



A Path to Recovery,
Economic Dynamism and Resilience

BUDGET 2021

FEBRUARY 12, 2021

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LIST OF ABBREVIATIONS

ATV	All-terrain vehicles
AFHP	Amaila Falls Hydropower Project
APNU/AFC	A Partner for National Unity/Alliance for Change
BPO	Business Process Outsourcing
CJIA	Cheddi Jagan International Airport
COVID-19	Coronavirus Disease 2019
CPU	Customs Petroleum Unit
CSO	Community Service Officer
EOI	Expression of Interest
EPA	Environmental Protection Agency
ESIA	Environmental Social Impact Assessment
ESW	Electronic Single Window
EU-FLEGT	EU Forest Law Enforcement Governance and Trade
GDP	Gross Domestic Product
GO-Invest	Guyana Office for Investment
GMC	Guyana Manufacturing Corporation
GPL	Guyana Power and Light Incorporated
GRA	Guyana Revenue Authority
GRDB	Guyana Rice Development Board
GRIF	Guyana REDD+ Investment Fund
GUYOIL	Guyana Oil Company Limited
GWI	Guyana Water Incorporated
HIV	Human Immunodeficiency Virus
HTTI	Hospitality Tourism Training Institute
ICJ	International Court of Justice
ICT	Information and Communications Technology
ICU	Intensive Care Unit
IFRS	International Financial Reporting Standards

KW	Kilowatt
KWh	Kilowatt Hour
LCDS	Low Carbon Development Strategy
LDO	Local Democratic Organ
LED	Light-emitting Diode
LIDAR	Light Detection and Ranging
LPG	Liquified Petroleum Gas
ICT	Information Communication Technology
MIR	Mortgage Interest Relief
MOU	Memoranda of Understanding
MRVS	Monitoring Reporting and Verification Systems
MW	Megawatts
NAREI	National Agricultural Research and Extension Institute
NCD	Non-communicable Disease
NIS	National Insurance Scheme
NPTAB	National Procurement and Tender Administration Board
NQI	National Quality Infrastructure
NRW	Non-revenue Water
NICIL	National Industrial and Commercial Investments Limited
PAYE	Pay As You Earn
PPE	Personal Protective Equipment
PPP/C	People's Progressive Party/Civic
PRD	Petroleum Revenue Department
PSIP	Public Sector Investment Programme
RDT	Rapid Diagnostic Test
STEM	Science Technology Engineering Mathematics
US	United States (of America)
VAT	Value-added tax
VPA	Voluntary Partnership Agreement
WDA	Wales Development Authority

CO-OPERATIVE REPUBLIC OF GUYANA

**TWELFTH PARLIAMENT
OF THE
CO-OPERATIVE REPUBLIC OF GUYANA
UNDER THE
CONSTITUTION
OF THE
CO-OPERATIVE REPUBLIC OF GUYANA**

FIRST SESSION 2020-2021

BUDGET SPEECH

Honourable Dr. Ashni K. Singh, M.P.

**Senior Minister in the Office of the President
With Responsibility for Finance**

February 12, 2021

1.

Introduction

1.1 Mr. Speaker, I rise to move the motion for the approval of the Estimates of the Public Sector and the Budget for the Financial Year 2021. In doing so, I wish to indicate that Cabinet has recommended that the National Assembly proceed upon this motion, pursuant to Article 171 Paragraph 2 of the Constitution of Guyana.

1.2 Mr. Speaker, Budget 2021 is the first full-year budget presented by this PPP/C administration, since we were given a new mandate by the People of Guyana in the historic March 2, 2020 general and regional elections. It comes after the emergency budget of 2020, which was prepared under a compressed schedule, and arrived in this House well into the second half of the fiscal year, as a result of the protracted struggle to defend democracy last year.

1.3 That emergency budget delivered on this PPP/C Government's promise to provide immediate protection and relief to the long-suffering People of Guyana and breathe some life into the then moribund Guyanese economy. Together with the subsequent appropriations approved for the year, Budget 2020 provided for \$7 billion of COVID-19 relief cash grants to households across Guyana, \$2 billion of one-off grants to public sector employees, and \$1 billion in year-end bonuses to front-line workers in the health sector and the disciplined services. It reversed punitive and draconian tax measures, such as the value-added tax (VAT) on electricity, water, and cellular phones, and it restored a subsidy on water charges for senior citizens.

1.4 Measures aimed at jump-starting economic activity included the removal of VAT on exports and on machinery, equipment, and all-terrain vehicles (ATVs) for mining, forestry, agriculture, and manufacturing. Additionally, corporate taxation was removed on private providers of education and healthcare, thereby incentivising investment in these sectors. An injection of \$7 billion was also provided to recapitalise the sugar industry. Meanwhile, the resumption of the Government's house lot distribution and land titling programme, restoration of the \$30 million limit on loans eligible for mortgage interest relief (MIR), and raising of the limit for low-income housing loans for corporate tax relief in the banking sector to \$10 million, combined to stimulate a restart of activity in the construction sector and made home ownership immediately more affordable. And, the list of reliefs provided in Budget 2020 goes on.

1.5 Mr. Speaker, in three short months we will celebrate 55 years of political independence. As we approach this milestone, it is worthwhile to cast our eyes briefly backward over those 55 years, particularly at independent Guyana's economic history. That history indicates a succession of clearly distinguishable phases in the evolution of the Guyanese economy and a strikingly close correlation with the political history of the country.

1.6 The first phase from 1966 to 1992 was an era of state domination and economic decimation and left our country bankrupt. The second phase from 1992 to 2015 was an era of economic restoration and reconstruction, with widespread renewal and expansion, returned our country to solvency and credit-worthiness, and put us firmly on a path to prosperity. Tragically, these gains were sharply reversed during the third phase, between 2015 and 2020, a period of renewed state domination and rapid economic retrogression and degeneration, made worse towards the end by the devastating effects of COVID-19, and returning the country in the short space of five years back to the brink of bankruptcy and deep economic despair.

1.7 Being acutely aware of this history, scarred by pre-1992 memories and bruised and battered by the last five years, the People of Guyana chose as they did in 2020. In doing so, they made a resounding statement about the direction in which they would like to go at this critical juncture for our country. And most of those who were still not convinced by March 2020, certainly were by August 2020, having stared in utter disbelief at the events of the preceding five months.

1.8 As we look back at last year, if there is one lesson we must all have learnt, it is the lesson of how interconnected and interdependent we are, both within our country and more widely as a global community. At home, we witnessed in 2020 how the actions of a tiny few could so easily have subverted the will of so many. In our quieter moments, we must all reflect on where we might have ended up as a country if the will of the many did not prevail over the ill intentions of the few – isolated from the rest of the world, condemned as a pariah, and consigned to the dustpile of tinpot dictatorships. Make no mistake of it, that tragic outcome would have affected all of us, not some of us.

1.9 At the global level, fourteen months ago, COVID-19 was a mystery illness affecting a few people far away in Wuhan City. Today it has infected over 107 million persons across 223 countries and territories, and killed nearly 2.4 million, some of them our neighbours and friends right here in

Guyana. Not a single corner of the world has escaped its tentacles. If that doesn't teach us a lesson of how interconnected and interdependent we are, nothing will.

1.10 With that historical context in mind, let us be clear, 2021 will not be an easy year. COVID-19 is still with us, and the need to keep our People safe and to keep the economy alive is still very present. While we have already started administering vaccines, the speed of uptake and the time until herd immunity is achieved are still huge unknowns. Exactly when we will be returning to any semblance of normalcy is therefore far from certain. The matter is made worse by the fact that we are confronting these unknowns with limited fiscal resources, given the depletion and plunder of the public treasury over the past five years. But, recover we must, and recover we will.

1.11 On a far more positive note, if we look beyond our immediate travails, it is important that we appreciate the magnitude of the moment at which we now stand. For generations, our foreparents have dreamt of a Guyana where they and their children can work, earn, live, and age comfortably, saving and uplifting themselves, free of despair and full of hope, realising aspiration after aspiration, and with no reason or yearning to be anywhere but here. This dream would have renewed itself at every major point in our country's history. Sadly, until now and for a variety of reasons, this dream has remained elusive despite the tremendous gains made when we were last in office. Many remained hopeful, but some lost hope along the way. Contemplate now that ours is the generation who might finally realise this dream, and the full magnitude of the moment we are in might be better appreciated.

1.12 The dream that has eluded us as a country for generations can finally be realised, not in the far future, but by today's generation. Lest we be mistaken, this will not happen automatically. It will take bold and visionary, but careful and responsible, leadership. The path to prosperity, and by this I mean not a fleeting glimpse of prosperity but lasting and enduring prosperity, will unavoidably require careful charting and steady navigation. Important tradeoffs will need to be made and balances struck, most significantly between immediate needs and longer term considerations. This is what the PPP/C Government offers, the vision to chart the course we need to take, and the capability to get us there.

1.13 Mr. Speaker, only yesterday, His Excellency President Irfaan Ali in his inaugural address to this National Assembly spoke of the keyword of his Government being oneness, and he outlined his vision for One Guyana. There can be no more compelling philosophy for us than this concept of oneness. It

is embodied in our national motto, and it must be equally embodied in all that we do. His Excellency also yesterday outlined a bold and exciting vision for our country across the entire spectrum of government policy, and including a number of specific targets by which his Government will be held accountable. Guided by His Excellency's vision as well as the PPP/C manifesto on the basis of which we were elected to office, our agenda for transforming Guyana will bring tangible and demonstrable betterment to all Guyanese. With the implementation of this agenda, Guyana will be an unrecognisably different place in every positive respect in five years' time compared to where we are today.

1.14 In keeping with His Excellency's vision, Budget 2021 seeks to achieve the following objectives for all Guyanese:

- i. Navigating COVID-19 for as long as it is around, keeping our population safe, containing further spread, treating those who are infected, providing vaccines as soon as they become available, and reopening the economy progressively, and then fully, when it is safe to do so;
- ii. Ensuring a diversified and resilient productive sector, by facilitating large scale private investment in both traditional and new and emerging sectors creating 50,000 jobs in the next five years, and promoting entrepreneurship at the medium and small business level;
- iii. Initiating investment in catalytic and transformative infrastructure, including energy infrastructure to ensure adequate supply at competitive cost, and transport infrastructure to improve international connectivity and unleash domestic production and productivity;
- iv. Establishing world class social services such as education and health care, so that these services are available to the domestic population, but also with a view to entering the international market for providing these services to a regional and global clientele;
- v. Improving the quality of public services and creating a conducive environment for doing business and interacting with government, including by deploying technology-based solutions, as well as reducing bureaucracy and red tape; and

- vi. Ensuring respect for the constitution and the rule of law, maintaining good governance, safeguarding access to justice, and the preservation of a safe and secure environment for all Guyanese and visitors to Guyana.

1.15 With these objectives in mind this budget: (i) ensures we recover as a country both from 2020 and from the last five years of trauma; (ii) puts in place the policies needed to catalyse rapid economic growth in the near and medium term; and (iii) lays the foundation needed to ensure that that growth is not transitory but is sustainable for the longer term.

1.16 Budget 2021 is therefore presented under the theme **A Path to Recovery, Economic Dynamism and Resilience**.

2. The Global and Regional Economic Context

2.1 Mr. Speaker, from the global economic standpoint, the COVID-19 pandemic has been a catastrophe like no other, causing an economic shock much worse and much more pervasive than the 2007/2008 financial crisis. Countries rich and poor, advanced and developing, have plunged into recessions as they adopted containment measures. With data now suggesting that some economies have started to recover, a less severe recession is estimated for 2020 than previously forecasted. Global output in 2020 is estimated to have contracted by 3.5 percent.

2.2 This revised position reflects some easing in the second half mostly in advanced economies – the United States (US) and the Euro area – as well as in China after lockdowns were scaled back and government support measures were rolled out. Advanced economies who were able to deliver direct spending and liquidity support are estimated to have contracted by 4.9 percent in 2020. Similarly, the contraction of output in emerging market and developing economies is estimated at 2.4 percent in 2020. As previously forecasted, output in all countries in this group, except China, is estimated to have declined. Most notably, growth in China is now estimated at 2.3 percent for 2020. In the Latin America and the Caribbean region, economic output is estimated to have contracted by 7.4 percent in 2020.

2.3 Closer home, Caribbean economies felt the sharp effects of the pandemic as a result of their high dependency on tourism as well as the domestic containment measures. Latest available data suggest that the tourism dependent economies of the Caribbean are likely to have contracted by 9.9 percent in 2020, and individual countries by as much as 20 percent. Even in the commodity exporting economies of the Caribbean, overall growth in 2020 is expected to have been in the vicinity of a paltry 0.6 percent.

2.4 Mr. Speaker, as indicated earlier, COVID-19 is far from over and much uncertainty remains. Following the estimated 2020 contraction in global output, the world economy is expected to see some recovery in 2021. However, this must be regarded cautiously as the world continues to manage the public health situation and contain downside risks simultaneously. Global output is expected to grow by 5.5 percent in 2021. Two key assumptions driving this outlook are the provision of additional policy support in some large economies, as well as the expectation of a vaccine that would result in strengthened activity later in the year.

2.5 Growth in advanced economies is forecasted at 4.3 percent in 2021. In the US and Japan, 2021 growth outlook – projected at 5.1 percent and 3.1 percent, respectively – can be partially attributed to fiscal stimulus measures introduced at the end of 2020. The 2021 outlook for the Euro area of 4.2 percent growth incorporates lower activity at the end of 2020 combined with rising infections and reintroduced lockdowns. Recovery is also anticipated for the emerging market and developing economies group, which is expected to grow by 6.3 percent in 2021. Like the advanced economies, the recovery paths vary within this group, with significant differentiation expected between China and the other economies, as China’s containment measures and liquidity support have facilitated a strong recovery. For Latin America and the Caribbean region, growth of 4.1 percent is forecasted. Within the Caribbean, the recovery is expected to be protracted, with growth of 4 percent in the tourism dependent economies and 3.8 percent in the commodity exporters.

2.6 Mr. Speaker, as a commodity exporter, Guyana remains exposed to developments on the global commodity markets, and COVID-19 introduced much uncertainty in these markets, with mixed effects across the main commodities we export. The average world market price of rice was US\$497 per metric tonne in 2020, 18.8 percent above the 2019 average. The average world market price of sugar was US\$0.28 per kilogramme in 2020, a 1.5 percent increase when compared with 2019. Global metal prices in 2020 were mixed when compared with 2019. The average price of gold in 2020 was US\$1,770.3 per troy ounce, 27.1 percent over 2019. The average price of aluminium was US\$1,704 per metric tonne in 2020, 5 percent lower when compared with 2019. Further, the average price of Brent crude oil was US\$42.3 per barrel in 2020, 33.9 percent lower when compared with 2019.

2.7 Mr. Speaker, looking ahead, the world market prices for rice and sugar are projected to increase in 2021 by 0.3 percent and 2.3 percent, respectively. However, gold and aluminium prices are projected to decline by 1.7 percent and 1.4 percent respectively, in 2021. The average crude oil price is projected to increase by 4 percent in 2021 but remain below the 2019 average.

3. Developments in the Domestic Economy in 2020

A. Real Gross Domestic Product

3.1 Mr. Speaker, at the time of Budget 2020 it was hoped that the allocations and measures introduced would help curb the spread of the disease allowing for a faster return to normalcy. However, it very quickly became apparent that infection levels were significantly higher than reported by the previous administration, reflecting the low level of testing. As a result, this administration was forced to keep in place several emergency measures for much longer than anticipated, hampering the pace of recovery expected at that time.

3.2 Indeed, it has become evident that the shocks to our economy from the events of 2020 – both the pandemic and the protracted general and regional elections – were far more severe and far more lasting than we anticipated. As a result, our real Gross Domestic Product (GDP) in 2020 is estimated to have grown by 43.5 percent, somewhat lower than previously expected. More strikingly, the non-oil economy is estimated to have contracted by 7.3 percent.

B. Sectoral Performance

a. Agriculture, Forestry and Fishing

3.3 Mr. Speaker, in 2020, the agriculture, forestry and fishing sector is estimated to have grown by 4.1 percent. This improved position is largely on account of growth in the rice, other crops, and livestock industries, which more than offset contractions observed in sugar, forestry and fishing.

3.4 The sugar growing sector, is estimated to have contracted by 3.7 percent, with production falling to a low of 88,868 tonnes. This was primarily due to a shortfall of more than 17,000 tonnes in the second crop which, in turn, resulted from the protracted lack of capital investment in factories which caused downtime, and reduced the volume of sugar extracted from canes. Additionally, high rainfall in November and December resulted in the flooding of some fields and restricted access to canes.

3.5 Mr. Speaker, the rice growing sector is estimated to have expanded by 4.8 percent in 2020. Paddy production reached 1,057,580 tonnes in 2020, 0.8 percent above the previous year. The increase was attributed to more hectares being harvested, despite lower yields. The former increased by 4.4 percent, while the latter declined by 3.5 percent due to the incidence of various diseases that affected the second crop.

3.6 With respect to the production of other crops, despite excessive rainfall in November and December, this sector is estimated to have grown by 6.6 percent in 2020. Notably, the COVID-19 pandemic would have resulted in increased demand for many fruits, particularly citrus. Like other crops, the livestock sector is also estimated to have grown in 2020, recording an increase of 5 percent. This was driven by poultry, egg and beef production, which are estimated to have grown by 10.4 percent, 34.1 percent, and 3.4 percent, respectively.

3.7 Mr. Speaker, the forestry sector is estimated to have contracted by 8.1 percent in 2020. The overall decline is primarily driven by a 11.8 percent decline in sawnwood production, reflecting the slowdown in construction activity.

3.8 Mr. Speaker, the fishing sector is projected to have contracted by 17.1 percent in 2020. This decline was largely as a result of fewer vessels going out to fish due to lower domestic and external demand stemming from the pandemic. Production was further limited by inclement weather as well as an extension of the closed season for shrimp fishing, from 8 weeks to 10 weeks.

b. Extractive Industries

3.9 Mr. Speaker, the mining and quarrying sector is estimated to have expanded by 303.7 percent in 2020. The overall growth above 2019 was driven by the emerging oil and gas and support services industry, which grew by 2,603.3 percent over the previous year, given that 2020 represented the first full year of the industry's operations, while a sharper-than-expected decline was observed for the gold subsector.

3.10 For much of the second half of the year, mechanical issues continued to affect oil production, resulting in the Liza Destiny facility producing approximately 74,300 barrels of oil per day for the entire year.

3.11 Mr. Speaker, one of the large gold mining companies ceased production in July 2020 to facilitate a transfer of ownership, and only resumed operations in November. As a result of this stoppage, as well as lower extraction by the other large company, the subsector contracted by 7.8 percent. The contraction in production by largescale operators overshadowed the small and medium scale miners, who declared 485,552 troy ounces in 2020, 8.3 percent higher than the previous year. Turning to the bauxite subsector, the stoppage of mining by one company, combined with lower global demand for bauxite and disruptions to supply chains, resulted in an estimated contraction of 41.2 percent in 2020.

3.12 Mr. Speaker, the other mining subsector, which comprises diamond and sand mining, as well as stone quarrying, is estimated to have contracted by 42.7 percent in 2020. All subsectors are estimated to have contracted. Diamond declarations declined as a result of lower global demand for precious stones amid the global economic crisis caused by the pandemic, which resulted in lower prices. Additionally, the election impasse, COVID-19 restrictions and record high gold prices, saw less diamond mining activity. The prevailing political and public health challenges also resulted in a significant reduction in construction activities, with public sector projects grinding to a halt for several months, resulting in reduced sand mining and stone quarrying.

c. Manufacturing

3.13 Mr. Speaker, the manufacturing sector is estimated to have contracted by 8.6 percent in 2020. Declines of 3.7 percent, 5.7 percent and 10.8 percent were estimated for sugar, rice and other manufacturing subsectors, respectively.

d. Electricity and Water Supply and Sewerage

3.14 Mr. Speaker, in 2020, the water supply and sewerage sector is estimated to have increased by 8 percent. While this was partially due to new connections, it was primarily driven by increased sanitation activity as a result of the pandemic. Electricity supply is also estimated to have grown in 2020 by 1.2 percent.

e. Construction

3.15 Mr. Speaker, as noted previously, construction activities were significantly lower than in 2019, largely as a result of restrictions put in place to curb the spread of COVID-19. While the relaxation of these measures in the second half of the year would have resulted in some improvement in the sector, it is still estimated to have contracted in 2020 by 6.3 percent.

f. Services

3.16 Mr. Speaker, the services sector is estimated to have contracted by 9.4 percent in 2020. The overall decline could be attributed primarily to contractions in wholesale and retail trade and transport and storage. These subsectors fell by 28.3 percent and 30.2 percent respectively, outweighing expansions in information and communication, real estate activities, public administration and human health and social work, which grew by 5.5 percent, 0.3 percent, 1.2 percent and 3.4 percent, respectively.

C. Balance of Payments

3.17 The overall balance of payments recorded a surplus of US\$60.6 million in 2020, compared to a deficit of US\$48.9 million recorded in 2019.

3.18 The current account recorded a deficit of US\$651.7 million in 2020, 76.9 percent lower than the deficit of US\$2,823.7 million in 2019. The difference between the actual outturn for 2020 and the forecast resulted from a larger-than-projected merchandise trade surplus. The merchandise trade account moved to a surplus of US\$514.8 million, from a deficit of US\$2,473 million in 2019, reflecting the entry of oil exports into the balance of payments. This offset the lower-than-anticipated unrequited transfers and a higher-than-projected deficit on the net services account.

3.19 The net services account registered a deficit of US\$1,824.7 million in 2020, higher than the 2019 position by US\$892.5 million. This position was due to a larger-than-anticipated deficit on the non-factor services account by US\$216.2 million. In 2020, net payment for non-factor services increased by US\$907.6 million to US\$1,793.1 million, when compared with 2019, resulting mainly from increased payments for business services.

3.20 The surplus on the capital account was recorded at US\$720.9 million in 2020, lower than the US\$2,744.6 million in 2019. The shortfall resulted from higher outflows of private enterprises. Furthermore, net foreign direct investments amounted to US\$1,824.3 million in 2020.

3.21 In addition, under the capital account, the net non-financial public sector position moved to a deficit of US\$190.3 million compared to the surplus of US\$147.9 million in 2019. The 2020 deficit was mainly on account of lower-than-projected disbursements.

3.22 The balance of payments surplus resulted in the Bank of Guyana increasing its external reserve position to US\$680.6 million, equivalent to 2 months of import cover at end-2020.

D. Monetary Developments

3.23 Mr. Speaker, the money supply expanded by 13.7 percent to \$521 billion in 2020 when compared with 2019. The outturn in 2020 over 2019 was attributed to increases in both narrow and quasi money which grew by 20.5 percent and 5.6 percent, to \$299.2 billion and \$221.8 billion, respectively. The growth in narrow money was on account of increases in the currency in circulation and demand deposits, which grew by 30.3 percent and 13.7 percent, respectively. These increases more than offset the decline of 29.6 percent in cashiers' cheques and acceptances. The growth in quasi money resulted from an increase in savings deposits of 11.1 percent, despite a decline in time deposits of 25.9 percent.

3.24 In 2020, net domestic credit by the banking system expanded by 15.9 percent to \$343.9 billion when compared with 2019. This position resulted from increased credit to both the private and public sectors. Net private sector credit grew by 2.4 percent, to \$259.8 billion – on account of an increase in credit to all sectors with the exception of manufacturing, which contracted by 17.8 percent. Credit to the agriculture, mining and quarrying, services, households, real estate mortgage loans and other sectors were higher by 3.2 percent, 7.3 percent, 7.7 percent, 1.7 percent, 3.7 percent and 7.7 percent, respectively.

3.25 This reflects the decision to lower the reserve requirement ratio from 12 percent to 10 percent for the period August 24 to December 31, 2020 in keeping with the agreement between the Bank of Guyana and the commercial banks in relation to COVID-19 relief measures. Total reserves deposited

with the Bank of Guyana increased by 42.5 percent, to \$125.6 billion, with the required statutory reserves of the banks contracting by 3.7 percent, due to the reduction in the reserve requirement to encourage private sector credit growth. Reserves in excess of minimum requirement amounted to \$75.1 billion at end-December 2020.

E. Prices and Income

a. Inflation

3.26 Mr. Speaker, the 12-month inflation rate in December 2020 was recorded at 0.9 percent, mainly as a result of lower energy prices which offset higher food prices, largely driven by higher prices of meat, fish and eggs, and vegetables and vegetables products.

b. Interest Rates

3.27 Mr. Speaker, the interest rate remained low throughout 2020. The small savings rate declined by 5 basis points in December 2020 when compared with December 2019, to reach 0.91 percent while the commercial bank weighted average lending rate fell by 22 basis points, to 8.96 percent. The 182-day yield treasury bill increased to 1 percent, from 0.89 percent, while the 364-day yield treasury bill remained unchanged at 1 percent, resulting from the competitive bidding for these instruments. The 91-day treasury bill also remained unchanged at 1.54 percent.

c. Income

3.28 In 2020, recognising the hardship of COVID-19, we provided amounts totalling \$7 billion for every household to receive relief in the form of an unconditional cash transfer of \$25,000, distribution of which will continue in 2021 until all eligible households have benefited. This Government has also been clear and unwavering in its commitment to place our frontline responders first as we combat the pandemic. To this end, in 2020, we put \$1.1 billion in the hands of over 19,000 health workers and members of the disciplined services. Additionally, a one-off payment was made to all public sector employees, benefiting more than 60,000 at a cost of almost \$2 billion. Additionally, while some countries around the world reduced working hours and associated salaries for their workers as part of their pandemic response, this Government retained all public servants at full pay while allowing a

rotational work system and work from home systems, where applicable, to mitigate disease transmission.

F. Fiscal Position

a. Non-Financial Public Sector

3.29 Mr. Speaker, the balance on the non-financial public sector (after grants) amounted to a deficit of \$91.8 billion. The deficit is equivalent to 9.6 percent of GDP at the end of 2020 and is mainly attributed to a shortfall of \$2.9 billion in revenue, offset against the contraction in total expenditure of \$1.3 billion. Additionally, grants fell short by \$939.7 million.

b. Central Government

3.30 At the end of 2020, the operations of the Central Government resulted in a deficit of \$90.5 billion, 9.4 percent of GDP. The deficit was primarily as a result of higher-than-anticipated expenditure requirements.

3.31 Central Government current revenue for 2020 totalled \$227.4 billion. Tax collection accounted for 96 percent of the 2020 current revenue, amounting to \$218.3 billion. The increase in tax revenue above the 2020 Budget estimate was the result of higher-than-projected collections from internal revenue and excise taxes, which grew by \$6 billion and \$1.9 billion, respectively. Internal revenue was higher on account of larger-than-expected collections from private sector corporation tax and PAYE, which were \$3.7 billion and \$1.3 billion above the budget forecast. The increase in excise tax collections above the budget projection is mainly the result of higher-than-anticipated collections from the importation of petroleum products and motor vehicles. In contrast, collections from VAT (net of refunds) were \$2.8 billion lower than the Budget 2020 projection, on account of lower collections from both imported goods and domestically supplied goods of \$2.4 billion and \$368.3 million respectively. Similarly, customs and trade tax collections were below the 2020 forecast by \$1.3 billion, largely attributed to lower collections of import duties. Non-tax revenues for 2020 totalled \$9.1 billion. The variance when compared with 2020 could be attributed to lower dividends received from the non-financial public enterprise.

3.32 Mr. Speaker, Central Government expenditure for 2020 totalled \$325.5 billion, \$5.2 billion above the allocation provided for in Budget 2020. When compared with the Budget 2020 estimate, non-interest expenditure was \$1.6 billion higher than expected, on account of larger outlays on other goods and services and transfer payments. The increase in other goods and services was mainly on account of the payment of \$6 billion for electricity arrears owed by various government agencies. The growth in transfer payments arose from the COVID-19 relief and support cash grant. Interest payments were \$394.9 million lower than the projection made at the time of Budget 2020. Further, capital expenditure reached \$76.1 billion at the end of 2020.

c. Public Enterprises

3.33 The overall deficit of the public enterprises at the end of 2020 was \$1.3 billion.

G. Public Debt Management

3.34 Mr. Speaker, this administration's track record of prudent debt management is well established. We endeavour to preserve that track record by contracting development financing and meeting debt service obligations at the lowest possible cost, within acceptable risk parameters. This approach would engender the continued sustainability of Guyana's total public and publicly guaranteed debt, which amounted to US\$2,592.2 million at end-December 2020. Of this sum, total public debt comprised US\$2,589.8 million, while total publicly guaranteed debt comprised US\$2.4 million. Mr. Speaker, of note, this is the first year that our debt coverage has been expanded to include publicly guaranteed debt, providing a complete picture of our debt position. This is testimony to this Government's commitment to transparency and accountability.

3.35 At the end of December 2020, the ratio of total public and publicly guaranteed debt-to-GDP was 47.4 percent. Total public debt at end-December 2020 was 53.3 percent higher than at end-December 2019, mainly due to the inclusion of a large central government gross overdraft with the Bank of Guyana, racked up under the previous administration, but which was previously not reflected as part of the domestic debt stock. This move is intended to regularise and accurately reflect significant liabilities accumulated over the last five years, and to restore the integrity of Guyana's fiscal accounts. Additionally, all outstanding liabilities totalling about US\$67.5 million or about \$14.1 billion, under a

government-guaranteed bond, issued in May 2018 by the National Industrial and Commercial Investments Limited (NICIL) were classified as domestic debt due to the fact that the Government was required to meet debt service obligations under this bond during 2020.

3.36 In 2020, total public debt service payments amounted to US\$92.3 million, an increase of 9.3 percent compared to the preceding year, on account of higher domestic debt service costs. Total domestic debt service payments, in 2020, amounted to US\$16.1 million, more than twice the 2019 figure of US\$6.3 million, due to the need for government to meet debt service obligations under the NICIL bond. Conversely, external debt service payments shrank by 2.5 percent in 2020, to US\$76.2 million, mainly due to the completion of repayments under a rescheduled debt to Trinidad and Tobago.

3.37 Early in 2021, Government moved to increase the external and domestic debt ceilings from \$400 billion to \$650 billion and from \$150 billion to \$500 billion, respectively, both for purposes of regularising the outstanding liabilities inherited and also to accommodate new financing. Government recognises that an increase particularly in the level of domestic debt is likely to materialise in the short term, but will be actively examining ways in which to contain this indebtedness going forward.

4. Sectoral Vision and Plans – the Agenda for 2021 and Beyond

A. Introduction

4.1 Mr. Speaker, this PPP/C Government's vision for Guyana was elaborated in the manifesto on the basis of which we were elected to office. That vision was further elaborated by His Excellency's inaugural address before the National Assembly yesterday. Our plan for the near term is to keep people safe and continue to nurture the economy. For the medium term, our plan is to make Guyana an economic powerhouse, where every single Guyanese person can live, learn, work, and retire in dignity and comfort, where national prosperity is a reality and where individual prosperity is a realistic prospect for all who are prepared to invest the required effort.

4.2 The achievement of that objective requires a broad-based resilient productive sector, including vibrant industrial and manufacturing sectors, creating jobs for meaningful and rewarding employment. It also requires the cultivation of conditions conducive to the emergence of a dynamic entrepreneurial and small business sector. Additionally, it requires an education sector that equips all of our people, including those seeking alternative pathways to work, with the skills that they need to play meaningful roles in the economy of today and of tomorrow. Foremost amongst these will be technical and technology-based skills. Finally, it requires all of the other prerequisites to improved quality of life being in place, including world class health care, facilities and programmes to nurture our most vulnerable, as well as facilities and programmes to encourage and promote the talents of our young people.

B. Macroeconomic Outlook

4.3 Mr. Speaker, despite the ambition of our development agenda and our intention to roll it out in the shortest possible time, we will do so within a macroeconomic framework that ensures that we remain competitive and that addresses issues of both stability and sustainability. In this regard, we will remain ever mindful of the need to avoid the pitfalls that have beset many new producers of oil and gas and many resource rich countries, including Dutch Disease. We will safeguard the fiscal and debt sustainability that we have worked so hard to achieve, by prudent contracting of new financing, careful targeting and management of government expenditure, strengthened revenue administration, and

ensuring that the fiscal deficit is financed in a manner that minimises any risk of crowding out credit to the private sector. The task before us is to ensure steady strengthening of the public finances from the parlous state in which we inherited them, while financing our aggressive development agenda.

4.4 We anticipate high rates of real economic growth in the immediate term, reflecting the ramping of oil production, but moderating into the medium and longer term. We will ensure that those high rates of growth are accompanied by policies designed to minimise supply side constraints to avoid the risk of overheating. We aim to ramp up adequate levels of external reserves, ensure exchange rate stability, as well as interest rate stability and low levels of inflation.

C. The Low Carbon Development Strategy

4.5 Mr. Speaker, it is no secret that Guyana continues to face disproportionate exposure to the effects of climate change given our low-lying coastal plain. At the same time we make a disproportionate contribution to the global fight against climate change given our pristine standing rainforests. This has not changed, notwithstanding that we have become an oil exporting country. Our vulnerability to the effects of climate change, and our desire to respond as a proactive participant in the search for solutions rather than lament as victims, led to the vision of the Low Carbon Development Strategy (LCDS), a ground-breaking forest partnership agreement with Norway, the first for a developing country and the third largest agreement of its kind in the world. This agreement provided for Guyana to earn payments for climate services up to US\$250 million over a five-year period.

4.6 When the APNU/AFC government came into office, they squandered whatever funds were available, and brought the release of the rest of the funds already earned by Guyana to a halt. This culminated in the last payments from Norway being suspended. On top of this lost opportunity, a successor Guyana/Norway agreement for the period from 2015 to 2020 never materialised. Almost US\$30 million for existing projects has not been disbursed. More than US\$135 million that was earned by Guyana is sitting in bank accounts outside our economy. The Amaila Falls Hydropower Project (AFHP) which would have used US\$80 million of LCDS financing to leverage hundreds of millions of US dollars of private investment by major foreign investors was derailed. And, the opportunity to grow our payments from forest climate services after 2015 was never taken. Together, this is one of the most

shameful economic legacies of the APNU/AFC government, and it falls to this PPP/C Administration to repair the damage. We will do this in three ways.

4.7 First, in today's Budget, we are taking steps to unblock the more than US\$135 million that had not been released for allocation into projects. These resources will be invested primarily in renewable energy projects, and to strengthen the agencies involved in regulating the sector such as the Guyana Forestry Commission, as well as to advance ongoing projects such as the Amerindian land titling project, sustainable land management, and on Information and Communication Technology (ICT) access for hinterland, poor and remote communities.

4.8 Second, we are looking ahead, and starting work to assess the emerging international markets for forest climate services. It is believed that these markets can contribute 75 percent of needed offsets to meet the Paris Climate Agreement, and global interest is growing. This is exactly the message that Guyana and other forest countries have been championing for over a decade, while pointing out that – in developing countries in particular – all societies need to rapidly grow low carbon opportunities if they are to diversify their economies away from traditional development paths.

4.9 Finally, later this year, we will prepare an expanded LCDS to take into account the opportunities and challenges that have emerged since the document was first produced, and to expand it into a comprehensive development strategy. Of course, this will incorporate the fact that we are now an oil producer. In the updated LCDS, the Government will set out how Guyana can achieve the national transformation that the PPP/C Manifesto speaks of, while also participating in the global economic transition that will take place in the coming decades. True to the original vision of the LCDS, Guyana can lead the way in meeting this challenge.

D. A Diversified, Resilient and Competitive Productive Sector

a. Oil and Gas

4.10 Mr. Speaker, since the announcement of the oil discoveries back in 2015, this Government has been unwavering in its position that Guyana must utilise these resources responsibly and transparently to catalyse development and create opportunities for all Guyanese. Since we assumed office, we have come to find that the capacity for management of the oil and gas sector remains severely

underdeveloped to ensure that resource extraction is efficient and profit share is maximised. The previous government appears to have spent the last five years wasting time instead of ensuring that every opportunity was aggressively pursued to expeditiously equip our regulators to effectively safeguard our national patrimony.

4.11 Mr. Speaker, while oil and gas may bring many opportunities, like any other extractive sector, it also brings with it its challenges. In addition, the window of opportunity for the extraction of this resource is finite, added to which the global shift to renewable resources places additional pressures on the long-term timeline.

4.12 The vision for this sector has previously been elaborated in the Budget 2020 speech and by His Excellency in his address to this Honourable House yesterday and on other occasions. In the next few years, this Government will endeavour to invest in and create an enabling environment that will result in an oil and gas industry that is vibrant and generates positive spillovers for the rest of the economy. In addition to strong local content policies, we will ensure that all best practices and principles are adhered to, such that our environment is protected while generating revenue that will transform our country into one that will likely be unrecognisable in the next five years. On the subject of local content, work is advanced on preparation of a local content policy which, once concluded, will be enshrined in legislation for implementation.

4.13 Mr. Speaker, it is expected that the Stabroek Block licence holder will continue with their aggressive and so far very successful exploration programme, and maintain their schedule of works for field development such as with Payara. The operator for Kaieteur Block and Canje Blocks, along with its partners, will also be conducting exploration drilling during 2021, hoping to repeat the same kind of success as in Stabroek Block. Despite COVID-19 setbacks, the smaller oil companies are optimistic that they will emerge post-pandemic and recommit to their own exploration obligations with zeal.

4.14 Mr. Speaker, Government is working to create a strong and robust institutional and regulatory framework to better manage activity in the sector, including: amending the Petroleum Act; developing a model Petroleum Sharing Agreement; exploring a revised petroleum fiscal regime; advancing the draft local content policy and associated legislation; and advancing the Petroleum Commission Bill.

4.15 Commensurate with this outlook is the inevitable developing of technical capacity, strengthening of institutions associated with the oil and gas sector and the collaboration with experts to achieve the most optimal outcomes. These include such agencies as the Guyana Geology and Mines Commission and the Guyana Revenue Authority (GRA) who need to be adequately equipped to discharge their respective responsibilities in the sector.

b. Other Extractives

4.16 Mr. Speaker, over the past five years, the mining sector suffered the consequences of gross neglect and callous policies designed to be unfriendly to the sector. Nevertheless, the sector remains an important contributor to Guyana's non-oil economy. Mining contributed 13.3 percent to non-oil GDP in 2020, 69.1 percent of non-oil exports in 2020, and employed over 27,000 persons. After the traumatic events of 2020, we are only now finally witnessing some return of investor confidence. Going forward, the PPP/C Government regards the sector as having a critical role to play in our economy.

4.17 Mr. Speaker, Guyana's economic, environmental and social landscapes have seen many changes since the Mining Act of 1989 and its Regulations were crafted. An updated legislative regime which aligns with best practice and principles of Agenda 2030 is required and in 2021, Government will engage in stakeholder consultations with a view towards finalising an amended Act and Regulations.

4.18 To better ensure targeted and efficient allocations of both private and public resources, work on improved quality mineral mapping will be undertaken. Once completed this will reduce environmental damage while improving production and license allocation. To ensure greater transparency in the allocation of mining lands, a Mineral Property Management System will be deployed, enabling applicants to track the status of their application online.

i. Gold

4.19 In 2020, overall output from our gold industry was severely affected by the cessation of operations by one of our large producers. With a new operator acquiring that mine, alongside this Government's efforts to boost the industry, significant growth is expected in 2021 and over the medium-term. As partial operations recommenced in mid-September last year, the company hired

over 500 employees between the third and fourth quarters. By November, mining and milling operations fully resumed, and almost 5,000 ounces of gold were produced in the last two months of the year. Additionally, in the last quarter of 2019, the other foreign company suspended operations, and resumed in February 2020. With multiple hindrances present throughout fiscal year 2020, the company managed to attain only 57 percent of its target, producing just over 26,000 ounces of gold.

4.20 Mr. Speaker, by the end of the last year, things made a turn for the better when the operator of the Karouni mine made a world-class discovery in an underground mine, which showed 131.93 grams per tonne of gold. This discovery not only highlights the exploration potential of the mine, but demonstrates the potential to extend its life. With the development of that mine expected to continue over the medium-term, an initial production target of 22,000 has been set for 2021. At Aurora, the other large operator plans to produce 90,000 ounces of gold, and in the second half of this year work on the underground mine are expected to begin.

4.21 Mr. Speaker, despite the severe economic shocks that came with the COVID-19 pandemic, 2020 was a good year for small- and medium-scale miners. Over 390,000 ounces were produced in 2020, 7 percent below the 2020 target – as a result of the suspension of some operations – but 7.1 percent above its 2019 level. The dealerships anticipate a better year in 2021 and expect declarations in excess of 400,000 ounces.

ii. Bauxite

4.22 Mr. Speaker, in February 2020, one of the key bauxite producers suspended operations on account of industrial unrest and damage to company property and, to date, no decision has been made on resumption of this company's operations. Though there was continued production from the other foreign-operated mines, the performance of the industry was well below that of 2019, with overall production estimated to have fallen by over 65 percent.

4.23 Mr. Speaker, having assessed the current state of the sector, a policy framework for a bauxite development will be considered in 2021 in line with our manifesto promises for implementation over the medium-term.

iii. Sand

4.24 Mr. Speaker, in 2020 sand production is estimated to have fallen by over 40 percent, on account of the pandemic-related slowdown in construction activity across the country. With both private and public sector investment expected to rebound in 2021, and grow over the next two to three years, it is important to ensure sufficient access to quality, local materials.

4.25 Mr. Speaker, this administration has an aggressive physical public infrastructure programme which will complement massive investments from the private sector across a multiplicity of economic activities – tourism, industrial development, agriculture and oil. Recognising this unprecedented, heightened demand for construction materials a number of 10 acre plots will be identified for sand mining as compared to 5 acre plots in order to increase production and supply.

iv. Stone

4.26 Mr. Speaker, comparing 2019 with 2014, stone production – which is a critical component for building our nation’s physical infrastructure – declined by an estimated 49.9 percent. In addition to removing VAT on machinery and equipment and ATVs in Budget 2020, our Government in December of last year, issued a licence to a local company, who will operate what has the potential to be the largest quarry in Guyana and in the Caribbean, beginning operations in mid-2021. The licenced area covers over 7,000 acres, and the company plans to produce approximately 20,000 metric tonnes weekly. Another three licences are expected to be issued within the first quarter which will further increase production having been issued in early January with an indicative collective ramp up in production of approximately 800,000 tonnes. This combined with additional storage facilities is anticipated to address supply hurdles that were experienced to date and support the soaring construction needs of the public and private sector.

v. Manganese

4.27 Mr. Speaker, a foreign investor is expected to commence manganese operations in Matthews Ridge, with over 100 Guyanese already hired to prepare for the extraction of the mineral, and another 400 to be employed when full operations begin later this year. The company is currently engaged in the Environmental Social Impact Assessment (ESIA) process with the EPA – a requirement under the

Mineral License Application – and is in the design and construction phase of the mine, port and haulage system. Over the medium-term, the development of the mine will see the transporting of manganese to Port Kaituma, where a wharf will be constructed to accommodate vessels to transport the mineral from our port. The total manganese resource is estimated at 26 million tonnes, and the company is expected to mine some 2 million tonnes per year, with the life of the operation lasting some 12 to 13 years.

c. Forestry

4.28 Mr. Speaker, successive PPP/C Governments have long recognised that our forest generates multiple sources of revenue and livelihoods, whether from the protected standing forests that contribute to the quality of air on the planet while generating payments for forest conservation as discussed above, or sustainable forest management that enables individual livelihoods to be built around the harvesting of our various species of wood or the rich untapped biodiversity.

4.29 In the five years prior to this administration leaving office in 2015, the average growth rate for timber production was 7.9 percent, and the average growth in export earnings for the period was 7 percent. Following that, for the period 2015 to 2019, the APNU/AFC completely reversed this. Production contracted by an average 7.4 percent, and export earnings by an average 8.6 percent. At the same time, the Guyana Forestry Commission (GFC) was pushed into bankruptcy during the past five years.

4.30 Since we resumed office, we have made significant strides in reversing this malfeasance. Financial sources were immediately provided to not only support the struggling operations of the Guyana Forestry Commission, but to also pay outstanding bonuses and salaries to the staff, and the Commission is now being positioned to return to self-sufficiency. Further, Government has also adjusted the National Log Export Policy, effective October 12, 2020, to expand access to markets for our quality timber products and began to set the path for sustainable production through improved monitoring and planning. Additionally, Government removed VAT on machinery and equipment, provided tax concessions on ATVs and reversed VAT on exports and on hinterland travel, all effective October 1, 2020.

4.31 This Government is confident that, in the medium-term, the forestry sector will grow to become an even greater contributor to our diversified non-oil economy. This will be realised with expanded, sustainable, primary production, and even more importantly, with a significant shift to value-added timber products including enhanced quality standards of sawn lumber. By tapping into more of our lesser-known species of timber, Guyanese products could become one of the most sought after in international markets. With more rigorous forest resource assessments, alongside robust planning and monitoring, including Phase 3 of the Monitoring Reporting and Verification System (MRVS) in combination with the use of satellite imagery, the management of the sector can become an example to be emulated.

4.32 Mr. Speaker, in 2021, we will advance progress under the National Forest Inventory programme. This initiative will provide specific information on the types, locations and quantities of timber within our forests, which will help to improve national and concession-level planning. Notably, the last inventory was executed some 50 years ago. This year, \$250 million has been budgeted for the implementation of the second phase of this initiative with activities planned for Regions 2, 7, 9 and 10. This initiative will create a reference dataset on forest resources for long-term monitoring and decision-making and is expected to continue over the medium-term.

4.33 Moreover, in 2021, Government will advance work on the implementation of Guyana's Timber Legality Assurance System, which is a requirement for the Voluntary Partnership Agreement (VPA) under the European Union Forest Law Enforcement Governance and Trade (EU-FLEGT) programme. The VPA will finally be tabled in Parliament, in the second half of 2021, to officially conclude the initiation phase of the Agreement and will help to create greater access to more lucrative opportunities for Guyana's forest products in the EU and other markets, through a licencing process which is anticipated to become effective in 2022.

d. Agriculture and Food Security

4.34 Mr. Speaker, over the past five years, the agriculture sector suffered callous neglect, being left in complete decay as if the intention was to consign it into complete non-existence. In stark contrast, this PPP/C Government's intention is that agriculture will be one of the major anchors of our non-oil economy, given its core role to assure food security, improve incomes and create jobs, generate export

earnings and reduce food imports, and catalyse value-added production. At end-2020, agriculture accounted for 27.1 percent of non-oil GDP and 21.3 percent of non-oil exports.

4.35 To ensure the sector is able to discharge its envisaged role, our Government will invest in: opening new farm-to-market roads; clearing and preparation of new lands; expanding the infrastructure in the intermediate savannahs; expanding drainage and irrigation networks to make new land available for small, medium, and mega farms; strengthen extension services through additional and improved facilities; traceability and certification services to reduce existing trade barriers; research and development; and coordinating and facilitating private sector participation in agriculture-based tourism. To complement these initiatives, we will build human resource capacity to deliver the services required to drive growth in this sector.

4.36 With this holistic plan for agriculture, Guyana is well poised to claim its long outstanding position as the food basket of the Caribbean – supporting livelihoods and transforming not only our economy but the region. In 2021, expenditure in the agriculture sector is expected to increase to \$22.6 billion from \$18.3 billion in 2020.

i. Sugar

4.37 Mr. Speaker, hundreds of years of sugar cultivation since pre-independent Guyana were brutally slaughtered at the altar of political expediency over the past five years, in a manner that will long be one of the most unconscionable acts committed by the recent APNU/AFC Government. On assuming office, we met a situation where 7,000 sugar workers were unceremoniously shoved onto the bread line, by a Government that displayed no concern for the social and economic hardships that the arbitrary decision to close the lifeblood of rural Demerara and rural Berbice would cause to ordinary people. The rippling effect of this action coursed throughout the entire coastal Guyana spreading shock, dismay, disbelief and a state of hopelessness. Hundreds of thousands of people were affected directly and indirectly, small and micro businesses and small market vendors were decimated as businesses dried up, and entire communities were devastated.

4.38 While three sugar estates were closed, the three estates that were reluctantly kept open were left to limp along with little to no capital investments during the APNU/AFC tenure. By the time we

entered office, sugar production had plummeted to its lowest level ever and the Guyana Sugar Corporation (GUYSUCO) was in dire financial straits. Notwithstanding the prophets of doom, this PPP/C government stands ready, willing, and resolute to deliver on our policy and manifesto promises to the sugar workers and to all Guyanese.

4.39 In this context, we have appointed a dynamic new board comprising individuals with diverse skill sets and competencies. We have appointed a new management team. Together, the Board and Management are charged with the responsibility to conduct a detailed diagnostic of the sugar industry, in order to reboot the industry to make it fit for purpose for sugar and value-added opportunities including diversification into non-traditional areas. Work is currently ongoing on developing a master plan, estate by estate, to guide the future of the industry. Possible elements of that master plan that are currently being considered include the following.

4.40 GUYSUCO could concentrate on redirecting its efforts towards an optimised product mix, a shift away from the current low value bulk-sugar market. In this regard, the corporation could quadruple its sales into the packaged sugar market both locally and internationally over the next five years. To this end, the Blairmont Packaging Plant could be expanded by three new packaging machines and an expansion of the storage bond so that inventory can be available at all time to service the international market with the world-famous Demerara Gold packaged sugar. Further, the Enmore Packaging Plant could be expanded to five operational packaging lines.

4.41 At Albion, Blairmont and Uitvlugt, more than 60 percent of the access roads are in a deplorable state, and more than 50 percent of the fleet of land preparation and tillage machines were allowed to deteriorate beyond repair. Additionally, more than 40 percent of the cane transport fleet, especially the punts, were left to deteriorate to the point of disuse. Targeted investments will be needed to correct the situation over the medium term. Investments in cane cultivation will ensure that ratoons that are currently over ten years old will be replaced over a five year period at the rate of 20 percent per annum, helping to revert to the standard procedure of replanting every five years.

4.42 Mr. Speaker, on the matter of the three estates that were closed by the APNU/AFC Government, we are currently assessing the damages and the cost to rehabilitate these estates to make them profitable cost centres, including but not limited to introducing public-private partnerships,

agro-industrial and agro-energy opportunities, and pursuing product diversification, and retraining where necessary.

4.43 Given the importance of sugar in the domestic economy, and the manner in which this sector affects overall socio-economic conditions in rural Berbice and rural Demerara, we shall continue to work with all stakeholders, in particular the private sector, in ensuring that the viability of this industry is preserved. Budget 2021 provides an allocation of \$2 billion for critical capital works at GUYSUCO.

ii. Rice

4.44 Mr. Speaker, the rice industry has demonstrated resilience, despite the challenging environment in which farmers were forced to operate in over the last five years. This PPP/C Government has taken steps to ease the farmers from the burdensome overhead expenses imposed on them, by reversing the increases in land rents and taxes on agricultural equipment, machinery, fertilizers and chemicals. For instance, the rice farmers under the Mahaica/Mahaicony/Abary – Agricultural Development Authority will now see about \$1.3 billion back in their hands annually with the reversal of land rent increases.

4.45 By 2024, Mr. Speaker, we expect a dramatic increase in annual rice production over the next five years, ensuring that the crop remains a mainstay in our agriculture output. The increase will be propelled by: enhanced research and development; adoption of new technologies and promotion of new high yielding varieties; increased maintenance of drainage and irrigation systems and farm-to-market roads; and establishment of new markets. In October 2020, a new high-yielding variety of paddy was released, which should produce 7-8 tonnes of paddy per hectare, 1-2 tonnes more than our current yield. BY 2023, another high-yielding variety is expected to be released.

4.46 Mr. Speaker, in 2021, six drying floors will be constructed at strategic rice producing locations to provide much needed support to farmers in Regions 2, 3, 5 and 6, and a soil laboratory will be established to facilitate efficient and economic production of paddy. Additionally: five long reach sprayers will be acquired to control paddy bugs on dams and fields efficiently; a motorised thresher will be purchased to aid in plant breeding experiments; a laboratory will be constructed for experimental trials on value-added rice products; a Post-Harvest/Value-Added Department will be

established at the Guyana Rice Development Board (GRDB); and physical and sensory analyses will be pursued for shelf-life studies for rice and rice-based food products. These initial steps will position the rice industry to gain the momentum needed to achieve the targeted growth in the medium-term.

iii. Other Crops

4.47 Mr. Speaker, the expansion of cultivation of non-traditional crops is critical for diversification of the economy, reducing imports, meeting market demands and the development of value-added products. In 2021, support for the establishment of over 100 shadehouses countrywide will be provided with a view to increasing the production of vegetables. To meet the high demand for planting materials for citrus, Government will continue to provide assistance which will benefit farmers, particularly in the Pomeroon, Region 3, and the Linden-Soesdyke Highway. Research-based extension support will be intensified for fruit production to improve productivity and meet the growing demand of domestic fruit juice manufacturers. To this end, over \$1.2 billion is budgeted to support the operations of National Agricultural Research and Extension Institute (NAREI).

4.48 Mr. Speaker, coconut is the new frontier crop of the sector and is expected to take off over the medium term. This administration will fund the establishment of four new coconut nurseries at Wakenaam, Leguan, Canal No. 2 and No. 63 Village in Corentyne which will each produce 1,500 to 3,000 coconut seedlings, every three months. As such, farmers can benefit from high quality planting material at an affordable cost. Further, technical training on inter-cropping and cultivation will be provided to coconut farmers to help them optimise their returns on investments. Support from government will see the private sector investing in over 1,000 acres of coconut estates, in the near term. In this regard, Budget 2021 provides over \$70 million to support Hope Coconut Estate Ltd.

4.49 Corn and soya bean also represent a major new frontier in the other crops sector. In 2021, Government will cultivate 100 acres of planting material to support the production of corn and will make it available to farmers at affordable prices. This is intended to reduce the importation of this commodity and will augment the plans for large scale corn and soya bean cultivation expected under the Intermediate Savannah Development Initiative (ISDI) discussed below.

iv. Agro-Processing

4.50 In 2021, Government will invest \$832 million in agricultural infrastructure including agro-processing and packaging facilities. These interventions will be done in Lesbeholden, Parika, Sophia, St. Ignatius, Aranaputa, Kara Kara and the Intermediate Savannahs. Farmers will now have access to affordable state-of-the-art processing and packaging at reduced operational costs. Moreover, Government will provide laboratory services to agro-processors to ensure they can attain the necessary standards and certifications in a timely manner at an affordable cost.

4.51 Mr. Speaker, Government will also be taking steps to strengthen the cold-storage capacity for seasonal produce destined for exportation and agro-processing. In this regard, two freezer trucks and two 40-foot refrigerated containers will be procured at a cost of \$60 million for the New Guyana Marketing Corporation (GMC). Further, in 2021, agro-processors can expect to benefit from New GMC's one stop Agri-Business Incubator, through which equipment and human resources will be made available to provide technical and marketing support to agro-processors. An additional \$293 million is being provided to New GMC to support these initiatives.

v. Livestock

4.52 Mr. Speaker, Government remains committed to facilitating large-scale farming of livestock, working with the private sector. Through these partnerships, we will realise improvements in the quantity and quality of meat and meat products produced for both domestic and international markets.

4.53 In 2020, Government invested in high-quality livestock to increase farmers' access to better breeding stock, for improved production and productivity. In 2021, Government will facilitate the establishment of processing facilities, develop certification processes and pursue access to regional and international markets for our local producers. Moreover, Government will support investors by developing livestock traceability capacity to improve the accuracy and reliability of data, which is fundamental to meeting food safety standards and farm certification and will help to promote exports.

To support these initiatives, \$806 million will be provided to the Guyana Livestock Development Authority in 2021.

4.54 Of this amount, Government will invest in a modular abattoir at Garden of Eden which will serve to fill the existing local market gap for processed pork and pork products while creating more income-generating opportunities. Further, the construction of a modern abattoir at Onverwagt for beef and beef products will transform the cattle industry.

vi. Fisheries and Aquaculture

4.55 Mr. Speaker, this Government is keen to revitalise the fishing industry and has reversed increases in licensing fees, removed taxes on fishing equipment, and allowed fish exporters to reclaim VAT on inputs to production. Over the medium-term, Government will focus on supporting the development of inland fisheries and aquaculture through amendments to the Aquaculture and Inland Fisheries Regulations, finalise a Strategic Plan for the subsector, and develop guidelines for sustainable aquaculture and ornamental industry in Guyana, among other initiatives.

4.56 Currently, the cost of production for aquaculture products is significantly impacted by the cost of feed, which accounts for 60-70 percent of production costs. In an effort to encourage increased investment and productivity, Government will be facilitating feed-formulation research with the aim of reducing the cost of feed to below \$200 per kilogramme. A breeding programme for indigenous species is also being developed at the Satyadeow Sawh Aquaculture Station, where hatcheries will provide fingerlings at a subsidised cost to farmers. Work is underway towards addressing the reversal of the US ban on catfish. Government expects that the aquaculture subsector holds great promise as a source of growth in the agriculture sector in the future. An amount of \$293 million is budgeted to support the growth of this emerging industry.

vii. Intermediate Savannah Development Initiative

4.57 Mr. Speaker, the Intermediate Savannah is considered a vast untapped opportunity for agricultural development in Guyana. It has the potential to produce both crops and livestock in an integrated production system that encompasses annual and perennial crops and small and large ruminant production. The commodities targeted for the Intermediate Savannah are corn, soya bean,

aquaculture, cattle rearing and orchard crops like citrus and fruits all of which have great potential for processing. Government will provide an enabling environment by providing land, infrastructure, and incentive support to transform the area and improve the livelihoods of the persons residing in the adjoining communities.

4.58 In Budget 2021, \$500 million will be invested in supportive infrastructure to catalyse private investment in the production of corn and soya. It is envisaged, mega-farms will cultivate tens of thousands of hectares, benefiting from the economies of scale in modern grain production thereby leading to higher production and productivity. Meanwhile, small farmers will also be reoriented to modernise their agricultural practices.

viii. Drainage and Irrigation

4.59 Mr. Speaker, the drainage and irrigation network is one of the primary support structures for the agriculture sector. Our agenda to promote production, diversification and flood risk management is reinforced by our substantial investments in this sector.

4.60 In 2021, this administration is reaffirming its commitment to supporting the drainage and irrigation systems by investing \$12 billion in critical interventions across the country. These include: construction and rehabilitation of pump stations at Adventure, Black Bush Polder, Cottage and Montrose, supporting over 54,000 acres of coastal farm lands; procurement of two excavators and a pontoon to desilt channels in the Pomeroon river, facilitating improved access to farms; and development of water harvesting mechanisms to support farms in the South Central Rupununi, alleviating the significant losses incurred in the dry season. These interventions will result in a reduction of vulnerability and flood risks by promoting climate resilience. The reduction of risk and losses will encourage increased production of rice, coconut, vegetables, fruits and livestock in these areas.

e. Sustainable Tourism

4.61 Mr. Speaker, the global tourism industry is among the most affected sectors by the COVID-19 pandemic, with an estimated decline of 70 to 75 percent in international arrivals, when compared with 2019. In Guyana, visitor arrivals are estimated to have fallen by 72.5 percent in 2020 – from 314,727 in 2019 to 86,503 in 2020. With measures in place to limit transmission of the virus, the tourism and

hospitality industry came to a standstill, halting travel experiences, in-person engagements and virtually every other aspect of the industry. Despite this, our Government recognises the tourism industry as poised for a rapid take-off once travel restrictions ease.

4.62 Mr. Speaker, Guyana currently has in excess of 150 hotels and 30 resorts and lodges with an approximate room capacity of 3,400. Most of these accommodations can be characterised as traditional and rustic establishments with only a small number of business-oriented accommodation properties of international standard. Against this backdrop, this Government recently invited expressions of interest from private investors desirous of developing new hotel properties that would improve the quality and quantity of accommodation in Guyana. More than 25 Expressions of Interest (EOIs) were received and memoranda of understanding (MOUs) concluded with potential investors. These projects are all privately financed and many of them involve major international hotel brands. It is expected that six of them will start construction in 2021. These initial incoming investments will add an additional 1,000 hotel rooms in the near term and potentially a total of 2,000 to 3,000 rooms in the medium term, catalysing the development of the accommodation subsector and dramatically improving overall industry standards.

4.63 Mr. Speaker, along with room capacity, the tourism sector has also been hampered by the skills gap at all levels, with few opportunities for training. To address this glaring mismatch between demand and supply, in 2021, work will commence on the construction of the Hospitality Tourism Training Institute (HTTI). On completion, this facility will cater for more than 1,800 students to be trained and certified annually, to support the growth and development of this emerging sector and provide a world class experience in service delivery. An amount of \$185 million is budgeted to start this project in 2021.

4.64 In 2021, we will also seek to increase air connectivity and make access easier for airline operators and reduce costs for air travel. With Jet Blue having made its inaugural flight back in December 2020, Government will pursue partnerships with other airlines and aim to establish new routes, once travelling conditions begin to return to a state of normalcy.

4.65 Mr. Speaker, the pandemic has created the opportunity for tourism actors to re-evaluate their products and offerings and re-examine the possibilities of expanding tour packages that would appeal not just to foreigners but all Guyanese, both local and in the diaspora. To improve the resiliency of the

sector over the medium-term, the sector will focus on offering unique culinary tours, excursions, soft adventure and experiential tours in an effort to diversify the tourism product portfolio.

4.66 Additionally, the domestic tourism market is yet to realise its full potential. The Government has established regional tourism committees in a number of regions, and will work with them to help develop the local tourism product, including by more active promotion of event-based tourism and local niche attractions such as Easter on the No. 63 beach in Region 6, regatta in Region 7, rodeo in Region 9, and the fish festival at Rockstone in Region 10.

f. Information and Communication Technology

4.67 Mr. Speaker, the importance of Information and Communication Technology (ICT) for creating, catalysing and sustaining economic growth and development is more evident today than it has ever been. One of the first steps taken by this Government was the liberalisation of the telecommunications sector, a campaign promise that was delivered 64 days after we took office. This strategic move will stimulate greater competition and investments which will expand the sector and the range of ICT services available to the population as well as reduce costs of various services to consumers and will allow for more fibre optic cables to be landed in Guyana.

4.68 In fact, Guyanese have already benefited tangibly from lower rates and special promotions for data plans, while some operators have committed to major technology upgrades. At least one regional company has also advised of plans to locate all of their customer care operations in Guyana with the possibility of piloting cutting edge technology. Going forward, it is expected that liberalisation will result in significant interest in private investment in the sector.

4.69 This year, Government will establish the Universality Fund, a feature of the new telecommunications regulatory regime through which access to modern telecommunications services can be funded for our poor and vulnerable communities including those in our hinterland regions. The Telecommunications Act and regulations provide for contributions to this fund from operators and we expect a minimum of \$360 million to be made available to the Fund this year. A plan is being prepared that will specify feasible projects to be implemented by the private sector which will boost connectivity for businesses in unserved and underserved communities.

4.70 Additionally, our Government will move swiftly to ensure that the benefits of the liberalisation reach all sectors in the form of faster and cheaper internet service, which will serve as a catalyst for ICT related business development and will make business more efficient and resilient and drive job creation.

4.71 Already, we expect over 450 jobs will be created in the area of business process outsourcing (BPO) with the operationalisation of call centres at Tuschen, Enmore, and Linden, partly facilitated by decreased cost of internet service. Government will also be engaging with the BPO sector with a view to facilitating scaled up presence in Guyana. Budget 2021 includes an amount of \$67 million to rehabilitate the facility in Linden which is expected to host the call centre there.

g. Industrial Development and Manufacturing

4.72 Mr. Speaker, for so long we have been forced to import fossil fuels to generate energy, heard our manufacturers and potential investors belabour the cost of energy as a constraint to investing or expanding. In 2023, with the planned gas to shore pipeline at a proposed location along West Bank of Demerara, Guyana will finally be able to expand manufacturing opportunities, have a low cost source of energy, access to labour from surrounding housing developments and a ready road network. This, will be the Wales Development Authority!

4.73 Mr. Speaker, the Wales Development Authority (WDA) will not only distinguish itself as the industrial centre of the Caribbean, it will serve the very immediate purpose of employment generation. When in operation the WDA stands to employ well over 3,000 persons on a full-time basis in fields ranging from manual, technical, professional, administrative among others across the various enterprises to be located under the WDA. This of course is not taking into consideration the myriad range of indirect employment that will be generated, which very easily will account for a figure well beyond that established for direct employment.

4.74 Mr. Speaker, the Government will commence work on the Wales Development Authority (WDA) by drafting and passing the requisite legislation to create the authority during 2021. As we speak, consulting services are being procured to conduct the geotechnical, geophysical, environmental impact, and Light Detection and Ranging (LIDAR) studies to determine the location where the gas line

would land as well as the sites for the drying facilities, co-generation plant, and essential petrochemical industries. The construction of the co-generation plant and laying of the pipeline will begin next year and finish during 2023. When the power plant comes on stream, the electricity cost will be a fraction of the current rate paid by consumers. The reduction in electricity cost is expected to attract large industrial, agro-processing, and manufacturing firms.

4.75 Mr. Speaker, to make the WDA more attractive as an industrial zone, special incentives will also be provided to motivate investors to set up operations in Wales. This strategic policy initiative by this Government, providing tangible support to these non-oil sectors, will ultimately provide the enabling environment for the country's diversification efforts to take root and become sustainable. In this regard a sustainable and competitive agriculture and manufacturing sector that will be supported through the WDA, will provide the groundwork for overall sustainable robust economic performance.

h. Small Business Support

4.76 Mr. Speaker, among the main concerns for small business owners and new entrepreneurs in Guyana is the access to finance. To ameliorate this situation, Government will utilise the Small Business Development Fund and will engage microfinancing institutions and the micro credit windows of commercial banks to stimulate investments and create jobs in the productive sector. Additionally, the removal of VAT on a range of items in 2020 immediately reduced the cost of doing business across the board.

4.77 Mr. Speaker, in four short months of assuming office, the minimum ceiling in grant funding at the Small Business Bureau (SBB) was increased from \$200,000 to \$500,000. This served to attract greater registration with the SBB. In 2021, government intends to harness the business acumen of small businesses, incubate the business ideas and innovation of these businesses and extend training and capacity services to create and sustain entrepreneurial opportunities for the small business sector. A sum of \$250 million is budgeted to replenish the Small Business Development Fund.

4.78 Additionally, Government will commit to the establishment of a National Entrepreneurship and Innovation Council which will radically reform the culture of entrepreneurship in Guyana and create an impetus for new entrepreneurs while supporting existing ones.

4.79 Mr. Speaker, the National Quality Infrastructure (NQI) and Electronic Single Window (ESW) which aims towards the digitization of the licensing process, are flagship projects that will improve the quality of products and services on a national scale whilst the latter will improve trade facilitation and significantly reduce both the time and costs involved in trade processes.

4.80 Budget 2021 has provided \$135 million for the procurement of an ESW system which will be finalised while \$200 million is allocated to the NQI Project including the construction of a state of art laboratory. Also, we will roll out a National E-commerce Strategy to ensure that local businesses harness the economic benefits of online markets. Our government will also seek to enhance the successful development and operationalization of start-ups and existing businesses through access to Business Incubator Centres, with shared manufacturing and business development facilities. To this end, works commenced on the identification of suitable location for the establishment of new industrial estates. This period will also see the development and implementation of niche programmes to support business sectors in the areas of tourism as well as in ICT.

E. Transformational Infrastructure

a. Energy Expansion and Diversification

4.81 Mr. Speaker, successive PPP/C Governments have long recognised that the single biggest impediment to accelerated economic and social development is the absence of adequate, affordable, and reliable energy. Key challenges include dependence on aged fossil-fuel based generation capability, inadequate generating capacity resulting in supply shortfalls, a porous transmission and distribution network resulting in high technical losses, along with high levels of commercial losses.

4.82 Against this background, as discussed earlier, the previous PPP/C Government had advanced plans to construct the AFHP. However, the unconscionable tactics of the APNU/AFC effectively stymied our progressive drive to harness over 165 MW of power from AFHP. Their actions, and their actions alone, resulted in that project being derailed – which otherwise, would have been producing electricity for the national grid. Mr. Speaker, I am pleased to announce that Government intends to reactivate efforts to ensure that our national grid is augmented with sustainable, cheap and reliable hydropower – AFHP will become a reality under this administration.

4.83 More immediately, Guyanese anxiously await the prospect of piping gas to shore to generate cheap and reliable energy to power industry and meet our growing demand for electricity. Conceptualised as a 210 km pipeline to transport natural gas from offshore Guyana, the gas to power project will be the trailblazer to advance Guyana's path to domestic energy security within the next three years. This transformational project includes the establishment a power plant to generate up to 250MW of power, the establishment of an industrial park, including industries to support our agricultural and manufacturing sectors and the creation of a local LPG plant to cater for domestic demand and export. During 2021, detailed geophysical, geotechnical, engineering and environmental impact assessment studies will be launched to inform government on technical considerations, as we advance efforts to land the gas on shore and bring the power plant into operation by mid-2023.

4.84 Mr. Speaker, given the high levels of growth forecasted, beyond the gas to shore project, our vision is to develop and exploit a comprehensive energy mix that harnesses our vast hydropower, solar, wind and biomass potential – conscious always of sustaining and preserving our pristine environment.

4.85 A sum of \$700 million has been budgeted for the installation of 10 mini-grids and 4 off-grid systems in 2021. This will provide a total of 1.472 KW of installed solar capacity, thereby generating 5,305 KWh of electricity. The areas which will benefit from this initiative include: Sebai, Iwokrama, Waramadong, Paruima, Kurukabaru, Annai, St. Monica, Karaburi, Capoey, Whyaka, and Loo Creek.

4.86 Additionally, solar farms will be installed at Mahdia and Leguan, and work will continue on solar farms at Bartica and Lethem. Moreover, two mini-hydropower plants, at Kumu and at Moco-Moco, will be tendered this year and construction will commence. The 150KW Kato Hydro Project will also be substantially completed in 2021. Sums totalling \$840 million have been budgeted to cover these initiatives.

4.87 Mr. Speaker, we will continue to invest in GPL and encourage policy initiatives to meet and eventually surpass the ever-expanding demand placed on our national grid. In line with this, GPL is executing fundamental infrastructure investments, to promote loss reduction and improve the performance of its power distribution networks. A sum of \$2 billion is budgeted to continue clearing the stock of receivable arrears inherited at GPL.

b. Transport Infrastructure

4.88 Mr. Speaker, our Government has mandated the articulation of a national infrastructure investment pipeline, which outlines current and future public sector investments that will create, upgrade, and rehabilitate the country's infrastructural landscape from coastland to hinterland.

4.89 In this regard, our infrastructure gaps will be met with major transformative investment initiatives, in every region.

i. Roads and Bridges

4.90 Mr. Speaker, in 2021, Government has allocated \$25.6 billion for roads and bridges, of which \$23.7 billion will be spent on roads and \$1.9 billion on bridges. This will see investments being made in upgrading a number of existing major roads and bridges, as well as initiating several new projects.

4.91 An amount of \$3.5 billion has been allocated for the commencement of the Linden to Mabura Hill Road and tenders will be launched in the first quarter. Further, a sum of \$150 million has been budgeted for sectional rehabilitation of the Linden – Soesdyke Highway. In order to address the continuous traffic chaos on the East Bank Demerara Public Road, construction has already begun on a road linkage between Diamond to Mocha, connecting to an existing road network from Herstelling to Eccles. In Budget 2021, the Government has allocated the sum of \$1 billion to continue and complete the construction of a four-lane highway from Eccles to Mandela Avenue which will significantly reduce travel time for tens of thousands of commuters traversing this corridor.

4.92 Mr. Speaker, over the next few years, a major transformation will be witnessed in our country's roads and bridges network, creating new corridors for development in the agro-industrial, light manufacturing, commercial and tourism sectors, paving the way for massive residential housing development, and easing congestion:

- Linking the East Coast Demerara Highway to Timehri, connecting our two major airports, the Cheddi Jagan International Airport (CJIA) and Eugene F. Correia International Airport.

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

4.93 These routes will be established with a survey alignment to be completed in 2021, and clearing of the right of way will commence while we pursue financing for construction works.

4.94 Additionally, we will be constructing a farm-to-market road from No. 58 Village linking the Corentyne Coast Highway to the Canje Creek, and opening vast acreage of arable agricultural land to benefit farmers across the region. Preliminary designs are being completed, while survey and right of way alignment will be conducted, and works will commence in 2021.

4.95 Mr. Speaker, bridging of the Demerara and Corentyne Rivers will also take centre stage in this Government's plan to revitalise our physical landscape and open developmental opportunities in surrounding areas. To accomplish this, we have forged ahead by inviting EOIs for the design and build of the new Demerara River Bridge Crossing. To this end, we have received proposals from a total of 20 companies. Nine firms have been shortlisted and the process now moves to the second round where more detailed designs, costing and financial terms will be assessed. The new design of the high-span bridge will allow for free flow of maritime traffic as it will not require opening or retraction and will be built with a life span of at least 50 years.

4.96 Additionally, on the Corentyne River Bridge Crossing, the Governments of Guyana and Suriname have invited expressions of interest for the construction of the bridge. In preparation for this massive transformative project, we will commence preparatory works to upgrade the road from Moleson Creek to El Dorado with the ultimate goal to extend to Orealla/Siparuta.

4.97 Amounts totalling \$9 billion have been allocated under the miscellaneous and other roads programme, while a further \$2.1 billion has been allocated to upgrade hinterland roads.

ii. Air Transport

4.98 Mr. Speaker, on assuming office, immediately confronting us was a modified and poorly redesigned CJIA. This forced us to take drastic measures to remedy the situation to ensure that the project fulfils its commitment to be a modern international airport. In this regard, agreement was recently reached with the contractor to accommodate two more boarding bridges for large transatlantic aircraft and construct the superstructure and façade for the new commercial complex which will house additional duty free shops, restaurants, and lounges, at no additional cost to the Government. Mr. Speaker, looking to the future, we will place the CJIA back on track to be a regional hub.

4.99 In 2021, a sum of \$2.5 billion is allocated for the further upgrade and modernisation of the CJIA to finance other major improvements including:

- Procurement of the additional two passenger boarding bridges to accommodate large transatlantic aircraft, bringing the total to six boarding bridges.
- Rehabilitating the airline and airport administration offices; and
- Outfitting the commercial complex.

4.100 In addition, an amount of \$415 million is budgeted for the completion, upgrade and rehabilitation of a number of hinterland airstrips; \$150 million for the construction of a new administration block at Timehri; and \$187 million for the Civil Aviation Authority to upgrade the Timehri Control Tower, procure a Safety Data Collection and Processing System as well as critical hardware and software upgrades.

iii. River and Maritime Transport

4.101 In 2020, an amount of \$358 million was expended in the river transport sector to rehabilitate the Bartica, Supenaam, Parika and Kumaka stelling, while this year Government has allocated an amount of \$310 million to facilitate the upgrading and rehabilitation of stelling including at Wakenaam and Fort Island.

4.102 Mr. Speaker, under the previous administration, residents and commuters travelling to and from the North West District were deprived the benefit of a modern ferry service, even though funding for the acquisition of the vessel had been secured. Since taking office, this Government has inked a \$2.6 billion contract to construct an ocean-going passenger and cargo vessel to ply the North West District route to bring relief to struggling commuters. Additionally, under the same project, funds have been allocated to rehabilitate the Morawhanna, Kumaka, and Port Kaituma stellings. In 2021, \$1.2 billion has been budgeted to facilitate the implementation of this project. A further \$500 million has been allocated to rehabilitate the M.V. Malali, M.V. Makouria and M.V. Kimbia.

4.103 Mr. Speaker, looking ahead, the dynamics of our economy requires a reconceptualisation of our maritime and river transport facilities. The traditional wharf facilities are already transforming to reflect shore-based operations to support the emerging oil and gas industry, while expanded manufacturing and trade activities will increasingly require modern port facilities. A critical aspect of our country's transport infrastructure for the future is therefore the development of a deep water harbour. This will provide an essential transit point for international cargo once the Corentyne River Bridge and the road to Brazil are complete. Government remains engaged with potential partners on the possibility of developing this critical infrastructural investment.

c. Sea and River Defence

4.104 Mr. Speaker, the consequences of climate change, including rising sea levels, on Guyana's sea and river defence infrastructure can have devastating impact on Guyana's economy since most of its inhabitants are on the low lying coastal plain.

4.105 Within two days of taking office, our Ministers were deployed to Dantzig, to grapple with the devastation of massive breached sections of the Mahaicony sea defence. Flood waters inundated farmlands and residential communities resulting in loss to property, livestock and farming activities. The previous administration was negligent in anticipating and addressing the situation adequately, causing the new Government to deploy emergency arrangements to seal the breach which had remained opened and threatening for over one month previously.

4.106 In 2021, a total of \$5.1 billion has been budgeted to further strengthen our sea and river defence infrastructure. Earmarked for this year is the construction, rehabilitation and maintenance of sea and river defence infrastructure in areas including Dantzig, Prospect, Content, Fairfield, Zealand, Cane Garden, Uitvlugt, Anna Catherina, No. 63 Beach, Manila, and Bygeval.

4.107 Mr. Speaker, Government continues to keep close monitoring of our shore line, by reactivating the sea defence rangers, applying drone technology to monitor shore line movement and the erosion and accretion cycle, intensifying routine maintenance, and deploying stockpiles of armour rocks to strategic locations, to ensure that quick response mechanisms are in place to avert breaches.

4.108 Mr. Speaker, as we continue to make strident steps to protect our vulnerable shoreline, we have found that existing conventional hard-infrastructure solutions are expensive and are not adaptable to rising sea levels and climate change vulnerabilities. It is for this reason that we intend to promote natural interventions in the form of groynes and restored mangrove forests from replanting and natural regeneration, to complement our significant investment in hard-structures. In 2021, \$50 million is budgeted to construct geotextile rubble groynes, and to conduct topographic surveys.

F. Investing in Our People

a. Health

4.109 Mr. Speaker, the year 2020 was an indelibly challenging one for the world in the face of the COVID-19 pandemic. Our Government assumed office and inherited a public health sector which was struggling to respond to the crisis. In addition, drug shortages and the lack of functioning equipment, which plagued the public health sector, forced an already poorly managed health system to be stretched even more thinly. The reach of Government's health programmes for screening, testing and treatment was also challenged due to the reduction of movement of people as a result of the COVID-19 measures.

4.110 Mr. Speaker, His Excellency's vision of transforming of our healthcare system into one that is world-class will drive our actions over the next five years. In order to achieve this vision, our administration intends to: expand speciality level care, and, by extension, the menu of services offered to Guyanese; develop an adequate, well-trained, competent, and compassionate healthcare workforce;

and modernise and expand our health facilities to improve access to both primary and specialty-level care while leveraging partnerships with the private sector and civil society. To begin delivering on this vision, while addressing the challenges of the pandemic, Government has significantly expanded the resources made available to the public health sector and budgeted \$53.5 billion for 2021.

4.111 In Budget 2021, to begin expanding diagnostic and speciality capacities across the country, we have provided \$1.8 billion for the purchasing of critical medical equipment for the public health sector. Of this amount, \$99.8 million is budgeted for re-equipping the National Ophthalmology Hospital in Port Maurant, the only one of its kind in the country and an indispensable service for our people, especially the elderly. Government also intends to expend \$322 million, in 2021, for the acquisition of medical equipment, including ventilators and anaesthesia machines, which will serve to expand the diagnosis and treatment capacity at the National Referral Hospital. We are also budgeting an additional \$35 million to strengthen our emergency medical services capacity while we formulate a holistic plan to introduce an ambulance authority.

4.112 Mr. Speaker, as we proceed along our first full fiscal year in office, we are fully aware that COVID-19 continues to pose a significant challenge. Upon assuming office, this administration immediately ramped up testing from conducting approximately 21 tests daily to 200 tests daily with a capacity of 2,000. This expansion allowed for the provision of a larger data sample to improve the Health Emergency Operations Centre's coordination and response to the pandemic. Government has also strengthened disease surveillance through the use of the COVID-19 antigen-based Rapid Diagnostic Tests (RDTs) which offers point-of-care testing and near-immediate results. Four GeneXpert machines have been procured for \$17.6 million to be deployed in Regions 1, 6, 9 and 10, with expansion of testing facilities to Regions 7 and 8 planned for 2021.

4.113 Mr. Speaker, the health sector is adapting to the new reality of continual pandemic preparedness and heightened infection prevention and control. Further, we have brought the Infectious Diseases Centre to functionality which has, between September 1 to December 31, 2020 treated 450 patients in the COVID-19 ward and 38 in the Intensive Care Unit (ICU). Additionally, as part of the COVID-19 response programme, \$2.1 billion was expended on critical items including medical supplies, COVID-19 test kits, sanitising materials and personal protective equipment. For 2021, Government has made a provision of over \$750 million to support the rolling out of COVID-19 vaccines

from February and for the rest of the year in a phased approach, the first of which will cater to our frontline workers, the elderly, and persons living with comorbidities. While Government's ultimate aim is to promote vaccination towards achieving herd immunity before end of 2021, mask wearing, sanitising and physical distancing continue to be critical to containing transmission.

4.114 Mr. Speaker, the challenges of the pandemic also mean that we must reassess our treatment of non-communicable diseases (NCDs) - persons suffering from chronic diseases such as diabetes, chronic respiratory diseases, and cardiovascular ailments are at greater risk of mortality if they contract COVID-19. This Government's focus is on bringing to the forefront the prevention and curative aspects of chronic diseases, recognising that screening for NCDs needs to be scaled up exponentially. In 2021, we have reoriented ourselves to increase our outreaches to take healthcare and screening to communities, anticipating to reach at least 30,000 individuals, as we endeavour to minimise the movement of people which could exacerbate COVID-19 transmission. We have also made a provision of \$35 million for the establishment of a diabetic prevention and rehabilitation clinic at the Lusignan Health Centre.

4.115 With regard to HIV, we will intensify our partnerships with civil society organisations to encourage expanded testing and continued care, to ensure that persons living with the virus are able to remain on their anti-retroviral treatment thereby curbing transmission; for related treatment and testing Government has made a provision of \$900 million. With respect to our national and international target to end the epidemic of malaria by the year 2030, we shall be undertaking a mass distribution of 135,000 long-lasting insecticidal nets, in 2021, with emphasis on areas deemed most vulnerable, such as mining towns and its nearby environs.

4.116 Mr. Speaker, we will also be dedicating more resources to address mental health issues, suicide prevention and care, and expand access to psychiatric and psychological services including the resuscitation of these initiatives in our hinterland areas. Further, we have allocated over \$70 million to address the shortage of essential medication for psychiatric patients. Additionally, Government will strive to ensure greater resilience and access to mental health services at a national level through the construction of an 18-bed mental health ward at the National Referral Hospital at a cost of \$26 million, and also through the review and revision of the Mental Health Act of 1930 – a sorely overlooked and outdated piece of legislation. Simultaneously, we will continue to integrate these services into the

primary healthcare system such that any individual might be able to access care through any of our numerous health centres.

4.117 Mr. Speaker, the current physical state of infrastructure requires modernisation and expansion for which this Budget has allocated \$2.8 billion. Within this, the continued implementation of the \$860 million SMART Hospital initiative will result in operationalisation of the upgraded Leonora Hospital, and the commissioning of the upgraded Diamond Diagnostic Centre and Mabaruma Hospital in 2021, while works will advance on the Lethem and Paramakatoi Hospitals. This initiative will lead to improved flow design and infection control under more improved energy efficiency. Government will also endeavour to complete the construction of a polyclinic at Festival City and the remodelling of the Skeldon Hospital, at a combined cost of \$88.3 million, to now cater for surgical interventions including an operating room, recovery room, and an Intensive Care Unit (ICU), among others. Other areas that will benefit in capital investments focused on providing surgical interventions are Aishalton and Kumaka District Hospitals, with over \$100 million earmarked for these projects in 2021. We are also examining the feasibility of establishing a maternal and child health hospital over the medium-term.

4.118 In a bid to strengthen our country's capacity to cope with the particular health needs of our mothers and children and reduce associated mortality rates, Government has committed, in 2021, over \$140 million toward the financing of maternal waiting homes and facilities at Moruca, Enmore, and Kato, as well as \$100 million for the construction and retrofitting of the maternity ward and wing at the New Amsterdam Hospital.

4.119 In the broader area of reproductive health, this administration intends to improve the coverage and range of family planning services including wider contraceptive options, and education and screening for gynaecological, breast and prostate cancers. We will also be rolling out sexual and reproductive health policy which will guide health sector interventions over the medium-term.

4.120 With regard to ensuring improved elderly health we will expand the package of services to now include a community nutrition programme, expanded services offered at home visits and specific clinic days for the elderly, among others.

b. Education

4.121 Mr. Speaker, to develop a world-class education system, we intend to ensure equal access to quality education, at all levels, for all children, regardless of their background, to increase and improve the quality and quantity of trained teachers, learning resources and materials, and to increase the use of innovation and technology in order to improve education delivery and learning outcomes. Our Government will also intensify classroom monitoring to ensure we afford our teachers every opportunity to improve their pedagogical skills.

4.122 Mr. Speaker, the state of the public education system inherited by our administration leaves much to be desired. The sector is plagued by inadequate supervision and lack of accountability within the levels and this needs to be reversed immediately if we are to ensure that a well-balanced education is our collective goal. Moreover, learning outcomes continue to fluctuate while the proportion of trained teachers across the sector – one of the core inputs to improving learning – has remained at approximately 71 percent since 2014. Further, the pandemic has caused the public education system to reconfigure how it delivers its mandate to the people of Guyana. In 2021, amounts totalling \$60.7 billion have been budgeted for the education sector.

4.123 The sector has moved to implement blended modalities to ensure learning continuity for all students, including a revamped Guyana Learning Channel Trust, benefitting over 130,000 students and the distribution of printed worksheets and other materials to over 41,000 students in the hinterland, riverine and disadvantaged coastal areas. Additionally, almost 4,000 teachers were trained in the integration of innovation and ICT into their teaching-learning process via the Profuturo online platform.

4.124 Mr. Speaker, the immediate focus of our administration is pandemic preparedness, including the provision of PPEs for all students and teachers and to retrofit all schools with troughs, sinks and water systems to provide a safe learning environment across all levels. Even as we adjust education delivery to a pandemic-sensitive modality, our goals for the sector in the medium-term are set high. In order to deliver world-class education over the next five years, our administration plans to improve access with the construction and equipping of nursery, primary and secondary schools across the

country with the necessary resources, inclusive of quality teachers, updated curricula and STEM laboratories, worthy of a system comparable to international standards.

4.125 In 2021, we will conduct a review and mapping exercise with a view to increasing the number of schools across the country. In the interim, we intend to commence with two secondary schools in Region 6 and Region 9. Additionally, we will commence work on a secondary school at Prospect to address the growing demands on the East Bank of Demerara and the Abram Zuil Secondary School will be reconstructed to provide necessary facilities for learners on the Essequibo Coast. An amount of \$5.2 billion has been allocated for construction, rehabilitation and maintenance of educational facilities countrywide.

4.126 Mr. Speaker, in the area of teacher training and development, we found that our teacher training college has made no significant improvement over the past five years. It still functions based on traditions steeped in time. If we are to modernise our national education system, one of the first steps we must take is to modernise the way our teachers are trained. Thus, our administration will ensure that the Cyril Potter College of Education transforms to a fully online-compatible modality from application forms to tutorials and courses being offered online.

4.127 Mr. Speaker, as the economy evolves, the education sector must be positioned to respond to the demands of the labour market. In recognition of this, the education sector will be aggressively intensifying its efforts to increase enrolment in technical vocational education and training institutions as we endeavour to promote non-traditional forms of learning and life-long learning. An amount of \$884 million has been allocated to equip and retool technical and vocational training centres.

4.128 The University of Guyana will also be refashioned to better respond to the needs of a modernising Guyana including through its technological advancement to ensure learning materials and courses are made available online. Budget 2021 provides a total of \$3.3 billion to finance the operations of the two campuses of the University of Guyana.

4.129 Mr. Speaker, a hallmark of this administration's vision for a top-tier education system, is the establishment of an online learning institute that will deliver 20,000 scholarships over the next five years. In 2021, we plan to begin execution of this initiative, catering for the provision of over 4,500

scholarships, through a multi-agency formulation including the Ministry of Education, the Ministry of Public Service and the Ministry of Labour. Government's collaboration with Commonwealth of Learning and Coursera has already allowed us to offer more than 4,000 free online courses from various universities around the world to our people and 64,605 citizens are benefitting from online courses offered by these two entities of which to date, 8,481 participants are teachers who have since registered/participated in at least one course. A sum of \$1 billion is budgeted to support online scholarships to be granted in 2021.

c. Housing

4.130 Mr. Speaker, the evidence that home ownership is one of the fundamental pillars upon which the Guyanese dream is built, is indisputable. Our party, the PPP/C, has long recognised this and pursued a policy of creating decent and affordable housing for all Guyanese. It is opportune for me to briefly remind this august body, that where once stood barren waste lands, marginal agricultural lands and open underutilised pastures, now stand thriving, successful housing development schemes – a fitting tribute to a visionary government and a legacy to those who once only dreamt of such a reality. The bustling peri-urban communities of Eccles, Providence, Diamond, Parfait Harmonie, Good Hope and Grove, are a few examples of the genuine care and concern we have for the Guyanese people who wish to have a "roof over their heads".

4.131 Sadly, Mr. Speaker, this drive slowed, and virtually came to a halt, when new misconceived notions pervaded the unimaginative thinking of the last five years. The model for housing development adopted then, proved to be inadequate, inappropriate and unattainable. The PPP/C administration must now re-focus government's attention to provide for the welfare of our citizens, by creating new housing stock and access to lands for housing development. We also removed VAT on locally produced building and construction materials including sand, stone, concrete blocks, plywood, logs and lumber for affordable housing.

4.132 In the housing sector, works are progressing apace to restore the lost vibrancy and vitality that once exemplified the sector. Before the PPP/C government demitted office in 2015, a total of 22,964 house lots were allocated during our last five years in office. In contrast, citizens only benefited from 7,534 house lots under the APNU/AFC administration during its five-year period in office. The

slowdown in distribution of house lots under the previous administration was due to a lack of a clear vision and policy for the housing sector.

4.133 Mr. Speaker, Government's commitment over the next five years is to make available 50,000 house lots across the country. The major partner in this exciting and evolving transformation will be the private sector who, together with Government, will create the incentives and opportunities for affordable housing, for persons to own their own homes. Given our promise to the people of Guyana, we plan to allocate 10,000 house lots, as well as distribute 7,000 land titles across the country in 2021. Additionally, Government will construct 1,000 homes for low income earners and young professionals as we strive to improve the standard of living of all Guyanese. Already, in 2020, we have held the successful initiative of the "Dream Realised" One Stop Shops which resulted in the distribution of 413 land titles and 3,600 house lots for the period August to December 2020.

4.134 Additionally, Government has committed to the residents of Region 10 that they can look forward to the construction of 1,000 homes through public-private partnerships, with community involvement in every step of the way. The diaspora will also be engaged in financing housing initiatives and also benefit as remigrant homeowners. Further, a single window approval system for construction permits will soon be reality, considerably reducing the processing time from land allocation to construction.

4.135 Mr. Speaker, in 2021, we have budgeted \$6 billion to further advance infrastructure and utility works in new and existing housing areas. Additionally, the sum of \$1.5 billion is allocated to continue with infrastructure works in the Sophia, Diamond and Parfaite Harmonie housing area. In keeping with Government's commitment of creating and enabling sustainable communities, the boundaries of the programme will be extended to include Victoria on the East Coast of Demerara. To this end, the installation of LED street lamps and the upgrading of recreational facilities will be part of the programme. Further, under the Core Home Support and Home Improvement Subsidy initiative, the Government will be working towards providing subsidies to low-income households and successful applicants will be given a new housing unit at a subsidised cost or materials to improve their homes.

4.136 Mr. Speaker, the Government continues to engage stakeholders to address the issues of squatting and informal settlements by working to ensure that land is distributed in an equitable

manner. We are facilitating the allocation of house lots to occupants of regularised squatter settlements and working with others to address the matter.

d. Water and Sanitation

4.137 Mr. Speaker, this administration aims to improve the water sector by increasing treated water coverage and access to potable water, reducing non-revenue water, and modernising sanitation facilities across the country. Unfortunately, as we take stock of the existing situation in the sector, critical challenges and missteps were identified which persisted over the last five years. These included high iron content, low treated-water coverage, high levels of non-revenue water and a low proportion of the hinterland population having access to potable water. We also found a sector that was burdening our vulnerable population as VAT had been imposed on water consumption and the water subsidy for pensioners had been stripped. Within two months after we took office, we ensured the reversal of these harsh measures, benefitting of all Guyanese, especially our senior citizens.

4.138 Mr. Speaker, the PPP/C Government will correct the deficiencies of the past five years and ensure that all Guyanese are provided with improved service delivery. In this regard, the Guyana Water Incorporated (GWI) has prepared a new 5-year strategic plan for the period 2021-2025 which is aligned with national priorities and advances the government's mission to provide clean, reliable and affordable water. Emphasis will be placed on increasing access to treated water coverage to 90 percent, reduction of non-revenue water (NRW), the modernisation of the sanitisation infrastructure network, integrated water resource management and wastewater treatment.

4.139 Mr. Speaker, at the end of 2020, Government had expended the sum of \$2.7 billion on several projects under the water sector. Works commenced on the upgrading of the transmission mains at Vlissengen Road (Shelterbelt to Lamaha Street) Phase I – this initiative will result in improved quality of service to approximately 40,000 residents on completion. To address the issue of non-revenue water, 26,000 meters were procured and preparations are in train for installation in areas such as Eccles, Friendship, Providence, Mon Repos, Beterverwagting and Diamond. Additionally, at Bartica, the installation of a raw water intake line to the Bartica Water Treatment Plant was completed and, at Parika and Vreed-en-Hoop, fire hydrants were procured to enhance firefighting capabilities.

4.140 Under the hinterland water supply programme, residents of Mabaruma, Barbina and Wanina are benefitting from improved hours of service after the upgrading and expansion of the water supply system with the installation of electrical pumps, and servicing of the elevated storage tanks. This activity has, for the first time, provided potable water to the residents of Barimanobo. Additionally, new wells were drilled and water mains and service connections installed, benefitting over 5,000 residents of One Mile, Mora, Rincon, Kumaka, Santa Rosa, Shea, Annai, Lethem, Shulinab and Chiung Mouth.

4.141 Mr. Speaker, a sum of approximately \$4 billion has been allocated in 2021 to procure equipment and improve and expand the water supply network systems across the country. Provision for the drilling of new wells along with the upgrading of photovoltaic systems, storage facilities, distribution networks and service connections across Regions 1, 3, 7, 8 and 9. Further, the upgrading of distribution networks across Regions 8 and 9 will be undertaken.

4.142 To address the issue of non-revenue water Government has made a provision of \$275 million, in 2021, for the procurement and installation of 20,000 water meters for Residential and Business Areas across the country. Additionally, \$200 million has been allocated to expand the Sophia, Eccles, Covent Garden, Grove, Friendship and Vergenoegen water treatment plants to benefit over 50,000 residents. Further, Government will upgrade the transmission mains between Church to Cummings Streets and Cemetery Road to Mandela Avenue benefitting over 35,000 residents, and has allocated \$100 million to procure electromechanical equipment for the rehabilitation of water production facilities.

4.143 Mr. Speaker, the government is also committed to promoting integrated sanitation management through enhanced awareness on sanitation practices and solid waste management across the regions to safeguard human health and the environment. In 2021, Government has budgeted \$1.1 billion for this subsector and will undertake activities including the completion of the construction of Cell II at Haags Bosch Sanitary Landfill Site and the upgrading of disposal sites at Rose Hall, Port Kaituma, Belle Vue, Lethem, Lima, Charity, Lusignan and D'Edward. We have also catered for the preparation of temporary locations for waste disposal in Regions 2, 3 and 5.

e. Youth

4.144 Mr. Speaker, this Government has continually expressed the importance of our young people – our next generation of leaders – to our development. A signal moment after returning to office last year, was the re-establishment of the Ministry of Culture, Youth and Sports, bringing it and its values, objectives and programmes back from having been placed on a dusty back bench by the previous government. Mr. Speaker, every youth is entitled to be nurtured in a healthy, protective and supportive environment; to develop their full potential. As such, in keeping with our promise to the people, His Excellency has established the Youth Advisory Council, which, as he said, will be “at the heartbeat of policy making”. We expect the Council to be operationalised shortly.

4.145 Mr. Speaker, in 2021, we have budgeted \$90 million to expand the Youth Innovation Programme of Guyana which provides grants to young people across the country who successfully develop innovative solutions to address local issues and challenges. The Programme provides opportunities for youths to have access to and unlock innovative, creative, energetic, and bold talents in a low carbon economy.

4.146 Mr. Speaker, Government will also continue generate opportunities for our youth to participate in the job market and national development. In this regard, the Government intends to improve access to education from nursery to university as I already mentioned when I spoke on education substantively. In addition, the \$820 million Youth Entrepreneurship and Apprenticeship Programme will provide training and stipends for CSOs from 213 hinterland villages to create employment opportunities and generate income for young people in the development of their communities. Additionally, Government has made provision through the Department of Youth of over \$85 million to deliver youth-targetted training in areas including robotics, oil and gas, climate change and the environment, information technology, and agro-processing. We will establish a National Job Bank and Labour Exchange to improve access to employment opportunities for job seekers, including our youths.

f. Culture, Sports, and the Arts

4.147 Mr. Speaker, this administration is cognisant of the vast talents and skills of our people which have gone underutilised and unappreciated over the last few years. In this regard, we will aim to develop and showcase the potential of our sportsmen and sportswomen, and artistes, both at home and internationally. We will also endeavour to create the enabling environment to increase income generation for the culture subsector through partnership with private sector for the creation of galleries, museums and dance schools in communities across the country, among other areas. These initiatives are also intended to augment our drive to create niche tourism throughout our country and, for the culture (inclusive of arts) and sports programmes, we have budgeted \$2.7 billion, in 2021.

4.148 During the year 2020, with notable strides, Government hosted a One Guyana Concert that showcased the culture of Guyana over a virtual platform which attracted over 500,000 online viewers. In 2021, we will develop a National Cultural and Creative Industries Policy to guide the development of the sector and reinstitute the Advisory Boards for the National Gallery of Art and the National Archives. The National Trust will also undertake to update their legislation in alignment to the modern trends in heritage preservation and to support its expanding mandate.

4.149 Mr. Speaker, in Budget 2021, we have allocated \$30 million for grants to the cultural and creative industries for which emphasis will be placed on original cultural and creative projects with a credible and well thought out plan for commercialisation and sustainability. Additionally, over \$120 million is budgeted for capital works in support of the advancement and preservation of culture and arts, specifically: to improve seating in the lower auditorium, and sound and lighting systems of the National Cultural Centre; to improve visitors' experience at the Castellani House; to rehabilitate the dance studio of the National School of Dance and; to improve facilities elsewhere. A further \$36 million is budgeted to upgrade heritage sites at Fort Nassau, Dutch Heritage Museum and the Indian Arrival Monument at Palmyra to improve facilities for the promotion of our rich and diverse history.

4.150 Mr. Speaker, our Government has budgeted \$1.5 billion in 2021 to facilitate the development of sport across our country. Of this amount, \$915.5 million is allocated for the improvement of community grounds, countrywide, to expand their use as parks and create premium, multi-purpose, sporting facilities of international standards commencing in Regions 2, 6 and 10. Other improvements

include the installation of lights on community grounds, laying of synthetic materials at the athletic tracks in New Amsterdam and Wismar, and upgrading of other sports facilities. The sum of \$618 million will be utilised to host tournaments, maintain sports facilities and support sports associations. Of this amount, \$320 million is budgeted towards professional training of athletes and coaches as part of the "Sports Academy" programme.

g. Senior Citizens

4.151 Mr. Speaker, our senior citizens, aged 65 and over, currently represent 6.2 percent of our population and, by 2024, this group is expected to increase to 7.2 percent. Our Government's attention to their welfare is heightened especially now, in light of their vulnerability to COVID-19. By 2025, our senior citizens will enjoy better health, improved social safety net programmes, and increased disposable income.

4.152 Mr. Speaker, upon taking office in 2020, our government reinstated the water subsidy to our senior citizens and 28,270 senior citizens benefitted have benefitted thus far. I am pleased to say that as soon as we returned to office we announced our intention to increase Old Age Pension in keeping with our manifesto promise

4.153 Our Government has prioritised improved services to our senior citizens and with a focus on chronic diseases aimed at decreasing comorbidities in the medium term, and reducing non-communicable diseases, such as cardiovascular disease, diabetes and hypertension, which affect many of senior citizens. We have taken steps to strengthen the delivery of health care services and our senior citizens will have improved access to primary health care services, and drugs and medical supplies.

4.154 With effect from March 2021, we expect that some private payment outlets will provide additional options for pensioners to cash their Old Age Pension vouchers. Our Government has commenced direct delivery and payment to shut-in pensioners, including persons living with disabilities, with 3,400 persons benefiting to date. Moreover, Government will continue to support and improve the care facilities for our senior citizens.

h. Persons with Disabilities

4.155 Mr. Speaker, this Government will champion and support the rights of persons with disabilities. In 2021, the Persons with Disability Act (2010) will be reviewed and amended.

4.156 We will continue to deliver key services to this vulnerable group who are at risk of being discriminated. As part of Government's charge to ensuring that persons throughout Guyana are given equal opportunities to access a complete range of healthcare services, in 2021, optometry services will be expanded to Regions 2, 6, 7 and 9 through the public healthcare system.

4.157 Mr. Speaker, for the first time there will be rehabilitation professionals stationed in each region. We will strengthen the provision of medical and therapeutic care, vocational and skills training programmes and the creation of jobs through private sector partnerships. Further, \$50 million will be allocated to the National Commission on Disability, even as we increase resource allocations to the Disability and Rehabilitation Services within the Ministry of Health. More importantly, Government will embark on the construction of a complex valued at \$30 million at Mahaica, that will provide training to disabled persons in the areas of life and vocational skills.

4.158 In addition, this budget allocates an amount of \$120 million for programmes supporting the community of persons with disabilities.

i. Victims of Domestic Violence

4.159 Mr. Speaker, our Government is extremely concerned with the level of domestic violence and its impact on victims and their families. We took immediate action to address this issue on multiple fronts and we will continue to collaborate with communities, faith-based and non-government organisations to pursue actions that curtail domestic and sexual abuse in our country. We have significantly increased allocations to the organisations providing support to victims of domestic violence, including Help and Shelter, who will receive over \$50 million this year. In addition, we will be developing multisector domestic violence protocols which will serve to improve the operational procedures across relevant public and private institutions and stakeholders.

4.160 Mr. Speaker, our Government launched the 914 toll free hotline to allow victims of domestic violence to report incidents and request assistance in December 2020. This is being complemented by the \$1 billion Spotlight programme which will see government working along with stakeholders, including international agencies and Community Service Officers (CSOs) towards curbing gender-based violence.

4.161 Additionally, Government will establish court superintendent department with a cadre of lawyers to lead prosecutions in each regional division for cases of domestic violence. A Survivors Advocates Programme will also be implemented to offer emotional support and crisis counselling to victims of domestic violence and sexual abuse and will be piloted in the regions with the highest reported cases. Mr. Speaker, we must collectively show zero tolerance for any form of domestic violence.

j. Amerindian and Hinterland Development

4.162 Mr. Speaker, by the time we demitted office in 2015, we had already set in train planned interventions to issue several new certificates of titles for Amerindian villages. Twelve certificates of titles had already been issued by us between 2014 and the time we left office. This is in stark comparison to the dismal performance of the previous administration who, from 2016 to the time they lost office, reluctantly issued only two certificates of title to our Amerindian brothers and sisters. Since our Government resumed office, we spent the last few months of 2020 preparing the groundwork for re-energizing the Amerindian Land Titling programme to achieve its original target to title 68 villages. To this end, Budget 2021 allocates \$630 million to expedite the granting of titles to Amerindian villages.

4.163 Mr. Speaker, additional hardships were meted out to our hinterland communities when almost 2000 CSOs were unceremoniously fired and the stipend of \$30,000 monthly, approved by the PPP/C Government, was discontinued. In keeping with our manifesto promise of delivering better government services to our Amerindian brothers and sisters we have, in only four months of assuming office, resuscitated the CSO programme, by re-engaging over 500 CSOs, providing them with the previously established stipend of \$30,000 monthly. This administration also trained 46 CSOs in ICT skills in 2020, returning support to the development of once neglected Amerindian communities.

4.164 In 2021, Mr. Speaker, we will continue to create employment opportunities for our Amerindian brothers and sisters to promote capacity development. To this end, this administration will:

- Employ 2,000 CSOs, maintaining our manifesto promise to the first peoples of Guyana;
- Provide \$196.6 million for boats, engines and equipment to empower communities and improve their livelihood;
- Invest \$1.75 billion for the hinterland roads programme to enhance connectivity; and
- Award 196 scholarships, bridging the educational disparities between the hinterland and coastal area.

G. Improved Governance and Institutional Reforms

a. Governance

4.165 Mr. Speaker, the overarching commitment by President Ali's administration to democracy, inclusive governance, transparency, and accountability lays the foundation for the manner in which our Government will operate. Our President has committed to pursue nation building, through a "One Guyana" policy based on inclusivity, during his inaugural address to this Honourable House just yesterday. After the last five years of reversals, our government has the welcomed task of returning Guyana to its days of former glory under our Administration. It is not a secret that our predecessors failed as a government, and we are here, on this side of the aisle to prove it. As we set out the medium term trajectory for our governance agenda, we will seek to ensure greater participation of all Guyanese in our plans for the development of our beloved country.

4.166 Mr. Speaker, we will focus on making this Parliament a truly deliberative forum, though this is a work in progress, and further we will work to protect and preserve Guyana's Constitution and the Standing Orders of the Honourable House. We all know this was severely trampled in the last session with no Special Select Committee. However, since our return to office, two bills have been sent to the committees for consultation with stakeholders.

4.167 It is noteworthy that all Parliamentary Standing Committees have been established, and most notably, the Constitutional Reform Committee and the Committee of Appointment are meeting.

Further, the latter has completed the process for the parliamentary nominee to the Judicial Service Commission, which expired since September 2017.

4.168 Mr. Speaker, we are proud of these achievements in a mere six (months. However when we contrast the affairs of the Public Accounts Committee, regrettably, this Committee is being held to ransom and has not met for the past two weeks, in order to get on with the business of the people and allow for continuous scrutiny of the previous Administration's woeful management of Guyana, during their years in office.

4.169 Mr. Speaker, with on-going preparations for an active legislative agenda, as further outlined in the His Excellency's address to this House, and oversight measures to enhance transparency and accountability, including the establishment of a "One Guyana Commission" enshrined in statute, our Administration is making good faith efforts to lay an entrenched foundation for democratic rule and inclusive governance. This is in keeping with implementing the Government's commitment to return to "Making Our Government Systems More Accessible, Inclusive and Open to all," at all levels.

b. Justice Sector Reform and Strengthening

4.170 Mr. Speaker, our Government is firmly committed to ensuring that all citizens have access to, and are protected by, the justice system. To this end, we will continue to implement reforms to the criminal justice system, as well as to advance reforms to the legal system more broadly.

4.171 Mr. Speaker, the previous PPP/C Government had commenced addressing the issue of backlog cases in the High Court, however, these gains were not sustained, resulting in serious implications for both the justice system as well as the security sector, post-2015. Over the medium-term we will re-prioritise the issue of reducing backlog cases, with particular emphasis on cases at the Court of Appeal.

4.172 Additionally, it is important to recognise that the COVID-19 pandemic has also placed additional pressures on the limited capacity of the justice sector actors – there have been reports that the pandemic has brought more disruptions with families and domestic violence has taken on new proportions.

4.173 What is clear, is that we will continue to uphold the separation of powers between the branches of the Government , support the continued reform of the legislative environment and improve the

accountability of the criminal justice system. As such, this administration intends to pay more than lip service when it comes to seriously modernising the justice sector and making government systems more accessible, inclusive and open to all. To this end, the sum of \$4.6 billion is allocated to this sector, for 2021.

4.174 In 2021, an allocation \$1.2 billion for the construction and equipping of new courtrooms as well as living quarters, supporting facilities at locations including Port Kaituma, Mabaruma and Vigilance. This will reduce travel time and cost for citizens requiring the services of the courts. In an innovative response, container courtrooms were established to conduct virtual courtroom system at the Lusignan Prison, all in an effort to align with the safety measures instituted in our fight against COVID. These initiatives will soon also be implemented at the New Amsterdam, Mazaruni and Camp Street Prisons. In the coming years, more courts are expected to be opened along the populated East Bank corridor.

4.175 The Chambers of the Director of Public Prosecutions will benefit from expanded office space to house more prosecutors who currently are unable to be hired currently. An additional 10 legal staff will be hired which will allow the DPP to address a larger case load over a shorter period of time and address the current backlog. Further we will procure a software to better manage cases through their entire process. In addition, over \$100 million is earmarked for the maintenance of infrastructure and buildings for Supreme Court and DPP which will together serve to ensure that improved physical facilities are made available.

4.176 Mr. Speaker, in 2021, the long-awaited Law Reform Commission will be established, charting the way to advance our legislative agenda.

4.177 Mr. Speaker, the activities under the Support for Criminal Justice System programme will unfold, after a period of stagnation under the previous administration, with a sum of \$325 million budgeted for this year for interventions including strengthening of probation services and legal aid. Further, we have initiated a programme with the University of Guyana which will see our law graduates who are unable to attend the Hugh Wooding Law School, being trained to prosecute alongside public and police prosecutors. These candidates will be deployed to court houses throughout Guyana, augmenting the current complement of prosecutors, thereby reducing the time taken to administer related legal services.

In recognition of the evolving landscape in the area of oil and gas, related training and arbitration and information technology will be needed.

c. Strengthening Local Government

4.178 Mr. Speaker, over the past five years, a spate of financial irregularities plagued the local government organs alongside weak oversight and poor management of local government systems. Our administration will right these wrongs. Already our Government has signaled our strong commitment to maintain the legal and regulatory framework for the system of local administration through the development of local organs. To this end, the Local Democratic Organs (LDOs) will benefit from technical support to perform their constitutional roles and functions, as well as to enhance leadership and capacity development for the provision of quality services in all the communities across the country.

4.179 Mr. Speaker, in 2021, Government has allocated the sum of \$552 million to strengthen the LDOs across the 70 NDCs and 10 Municipalities to provide efficient services and to undertake developmental works for the residents within their boundaries. Further, an amount of \$1.1 billion is allocated for community enhancement workers to continue to enable a clean and safe environment for residents within those NDCs. In addition, a sum of \$172 million is provided for capacity building, institutional strengthening and infrastructural works for the LDOs including the rehabilitation of Parika, Charity and Mon Repos markets.

d. Public Administration and Public Financial Management

i. Revenue Management

4.180 Mr. Speaker, the Guyana Revenue Authority (GRA), in its quest to deliver a modern, robust and effective revenue administration has responded to the needs of its taxpayers during the period of the COVID-19 pandemic. The GRA introduced numerous process amendments to reduce the influx of taxpayers to its offices. Additionally, The Automated Systems for Customs Data (ASYCUDA) World software was successfully implemented which allows for online submissions of declarations and e-payments.

4.181 In 2021, the GRA will also pursue a number of initiatives to improve the delivery of its services such as comprehensive reviews of legislation, implementation of additional non-intrusive methods of Customs examinations, implementation of the Single-Windows software, expanding e-payment facilities, completion of the roll-out of the remaining ASYCUDA modules and first phase roll-out of the Optimal software which is a powerful and flexible solution that brings together taxpayer information, transaction and communications within one user-friendly system.

4.182 Mr. Speaker, the use of Optimal will:

- Provide a comprehensive automation of operational functions thereby reducing the number of time consuming, sometimes redundant and error prone manual tasks.
- Drive up productivity by freeing up resources to focus on high-value compliance activities that produce higher returns for effort expended
- Deliver stronger data collection and analytic tools that will provide a more complete picture of taxpayer transactions and
- Reduce taxpayer cost of compliance through the provision of a comprehensive and user-friendly online eServices.

4.183 Mr. Speaker, the GRA has continued to build capacity to address the emerging and unique needs of the oil and gas sector. This has resulted in the establishment of a Customs Petroleum Unit (CPU) within the Customs, Excise and Trade Department and a Petroleum Revenue Department (PRD). Mr. Speaker it is imperative that the GRA's capacity to monitor and audit the oil and gas sector be ramped up substantially. For the year 2021, training will be in the areas of 'Interpreting and Analyzing Financial Statements', 'Oil and Gas International Financial Reporting Standards (IFRS)', 'Cost Recovery Procedures', 'Computer Assisted Audit Tools' and 'International Taxation'. In order to effectively scale up GRA's capacity in light of the current dynamics of the economy the allocation provided is \$7.1 billion.

ii. National Insurance Scheme

4.184 Mr. Speaker, it is well known that successive actuarial studies conducted over the years on the National Insurance Scheme (NIS) have highlighted the need for significant reforms to address issues

related to the viability of the Scheme. Many of these reforms require serious review and consideration. In 2021, Government will undertake a comprehensive assessment of these recommendations to determine the way forward.

4.185 Mr. Speaker, even as we undertake these analytical reviews, we must ensure that the NIS addresses the operational inefficiencies that currently obtain. Numerous complaints have been made constantly by contributors over the years regarding quality of service provision, and missing documentation and records. The Scheme must ensure that these concerns are addressed with the utmost urgency. Contributors records must be updated promptly and accurately. Government has tasked the Scheme to set up a special project to address these operational issues.

4.186 Mr. Speaker, a priority of this Administration is to ensure that the NIS brings contributors' records up to date and that they receive their benefits in a timely manner. Mr. Speaker, in this regard, the Scheme is to be commended the Scheme for utilising technology, Whatsapp, to receive life certificates along with live video confirmation during this pandemic period and I urge the embrace of more technological solutions and expand outreach programmes to improve both compliance and delivery of service.

iii. Procurement

4.187 Mr. Speaker, on assuming office, Government quickly recognised that much of the public procurement systems, processes and procedures instituted, pre-2015, were dismantled. Constant and persistent complaints abound regarding excessive delays and slow processing of tender awards, much to the detriment and slothful implementation of the Public Sector Investment Programme and to the frustration of the competing bidders. This situation had to be arrested immediately and this PPP/C Government took decisive action to restore public confidence and reliability of the tender process.

4.188 To this end, the National Procurement and Tender Administration Board (NPTAB) will: take steps to improve transparency and accountability, including by developing a new website to provide information on procurement opportunities and to publish tender awards as required by the Procurement Act; reintroduce standard bidding documents; enforce the requirement to prepare and publish procurement plans; reactivate bid protest procedures; and live stream tender openings.

4.189 The NPTAB will also collaborate with the Public Procurement Commission to review the Procurement Act and Regulations and make recommendations for improvement, paving the way for e-procurement and digital submission of tenders. Additionally, the NPTAB will more stringently enforce compliance with the requirements of the Act by all Budget Agencies, as well as provide training to evaluators, bidders, and other individuals.

iv. Data Systems Strengthening

4.190 Mr. Speaker, we place the highest importance on data driven policymaking. Recognising the importance of good quality and timely data, we will be taking steps to strengthen the Bureau of Statistics and the statistical departments of the various line ministries where they exist.

4.191 One immediate example where action will be needed to update our statistical framework is in the area of national accounts. Given the rapidly changing structure of the Guyanese economy as we become an oil and gas producer, it will become unavoidably necessary for us to rebase our national accounts to a more recent and suitable base year.

H. National Security

a. Foreign Relations

4.192 Mr. Speaker, our Government's return to office has seen the restoration of Guyana's credibility in the international arena. Since this administration took office in August 2020, our President has participated in several international events. His interventions have signalled the importance with which our Government views Guyana's role in the international community. His advocacy for the sustained economic development of small states, now with the global pandemic challenging such development, and the need to work collectively to build resilience, are calls that have elevated Guyana's presence on the world stage.

4.193 Mr. Speaker, the preservation of Guyana's sovereignty and territorial integrity remains paramount. On December 18, 2020, the International Court of Justice (ICJ) ruled that it has jurisdiction in the case that Guyana brought in March 2018, following the decision of the Secretary-General of the United Nations that the Court was the next means to be used as the solution for the controversy that

arose out of Venezuela's contention that the Arbitral Award of 1899 that had settled the land frontier between then British Guiana and Venezuela was null and void. The ICJ will now proceed to adjudicate the case on its merits. This means that the Court will issue – after considering the written and oral submissions of the parties – a final and legally binding decision resolving the controversy that has affected Guyana's relations with Venezuela since independence. Our Government will not compromise, diminish or undermine the singularity, sanctity or solemnity of these proceedings and will therefore fully participate in and adhere to the Court's final decision. We know that all parties represented in this hallowed Assembly are at one in this national endeavour. Our Government therefore looks forward to us all going forward together as we continue to demonstrate to the world that we are at one in our fight to ensure that Guyana's sovereignty and territorial integrity are preserved and maintained.

4.194 In the national fight to combat the global pandemic, the Government has received much needed support from our bilateral and multilateral partners.

4.195 Mr. Speaker, to advance Guyana's interests worldwide, we allocated \$3.9 billion in Budget 2021 for our Missions and Consulates to promote Guyana's foreign policy. We will continue to consolidate our relationship with our traditional development partners and forge the building of new relationships. In this regard, we will be strengthening our diplomatic presence in the Middle East with the establishment of two missions in Qatar and the United Arab Emirates.

4.196 Mr. Speaker, this administration is committed to strengthening relations with the Diaspora and is aggressively pursuing their involvement in Guyana's development agenda. As you would have heard from His Excellency the President in his speech to the Parliament yesterday, the Government is in the process of establishing a Diaspora Council to ensure that the objective of engaging our Diaspora in a structured manner is realised. We are also working to create a One-Stop-Shop for Guyanese overseas to engage in trade and investment through collaboration with the Guyana Office for Investment (GO-Invest). In 2021, it is expected that a virtual Diaspora Conference will be held after the finalisation of the Diaspora Engagement Strategy and Plan of Action.

b. Public Safety and Security

4.197 Mr. Speaker the security sector has long been plagued by issues of lack of public trust, poor response times and inefficient resource allocations. Our administration immediately undertook to equip the sector to improve the ability to deliver effectively on its mandate. We will ensure that every citizen, both individuals and businesses, and every visitor to our country should enjoy a safe and secure environment.

4.198 Mr. Speaker, a sum of \$15.3 billion has been allocated to the Guyana Police Force of which \$300 million is to be spent on expansion of the land and water fleet across all the regions to complement the existing fleet.

4.199 Mr. Speaker, in the past, we had found Community Policing Groups to be an effective complement to the work being done by the Guyana Police Force, and involved the community in helping to keep their neighbourhoods safe and secure. Regrettably, over the past five years, the community policing programme was dismantled. In 2021, we will be resuscitating the Community Policing Groups. To this end, an amount of \$95 million has been allocated to help those Groups strengthen neighbourhood patrols and visibility

4.200 Over \$830 million has been allocated for the construction, rehabilitation, and maintenance of police stations, including Providence, Ruimveldt, Cove and John, Albion, Whim, Parika, Wismar, and others. We also plan to improve investigative and forensic capabilities of ranks by conducting training in 20 courses for 828 police ranks along with an ongoing overseas training.

4.201 Mr. Speaker, turning to the Guyana Prison Service, major works are ongoing to upgrade prison infrastructure. Work will commence this year on constructing three new blocks at Lusignan which will accommodate 600 inmates, while works are also progressing on the cells at the New Amsterdam Prison. Additionally, the construction of the Mazaruni Prison (First Building) to accommodate 220 high profile inmates is expected to be completed within the first quarter of 2021. A sum of \$50 million will be expended towards training of inmates in the areas of anger management, literacy, agriculture, and culinary arts. Additionally, 30 (15 males and 15 females) incarcerated youths will benefit from digital

skills training to support rehabilitation and social transformation upon exit from the prison system. To this end \$5 billion is earmarked for the Prison Service.

4.202 Mr. Speaker, in 2021, the Guyana Fire Service will receive a total of \$1.9 billion. Major interventions will include relocation of the Central Fire Station at the congested Stabroek Market, and the construction of a new Fire Station at Eccles. Additionally, six water tenders and two ambulances will be procured.

5.

Targets for 2021

A. Real Gross Domestic Product

5.1 Mr. Speaker, Guyana's real GDP is projected to grow by 20.9 percent, with the non-oil economy growing by 6.1 percent, a significant reversal of the 7.3 percent contraction in 2020. This is premised on the assumption that a reopening of the economy takes place with COVID-19 restrictions being gradually lifted and is, therefore, subject to significant downside risks.

a. Agriculture, Forestry and Fishing

5.2 Mr. Speaker, in 2021, the agriculture, forestry and fishing sector is expected to expand by 5.6 percent, driven by growth across all subsectors.

5.3 The restructuring of GUYSUICO, alongside the recapitalisation of sugar estates, will see improved production and productivity, not only in 2021, but over the medium-term. As a result, in 2021, the sugar industry is projected to grow by 9.6 percent. Additionally, with new high yielding varieties, the rice growing industry is forecasted to expand by 3.5 percent in 2021. The forestry, livestock, other crops and fishing industries are also expected to see improvements in 2021. These industries are projected to expand by 18.5 percent, 5 percent, 5 percent, and 11.1 percent respectively, driven by higher demand, and incentives provided for in Budget 2020.

b. Extractive Industries

5.4 Mr. Speaker, the mining and quarrying sector is forecasted to grow by 39.1 percent in 2021, driven by growth across all industries, namely oil, gold, bauxite, and other mining and quarrying.

5.5 In the oil and gas subsector, the daily rate of production for 2021 is expected to be just over 109,000 barrels of oil per day. This subsector is projected to grow by 46.7 percent in 2021. The gold mining subsector, which also suffered some setbacks in 2020, is expected to grow by 4.2 percent in 2021, largely due to the resumption of operations at the one largescale gold mine which had suffered a stoppage in 2020.

5.6 Mr. Speaker, the bauxite subsector, which faced major interruptions in 2020, is expected to recover in 2021, and grow by 18.4 percent. Similarly, the other mining and quarrying subsector, which saw a significant contraction in 2020 as a result of lower demand, is projected to recover, and grow by 19.8 percent in 2021, particularly with the anticipated scaling up of construction activities resulting in significant increases in the production of sand and stone.

c. Manufacturing

5.7 Mr. Speaker, the performance of the manufacturing sector is projected to improve by 7.3 percent in 2021 on account of anticipated growth in sugar, rice, and other manufacturing. These three subsectors are expected to grow by 9.6 percent, 8.7 percent and 6.2 percent, respectively.

d. Construction

5.8 Mr. Speaker, with the resumption and expansion of public sector construction through the Public Sector Investment Programme (PSIP), alongside growth in private sector investment in key infrastructural projects, a 9.1 percent growth rate is projected for this sector in 2021.

e. Services

5.9 Mr. Speaker, significant improvements are anticipated for 2021, following the phased reopening of the economy, and an overall growth rate of 5 percent is projected for this sector. This is largely driven by anticipated expansions in wholesale and retail trade, transportation and storage, and financial and insurance activities, which are projected to grow by 10 percent, 9.9 percent and 7 percent, respectively.

B. Monetary Policy and Inflation

5.10 Mr. Speaker, monetary policy will be aimed at maintaining price and exchange rate stability, and expansion in private sector credit. For the year 2021, inflation is projected at 1.6 percent, due to expectations of increased economic activity as COVID-19 restrictions are lifted with concomitant effects on commodity prices.

C. Balance of Payments

5.11 Mr. Speaker, the overall balance of payments is expected to register a lower surplus in 2021, amounting to US\$59.9 million compared with US\$60.6 million in 2020.

5.12 The current account is expected to move from a deficit of US\$651.7 million to a surplus of US\$65.7 million mainly due to projected higher export earnings driven by a combination of higher export volumes and prices of export commodities. Export receipts are projected to increase by 46.4 percent to US\$3,788.8 million, reflecting projected higher export earnings from all commodities. In particular, crude oil exports are projected to increase by US\$1,038.6 million.

5.13 The capital account is expected to move from a surplus of US\$720.9 million to a deficit of US\$5.8 million reflecting higher projected outflows of private enterprises despite projected increased foreign direct investments.

D. Targets for the Non-Financial Public Sector

a. Central Government Operations

5.14 Mr. Speaker, total Central Government current revenue for 2021 (net of GRIF inflows) is estimated at \$257.9 billion, 13.4 percent or \$30.5 billion, above 2020 collections. Tax revenue collections are projected to grow by \$23.8 billion, to reach \$242.1 billion in 2021, and non-tax revenues by \$6.8 billion, to an estimated \$15.8 billion.

5.15 The 2021 tax revenue outlook is on account of an anticipated 8.4 percent increase in income taxes, as a result of intensified activity in the private sector. Withholding tax – largely driven by remittances from companies involved in the extraction of crude oil – is expected to grow by 13.9 percent or \$4.6 billion above 2020 collections. Expansion is also expected from collections of customs and trade taxes, which are anticipated to grow by \$3.3 billion to \$24.6 billion in 2021. Collections from excise taxes and VAT are targeted at \$40.1 billion and \$53.6 billion, respectively. Non-tax revenues are estimated to grow by 74.7 percent in 2021 on account of higher collections of royalties, special transfers and Bank of Guyana profits.

5.16 Mr. Speaker, Central Government total expenditure for 2021 is projected to reach \$366.9 billion, 12.7 percent above the \$325.5 billion spent in 2020, driven mainly by an anticipated increase in expenditure for an intensified Public Sector Investment Programme (PSIP).

5.17 Non-interest expenditure is targeted at \$256.7 billion, 6.2 percent above the amount expended in 2020, driven by growth in transfer payments and employment costs of \$9.1 billion and \$7.7 billion, respectively. The higher anticipated transfer payments are largely due to a significant increase of \$2.6 billion allocated for educational grants to nursery, primary and secondary students across the country. In addition, subsidies and contributions to local organisations as well as old age pensions and social assistance are expected to increase by \$3.1 billion and \$1.2 billion to \$57.6 billion and \$23.6 billion, respectively.

5.18 Mr. Speaker, capital expenditure is projected to expand to \$103.2 billion, 35.6 percent, or \$27.1 billion, above the amount expended in 2020. This is attributed to advancement of major infrastructure projects.

5.19 The overall deficit of the Central Government is projected to be 8.7 percent of GDP, compared with 9.4 percent at the end of 2020.

5.20 The size of Budget 2021 is \$383.1 billion, Guyana's largest budget ever, and it is financed with no new taxes. This is \$53.5 billion larger than Budget 2020 and \$46 billion higher than the Central Government's total expenditure for 2020.

b. Summary Operations of the Public Enterprises

5.21 Public enterprise receipts are anticipated to increase by 25.7 percent to \$146.8 billion in 2021. This outlook could be attributed mainly to higher expected receipts at Guyana Power and Light Inc. and the Guyana Oil Company Ltd. (GUYOIL). The expected expansion of revenues at GUYOIL is based on a projected 17 percent increase in its sales volumes, while GPL anticipates improvement of their collection rate on all billed sales. Total operating expenditure is projected to expand by 26.6 percent to \$131.3 billion, and capital expenditure is projected to increase to \$26.1 billion. The overall deficit is projected at \$10.7 billion.

c. Operations of the Non-Financial Public Sector

5.22 Mr. Speaker, the deficit of the non-financial public sector is targeted at \$100.9 billion or 9.8 percent of GDP.

6.

Measures

6.1 Mr. Speaker, in addition to the wide range of public investment projects and initiatives announced earlier, all of which will stimulate economic activity, Budget 2021 also proposes additional measures aimed at bringing relief to the many businesses and households that have been experienced financial distress over the past year and beyond. These measures also deliver targeted interventions aimed at specific sectors and spheres of activity that are particularly important both to households and businesses.

A. Reducing the Cost of Basic Food and Other Household Items

i. Restoring the VAT Zero-Rate on Basic Food Items and Household Necessities

6.2 Mr. Speaker, during the PPP/C's prior tenure in Government, an extensive list of basic necessities were zero-rated so as to ensure that the VAT did not lead to an increase in the cost of these goods and services or become burdensome on taxpayers. However, the APNU/ AFC over their term in office moved a number of these items from the zero-rated category to either the standard-rated or exempted category. In fulfilment of another one of our Manifesto promises, we will restore to the zero-rated status all of the food items and other basic household necessities that were previously zero-rated at the time we demitted office in 2015. These items include: basic wheaten flour, basic breads, oats, unflavoured cracker biscuits, cooking oil, locally produced bedsheets and pillowcases, toothbrushes, etc.

ii. Reducing Water Tariffs

6.3 Mr. Speaker, water is essential to all aspects of our daily lives, both at the residential and the commercial level. I wish to announce a 5 percent reduction in water tariffs across the board, targeting all levels of consumers.

B. Reducing the Cost of Construction and Home Ownership

i. Zero-Rating Certain Construction Materials

6.4 The construction sector is a key sector and contributor to our economic development. Along with the significant developments that we will see taking place within the sector over the medium term, the PPP/C Government has committed to providing 10,000 house lots annually. We have worked tirelessly to clear the backlog of applications and to promote home ownership across the country while providing access to financing, recognising how important home ownership is to the economic empowerment of individuals and families. To aid the achievement of this vision of home ownership for all Guyanese, we are proposing to zero-rate the VAT for the following items:

- a) Stone imported for construction and housing from CARICOM – our Government had previously zero-rated this to June 2021, and we are now extending the zero-rated status until further notice.
- b) Locally produced pre-stressed concrete piles.
- c) Locally fabricated mild steel beams for building construction.
- d) Locally manufactured roofing and PVC products for building construction.

6.5 Mr. Speaker, we will also continue to monitor the cost of basic construction materials, such as cement and steel, and examine the possibility of applying relevant taxes in such a manner as to serve as a adjustor to cushion the impact of steep price escalation.

ii. Reducing the Duty on Industrial Grade Cement

6.6 As another boost to home ownership and the construction sector, the duty on Industrial Grade Cement will be reduced from 15 percent to 5 percent.

iii. Increase in the Low-Income Mortgage Loan Ceiling

6.7 Mr. Speaker, last year, we announced an increase from \$8 million to \$10 million in the ceiling on low income housing loans that may be obtained through commercial banks under the low income housing loans programme supported by government. This year, we would like to announce a further

increase from \$10 million to \$12 million, which will make housing loans more affordable to borrowers within that range.

6.8 We will also, in due course examine the appropriateness of extending the programme to include other financial institutions such as insurance companies.

iv. Increase in the Ceiling for Housing Loans at the New Building Society

6.9 Mr. Speaker, the New Building Society has been an important source of financing for home construction and home ownership over the years. Currently, the ceiling on loans that the NBS can grant is \$12 million. We are proposing to approve an increase in the ceiling to \$15 million. This will also enable borrowers desirous of borrowing within that range to access financing from the NBS.

C. Reducing the Cost of Connectivity

6.10 Mr. Speaker, our Government has been proactive in working with stakeholders in the diffusion of ICT across all sectors and regions of Guyana as a means of economic and social empowerment for our citizens. The swift liberalisation of our telecommunications sector and the ensuing benefits that competition has brought through lower prices and a push to improve services have delivered on the initial step of the PPP/C's promise and vision for enhanced ICT services. To continue along this path Government is proposing to remove the VAT on data for residential and individual use.

D. Reducing the Cost of Transportation in the Hinterland

6.11 In the PPP/C's 2020 Budget, VAT was removed from ATVs for mining, forestry, agriculture and manufacturing. To further reduce the cost of transportation for hinterland communities and operators, the Government will remove the duty on ATVs for use in the hinterland.

E. Supporting our School Children

6.12 The APNU/ AFC Government during their tenure, effectively demolished the social safety nets that were put in place by the PPP/C Government which had sought to protect the most vulnerable in our society. In our 2020 Budget the PPP/C has already begun to take steps undo these misdeeds. Budget 2020 also announced a number of initiatives to be implemented from 2021.

6.13 As promised in Budget 2020, we will be introducing a cash grant of \$15,000 per child to be given to the parents of children in the nursery, primary, and secondary schools in the public school system.

F. Supporting the Elderly

6.14 Also as promised in Budget 2020, we will be increasing Old Age Pensions from \$20,500 to \$25,000 with effect January 1, 2021. This will benefit over 60,000 persons and put an additional \$4 billion of disposable income in their hands.

G. Supporting the Vulnerable

6.15 Mr. Speaker, I now wish to announce that we will also be raising the Public Assistance payment from \$9,000 to \$12,000 monthly, benefiting over 13,000 persons and providing an additional \$500 million in disposable income to these individuals.

H. Capital Gains Tax

6.16 Mr. Speaker, at the time that we last demitted office, no capital gains tax was payable on assets that were owned for over 25 years. However, in 2019 APNU/AFC changed this policy and abolished the 25 year limit. We are proposing to reinstate the original position whereby the sale of assets that were owned for more than 25 years will not attract capital gains tax on their disposal.

I. Restoring Government Zero-Rated Status

6.17 Mr. Speaker, to reduce the cost of Government's delivery of goods and services, we will restore the zero-rated status for VAT in relation to goods when imported and works and services purchased by a Budget Agency of the Government.

6.18 Mr. Speaker, the annualised cost of the measures we introduced last year exceeded \$40 billion. The further measures we are introducing this year are expected to cost an additional \$10 billion.

7.

Conclusion

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

7.2 This PPP/C Government has charted a course, outlined in our manifesto and elaborated by His Excellency the President that, once followed, will see us seizing those opportunities and will guide us to a destiny of which our foreparents have dreamt for generations. The task will not be easy, but neither is it impossible. One thing is sure, the task will be made considerably easier if we have all hands on deck, embracing the spirit of oneness so eloquently elaborated by His Excellency yesterday.

7.3 Budget 2021 outlines a set of policies, programmes and projects which will not only directly catalyse economic growth, but will also see billions of US Dollars of private investment realised across several sectors of the economy. Over and beyond oil and gas, the opportunities in agriculture, in tourism and hospitality, in manufacturing, in the service sector, all point to investment opportunity, and tens of thousands of jobs being created in the shortest space of time, generating incomes, and creating prosperity, at both an individual level and at a national level.

7.4 The choice is ours, each of us at an individual level, whether to stand aside and be a passive spectator as Guyana navigates this exciting phase in its history or whether to get on board and be an active participant in the making of this modern history. That choice is ours. This is the moment for which generations of Guyanese have been waiting. This is the moment.

7.5 We call on you on that side of the House to join hands with us as we seize the moment and chart a course through the challenges of today, into an era of economic dynamism, and secure lasting and resilient prosperity for all Guyanese for generations to come.

7.6 Mr. Speaker, it gives me great pleasure to commend this Budget 2021 to this Honourable House.



APPENDICES

SELECTED SOCIO-ECONOMIC INDICATORS

INDICATORS	2016	2017	2018	2019	2020
1.0 NATIONAL ACCOUNTS AGGREGATES					
1.1 Growth Rate of Real GDP (2006 Base) (%)	2.6	2.1	4.2	...	...
1.2 Growth Rate of Real GDP (2012 Base) (%)	3.8	3.7	4.4	5.4	43.5
1.3 GDP at Current Basic Prices (US\$M) (2006 Base)	3,045.8	3,068.0	3,186.0	...	...
1.4 GDP at Current Basic Prices (US\$M) (2012 Base)	4,089.9	4,224.4	4,190.8	4,475.4	4,904.4
1.5 GNP at Current Basic Prices (US\$M) at 2006 Base	3,050.4	3,080.0	3,230.9	...	...
1.6 GNP at Current Basic Prices (US\$M) at 2012 Base	4,085.2	4,213.0	4,163.0	4,428.8	4,872.7
1.7 Per capita GDP (US\$) at 2006 Base	4,096.6	4,127.0	4,223.2	...	...
1.8 Per capita GDP (US\$) at 2012 Base	5,979.2	6,233.3	6,097.7	6,539.3	6,855.1
1.9 Per capita GNP (US\$) at 2006 Base	4,102.8	4,142.0	4,282.8	...	...
1.10 Per capita GNP (US\$) at 2012 Base	5,973.0	6,217.8	6,061.4	6,478.5	6,814.0
1.11 Gross National Disposable Income (US\$M) at 2006 Base	3,370.8	3,361.0	3,520.2	...	...
1.12 Gross National Disposable Income (US\$M) at Current Purchaser's Price	4,805.5	4,902.9	5,149.7	5,550.4	5,896.4
1.13 Private Consumption as % of Gross Domestic Expenditure at 2006 Base	57.0	59.0	49.0	...	...
1.14 Public Consumption as % of Gross Domestic Expenditure at 2006 Base	15.7	15.0	15.0	...	...
2.0 EXTERNAL TRADE AND FINANCE (US\$M)					
2.1 BOP Current Account Balance	27.6	(290.5)	(1,438.8)	(2,823.7)	(651.7)
2.2 Imports of Goods and Non-Factor Services (G&NFS)	(1,928.2)	(2,177.6)	(3,437.0)	(5,150.5)	(4,067.1)
2.3 Exports of Goods and Non-Factor Services (G&NFS)	1,600.2	1,616.9	1,534.3	1,792.0	2,788.8
2.4 Resource Balance	(328.1)	(560.7)	(1,902.8)	(3,358.5)	(1,278.3)
2.5 Imports of G&NFS/GDP (%) at 2006 Base	63.3	71.0	107.9	...	...
2.6 Imports of G&NFS/GDP (%) at 2012 Base	47.1	51.5	82.0	115.1	82.9
2.7 Exports of G&NFS/GDP (%) at 2006 Base	52.5	52.7	48.2	...	...
2.8 Exports of G&NFS/GDP (%) at 2012 Base	39.1	38.3	36.6	40.0	56.9
2.9 Net International Reserves of Bank of Guyana	596.7	584.0	528.4	575.9	680.6
2.10 External Public Debt Outstanding	1,162.4	1,240.6	1,322.1	1,305.5	1,320.8
3.0 PRICES, WAGES & OUTPUT					
3.1 Rate of Inflation (% change in CPI)	1.4	1.5	1.6	2.1	0.9
3.2 Public Sector Monthly Minimum Wage in (G\$)	55,000.0	60,000.0	64,200.0	70,000.0	70,000.0
3.3 % Growth Rate	10.0	9.1	7.0	9.0	0.0
3.4 Electricity Generation (in M.W.H)	790.3	859.5	818.1	872.5	900.6
4.0 POPULATION & VITAL STATISTICS					
4.1 Mid-Year Population ('000)	743.5	741.4	763.9	767.0	770.0
4.2 Population Growth Rate (e.o.p)	0.2	(0.3)	3.0	0.4	0.4
4.3 Net Migration ('000)	1.5	6.5	18.2	35.5	5.7
4.4 Visitor Arrivals ('000)	235.3	247.3	281.9	314.7	83.0
4.5 Crude Birth Rate (per 1,000 persons)	19.9	16.8	16.1	20.0	...
4.6 Crude Death Rate (per 1,000 persons)	6.9	6.6	6.0	7.2	6.1
4.7 Crude Marriage Rate (per 1,000 persons)	6.0	5.4	5.2	5.7	5.6
4.8 Infant Mortality Rate (per 1,000 live births)	21.5	13.2	...	...	...
4.9 Under 5 mortality Rate (per 1,000 live births)	21.2	16.2	...	...	...
5.0 HEALTH AND EDUCATION					
5.1 Public Expenditure on:					
5.1.1 Education as % of National Budget	17.5	17.2	16.7	11.9	15.6
5.1.2 Health as % of National Budget	11.9	12.5	17.6	12.3	15.5
5.2 Number of Physicians per Ten Thousand Population	17.5	11.3	13.5	16.3	...
5.3 Number of Nurses per Ten Thousand Population	36.2	37.8	36.9	28.6	...
5.4 Number of Hospital Beds per Ten Thousand Population	25.4	23.8	23.8	22.3	...
5.5 Low birth-weight babies (<2500g.) as a % of live births	7.4	13.5	9.0	8.1	...
5.6 Severely malnourished	0.5	0.9	0.4	0.2	0.1
5.7 Moderately malnourished	2.5	2.2	1.4	1.1	0.6
5.8 Overweight (%)	1.2	1.1	1.0	0.5	0
6.0 IMMUNIZATION COVERAGE					
6.1 1 year olds Immunized against DPT/ (Pentavalent) (%)	97.0	97.0	98.0	99.0	90
6.2 1 year olds Immunized against MMR, Yellow Fever (%)	100.0	100.0	100.0	92.0	96
6.3 1 year olds Immunized against polio (%)	94.0	94.0	98.0	97.0	90
6.4 1 year olds Immunized against TB, BCG (%)	95.0	97.0	98.0	97.0	...
7.0 CRIME					
7.1 Reported Serious Crimes	2,894.0	3,030.0	2,571.0	3,658.0	2,438.0
7.2 of which: Murder	142.0	115.0	111.0	134.0	154.0

Notes:

This Table is revised annually as more data becomes available for each of the indicators.

The Bureau of Statistics has rebased the National Accounts to the base year 2012. As a result, compilation of the 2006 series was discontinued at the end of 2018.

Oil production has been included in the computation of the GDP from 2020.

APPENDIX II

GROSS DOMESTIC PRODUCT AT 2012 PRICES BY INDUSTRIAL ORIGIN

INDUSTRY	2013	2014	2015	2016	2017	2018	2019	2020
Agriculture, forestry and fishing	219,803	236,671	244,364	217,221	244,734	260,963	259,670	270,445
Growing of Sugar Cane	11,494	13,304	14,220	11,292	8,450	6,440	5,677	5,469
Growing of Rice	46,142	54,935	60,677	48,432	55,525	54,352	54,901	57,532
Growing of Other crops	110,618	116,262	118,709	111,795	133,986	149,136	149,522	159,461
Raising of Livestock	21,236	21,832	23,028	21,697	21,196	26,127	25,201	26,455
Forestry	18,517	21,473	19,060	14,040	15,224	15,430	14,821	13,614
Fishing	11,796	8,865	8,670	9,965	10,353	9,478	9,548	7,914
Mining and quarrying	109,494	93,781	104,567	157,978	146,388	151,122	167,155	674,849
Bauxite	12,159	11,303	8,841	9,391	9,677	11,582	11,784	6,925
Gold	90,363	72,786	84,723	133,869	122,796	115,746	119,255	109,963
Other mining and quarrying	6,597	9,155	9,009	11,925	9,322	14,737	15,811	9,062
Petroleum and gas; and support services	375	537	1,994	2,793	4,593	9,057	20,305	548,899
Manufacturing	54,046	57,187	57,752	48,373	49,105	50,208	57,568	52,634
Sugar	10,198	11,804	12,617	10,019	7,497	5,713	5,037	4,852
Rice	12,082	15,376	15,734	10,972	13,911	14,564	18,415	17,366
Other manufacturing	31,766	30,008	29,401	27,382	27,697	29,931	34,116	30,415
Electricity supply	4,029	4,286	4,447	4,727	4,755	4,921	5,265	5,328
Water supply and sewerage	2,473	2,755	2,437	2,942	3,074	3,190	3,234	3,494
Construction	66,801	65,485	62,238	65,793	69,007	71,021	73,205	68,591
Services	363,004	373,286	371,821	381,080	391,745	403,182	419,928	380,278
Wholesale and retail trade and repairs	76,300	75,458	66,128	67,410	71,754	74,509	78,234	56,082
Transport and storage	31,680	33,319	34,417	34,913	35,098	36,763	39,299	27,447
Accommodation and food services	3,081	3,121	3,127	3,245	3,410	3,684	3,886	2,224
Information and communication	19,274	20,751	20,827	20,955	21,495	22,166	22,388	23,629
Financial and insurance activities	38,087	40,383	43,015	44,216	44,823	46,702	49,114	50,448
Financial intermediation and other services	34,204	36,213	38,032	39,392	39,258	40,990	43,448	44,580
Insurance services and agents	3,883	4,171	4,982	4,824	5,565	5,711	5,667	5,867
Real estate activities	72,614	73,459	74,379	75,220	76,067	76,976	77,874	78,125
Professional, scientific and technical services	4,064	3,974	3,986	4,155	4,461	4,683	4,864	3,775
Administrative and support services	51,490	53,777	54,906	57,539	59,360	60,430	63,949	62,078
Public administration	32,072	33,121	34,065	35,147	36,101	36,985	38,985	39,435
Education	19,742	20,537	21,412	21,897	22,085	22,477	22,757	20,505
Human health and social work	8,684	9,418	9,570	10,283	10,846	11,309	11,943	12,349
Arts, entertainment and recreation	3,107	3,124	3,124	3,175	3,246	3,365	3,455	2,017
Other service activities	2,809	2,842	2,865	2,925	2,999	3,135	3,180	2,164
Less FISIM	17,651	18,386	20,266	21,545	20,700	20,370	21,911	21,698
GDP at basic prices	801,998	815,066	827,361	856,567	888,107	924,238	964,114	1,433,921
Taxes less subsidies on products	58,663	60,109	53,830	58,176	60,797	66,807	79,979	64,140
Total GDP at purchaser prices	860,661	875,176	881,192	914,743	948,904	991,044	1,044,093	1,498,061
NON - Oil GDP at purchaser prices	860,287	874,638	879,198	911,950	944,311	981,988	1,023,788	949,162

Figures: G\$M
Source: Bureau of Statistics

APPENDIX III

CENTRAL GOVERNMENT FINANCIAL OPERATIONS

	ACTUAL	BUDGET	REVISED	BUDGET
	2019	2020	2020	2021
Total Revenue	240,594.9	226,480.0	227,403.9	266,024.9
Revenue	240,585.3	226,476.5	227,401.9	257,937.9
Tax	225,992.9	214,548.4	218,330.1	242,090.8
Income taxes	93,595.3	99,651.3	104,703.0	113,470.7
Value Added and Excise Taxes	96,547.2	84,729.1	83,829.9	93,700.8
Trade taxes	24,991.5	20,932.8	19,641.0	23,357.0
Other	10,858.8	9,235.2	10,156.2	11,562.3
Non-tax	14,592.4	11,928.1	9,071.8	15,847.1
Private sector	8,079.5	7,053.0	6,891.6	7,947.1
Public enterprise & BOG	6,512.9	4,875.2	2,180.2	7,900.0
GRIF Inflows	-	-	-	8,085.0
Total expenditure	282,456.3	320,252.6	325,471.5	366,897.2
Current expenditure	216,193.8	248,182.4	249,356.7	263,649.4
Non-interest expenditure	207,683.1	240,026.0	241,595.1	256,685.3
Personal emoluments	68,550.9	74,823.1	71,852.2	79,563.4
Other goods and services	57,908.0	68,793.7	72,477.3	70,724.4
Transfer Payments	81,224.2	96,409.2	97,265.6	106,397.5
Transfers to the private sector	23,328.1	-	-	-
Transfers to the public sector	-	-	-	-
Interest	8,510.7	8,156.5	7,761.6	6,964.1
External	7,478.9	7,171.2	6,442.7	5,370.4
Domestic	1,031.8	985.3	1,318.9	1,593.8
Primary balance	32,902.2	(13,549.4)	(14,193.3)	1,252.7
Current balance	24,391.5	(21,705.9)	(21,954.9)	(5,711.5)
Capital Revenue	9.6	3.5	2.0	2.0
Capital Expenditure	66,262.4	72,070.2	76,114.7	103,247.8
Overall Balance before Grants	(41,861.4)	(93,772.6)	(98,067.6)	(100,872.3)
Grants	11,935.2	8,519.5	7,579.8	10,587.7
HIPC relief	964.6	961.0	953.0	183.3
Original	-	-	-	-
Enhanced	964.6	961.0	953.0	183.3
CMCF	-	-	-	-
MDRI	-	-	-	-
Other	10,970.6	7,558.5	6,626.8	10,404.4
Projects	5,921.0	5,563.5	4,610.1	8,250.4
Non-projects	5,049.6	1,995.0	2,016.7	2,153.9
Overall Balance after Grants	(29,926.2)	(85,253.1)	(90,487.8)	(90,284.6)
Financing	29,926.2	85,253.1	90,487.8	90,284.6
Net External Borrowing	10,964.5	8,180.2	2,322.8	18,254.9
Disbursements of Loans	22,606.6	19,632.8	13,976.5	30,604.9
Debt Repayments	11,690.2	11,452.7	11,653.6	12,350.1
Rescheduling	48.1	-	-	-
Guysuco - Escrow A/C	-	-	-	-
Overseas Deposits	-	-	-	-
Net Domestic Borrowing	18,961.7	77,072.9	88,165.0	72,029.7
Overall Deficit as a % of Non-Oil GDP	(2.8)	(8.0)	(9.4)	(8.7)

Note:
Revised 2020 Non-tax revenue excludes closure of bank accounts valued at \$2.6 billion.

APPENDIX IV

URBAN CONSUMER PRICE INDEX - NEW SERIES (GEORGETOWN)													
GROUP	2019	2020											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
ALL ITEMS	119.51	118.97	118.58	118.98	118.67	118.89	119.10	119.22	119.79	120.12	120.33	120.41	120.65
FOOD	147.02	145.29	144.15	145.35	146.97	148.80	148.95	148.65	150.05	151.00	151.80	151.98	152.51
CLOTHING	89.30	88.59	88.59	88.59	88.59	88.59	88.59	88.73	88.44	88.44	89.12	89.12	89.04
FOOTWEAR AND REPAIRS	81.45	80.80	80.80	80.80	80.80	80.80	80.80	80.75	80.75	80.75	80.75	80.75	80.75
HOUSING	99.55	99.60	99.65	99.64	97.41	97.14	97.19	97.29	97.29	97.29	97.19	97.24	97.32
FURNITURE	89.87	90.14	90.14	90.15	90.60	90.36	90.35	90.35	90.35	90.37	90.41	90.45	90.46
TRANSPORT & COMMUNICATION	119.49	119.50	119.44	119.30	117.22	115.52	116.26	117.49	117.97	117.97	117.73	117.72	117.90
MEDICAL & PERSONAL CARE	129.90	129.95	129.95	131.99	135.25	135.25	135.25	134.69	134.69	135.76	136.55	136.55	136.55
EDUCATION, RECREATION, CULTURE	96.41	97.02	97.02	97.02	97.02	97.02	97.02	96.77	96.77	96.77	96.73	96.73	96.73
MISC. GOODS & SERVICES	120.89	120.80	120.80	120.80	122.40	122.41	122.50	122.42	122.57	122.57	122.55	122.55	122.56

GROUP	NEW SERIES COMMENCED 1st JANUARY 2010												% Change 2020 - 2019
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
	DEC	DEC	DEC	DEC	DEC	DEC	DEC	DEC	DEC	DEC	DEC	DEC	
ALL ITEMS	100	104.5	107.9	111.6	112.6	113.9	111.9	113.5	115.2	117.1	119.5	120.6	0.9
FOOD	100	110.4	113.2	124.0	124.1	126.7	125.4	130.7	134.4	138.5	147.0	152.5	3.7
CLOTHING	100	99.3	101.8	98.0	98.4	99.3	98.5	95.4	95.7	94.2	89.3	89.0	-0.3
FOOTWEAR AND REPAIRS	100	100.5	103.5	104.6	89.8	96.1	96.3	94.0	94.3	82.4	81.5	80.7	-0.9
HOUSING	100	99.7	100.4	100.7	100.8	100.6	98.8	98.8	99.3	100.4	99.5	97.3	-2.2
FURNITURE	100	99.2	101.1	100.6	95.9	95.4	91.8	91.3	91.9	90.6	89.9	90.5	0.7
TRANSPORT & COMMUNICATION	100	104.8	115.5	114.6	121.9	121.2	117.2	116.7	118.0	120.3	119.5	117.9	-1.3
MEDICAL & PERSONAL CARE	100	101.4	101.3	111.7	116.0	121.6	122.2	123.5	126.9	129.6	129.9	136.6	5.1
EDUC., RECR. AND CULTL. SERVICE	100	102.0	98.7	98.4	96.9	98.7	95.1	94.7	97.7	96.0	96.4	96.7	0.3
MISC. GOODS & SERVICES	100	102.0	107.0	111.0	112.6	120.9	120.9	120.9	119.8	120.3	120.9	122.6	1.4

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

APPENDIX V

BALANCE OF PAYMENTS ANALYTIC SUMMARY

ITEM		ACTUAL	BUDGET	ACTUAL	BUDGET
		2019*	2020	2020	2021
A	Current Account	(2,823.7)	(831.6)	(651.7)	65.7
1.0	Merchandise (Net)	(2,473.0)	144.9	514.8	1,193.2
	1.1 Exports (f.o.b.)	1,567.0	2,482.9	2,587.4	3,788.8
	1.1.1 Bauxite	127.0	77.0	73.3	90.1
	1.1.2 Sugar	27.8	23.2	24.1	30.5
	1.1.3 Rice	222.7	245.0	243.2	257.3
	1.1.4 Gold	876.6	1,015.0	979.2	1,030.0
	1.1.5 Timber	33.7	23.1	27.7	30.0
	1.1.6 Crude Oil	-	950.1	1,064.1	2,102.7
	1.1.7 Other	211.0	128.4	144.7	195.0
	1.1.8 Re - exports	68.2	21.1	31.1	53.2
	1.2 Imports (c.i.f.)	(4,040.0)	(2,338.0)	(2,072.6)	(2,595.6)
	1.2.1 Fuel & Lubricants	(506.7)	(416.8)	(395.2)	(427.0)
	1.2.2 Other	(3,533.3)	(1,921.2)	(1,677.4)	(2,168.6)
2.0	Services (Net)	(932.2)	(1,674.6)	(1,824.7)	(1,723.5)
	2.1 Factor	(46.6)	(97.7)	(31.6)	(45.0)
	2.2 Non Factor (Net)	(885.5)	(1,576.9)	(1,793.1)	(1,678.5)
3.0	Transfers	581.5	698.1	658.1	596.0
	3.1 Official	-	-	26.9	57.1
	3.2 Private	581.5	698.1	631.2	538.9
B	Capital Account	2,744.6	810.6	720.9	(5.8)
1.0	Capital Transfers	28.5	28.5	48.7	69.8
2.0	Medium and Long Term Capital (Net)	2,778.4	877.1	734.0	(14.7)
	2.1 Non - Financial Public Sector Capital (Net)	147.9	(164.2)	(190.3)	(228.7)
	2.1.1 Disbursements	202.5	69.1	47.6	95.3
	2.1.2 Amortization	(54.6)	(53.3)	(52.5)	(60.5)
	2.1.3 Other	-	(180.0)	(185.4)	(263.5)
	2.1.3.a Natural resource Fund	-	(180.0)	(185.4)	(263.5)
	2.2 Private Sector (Net)	2,630.5	1,041.2	924.2	214.0
	2.2.1 Foreign Direct Investment NET	1,695.4	1,845.9	1,824.3	2,085.3
	2.2.2 Portfolio Investment NET	(42.9)	(34.7)	(21.4)	(32.1)
	2.2.3 Private Enterprises	978.0	(770.0)	(878.7)	(1,839.2)
3.0	Short Term Capital	(62.3)	(95.0)	(61.7)	(60.9)
C	Errors and Omissions	30.2	0.0	(8.6)	0.0
D	OVERALL BALANCE	(48.9)	(21.0)	60.6	59.9
E	Financing	48.9	21.0	(60.6)	(59.9)
1.0	Bank of Guyana net foreign assets	(47.5)	3.0	(104.7)	(90.0)
2.0	Change in Non-Financial Public Sector Arrears	-	-	-	-
3.0	Exceptional Financing	96.4	18.0	44.1	30.0
	3.1 Debt Relief	50.7	18.0	19.8	2.4
	3.2 Balance of Payments Support	-	-	-	-
	3.3 Debt Forgiveness	45.7	-	24.2	27.6
	3.4 Debt Stock Restructuring	-	-	-	-

NOTE:

*2019 data was revised to include the import of the Lisa Destiny FPSO.

APPENDIX VI

ACTUAL AND PROJECTED TOTAL PUBLIC AND PUBLICLY GUARANTEED DEBT					
ITEMS	Actual End-December 2018 (After E-HIPC & MDRI Reduction)	Actual End-December 2019 (After E-HIPC & MDRI Reduction)	Projected End-December 2020 (After E-HIPC & MDRI Reduction)	Revised End-December 2020 (After E-HIPC & MDRI Reduction)	Projected End-December 2021 (After E-HIPC & MDRI Reduction)
1.0 TOTAL PUBLIC AND PUBLICLY GUARANTEED DEBT	1,792.80	1,767.45	1,822.97	2,592.20	3,140.31
2.0 TOTAL PUBLIC DEBT	1,708.39	1,689.08	1,761.48	2,589.80	3,137.91
2.10 TOTAL EXTERNAL DEBT	1,322.06	1,305.47	1,336.00	1,320.78	1,410.56
2.1.1 Multilateral	787.88	815.31	837.31	825.30	924.46
CDB	149.98	151.07	154.34	149.47	148.78
CDF	11.16	10.55	9.85	9.85	10.45
EEC	5.79	5.22	5.02	5.17	4.65
IDB	524.90	546.18	555.89	552.05	639.59
IDA	75.45	82.97	91.07	90.26	102.02
IFAD	8.82	8.52	8.34	8.56	9.42
OFID	11.79	10.81	10.40	9.83	8.84
IsDB	0.00	0.00	2.41	0.12	0.71
2.1.2 Bilateral	499.84	456.52	465.89	462.60	454.11
Paris Club Creditors:	7.63	3.03	2.82	3.00	2.74
Italy	2.80	2.55	2.38	2.56	2.35
T&T	4.31	0.00	0.00	0.00	0.00
USA	0.53	0.48	0.43	0.43	0.39
-PL 480	0.53	0.48	0.43	0.43	0.39
Non-Paris Club Creditors:	492.20	453.49	463.07	459.60	451.37
Argentina	15.56	15.90	16.24	16.24	16.57
China (Eximbank)	212.92	233.84	247.68	245.98	234.16
India (Eximbank)	15.60	14.47	16.36	14.59	22.65
Kuwait	79.84	24.85	22.85	22.85	20.85
Libya	44.03	44.90	45.19	45.19	46.60
Serbia	1.38	1.40	1.43	1.43	1.55
UAE	8.14	8.27	8.40	8.40	9.05
Venezuela (PDVSA)	114.73	109.85	104.92	104.92	99.93
2.1.3 Private Creditors	34.34	33.64	32.81	32.88	32.00
Commerical Banks	21.68	20.98	20.15	20.22	19.33
Barclays Bank	3.44	3.44	3.44	3.44	3.44
Lloyds Bank (O/Draft)	1.66	1.73	1.71	1.78	1.77
Republic Bank Limited (T & T)	16.58	15.82	15.00	15.00	14.13
Others ^{1/}	12.66	12.66	12.66	12.66	12.66
2.2.0 TOTAL DOMESTIC DEBT	386.33	383.60	425.48	1,269.02	1,727.35
2.2.1 Domestic Securitites	385.14	382.58	424.63	1,268.16	1,726.67
Treasury Bills	345.35	343.96	387.18	388.22	808.52
91-Days ^{2/}	4.78	4.78	4.78	4.78	4.78
182-Days	30.47	3.48	25.67	25.67	26.15
364-Days	310.10	335.70	356.72	357.77	777.59
Debentures ^{3/}	39.77	38.60	37.43	37.43	36.26
BOG Variable Interest Rate Debentures	18.70	18.70	18.70	18.70	18.70
NIS Debenture (GOG/NIS No. 1/2016) ^{4/}	21.08	19.90	18.73	18.73	17.56
Bonds	0.02	0.02	0.02	59.10	42.22
Defence Bonds	0.02	0.02	0.02	0.02	0.02
NICIL \$30 Billion Fixed Rate Bond	0.00	0.00	0.00	59.09	42.21
Other	0.00	0.00	0.00	783.41	839.66
Overdraft ^{7/}	0.00	0.00	0.00	783.41	839.66
2.2.2 Domestic Loan	1.19	1.02	0.85	0.85	0.68
NIS Loan (CARICOM Building Project)	1.19	1.02	0.85	0.85	0.68
3.0 TOTAL PUBLICLY GUARANTEED DEBT	84.41	78.37	61.49	2.40	2.40
3.1.0 TOTAL EXTERNAL PUBLICLY GUARANTEED DEBT	0.00	0.00	0.00	0.00	0.00
3.2.0 TOTAL DOMESTIC PUBLICLY GUARANTEED DEBT	84.41	78.37	61.49	2.40	2.40
NICIL \$30 Billion Fixed Rate Bond	84.41	75.97	59.09	0.00	0.00
Deposit Insurance Corporation	0.00	2.40	2.40	2.40	2.40

Notes:

- 1/ Includes Ruston Bucyrus Bond, Guyana Perpetual Railway Stock and External Payments Deposit Scheme (EPDS) debts.
- 2/ Includes K-Series
- 3/ Excludes Bank of Guyana Non-Interest Bearing Debentures
- 4/ Payment to NIS to assist in recovering from losses due to their investment in CLICO (Guyana) as per Debenture Agreement dated September 16, 2016.
- 5/ In May 2018, the GOG guaranteed a 5-year syndicated NICIL Bond not exceeding \$30 billion, of which \$17.6 billion was issued. In December 2020, a decision was taken to have this Bond transferred to the books of the Central Government.
- 6/ For the historical years, there were no instruments assigned to cover the Central Government gross overdraft with the Bank of Guyana.
- 7/ Includes Central Government gross overdraft with the Bank of Guyana to be securitised.
- 8/ Exchange rate used: USD/GYD:\$208.50

