

**NATIONAL ASSEMBLY OF THE FIRST SESSION OF  
THE NINTH PARLIAMENT OF GUYANA (2006-2010)**

**REPORT OF  
THE SPECIAL SELECT COMMITTEE  
OF THE NATIONAL ASSEMBLY**

**ON THE**

**IMPACT OF GLOBAL FOOD PRICE INCREASES**

**PRESENTED TO THE NATIONAL ASSEMBLY  
BY THE CHAIRMAN OF THE COMMITTEE**

**ON**

**18<sup>TH</sup> MARCH, 2010**

**REPORT OF THE SPECIAL SELECT COMMITTEE  
OF THE NATIONAL ASSEMBLY ON THE  
IMPACT OF GLOBAL FOOD PRICE INCREASES**

**Appointment of a Special Select Committee**

1. On the 1<sup>st</sup> July, 2008, the National Assembly passed Resolution No.62 which read as follows:

WHEREAS globally there is an increase in food prices caused mainly by four factors, namely; increase in the price of fossil fuels, effects of Climate Change, increase in production of bio-fuels, and growing demand for food in large emerging economies;

AND WHEREAS that the increase of food prices, amounting to over 80% over the past year and a half, is having a devastating effect on the supply and affordability of food for population in both developing and developed nations;

AND WHEREAS that various multilateral and regional institutions, including the Food and Agriculture Organisation, the World Bank, the World Food Programme and CARICOM, have already called for urgent action and heightened collaboration to tackle this global crisis;

AND WHEREAS Guyana, having recognised this crisis and its impact within the CARICOM region, is working with its sister CARICOM partners to transform Guyana into a major player in the development of Food security in the region;

AND WHEREAS the Government has established an Inter-Ministerial Committee on Food Prices tasked with monitoring this emerging situation on a constant basis and to make recommendations on action that may be needed to be taken to cushion the impact on the Guyanese population, especially the poor and vulnerable,

RESOLVED,

That this National Assembly takes note of the impact of Global rising food prices on the cost of living in Guyana and supports the interventions taken by the Government and other National Stakeholders to cushion the impact of these global price increases on our population, especially for the vulnerable groups;

FURTHER RESOLVED,

That this National Assembly undertakes to establish a Special Select Committee to discuss the implementation of these governmental interventions that include increasing the disposable income of ordinary Guyanese; subsidizing the cost of accessing utility services, implementing the Ministry of Agriculture's GROW MORE campaign and its concomitant budgetary interventions; zero-rating of all essential food items, diesel and agricultural inputs; monitoring exports of some essential agricultural commodities to ensure adequate local supply and monitoring of prices and supply of various food commodities, and assistance to single-headed households;

ALSO RESOLVED,

That this National Assembly be provided with the deliberations of Inter-Ministerial Committee on Food Prices and the Special Select Committee on Food Prices and the Special Select Committee on a quarterly basis set up by Cabinet to review the impact of rising food prices on Guyanese and make recommendations intended to cushion the impact;

FURTHER RESOLVED,

That this National Assembly recognizes that the situation requires national action, and sustained efforts and engagement with critical sectors and group to confront this challenge locally and regionally and that the Multi-Stakeholder Forum should deliberate on this issue at an appropriate time.

**Members of the Special Select Committee**

2. At a meeting held on the 3<sup>rd</sup> December, 2008, the Committee of Selection established a Special Select Committee to examine the crisis of escalating food prices globally. The Committee of Selection appointed the following Members to comprise the Special Select Committee:

**From the People's Progressive Party/Civic (PPP/C) (6)**

The Hon. Robert M. Persaud, M.P.  
Minister of Agriculture

The Hon. Dr. Jennifer R. A. Westford, M.P.  
Minister of Public Service

The Hon. Manniram Prashad, M.P.  
Minister of Tourism, Industry and Commerce

The Hon. Pauline Sukhai, M.P.  
Minister of Amerindian Affairs

Mr. Harripersaud Nokta, M.P.

Mrs. Shirley Edwards, M.P.

**From the People's National Congress Reform - 1 Guyana (PNCR - 1G)**

No nominations were made by the PNCR-1G

## **From the Alliance For Change (AFC) (1)**

Mrs. Sheila Holder, M.P

### **First Meeting of the Committee and Election of Chairperson**

3. The first meeting of the Special Select Committee on the Impact of Global Food Price Increases was held on the 22<sup>nd</sup> December, 2009. The Committee elected the Hon. Robert M. Persaud, M.P., Minister of Agriculture as its Chairman.

### **Other Meetings of the Committee**

4. The Committee met on four other occasions: 14<sup>th</sup> January, 2009, 3<sup>rd</sup> February, 2009, 14<sup>th</sup> April, 2009 and 21<sup>st</sup> July, 2009.

### **Mandate**

5. The Chairman of the Committee submitted a Report on the Impact of Global Food Price Increases to the Committee at its second meeting. The Committee met, considered the Report and agreed that it would form part of its report to the National Assembly (see Appendix I). The Committee also invited members of the public to make written submissions via advertisements in the newspapers and letters to the various Regional Offices. A copy of the specimen letter and the advertisement can be found at Appendix II.

### **Written Submission**

6. The Committee received one written submission from the Guyana Consumers' Association and subsequently invited the Guyana Consumers' Association to make an oral presentation. A copy of the written presentation can be found at Appendix III.

## **Oral Evidence**

7. The following persons from the Guyana Consumers' Association appeared before the Committee and made presentations in support of their written submissions:

Ms. Eileen Cox  
Mr. Pat Dyal  
Ms. Sheila Prescott  
Mr. Jainarine Deonauth

## **Proposals/Recommendations**

8. In addition to the proposals/recommendations outlined at appendix I the Committee made the following:

- (i) Communities should be encouraged to access larger revenue to improve their disposable income to provide farming products;
- (ii) Farming of white potatoes, onions and black pepper in the Pakaraima on a small scale basis should be reintroduced;
- (iii) All stakeholders should "buy local" to offer protection to local producers: this should be a National effort;
- (iv) Steps should be taken within the confines of international and bi-lateral arrangements to protect the people;
- (v) Education on "buy local" should be reintroduced in the schools;  
and

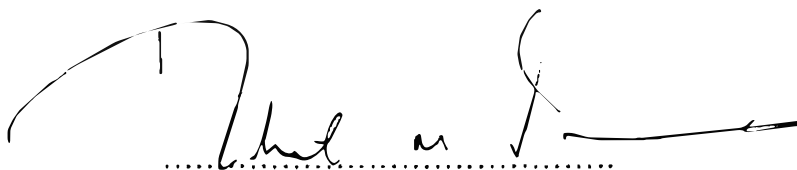
- (vi) A national education programme should be crafted to sensitize the nation.

### **Minutes**

9. The Minutes of proceedings of the Committee are at Appendix IV.

### **Verbatim Records**

10. Verbatim Records of the Proceedings of the Committee have been prepared and are available at the Parliament Office.

A handwritten signature in black ink, appearing to read 'Robert M. Persaud', written over a horizontal dotted line.

on. Robert M. Persaud, M.P.

Minister of Agriculture  
Chairman

*Committees Division  
Parliament Office  
Brickdam,  
Georgetown*

11<sup>th</sup> January, 2010.



**REPORT FOR CONSIDERATION BY THE SPECIAL  
SELECT COMMITTEE ON THE IMPACT OF GLOBAL  
FOOD PRICE INCREASES FOR TRANSMITTAL TO THE  
NATIONAL ASSEMBLY**

Submitted by

Hon. Robert M. Persaud, BA., MBA., M.P.

Minister of Agriculture

Chairman of the Committee on the Impact of Global Food Price Increases

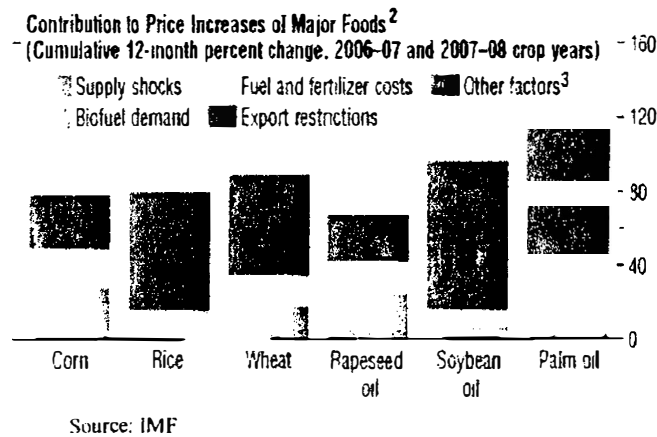
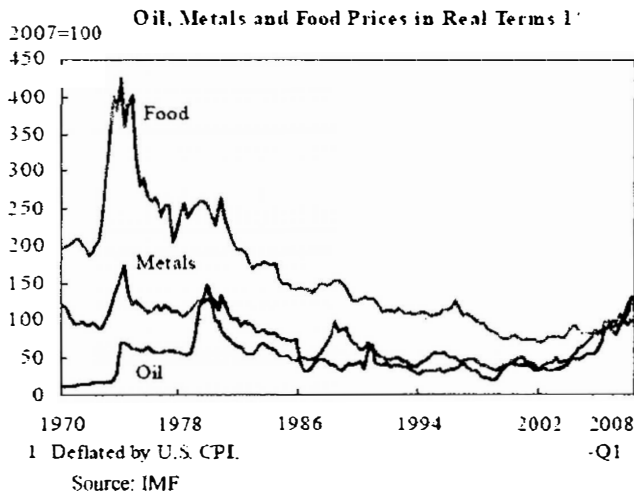
January 14, 2009



## Context

In response to the soaring food and fuel prices experienced in 2008, Cabinet appointed an Inter-Ministerial Committee on Food to address the effects of the crisis. The Minister of Agriculture has compiled this report for submission to the Parliament. It outlines the most recent developments in agricultural commodity prices and the Government's actions taken to address the challenge of high food prices that was witnessed in 2008 while ensuring that Guyana is well positioned to take advantage of the opportunities presented.

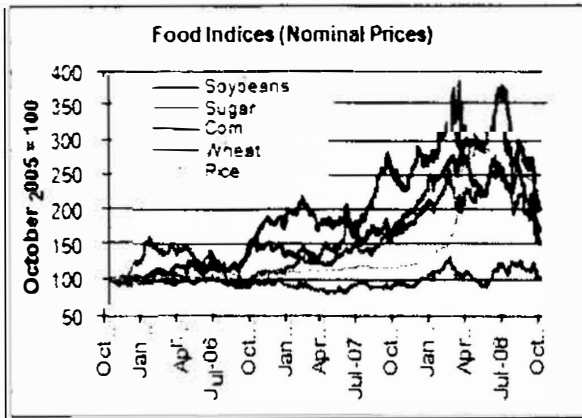
## The 2008 Food Price Crisis<sup>1</sup>



Prices for key agricultural commodities experienced sustained increases in recent years and reached record levels in the first half of 2008. The price increases reversed a trend that has prevailed over most of the past 50 years where international commodity prices have been falling in real terms and have been driven by a number of factors.

In the case of food, population growth and rising incomes have been putting pressure on demand. On the supply side, high oil prices raised production costs and made the diversion of crops to biofuels use a more attractive option. Weather-related supply shocks in a number of food producing and exporting countries in 2006 and 2007, exacerbated by the fact that levels of international inventories were already below their long-term average, drove agricultural commodity prices to the record levels witnessed in 2008. Alongside these factors, increased financial market activity may have had a short and transitory impact on commodity prices. Government policy, including export restrictions, price controls and subsidies have also been factors in limiting supply of some commodities.

<sup>1</sup> For further information and analysis of the drivers and issues in agricultural commodity markets see for example the "OECD – FAO Agricultural Outlook 2008 – 2017", the IMF paper on "Food and Fuel Prices – Recent Developments, Macroeconomic Impact, and Policy Responses", the note by D. Mitchell (World Bank) on Rising Food Prices, the OECD document on "Rising Food Prices: Causes and Consequences". The ECLAC document provides information on "The Escalation in World Food Prices and Its Implications for the Caribbean". The World Bank paper entitled "Rising Food and Fuel Prices: Addressing the Risks to Future Generations" provides some insights on how the food price crisis may affect poverty.



Source: Goldman Sachs Commodities Index, own calculations

Agricultural commodities prices have declined in recent months, aided by lower energy prices, a weakening demand and improved supply prospects. However, with many agricultural inventory levels remaining low, the possibility of further sharp price increases continues to present an upside risk.

however being closely monitored in terms of their potential impact on agricultural commodity markets.

It is unclear at this stage how the financial crisis will affect agricultural commodity markets, as the forces at play often work in opposite directions (see Appendix A).<sup>2</sup> Events in financial markets and their impact on the real economies across a vast number of countries across the world are

Current prices of key commodities:<sup>3</sup>

Commodity	Nov 2008 Average Price (USD)	% Change from Oct 2008	% Change from Nov 2007
Sugar (European Import Price):	\$0.25 per pound	↓ 9.2%	↓ 25.8%
Rice (Thai):	\$563 per metric tonne	↓ 9.7%	↑ 58%
Wheat (No.1 Hard Red Winter)	\$227 per metric tonne	↓ 4.4%	↓ 29.5%
Maize (US Nr.2 yellow)	\$164 per metric tonne	↓ 10.2%	↓ 4%
Crude Oil (simple average of Brent, West Texas and Dubai Fateh)	\$54 per barrel	↓ 25.7%	↓ 40.8%

Source: IMF. See Appendix C for additional commodities

## The Government's Response to the 2008 Food Price Crisis

### (1) Cushioning the impact of high food prices on the Guyanese consumers

A cost of living assessment has been undertaken to compare the change in price of the essential food basket for an average Guyanese family of four in both rural and urban areas. The Bureau of Statistics have shown that the period October 2007 to October 2008 the average rural family's weekly food bill has increased from G\$9, 667 to G\$ 11, 363, an increase of 18 per cent, and the average urban family's weekly food bill has increased from G\$ 10, 461 to G\$ 12, 854 , an increase of 19 percent. (see Appendix B)

Several measures have been implemented to mitigate the impacts of high commodity prices domestically to ensure that food remains affordable in Guyana.

<sup>2</sup> A report by IFPRI entitled "Food and Financial Crises: Implications for Agriculture and the Poor" also offers interesting insights into the link between the financial crisis and agricultural commodity markets.

<sup>3</sup> See Appendix B for current prices of internationally traded Commodity Futures

1. To increase disposable income:
  - A temporary cost of living adjustment (TCLA) of \$4000 per month was paid to Government employees earning a basic salary of \$50,000 and below during the months of May to December 2008. The TCLA of \$ 4000 will be grossed-up into Government employee's salaries to ensure net pay received in December 2008 is preserved in January 2009;
  - For workers who earn more than \$ 50 000, the Government has granted a 5 % increase with effect from the 1<sup>st</sup> January 2008 which was adjusted upwards to 10 % from the 1<sup>st</sup> of May 2008;
  - old age pensions were increased by 63% and public assistance to vulnerable individuals was increased by 82% , taking the old age pension and public assistance bill to \$3.3 billion.
2. In addition, the Government sought to reduce the cost of basic goods and services to domestic consumers, through:
  - The reduction of the excise tax on diesel to zero;
  - A zero-rating of the value-added tax on an extensive list of additional items with effect from 1<sup>st</sup> March 2008;
  - Containing the impact of fuel prices and other cost escalations on electricity and water tariffs by absorbing in the public sector the majority of the increase in the fuel bill of GPL; investing in capital expansion and renewal by GPL; providing spending on additional generating capacity, transmission and distribution upgrades; and providing financial support to GWI in 2007 and in 2008; and
  - A non-restriction on the importation of flour in order to stabilize prices and attract quality flour in the domestic market;
3. To reduce the dependence on oil and diesel and to contain the costs of agricultural production while benefiting the environment, a Presidential Working Group was established. Its remit was to develop a national agro-energy strategy and has completed a draft Agro-energy policy. Examples of alternative energy sources currently being pursued include the sugar industry which uses bagasse to fuel boilers and cogeneration at the Skeldon sugar factory. A further 11 proposals for investment in biofuels are currently under consideration by Go-Invest.
4. The Government also continues to invest heavily in the provision of basic social services, and remains committed to maintaining and expanding other special intervention programmes, which target vulnerable groups. For example the distribution of rice and flour to critical areas across the country at a cost of \$3M and \$20M respectively and the distribution of thirty four farm kits (both crops and livestock kits) to various schools and organizations in all 10 Regions. Moreover, a total of \$21,587,165 has been expended on the distribution of chemicals and fertilisers through the Ministry of Agriculture and New GMC across all ten Regions.
5. Guyana participates actively in regional (CARICOM) efforts to cushion rising cost of food and in-puts on international market acceleration of the implementation of measures under the Jagdeo Initiative. Furthermore, Guyana has implemented a number of measures that were

recommended by the Food and Agriculture Organization (FAO) initiative on soaring food prices (see Appendix D)<sup>4</sup>.

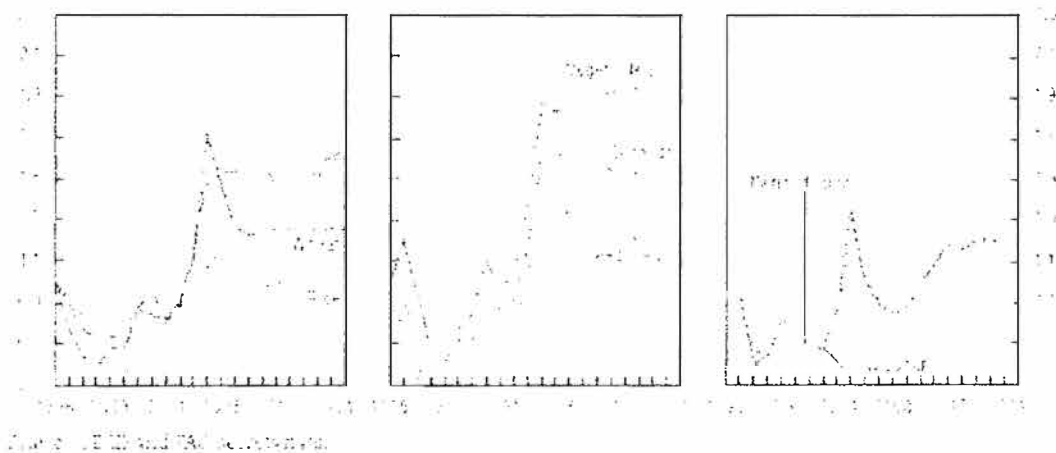
6. As a result of intense rainfall during December 2008, a number of areas along the coastline of Guyana have been severely affected by flooding. The affected areas represent a major segment of the agricultural sector including rice, other crops and livestock. To cushion the overall impact caused by flooding in the agricultural areas and mitigate the damage done to agricultural production, the Ministry of Agriculture will be releasing \$95M worth of supplies and resources. These include breeding animals, seed paddy, veterinary supplies, and seeds, chemicals and spray cans for cash crop farmers as well as facilitate the cost of pumping water from flooded fields. In addition, collaboration between New GMC and farmers was initiated by the MoA to make produce available at affordable prices in light of imminent shortfalls. The Ministry has already provided veterinary supplies and feed for the most affected animals in the flooded areas to support livestock farmers, in addition to engaging landowners in making lands (“highground”) available. New GMC has also been active in facilitating the transportation of produce from the farmgate to the selling points in the city as well as setting up physical facilities so that farmers can sell their produce directly and free of charge.

**(2) Taking action now so that Guyana can take advantage of tomorrow’s opportunities**

Over the medium term, the consensus of experts and market expectations is that prices will resume their decline in real terms, but not to the extent witnessed in the past due to the underlying supply and demand fundamentals. Average nominal prices for the period 2008 to 2017 are estimated to be around 30 per cent higher for sugar, 40 to 60 per cent higher for wheat and maize, and over 80 per cent higher for vegetable oils, compared to the period 1998-2007.<sup>5</sup>

**Outlook for World Crop Prices to 2017**

Index of nominal prices 1998 = 100



Guyana, as the only country in the Caribbean that is a net food exporter is in a strong position to take advantage of the opportunities presented. Nevertheless, given the exposure to global

<sup>4</sup> For further information on the FAO’s initiative see the document entitled the “FAO’s Initiative on Soaring Food Prices: Guide for immediate country level action”.

<sup>5</sup> See FAO-OECD Agricultural Outlook 2008-2017

commodity supply and demand forces, the Government believes that action needs to be taken now in order to maintain and strengthen Guyana's productive capacity. To do so, the Government has taken a multi-pronged approach with wider ranging interventions, including:

- 1. Developing, in collaboration with international agencies, a number of projects aimed at increasing Guyana's agricultural growth potential.** A US\$ 6M IFAD-funded Rural Enterprise and Development Project (READ) is now being implemented, which aims to strengthen intermediary service providers, institutions whose services add value to production and marketing systems and improve rural welfare. A US \$21.9 M loan from the IDB to implement an Agricultural Export Diversification Programme was also secured. Its expected outcome is to establish services and institutions for a sustainable increase in the income derived from the export of non-traditional agricultural exports in the aquaculture, fruits and vegetables, and livestock subsectors; enhancing the protection of domestic consumers from illness, and domestic production from disease and contamination.
- 2. Facilitating production through the Agriculture Support Services Project.** The ASSP is a US\$ 20M project targeting Drainage and Irrigation, Farmer education, delegation of authority to Water Users Association, construction of seed facilities in rice.
- 3. Providing logistical support** through New GMC to twenty four potential investors by facilitating and coordinating their visits to farming communities across the country, and by providing related information on the non-traditional agricultural sector.
- 4. Interventions in agroprocessing,** such as a Coconut Water Bottling Plant proposal which was recently submitted by the MoA to the FAO, the development of flours and juices by NARI and the provision of training to farmers to assist them in the production of higher value added products.
- 5. An educational campaign** – The Ministry of Agriculture and Ministry of Education are collaborating with the school system and the Guyana School of Agriculture to raise awareness and educate students of agricultural aspects. The new GMC has produced supportive promotional material at a cost of \$7M.
- 6. Continued dialogue** with the private sector, civil society, trade unions and other associations in order to listen to their recommendations and ensure the Grow More Food Campaign is given impetus and support by all stakeholders.

The Committee made a number of further recommendations, in addition to the above short- and long-term actions in order to deal with the food price crisis (see Appendix C), which are currently being implemented.

In sum, the Government, through the MoA, the New GMC, NARI and other agencies, and in collaboration with Trade Unions and Civil Society, has taken action to ensure that Guyanese consumers and families are cushioned from the global forces that drove food prices to record levels earlier in the year. The Committee remains focused on positioning Guyana favorably in light of possible future developments and is confident that the actions taken will allow Guyana to effectively capture the opportunities that exist. The Government also continues to place high value on its cooperation with international agencies in order to ensure that the funding and policy advice made available by them bears fruits in Guyana's context both in the short and in the long-term. CARICOM remains an important forum for promoting coordinated actions that will move the region to a position of food security with Guyana as the only net food exporting nation playing a central role within that.

## **Appendix A: Agricultural Commodity Markets and the Financial Crisis** **(Source: FAO)**

According to the IMF World Economic Outlook published on 9 October 2008, the world economy is set for a major downturn triggered by what it describes as the most dangerous financial shock since the 1930s. The IMF has revised its growth forecasts sharply downwards accordingly, to only three percent in 2009 as a slow down is expected in all the major economies. The three percent global growth figure would be largely sustained by continuing high growth rates in India (6.9 percent) and China (9.3 percent). The IMF expects some recovery after 2009, but this will be "unusually gradual" and depend on the impact of the various rescue measures introduced. Other commentators are more pessimistic, talking in terms of years of sluggish growth.

The financial crisis follows hard on the heels of the soaring food prices episode and will obviously have implications for international agricultural markets and the agricultural sectors of developing countries. Agricultural commodity prices have been falling for some time now, following oil prices downwards and, amongst commodities in general, only gold prices are holding up. The final impact of the crisis on commodity prices is, at this stage, difficult to assess as the various forces at play impinge on prices in opposite directions. A discussion on the possible channels through which the crisis could feed into commodity markets could nonetheless help identify the key factors to be closely monitored.

The impacts of the financial crisis will be felt in developing countries at the macro-level, with potentially negative effects on their agriculture sector and on their food security. The channels through which agricultural markets will be affected are on both the demand and supply sides. In general, the slowing down of economic growth would affect international demand for commodities, especially raw materials and livestock products, negatively, with such impact likely to be more limited for staples such as rice. Apart from the direct impact of slower rates of GDP growth, the prevailing uncertainty and consequent negative market expectations could further dampen demand. If, as is sometimes claimed, demand from China and India and other rapidly growing economies in the developing world has a dominant impact on the world agricultural commodity demand and prices, then the anticipated continued high growth rates in these two countries may help contain the negative impact of falling world income growth on agricultural commodity markets. However, overall, the result of falling demand is likely to be further downward pressure on agricultural prices. The recent drop of oil prices may also depress the demand for those commodities usable as feedstock in biofuel production, although this will depend upon the relative movements between oil and feedstock prices. In general, lower food prices are good news for consumers, but suppresses incentives for producers to make the investments necessary and desirable to secure greater food security in the medium term. In addition, the drop of food prices benefiting consumers would probably not be sufficiently to compensate them for declining household incomes in the event of a worldwide recession, as economic activity slows, employment falls and remittances from abroad dry up.

On the supply side of commodity markets, the reduction of price incentives is likely to result in some cutback in agricultural production. However, the impact of the financial crisis on incentives depends on more than just product prices. In particular, the financial crisis may also depress input prices, especially if energy prices continue to weaken, as this could also trigger a reduction in fertiliser and all energy-related costs, from production, to processing, to transportation - freight rates have also halved in the past few weeks -. The net effect on production will depend upon the relative speed of adjustment of output and input prices. It is possible that the input prices will be more "sticky" and fall at a slower pace than product prices, in which case producer margins will be squeezed further. However, even more critical is likely to be the impact of the financial crisis on the availability of credit, which is widely recognized as one of the major constraints to agriculture development in the developing countries, the rationing of which is likely to be more serious than any interest rate effects. The combination of falling agricultural prices and reduced access to credit may have a knock off impact on agricultural production, with very serious implications for the

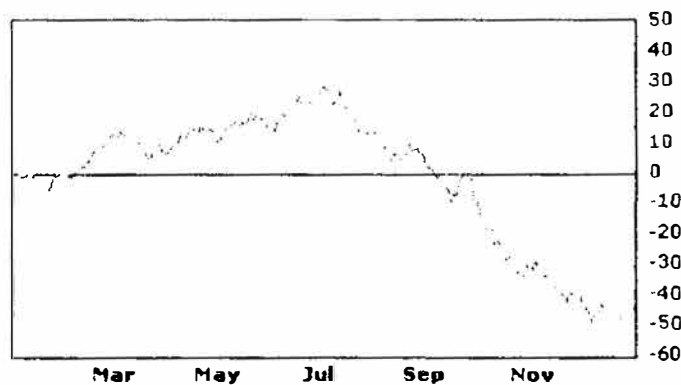
global food security. For instance, a cutback in grain plantings against the background of continuing low grain stocks, which have not been rebuilt since the high food price episode, would increase the risk of global food crisis if harvests turn out to be poor, especially if countries cannot access credit for food imports.

The extent of the impact of the global credit crunch on the financial position of developing countries will depend not only upon the implications for their economic growth rates but also upon their borrowing situation and dependence upon international credit and transfers to finance food imports and agricultural development. Estimating these impacts will need an assessment of the importance of external funds, whether government-to-government borrowing, bank lending, official development aid, foreign direct investment and remittances. All may be compromised by a deepening financial crisis. In this regard, it will be particularly important that donor countries and investors meet their commitments taken towards the development of agriculture in the developing countries, especially at a time when agriculture may, as appears to have been the case over the 1996 Asian financial crisis, act as a “buffer” and help cushion greater losses incurred in other sectors of the economy. Besides the possibility that governments reassess downwards their commitments to international development aid, there is also a risk that the great uncertainty now surrounding international markets and the threat of global recession tempt countries towards protectionism. It would be unfortunate if this were to be the case and if the recently mobilised political will towards enhanced international support for developing country agriculture was to fade away.

## Appendix B: Internationally Traded Commodity Futures as of 02 Jan 2009

(Source: Bloomberg)

INDEX NAME	VALUE	CHANGE	OPEN	HIGH	LOW	TIME
■ UBS BLOOMBERG CMCI	921.16	13.49	893.48	921.26	891.73	11:09
S&P GSCI	350.14	1.11	338.35	351.01	335.03	10:59
RJ/CRB Commodity	229.01	-.53	229.03	229.54	228.00	10:59
Rogers Intl	2609.95	16.29	2520.88	2615.47	2510.38	11:09



### Energy

	PRICE	CHANGE	%CHANGE	TIME
■ BRENT CRUDE FUTR (USD/bbl.)	45.340	-0.250	-0.55	11:00

### Agriculture

	PRICE	CHANGE	%CHANGE	TIME
■ COCOA FUTURE - LI (GBP/MT)	1766.000	-15.000	-0.84	10:44
■ COCOA FUTURE (USD/MT)	2503.000	-162.000	-6.08	10:59
■ COFFEE 'C' FUTURE (USd/lb.)	110.700	-1.350	-1.20	10:59
■ CORN FUTURE (USd/bu.)	404.250	-2.750	-0.68	11:00
■ COTTON NO.2 FUTR (USd/lb.)	48.820	-0.200	-0.41	10:59
■ FCOJ-A FUTURE (USd/lb.)	71.400	3.500	5.15	10:59
■ SOYBEAN FUTURE (USd/bu.)	981.750	1.750	0.18	11:00
■ SOYBEAN MEAL FUTR (USD/T.)	303.000	3.200	1.07	11:00
■ SOYBEAN OIL FUTR (USd/lb.)	33.800	0.200	0.60	11:00
■ SUGAR #11 (WORLD) (USd/lb.)	11.810	0.000	0.00	10:59
■ WHEAT FUTURE(CBT) (USd/bu.)	602.750	-8.000	-1.31	10:59

■ UBS Bloomberg Constant Maturity Commodity Index  
 S&P GSCI Index - Spot CME  
 RJ/CRB Commodity Index

Commodities trade on different exchanges with different trading sessions. Change always shows the change from previous close price. Time is ET



## Appendix C: IMF Commodity Market Prices Table

Commodities	Units	2005	2006	2007	07 Q4	08 Q1	08 Q2	08 Q3	Oct-08	Nov-08
<b>Food</b>										
<b>Cereals</b>										
Wheat	\$ MT	192	192	265	242	411	347	318	237	227
Maize	\$ MT	98	122	163	172	220	189	145	183	164
Rice	\$ MT	288	304	332	357	315	313	273	324	263
Barley	\$ MT	95	117	172	195	217	239	217	144	130
<b>Vegetable oils and protein meals</b>										
Soybeans	\$ MT	223	217	317	390	439	508	438	339	329
Soybean meal	\$ MT	226	194	264	322	354	394	401	291	293
Soybean oil	\$ MT	446	551	830	855	1257	1346	1193	309	229
Palm oil	\$ MT	338	457	719	562	1031	1089	828	486	433
Fish meal	\$ MT	744	1074	2185	1955	1142	1195	1243	1201	1050
Sunflower oil	\$ MT	1145	713	673	673	635	1031	1092	1724	1624
Olive Oil	\$ MT	5515	438	4551	4551	4642	4476	4111	3561	3257
Groundnuts	\$ MT	759	829	1177	1488	1700	1655	1597	1470	1268
Rapeseed Oil	\$ MT	721	651	1012	1295	1537	1595	1416	1250	1074
<b>Meat</b>										
Beef	cts/lb	119	116	118	118	119	119	123	116	115
Lamb	cts/lb	151	154	162	158	171	185	177	152	148
Pork	cts/lb	63	64	64	63	64	71	77	64	63
Poultry	cts/lb	74	69	75	73	79	84	88	88	87
<b>Seafood</b>										
Fish	\$/kg	41	51	45	45	49	52	53	42	39
Shrimp	\$/lb	99	124	215	122	94	89	86	88	92
<b>Sugar</b>										
Free market	cts/lb	101	148	120	101	127	118	136	117	113
United States	cts/lb	21	22	22	29	20	21	23	21	21
EU	cts/lb	30	31	33	34	33	33	31	28	27
Brassils	\$ MT	577	533	577	654	533	513	773	338	405
Oranges	\$ MT	642	825	938	532	1103	1222	1153	930	333
<b>Beverages</b>										
<b>Coffee</b>										
Other acids	cts/lb	114	114	123	134	148	141	144	121	120
Robusta	cts/lb	63	70	88	94	113	112	112	89	83
Cocoa Beans	\$ MT	1345	1591	1938	2001	2462	2782	2538	2251	2045
Tea	cts/kg	216	242	212	213	247	270	310	282	242
<b>Agricultural raw materials</b>										
<b>Timber</b>										
<b>Hardwood</b>										
Logs	\$ MG	222	228	248	275	289	282	277	321	316
Sawnwood	\$ MG	650	744	787	737	829	842	800	855	782
<b>Softwood</b>										
Logs 1	\$ MG	182	187	251	134	135	144	145	123	129
Sawnwood 1	\$ MG	323	342	326	394	321	297	320	244	234
London	cts/lb	65	78	63	59	75	76	76	62	61
<b>Wool</b>										
Fine	cts/kg	678	716	973	1034	1149	1270	942	735	646
Coarse	cts/kg	331	341	397	318	340	394	323	312	281
Rubber	cts/lb	68	65	104	111	125	139	127	88	87
Rices	cts/lb	56	69	72	68	66	67	68	68	62
<b>Metals</b>										
Copper	\$ MT	3476	3731	7132	7223	7518	2494	2672	4395	3729
Aluminum	\$ MT	1931	1973	2640	2445	2791	2945	2735	2122	1857
Iron Ore	cts/DMTU	55	55	57	85	141	141	141	141	141
Tin	\$ MT	7385	8755	14495	18328	17793	22544	22399	14403	13674
Nickel	\$ MT	14778	24126	37136	29238	23578	27665	19090	12145	10777
Zinc	\$ MT	1281	1266	3250	2638	2445	2121	1775	1523	1169
Lead	\$ MT	874	1233	2579	3220	2698	2394	1912	1494	1286
Titanium	\$/lb	272	277	392	371	391	534	631	426	393
<b>Energy</b>										
<b>Spot crude oil</b>										
U.K. Brent	\$/bbl	53.4	54.3	72.1	57.5	95.5	121.1	115.5	77	62.0
Dubai	\$/bbl	44.4	45.4	72.7	59.0	96.7	122.5	115.6	75.8	63.2
West Texas Intermediate	\$/bbl	49.2	49.4	68.4	53.2	91.3	119.7	113.5	65.4	51.4
North Sea Intermediate	\$/bbl	56.4	66.1	72.9	60.7	97.9	124.0	118.0	75.5	67.3
<b>Natural Gas</b>										
European (Germany)	\$/100MB	212.9	297.7	293.2	319.2	369.7	423.4	517.2	276.7	275.7
Indonesian (Japan LNG)	\$/MS	245.0	280.4	177.6	213.0	223.6	290.1	254.3	255.1	251.1
US domestic market	\$/100MB	219.1	242.7	243.1	271.6	311.3	409.6	323.7	242.3	241.1
<b>Coal</b>										
American export markets	\$/MT	51.0	52.5	72.4	69.4	122.1	148.6	174.4	117.7	98.3
South African export markets	\$/MT	40.1	40.7	62.6	54.7	108.2	123.9	157.1	100.1	82.4

1. Provisional  
 2. Average Petroleum Spot Price (APSP): Average of U.K. Brent, Dubai, and West Texas Intermediate, equally weighted.  
 3. Break in series: Monthly Auction price - Best PFI (Kanyun) replaces London Auction price beginning July 2008.

## **Appendix D: Recommended Measures by the Inter-Ministerial Committee**

The following table shows an outline of each of the recommendations proposed by the food committee that financial aid has been sought for.

<b>RECOMMENDATIONS</b>
1. To transform the GSA farm into a model demonstration farm. This will involve the redesigning of farm buildings and acquisition of equipment and other inputs necessary for the transformation of the model farm.
2. Farmer's Field Schools to be expanded countrywide. Currently, there are approximately 16 FFSs. Coverage will be increased in Regions 2, 3, 5 and 6 for a total of approximately 30 FFSs.
3. Development of other crops for feed and substitute products. NARI will acquire and screen varieties of possible adaptation to local conditions. Crops will include corn, soybean, sorghum, red peas, pigeon peas, black eye peas, kidney beans. In addition NARI will begin acquiring and propagating high yielding varieties of cassava
4. To collaborate with GRDB and Guysuco in the use of foliar analysis techniques to determine fertiliser application rates in rice production (Field trials and laboratory analysis).
5. NARI and GSA will collaborate with research on composite flours and utilizing other ingredients in combination with wheat flour.
6. Enhance the extension services which are ongoing in all 10 Regions. Forty-three (43) extension staff was hired and an additional forty-seven (47) are being hired for a total of ninety (90) extension workers.
7. Collaboration with NARI to encourage the use of locally grown materials for feed. This will be done via seminars, workshops, demonstrations in various regions and meeting with feed manufacturers and other stakeholders to identify short term interventions
8. The development of a mechanism for the monitoring of the quality of feed and the health of baby chicks. This involves liaising with Guyana National Bureau of Standards to develop standards to ensure quality is enforced at hatcheries.
9. Strengthening capacity to produce safe wholesome meat through the mobilisation of stakeholders for the establishment of abattoirs of international standards and training of measures such as Hazard Analysis and Critical Control Point (HACCP)
10. The identification of some farmers that will increase their production through technical support. The MoA and partners are working with a group at Dartmouth and in the Intermediate Savannas to aid technology transfer and provide access to new technologies such as improved husbandry and green house shelters.
11. Encourage sustained production for local consumption in the hinterland and linkages with mining companies. Training seminars, research and materials, training in Acoushi ants control and awareness seminars with mining companies and the marketing of produce to these companies will be explored
12. Expand cultivation of other crops including an Orchard Programme. The transfer of technology, demonstration, extension activities and acquiring of planting materials will be done as well as establishment of nurseries
13. To encourage production of fish by-products through seminars and workshops involving all stakeholders.
14. To investigate the use of aquatic weeds in aqua culture
15. To make available to the Ministry of Amerindian Affairs, when necessary, assistance in the transportation of foodstuff to the Hinterland.
16. Support to the National Dairy Development Programme (NDDP) in efforts to utilize indigenous material in the formation of feedstuff for ruminants
17. Encourage communities to form "buying clubs" nationwide to reduce cost (NGMC can assist).

## Appendix E: The FAO's initiative on soaring food prices and its implementation in Guyana

In response to the record high food prices experienced in 2008, the Food and Agriculture Organisation of the United Nations (FAO) produced a Guide for immediate country level action in May 2008<sup>o</sup>. The guide aimed to inform the design of country action plans addressing high food prices. As can be seen from the table below and the actions already mentioned in the main part of this note, the Government of Guyana not only implemented the FAO's recommendations which made sense in Guyana's specific context, but actually went beyond the necessary and recommended actions to mitigate the challenges posed by high food prices to consumers.

<b>Policy</b>	<b>How it is implemented in Guyana</b>
1. Reduce import taxes on food items, agricultural inputs and equipment	An intervention suggested by the Inter-ministerial Committee on Food is to review import taxes on food items. Equipment and machinery for agricultural production such as tractors are duty free.
2. Value chain analysis	The Agricultural Export Diversification Project a number of value chain studies will be undertaken to promote Guyana's potential in non-traditional agricultural exports.
3. Immediate support to production in family gardens and irrigated areas	This is being achieved through the Grow More Food campaign's distribution of seed and planting materials along with the distribution of farm kits
4. Engage in forward contracts for food imports to secure food availability in medium term	Not implemented in Guyana
5. Reduced, banned or taxed exports of strategic food commodities	Established 15,000 ton export quota for broken rice
6. Reduce or remove Value Added Tax (VAT) and/or other taxes on food products	When VAT was introduced on January 1st 2007 it was not applied on all basic food items. This list was further expanded on March 1st 2008 to include several primary food products and inputs for food production
7. Tax reduction on fuel for transport	There has been a reduction to zero excise tax on diesel to reduce the cost of production especially for the productive sector. There has also been a reduction of excise tax on gasoline.
8. Targeted income tax Reduction	25% increase in the income tax threshold from (\$28,000 to \$35,000 monthly) with effect from 1 January 2008.
9. Food aid in kind	Not implemented in Guyana
10. Requisition of private stocks (forced procurement)	Not implemented in Guyana
11. Progressive release of food kept in public food reserve	Not implemented in Guyana

<sup>o</sup> For more information, see the paper entitled "FAO's Initiative on Soaring Food Prices: Guide for immediate country-level action"

12. Stop any subsidy or encouragement for animal production	Not implemented in Guyana
13. Cash transfers or food Vouchers	Not implemented in Guyana
14. Universal food subsidy	Even though no universal food subsidy was implemented, the Government is providing a subsidy of G\$20 million to cushion the impact of the increased price of flour and is supplying rice at a reduced price in the rice price buster programme. Furthermore, indirect subsidies have been provided in the form of farm kits, the distribution of chemicals and fertilisers, seed distribution and other extension services.
15. Increasing salary in civil service and other benefits	A temporary cost of living adjustment (TCLA) OF \$4000 per month was paid to Government employees earning a basic salary of \$50 000 and below during the months of May to December 2008. The TCLA of \$4000 will be grossed-up into Government employee's salaries to ensure net pay received in December 2008 is preserved in January 2009. A 5% increase with effect from 1 <sup>st</sup> January 2008 was granted to workers who earn more than \$50 000, which was adjusted upwards to 10% from the 1 <sup>st</sup> of May 2008. Old Age pensions were increased by 63% and public assistance to vulnerable individuals was increased by 82%, taking the old age pension and public assistance bill to \$3.3 billion.
16. Credit facilities for consumers	The Rice sector has benefited from an EU funded credit programme costing €6.5M. Private sugar cane farmers benefited from a tripartite agreement between GUYSUCO and commercial banks so as to facilitate access to credit.
17. Reinforce capacity (training and equipment) in income generating activities through value addition on agricultural and food products	NARI is presently encouraging farmers to produce value added products, by providing them with relevant training. In addition, New GMC has recently opened another packaging facility in Parika.
18. Government reengagement in marketing	Not implemented in Guyana
19. Forced procurement	Not implemented in Guyana
20. Direct Seed Distribution	This is a component of the Grow More Campaign

## APPENDIX II



Parliament Office,  
Public Buildings,  
Georgetown,  
Guyana.

Tel: 226-8456-9

6<sup>th</sup> February, 2009

Regional Executive Officer  
Regional Democratic Council  
Region # 1- Barima/Waini  
Mabaruma

Dear Sir/Madam

### **Special Select Committee on the Impact of Global Food Price Increases**

On the 1<sup>st</sup> July, 2008, the Special Select Committee on the Impact of Global Food Price Increases was established through Resolution No. 62 by the National Assembly.

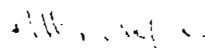
This Committee seeks to discuss the implementation of governmental interventions that include increasing the disposable income of ordinary Guyanese, subsidizing the cost of accessing utility services, implementing the Ministry of Agriculture's GROW MORE campaign and its concomitant budgetary interventions; zero rating of all essential food items, diesel and agricultural inputs; monitoring exports of some essential agricultural commodities to ensure adequate local supply and monitoring of prices and supply of various food commodities; and assistance to single-headed households.

At its meeting held on 4<sup>th</sup> February, 2009, the Committee felt that there is need for it to consult with a wide cross section of the nation. It has therefore, directed me to write the Regional Executive Officer requesting that you place the attached notice/advertisement at a place of prominence so as to allow persons in your region to be actively involved in the process.

The Committee would appreciate if you treat this matter with urgency since it is desirous of receiving submissions by the 3<sup>rd</sup> March, 2009.

With thanks for your cooperation.

Yours sincerely

  
Debra H. Cadogan  
Assistant Head, Committees Division.

# PARLIAMENT OFFICE

## Impact of Global Food Price Increases

### INVITATION TO THE PUBLIC FOR WRITTEN AND ORAL SUBMISSIONS

The Special Select Committee on the Impact of Global Food Price Increases was established through Resolution No. 62 by the National Assembly. This Committee seeks to discuss the implementation of governmental interventions that include increasing the disposable income of ordinary Guyanese, subsidizing the cost of accessing utility services, implementing the Ministry of Agriculture's GROW MORE campaign and its concomitant budgetary interventions; zero rating of all essential food items, diesel and agricultural inputs; monitoring exports of some essential agricultural commodities to ensure adequate local supply and monitoring of prices and supply of various food commodities; and assistance to single-headed households.

The Committee has begun its work, but wishes to receive from members of the public, individuals as well as organizations, their views on the Impact of Global Food Price Increases.

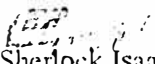
The Committee is, therefore, extending an invitation to members of the public to forward written submissions of their views.

The Committee is also inviting individuals and organisations who wish to appear before the Committee to give oral evidence to indicate their interest.

All written submissions and requests to give oral evidence must be addressed to:

The Clerk of Committee  
Special Select Committee of the National Assembly  
(The Impact of Global Food Price Increases)  
Committees Division  
Parliament Office  
Public Buildings  
Georgetown

And must be received no later than 3<sup>rd</sup> March, 2009.

  
Mr. Sherlock Isaacs  
Clerk of the National Assembly  
5<sup>th</sup> February, 2009

Rec'd SR  
2009-03-05**GUYANA CONSUMERS' ASSOCIATION**

217 Lamaha Street, North Cumminsburg, Georgetown.  
Tel./Fax: 226 3090

**SUBMISSION FROM THE GUYANA CONSUMERS' ASSOCIATION ON IMPACT OF GLOBAL PRICE INCREASES**

The Clerk of Committee  
Special Select Committee on the National Assembly  
(The Impact of Global Food Price Increases)  
Committee Division  
Parliament Office  
Public Buildings  
Georgetown.

2nd March 2009

**BASES INFORMING RECOMMENDATIONS:**

The title "Impact of Global Price Increases" under which members of the public have been asked to make submissions does not either correspond to or encapsulate Resolution 62 as set out in the notice. The Resolution was wide-ranging and impact of rising global food prices was merely one of the considerations.

The Guyana Consumers' Association submission would therefore be informed by two principles: (i) We will consider causes of the rise in some local prices and what Government could do in both short and medium term to ameliorate the situation; (ii) We will not be considering macro issues of Economic and Social Development and Administrative Reform as such matters are long term and we feel that the invitation to make submissions did not envisage such.

**RECOMMENDATIONS:**

I. **COMPETITION** has been recognized both locally and Caribbean-wide as a desirable mechanism for lowering prices and making them more equilibril. Accordingly, Competition Commissions have been established throughout the Caribbean Region and Guyana is no exception.

The Competition Commission framework is far too elaborate, expensive and difficult to get off the ground. The Competition Commission needs to get its act in order and begin to stimulate Competition. In Guyana, more than elsewhere, there is need to stimulate competition since for a generation Guyana was under a socialist experiment which resulted in shortages and the growth of sellers' markets. Guyanese consumers, being conditioned by this culture, tend to buy whatever they are offered without attempting to compare prices. Competition needs to be stimulated by whatever means including education. The Guyana Consumers' Association, with its very limited means, has been trying to rebuild the culture of competition but it is only strong governmental intervention could bring about the change.

II. **REDUCTION OF VAT PERCENTAGE** – When VAT was first proposed, it was declared by government that it was a "Revenue Neutral" tax and the Guyana Consumers' Association, at the time, supported it. Indeed, some of the Guyana Revenue Authority's promotions were even saying it was not a tax.

We still support VAT but, like most of the population we feel that a reduction of the VAT percentage to 6% or 8% maximum would restore it to government's first idea of having a revenue neutral tax. The massive windfall of the unexpected garnering in of billions of dollars makes it difficult to surrender the extremely productive cash cow, but allowing the consumers to retain more of their disposable income would improve the quality of life as well as be a stimulus for the business community. Both the consumers and business community have complained of the high percentage of VAT until they could complain no more, but it is a truism to everyone that the reduction in the VAT percentage would be a salutary and positive thing to everyone.

The reduction of the VAT percentage to 6% to 8% maximum, we feel could more than accommodate the zero rating of essential foodstuff since, in any case, most essential foodstuff are already zero-rated and the VAT tax has continued to bring in unexpected billions of dollars.

We therefore reiterate that we would strongly recommend the reduction of the VAT percentage to 6% or 8% maximum.

**III CONFRONTING GLOBAL FOOD PRICE INCREASES** - There is no doubt food prices globally have been rising and this impacts negatively on the foodstuff imported. We would suggest the following governmental interventions to deal with this issue:

i) There should be a joint government/private sector office which will continuously keep import *prices* of foodstuff under review. The scope of such review will be world-wide. If such an office works successfully we would know the lowest prices available worldwide and importers could take advantage of them. The government will also have to exercise strong moral suasion to ensure that profit mark-ups are kept to a reasonable level.

ii) Import substitution for foodstuff should be seriously addressed by government. For example – Milk. The steep rises in milk prices has been causing havoc and in particular to families with young children and babies. Guyana used to be self-sufficient in milk and this may be an opportunity to resuscitate the milk industry and a pasteurization plant. The high foreign milk prices are an advantage for a local milk industry since it will make it more economic.

Another example of inport substitution is white potatoes (Irish) which grows in the Pakaraimas. The improved air-transport and road-transport which did not exist formerly is an advantage in putting white potatoes on the coastal markets at competitive prices.

Other smaller crops could be grown such as a number of spices such as ginger and tumeric (haldi) and various types of dhal and coriander seeds could be grown. Such crops should be grown by interested individuals with government facilitating. The model of how the rice industry was founded should be used rather than the modern time-consuming ways of having feasibility studies, etc.

Methods of preservation should be immediately taught such as the preservation of green ginger or tumeric, or drying of coriander seeds. Such could be also the nucleus of an export industry.

iii) Canning factories should be established to can surplus fruit and grain and the production of fruit juices and nectars. Such factories should be individually owned; government should offer incentives including know-how.

**IV THE FOUR UTILITIES – WATER, ELECTRICITY, TELECOMMUNICATION AND PUBLIC TRANSPORT MADE MORE AFFORDABLE:**

i) **Water and Electricity** are already subsidized and needs to be further subsidized, chiefly on an individual basis such as distinctly rebating on one's personal bill. Such subsidization must go simultaneously with loss reduction in both Utilities. In both Water and



Electricity, hundreds of millions are lost each year by theft. With the GPL, it is a figure like US\$20 to US\$25 million is lost in theft. If theft could be curtailed, both Water and Electricity would become cheaper. Government will have to give full and overt support to the management of both Water and Electricity Corporations in their either taking corrective action on, or not extending service to squatter communities, and in other ways such as establishing special Court to deal with such offenders to bypass the present delays in the legal system.

ii) **Telecommunication:** The cliché is that ending the GT&T monopoly and having competition with Digicel will solve the problem. The end of the GT&T monopoly is a very desirable objective, but it is not a straightforward matter and needs a great deal of lengthy and time-consuming negotiations which could go on for years before consumer costs are reduced by that route. Indeed, the reduction may not be so simple as the land lines are subsidized by overseas calls and will go up in price with the removal of monopoly.

***The better short and medium term approach by government in bringing down costs to telecommunications consumers is to encourage the use of modern technology and to protect the suppliers and users of such modern technology. An example would be the use of Skype and Internet cafes.***

iii) **Public Transport** should be made to keep its prices affordable by means of the suasion of Governmental Authority. The entire Cabinet should throw its weight behind the responsible Minister and never leave him or her standing alone when trying to bring reasonable fares to the consumer.

Some limited concessions could be granted road-transport as giving some tax rebate on new tyres so that bus owners would desist from the dangerous practice and, indeed, 'un-economics' of buying and using imported second-hand tyres. Government must keep regular and continuous contact with this sector and not await sudden eruptions of fare-rises.

V, **ASSISTANCE TO SINGLE-HEADED HOUSEHOLDS** – Such households are usually of two types – old persons living alone without any relative or friends, and single-parent families who are usually a woman with several children, or a woman with a young baby who has to care the baby and cannot work. Both types of households should be assisted.

The single-headed household with an aged person should be given help in the form of services such as nursing or other medical help, a few meals per week and help in getting matters with bureaucracy done such as paying an electricity bill or getting an old age pension book. Money should not readily be given to aged persons except there is some surveillance since old people are particularly subject to thefts and other exploitation.

Single-parent families such as a woman with several children or a woman with a baby who cannot work, would need monetary assistance to meet many of the necessities of life and to take care of her children. But money must be given only on <sup>the</sup> single-parent acceding to certain norms. For example, a woman should cease to have any more children or, that her children are sent to school regularly or, that she is willing to learn the arts of socialization of children which are taught to her.

In other words, assistance should be accorded single-headed households but the recipients must also be prepared to accept certain norms of behavior.

VI. **TEACHING PEOPLE HOW TO UTILISE MONEY** - If most people knew how to spend or save money wisely, they would be better off and the impact of rising prices would not so disastrously affect them. A scale of spending should be disseminated and the process of saving and the understanding that money generates money should be taught.

This knowledge of how to spend and save money is related to the ways individuals and their groups deal with poverty. We will not go into the various ways various groups face poverty

but the traditional Guyanese way was firstly living on whatever one had and stretching resources as far as possible, never complaining of being poor and trying one's utmost to educate one's self and one's children. Education was used for upward mobility.

Teaching the ways of properly utilizing money, saving and the concepts and ways of generating wealth should be a module introduced into the school system at all levels and the Ministry of Education should be pro-active in this regard. The Bank of Guyana is interested in the subject from a banking standpoint and could make an input in the school system.

The traditional Guyanese ways of utilizing very scarce and limited resources and educating children generally cushioned rising prices and hard times in the past and could do so now.

VII. **MEDICAL, HEALTH CARE AND FUNERAL COSTS** must be addressed. These costs often absorb a great percentage of a family's or person's disposable income and, in some cases, they impoverish.

i) Government could assist in reducing Medical and health care costs in the following ways:

a) Teaching of basic first-aid and common medical procedures should be introduced in the schools. In the past in Guyana, minor medical complaints were treated at home and no one went to doctors or hospitals for colds or sprains or minor cuts. The revival of this culture of self-care should be resuscitated via the school system and this will save families a great deal of money.

b) The facilities and offerings of Government's health programmes should be continuously publicized. Very often people pay large sums to private hospitals for procedures they could access from the Public Health Sector at no cost. Such would also be laboratory services.

c) There is a law protecting patients from exploitation by private hospitals and private medical personnel. For example, a patient may be given procedures or tests which are irrelevant to his/her condition or ailment, but is charged heavily therefor. There are cases where the law has been invoked saving the patient and his family hundreds of thousands of dollars. This Law should be continuously publicized as it would inhibit medical exploitation and open a window for patients to seek redress.

d) The cost of drugs and health care materials (e.g. bandages, arthritic stockings) should be kept under review. The effectuation of the Competition commission mentioned at I could help in this regard as well as the Consumer Division of the Ministry of Tourism, Industry & Commerce.

ii) Funeral costs could be lowered and stabilized by:

a) The appropriate Ministry of Government discussing the issue of costs with undertaker companies. Such discussions have never before been initiated.

b) Quietly but widely publicizing the question of costs by pointing out comparisons like the cost of transporting a living person from the funeral parlour to the burial ground would be \$400 but the transporting of a person who is dead would be \$10,000. Or the exorbitant cost of coffins. The fashion of using dolies, i.e. a bamboo stretcher on which the corpse rests, or the use of the type of coffin used in Muslim funerals which is an oblong box made by any carpenter, or even the family, and neatly covered with white cotton, could be publicized and promoted.

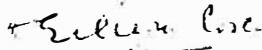
c) The building of electric crematoria. This would immensely cut down the costs of disposals. Such crematoria could be built by private persons or private companies with the Government granting tax and other concessions such as providing the necessary land and insisting on the standards. Or, Government could venture into building such crematoria as pilot projects, privatizing them in due course.

d) The various Churches and religious organizations could be encouraged to assume certain aspects of the undertaking operations, thus saving the bereaved family large sums of money. The Central Islamic Organization (CIOG) has had such involvement over many years with good results.

VIII **SCHOOL LUNCHES AND SCHOOL BUSES** - Many parents do not have money to give their children to purchase lunch or to give them packed lunches when they attend school. The child may only have money to buy a sweet or green mangoes. Government should reintroduce school lunches as it would allow for more disposable income to a sizeable number of persons and have the social spin off of cultivating a healthier and brighter school population. In this regard, also, consideration should be given to providing school buses.

There are, of course, other ways in which the Government could assist in keeping prices down and stabilizing them, thus permitting more disposable incomes to families and individuals but what we have suggested, if put into operation, would certainly make some noticeable impact on the issue.

Yours sincerely,



**Eileen Cox, A.A.**  
**President of the Guyana Consumers'**  
**Association**

## **APPENDIX IV**

### **Minutes of Meetings**

1<sup>st</sup> Meeting held on 22<sup>nd</sup> December, 2008

2<sup>nd</sup> Meeting held on 14<sup>th</sup> January, 2009

3<sup>rd</sup> Meeting held on 3<sup>rd</sup> February, 2009

4<sup>th</sup> Meeting held on 14<sup>th</sup> April, 2009

5<sup>th</sup> Meeting held on 21<sup>st</sup> July, 2009

THE NATIONAL ASSEMBLY OF THE FIRST SESSION  
OF THE NINTH PARLIAMENT OF GUYANA (2006 - 2008)

MINUTES OF THE  
1<sup>ST</sup> MEETING OF THE SPECIAL SELECT COMMITTEE  
ON THE IMPACT OF GLOBAL FOOD PRICES  
HELD AT 4.30 P.M  
ON MONDAY 22<sup>ND</sup> DECEMBER, 2008  
IN THE SPEAKER'S CHAMBER, PUBLIC BUILDINGS, BRICKDAM,  
GEORGETOWN

MEMBERS OF THE COMMITTEE (7)

CHAIRMAN (1)

From the People's Progressive Party/Civic (PPP/C) (1)

(Nominated by the Committee of Selection on 3<sup>rd</sup> December, 2008)

The Hon. Hari N. Ramkarran, S.C., M.P., Speaker of the National Assembly  
(As Presiding Officer for the election of the Chairman)

Other Members

From the People's Progressive Party/Civic (PPP/C) (6)

(Nominated by the Committee of Selection on 3<sup>rd</sup> December, 2008)

The Hon. Robert M. Persaud, M.P.  
Minister of Agriculture

The Hon. Dr. Jennifer R.A. Westford, M.P.  
Minister of Public Service

The Hon. Manniram Prashad, M.P.  
Minister of Tourism, Industry and Commerce

The Hon. Pauline Sukhai, M.P.  
Minister of Amerindian Affairs

Mr. Harripersaud Nokta, M.P.

Mrs. Shirley Edwards, M.P.

From the People's National Congress Reform – 1 Guyana (PNCR – 1G)

(Nominated by the Committee of Selection on 3<sup>rd</sup> December, 2008)

No nominations were made by the PNCR-1G

**From the Alliance For Change (AFC) (1)**

(Nominated by the Committee of Selection on 3<sup>rd</sup> December, 2008)

Mrs. Sheila Holder, M.P.

**Officers**

Mr. Sherlock E. Isaacs - Clerk of the National Assembly  
Ms. Debra H. Cadogan - Assistant Head of Committees Division

**ITEM 1: CALL TO ORDER**

- 1.1 The Speaker as Presiding Officer for the election of a Chairman for the Committee called the meeting to order at 4.30 p.m.

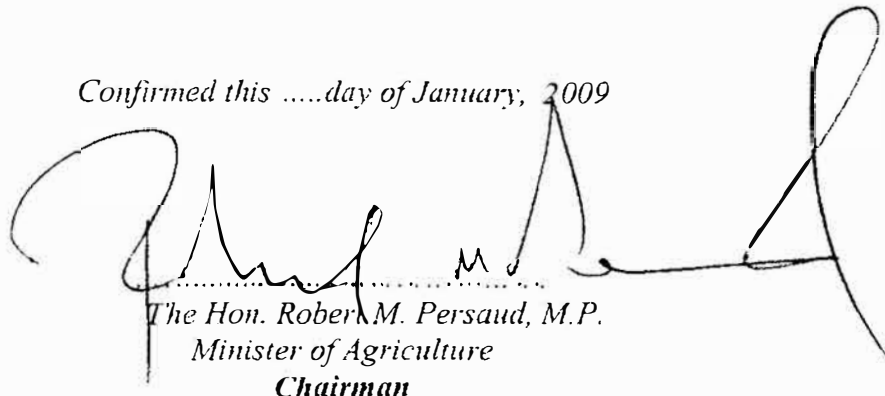
**ITEM 2: ELECTION OF CHAIRMAN OF THE SPECIAL SELECT COMMITTEE ON THE IMPACT OF GLOBAL FOOD PRICES**

- 2.1 The Speaker called for nominations of a Chairman for the Committee.
- 2.1.1 The Hon. Manniram Prashad proposed and Mr. Harripersaud Nokta seconded the nomination of the Hon. Robert M. Persaud, M.P.
- 2.1.2 There being no other nomination, the Speaker declared the Hon. Robert M. Persaud as Chairman of the Committee.

**ADJOURNMENT**

At 4.31 p.m. the meeting was adjourned *sine die*.

Confirmed this .....day of January, 2009



The Hon. Robert M. Persaud, M.P.  
Minister of Agriculture  
Chairman

THE NATIONAL ASSEMBLY OF THE FIRST SESSION  
OF THE NINTH PARLIAMENT OF GUYANA (2006 - 2009)

MINUTES OF THE  
2<sup>ND</sup> MEETING OF THE SPECIAL SELECT COMMITTEE  
ON THE IMPACT OF GLOBAL FOOD PRICES  
HELD AT 2.37 P.M  
ON WEDNESDAY 14<sup>TH</sup> JANUARY, 2009  
IN THE COMMITTEE ROOM NO. 1, PUBLIC BUILDINGS, BRICKDAM,  
GEORGETOWN

**MEMBERS OF THE COMMITTEE (7)**

**CHAIRMAN (1)**

**From the People's Progressive Party/Civic (PPP/C) (1)**

(Nominated by the Committee of Selection on 3<sup>rd</sup> December, 2008)

(Elected by the Committee on 22<sup>nd</sup> December, 2008)

The Hon. Robert M. Persaud, M.P.  
Minister of Agriculture

**Other Members**

**From the People's Progressive Party/Civic (PPP/C) (5)**

(Nominated by the Committee of Selection on 3<sup>rd</sup> December, 2008)

The Hon. Dr. Jennifer R. A. Westford, M.P. - (Absent)  
Minister of Public Service

The Hon. Manniram Prashad, M.P. - (Excused)  
Minister of Tourism, Industry and Commerce

The Hon. Pauline Sukhai, M.P.  
Minister of Amerindian Affairs, M.P.

Mr. Harripersaud Nokta, M.P. - (Excused)

Mrs. Shirley Edwards, M.P.

**From the People's National Congress Reform – 1 Guyana (PNCR – 1G)**

No nominations were made by the PNCR-1G

**From the Alliance For Change (AFC) (1)**

(Nominated by the Committee of Selection on 3<sup>rd</sup> December, 2008)

Mrs. Sheila Holder, M.P.

 **Officers**

Mrs. Claudia Daniels-Greenidge  
Ms. Sueanna Reynolds

Clerk of Committee  
Assistant Clerk of Committees

**ITEM 1: CALL TO ORDER**

- 1.1 The Chairman called the meeting to order at 2.37 p.m.

**ITEM 2: ANNOUNCEMENT****2.1 Excuses**

- 2.1.1 The Chairman informed the Committee that the following Members had asked to be excused from the meeting:

- (i) The Hon. Manniram Prashad, M.P.,
- (ii) Mr. Harripersaud Nokta, M.P.

**ITEM 3: CIRCULATION OF DOCUMENTS**

- 3.1 The following documents were circulated prior to the meeting:-

- (i) Notice of the 2<sup>nd</sup> Meeting dated 8<sup>th</sup> January, 2009; and
- (ii) Minutes of the 1<sup>st</sup> Meeting held on 22<sup>nd</sup> December, 2008.

- 3.2 The following document was circulated at the meeting:

Report for consideration of Parliamentary Committee on the Impact of Global Food Prices for Transmittal to the National Assembly, submitted by the Chairman of the Committee.

**ITEM 4: CONFIRMATION OF MINUTES OF THE 1<sup>ST</sup> MEETING HELD ON 22<sup>ND</sup> DECEMBER, 2008**

- 4.1 The Minutes were confirmed, without correction, on a motion moved and seconded by Mrs. Shelia Holder and Mrs. Shirley Edwards, respectively.

**ITEM 5: MATTERS ARISING**

- 5.1 There were no matters arising out of the Minutes.



**ITEM 6:**

**TO CONSIDER THE METHODOLOGY, TIME AND DATE OF THE COMMITTEE'S PROCEEDINGS**

- 6.1 **Methodology:**
- 6.1.1 The Chairman informed Members that he had prepared a Report for consideration by the Committee. He further stated that the Report should be used as a working document and suggested that the Committee formally register the report as part of the of the Committees' work before proceeding with further discussion/deliberations.
- 6.1.2 The Chairman also stated that Members could make suggestions, highlight other issues and bring ideas before the Committee.
- 6.1.3 In response to an enquiry by a Member as to whether the Report incorporate an assessment of the "Grow More Food Campaign", the Chairman stated that the Report reflect activities of the "Grow More Food Campaign" but did not measure in a very scientific way the impact.
- 6.1.4 From the discussions which ensued, the Committee agreed that:
- (i) members of the public should be informed of the Committee and be invited to make oral and written presentations;
  - (ii) two sessions would be reserved for the hearing of those presentations; and
  - (iii) experts would be invited for the purpose of clarification if the Committee considered this necessary during its deliberations.
- 6.1.5 Members were urged to read the Report. At the next meeting the Committee would decide on the consultation process.

**6.2 Time and Date**

- 6.2.1 The Committee agreed that its meetings would be held on Tuesdays at 2.00 p.m as frequently as possible.

**ITEM 7:**

**ANY OTHER BUSINESS**

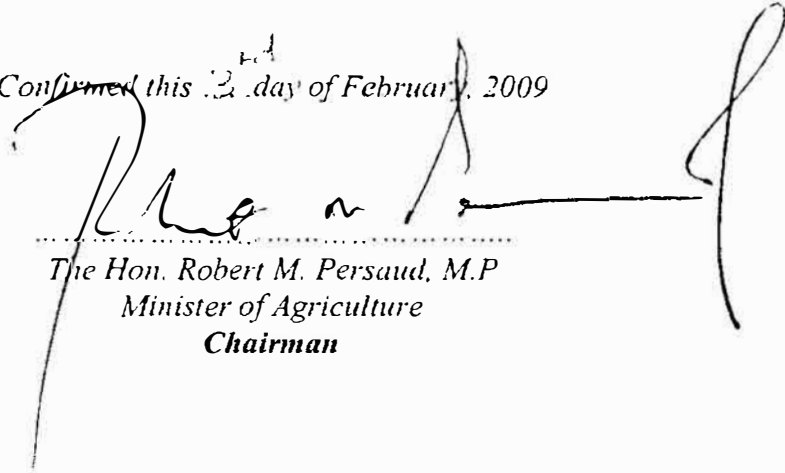
**7.1 Date of Next Meeting**

- 7.1.1 The Committee agreed that its next meeting would be held on 3<sup>rd</sup> February, 2009.

**ADJOURNMENT:**

At 2.57 p.m. the meeting was adjourned to Tuesday, 3<sup>rd</sup> February, 2009.

Confirmed this 3<sup>rd</sup> day of February, 2009

A large, stylized handwritten signature in black ink, appearing to read 'R. Persaud', is written over a horizontal dotted line. The signature is fluid and cursive, with a long vertical stroke extending downwards from the left side.

*The Hon. Robert M. Persaud, M.P*  
*Minister of Agriculture*  
**Chairman**

THE NATIONAL ASSEMBLY OF THE FIRST SESSION  
OF THE NINTH PARLIAMENT OF GUYANA (2006 - 2009)

MINUTES OF THE  
3<sup>RD</sup> MEETING OF THE SPECIAL SELECT COMMITTEE  
ON THE IMPACT OF GLOBAL FOOD PRICE INCREASES  
HELD AT 2.20 P.M  
ON TUESDAY 3<sup>RD</sup> FEBRUARY, 2009  
IN THE COMMITTEE ROOM NO. 1, PUBLIC BUILDINGS, BRICKDAM,  
GEORGETOWN

**MEMBERS OF THE COMMITTEE (7)**

**CHAIRMAN (1)**

**From the People's Progressive Party/Civic (PPP/C) (1)**

(Nominated by the Committee of Selection on 3<sup>rd</sup> December, 2008)

(Elected by the Committee on 22<sup>nd</sup> December, 2008)

The Hon. Robert M. Persaud, M.P.  
Minister of Agriculture

**Other Members**

**From the People's Progressive Party/Civic (PPP/C) (5)**

(Nominated by the Committee of Selection on 3<sup>rd</sup> December, 2008)

The Hon. Dr. Jennifer R. A. Westford, M.P.  
Minister of Public Service

The Hon. Manniram Prashad, M.P.  
Minister of Tourism, Industry and Commerce

The Hon. Pauline Sukhai, M.P.  
Minister of Amerindian Affairs, M.P.

Mr. Harripersaud Nokta, M.P.

Mrs. Shirley Edwards, M.P.

**From the People's National Congress Reform – 1 Guyana (PNCR – 1G)**

No nominations were made by the PNCR-1G

**From the Alliance For Change (AFC) (1)**

(Nominated by the Committee of Selection on 3<sup>rd</sup> December, 2008)

Mrs. Sheila Holder, M.P.



## Officers

Ms. Jocette Bacchus - Clerk of Committee  
Ms. Sueama Reynolds - Assistant Clerk of Committees

### **ITEM 1: CALL TO ORDER**

1.1 The Chairman called the meeting to order at 2.20 p.m.

### **ITEM 2: CIRCULATION OF DOCUMENTS**

2.1 The following documents were circulated prior to the meeting:-

- (i) Notice of the 3<sup>rd</sup> Meeting dated 29<sup>th</sup> January, 2009; and
- (ii) Minutes of the 2<sup>nd</sup> Meeting held on 14<sup>th</sup> January, 2009.

### **ITEM 3: CONFIRMATION OF MINUTES OF THE 2<sup>ND</sup> MEETING HELD ON 14<sup>TH</sup> JANUARY, 2009**

3.1 The Minutes were confirmed, without correction, on a motion moved and seconded by Mrs. Shirley Edwards and the Hon. Pauline Sukhai, respectively.

### **ITEM 4: MATTERS ARISING**

4.1 **Page 3, paragraph 6.1.4 – Methodology**

4.1.1 The Committee noted that this was a substantive item on the agenda.

### **ITEM 5: TO CONSIDER THE CONSULTATION PROCESS**

5.1 Following discussions on this issue the Committee agreed that:

- (i) a public notice should be placed in the media inviting members of the public and organizations to make written submissions; persons desirous of making oral presentations should so indicate.
- (ii) those persons who indicated that they were desirous of making oral presentations, should be given a date and time to make an appearance before the Committee.

- (iii) the Clerk of the Committee should write the Regional Executive Officer of the Regional Democratic Councils, attaching a copy of the advertisement, and requesting that the advertisement be displayed at a place of prominence - to allow persons in the various regions to be actively involved in the process.
- (iv) the 3<sup>rd</sup> March, 2009 should be the deadline for submissions.

**ITEM 6:**

**TO CONSIDER THE REPORT ON THE IMPACT OF GLOBAL FOOD PRICES**

**Preliminary Comments**

- 6.1 The Chairman informed Members that the Report circulated for their consideration summed up what was occurring globally and examined the issues and interventions being considered nationally. He also stated that the Committee might want to study the recommendations in the Report.
- 6.1.1 The Chairman advised Members that some of the data in the Report may be outdated and given the nature of the Report and the dynamic situation of dealing with global food prices, Members might wish to consider inviting experts for the purpose of seeking clarification.
- 6.1.2 Members sought clarification and expressed views on the following:
  - (a) **Recommendation No. 11 - page 11**
    - whether there would only be training and awareness in Acoushi ants control, or a component of systems in which motor blow or chemicals would be utilised.
  - (b) **Recommendation No. 14 – pg 11**
    - the meaning of 'aquatic weeds';
  - (c) the agriculture extension programme;
  - (d) planting materials with particular reference to husbandry;
  - (e) encouragement of the access to larger revenue by communities to improve their disposable income to provide farming products; and

- (f) the reintroduction of the farming of white potato, onions and black pepper in the Pakaraima on a small scale basis.

**ITEM 7: ANY OTHER BUSINESS**

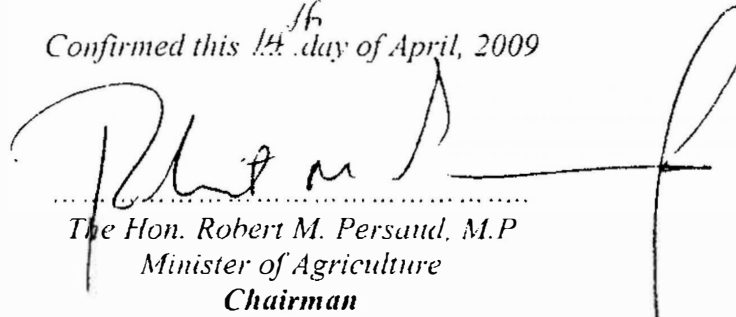
7.1 **Date of Next Meeting**

- 7.1.1 The Committee agreed that its next meeting would be held following the expiration date for submissions from the public.

**ADJOURNMENT:**

At 3.16 p.m. the meeting was adjourned *sine die*.

Confirmed this <sup>16</sup>~~14~~ day of April, 2009



.....  
The Hon. Robert M. Persaud, M.P.  
Minister of Agriculture  
Chairman

**THE NATIONAL ASSEMBLY OF THE FIRST SESSION  
OF THE NINTH PARLIAMENT OF GUYANA (2006 - 2009)**

**MINUTES OF THE  
4<sup>TH</sup> MEETING OF THE SPECIAL SELECT COMMITTEE  
ON THE IMPACT OF GLOBAL FOOD PRICE INCREASES**

**HELD AT 3.45 P.M**

**ON TUESDAY 14<sup>TH</sup> APRIL, 2009**

**.. IN THE COMMITTEE ROOM NO. 1, PUBLIC BUILDINGS, BRICKDAM,  
GEORGETOWN**

**MEMBERS OF THE COMMITTEE (7)**

**CHAIRMAN (1)**

**From the People's Progressive Party/Civic (PPP/C) (1)**

**(Nominated by the Committee of Selection on 3<sup>rd</sup> December, 2008)**

**(Elected by the Committee on 22<sup>nd</sup> December, 2008)**

The Hon. Robert M. Persaud, M.P.  
Minister of Agriculture

**Other Members**

**From the People's Progressive Party/Civic (PPP/C) (5)**

**(Nominated by the Committee of Selection on 3<sup>rd</sup> December, 2008)**

The Hon. Dr. Jennifer R. A. Westford, M.P.  
Minister of Public Service

The Hon. Manniram Prashad, M.P.  
Minister of Tourism, Industry and Commerce

The Hon. Pauline Sukhai, M.P.  
Minister of Amerindian Affairs

Mr. Harripersaud Nokta, M.P.

Mrs. Shirley Edwards, M.P.

**From the People's National Congress Reform – 1 Guyana (PNCR – 1G)**

No nominations were made by the PNCR-1G

**From the Alliance For Change (AFC) (1)**

**(Nominated by the Committee of Selection on 3<sup>rd</sup> December, 2008)**

Mrs. Sheila Holder, M.P.

## Officers

Ms. Jocette Bacchus	-	Clerk of Committees
Ms. Sueanna Reynolds	-	Assistant Clerk of Committees

### **ITEM 1: CALL TO ORDER**

- 1.1 Members were informed that the Chairman would be late and he asked that the meeting be convened in his absence.
- 1.1.1 The Clerk called the meeting to order at 3.45 p.m.

### **ITEM 2: NOMINATION OF CHAIR**

- 2.1 The Clerk called for the nomination of a Chairman of the Committee. The Hon. Dr. Jennifer Westford, M.P., was elected Chairperson of the Committee on a motion moved and seconded by the Hon. Pauline Sukhai, M.P., and the Hon. Manniram Prashad, M.P., respectively.
- 2.1.1 Thereafter, the Chairperson welcomed Members and proceeded with the items on the agenda.

### **ITEM 3: CIRCULATION OF DOCUMENTS**

- 3.1 The following documents were circulated prior to the meeting:-
  - (i) Notice of the 4<sup>th</sup> Meeting dated 7<sup>th</sup> April, 2009;
  - (ii) Minutes of the 3<sup>rd</sup> Meeting held on 3<sup>rd</sup> February, 2009;
  - (iii) Submission from the Guyana Consumers' Association.

### **ITEM 4: CONFIRMATION OF MINUTES OF THE 3<sup>rd</sup> MEETING HELD ON 3<sup>RD</sup> FEBRUARY, 2009.**

- 4.1 The Minutes were confirmed, without correction, on a motion moved and seconded by Mr. Harripersaud Nokta, M.P., and the Hon. Pauline Sukhai, M.P., respectively.



**ITEM 5:                   MATTERS ARISING**

**5.1                   Page 3, paragraph 6.1.2 – Recommendation No. 14**

5.1.1               A Member sought clarification on what was meant by the term “aquatic weeds”.

5.1.2               He was informed that ‘aquatic weeds’ referred to the different types of weeds found growing in gutters, trenches, ponds and other waterways.

5.1.3               He was also informed that the recommendation would be perused when the Committee was examining the report.

**ITEM 6:                   CONSIDERATION OF SUBMISSION FROM GUYANA CONSUMERS’ ASSOCIATION**

6.1                 The Chairperson informed Members that the submission from the Guyana Consumers’ Association was the only one that the Committee received.

6.1.1               At this point the Chairman arrived and apologized for being late.

6.1.2               Following discussions, the Chairman suggested that the Guyana Consumers’ Association should be invited to appear before the Committee. This was agreed upon by Members.

6.1.3               Members expressed the view that one of the recommendations of the Committee should be that there be a National effort: all stakeholders should “buy local” to offer protection to local producers.

6.1.4               The view was also expressed that steps should be taken within the confines of international and bi-lateral arrangements to protect the people.

6.1.5               Members also suggested that education on “buy- local” was crucial and should be reintroduced in the schools. Members further suggested that a national education programme should be crafted to sensitize the nation on the essence.

**ITEM 7:                   TO CONSIDER THE REPORT ON THE IMPACT OF GLOBAL FOOD PRICES**

7.1.1               The Chairman informed Members that there was another document which he would like Members to examine. He also invited Members to a round table discussion on the Impact of the Global Economic Situation on the Local Agriculture Sector.

**ITEM 8: ANY OTHER BUSINESS**

**8.1 Time Frame for Report submission to the National Assembly**

8.1.1 The Chairman enquired of Members what would be the scheduled time for the Committee's submission of its report to the National Assembly.

8.1.2 Members agreed that the report should be submitted preferably by the first week in July, before commencement of the recess period on 10<sup>th</sup> August, 2009.

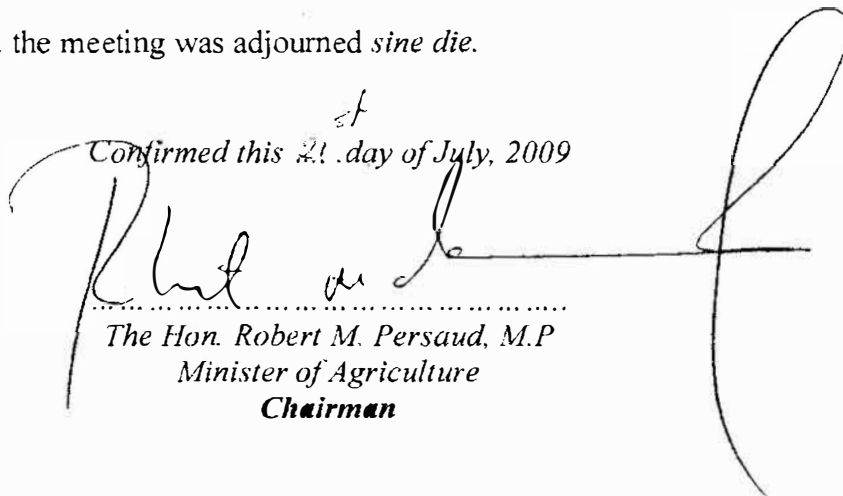
**8.2 Invitation to make oral presentation**

8.2.1 The Clerk of the Committee was requested to write the Guyana Consumers' Association inviting them to make an oral presentation before the Committee.

**ADJOURNMENT:**

At 4.30 p.m. the meeting was adjourned *sine die*.

Confirmed this <sup>21</sup> day of July, 2009



.....  
The Hon. Robert M. Persaud, M.P  
Minister of Agriculture  
**Chairman**



## **Officers**

Ms. Jocette Bacchus	Clerk of Committees
Ms. Sueanna Reynolds	Assistant Clerk of Committees
Ms. Koalla Robertson	Assistant Clerk of Committees

### **ITEM 1: CALL TO ORDER**

1.1 The Chairman called the meeting to order at 3.46 p.m.

### **ITEM 2: ANNOUNCEMENTS**

#### **2.1 Excuse**

2.1.1 The Chairman informed the Committee that the Hon. Pauline Sukhai, M.P., had asked to be excused from the meeting.

### **ITEM 3: CIRCULATION OF DOCUMENTS**

3.1 The following documents were circulated prior to the meeting:-

- (i) Notice of the 5<sup>th</sup> Meeting dated 15<sup>th</sup> July, 2009;
- (ii) Minutes of the 4<sup>th</sup> Meeting held on 14<sup>th</sup> April, 2009; and
- (iii) Memorandum dated 8<sup>th</sup> May, 2009 re: Round table discussion on the effects of Global Financial and Economic Crisis on Guyana's Agriculture Sector.

### **ITEM 4: CORRESPONDENCE**

#### **4.1 Outgoing:**

4.1.1 Memorandum dated 8<sup>th</sup> May, 2009 re: Round table discussion on the effects of Global Financial and Economic Crisis on Guyana's Agriculture Sector.

### **ITEM 5: CONFIRMATION OF MINUTES OF THE 4<sup>TH</sup> MEETING HELD ON 14<sup>TH</sup> APRIL, 2009.**

5.1 The Minutes were confirmed, without correction, on a motion moved and seconded by Mrs. Shirley Edwards, M.P., and Mrs. Sheila Holder, M.P., respectively.

**ITEM 6: MATTERS ARISING**

**6.1 Page 3, paragraph 6.1.2**

- 6.1.1 The Chairman reminded Members that at the previous meeting the Committee had agreed that the Guyana Consumers' Association would be invited to make a presentation.

**ITEM 7: PRESENTATION BY GUYANA CONSUMERS' ASSOCIATION**

- 7.1 The Chairman welcomed the representatives from the Guyana Consumers' Association and stated that he appreciated them taking the effort, in addition to their written submission, to make an oral presentation. He then invited the representatives to introduce themselves and proceed with the presentation.

- 7.1.1 In attendance were:

Ms. Eileen Cox - Guyana Consumers Association  
Mr. Pat Dyal - Guyana Consumers Association  
Ms. Sheila Prescott - Executive, Guyana Consumers Association  
Mr. Jainarine Deonauth - Guyana Consumers Association

- 7.1.2 The presentation by the Guyana Consumers' Association placed emphasis and made recommendations in the following areas:

**(i) Competition**

Competition Commission framework was far too elaborate, expensive and difficult to get off the ground. In addition, consumers have little or no knowledge of competition and as such usually purchase wildly.

**Recommendation**

Consumers should be educated to shop wisely in order to stimulate competition.

**(ii) Value Added Tax (VAT) Percentage**

VAT has been a windfall and should be reduced to its original purpose of being a non-revenue tax.

### **Recommendation**

The percentage of VAT should be reduced to stimulate trade and allow consumers to retain more of their disposable income, thus improving the quality of life.

The Guyana Consumers' Association also suggested that there should be an increase in the income tax threshold.

### **(iii) Confronting Price Increases**

#### **Utilities - Water, Electricity and Telecommunication**

The Guyana Consumers' Association noted that Guyana was not technologically advanced and most Consumers were not aware of the costliness of water.

### **Recommendation**

The use of modern technology should be encouraged to help lower the cost of utilities which will lower consumer costs. Consumers should be educated on the conservation of water since it is an expensive service.

### **(iv) Assistance to Single-Headed Household**

Some sections of the population are not educated on economizing.

### **Recommendation**

Consumers should be taught on how to utilize money wisely and to save. The Guyana Consumers' Association also suggested that a formula should be devised with regards to deductions for National Insurance Scheme (NIS).

7.1.3 Thereafter, the Guyana Consumers' Association concluded its presentation. The Chairman thanked the Association, once again, for a very detailed presentation.

7.1.4 The Chairman reiterated the Guyana Consumers' Association comments regarding an increase in the income tax threshold and stated that the issue was raised by other organizations. He also stated that this suggestion would have to be assessed for its wider implication in terms of budgetary provision.

7.1.5 The Committee agreed that there was indeed need for consumer education in the country and this was a critical role for the consumer bodies.

7.1.6 The Guyana Consumers Association was then excused from the meeting.

7.1.7 A Verbatim Record of Proceedings of the presentation would be provided.

**ITEM 8: ANY OTHER BUSINESS**

**8.1 Report of the Committee**

8.1.1 The Clerk of the Committee was requested to circulate the draft Report of the Committee via email to Members for their consideration.

**TERMINATION:**

At 4.50 p.m. the meeting was terminated.

*(Unconfirmed)*