil and gas industry, this is another very important area that can be of tremendous benefit to our country and can create many opportunities in the future. How do we achieve this? We cannot achieve this by being pessimists. We cannot achieve this by every time a government changes a new one comes in and kicks out a study and kicks in a study, puts down a study or replaces a study. There must be a sustainable framework that we, as policymakers, must follow in achieving the objectives that we set, even if it is a net export of energy. That strategy must involve all of us so that we can have a definitive energy strategy looking into the future. Whether the Government changes or the Minister changes, there must be a predictable framework that one investor can look at and say that the country is going to follow this pathway.

It is not fair to say that the Amaila Falls Hydropower Project was not shared with Members of the Government. I was part of the meeting when all the documents were handed over to Cde. Carl Greenidge. [Mr. Greenidge: Eventually.] He is saying eventually, but what I am saying is that the documents were shared. We must not delude ourselves of that illusion that is nonfactual.

The Amaila Falls Hydropower Project would have saved us \$3.5 billion over 20 years. It would have saved us \$100 million in fuel import bills. Whether we say it is too late or too early, what we are saying is that the Amaila Falls Hydropower Project is an option that is viable and an option that we should not take off the table if we are to look at a sustainable framework into the future. That is all we are saying.

If one looks at the summary page of the Norconsult Report, it states:

“The only realistic path for Guyana towards an emission free electricity sector is by developing its hydropower potential. The fastest way forward is to maintain AFHP as the first major step for substituting its current oil fired generation.”

This is page 3 of 49. I want to take the Hon. Member to page 12. It states this:

“After competitive bidding between five pre-qualified candidates, AFHI in 2008 selected China Rail First Group...”

This is clear. *[Interruption]*

[Mr. Speaker hit the gavel.]

Mr. Speaker: Hon. Members, we cannot hear what the Member is saying. There has to be interest in it or no interest in it. Hon. Members should at least allow the Member to make his statement.

Please proceed.

Mr. Ali: Mr. Speaker, the Report points to the competitive bidding process. That is all I am saying.

Let us look at the effect of the imposition of the VAT on electricity. I want the Hon. Minister of Business to listen to this because I know the very persons would have talked to him also. There is the issue in the poultry sector in relation to VAT on electricity and water. The second group of businesses is that of the local juice providers. There is one company...

Mr. Speaker: Hon. Member, is this to do with the motion?

Mr. Ali: Electricity, yes.

Mr. Speaker: Are juice and poultry to do with that?

Mr. Ali: Yes.

Mr. Speaker: Hon. Member, I would like relevance and let us stay focused. We are approaching 10.00 p.m.

Mr. Ali: Mr. Speaker, one thing in my life is that I have always been relevant. There is a company here that produces local juices. The monthly electricity bill is between \$1 million to \$1.2 million. **[Mr. Jordan: For juice?]** Yes. Go and check, Hon. Minister of Finance. With the imposition of VAT, that company will now have to spend \$150,000 additionally every month on electricity. The smallest poultry producer will be spending an additional \$450,000 per month on electricity. All I am saying is that we can decide whether this is sustainable. The Hon. Minister of Business can decide whether this would encourage private manufacturers and, whether this would encourage the services industry. My humble suggestion is that it would not. My humble suggestion is that we must sit on the table and find a way to

remove this burden from our local manufacturers.

The future lies in the hands of everyone in this House. Let us think big; let us act big and let us work together in developing a sustainable solution not only for Guyana, but also for us to become a net producer and exporter of energy resources.

I thank you. *[Applause]*

First Vice-President and Prime Minister [Mr. Nagamootoo]: Before the Minister rises, I would like to...

Mr. Speaker: I have not requested the assistance of the Prime Minister as yet, but, if the Prime Minister would be willing to grant it now, then, please.

Mr. Nagamootoo: Sir, I am volunteering my assistance to the House.

Mr. Speaker: Accepted, Hon. Member.

Mr. Nagamootoo: It is to remind the House of your admonition that we would not be going beyond 10.00 p.m. and, therefore, at the appropriate time, I will be standing up again to have the question put.

SUSPENSION OF STANDING ORDER NO. 10 (1)

Mr. Speaker: Hon. Prime Minister, let us make best use of the time, please. Let us take the motion for our continuation.

Mr. Nagamootoo: I am persuaded by you. I move that we conclude the debate on this motion at which time the adjournment should be taken.

Question put and agreed to.

Standing Order suspended.

Minister of Public Infrastructure [Mr. Patterson]: Mr. Speaker, Colleagues, Friends, I do intend to be brief because my Colleagues have addressed several of the points. I am just here to do the mopping up, as it is said.

First, I would like to thank the Hon. Member Edghill for bringing this motion to this Assembly. It allows me the opportunity to address a matter of great importance to the country, in general, and of my Government, in particular.

The provision of reliable, stable electricity, I do think, is an enshrined right of the people of this dear land. Hence, on this score, if asked if I am satisfied with the reliability of electricity by GPL, the answer to that would be a resounding no. Can GPL and we, as a Ministry, do better? Of course. Are we, as a company, committed to do better? Once again, the answer to that would be yes. If the purpose of this motion was to have the Government and, more especially, me, as the subject Minister, to acknowledge and confirm that much more work is required, then the motion would have been deemed a success. I hereby do acknowledge that more work has to and will be done in relation to GPL.

However, while acknowledging and accepting that more has to be done regarding the provision of electricity, this motion allows me the opportunity to have a frank and full discussion on the state of the company that was inherited plus our proposed direction forward.

10.02 p.m.

On being honoured to assume the Office and to take the responsibility of my entire sector – I am talking about the Ministry of Public Infrastructure – on the advice of the elder statesman, the Hon. Prime Minister, Moses V. Nagamootoo, I am obviously a newbie in politics...The Prime Minister said to me that there was no use dwelling in the past and as a young Minister I should just forge ahead, accept what I had inherited, provide solutions and move ahead.

I have adopted my internal policy which I like to call “no grumps”. I do not grumble. I do not complain about the basket with all of the holes which I was given. I have never made public statements about the status of the Ministry or of GPL, which I had inherited.

Maybe, if I had done so, this motion would have been written in another way. It is because the mover of the motion seems to premise it as though we were handed an absolutely functioning gold-spooned, silver-glittered company and that in 18 months we have done nothing to it. Sir, I will use a couple of minutes to tell you what we had inherited and what we have done. Before I

go there, I know that I have half of an hour. I have my watch on. I would like to just respond to a few issues which were raised by the Opposition Members.

The Hon. Member, Bishop Juan Edghill, spoke about the redundancy in generators. He may be disappointed to know that, even in the First World Countries, every building, even with the most 100% reliable power supply, do have generators as back-up power. Unfortunately, if he was considering the fact that businesses in Guyana should not have generators as a back-up, I do not think that that would work.

My Colleagues spoke about the Amaila Falls Hydropower Project. I do not really want to go into too much about the Amaila Falls Hydropower Project. I only want to say this. I am glad that the Hon. Member, Mr. Irfaan Ali, was able to find the document. Maybe, next time, he could show Bishop Juan Edghill how to search for it so that he could find it and refer to it and not try to mislead this House, in future, about not reading the Report.

Page 21 of 49 of the Report – Section 5 states:

“The hydrology for Amaila Falls Hydropower Project is not very well established since continuous series of direct flow measurements in Kuribrong River at the project side do not exist.”

And we are putting \$1 billion in a project that does not exist. That is why it is going to take three or four years to establish. They have to go and measure it. Everybody could remember that picture on the front page of the *Kaieteur News* newspaper of it running dry. That is what we were saying while in Opposition. They could have hoodwinked us all of the while and say “Here is the silver bullet. We will discharge that silver bullet and it would end all of our energy and electricity woes.”

On page 39 of the Report and I would ask Hon. Member, Mr. Irfaan Ali, to follow with me because I do not want anyone to challenge what I am saying – it talks about ‘Dam design’.

“The possibility of simplifying the design of the long low sections of the dam should be studied with the aim to reduce total concrete and volumes and construction costs, and the drawings representing ‘Owner’s Requirements’ being revised accordingly”.

While in Opposition, we had made this particular point. Not enough work was done with the design. Not enough was done on the geo-technical work. As the Hon. Gentleman said, this year, we could have started getting power from the dam. But this year, we could have been flooding the entire area because the dam could have given away. It is because there was not enough information. This is the Report that the Hon. Member was quoting from.

Let me also say this. The Hon. Member Mr. Damon is not here, but not a light bulb would have been lit in the Essequibo from the Amaila Falls Hydropower Project. There was no plan to do anything with the Essequibo. They would have been left in the dark. There was no plan whatsoever. I will come to the plan that we have.

They were going to put the people of Regions 5 and 6 on the Demerara Interconnected Grid. If, such as what happened last year, one of the substations went down, my Colleagues from Regions 5 and 6, you would have been out of power. There was no plan for any redundancy in Regions 5 and 6 to make them independent, which they have to be, should there be any difficulties in the transmission lines. That is how the silver bullet was going to affect us.

The Hon. Member made mention of solar panels for the hinterland and he referred to...he did not ask me the question because he had asked the question during the Budget debate and I had provided the Parliament Office with a list of where the 6,000 solar panels were distributed and installed. I knew he was referring to it that is why he asked the Minister of State. He was referring to the 125 solar panels paid for and bought, not by the Guyana Energy Agency (GEA), not by the GPL, not by the Hinterland Electrification Unit (HEU), but by the Office of the President under the previous Administration. Do you know why he keeps asking where they are? It is because he would like to know if they were ever delivered. I would like to inform you, Sir, that they were never, ever delivered.

The Prime Minister has told me not to go back in history, but to move forward. We have paid – and the Vice-President and Minister of Foreign Affairs is here – in 2014, 100% of the money for the 125 solar panels. Half of them are stored in the GEA compound in containers. The reason we have not received them as yet is because the company has disappeared. It did not go out of business. The Minister of State is sitting there. We have had the Vice-President and Minister of Foreign Affairs contacting his colleagues to find out where this company is. I do not know where

we are going to find them. We paid 100%. I do not want to go down that route, but that is where the matter is, Sir. We also paid for the installation upfront. These are the things that we have been talking about. That is why he keeps asking, “where are the solar panels for the hinterland?”
[Interruption]

Mr. Speaker hit the gavel.

Mr. Speaker: Hon. Members, we must allow the Minister to make his statement. Everyone else wants to make a statement, but not all are listed as speakers. So, please allow the Minister to make his statement.

Mr. Patterson: Thank you, Sir. There is the wind farm. The Minister, Ms. Catherine Hughes, told us about alternative facts. That is one of the brilliant buzz words that came out from the new President of the United States of America. An alternative fact that the Hon. Member made was...where was the procurement when the previous Administration signed a Cabinet Decision to establish exactly what we did? It was with the same person and for more money. We are discussing no more than US\$0.12 per day. The previous Administration was willing to buy electricity from the same person for US\$0.18 per day. Where was the other US\$0.6 per megawatt going? That is the question that I would like the speaker to answer when he gets up to rebut.

There is the issue of public procurement. I would come to that another day.

The Hon. Member, Dr. Persaud, asked about Power Producer and Distribution Inc. (PPDI). I think that Minister Ferguson responded well. I just want to complete that response by saying that the company would not be sold. Dr. Persaud, what is wrong with 194 well-trained Guyanese operating a company here? I do not think that it is appropriate for me to undervalue the contribution that Wartsila has made and continue to make. However, even before the Government had changed, the maintenance was being done by 100% Guyanese persons and we were paying US\$25,000 per day. Someone came just to sign it off. Our local persons, who are still working there, and persons who came...the model that PPDI has, Wartsila learned it in Guyana and they exported it. There is nothing wrong and there is nothing sinister and I do hope that I would get your support, Dr. Persaud, particularly for us to push local persons.

As Minister Ferguson said, for the engines, we are going to original equipment manufacturer (OEM) suppliers. We are not going off the market. We are not skimming. We are cutting the overheads. We are increasing the workforce to 192 from 146 persons with more young and vibrant Guyanese who would be trained. All of the programmes which have started would be enhanced. The cost to GPL for the services would be reduced. As I said before, Hon. Member, we would be going into Operations and Maintenance (O&M) agreements for renewable energy. It is because, as you know, this Government has a commitment, which I am sure is endorsed by you, to go into renewable energy. So, fear not. I do hope that I would get your support for local companies.

The Hon. Member, Mr. Irfaan Ali, spoke about the *Doing Business Report* and the steps which are needed to have electrical connections. One of the first things in the first or second budget speech that the Minister of Business had reported was that a Consultant was hired and we have committed...there has been an initial report to reduce the steps from 22 to 17 and to make it far better.

Having said that, Sir, I would like to address a couple of issues which were raised.

Firstly, both speakers, Mr. Irfaan Ali and Mr. Odinga Lumumba, made mention of the loans that were available and of the works that were done just prior to us taking over. Those were the distribution line, the substations and the expansion of the generation sets. Let us start with the project at Vreed-en-Hoop. It was a big project. It started off at \$1.247 billion. It ended up at \$1.8 billion. From the very first day, issues were raised about the location. Why there? Of course, in the usual style, whatever motivated the previous Administration to make those decisions, it went ahead *willy-nilly* and that was it. The previous Administration built this power station in Vreed-en-Hoop. It purchased land. The contract sum was \$800 million over budget because they decided, for whatever reason, to build it in swamp.

10.17 p.m.

It killed a lot of mangrove trees and that was found. Nevertheless, there was the opening, a great fanfare, in December 2014. Up to July 2016, the GPL spent over \$100 million trucking fuel over the bridge. They started off by building a wharf in the swamp and the contract sum for the wharf started off at \$242 million. At the point where \$350 million was spent, the wharf was still

sinking. When this Government took Office, I negotiated with the contractor and was able to reach an agreement. [Mr. Nandlall: Who was the contractor?] BK International. The project was completed by extending the piles and so on and we did a few engineering miracles.

These were the decisions I had to grapple with for all of last year. Please remember that 'no grump' is my policy. The first time the fuel boat came it was grounded and we said nothing. The fuel boat could not discharge one gallon of fuel because... [Mr. Nandlall:... the contractor?] No, it was because of the location chosen. Another \$27 million had to be spent to dredge it. Up to December 2016, the fuel boat was grounded again. It is a continuous problem of inefficient operation. Nevertheless, it is the Ministry of Public Infrastructure's problem now and it will find a solution.

Secondly, despite the fact that there is a 13.8 kilowatt cable at Craig that has been there for years, and the Hon. Member, Mr. Lumumba, would know that the powers that be had decided that a 69 KVA submarine cable would be placed from Vreed-en-Hoop to Kingston. From the very first day, everyone said that it was a chokehold because of the volume of traffic at the location. It was placed there and it was damaged by a vessel which contributed to the severe power outages. The Government had to spend US\$395,000 to repair the cables in September. The plant at Vreed-en-Hoop is 26 megawatts and the West Demerara area uses one-third of the 26 megawatts. So 14 megawatts are dissipated. The problem at West Demerara is that there is no redundancy whatsoever. I am trying to tell the House what was inherited that contributed to several of the failure which this Government has to address. There is no redundancy whatsoever, so when that cable was damaged, there was nothing else that could have been done but to try to minimise and do some load-shedding.

The sad part of the situation is that this Government, through the Ministry of Finance and the Ministry of Public Infrastructure, has undertaken to dredge that channel because 90% of our imports come through that channel. One can understand that the Government has immediately committed to do something that would further endanger our power supply. This is because, where it is, we would have to go lower. Fortunately, the Member, Mr. Ali, is asking what the Government is doing with the excess money. The Government is building a redundancy cable in the Craig area with a new substation to ensure that, should the cable become damaged, there

would be full access to the power. Even the smallest cutlass contractor knows that when a house is built there must be a front and back entrance - that is basic.

Going back to the grid, this is what was inherited: In Kingston, 30 megawatts - there is one power cable which runs along the embankment line carrying 30 megawatts of power. I do not know if that is the great planning of which, I hope, the Hon. Member would say something. If a donkey's cart hits the power cable, there is nothing we can do about it because there is no redundancy whatsoever. In any other country there would have been a loop or a ring. Of course, that is the lovely state that they have left us in. This one cable includes the 14 which comes over the submarine cable and the generating set and goes to our main distributing centre in Sophia. In other countries there is a loop. That is the lovely state that the former Government left us in. Minister Ferguson had mentioned that when feeder is tripped, nothing can be done but to wait until that feeder is up and running before power can be restored. I am glad to say that it is the same excess money that will be used to build a ring circuit in the loop so that the problem will not reoccur. The tenders have been in returned already. Those are some of the initiatives we would be undertaking.

I want to say that the previous Administration left us with a silver bullet name the Amaila Falls. Beyond the Amaila Fall Hydropower Project there is no day, no night and no in-between; there is nothing. Everything, the GPL expansion plan and the Drainage & Irrigation (D&I) Programme, were solely geared to receive the power from the Amaila Falls Hydropower Project. There was no plan for Essequibo and for Bartica and I want the people of Bartica to know that we have procured the engines for the plant and they are on their way. We want the people in Essequibo to know that we have procured three engines for Anna Regina and they have arrived and will be installed by March. In addition to that, we will be installing 5.5 megawatts of solar power in Anna Regina. The dark days are over. I must thank the Hon. Member because I would not have gotten the opportunity to explain several of these things. All of the Members talked about the grid code, I must say that it is being implemented for generation in excess of 1.5 megawatts so that the excess powers could be sold. Several companies that self-generate current along the East Bank have sent me huge proposals that were made to the previous Administration and that Administration did not listen. We are moving forward.

Let me address one thing before my time runs out. I would like to spend a little time on this particular issue because, like everyone, all of the speakers, save and except for the Hon. Member Dr. Persaud, addressed the question of procurement. Procurement in this country is done in accordance with the Procurement Act, 2005. The question of lot A, and the Hon. Member, Mr. Lumumba, had quite eloquently gave the background of it, it went out to tender. What no one in the Government is actually saying is that there is far more requirements than just price, vis-à-vis the Flip Motilall fiasco. They would like one to think that price is the only determinant by which a contract could be awarded. The previous Government went that route before, but this Government will not. The road to nowhere has ended.

The Hon. Mr. Lumumba is quite right, there are local companies involved and I do not want to highlight the deficiencies of anyone, but I would to highlight to the House, some of the requirements that are in this bidding document which all contractors would have to abide by to ensure that they become compliant. These are the qualification criteria. The average bid building of construction work over three years is at least 25% of the budget. It therefore means that one must be able to demonstrate that over the last three years, work was done to that amount which amounted to \$970 million.

There were five bidders and two out of the five failed in that area. In the area of experience as a prime contractor in construction of at least three works of a nature and complexity equivalent to the work over the last five years; there were five bidders and three of the five bidders failed in that regard. In the area of ensuring the timely availability of the essential equipment listed in the bid document, two contractors failed. In the area of hiring a contract manager with five years' experience, all of the contractors passed. In the area of minimum amount of liquid assets and credit facilities net of contractual obligations, greater than half of US\$1 million, liquidity ratio, proof of access to lines of credit... There are several criteria which all of the bidders have to fulfil. The requirements are all fatal and if the contractors did not meet them on certain projects the financial package was not evaluated.

I would like to say that the bidders were written to highlighting for them the areas in which they have not qualified. I want to dispel the preconception that the work is stalled and awaiting a protest because it is not. Under the previous Governments in the Procurement Act, Guyana had signed onto the... There is an amendment which states that... I want the Hon. Members, Mr.

Lumumba and Bishop Edghill, to know that this is written in our Procurement Act in Cap 73:05: “Procurement funded by multilateral development banks and similar external agencies such as Inter-American Development Bank (IDB), IADB, Caribbean Development Bank (CDB), European Union (EU), the Millennium Fund, *et cetera* are to be governed by the rules of the funding agency. In this case, the funding agency states that these requirements were fatal.

10.32 p.m.

The previous Minister of Finance, the Hon. Dr. Ashni Singh, acting for and on behalf of the Government of Guyana, on the 10th October, signed confirmation of these. These are impositions that this Government inherited and we are bound to honour.

Sir, I could say to the House that the IDB and European Union (EU) have reviewed the procurement regulations and the matters referred to it and they are proceeding. The work is not proceeding right now. We are in the process of paying because, unfortunately, the appeals have been dismissed. So the general statement that we are being held up and those things, they are incorrect. I would not want to go any further, but I want to dispel them. These were the criteria set out by the IDB and EU. There was not only one funding agency, but two and they were satisfied with the process.

I would also like to quickly address the question of the procurement of the GPL, which were mentioned by Minister Hughes when she said that she studied under flambeau, candles and things like that. The Hon. Dr. Ramsarran mentioned that there would be blackouts for three weeks. I would like all those who were around in those days to cast their minds, we never had a problem with meters. We had a problem with the supply of equipment. In this new modern age, everybody knows that we are buying and Minister Ferguson has explained how much we are spending. We have problems every single day where somebody’s meter is broken, not working, have to be changed and those things like that. I would like the House to know these things and that is what prompted the Board of GPL to review their procurement policy.

We can go out and spend billions of dollars to buy meters from the middle men and persons who sell meters and it is the first time, even in the dark old days when there are very limited electricity, the meters were never burnt in the frequency. The Hon. Member, Mr. Hamilton, knows and agrees with this. It shows that we have to address our procurement policy. Let us

prequalify, as the Board has stated, rather than have a public open tender. Persons must submit their meters and they should be rigorously tested, not only here but abroad for longevity and durability and then we would have selective tendering going forward so that we can proceed.

I think that I have elaborated and answered everything. But I would like to close on this point. Once again, I would like to thank the Hon. Member, for giving me the opportunity to bring to light some of the issues that has plagued the industry. I would also like to say to the public that I acknowledge that the service is not optimum but we commit between 2017 and 2018 that we will be spending US\$31 million in doing four new substations, a 110 km of new Transmission and Distribution (T&D) work and these are all locally funded to improve this section. We have commissioned studies into several areas. So this year we will be addressing, not only our generation side, but we will be addressing the long found issue that is plaguing us, which is our transmission and distribution line.

In closing, the Hon. Member asked for a long term plan. We do have a long term plan and it will be in public consultation. We do have a National Energy Policy which has been finalised and it will be opened for public distribution. There is the question of how we are going to get to our goal of a 100% renewable energy. Sir, the Hon. Mr. Irfaan Ali mentioned that there are several different routes. The Report suggests that we could have one medium size hydro from anywhere to use and that we must have a mixture of renewable energies. Our Report also suggested, and this is important and the Hon. Lumumba is quite aware of this issue, coupled with hydro...and it is debateable, but the lowest cost for generating power by natural gas, if the gas is free... Yes. I am sure that there are some discussions that can be had with the Minister of Natural Resources and if we pipe the gas in, the gas is free. It would be even lower than the Amaila Falls Hydropower Project.

So there are several ways. But we do not discount a hydro, medium, large and we believe that the project is one which can make Guyana a net exporter. So the Amaila Falls Hydropower Project is not our only route, as was the only route by the previous Government. We have several other options, including wind. We are advancing in the waste energy project, as was announced. Obviously that will help, but not only with our environmental concerns and waste disposal issues, but with energy as well.

Sir, I would like to close by saying that. [Dr. Mahadeo: Again?] Yes. I came prepared for a very long debate. In the last 'Be it Resolved Clause':

“That the Government unveils its long term strategy for this sector through a national consultative process without further delay.”

Sir, I would like to read from the *Official Gazette*, 26th January, 2016.

“Cabinet considered the above mentioned memorandum... submitted by the Minister of Public Infrastructure and approved and appointed the Board of Directors of the following entities in the Ministry of Public Infrastructure sector for a period of two years with effect from 1st January, 2016 - 31st December, 2016.”

Sir, it lists the 10 persons of the Board as Mr. Robert Badal, as Chairman, the representative of the Guyana Public Service Union (GPSU)...representative from Parliamentary Opposition.

That is why Minister Ferguson referred to this. It is here and it is still opened because this *Official Gazette* goes up to the 31st December, at the end of this year. So the Hon. Member, his designates or whoever it is, could take up his/her rightful place as a Member of the Board. Every single document that he is considering is available and he could go offer his advice and recommendations about what GPL should do. Then he could come back to the House and he could do all the things he requested in this motion. He could send his representative to the GPL board and have them done.

Sir, but by refusing to take up this position, which is still available because I have extended it to the Hon. Member, they are showing as Minister Ferguson has said, that this motion is purely political grandstanding. So I close with saying that I cannot, in this from, support this motion.

I thank you. [Applause]

Bishop Edghill (replying): Mr. Speaker, I would have hoped that, by this hour, the people of Guyana would have known or had an assurance of when the blackouts would stop, when their supply of electricity would be more reliable and what is the strategy to keep the cost affordable, in keeping with our own commitments and trends in a renewable manner.

I would like to thank all the Members who spoke to this motion, more particularly the Members of the Opposition, who lent their support to this motion and also Members of the Government who lent their support, but I guess because of the political hat they are wearing, they cannot support it. But they lent their support in their comments. It is because some of the very arguments we made they had concurred with. If there is a criticism that needs to be made of what I have listened to, and I have listened to all the speakers, it is that my Colleagues on the Government side of this House should be harshly criticised by using arguments that were designed to obfuscate the real issue that this motion brought to the floor.

Sir, if I am to start by responding to the last speaker, who was the Minister responsible for the electricity sector. The Minister started out by saying that he is not satisfied with the state of blackouts and that GPL should do more. But as he went on, he took a posture that has now become, almost, the trademark of this Administration. They do not take kindly to criticism, even constructive criticism. A motion that is brought by a Private Member should allow for the discussion of ideas and should even sharpen Government's policy to ensure better delivery of goods and services to the people of Guyana. Rather, what we had tonight is what I would want to call *standpipish* behaviour. In the village, when there was no water supply in the houses and everybody had to be at the one standpipe, who pushing whose buckets away and the water was wasting - *standpipish* behaviour.

10.47 p.m.

Why do I say this Sir? We are talking here, in this motion, about getting on board a long term strategy for the electricity sector through a national consultative process without further delay. We have listened to the Hon. Mr. Dominic Gaskin and my Colleague, Mr. Irfaan Ali, answered the whole issue about competitive bidding and it would seem that the Minister was at sea and at a total loss, as it relate to competitive bidding and a power purchase agreement. Two different things we were talking about. We then went on to hear, even though I spoke about the feasibility of the 1974 and 1976 period, about the possibility of hydroelectricity, the Hon. Member, Ms. Catherine Hughes, spoke about the Tumatumari Hydroelectricity Programme. The Tumatumari Hydroelectricity Project was not going to be fed into the National Grid. It was not going to change anything in the National Grid.

I visited that site with potential investors and the Hon. Prime Minister who was interested in resuscitating it and what were the possibilities of power for the people in the populated areas of Region 8. This was not going to help the National Grid. It pains because the Hon. Member, Ms. Catherine Hughes, went on to speak about Venezuela and its claim on the Essequibo Coast, which eventually caused our inability to develop our hydroelectricity potential. In 2013 and 2014, in this National Assembly, the enemy of energy development in Guyana was not Venezuela, it was the then Opposition, the A Partnership for National Unity/Alliance For Change (APNU/AFC), combined with their one-seat majority. So, do not let us blame Venezuela. It was the same two parties that formed the Opposition then they are the same ones that are seeking, even now, to cloud the issue about our future where electricity generation and supply is concerned.

If we are going to remedy the blackouts, the unreliability and the high cost that the consumers are bearing today, we have to correct and ensure that there is adequate generation of electricity. There must be adequate generation, which is the first thing. While we were in Government, we developed capacity and I need to respond to those who seem to have forgotten. Today, our peak demand is 114 megawatts and in our supply capacity, to which nothing has been added since the new Government, it is 140 megawatts. So, the peak is 114 and we have a capacity for 140 and there is nothing that was added. We knew that, with the growth that was taking place in our country, we needed to expand by 3.5 to 5 megawatts, annually, and we were putting that in place. The co-generation capacity at Skeldon, at its peak, provides 20 megawatts. So, that is the first thing that needs to be debunked. We improved capacity. [*Interruption*]

Mr. Speaker hit the gavel.

The second thing that is important is that we must be able to get the electricity generated transmitted to where the people require it, which means that our transmission network must be able to facilitate that. That is why we worked on our transmission lines to reduce losses and to ensure that the supply was getting to the people, we had developed the substations. So, that is the second thing Sir.

The third thing that is under consideration here is at what cost? It is because of the issue of cost and what was happening on the World Market with the price per barrel for fossil fuel that this

great need for other sources of energy, which is clean, was sought after. This motion, tonight, simply asks the Government to make known what are its long term strategies and what are its plans so that the people of Guyana can be assured that we are heading in a direction to have this dream realised. We have heard everything else but that.

While I am hearing the promptings on the issue of the boards, I think that it has been publicly stated by the Opposition and the Leader of the Opposition that, whenever this Government brings an end to their witch hunting and blame casting and they are in a mood for national development, the People's Progressive Party/Civic (PPP/C) will sit at the table and work for that kind of a development. If the Government needs time to continue what it is doing, go ahead. We have a situation here tonight... [*Interruption*]

Sir, should I continue or should I give the floor to someone else?

Mr. Speaker hit the gavel.

Mr. Speaker: Hon. Members the time is moving on. Let us allow the Member to complete his statement. Please proceed.

Bishop Edghill: Thank you Sir. The issue that we have before us is will we, in a consensual manner and in a very objective environment, come together as a country and craft a plan that is agreeable by all stakeholders to ensure that this dream and this desire, of all Guyanese having reliable, renewable and affordable electricity, is realised.

I would want to say Sir, as I ask that the motion be put, that the Members who would have indicated already their non-support of this motion are actually saying to the people of Guyana, because the simple clause that they would be voting on is that the Government unveils its long term strategy for this sector through a national consultative process without further delay. When you vote no, you are actually saying to the people of Guyana that that is not their business. The people of Guyana are hearing because the truth about it, whether we are on this side or on that side, what should really be of interest to all of us is what is good for Guyana.

I close by saying what I said earlier, any country that is interested in economic development must pay keen attention to its energy needs and its energy supply because without that, we cannot get the kind of economic development that is needed.

I thank you, Mr. Speaker and I ask that the question be put. *[Applause]*

Question put

Bishop Edghill: Sir, I stand to move that the motion be amended to include the final ‘Be It Further Resolved Clause’, which the Government has tabled, the Norconsult Report on the Feasibility, Fact Based Assessment of the Amaila Falls Hydropower Project, the IDB sponsored energy mix study and all other studies relating to Guyana’s wind, solar, hydro, ethanol, bio-fuels and any other form of energy potentials within two weeks and sent to a Parliamentary Special Select Committee to be scrutinised and returned to the National Assembly with recommendations within two months. I ask that this amendment be put Sir.

11.02 p.m.

Ms. Teixeira: I am seconding the Hon. Member’s amendment.

Mr. Speaker: Hon. Member Bishop Edghill, the motion, which was being debated here, was the motion approved by the Speaker for debate here. Your amendment being proposed is not an amendment, but in fact a disregard of the Speakers interpretation of what should be debated here. The Speaker would not entertain the amendment.

Ms. Teixeira: A Point of Order, it is not unusual in the Parliament to bring an amendment in the midst of a debate. This has nothing to do with what you allowed or did not allow before Sir. We are coming to the point where the motion has to be put and we are moving an amendment to the motion that has been circulated, and that is an order.

Mr. Speaker: The amendment seeks to reinstate what the Speaker disallowed when that motion was put. Hon. Member we have to do it right or not at all. The rules cannot be altered because they prove to be inconvenient. The amendment proposed Hon. Member Bishop Edghill will not be permitted by the Speaker.

Bishop Edghill: Mr. Speaker, respect to you, Sir, I would like to refer you to...

Mr. Speaker: Hon. Member, are you challenging the Speaker’s ruling?

Bishop Edghill: No Sir. I am bringing to your attention Standing Order 26 which I peruse because in my opening statement I did mention that I thought that the last Be It Resolved clause was accidentally omitted. You have indicated to this House, this afternoon, that it was not. After that I peruse Standing Order 26 which has to do with admissibility of motion. I do not see that that clause offended any of the items that were stated there. I would like to refer further to a letter that was circulated...

Mr. Nagamootoo: I rise to ask that the question be put.

Mr. Speaker: Hon. Member Thank you. You may please proceed.

Bishop Edghill: I was just basically seeking guidance because if the substance of a motion which is not a Whereas clause, but it is what the motion was actually asking for, a Be It Resolved clause is removed and I have checked under Standing Order 26 to see if it offended any of these conditions. If I am wrong, I would be happy to know where did it offend that it cannot be amended to include it.

Mr. Speaker: Hon. Member, I will go through this very slowly. You presented a motion for approval by the Speaker for inclusion for debate in this House. The Speaker, in exercise of the authority which resides in him, made amendments to that motion to enable it to be debated here. That motion was submitted and that motion was debated. You have sought by your amendment to reinstate that which the Speaker has disallowed on your original motion. How could that in any sense in this House be something that you feel you can do and insist on trying to do it? The Speaker has disallowed that before it was debated here. That is what we have to accept Hon. Member. It may be inconvenient, but that is what we should accept.

Question put, and negatived.

Motion not carried.

ADJOURNMENT

Mr. Nagamootoo: Mr. Speaker, I move that the House be adjourned until Thursday 9th February 2017 at 2 p.m.

Mr. Speaker: I thank the Hon. Prime Minister. Hon. Members, before I inform you as to the next sitting of the House, I must bring to your attention one matter which is the following. I have received a letter here which I would just simply read to you. The agencies with outstanding information, there were 157 requests for information and 98 responses have so far been submitted to us for transmission to the respective Members. The agencies with outstanding information include the Ministry of Communities, Regions 4, 5, 8, and 10, Ministry of Foreign Affairs, Ministry of Public Security and the Ministry of Public Health. I would ask those Ministries by way of reminder to act on those outstanding requests.

The House stands adjourn until the 9th day of February, 2017 at 2 p.m.

Adjourned accordingly at 11.11 p.m.