



**ECONOMIC SURVEY**  
**OF**  
**GUYANA**

**1966**

**MINISTRY OF ECONOMIC DEVELOPMENT**

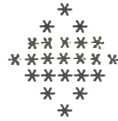
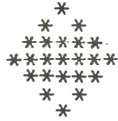
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ECONOMIC SURVEY

of

GUYANA

1966



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Georgetown.

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CHAPTER 1GENERAL REVIEW

In 1966, the economy expanded at a rate of about 8% at current prices with the stimulus derived mainly from activity in Mining, Construction, and the Government Sector. Industrial production also increased as existing capacity was being more fully utilised. Besides some new productive units were established. Sugar declined by approximately 6% on its 1965 level of physical production, and the gross receipts of the industry would probably show a similar fall; however, there was a considerable increase in the production of Rice following good weather conditions and an increase in the acreage cultivated. Prices paid to farmers were lower and total receipts were not likely to be very much better than in 1965. In Bauxite Mining and Processing, overall production was probably some 8% higher in 1966 than in 1965, production of Dried Bauxite (as distinct from Calcined Bauxite) having expanded by approximately 28%.

1.2. In the Construction Sector, activity increased to a marked extent. Both Bauxite Companies embarked during the year on extensive capital works to improve their productive capacity and this stimulated activity in the Construction Sector. Also public investment in 1966 was about 25% higher than in 1965, representing an increase of about \$4 Mn. in capital expenditures. The large expansion in public works, accompanied by the substantial increase in private construction, generated a 30% increase in incomes in the Sector during the year under review.

1.3. The country's external trade also increased. Exports rose by about 9%<sup>1/</sup> largely as a result of expansion in the production of Bauxite and Alumina, exports of which increased by nearly 15% in terms of value. The value of exports of Sugar and related commodities (rum and molasses) increased by about 4%, but the increase was due entirely to Sugar.

1/ After some allowance for under-valuation of Sugar Exports in Customs documents.

## 2.

As the volume of Sugar exported was about 4.5% more than in the previous year, the average export price of Sugar appears to have been lower by about one half of one percent. Exports of both Rice and Shrimps expanded. Rice exports for the calendar year, 1966, were higher both in terms of value and of volume, even though prices continued to be low. The value of Shrimps exported was 20% higher than in the previous year.

1.4. The large scale fixed investment by the Mining Companies, coupled with the high import content of these capital outlays, induced large imports of machinery and equipment. Similarly the Government's development expenditure stimulated the imports of machinery and transport equipment. Imports of these capital goods, exclusive of motor cars, rose by about 26% during the year, from \$44.6 Mn. in 1965 to \$56.0 Mn. in 1966 and accounted for 28% of total imports in 1966. Trucks and other vehicles imported for commercial and industrial purposes also rose sharply in 1966, increasing by 20% during the year from \$5.9 Mn. in 1965 to \$7.1 Mn. in 1966. Imports of consumer manufactured goods also showed increases of about 20% during 1966 compared with the previous year. As a result of these influences, total imports rose in 1966 and exceeded the 1965 level by approximately 13%.

1.5. The Balance on account of Merchandise Trade was in deficit. The deficit widened from approximately \$4.3 Mn. in 1965 to \$15.6 Mn. in 1966, and underlines the country's high propensity to import both for investment outlays and for consumption. The Balance of Trade deficit in 1966 did, however, show an improvement to around \$7.6 Mn. after certain valuation adjustments have been carried out.

The economy, however, showed genuine growth during 1966. Preliminary estimates indicate that Gross Domestic Product at current factor prices increased by about 8% in 1966, compared with 1965. National Income per caput at current prices rose from \$445 in 1965 to approximately \$468 in 1966. As prices had risen by about 2% during 1966 and about 3% during 1965, the increase in real terms in income per caput over 1965 was about 6%.

/Employment.....

EMPLOYMENT. HOURS AND EARNINGS:

1.7. The increase in income was not fully matched by gains in employment. Certain sectors showed substantial increases in employment, notably Government-owned and private construction, and mining. A number of others, however, such as manufacturing and sugar production, either declined or showed little growth.

1.8. As a consequence of the higher level of production in Mining (Bauxite and Manganese), the number of persons employed increased by about 10% from approximately 5,500 in 1965 to 6,100 in 1966, and average hours worked per week were also higher than in the previous year. Generally, average weekly earnings increased during the year though there was some fluctuation. The increased level in employment and hours resulted in an estimated 10% increase in total earnings in the Sector.

1.9. The Construction Sector was an important source of new jobs. The Government's road building programme, and sea-defence works provided jobs for approximately 3,000 persons, whilst the construction works now in progress for both Bauxite Companies and the higher level of house building activity combined to create a number of additional job opportunities for construction workers. Works at the Bauxite Companies alone employed more than 1,500 people.

1.10. Employment level in Manufacturing Enterprises (Sugar and Rice Mills excluded) increased slightly by about 2%. Average hours worked per week showed a similar increase, reflecting in part the 5% improvement in production that occurred in 1966. In line with these somewhat longer hours, average weekly earnings tended to rise by 2 - 3% during the year.

1.11. In the Sugar Industry, production of sugar declined by 7½% compared with previous years; and partly as a result of this, but also because of increased efficiency in the industry, the manual labour force in the industry declined from an average of 18,600 in 1965 to 17,900 in 1966 - a reduction of approximately 4%.

There .....

1.12. There was, however, some increase in the number of persons employed in distribution outlets during the year.

1.13. The Economy, however, has been affected by a large number of strikes (172) involving the loss of 106,775 man-days, compared with 146 strikes in 1965, involving a loss of just over 137,000 man-days. Ninety-one (91) of the strikes in 1966 occurred in the Sugar Industry involving a loss of 63,775 man-days; fifty-one (51) occurred in the rest of the Private Sector and thirty (30) arose in the Public Sector entailing a loss of approximately 5,000 man-days.

RETAIL SALES AND PRICES:

1.14. Retail Sales were running at about the same level as in 1965, though there was some evidence of reduced buoyancy, when comparison is made with 1965. However, sales in the latter year were particularly high, because of the deferred demand from the previous three years. For several groups of consumer goods, sales in 1966 appeared to have reached a peak in April and May, but seem to have fallen off rather noticeably up to September. The normal seasonal trend put these sales up again towards the last two months of the year, and the high level of sales achieved in the later months of 1965 were reached again in 1966 (see Table 12.1).

1.15. Hire Purchase Credit in 1966 was certainly not expanding as rapidly as in 1965 for durable consumer goods including Motor Cars, and Industrial and Agricultural Equipment and Vehicles. There was a tendency for outstanding credit for these items either to decrease where in the previous year credit increased, or the rate of increase to be slower than in 1965. However, in the case of Motor Cars, sales continued to be buoyant enough to permit a 46% increase in outstanding credit, between September 1965 and September 1966, or a 40% increase between December 1965 and December 1966.

1.16. During the year too, the economy experienced some mild inflationary pressures. Retail prices in general were about 2% higher in 1966, but tended to be much more stable than in the previous year.

/The .....

The year under review saw rises in prices that averaged 2% spread fairly evenly throughout the year, except for September when the shortage of certain commodities (e.g. potatoes and onions) for which the demand is fairly inelastic, caused prices to rise rather sharply. If September is again disregarded, food prices seem to have been even more stable than the general price level, as food prices increased during the year by just over 1%. At December the price level for food was lower (119.6 points) than it was in the preceeding January (119.9 points). The steady, even though gradual, rise in the prices of food observed since in the previous year, and the continual rise in prices generally, together with the impact of these higher prices on incomes, caused the Government to set up a Committee to investigate and report on prices generally. At the time of writing the Committee had reported on Food prices, but the report has not yet been made public.

#### PUBLIC FINANCE:

1.17. The revised estimates of Central Government expenditures for 1966 was \$115.9 Mn. or about 9% higher than the expenditures in 1965. Current expenditures rose by 4% from \$82 Mn. in 1965 to \$85 Mn. in 1966; and expenditures on the capital budget were \$30 Mn. compared with \$24 Mn. in 1965. Capital expenditures were thus considerably below the budgeted total of \$46 Mn. for 1966, due largely to a short fall in capital receipts; but these expenditures were nevertheless almost 25% higher than in the previous year. Revised estimates indicate that receipts from Revenue amounted to approximately \$85 Mn. or about 3% above budget expectations. Foreign loans and grants totalling approximately \$12.6 Mn. together with local borrowing amounting to \$8.1 Mn. and other miscellaneous receipts, provided another \$21.5 Mn.

CHAPTER 2NATIONAL INCOME AND PRODUCT

Gross Domestic Product at current factor cost is projected to be \$358.8 Mn. for 1966 compared with a revised estimate of \$332.8 Mn. for 1965. On the basis of these estimates it appears that economic growth in 1965 at current prices was probably about 10% compared with 1964, but it should be noted that the economy in 1965 as in 1964 was still climbing out of the slump of 1963. In 1966, however, economic production had completely recovered and there was genuine growth in certain sectors resulting in an increase in the Gross Domestic Product of approximately 8%. In both 1965 and 1966 there were inflationary pressures, therefore in real terms, growth was probably of the order of 8% in 1965 and between 5% and 6% in 1966.

2.2 In 1966 as in 1965, the growth rate in the Mining Sector has been particularly high. In 1965 value-added arising in the Mining Sector increased from \$53.5 Mn. in 1964 to \$58.5 Mn. representing a growth rate of 9%. In 1966 the sector is expected to contribute \$64.5 Mn. to net output - an increase of \$6.0 Mn. and a rate of growth of 10%. This growth has in both years resulted from increased production of Bauxite and Alumina.

2.3. The Sugar Industry in 1965 generated incomes amounting to \$48.1 Mn. compared with \$44.4 Mn. in 1964, and its contribution to the Gross Domestic Product is expected to decrease in 1966 to \$44.9 Mn. It would be observed therefore that incomes arising in the sector during 1965 were 8% higher than in 1964, but decreased by approximately 7% in 1966. This failure of the industry to contribute to growth in the economy is directly related to reduced yields in 1966, and low sugar prices on the World Market which have not only depressed gross receipts but have probably discouraged expansion as well.

2.4. A slightly better picture is evident in the case of rice. The Industry contributed \$20.2 Mn. to Gross Domestic Product in 1965 compared with \$20.4 Mn. in 1964, and the value projected for 1966 is \$21.5 Mn. Gross incomes accruing to the factors of production in

the .....



the industry have improved very little between 1964 and 1966 and the cause is traceable, as in the case of sugar to depressed export prices for part of the country's exports in both 1965 and 1966.

2.5. It is interesting to note the relationship between net output and physical volume of sugar produced. In 1965 physical volume of sugar produced increased by approximately 20% compared with 1964, but net output or value-added at current prices increased only 9%. In 1966 physical volume of sugar produced decreased by about 7% compared with 1965, but net output or value-added at 1966 prices are estimated to have declined by less than 6%. The same occurrence is noted in the case of Rice. In 1965 net output at current prices in the Rice Sector declined slightly by about 1%, but physical production had increased by almost 6%. In 1966 net output in the industry, again at 1966 prices appeared to have increased by something in the region of 6% but physical output had expanded by 10%. It is therefore evident that the price factor was largely responsible for the low incomes in the two sectors, but a low sugar yield in 1966 was another factor.

2.6. Incomes arising in the Agricultural Sector generally are projected to remain fairly static at approximately \$68 Mn. in 1966, and the contribution of the sector to the Gross Domestic Product is expected to decline from 20.6% in 1965 to 19% in 1966.

2.7. One area in which growth was particularly evident was the Engineering and Construction Sector. Construction in both 1965 and 1966 was relatively buoyant, stimulated in large measure by Government's Capital outlays. Incomes arising in the sector increased from \$15.1 Mn. in 1964 to \$17.1 Mn. in 1965 and a further significant increase of \$4.9 Mn. or 29% is projected for 1966 when incomes arising in the sector should be approximately \$22.0 Mn. Most of this increase in 1966 flowed from the construction works initiated by the Government during the first year of the Development Programme, but the construction activity by the Bauxite Companies which invested \$26 Mn. in 1966 also contributed to the increase in incomes of the sector.

The .....

2.8. The Government Sector has also made important contributions to the growth in incomes in 1966 as in 1965. The Sector, mainly Central Government administration, contributed almost \$40 Mn. in 1965 compared with \$32.3 Mn. in 1964, an increase of \$7.7 Mn. or almost 24%. In 1966 it is projected that the Government spending on current account would have generated \$45.1 Mn., representing an increase in incomes of \$5.2 Mn. or an expansion of 13%.

2.9. In general the productive sectors, that is, those producing tangible goods, are expected in 1966 to provide an increase in net output of 4%. The services sector including construction would probably generate an increase in incomes of approximately 12%, while as it has already been noted in the previous paragraph, incomes arising from the current spending by Government - Central and Local - will probably increase by 13%.

2.10. The National Income showed an increase of 12% in 1965 and a further increase of 7% to 8% is projected for 1966. Per capita income is estimated to have been \$445 in 1965 and on the basis of present expectations, per capita income would probably have increased to \$468 in 1966.

Table 2.1

	<u>National Income in G. \$ Mn.</u>						
	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u> <sup>1/</sup>	<u>1966</u> <sup>1/</sup>
G.D.P. at Factor Cost	263.5	289.8	307.2	275.4	302.9	332.8	358.8
-Net Factor Income payments abroad	<u>23.6</u>	<u>23.2</u>	<u>37.0</u>	<u>28.5</u>	<u>29.8</u>	<u>27.2</u>	<u>28.6</u>
=G.N.P.	239.9	266.6	270.2	246.9	273.1	305.6	330.2
-Capital Consumption Allowances	<u>12.2</u>	<u>17.4</u>	<u>19.5</u>	<u>16.2</u>	<u>17.6</u>	<u>18.8</u>	<u>20.5</u>
=N.N.P. = National Income	<u>227.7</u>	<u>249.2</u>	<u>250.7</u>	<u>230.7</u>	<u>255.5</u>	<u>286.8</u>	<u>309.7</u>
Per Capita Income in G. \$	399	430	421	377	407	445	468

<sup>1/</sup> Provisional.

In 1965 ....



2.11. In 1965 expansion was largely in the areas where local firms dominated production, for example in construction, distribution and Government. Also the Sugar Industry encountered low prices for sugar exports, and bauxite incomes fell. Accordingly, profits in these two major industries which are run mainly by expatriate enterprises declined though labour incomes in the Sectors increased. Consequently, National Income moved up rather sharply in 1965 compared with G.D.P. In 1966 however, this trend was not maintained as profits in the expatriate industries rose rather sharply by about 10% compared with 1965 so that the rate of increase in National Income would be more in line with the rate of increase in the Gross Domestic Product.

2.12. In the following table other important National Accounting variables are recorded.

Table 2.2.

	<u>National Income and Product in G., \$ Mn.</u>						
	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
G.D.P. at Current Factor Cost	263.5	289.8	307.2	275.4	302.9	332.8	358.8
Indirect Taxes less Subsidies	29.4	30.6	29.0	28.4	33.6	38.5	45.6
Gross Domestic Product at Market Prices	292.9	320.4	336.2	303.8	336.5	371.3	404.4
+Imports of Goods and Non-factor Services	168.3	169.8	150.6	139.6	179.6	213.7	240.3
-Exports of Goods and Non-Factor Services	143.4	166.4	190.4	194.0	192.1	203.7	216.4
Total for Domestic Use	317.8	323.8	296.4	249.4	324.0	381.3	428.3
Private Consumption Expenditure	202.0	209.4	202.2	161.9	223.8	249.3	273.1
Government Consumption	33.4	38.0	38.6	36.6	46.6	55.5 <sup>1/</sup>	64.0 <sup>1/</sup>
Gross Fixed Capital Formation	79.6	77.4	57.3	39.9	52.8	70.1 <sup>1/</sup>	82.2 <sup>1/</sup>
Changes in Inventories	2.8	-1.0	-1.7	11.0	0.8	6.4	9.0
Total Domestic Expenditure	317.8	323.8	296.4	249.4	324.0	381.3	428.3

<sup>1/</sup> After certain adjustments for expenditures in the Capital Budget which were classified in these accounts as of a Consumption rather than of a Capital nature.

It appears .....

2.13. It appears that personal consumption expenditure increased by about 9% in 1965, and this level of increase is probably supported by the generally buoyant sales experienced by commercial firms during 1965. For 1966, a further rise of approximately 9% is again projected. While the imports of consumer goods would appear to have increased at approximately a similar rate, reported retail sales up to the end of the year do not seem to indicate an increase in consumption of this order. However, at this time, the figures must be recognised as being no more than projections.

2.14. Government consumption, in goods and services increased by about \$9 Mn. or approximately 15% in 1966; compared with an increase of 19% in 1965; and expenditure on Gross Capital Formation was higher in 1966 than in 1965 by \$12.1 Mn. Thus the total of goods and services for domestic use, that is, the total Domestic Expenditure is projected to value \$428.3 Mn. in 1966 compared with an estimate of \$381.3 Mn. for 1965. At these levels, Domestic Expenditure exceeded Gross Domestic Product, largely because the country imported more in goods and services than it exported.

CHAPTER 3AGRICULTURE

Agricultural production on the whole showed some slight improvement in 1966, over the previous year. Although the amount of sugar cane harvested decreased by 3% compared with 1965, it was possible that a greater volume of cane could have been harvested. Acreage under sugar cane was slightly larger in 1966 compared with 1965, and was almost 8% higher than in 1964 (See Appendix VI). In the case of rice, there was an expansion in the acreage cultivated to about 265,000 acres for the large autumn crop, and this associated with favourable weather conditions, enabled a larger volume of padi to be harvested. Output of most other farm products remained stable, but livestock output may have declined.

RICE:

3.2. Rice production in 1966 exceeded the production for 1965. The Spring and Autumn crops have together yielded 280,000 tons of padi, estimated to provide about 180,000 tons of rice in 1966 compared with 165,000 tons in 1965.

3.3. For the crop year ending September, 1966, 113,300 tons of rice were delivered to the Rice Marketing Board at a purchase price of \$24.3 Mn. During the same period the Board disposed of approximately 104,400 tons of rice - 91,200 tons on the export market for \$21.2 Mn., and 13,200 tons on the local market for \$2.9 Mn. During the corresponding period ending September, 1965 the Board had sold 112,700 tons of rice - 101,400 tons having been exported at a total value of \$24.3 Mn. and 11,300 tons sold for local consumption for \$2.7 Mn.

3.4. During the year strong efforts were made by the Board to dispose of its stocks of rice, and substantial amounts were in

fact .....



fact sold on the World Market. Latest figures indicate that the Board had succeeded in reducing its stocks to a more reasonable level. Comparatively low prices for these sales were obtained in 1966 as in 1965; thus it is likely that the Board would return some loss on its transactions, which may be of the order of \$2.5 Mn. compared with \$4.3 Mn. in 1965. However, the prices paid to the farmers for rice have been reduced to bring them more in line with sale prices, and to enable the Board to avoid losses of the magnitude experienced in 1965.

Table 3.1 (a)

		<u>PRODUCTION OF RICE AND DELIVERIES TO THE</u>					
		<u>RICE MARKETING BOARD 1961 - 1966<sup>1/</sup></u>					
	<u>Unit</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
Production	000 tons	124.0	129.9	102.9	155.9	165.0	180.0 <sup>2/</sup>
Deliveries to the R.M.B.	000 tons	93.1	99.6	112.0	102.0	108.8	113.3
Value of Deliveries	\$ Mn.	20.3	21.1	26.7	24.7	24.3	24.3
Average Value	\$ per ton	218	212	238	242	223	215

Table 3.1 (b)

		<u>EXPORTS AND LOCAL SALES BY R.M.B.</u>					
<u>Exports</u>							
Quantity	000 tons	72.3	88.5	78.1	84.8	101.4	91.2
Earnings	\$ Mn.	18.2	22.4	21.4	23.4	24.3	21.2
Average Value	\$ per ton	252	253	273	276	240	232
<u>Local Sales</u>							
Quantity	000 tons	19.6	21.1	18.1	15.1	11.3	13.2
Earnings	\$ Mn.	4.4	4.6	4.9	4.3	2.7	2.9
Average Value	\$ per ton	227	219	268	285	239	216

<sup>1/</sup> The Rice equivalent of the padi produced. <sup>2/</sup> Provisional.

The figures on production are calendar year figures provided by the Ministry of Agriculture. The quantities and values of deliveries, exports and local sales are crop year figures derived from the Report and records of the Rice Marketing Board. The crop year is the twelve months period ending 30th September.



3.5 Income arising in the Rice Sector is provisionally estimated to be \$21.5 Mn. in 1966 or 6.0% of Gross Domestic Product, compared with \$20.2 Mn. in 1965. Most income arising in this Sector go to peasant farmers who dominate the industry.

SUGAR:

3.6 In 1966 the Sugar Estates harvested 3,183,000 tons of Sugar Cane compared with just under 3,298,000 tons in 1965. The yield of sugar per acre of cane was about 3.5% less than in 1965, decreasing from 3.21 tons in 1965 to 3.10 tons in 1966, largely because of drought conditions existing in the sugar cane areas during the year. Farmers' cane reaped reached a level of 138,000 tons in 1966; this compares with 100,254 tons in 1965.

Table 3.2

1/  
YIELDS ON SUGAR ESTATES 1961 - 1966

<u>Year</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
Tons Sugar per Acre <sup>2/</sup> of Sugar Cane	3.35	3.59	3.63	3.01	3.21	3.10

1/ Farmers' Canes are excluded.      2/ English Acres.

3.7 As a result of the lower yields and a reduced volume of harvesting caused by a number of work stoppages in the industry, the total production of Sugar declined to a level of 289,000 tons approximately or about 7% below the output of 309,500 tons reported in 1965. The production of rum declined from 3.6 Mn. proof gallons in 1965 to 2.9 Mn. proof gallons in 1966. The decline in the level of production of rum was due largely to a reduction in the orders by importers in the United Kingdom (which is the main market for rum produced in Guyana), following the 10% surcharge imposed on rum imported into that country during 1966. With the removal of the surcharge at the end of the year, it is anticipated that importers will resume the level of their orders to build up stocks again.

Accordingly.....



Accordingly, producers expect that the production of rum will increase appreciably in 1967, even though the record level of production in 1965, may not be achieved. Production of Molasses increased, however, by approximately 4% from 19.0 Mn. gallons in 1965 to 19.7 Mn. gallons in 1966. Thus there was an overall decline in the output of the industry, and this is reflected in the lower value-added attributed to the industry during 1966. Labour input in terms of persons employed declined during the year from an average of 18,600 manual workers in 1965 to 17,900 in 1966.

3.8 The table below gives the production of Sugar, Rum and Molasses since 1961.

Table 3.3

PRODUCTION AND EXPORTS OF SUGAR, MOLASSES AND RUM

(I) PRODUCTION

		<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
SUGAR	(000 Tons)	325	326	317	258	309	289
MOLASSES	(000 Gals.)	21,324	18,941	18,293	18,294	18,967	19,673
RUM	(000 Proof Gals.)	2,791	2,748	2,539	3,059	3,643	2,881

(II) EXPORTS

		<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
SUGAR							
Quantity	(000 tons)	313	310	273	235	267	279
Earnings	(\$ Mn.)	56.8	59.3	73.6	53.9	53.9	56.1
Average ex- port Price	(\$ per ton)	181	191	269	239	202	201
MOLASSES							
Quantity	(000 tons)	88.2	90.9	91.1	88.6	75.0	77.8
Earnings	(\$ Mn.)	2.7	3.0	5.7	4.0	2.1	2.7
Average Ex- port Price	(\$ per ton)	31	33	62	45	28	35



Table 3.3 (Cont'd)

PRODUCTION AND EXPORTS OF SUGAR, MOLASSES AND RUM(II) EXPORTS

		<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
RUM							
Quantity	(000 Proof Gals.)	1,898	1,823	1,873	1,871	2,065	1,666
Earnings	(\$ Mn.)	3.1	3.2	3.1	3.3	4.3	3.4
Average Export Price	(\$ Per Proof Gal.)	1.61	1.76	1.65	1.76	2.06	2.04

3.9 In 1965 net output in the Sugar Industry was valued at \$48.1 Mn. or 14.4% of the Gross Domestic Product. The Gross Income accruing to the industry declined sharply during 1965 as the World Free Market prices of sugar fell to a disastrously low level. At one point it was as low as \$86.40 per ton. Better prices on the United States Market and under the Commonwealth Sugar Agreement could not compensate fully for the low price on the other markets. Consequently, the net income accruing to the industry was unusually low.

3.10 Because sugar production was about 7% lower in 1966 than in 1965 and prices were somewhat lower, gross receipts for the industry for the year's production are projected to fall below the 1965 level. In 1966, therefore, the industry is projected to contribute about \$44.9 Mn. to G.D.P. at factor cost, which is significantly less than the 1965 contribution. Thus one of the main sectors of the country's economy has been unable in two successive years to contribute to the economic growth of the country, mainly because of depressed market conditions and drought conditions in 1966.

3.11 Even though the Sugar Industry's contribution to economic growth has been minimal in the past two years, the industry continues

to.....



to provide employment for the greatest number of persons, and therefore to generate the largest amount of personal income in the form of earnings from employment. In 1965, due mainly to Trade Union action, a greater proportion of the total net receipts of the industry was paid to labour, than in the previous year (1964). In other words, the total wage bill in the industry increased faster than the net receipts accruing to the industry. These proportions were 55% in 1965, compared with 53% in 1964. In 1966, the proportion of wages to total net receipts is projected to remain in the vicinity of 55% mainly because of the smaller size of the labour force in that year.

Table 3.4

WAGES AND SALARIES IN THE SUGAR INDUSTRY

1961 - 1966

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
\$ Mn.	32.9	31.4	36.5	31.8	34.5	32.0

LIVESTOCK

3.12. The production of livestock (except poultry) is believed to have declined during the year, though reliable figures cannot be quoted. Poultry production, however, expanded under the stimulus of increasing demand for poultry meat. Consumption of beef rose, however, and this coupled with reduced breeding implies a decline in stocks of cattle particularly on the coastal areas. The number of head of cattle slaughtered in 1966 is estimated at 28,700 compared with 27,122 in 1965. Exports of beef amounted to 304,000 pounds valued at \$198,500 for the year, compared with 818,000 pounds valued at \$353,700 in 1965.

3.13. Approximately 457,000 gallons of fresh milk were delivered to the Milk Pasteurisation Plant during 1966, and the Plant sold

/about .....



about 392,000 gallons of processed milk during the year, compared with 422,000 gallons in 1965.

Table 3.4

	<u>NUMBER OF LIVESTOCK SLAUGHTERED: 1961 - 1966</u>					
	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>Jan. - Nov. 1966</u>
Cattle	22,448	21,709	20,875	24,242	27,122	25,895
Pigs	8,479	11,253	12,918	13,694	14,552	12,821
Sheep	742	1,300	1,709	2,941	3,204	3,559
Poultry <sup>1/</sup>	568,000	522,615	406,048	684,237	701,320	883,827 <sup>2/</sup>

1/ Only large Poultry owners are covered.

2/ For the full year.

Table 3.5

MILK BOUGHT AND SOLD BY THE MILK PASTEURISATION

PLANT (IN GALLONS)

<u>Year</u>	<u>Quantity Bought</u>	<u>Quantity Sold</u>
1960	624,041	526,408
1961	692,804	583,971
1962	730,065	590,042
1963	574,495	426,684
1964	670,000	486,972
1965	568,066	422,317
1966	456,944	391,699

CHAPTER 4MININGBAUXITE, ALUMINA AND MANGANESE

The annual rate of production of Bauxite Ore in 1966 is about 3.3 million long tons or about 14% higher than the 2.9 million tons in 1965. Production of Calcined Bauxite reached 504,200 tons compared with 484,000 in 1965 - an increase of about 4%. Alumina production increased by just 3% from the 279,000 tons produced in 1965 to 286,700 tons in 1966. Production of Dried Bauxite was expected to show an increase of 28% in 1966 compared with 1965, while overall growth in the industry is estimated to have been of the order of 8% in 1966.

4.2. Canada and Norway continue to be main customer countries for the Alumina exported, followed by the United States, Netherlands and Spain. Calcined Bauxite, on the other hand, went mainly to the U.S.A. and to a smaller extent to the United Kingdom, Netherlands and Canada. Other importing countries were mainly in the European Common Market Group. Dried Bauxite was exported mainly to Canada (\$13.4 Mn.) and the U.S.A. (\$5.0 Mn.). The distribution of exports of dried bauxite, between Canada and the U.S.A., reflects the location of the Parent Companies of the two bauxite mining companies in Guyana.

4.3. In line with the increase of production during 1966, the quantity of Bauxite (dried and calcined) exported during the year has also increased by about 15%, and Alumina by 8%. The average export price for Alumina went up slightly from \$110.18 per ton in 1965 to \$111.11 per ton in 1966. The export price of Calcined Bauxite also moved up rather sharply from \$45.34 per ton in 1965 to \$53.04 per ton in 1966. The total value of Bauxite and Alumina exported in the year was \$77.6 Mn., that is, approximately 14.6% higher than the previous year when exports were valued at \$67.7 Mn.

4.4. Export of Bauxite, Alumina and Manganese, constituted a large proportion of total exports, and the share has grown in 1966. During the year the total value of exports of these commodities was

approximately ..



approximately \$83 Mn. and this was about 46% of total domestic exports. In 1965, these exports were valued \$72.4 Mn. and constituted 44% of total exports of domestic produce in that year.

4.5. Manganese production for the year was 180,000 tons and at this level production of Manganese exceeded the level reached in 1965 (166,000 tons) by about 8% but would still not have achieved the 1962 peak (271,000 tons). Thus the industry continues to show little evidence of real growth.

4.6. Exports of Manganese were valued at \$5.4 Mn. for the whole year compared with \$4.7 Mn. for 1965. Average export value per ton of Manganese fell significantly from \$29.75 in 1965 to \$27.84 in 1966. As in previous years, most of the Manganese exported was landed in Trinidad presumably for transshipment.

Table 4.1.

Bauxite, Alumina and Manganese Production

1961 - 1966 in 000 Tons

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
Dried and Other Bauxite	1,335	1,328	950	935	1,240	1,596
Calcined Bauxite	365	377	346	468	484	504
Alumina	130	227	219	295	279	287
Manganese	212	271	140	117	166	180

Table 4.2 ...



Table 4.2.

Bauxite, Alumina and Manganese Exports

1961 - 1966

	1961	1962	1963	1964	1965	1966
<b>Dried Bauxite</b>						
Exports (000 tons)	1,236	1,465	738	586	1,263	1,531
Earnings (\$ Mn.)	14.2	17.0	10.5	9.3	15.0	18.5
<b>Calcined Bauxite</b>						
Exports (000 tons)	371	336	358	469	494	492
Earnings (\$ Mn.)	14.3	14.1	15.2	20.9	22.4	26.1
<b>Alumina</b>						
Exports (000 tons)	120	215	216	245	275	297
Earnings (\$ Mn.)	12.1	22.7	22.3	26.7	30.3	33.0
<b>Manganese</b>						
Exports (000 tons)	187	230	192	136	158	194
Earnings (\$ Mn.)	5.4	6.7	5.7	4.0	4.7	5.4

4.7. Arising out of the improved production in the Bauxite Mining Industry, gross incomes accruing to the Mining and Quarrying Sector increased, in 1966, and its contribution to the Gross Domestic Product is estimated to be about \$64.5 Mn. implying growth rate of 10% in the Sector. Thus with the failure of other productive sectors to achieve any substantial real growth, it was the Mining Sector, particularly Bauxite Mining and Processing, that accounted for some 22% of the growth in the economy during 1966.

4.8. The contribution of the Sector to the Gross Domestic Product in 1965 is now estimated to be \$58.9 Mn. compared with \$53.5 Mn. in 1964. In 1965, Alumina production had not done as well as in the previous year (1964) and did not reach up to expectations. Gross Income from Alumina therefore fell and this probably accounted for the fact that incomes accruing to the Bauxite Industry did not rise beyond 10% during 1965. The following figures provide some indication ....



indication of the economic growth of the Sector within recent years.

Table 4.3.

G.D.P. in the Mining and Quarrying Sector

at Current Factor Cost

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
\$ Mn.	37.3	49.9	35.8	53.5	58.9	64.5
Growth Rate		31%	-28%	49%	10%	10%

4.9. The payroll in Bauxite Mining, including the processing of Alumina, and Manganese Mining was actually \$19.0 Mn. in 1965 and there is every prospect of a further rise in 1966, when employment incomes arising in the industry are expected to be of the order of \$21.0 Mn. The higher wages and salaries bill was due in large measure to a higher level of activity during 1966. Average earnings per operative in the Sector was \$59 per week compared with \$55 in 1965.

Table 4.4.

Wages and Salaries in Bauxite

and Manganese Mining

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
\$ Mn.	11.9	13.3	12.5	15.5	19.0	21.0

GOLD AND DIAMOND

4.10. Production of gold increased approximately 15% from 2,077 ounces in 1965 to 3,045 ounces in 1966. However, unfavourable weather conditions affected diamond mining operations in 1966, causing production at 99,000 carats to lag behind the 113,000 carats produced in 1965. The value of diamonds exported in 1966 was \$5.1 Mn. for 92,100 carats, compared with \$5.6 Mn. for 162,600 carats in 1965.

CHAPTER 5MANUFACTURING

Apart from the processing of Sugar, and the milling of padi into rice, the manufacturing sector is comparatively small both in terms of value-added and in numbers employed. A detailed account of the sector would be provided when the results of an Industrial Survey, now underway in Guyana are published. Most enterprises in the Sector are geared to the production of consumer goods, though there are also others that are producing some types of building materials; notably lumber and paints. The traditional commodities that comprise production in the Sector continued to be mainly Cigarettes, Matches, Margarine, Edible Oil, Carbonated Beverages, Beer, Stout, Rum, Soap, Detergents, Paints, Confectioneries, Ready-made Clothing, Stockfeeds, Drugs and Furniture. A tyre remoulding plant which is part of the Booker Group of Companies was also established during the year under review.

5.2. Manufacturing, which had recovered during 1964 from the set-back experienced in 1963, expanded rather strongly during 1965 in several important lines particularly beer, stockfeeds and margarine. The rising trend in production continued into 1966 although the rate of expansion was slowing down. Physical output of beer rose by 29% in 1965, and by a further 22% in 1966. Margarine increased by just over 17% in 1965 and by another 3% in 1966. Stockfeed expanded 35% in 1965, and was up again by 14% in 1966. Cigarettes production rose by 7% in 1966 after a 2% rise in 1965. The production of paints which was started in 1965, expanded by 50% in 1966. Edible Oil, after experiencing a decline in production in 1965 due to neglect of and predial larceny on coconut plantations during 1964, recovered strongly, even though not completely in 1966. Soap production however, declined by about 2% in 1965 and by a further 1% in 1966.

5.3. The production of a number of other consumer items to serve the local market was showing increases ranging from 1% in the case of biscuits, to about 40% in the case of curry powder.



Other products manufactured for the local market and showing increases were confectioneries and aerated waters. The main producers of sawn lumber also indicate increased production for 1966.

5.4. The Manufacturing Sector (excluding the processing of Sugar and Rice) contributed \$24.6 Mn. or 7.4% to the Gross Domestic Product in 1965, and is estimated to account for \$25.8 Mn. or 7.2% of Domestic Product in 1966. The growth in the sector in 1966 is therefore projected to be of the order of 5% above the previous year.

Table 5.1

Production of certain Manufactured Goods

	Unit	1961	1962	1963	1964	1965	1966
Beer	000 liq. gal.	760	488	602	817	1,051	1,283
Stout	000 liq. gal.	-	365	79	45	32	16
Rum	000 prf. gal.	2,791	2,748	2,539	3,059	3,643	2,881
Margarine	000 lbs.	1,707	1,706	1,561	1,781	2,096	2,167
Edible Oil	000 gals.	925	816	619	878	663	837
Cigarettes	000 lbs.	776	773	636	792	809	869
Matches	000 gross boxes	191	186	169	203	201	193
Soap (Laundry)	000 lbs.	3,995	4,063	4,073	4,959	4,851	4,802
Stockfeed	000 lbs.	3,120 <sup>1/2</sup>	13,765	14,543	18,773	25,379	28,854

<sup>1/2</sup> September - December. - No Production

5.5. Importation continues for most of the commodities listed above, either to supplement insufficient local production, or in competition with adequate local supplies. The following table gives an indication of the import, export and domestic supply of certain manufactured commodities.

Table 5.2. ..



Table 5.2.

Supply of Selected Commodities

1965

Commodity	Unit	Production	Export (-)	Import (+)	Total Supply
Beer	Liq. gal.	1,051,000	604	102,645	1,153,041
Stout	Liq. gal.	32,000	4	79,388	111,384
Margarine	lbs.	2,096,000	5,125	152,608	2,243,483
Edible Oil	gals.	653,000	31	352,941 <sup>1/</sup>	1,005,910
Cigarettes	lbs.	809,000	248	19,047	827,799
Matches	Gross Boxes	201,000	32,145	2	168,857
Soap (Laundry)	lbs.	4,851,000	7,400	145	4,843,745
Stockfeed	lbs.	25,379,000	9,863,788	6,273,797	21,789,009

1966

Commodity	Unit	Production	Export (-)	Import (+)	Total Supply
Beer	Liq. gal.	1,283,000	451	104,398	1,386,947
Stout	Liq. gal.	16,000	-	81,949	97,949
Margarine	lbs.	2,167,000	7,644	101,134	2,260,490
Edible Oil	gals.	837,000	6	41,461 <sup>1/</sup>	878,455
Cigarettes	lbs.	869,000	173	21,059	889,886
Matches	Gross Boxes	193,000	31,652	1	161,349
Soap (Laundry)	lbs.	4,802,000	271,770	8	4,530,238
Stockfeed	lbs.	28,854,000	13,727,014	5,931,658	21,058,644

<sup>1/</sup> Covers Soya-bean, cotton seed and coconut oil.



CHAPTER 6ELECTRICITY PRODUCTION

The Guyana Electricity Corporation - a Public Corporation is the main source for commercial electric power utilised in Georgetown and an increasing number of rural areas. Other producers of commercial power, as in the previous year, were the Municipality of New Amsterdam and Bookers' Sugar Estates Limited which operates a small plant at Bartica. Both the large mining companies, that is, those in Bauxite and Manganese Mining, are also very large producers of Electricity for own-account use. The Sugar Companies also generate electricity on a large scale for internal consumption.

6.2 End of year figures show that the Guyana Electricity Corporation and other large producers of electricity (except the Sugar Estates for which figures are not available in a series) generated 199.3 Mn. k.w.h. of electricity in 1965 compared with 170.6 k.w.h. in 1964, an increase of approximately 17%. Production in 1966 reached a total of 220.4 Mn. k.w.h. giving a further increase of about 11% and therefore maintaining the trend which has been evident for a number of years. The Mining Industry continued to be the main user and the largest producer of electricity, producing and consuming 119 Mn. k.w.h. of electricity in 1965 and 127 Mn. k.w.h. in 1966.

6.3 The total electricity generated by the Guyana Electricity Corporation increased by almost 16% in 1966

Table 6.1.....

Table 6.1

ELECTRICITY PRODUCTION AND DISTRIBUTIONin Mn. k.w.h.

Year	Total Generated	Consumption		
		Residential	Commercial and Industrial	Other
1959	73.4	21.4	42.2	2.4
1960	88.0	23.3	53.3	2.4
1961	95.8	25.4	58.5	2.9
1962	105.5	27.4	66.1	2.6
1963	101.4	27.9	60.8	3.1
1964	170.6	24.5	130.2	4.5
1965	199.3	30.8	151.7	4.5
1966	220.4	37.2	165.7	4.6

Table 6.2

ELECTRICITY PRODUCTION AND DISTRIBUTIONBY THE GUYANA ELECTRICITY CORPORATIONIN Mn. K.w.h.

Year	Total Generated	Consumption		
		Residential	Commercial and Industrial	Other
1959	43.0	14.6	21.4	0.7
1960	50.5	16.4	25.6	0.7
1961	54.6	17.7	28.4	0.7
1962	58.0	18.6	30.5	0.7
1963	59.2	18.5	31.4	0.9
1964	63.9	19.7	35.3	0.9
1965	74.6	22.5	40.7	1.1
1966	86.4	26.4	47.8	1.4

Consumption.....

6.4 Consumption of commercially produced electricity by households increased by 21% in 1966, compared with a 26% rise in 1965. Much of the increased consumption is attributed to the electrification of an increasing number of rural areas.

## CHAPTER 7

EXTERNAL TRADE

1/ At the end of 1966 total exports of Domestic Produce was \$190.6 Mn. compared with \$175.01/Mn. in 1965. However, when re-exports are added, the total exports for the year becomes \$194.4 Mn. compared with \$177.1 Mn. during 1965. Total Exports (of Domestic Produce) have thus increased by 9% compared with 1965. When re-exports are included, the growth in Exports in 1966 is 10% above 1965. Stimulated by the upsurge of investment activity, imports also moved up sharply and reached the level of \$202.0 Mn. by the end of 1966, 13% higher than the value of \$178.8 Mn. recorded in 1965.

IMPORTS:

7.2 Per caput imports were thus \$305 in 1966 compared with \$277 in 1965, equivalent to an increase of 10%. The structure of imports showed some changes, in the direction of a lower proportion of Consumer Goods and a higher share of Producers' Goods, with the most significant change taking place in Capital Goods, imports of which moved up from 33.7% in 1965 to 36.6% at the end of 1966. Intermediate goods, however, fell in terms of their relative share in the total import trade.

7.3. Food imports rose rather sharply by about 9% above the value recorded in 1965. Imports of Milk moved up sharply by 17% and wheat flour by about 10%. Imports of canned and fresh fish, showed a decrease of 2%, whilst imports of vegetable oils decreased by about 67%, as a consequence of improved domestic production.

7.4. As in the previous year, imports of Beverages and Tobacco were again no more than about 1% of imports, and had even declined slightly. At the same time, local production of both cigarettes and beer increased and consumption rose. The major portion of the demand was thus met from local sources.

1/ After the correction of approximately \$10 Mn. in 1965, and \$8 Mn. in 1966, for under-valuation of sugar in the Customs entries.

/With.....



7.5. With the rapid increase in the number of motor cars purchased and the number of transportation vehicles utilised in connexion with the Government's Road Building Programme, the demand for petroleum products increased. Apart from this, the expanded generation of electricity by both the Electricity Corporation and other private Industrial Plants would also have increased the demand for certain types of fuel oils. The result was that, the importation of Petroleum Products increased by about 3% during the year.

7.6. As the manufacture of certain commodities like Alumina, Soap and Paints have been increasing the importation of chemicals have maintained the higher level reached in recent years and in 1966 showed an increase of about 10% in terms of value. Imports of manufactured fertilisers have also shown a most important increase of 17% at the end of 1966, compared with the previous year.

7.7. Manufactured Goods imported during 1966 appeared to have increased by something of the order of 10% from \$60.0 Mn. at the end of 1965 to \$66.0 Mn. at the end of 1966. The increases were spread over a wide number of manufactured articles.

Table 7.1

Machinery and Transport Equipment

Groups	\$ Mn. G.		
	Jan. - Dec. 1964	Jan. - Dec. 1965	Jan. - Dec. 1966
Power Generating Machinery	4.3	3.8	7.5
Agricultural Machinery and Implements	1.8	1.4	1.1
Tractors other than Steam	3.1	4.4	3.4
Mining, Construction, and other Industrial Machinery	16.0	16.5	20.6
Electric Machinery Apparatus and Appliances	5.2	6.6	9.2
Road Motor Vehicles	4.5	8.8	11.0
Ships and Boats	1.5	3.7	2.3
Other Machinery and Equipment	2.0	2.3	4.8
<b>Total</b>	<b>38.4</b>	<b>47.5</b>	<b>59.9</b>



7.8. The largest increase in imports was recorded in the Machinery Section. Investment expenditures by large companies, together with the transportation needs generated by the Road Building Programme are reflected in the higher imports in this section. Imports of Power generating machinery, for instance, doubled during 1966, compared with similar imports during 1965. As the demand for motor cars for private use continued almost as strongly as in 1965, and as the Transportation Sector continued to equip itself to meet the demands of the Construction Sector, imports of Road Motor Vehicles increased, most of the increase occurring in motor cars and trucks. Imports of Agricultural Machinery declined, reflecting perhaps a diminishing demand for this type of investment in the rice industry. Electrical Machinery, on the other hand, increased by nearly 40%. Thus for the year, imports of Machinery and Transport Equipment were valued at \$59.9 Mn. compared with \$47.5 Mn. in 1965 - an increase of approximately 26%.

7.9. The following table gives the value of imports by S.I.T.C. Sections 1964 - 1966.

Table 7.2

Value of Imports (c.i.f.) 1964 - 1966

S.I.T.C. SECTIONS	\$ Mn. G.		
	1964	1965	1966
Section 0 - Food	28.7	30.7	33.4
" 1 - Beverages	1.7	1.9	2.1
" 2 - Crude Raw Materials other than fuels	0.8	1.2	1.2
" 3 - Mineral Fuels and Lubricants	14.5	16.0	16.5
" 4 - Animal & Vegetable Oils and Fats	1.2	2.6	1.7
" 5 - Chemicals	16.5	18.3	20.1
" 6 - Manufactured goods	32.8	42.6	46.0
" 7 - Machinery & Transport Equipment	38.4	47.5	59.9
" 8 - Miscellaneous Manufactured articles	14.8	17.4	20.0
" 9 - Miscellaneous transactions	0.4	0.6	1.1
Total	149.8	178.8	202.0

7.10. Table 7.3 classifies imports by economic categories. It is apparent that while there has been no dramatic change in the structural pattern of imports as between consumption goods and producers' goods, including Capital Imports, some small though definite changes have occurred. While imports of Consumer Goods appeared to have increased by about 8%, the proportion of these imports to the total import bill declined slightly from about 38.3% in 1965, to 36.5% in 1966. Most of the increase in absolute terms was in the area of durable consumption goods, which increased both absolutely (by 27%) and proportionately to total imports from 7% in 1965 to 8% in 1966; the value of non-durable consumption goods moved up slightly (by 3%), but diminished proportionately to total imports from 31.2% in 1965 to 28.6% in 1966.

7.11. The most significant change, however, arose in connexion with imports of Capital Goods, where the proportion of Total Imports appears to have changed from about 34% in 1965 to just under 37% in 1966. Intermediate goods, however, increased absolutely by approximately 8% even though there was a slight decline in relation to total imports. This probably reflects the modest expansion in the level of production in 1966, achieved by certain manufacturing enterprises.

#### IMPORTS OF CONSUMER GOODS:

7.12. Imports of Consumer Goods were valued at \$73.8 Mn. in 1966 compared with \$68.5 Mn. in 1965. The value of food, beverages and tobacco imported during the year was \$27.5 Mn. and was about 13.6% of Total Imports that is, about the same proportion as in 1965. Imports of both manufactured clothing including fabrics, and footwear decreased during 1966. Imports at year end were \$13.1 Mn. for Manufactured Clothing and Fabrics and \$3.4 Mn. for Footwear compared with the 1965 imports of about \$13.5 Mn. of Clothing and Fabrics, and \$3.3 Mn. of Footwear. Imports of Consumer Durables rose again and reached \$16.1 Mn. during 1966 compared with the \$12.6 Mn. recorded for 1965. In fact motor cars imported during 1966 were valued at \$3.9 Mn. compared with \$2.9 Mn. for 1965.



Table 7.3

Imports (c.i.f.) analysed by Economic Functionin \$ 000 G.

	1964	%	1965	%	1966	%
<u>CONSUMER GOODS</u>	<u>54,909</u>	36.7	<u>68,513</u>	38.3	<u>73,829</u>	36.5
<u>NON-DURABLE</u>	<u>46,394</u>	31.0	<u>55,881</u>	31.2	<u>57,778</u>	28.6
Food, Beverages and Tobacco	22,554		25,192		27,475	
Other	23,840		30,689		30,303	
<u>DURABLE</u>	<u>8,515</u>	5.7	<u>12,633</u>	7.1	<u>16,051</u>	7.9
Motor Cars	1,547		2,921		3,851	
Electrical Appliances	1,675		2,082		2,844	
Other	5,293		7,630		9,356	
<u>PRODUCTION GOODS</u>	<u>94,872</u>	63.3	<u>110,317</u>	61.7	<u>128,177</u>	63.5
<u>CAPITAL</u>	<u>50,858</u>	34.0	<u>60,309</u>	33.7	<u>73,986</u>	36.6
Agriculture	4,820		2,551		2,966	
Industrial & Mining	25,732		30,569		37,756	
Other	20,306		27,190		33,264	
<u>INTERMEDIATE GOODS AND RAW MATERIALS INCLUDING FUELS</u>	<u>14,014</u>	29.3	<u>50,008</u>	28.0	<u>54,191</u>	26.8
TOTAL	149,781	100%	178,831	100%	202,006	100%

CAPITAL GOODS:

7.13. Guyana imported Capital Goods in the form of machinery and equipment to the value of \$74 Mn. during 1966 compared with \$60.3 Mn. during 1965. As in the previous year, most of the increases in 1966 were confined to power generating machinery, electrical apparatus and other industrial machinery, and road transport vehicles (trucks and vans). For the year \$7.1 Mn. of road transport vehicles other than motor cars were imported into the country compared with \$5.9 Mn. during 1965.

/This.....



7.14. This large importation of machinery and equipment is a direct reflection of the extensive programme of capital outlays embarked upon during the year by both Bauxite Mining Companies and by the Government. The import content in these expenditures is very high, the Government alone having imported \$3.4 Mn. of machinery and equipment during 1966.

#### GOVERNMENT IMPORTS:

7.15. In 1966 Central Government imports of goods were valued at \$9.1 Mn. or 4.5% of Total Imports. Of this, machinery imports were valued at \$3.7 Mn. and Manufactured Goods \$2.2 Mn. In 1965 the Central Government imported for its own use \$8.5 Mn. of goods or 4.8% of Total Imports. Slightly more than half of this value was for Machinery and Equipment. Public Corporations also imported \$2.3 Mn. of duty free goods in 1965, again mainly Machinery, Equipment and Fuels. The higher level of imports of Machinery by the Government in 1965 was probably due to the fact that it was in that year that the bulk of road building equipment was imported for the Road Building Programme.

Table 7.4

#### Value of Duty Free Imports

#### By Central Government and Public Corporations

\$ 000 G.

	Central Government			Public Corporations		
	1964	1965	1966	1964	1965	1966
TOTAL						
of which:	<u>3,504</u>	<u>8,514</u>	<u>9,128</u>	<u>1,141</u>	<u>2,300</u>	<u>4,280</u>
Manufactured Goods Classified chiefly by Materials	1,049	1,927	2,191	59	163	164
Machinery and Transport Equipment	769	4,533	3,749	264	1,195	3,069
Chemicals	685	857	760	6	4	6
Mineral Fuels, Lubricants and Related Materials	301	552	1,079	772	907	961

/Exports .....

EXPORTS:

7.16. As was noted earlier, Exports (Domestic and Foreign) had reached \$194.4 <sup>1/</sup>Mn. by year end compared with \$177.1 <sup>1/</sup>Mn. for 1965. At this level the value of total Exports was about 10% higher in 1966 than it was in 1965. Exports of Domestic produce alone had increased 9%. The dominant factor in this expansion was the export of Bauxite and Alumina, the total value of which increased 15% from \$67.6 Mn. in 1965 to \$77.6 Mn. in 1966. Bauxite and Alumina alone accounted for 41% of Total Domestic Exports in 1966, compared with 39% in 1965. There was also an upward trend in the value of exports of rice which rose by 3%, in sugar which increased by 5%, in shrimps which expanded by 20%, in manganese which rose 15%, and timber which increased 16%. Rum and diamonds were the only important export commodities which showed declines compared with 1965. As was pointed out earlier, production of diamonds had decreased because of bad weather conditions in the mining areas; and rum production was adversely affected by unfavourable market conditions in the United Kingdom during 1966.

7.17. The total value of exports tended to be depressed too, largely because World Market Price for sugar was still quite low and in November, 1966 was down to \$68.40 per ton. However, there was a small improvement in the price paid under the Commonwealth Agreement, under which, the price paid for Sugar was £47. 10s. per ton at prevailing World Market Price. The average export value of Sugar was \$201 per ton during 1966, compared with \$202 in 1965. Sugar exports at the end of 1966 were 278.8 tons, valued at \$56.1 <sup>1/</sup>Mn. approximately. During 1965 exports of sugar amounted to 266.7 tons valued at \$53.9 Mn. (revised).

7.18. Another factor which assisted in keeping the value of exports depressed was the price of Rice; large quantities continue to be sold at the World Market Prices which are lower than those obtained in the agreed markets. Although the average export price for rice fell from \$246 per ton in 1965 to \$230 per ton in 1966, a larger volume of rice was exported to areas outside the traditional Caribbean Market. On the markets outside the British Caribbean, the demand for rice is expanding and in 1966 they

<sup>1/</sup> Corrected for under-valuation of Sugar Exports.

/absorbed....



absorbed 54,624 tons of rice exports compared with 39,027 tons in 1965.

Table 7.5

Main Items of Domestic Exports in \$ Mn. G.

	1964	1965	1966
<u>Total Exports</u>	166.3	175.0 <sup>1/</sup>	190.6 <sup>1/</sup>
0 Food			
Sugar	53.9	53.9 <sup>1/</sup>	56.5 <sup>1/</sup>
Rice	21.8	23.0	24.9
Shrimp	4.2	5.4	6.5
1 Beverages and Tobacco			
Rum	3.3	4.3	3.4
2 Crude Materials			
Timber	2.6	3.1	3.6
Bauxite	30.2	37.4	44.6
Alumina	26.7	30.2	33.0
Manganese	4.0	4.7	5.4
6 Manufactured goods classified chiefly by materials			
Diamond	4.5	5.6	5.1

<sup>1/</sup> After correction of \$10 Mn. in 1965 and approximately \$8 Mn. in 1966 for under-valuation of Sugar in Customs entries. The 1966 correction is not final.

PRICES AND THE TERMS OF TRADE:

7.19. The high value of imports in 1965 appeared to have been largely influenced by the general price level of imports which rose from 102.6<sup>2/</sup> in 1964 to 108.1 in 1965. The more important price increases were in Manufactured Goods, Machinery, Fuels and Crude Materials.

<sup>2/</sup> 1961 = 100.

/Preliminary.....



Preliminary figures indicate that the general price level of imports increased further in 1966 to approximately 109.4 - an increase of about 1%.

7.20. At the same time export prices also rose to 103.3 in 1966 from the low level of 101.5 to which prices had fallen in 1965 from the peak of 122.7 two years before. The main factor in this modest rise in export prices in 1966 was Alumina, the average export price of which had increased by just less than 2% from \$110 per ton in 1965 to \$112 approximately in 1966; and Calcined Bauxite which moved up 18% from \$45 per ton in 1965 to \$53 per ton in 1966. The average export prices of both sugar and rice, however, changed very little.

7.21. As a consequence of the movement in prices, the Terms of Trade which measures the purchasing power of our exports in terms of imports moved against Guyana in 1965, but did not deteriorate in 1966. Preliminary estimates based on partial figures put the Terms of Trade<sup>1/</sup> at 94.4% in 1966 compared with 94.3% in 1965.

Table 7.6

Price Indices of Imports and Exports  
and the Terms of Trade 1962 - 1966  
(1961 = 100)

Year	*Price* Indices		Terms of Trade
	Imports	Exports	
1962	103.7	102.4	98.7
1963	108.6	122.7	113.0
1964 <sup>1/</sup>	102.6	117.9	114.9
1965 <sup>2/</sup>	108.1	101.9	94.3
1966 <sup>2/</sup>	109.4	103.3	94.4

<sup>1/</sup> Provisional.

<sup>2/</sup> Preliminary.

/Balance .....



BALANCE OF VISIBLE TRADE:

7.22. It has been pointed out that outlays in fixed capital, production and consumption, have a high import content in Guyana. Consequently, when there is an increased rate of Capital Formation by enterprises operating in the country, imports increase. Similarly, when demand for consumer goods (particularly durable consumer goods) expands, the effect is immediately felt on imports. Further production of several commodities in the country, even attempts to improve agricultural yields, imply substantial imports of intermediate goods, such as fuels and fertilisers (in the case of agriculture). Over the past two years (1965 and 1966) all these influences were at work. The result was that imports outstripped exports, and the Visible Trade Balance was in deficit. It should be noted, however, that the country could have earned much more foreign exchange to finance its imports and the gap in Visible Trade could have been smaller, or a small surplus would have been recorded in 1965, if prices of such major exports as Sugar in particular, and Rice to a smaller extent had not been so low. As it was in the Merchandise Trade for 1965, imports (\$181 Mn.) exceeded exports (\$177 Mn.) by about \$4 Mn. At the end of 1966 the deficit was \$7.6 Mn. after certain valuation adjustments to the Customs entries had been made.

Table 7.7Balance of Visible Trade - G. \$ Mn.

Year	Exports including Re-Exports	Imports	Balance of Visible Trade (+) Surplus (-) Deficit	Machinery and Transport Equipment (Section 71)
1956	95.1	100.2	-5.1	23.0
1957	108.6	118.9	-10.3	28.2
1958	97.7	116.4	-18.7	28.5
1959	104.1	111.0	-6.9	26.4
1960	127.3	147.6	-20.3	44.9
1961	148.9	147.0	1.9	41.9
1962	164.2	126.3	37.9	30.4
1963	174.8	118.5	56.3	25.1
1964	168.9 <sup>1/</sup>	151.1	17.8	38.4
1965	177.1 <sup>1/</sup>	181.4	-4.3	47.5
1966	194.4 <sup>1/</sup>	202.0	-7.6	59.9

<sup>1/</sup> Corrected for under-valuation of Sugar. (See note to Table 7.5.)  
 Uncorrected value of Exports of Domestic Produce: \$182.6 Mn.  
 Final value of Re-exports: \$3.8 Mn.

7.23. The Visible Trade gap has important implications for a country's holdings of international reserves. Guyana is no exception to this rule. As was pointed out earlier, a great deal of the increase in imports was in respect of capital goods. It is to be observed that when imports of producers' goods are financed largely from inflows of investment capital (loans, grants and private capital) the level of foreign exchange holdings is not affected significantly at least in the short run. In 1966 the reverse was true in Guyana. Increase in capital inflows did not apparently match increase in imports of goods and services for capital purposes and a substantial amount of capital expenditures, particularly by the Government, was met from local financial sources. Consequently the foreign reserve holdings of the country fell in 1966 (See Chapter on Balance of Payments).

DIRECTION OF TRADE:

STERLING AREA

7.24. In 1966 trade with the Sterling Area decreased from 45% of Total External Trade in 1965 to 44% in 1966. The decrease was due largely to the fact that the Sterling Area took a smaller proportion of Guyana's Exports, though the reduction in the proportion of Guyana's imports from the Sterling Area also contributed to the decline. At the end of 1966, the Sterling Area had taken 38% of Guyana's Exports, compared with 40.9% in 1965; at the same time 48.9% of the country's imports came from Sterling Area Countries, compared with 49.1% in 1965. The deficit with the Sterling Area therefore increased from \$19.7 Mn. in 1965 to \$28.0 Mn. in 1966. (See Appendices II and III).

7.25. The most important trading partner in the Sterling Area, as well as for the Rest of the World was the United Kingdom from which source Guyana imported \$65.6 Mn. of goods in 1966, and \$55.4 Mn. in 1965. As a consequence, the United Kingdom's share of Guyana's imports increased to 32.5% in 1966 from 31.0% in 1965. Guyana's Exports to the United Kingdom declined only slightly in absolute value, from \$41.2 Mn. in 1965 to \$41.1 Mn. in 1966 and the same trend, but to a more marked degree was

/evident.....

evident in the proportion of total exports going to the United Kingdom, which fell from 24.7% in 1965 to 22% in 1966. Thus while the United Kingdom gained in importance as a source of imports, it declined in importance as a market for this country's exports. Consequently, the trade deficit with the United Kingdom increased from \$14.2 Mn. in 1965 to \$24.5 Mn. in 1966.

7.26. In 1966, Trinidad and Tobago took \$15.1 Mn. of Merchandise exports from Guyana, and at the same time exported Merchandise to Guyana to the value of \$20.6 Mn. These levels compare with the \$19.5 Mn. of imports from and \$15.1 Mn. of exports to Trinidad and Tobago during 1965. Guyana therefore ran up a deficit of \$5.5 Mn. with Trinidad during 1966, compared with \$4.4 Mn. during 1965. If the exports of Manganese, most of which is transhipped at Trinidad are excluded, the deficit would then be \$10.2 Mn. in 1966, and \$9.1 Mn. in 1965.

7.27. Jamaica took Merchandise exports from Guyana to the value of \$3.2 Mn. in 1966 and \$3.5 Mn. in 1965, and Guyana imported from Jamaica \$2.5 Mn. of Merchandise in 1966, and \$1.2 Mn. in 1965. Guyana therefore earned a surplus in its trade with Jamaica of \$0.7 Mn. in 1966 compared with \$2.3 Mn. in 1965.

7.28. Goods exported to Barbados were valued \$2.7 Mn. in 1966 and \$2.6 Mn. in 1965, and imports from the same source amounted to \$0.4 Mn. in 1966 and \$0.4 Mn. in 1965. Guyana therefore earned a surplus of \$2.3 Mn. in 1966, and \$2.2 Mn. in 1965, in its trade with Barbados.

#### DOLLAR AREA:

7.29. Dollar Area trade with Guyana in 1966 was approximately 38% of Total External Trade in that year, against 38% in 1965, and 40% in 1964. Exports to Dollar Area Countries as a whole increased from \$70.9 Mn. (or 42.6% of Total Exports) in 1965, to \$82.9 Mn. (or 44.5% of Total Exports) in 1966. Guyana's Dollar imports were valued \$65.5 Mn. (or 32% of Total Imports) in 1966 compared with \$59.1 Mn. (or 33% of Total Imports) in 1965. There was therefore a Surplus of \$17.4 Mn. in 1966, and \$11.8 Mn. in 1965, with the Dollar Area Countries. Exports to Canada were valued at \$40.0 Mn.

/in 1966.....



in 1966 compared with \$38.2 Mn. in 1965, while imports amounted to \$18.4 Mn. in 1966 and \$14.5 Mn. in 1965. There was therefore a surplus in the Canadian Trade of \$21.6 Mn. in 1966 and \$23.7 Mn. in 1965. Trade with the U.S.A. however, showed a much reduced deficit of \$5.5 Mn. for the year under review compared with the deficit of \$12.4 Mn. in 1965. Imports from the U.S.A. were valued at \$46.1 Mn. in 1966 compared with \$43.4 Mn. in 1965 - an increase of approximately \$2.7 Mn. (or 6%), while exports to the U.S.A. earned \$31.0 Mn. in 1965 against \$40.6 Mn. in 1966 - an increase of \$9.6 Mn. or over 30%.

#### E.C.M. COUNTRIES

7.30. In 1966 Guyana imported \$21.8 Mn. worth of goods from the European Common Market Countries, but exported only \$14.3 Mn. worth of goods to them. In 1965 imports were \$17.9 Mn. and exports \$10.7 Mn. Thus this country was in deficit to the extent of \$7.5 Mn. in 1966, and \$7.2 Mn. in 1965, with the E.C.M. countries, the largest deficits occurring with Western Germany (\$5.0 Mn.), the Netherlands (\$2.1 Mn.) and Belgium (\$1.9 Mn.).

## CHAPTER 8

BALANCE OF PAYMENTSBALANCE OF VISIBLE TRADE:

In the Balance of Payments of Guyana, the Balance of Visible Trade is one of the most important items, as it determines to a large extent the nature of the Current Account Balance, that is, whether it is a Surplus or a Deficit Balance. From 1961 to 1964, the Balance of Visible Trade has been in Surplus, and this has amounted to \$2.2 Mn. in 1961, \$37.3 Mn. in 1962, \$54.2 Mn. in 1963, and \$18.3 Mn. in 1964. Prices of Sugar and of Rice were particularly good in these years, but the period was also one of low investment, and therefore an artificially depressed level of imports. Consumption too was relatively low from 1962 to 1964. With the recovery of the economy and a return of business and political stability and normal levels of activity, imports of capital equipment increased, the process of rebuilding inventories was started, and public and private consumption boomed. Consequently, imports expanded, and this, coupled with lower prices for Sugar and Rice, and therefore reduced earnings from exports, resulted in a deficit Balance of Visible Trade of \$4.3 Mn. in 1965 and a deficit of approximately \$7.6 Mn. in 1966.

THE INVISIBLES:

8.2 The invisible or service items have generally resulted in net payments abroad. The most important of these items in terms of its size is the Investment Income that must be paid abroad on account of the past investment by resident expatriate companies. This claim was estimated at \$24.7 Mn. in 1963, \$25.4 Mn. in 1964 and \$23.8 Mn. in 1965. The Interest on Public Debt and on Private Capital payable overseas, is also part of the payments in respect of Investment Income. These amounted to \$5.8 Mn. in 1963, \$6.4 Mn. in 1964 and \$5.5 Mn. in 1965. When the relatively small amounts of  
receipts.....

receipts in respect of interest on long term securities are taken into account, the net payments in respect of investment income were \$27.3 Mn. in 1965, compared with \$29.8 Mn. in 1964.

Table 8.1

## GUYANA: BALANCE OF PAYMENTS 1960 - 1965

## CURRENT ACCOUNT

		G. \$ 000					
ITEM	1960	1961	1962	1963	1964	1965	
<u>GOODS</u>							
1. Imports (c.i.f.)	-147,869	-147,370	-126,675	-118,685	-151,074	-181,408	
2. Exports (f.o.b.)	+128,224	+149,544	+164,020	+172,863	+169,369	+177,127	
3. Balance of Visible Trade	- 19,645	+ 2,174	+ 37,345	+ 54,178	+ 18,295	- 4,281	
<u>SERVICES</u>							
4. Freight and Insurance on International Shipments	+ 2,848	+ 2,809	+ 2,587	+ 1,139	+ 1,141	+ 922	
5. Transportation	- 4,731	- 5,047	- 1,107	+ 657	- 640	- 1,190	
6. Travel	- 2,364	- 2,012	- 1,509	- 1,616	- 3,950	- 3,930	
7. Investment Income	- 23,609	- 23,246	- 36,993	- 28,476	- 29,776	- 27,282	
8. Government (n.e.s.)	+ 289	- 967	- 862	+ 42	+ 279	- 3,100	
9. Other Services	- 1,276	+ 240	+ 3,372	- 2,912	- 2,618	+ 1,563	
10. NET BALANCE OF RECEIPTS ON ACCOUNT OF SERVICES (4 to 9)	- 28,845	- 28,823	- 34,512	- 31,166	- 35,564	- 33,017	
11. BALANCE ON GOODS AND SERVICES (3 + 10)	- 48,480	- 26,649	+ 2,833	+ 23,012	- 17,269	- 37,298	
12. Unilateral transfers payments (net)	+ 3,767	+ 7,011	+ 6,161	+ 3,345	+ 5,574	+ 9,352	
13. CURRENT ACCOUNT BALANCE (11 + 12)	- 44,723	- 19,638	+ 8,994	+ 26,357	+ 11,695	- 27,946	

Net Receipts (+)

Net Payments (-)



Table 8.1 (Cont'd.)

## CAPITAL ACCOUNT

ITEM	1960	1961	1962	1963	1964	1965
14. Net Long Term Private Capital Inflow <sup>1/</sup>	+32,363	+10,381	- 853	+ 8,797	+ 8,255	+14,390
15. Net Short Term Private Capital Inflow	-	- 539	- 2,454	+ 734	+ 3,318	+ 1,659
16. Net Investment Loans Received by Central Government	+ 7,412	+ 7,267	-10,521	+ 5,437	+ 2,496	+ 1,870
17. Currency Surplus Account with the Currency Board <sup>2/</sup>	+ 2,235	+ 399	- 316	- 109	- 92	- 3,177
18. TOTAL NET CAPITAL TRANSACTIONS (Inflow + Outflow - )	+42,010	+17,508	+ 6,898	+14,859	+14,161	+14,742
19. Unidentified Capital Transactions including error (Inflow + Outflow - )	+ 2,392	+ 4,052	- 6,856	-15,086	+ 4,555	+ 1,329
20. CAPITAL DEFICIT (+) OR SURPLUS (-)	+ 321	- 1,922	- 9,036	-26,130	- 7,021	+11,875
21. TOTAL OF CHANGES IN FOREIGN RESERVES <sup>3/</sup> (20 = 21)	+ 321	- 1,922	- 9,036	-26,130	- 7,021	+11,875
(a) Government Foreign Assets <sup>4/</sup>	- 3,456	- 143	+ 4,823	- 5,294	+ 741	+ 3,154
(b) Currency in Circulation	- 3,850	- 2,603	- 6,308	- 6,384	- 1,517	- 5,761
(c) Commercial Banks	+ 7,368	+ 546	-10,100	-13,809	- 6,282	+12,403
(d) Post Office Savings Bank	+ 259	+ 278	+ 2,549	- 643	+ 37	+ 2,079
22. TOTAL INVESTMENT AND CAPITAL FINANCING (18 + 19 + 20)	+44,723	+19,638	- 8,994	-26,357	+11,695	+27,946

Capital Inflow and reduction in Foreign Reserves (+)

Capital Outflow and increase in Foreign Reserves (-)

<sup>1/</sup> Includes foreign direct investment in Guyana and net contribution to Sugar Funds.

<sup>2/</sup> In 1960 and 1961 includes investment of the Currency Board. In 1965 includes recovery of government debentures issued against Currency Board Notes.

<sup>3/</sup> Financing the Capital Deficit or absorbing the Capital Surplus.

<sup>4/</sup> Includes Joint Consolidated Funds, and investment on account of Sinking Funds, Sugar Industry Special Funds and Trust and Miscellaneous Funds.



8.3 The other Invisible items are mainly in respect of foreign travel, transportation and other services such as agency fees, commissions, insurance premiums and so on. The net position for most of these items represent payments; however, these payments have been relatively small during the years.

UNILATERAL TRANSFERS:

8.4 Another important item in the Current Account of Guyana relates to Unilateral Transfers. These are Grants received by the Central Government from overseas Governments, mainly the United Kingdom. As will be observed from the figures, Guyana has been a net receiver of such Transfers to the amount of \$3.3 Mn. in 1963, \$5.6 Mn. in 1964 and \$9.4 Mn. in 1965.

8.5 As a result of these transactions, the Current Account Balance has been in deficit since 1960, except for two years - 1962 and 1963 when surpluses were recorded. In 1964 the deficit was \$11.7 Mn. and in 1965 \$27.9 Mn.

8.6 These balances - particularly the deficit balance have been financed by net capital inflows recorded in the Capital Account. Most of the capital represents the net investments by foreign-owned companies operating in Guyana. These amounts have fluctuated tremendously through the years being highest in the years - 1960 (\$34.1 Mn.) and 1961 (\$10.3 Mn.) when the Alumina Plant was being constructed, and lowest in 1962 (\$4.3 Mn.) and 1963 (\$5.6 Mn.) when there were political and other troubles in the country. In 1965, the net inflow of private investment capital reached \$19.3 Mn. compared with \$10.0 Mn. in 1964. Another major source of financing was the net inflows arising from loans to the Central Government. These were mainly Exchequer Loans from the United Kingdom. The net Capital inflow in respect of loans to Central Government increased from approximately \$7 Mn. in both 1960 and 1961, to a peak of \$10.5 Mn. in 1962, but has declined since then. In 1965 it was \$1.9 Mn. compared with \$2.5 Mn. in 1964.

The.....

8.7 The Commercial Banks' holdings of External Assets, that is, their deposits with Head Offices abroad, are most important. The level of this holding tends to fluctuate directly with the general trend of the country's external transactions, Current as well as Capital. The balance increased in years when there were surpluses or small deficits on the Current Account accompanied by fairly large inflows of private capital and public sector loans. These increases in the foreign balances were approximately \$9.0 Mn. in 1962, \$29.0 Mn. in 1963 and \$11.7 Mn. in 1964. It decreased in 1965, when a fairly substantial deficit of \$27.9 Mn. on the Current Account was recorded. In fact, these external assets have been part of the country's external reserves which have been utilised to a large extent to finance the net international payments of the country, on account of current and non-monetary capital transactions.

BALANCE OF PAYMENTS - 1966

8.8 An attempt has been made to provide preliminary estimates of the key items in the Balance of Payments for 1966. Merchandise Exports have been estimated to value \$194.4 Mn. in 1966, and Imports \$202.0 Mn. giving a projected deficit on the Merchandise Account of \$7.6 Mn. after a correction for under-valuation of exports. Investment Incomes including Government Debt Interest payments have been projected to increase to \$31.6 Mn. The Government received grants totalling \$8.9 Mn. from foreign sources, and these together with payments in respect of services have made it necessary to project a Current Account Deficit Balance of \$30.9 Mn. in 1966.

8.9 On the financing side, Net Investment by expatriate companies has been estimated to provide a net inflow of capital to the value of \$19.0 Mn. and Government loans have provided a further sum of \$3.8 Mn. During 1966, the balances held by Commercial Banks with their Head Offices have decreased by \$6.7 Mn. and the Central Monetary Authority experienced a decline in its foreign assets of \$5.4 Mn. As a result, therefore, of the large increases in imports

arising.....

arising mainly from large scale public and private capital expenditures, Guyana suffered a reduction in its foreign reserves to the amount of \$12.1 Mn. despite the large inflows of official grants and loans and private capital.

A PRELIMINARY STATEMENT FOR 1966

<u>VISIBLES</u>	<u>\$ Mn.</u>
1. Merchandise Exports (f.o.b.)	+194.4 <sup>1/</sup>
2. Merchandise Imports (c.i.f.)	-202.0
3. Balance of Visible Trade	- 7.6
4. Non-Monetary Gold	- 0.7
<u>INVISIBLES</u>	
5. Net Investment Income	- 28.6
6. Other Invisibles (Transportation, Travel, etc.)	- 3.4
7. Private Transfers	+ 0.5
8. Government Grants	+ 8.9
9. Current Account Balance	- 30.9
<u>CAPITAL AND FINANCING ACCOUNT</u>	
10. Investment Capital Inflow	+ 36.0
11. Depreciation (Outflow)	- 17.0
12. Government Loans Received	+ 3.8
13. Government Loan Repayments	- 1.8
14. Decrease (+), Increase (-) in Commercial Banks External Assets	+ 6.7
15. Decrease (+) Increase (-) in Central Monetary Authority's Assets	+ 5.4
16. Other Capital Movement (Outflow)	- 2.2
TOTAL INVESTMENT AND CAPITAL FINANCING	+ 30.9

<sup>1/</sup> Corrected for under-valuation of Sugar exports.

8.10 Thus it will be observed that the change in trend in the Balance of Visible Trade from a Surplus between 1961 and 1964, to a deficit.....



a deficit in 1965 was continued in 1966, when the deficit was even larger. The Balance on Current Account, in deficit since 1964, continued in the same direction in 1966 and the increasing trend observed in 1965 was maintained into 1966. However, net inflow of private capital which had been rising since 1963 after the serious fall in 1962, expanded further in 1966 after the strong recovery observed in 1965. After accumulating large foreign reserves each year from 1961 to 1964, Guyana experienced a decline in these reserves in 1966 as it did in 1965, but both 1965 and 1966 were years of expanded imports of Capital goods concomitant on large capital outlays by both the public and the private sectors.

CHAPTER 9INVESTMENT

Total Investment in Fixed Assets is an aggregate of business purchases and installation of machinery and equipment, new construction, and Public Sector Capital outlay. In 1966, Fixed Investment so defined is provisionally estimated to have risen to \$82.2 Mn. representing a 17% expansion over 1965 and a ratio of 23% of Gross Domestic Product in 1966. In 1965, Fixed Investment reached a value of \$70.1 Mn. compared with a revised estimate of \$52.8 Mn. in 1964, representing an increase of 33%. Fixed Investment was therefore approximately 21% of Gross Domestic Product in 1965, compared with 17.4% in 1964.

PRIVATE SECTOR:

9.2. As in previous years, most investment in fixed assets was within the Private Sector, though the proportion fell slightly in 1966 as a result of extended investment in the Public Sector. The share of Fixed Investment attributed to the Private Sector is now estimated to be 73% in 1966, compared with 77% in 1965.

Table 9.1Fixed Investment in the Public and Private Sectors

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
Total Investment \$ Mn.	77.4	59.9	44.8	52.8	70.1	82.2
Public Sector \$ Mn.	23.3	20.1	12.4	9.9	16.4 <sup>1/</sup>	20.4 <sup>1/</sup>
Private Sector \$ Mn.	54.1	39.8	32.4	42.9	53.7	61.8

<sup>1/</sup> After certain adjustments have been made for expenditures which are not in this report classified as of a capital nature.

9.3. Total Fixed Investment in the Private Sector is provisionally estimated to value \$61.8 Mn. in 1966, compared with \$53.7 Mn. in 1965 representing .....



representing an increase in investment of 15% in the Private Sector. Foreign-owned firms were responsible for the major share in private investment amounting to 47% in 1965 and 59% in 1966. The Bauxite Companies in particular, and the Sugar Companies to a lesser extent, were in 1966 as in 1965, the major investors in Fixed Capital. Investments in Fixed Assets by these Companies in 1966 was of the order of \$32.8 Mn. compared with \$24 Mn. in 1965.

9.4. Foreign-owned firms together invested approximately \$25 Mn. in 1965 or 36% of the total domestic investment of \$70.1 Mn. In 1966, expenditures on fixed assets by foreign firms are provisionally estimated to be of the order of \$36 Mn. representing an expansion in investment by approximately 44% over the previous year. This high level of investment expenditure was in part to maintain capacity at present levels, but a substantial part was designed to increase productive capacity in the near future. One Bauxite Company will for the first time be producing Calcined Bauxite in Guyana. As a result of these investment expenditures, employment and earnings particularly in the Bauxite Mining Sector increased, and exports expanded, but they also account (even though not entirely) for the substantial increases in imports during 1966, mainly in the form of equipment and plant.

Table 9.2.

Fixed Investment in the Private Sector

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u> <sup>1/</sup>
Private Sector \$ Mn.	54.1	39.8	32.4	42.9	53.7	61.8
of which Foreign \$ Mn.	20.3	9.3	12.7	20.5	25.1	36.2

<sup>1/</sup> Preliminary.



Table 9.3.

Investment and Net Output in Bauxite and Manganese Mining

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u> <sup>1/</sup>
Investment \$ Mn.	12.0	5.5	4.4	11.1	15.8	26.4
Net Income arising (Net Output) \$ Mn.	32.5	45.9	32.1	49.3	49.7	55.9

<sup>1/</sup> Preliminary

9.5. It will be observed from the table above that investment in the Mining Companies have been rising since 1964. The expected investment for 1966 is some 67% above the level for 1965. Both Bauxite Companies, the Demerara Bauxite Company and the Reynolds Metals Company Limited have been investing large sums in the country during the year, designed largely to secure substantial increase in productive capacity.

SUGAR INDUSTRY:

9.6. In 1966, investment in fixed assets in the Sugar Industry declined slightly and is estimated to be \$6.4 Mn. approximately. However, Investment in the Industry during 1965 confirmed expectations and amounted in fact to \$7.8 Mn.

Table 9.4.

Investment and Net Output in the Sugar Industry

	<u>1958-1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
Investment Fixed Investment \$ Mn.	4.3	2.4	6.6	6.8	7.8	6.4
Net Output (G.D.P.) \$ Mn.	50.0	52.2	62.3	44.4	48.1	44.9



MANUFACTURING:

9.7. A statement of intentions indicates that the firms involved in Manufacturing expected to invest approximately \$4.8 Mn. in 1966. As in the previous year, almost a third of this would represent the expected investment by the Electricity Corporation. Further, as no new large scale manufacturing enterprise has been set up during the year, investments in 1966 are hardly likely to exceed the estimated \$4.8 Mn. In 1965, Fixed Investment in the Manufacturing Sector did not achieve the level expected and is now estimated at \$2.5 Mn; and practically a third of this was attributed to the Guyana Electricity Corporation. It is apparent that most companies did no more than maintain their capital intact.

DISTRIBUTION:

9.8. As a rule Distributive firms do not invest heavily in fixed assets. In 1965 Fixed Investment by the large distributive organisations totalled \$1.1 Mn. and for 1966 it is not expected to exceed \$2.4 Mn.

Table 9.5.

Disposition of Private Fixed Investment  
by Certain Sectors (1964 - 1966) in \$ Mn.

	1964		1965		1966	
	Value	Percent	Value	Percent	Value	Percent
<u>Total</u>	<u>42.9</u>	<u>100</u>	<u>53.7</u>	<u>100</u>	<u>61.8</u>	<u>100</u>
Sugar	6.8	14.2	7.8	14.5	6.4	10.4
Manufacturing including Power	4.6	9.6	2.5	4.6	4.8	7.8
Mining	11.1	23.2	15.8	29.3	26.4	42.7
Distribution	1.5	3.1	1.1	2.1	2.4	3.9
Transportation & Communication (in- cluding Public Utilities)	1.4	2.9	0.1	0.2	0.1	0.2



PUBLIC SECTOR:

9.9. At the beginning of the year under review, it was estimated that the 1966 Capital Expenditures in the Public Sector would be \$45.9 Mn. But in fact, this level of expenditure was not achieved, as expenditures on Capital Services were approximately \$30 Mn. At this level Government Expenditures on Capital Services would be about 25% higher than the \$24.1 Mn. reached in 1965.

9.10. Of the \$30 Mn. spent on Capital Services in 1966, \$6.9 Mn. went into water control and land development, and \$7.8 Mn. into roads; \$1.5 Mn. were spent on transportation (railway, steamers and airways); \$4.0 Mn. went into credit, and \$2.7 Mn. were spent on Social Services (including education and housing). Public Administration absorbed \$6.9 Mn.

9.11. Of the \$24.1 Mn. spent in 1965, \$6.9 Mn. were expended on water control and land development; \$5.1 Mn. were spent on roads; \$2.2 Mn. on social services; and \$4.4 Mn. went into credit.

9.12. The development programme for roads is phased over a period of years, so that although work has been in progress on several sections, none of these has in fact been completed during the year. Work on the construction of the 50 miles Atkinson/Mackenzie road has commenced, and is expected to achieve full momentum in 1967.

9.13. The road programme has, however, encountered a number of difficulties. Delivery of spare parts for the road building equipment has been slow. There has been shortage of professional manpower and of equipment, and the supply of sand for the construction works has been unsteady. Attempts are being made to remove some of these bottlenecks in 1967.

With regard to hydro-electric power development, preliminary arrangements have been made during the year for the commencement of the Hydro-electric Power Development Survey referred to last year. The Survey is being conducted by the United Nations working

in collaboration .....

in collaboration with the Government of Guyana. Some initial surveys were done, and with the appointment late in the year of a contracting company to undertake the project, operations have begun in earnest. By the middle of 1967, it should be possible to determine which of the two alternative sites seems the more feasible, after which further detailed studies would be carried out.

Further works to improve the supply of pure water in the rural areas were undertaken. These comprised the reconstruction of pumping stations, the installation of deep well turbines and the drilling of 20 wells.

9.16. A number of government buildings - schools, a health centre, a post office, and other buildings including the Bank of Guyana Building were completed during the year, though contractors experienced some difficulty in securing adequate supplies of construction materials.

In the field of Drainage and Irrigation, a significant development was the commencement of field work in connexion with a survey of the land commanded by the Mahaicony/Abary reservoir. Extensive works were carried out to improve and extend sea and river defences on the coastal areas and these involved outlays estimated at \$4.0 Mn. during 1966. In addition, a number of miscellaneous works and installations were carried out throughout the country, and these together with the sea-defence works, provided employment for a large number of people at different times of the year.

#### LAND SETTLEMENT:

9.18. Some progress has been recorded in the Government's programme to settle persons on land provided by the Government.

#### THE BRANDWAGT/SARI: EAST BANK BERBICE:

9.19. In a further development of this scheme, forests were cleared, plots and drains were laid out, and some work done on the

building .....



building of temporary bridges and roads and the installation of pure water facilities. Settlers were given training in the fundamentals of co-operatives and of agriculture. Loans were made available to the Co-operative Society to assist in the construction of dwelling houses, and the establishment of 21 acres of citrus, and another 21 acres of pastures. The scheme has not yet, however, attracted the full complement of settlers as only nineteen have in fact taken up their holdings so far.

THE WAINI PILOT PROJECT - NORTH WEST DISTRICT:

9.20. During the year, about 47 settlers were occupying the land development area known as the Waini/Yarkita Pilot Project. The settlers cleared the land for the establishment of farms and were provided with bonus payment for doing so. Part of this bonus was to be used for the purchase of fertilisers. An amount of more than \$100,000 was spent during the year on development works in the project.

SURVEYS:

Preliminary arrangements have been made, including the securing of long term loans on easy terms for air surveys and topographical mapping of Guyana, as part of the Seven Year Development Programme. However, full scale operations are not likely to commence before 1967.

9.22. A number of drilling operations were carried out by the Geological Survey Department, as part of the Development Programme. The drilling operations were mainly on the Barama River, the Aremu and in the North West District. Interest centred mainly on the location of such minerals as diamonds, gold, copper, zinc and nickel. Some \$400,000 were spent during the year on these operations.

AGRICULTURAL DEVELOPMENT :

9.23. Of the \$744,000 provided in 1966 for the Development Programme in Agriculture, approximately 58% had been spent by the end

of September .....

of September on various projects, including Rice Development, the eradication of Acoushi Ants, a new Animal Laboratory and Quarantine Station, the Guyana School of Agriculture, the Development of Dairy and Beef Cattle, Soil Surveys, Crop investigations, and the Central Agricultural Station at Mon Repos. It is anticipated that by year end approximately \$587,000 or approximately 79% of the allocation would have been spent.

The Agricultural Development Programme for the year under review, in common with other aspects of the Development Work, encountered a number of difficulties. One of the most important appears to have been the small size of the allocation for the development of cattle in relation to what could have been usefully spent.

In the field of rice development, priority was given to research in breeding.



CHAPTER 10  
CONSTRUCTION

As was pointed out earlier, Construction was one of the main Sectors outside of Mining which contributed significantly to the growth in production during 1966. Several projects which were in progress at the beginning of the year were completed. These were mainly the Special Service Unit Buildings, and the Bank of Guyana Building, the latter having been completed at a cost of approximately \$3.8 Mn. As was mentioned in the previous chapter, the road programme moved ahead rapidly and different stages of the road construction work were carried through, in various parts of the country, though no stretch was constructed through all its stages during the year. The Bauxite Companies were also carrying out massive construction works - notably the bridging of the Demerara River in the vicinity of the Bauxite Works, and the installation of new plant capacity, which provided employment for a large number of persons in the construction industry. While the demand for skilled labour was expanding, the supply was relatively inelastic and constructing firms were therefore experiencing shortages of skilled labour.

10.2. The effect of these construction activities was felt in the local supply industries - forestry, sawmilling and quarrying which themselves expanded under favourable demand conditions. As the demand for the products of these industries continued at a high level, imports and sales of building materials increased, in line with the sustained level of construction activity.

10.3. However, it would seem that it was the large construction projects which stimulated the demand for labour and materials. Residential construction in fact moved down during the year 1966. The decline was mainly in the rural areas as residential construction trended upwards in urban areas. About 2,663 houses were erected or extended in rural districts and localities adjoining Georgetown; this compared with 3,157 houses erected or extended in rural and suburban areas during 1965. In

/Georgetown....

Georgetown and New Amsterdam 346 residential buildings were either newly constructed or were structurally altered in 1966 compared with 320 in 1965.

10.4. In the areas outside Georgetown and New Amsterdam the number of industrial buildings erected showed a sharp decline from 92 during 1965 to 44 during 1966.

10.5. Apart from the fact that the number of buildings completed in Georgetown tended to be smaller in 1966, the number of applications approved showed that there was also a greater intention to build in 1966 than in 1965. The number of building applications approved during the year under review was 329, compared with 172 during 1965. It is likely therefore that 1967 would see a larger amount of construction activity in Georgetown.

Table 10.1

Building Activity 1961 - 1966

Year	Dwelling Houses		All Other Buildings	
	Erected	Altered	Erected	Altered
1961	2,240	1,303	209	220
1962	2,271	2,167	268	210
1963	1,630	1,734	158	140
1964	1,950	1,565	140	127
1965	1,838	1,639	136	117
1966	1,601	1,408	86	157

10.6. The construction of the 50 miles Atkinson - Mackenzie road with financial assistance from the Government of the U.S.A. was commenced about the middle of the year and would still be under construction in 1967. The road is expected to cost over G. \$9.0 Mn.

10.7. Construction like other forms of capital formation in Guyana has a high import content. Therefore, apart from its effect on the forest and quarry industries, activity in the construction industry would have a substantial impact on imports and on the distribution trades. Importation

/of several .....



of several items of building materials increased during the year and sales remained high, although they fell somewhat below the 1965 level. While cement imports increased, the production of paints locally has, however, expanded and this has limited the expansion in imports of this commodity.

Table 10.2.

Imports of Certain Building Materials

	<u>Unit</u>	<u>1965</u>	<u>1966</u>
Cement	000 cwt.	598	1,057
Galvanised and Aluminium Sheets	000 cwt.	92	79
Window Glass	000 sq. ft.	641	888
Nails	000 cwt.	27	22
Paints	000 lbs.	2,370	2,688

10.8. During the year there have been heavy erosion at several points along the Atlantic Coast of the country. In some cases there have been breaches in the sea defence installations, and in others there have been serious threats to the existing works. Accordingly, it has been necessary for large scale programmes to be carried out to repair breaches and to construct or reinforce other lines of sea-defences. These works have entailed the expenditure of approximately \$4.0 Mn. during the year under review and have enabled the employment of nearly 1,000 persons for different periods of time.

10.9. The large infrastructure investment by the Government and the installation of plant and ancillary facilities by the Bauxite Companies provided jobs for approximately 4,500 persons and have enabled incomes in the Construction Sector to expand by about 30% compared with the previous year, and by nearly 46% compared with 1964. Thus, as was indicated earlier, this particular Sector was one of the main contributors to growth in employment and incomes during 1966.



CHAPTER 11BANKING AND FINANCECOMMERCIAL BANKS:

Commercial banking is now carried out in Guyana by four banks - namely Barclays Bank D.C.O., the Royal Bank of Canada, the Chase Manhattan Bank, and the Bank of Baroda - all of which operate as branches with Head Offices abroad.

11.2 There was evidence of expansion in the operations of Commercial Banks during the year, even though the growth of their total resources may not have been as rapid as in 1965. The Assets of the Commercial Banks expanded from \$84.9 Mn. at the beginning to \$90.5 Mn. at the end of 1966. (See Appendix V.).

LIQUID ASSETS:

11.3. The liquid assets of the Banks, (i.e. their cash in hand, deposits with the Central Bank, Treasury Bills, Foreign Balances, and certain Commercial Bills) declined from \$25.7 Mn. in the beginning of the year to \$22.8 Mn. at the end of 1966. Most of the decline occurred in the area of foreign balances which fell from \$13.7 Mn. at the beginning of 1966 to \$7.0 Mn. at the end of the year. This decline of approximately \$6.7 Mn. in the Foreign Balances held by the Commercial Banks was directly related to the financing of the balance in Guyana's Merchandise trade which was in deficit throughout the year.

11.4. The Banks' holdings of Treasury Bills, however, increased by almost \$2.0 Mn., moving from \$1.0 Mn. to approximately \$3.0 Mn. over the year; and deposits with the Central Bank which were zero at December, 1965 stood at \$5.5 Mn. at December, 1966. Thus the structure of the liquid assets of the Banks was changing, and this alteration was due largely to the development of central banking operations in Guyana and the growth of Government short term borrowing through issues of Treasury Bills.

/At the .....



11.5. At the end of 1965 the ratio of liquid assets to total liabilities was 30.7%; this ratio fluctuated during the year, but trended downwards, and at the end of 1966 the ratio stood at 25.2%.

Table 11.1

Holdings of Liquid Assets by Commercial Banks

\$ 000

	<u>1965</u>	<u>1966</u>
Cash in Hand	9,972	6,013
Deposits with the Bank of Guyana	-	5,516
Foreign Balances	13,687	7,022
Treasury Bills	1,018	2,977
Credit Investment	1,034	1,215
TOTAL	<u>25,711</u>	<u>22,743</u>

Source: Bank of Guyana.

LOANS AND ADVANCES:

11.6. Loans and Advances increased from \$48.1 Mn. at the end of 1965 to \$53.6 Mn. at the end of 1966, an increase of \$5.5 Mn. Outstanding loans to Business Firms expanded \$7.7 Mn. moving from \$21.4 Mn. at the end of 1965, to \$29.1 Mn. at the end of 1966. Of this amount incorporated firms which take approximately 80% of the loans going to business firms were responsible for \$6.5 Mn., or 84% of the total increase.

11.7. Firms in the Distribution Sector were the largest borrowers being responsible for almost 40% of the loans to Business Firms. The outstanding loans to these firms were increasing steadily throughout the year and stood at \$11.7 Mn. at the end of December, 1966, compared with \$9.5 Mn. at the end of 1965. The Commercial Firms were apparently seeking short term accommodation from the Banks to finance increasing imports, at a time when retail sales were somewhat sluggish in comparison with experience of the previous year. Advances to Manufacturing Firms (including the Processing of Sugar and Rice) expanded during the year and amounted to \$13.7 Mn. at the end of 1966. The Sugar industry was responsible for most of the increase as the industry seemed to have relied to a greater extent,

/on the.....



on the Banking System for short term financing. Outstanding advances to the Sector increased by \$2.6 Mn. from \$4.4 Mn. at the beginning of the year to \$7.0 Mn. at year end.

11.8. Outstanding Advances to Statutory Boards and Local Public Authorities, after rising from approximately \$11.2 Mn. at December, 1965 to \$13.0 Mn. at September, 1966 declined slightly to \$12.4 Mn. at the end of 1966. As the account of the Central Government was transferred to the Bank of Guyana in 1966, the Government's outstanding advances with the Commercial Banks declined from \$6.1 Mn. at December 1965, to zero at the end of 1966. Thus the outstanding advances to the Public Sector including Statutory Boards declined from \$17.3 Mn. at the end of 1965 to \$12.4 Mn.

11.9. Loans to individuals were also increasing. Outstanding loans to this class of borrower increased from \$4.0 Mn. at the end of 1966 to \$6.0 Mn. in September and November, but declined slightly to \$5.9 Mn. in December, 1966.

Table 11.2

Loans and Advances by Commercial Banks  
by type in \$ Mn. 1966.

Type of Loan or Advance	1966			
	March	June	Sept.	Dec.
<b>TOTAL LOANS AND ADVANCES</b>	<b>50.1</b>	<b>47.5</b>	<b>54.8</b>	<b>53.6</b>
Mining and Quarrying <sup>1/</sup>	0.3	0.5	0.6	0.7
Forestry and Fishing	0.9	0.9	1.2	1.3
Other Agriculture	2.1	1.7	1.9	2.0
Manufacturing <sup>2/</sup>	10.2	13.7	16.7	13.7
Construction and Engineering	1.2	0.4	0.5	2.0
Distributive Trades	10.4	10.7	11.1	11.4
Financial Institutions	1.1	1.2	1.9	2.1
Service Trades	0.1	0.1	0.1	0.1
All other services n.e.s.	1.2	1.5	1.6	1.8
Personal Loans and Overdrafts	4.7	5.0	5.9	5.8
Central Government and Local Authorities	5.7	0.3	0.5	0.5
Statutory Boards and Other Public Authorities	12.0	11.5	12.5	11.9
Other Customers <sup>3/</sup>	0.2	0.0	0.2	0.1

<sup>1/</sup> Includes processing of Bauxite and Manganese. <sup>2/</sup> Includes Sugar Estates and Rice Mills.

<sup>3/</sup> Foreign Governments and public authorities including their diplomatic representatives stationed in Guyana. Also branches of Agencies of supra-national institutions in Guyana (e.g. United Nations).

Source: Bank of Guyana.

/Interest.....



INTEREST RATES:

11.10. The prime rate of interest for loans and advances was 7% per annum until July, when it was revised to  $7\frac{1}{2}$ % per annum. However, for the majority of loans, approximately 77% of the total number, the rate of interest charged ranged from 8% to just under 10%; but these constituted only 27% of the total value of loans granted. For the large loans, of which they were fewer (about 20% of the total number) the rate of interest varied between 6% and just under 8%. These loans, however, constituted some 72% of the total value of loans granted.

11.11. In the last three months of the year, the Banks apparently tightened up in the interest rates, applying the higher rates (8% and over) to a larger proportion of the Loans and Advances granted in that period. In fact outstanding loans and advances declined from \$54.8 Mn. at the end of September, which was a peak to \$53.6 Mn. at the end of December.

Table 11.3

Number and Amount of Outstanding Loans  
and Advances and related interest rates.

Rate of Interest	Number of Loans and Advances Outstanding at:-				Amounts in \$ 000			
	Qr. ending March	Qr. ending June	Qr. ending Sept.	Qr. ending Dec.	Qr. ending March	Qr. ending June	Qr. ending Sept.	Qr. ending Dec.
Under 6%	46	50	46	58	327	150	149	135
6 and under 8	913	2202	1799	801	39906	35923	39173	34066
8 " " 10	4697	4736	5402	6777	10157	11408	15322	19171
10 " over	78	106	201	251	26	71	170	215
<b>TOTAL</b>	<b>5784</b>	<b>7094</b>	<b>7448</b>	<b>7886</b>	<b>50416</b>	<b>47554</b>	<b>54814</b>	<b>53587</b>

/Deposits .....



DEPOSITS:

11.12. There was a considerable fall in Demand Deposits, compared with the levels maintained in 1965. At the end of December, 1966, total demand deposits stood at \$18.2 Mn. compared with \$22.0 Mn. reached at December 1965, - representing a fall of almost \$4 Mn. This reduction was however, due to the transfer of the Central Government's Accounts to the Central Bank during 1966. Savings deposits, on the other hand, moved up sharply from \$45.6 Mn. at the end of 1965 to \$49.8 Mn. at the end of 1966 - representing an accumulation of approximately \$4.2 Mn. during the year. Time deposits increased by \$1.1 Mn. from \$11.5 Mn. to \$12.6 Mn. during the same period. Thus during 1966, the accumulation of Savings in the Commercial Banks was approximately \$5.3 Mn. compared with \$8.7 Mn. in 1965. Interest rates on Savings deposits were raised from 3% per annum to 3½% per annum from August of 1966.

Table 11.4

Deposits, Loans and Advances with Commercial Banks

1965 - 1966.

End of Period		Total	Deposits			Loans and Advances
			Demand	Time	Savings	
1965	1st Qr.	71.1	20.7	10.8	39.6	32.6
	2nd Qr.	73.7	20.1	11.4	42.2	34.8
	3rd Qr.	74.8	20.2	11.1	43.5	39.9
	4th Qr.	79.1	22.0	11.5	45.6	48.1
1966	1st Qr.	79.7	20.4	11.5	47.8	50.1
	2nd Qr.	78.8	17.9	11.3	49.6	47.5
	3rd Qr.	79.1	19.0	11.4	48.7	54.8
	4th Qr.	80.7	18.2	12.6	49.8	53.5

\$ Mn. G.



GOVERNMENT SAVINGS BANK:

11.13. Savings in the Post Office Savings Bank have been rather static during the year, not varying much for the \$14.3 Mn. at the end of 1965. At December, 1966, total deposits were \$14.6 Mn., just \$0.3 Mn. higher than the level reached the previous year. Deposits averaged about \$2.0 Mn. per quarter and the rate of withdrawals was about the same.

11.14. It has already been pointed out that Savings deposits in Commercial Banks rose appreciably. Thus the apparent tendency for Savings to be concentrated in the Commercial Banks observed last year, was present again in 1966. The foreign assets of the Post Office Savings Bank remained fairly stable.

11.15. Deposits with the New Building Society were also expanding. Total deposits were \$1.6 Mn. at September, 1965, compared with \$1.7 Mn. at the end of December, 1966.

Table 11.5Post Office Savings Bank - Deposits in \$ Mn.

End of Year	Savings Deposits	Other Liabilities	Total
1960	21.4	-	21.4
1961	20.5	-	20.5
1962	17.0	-	17.0
1963	16.8	0.1	16.9
1964	15.7	0.5	16.2
1965	14.3	0.1	14.4
1966	14.6	-	14.7

(-) Less than \$100,000.

REAL ESTATE LOAN:

11.16. The trend noted late in 1965 for the level of loans for real estate purposes to rise was continued in 1966. The insurance companies in particular extended their lending from \$2.4 Mn. in 1965 to \$3.3 Mn.

/in 1966.....



in 1966, an expansion of almost \$1.0 Mn. The total amount of loans granted by these companies in 1966 was the highest since 1960 and more than four times the level granted in 1963. The New Building Society too, as well as the Credit Corporation were loaning more money for real estate. These two institutions loaned \$3.6 Mn. during the year under review, compared with \$1.5 Mn. during 1965. This means that in 1966, the total amount of loans was more than double the amount granted in 1965. The Credit Corporation alone more than trebled its gross value of real estate loans, while the New Building Society almost doubled its loans for the purpose.

Table 11.6

Total of Real Estate Finance granted by  
certain Institutions 1964 - 1966.

\$ 000					
Quarter Ending	Credit Cor- poration	New Building Society	Sugar In- dustry Labour Welfare Fund	Insurance Companies	Total
<u>TOTAL</u> <sup>1/</sup>	<u>584</u>	<u>88</u>	<u>413</u>	<u>1,739</u>	<u>2,823</u>
1964 MARCH	112	12	162	443	729
JUNE	158	18	107	487	769
SEPT.	183	17	78	389	667
DEC.	131	41	66	420	658
<u>TOTAL</u> <sup>1/</sup>	<u>543</u>	<u>928</u>	<u>560</u>	<u>2,377</u>	<u>4,399</u>
1965 MARCH	81	57	121	452	712
JUNE	121	171	136	567	994
SEPT.	131	345	185	765	1,426
DEC.	211	356	108	591	1,267
<u>TOTAL</u> <sup>1/</sup>	<u>1,821</u>	-	<u>423</u>	<u>3,320</u>	-
1966 MARCH	352	279	118	793	1,542
JUNE	341	434	111	800	1,686
SEPT.	553	516	101	922	2,093
DEC.	575	-	93	804	-

<sup>1/</sup> Totals may differ because of rounding.

/The level.....



11.17. The level of new mortgages granted also showed a significant increase. During 1965, a total of approximately \$6.5 Mn. of new mortgages was granted; but in 1966 the value of mortgages granted was 55% higher totalling approximately \$10.1 Mn. At this level the value of mortgages was the highest reached since 1960. The amount of mortgages cancelled was also higher amounting to \$5.8 Mn. in 1966 compared with \$4.9 Mn. in 1965.

11.18. Thus, from the point of view of both mortgages granted and loans made by certain financial institutions, it would appear that there was greater activity in the real estate market in 1966 than in the previous two years.

Table 11.7

	<u>Mortgages Granted</u>					
	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
\$ Mn.	9.8	4.9	6.2	4.4	6.5	10.1

GOVERNMENT BORROWING:

11.19. In 1966 the Government borrowed \$11.8 Mn. on long term loans. Of this amount, \$8.1 Mn. were raised from local sources and \$3.8 Mn. were External loans including contractor finance. The Public Long Term Debt which stood at \$142.1 Mn. at the end of 1965, increased by 6.5% to approximately \$151.3 Mn. by the end of 1966. At the beginning of the year, Internal Public Debt was just over 25% of the total public debt; by the end of 1966 this proportion is expected to be 29%, excluding Treasury Bills.

11.20. Apart from utilising long term loans, the Government also financed its Capital Expenditures from short term borrowing, which took the form of issues of Treasury Bills and advances from the Bank of Guyana. Thus the Government's net indebtedness to the Banking System rose from \$6.2 Mn. at the end of 1965, to \$17.7 Mn. at the end of 1966. The Government's borrowing on Short Term is now limited in any one year, to a maximum of 20% of the estimated revenue of the previous financial year.

/So that ...



So that in 1967 short term borrowing by the Government is limited to a maximum of about \$17 Mn.

11.21. Treasury Bills that were issued carried a maturity period of ninety-one (91) days and an average of discount rate of approximately 6% per annum.

HIRE PURCHASE CREDIT:

11.22. Hire Purchase Credit outstanding was valued \$10.4 Mn. at July, 1965, but had increased to approximately \$12.2 Mn. at December, 1965. In the months that followed, that is, during the first seven months of 1966, Hire Purchase Credit was declining, so that the amount outstanding was \$11.0 Mn. at July, 1966. There was then a steady rise during the latter half of the year, enabling outstanding credit to reach approximately \$12.6 Mn. at the end of 1966 - approximately 3% higher than the amount at December in 1965. However, it does appear that on the average credit in 1966 has been running at approximately 5% above the level of 1965.

11.23. Credit for Motor Cars has shown a steady rise since July, 1965 when it stood at \$1.1 Mn., bringing it to the peak of \$2.1 Mn. at December, 1966, compared with \$1.5 Mn. at December of the previous year, an increase of 40% in the twelve months period. Credit for Industrial and Agricultural Equipment and Vehicles declined significantly from \$6.9 Mn. at October, 1965 to \$4.9 Mn. at December, 1966 - a decline of 29% in the fourteen months period caused mainly by a reduction in the rate of investment in machinery and equipment in the Rice Industry. Credit for these commodities declined from \$6.0 Mn. in January to \$5.0 Mn. in July, 1966 but was rising slightly again, in August, September and October; during the last two months of the year the trend was again downwards. Credit for Durable Consumer Goods, on the other hand appeared to have kept up fairly well during the year, and during the first seven months of the year fell only slightly below the peak of \$4.4 Mn. reached in December, 1965. However, from August to December, 1966, outstanding credit for Consumer Durables was rising fairly rapidly - from \$4.5 Mn. in August to \$5.6 Mn. in December - compared with \$4.4 Mn. in December 1965. It

/appears....



appears that credit for Consumer Durables has been running at something of the order of 30% above credit in the previous year.

11.24. Consumer Durable goods including motor cars accounted for about 61% of the total credit outstanding at December, 1966, Industrial and Agricultural Equipment and Vehicles accounting for the remaining 39%. The relative proportions were somewhat different at December, 1965 as Industrial and Agricultural Equipment accounted for a greater share (51%) of outstanding credit. It would be recalled, however, that credit for both Motor Cars and Consumer Durables increased during the year, while that for Industrial and Agricultural Equipment declined.

Table 11.8

Hire Purchase CreditAnalysis of Outstanding Balances

\$ Mn. G.

Month	No. of Reporting Companies	Total	Motor Cars	Industrial and Agricultural Equipment and Vehicles	Other Durable Goods
1965					
JULY	25	10.4	1.1	6.0	3.3
AUGUST	25	10.7	1.2	6.0	3.5
SEPTEMBER	25	11.4	1.3	6.5	3.6
OCTOBER	25	12.0	1.4	6.9	3.7
NOVEMBER	25	12.0	1.5	6.7	3.9
DECEMBER	25	12.2	1.5	6.2	4.4
1966					
JANUARY	25	12.0	1.7	6.0	4.4
FEBRUARY	25	11.8	1.6	5.9	4.3
MARCH	25	11.9	1.6	5.9	4.3
APRIL	25	11.9	1.7	5.8	4.3
MAY	25	11.8	1.8	5.7	4.3
JUNE	25	11.6	1.9	5.6	4.2
JULY	24	11.0	1.8	5.0	4.2
AUGUST	24	11.7	1.8	5.5	4.5
SEPTEMBER	24	12.0	1.9	5.6	4.6
OCTOBER	24	12.3	1.9	5.7	4.7
NOVEMBER	24	12.4	1.9	5.5	5.0
DECEMBER	24	12.6	2.1	4.9	5.6

CHAPTER 12RETAIL SALES AND PRICESRETAIL SALES:

The general picture in the sphere of Retail Trade is that sales in 1966 have not been much better in 1965. However, it should be observed, that 1965 was itself an unusual year for retail trade, which was particularly buoyant in that year mainly because individuals who had postponed consumption and even capital expenditures during the previous three years, were prepared to spend in 1965 with the return of economic and political stability. Compared with 1965, sales in 1966 actually declined in some months. December for instance, which is the month of highest sales, showed a decline in sales in 1966, compared with 1965, although the sales during the last three months of the year were slightly better than sales during the corresponding three months of 1965.

12.2. A long enough series was not available to enable really firm conclusions, but reviewing the figures over 18 months, it did appear that at least in the second half of 1966, retail sales of groceries were below the level observed in the corresponding period in 1965. On the same basis, retail sales of textile fabrics and clothing were just about the same level in the latter half of 1966, as in the corresponding period in 1965; on the other hand, sales of consumer durables including furniture showed an increase of about 3%, while the sales of motor cars and bicycles continued to be high, and exceeded the level reached in 1965. This was not unexpected, for although as it was in 1965 that motor car sales expanded most rapidly, after very limited sales in the previous three years, imports of motor cars were on an even greater scale in 1966 than in 1965. In fact, the number of private motor cars registered increased from 1457 in 1965 to approximately 1,968 in 1966 - an increase of about 51%. A decline was however, noticeable in the sale of building materials and hardware, which is evidently related to the lower rate of house

building.....



building activity during the year. The overall level of retail sales was therefore about 1% better in 1966 than in the previous year.

Table 12.1

## MONTHLY RETAIL SALES

(Wholly and Mainly Retail)  
\$ C.

	Groceries	Clothing	Motor Cars and Bicycles	Furniture & Household Appliances	All others	Total
No. of Firms	16	25	12	12	51	92
<u>1965</u>						
JULY	444,316	1,206,370	914,327	660,191	2,721,593	5,946,797
AUGUST	395,893	1,091,462	923,460	600,556	2,741,841	5,753,212
SEPTEMBER	397,120	1,141,197	1,238,638	579,503	3,039,583	6,396,041
OCTOBER	414,739	1,078,888	1,202,296	540,357	2,780,905	6,017,185
NOVEMBER	416,412	1,324,069	948,218	645,664	2,805,068	6,139,431
DECEMBER	597,691	2,213,345	1,210,553	1,042,699	4,005,482	9,069,770
<u>1966</u>						
JANUARY	356,320	833,502	982,894	405,431	2,289,633	4,867,780
FEBRUARY	357,067	910,991	842,096	458,141	2,521,872	5,090,167
MARCH	386,864	1,083,415	1,203,379	643,151	2,575,739	5,892,548
APRIL	396,396	1,253,823	1,092,082	545,821	2,456,859	5,744,981
MAY	416,952	1,392,483	1,062,411	563,923	2,291,987	5,727,756
JUNE	374,343	1,081,919	1,123,663	469,864	2,614,151	5,663,940
JULY	378,432	1,181,819	1,062,150	529,383	2,577,430	5,729,214
AUGUST	368,316	1,115,444	856,948	523,747	3,077,328	5,941,783
SEPTEMBER	373,288	1,209,824	929,816	542,169	3,744,205	6,799,302
OCTOBER	336,639	1,050,059	870,083	539,467	2,908,737	5,704,985
NOVEMBER	334,819	1,350,690	1,052,647	807,104	2,890,195	6,435,455
DECEMBER	517,492	2,136,063	1,044,441	1,242,329	3,756,463	8,696,788

RETAIL PRICES:

12.3. During the year under review, prices in general rose but the rises were relatively modest. Higher incomes and increased employment led to increased demand for consumer goods - durable and non-durable - and as a consequence some inflationary pressures developed in the economy.

12.4. The Urban Retail Price Index which measures the monthly changes in the prices of consumer goods rose by approximately 2% during 1966, compared with 1965.

12.5. The index was 117.9 <sup>1/</sup> index points in December, 1965 which was about the highest point reached in that year except only for November. During the year under review, the index was always above 117 index points; in fact from about May it exceeded 118 index points (i.e. 18% above prices in 1956). In September prices had risen sufficiently to put the index at 121.0 index points, but there was a drop to 119.0 index points by December, 1966.

12.6. In general, during the year retail prices averaged 118.5 points or 18.5% above prices in 1956 compared with an average of 116.1 index points in 1965 or about 16% above the 1956 prices.

12.7. Most of the general increases in prices occurred in food commodities which account for about 50% of total weekly expenditures by families. During the first ten months of the year, food prices increased by about 3% compared with the corresponding period in 1965, but for the year the increase was 2.6%. Generally the price level for food items was higher throughout the first 10 months in 1966, compared with figures during the corresponding months in 1965, but in November and December, 1966 the price level actually fell below the level reached at the end of the previous year.

12.8. Higher prices were prevailing for several items of imported foods - salted pollock, english potatoes, onions, and for a number of types of locally produced ground vegetables. Clothing



prices remained fairly stable, though some increases were becoming evident from about July and this trend continued to year end when prices for clothing were about 2% above prices at the end of the year (1965).

Table 12.2.

URBAN CONSUMER PRICE INDICES

Base Year: 1956

Period	All Items	Sub-Group Indices			
	Index	Food	Clothing	Housing	Miscellaneous
1960	105.7	104.9	101.5	105.8	107.5
1961	106.8	106.8	102.1	105.7	107.9
1962	110.1	109.1	102.6	105.8	116.0
1963	112.7	113.3	103.0	106.9	117.1
1964	113.1	112.9	103.2	108.6	118.0
1965	116.1	117.6	103.6	111.1	119.1
1966	118.5	120.6	105.2	112.9	120.6

12.9. Prices for most other commodities for which information is collected regularly tended to remain at about the level reached in December, 1965, up to about May or June, 1966, and thereafter some steady, though small increases were apparent up to the end of the year.

CHAPTER 13  
PUBLIC FINANCE

REVENUE

Central Government revenue receipts which reached \$77.3 Mn. in 1965, increased 12% in 1966 when the revised estimates put revenue collected at \$86.3 Mn. - approximately \$2.7 Mn. better than had been originally anticipated. The increase in total revenue was due mainly to expanded collections of import duties and excise taxes and to drawings of approximately \$3.0 Mn. on account of a special grant made by the United Kingdom Government. As Income Taxes remained at about the same as in the previous year, receipts from this source did not contribute to the increase in revenue in 1966.

13.2 Import duty collections were approximately \$32.5 Mn. in 1966, having increased by 16% over the amount of \$28.0 Mn. collected in the previous year. The value of Imports was approximately 13% higher in 1966 than in 1965, and there were also increases in the rates of duty for a large number of commodities. The combined effect of these two factors - increased value of imports, and higher customs tariffs for certain goods - was to cause an expansion in 1966 in revenue arising from import duties. Food, beverages, motor cars, and manufactured consumer goods have been imported in larger quantities and are therefore the main contributors to the expanded level of import duties collected.

13.3 Export duties rose from \$1.3 Mn. in 1965 to \$1.6 Mn. in 1966 (revised estimates) following larger exports of bauxite.

13.4 Excise duties are collected on rum, beer, matches, spirits and cordial. Rum cleared for consumption went up in 1966, and the output and sale of beer also expanded appreciably. Accordingly, excise duties increased by about 11% - from \$8.9 Mn. in 1965 to \$9.9 Mn. in 1966. Duty on rum rose from \$6.8 Mn. in 1965 to \$7.6 Mn. in 1966, and on beer from \$1.2 Mn. in 1965 to \$1.3 Mn. in 1966.

13.5 Income Tax collections were about the same level in 1966 (\$25.0 Mn.)....



(\$25.0 Mn.) as they were during 1965 (\$24.9 Mn.). Apart from the fact that during 1965, there were important collections of arrears in taxes, receipts in 1966 were no doubt affected by the low returns on Sugar in 1965, and by reduced earnings in the Bauxite Industry during 1965. Tax collections from individuals have probably increased, however, as earnings tended to be higher in 1966 than in the previous year.

Table 13.1

CENTRAL GOVERNMENT RECEIPTS OF CURRENT REVENUE

FOR 1965 AND 1966

	<u>\$ Mn.</u>	
	<u>1965</u>	<u>1966</u> <sup>1/</sup>
Customs Duties	28.0	32.5
Export Duties	1.3	1.6
Income Tax	24.9	25.0
Excise Duties	<u>8.9</u>	<u>9.9</u>
Rum	6.8	7.6
Beer	1.2	1.6
Other	0.9	0.7
Other Receipts	14.2	17.3 <sup>2/</sup>
<b>Total</b>	<b>77.3</b>	<b>86.3</b>

1/ Revised Estimates.

2/ Most of the increase in Other Receipts was due to a Special Grant of \$3.0 Mn. made by the United Kingdom Government.

EXPENDITURES:

13.6 Central Government expenditures on current account was planned to reach \$84.2 Mn. in 1966, but in fact exceeded this figure by \$1.2<sup>1/</sup> Mn. whilst expenditure on capital services fell below the original estimate of \$45.9 Mn. by approximately

1/ All 1966 figures are based on the Revised Estimates.

\$15.4 Mn. ....



\$15.4 Mn., largely because financial receipts were not on the scale anticipated, and the administrative machinery was not yet fully geared for the efficient spending of the funds allocated for Capital Services. Consequently, total expenditures for the year amounted to \$115.9 Mn. - \$85.4 Mn. on current services and \$30.5 Mn. on capital services. Even at this level, however, total expenditures in 1966 was 9% above the \$106.1 Mn. spent during 1965 (\$82.0 Mn. on current and \$24.1 Mn. on capital services).

Table 13.2

CENTRAL GOVERNMENT CURRENT EXPENDITURE1965 AND 1966

	<u>1965</u>	<u>1966</u>
	<u>\$ Mn.</u>	
General Administration:		
Defences, Law and Order	9.6	10.7
Other	9.9	13.2
Social Services		
Education	13.8	14.0
Health	8.0	8.0
Other	4.1	3.9
Economic Services		
Transport	3.2	2.5
Post and Telecommunications	3.0	3.3
Public Works	8.7	8.3
Other	6.2	4.8
Pensions, etc.	3.6	3.7
Debt Charges	11.9	13.0
Total	<u>82.0</u>	<u>85.4</u>

Apart....



13.7 Apart from General Administration including Defence, the largest allocation in 1966 went to the Social Services. Approximately \$25.9 Mn. were spent on these services, including \$14.0 Mn. on Education, or 16% of the total budget, and \$8.0 Mn. on Health. In comparison a similar amount of \$25.9 Mn. was spent on these services in 1965, with \$13.8 Mn. (17%) going to Education, and \$8.0 Mn. to Health. The next largest slice of the budget after Education went to Debt Charges - that is, the interest amortisation on the Public Debt. These took \$13.0 Mn. or somewhat over 15% of the total Budget. Public works, sea defences, roads, public buildings together absorbed \$8.3 Mn. While the Government was spending \$25 Mn. in both 1965 and 1966 on Social Services, Economic Services which include Transport and Communication and Public works took expenditure of \$18.9 Mn. in 1966, compared with \$21.1 Mn. in 1965.

13.8 The following table presents an economic classification of Central Government's Current Expenditures. The expenditures covered are in respect of General Administration, and Social and Economic Services. On the basis of revised estimates of expenditure in the Current Budget, Central Government expenditures on Wages and Salaries are estimated to have been approximately \$39.3 Mn. in 1966, compared with \$37.8 Mn. in 1965. Expenditures on goods and non-factor services are estimated at \$13.1 Mn. in 1966, \$0.2 Mn. more than similar expenditures during 1965.

Table 13.3

	<u>ECONOMIC CLASSIFICATION OF CENTRAL GOVERNMENT EXPENDITURE</u>					
	<u>(1961 - 1966)</u>					
	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966*</u>
	<u>\$ 000</u>					
Wages and Salaries	28,427	28,472	25,857	31,590	37,816	39,266
Purchases of goods and Non-Factor Services	7,806	8,645	8,559	12,210	12,882	13,078
Total Current Expenditure on Goods and Services before ad- justment for Sales of Goods and Services.	<u>36,233</u>	<u>37,117</u>	<u>34,416</u>	<u>43,800</u>	<u>50,698</u>	<u>52,344</u>



Table 13.3 (Cont'd)

<u>ECONOMIC CLASSIFICATION OF CENTRAL GOVERNMENT EXPENDITURE</u> <sup>1/</sup>						
<u>(1961 - 1966)</u>						
	\$ 000					
	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966*</u>
Fixed Capital	1,345	634	226	249	267	346
Interest on Public Debt	4,909	6,098	6,475	6,448	6,570	7,135
Subsidies <sup>2/</sup>	3,856	2,970	2,780	3,830	5,317	3,712
Transfers to persons <sup>3/</sup>	4,969	5,389	5,959	5,187	7,563	7,289
Transfers to private non-profit Educational Institutions	338	207	335	374	1,146	1,278
Transfers to other non-profit Institutions	220	571	542	961	560	667
Transfers to the Rest of the World	639	898	2,070	1,063	594	797
Transfers to the other general Government Agencies	533	412	288	149	231	363
Refunds of revenue	638	700	908	1,052	895	2,182
Other Intra-government transfers	229	339	397	389	415	464
Book-entry Adjustments	6	5	7	-	-	-
Transfers to private corporations	-	9	196	410	-	-
<b>Total</b>	<b>53,915</b>	<b>55,349</b>	<b>54,541</b>	<b>63,912</b>	<b>74,256</b>	<b>76,577</b>

<sup>1/</sup> All Government Enterprises - the Post Office, Telecommunications, Transport & Harbours, Guyana Airways Corporation - have been excluded, except for their Surpluses or Deficits, which are included under Subsidies. Loans from Public Funds are also excluded.

<sup>2/</sup> Comprises stated deficits and surpluses of Government Enterprises including the Post Office, Telecommunications, Railway and Steamer Services, and Guyana Airways Corporation, and other subsidies appearing in the accounts as such.

<sup>3/</sup> Includes pensions paid abroad.

\* Provisional.



13.9 In table 13.4 an economic classification of the Current Revenue Account of the Government is provided. It will be observed that Indirect Taxes moved up as sharply in 1966, as it did in 1965 - from \$32.7 Mn. in 1964, to \$38.9 Mn. in 1965, to \$44.7 Mn.<sup>1/</sup> in 1966. These movements were due mainly to rises in the value of imports particularly in 1965 and 1966, and to increases in the rates of duty for items of imports. Indirect taxes in 1965 were approximately 52% of total revenue, and increased to 54% in 1966. The absolute amount of Direct Taxes have not changed significantly since 1963 when they totalled \$26.2 Mn. compared with \$25.4 Mn. in 1964, and \$27.2 Mn. in 1965. However, in 1966 there was a rise to approximately \$28.0 Mn. which is perhaps a reflection of rises in levels of income both in 1965 and in 1966. The contribution of Direct Taxes to total revenue has been declining since 1964 and has contributed just under 34% of the total revenue in 1966, compared with 36% in 1965.

<sup>1/</sup> Revised Estimates.

Table 13.4

ECONOMIC CLASSIFICATION OF CENTRAL GOVERNMENT ACCOUNT - REVENUE

	<u>1961 - 1966</u>					
	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966*</u>
	\$ 000					
<u>DIRECT TAXES</u>						
Income Taxes	19,003	19,855	22,468	22,417	24,919	25,000
Export Duties	1,138	1,272	1,144	1,145	1,311	1,600
Other	534	395	2,545	1,885	974	1,363
<u>Total</u>	<u>20,675</u>	<u>21,522</u>	<u>26,157</u>	<u>25,447</u>	<u>27,204</u>	<u>27,963</u>

Table 13.4 (Cont'd.....)



Table 13.4 (Cont'd.)

## ECONOMIC CLASSIFICATION OF CENTRAL GOVERNMENT ACCOUNT - REVENUE

	1961 - 1966					
	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966*</u>
	\$ 000					
<u>INDIRECT TAXES</u>						
Import Duties	22,250	19,800	18,857	22,894	27,994	32,500
Excise Duties	6,002	6,374	6,901	7,805	8,420	9,489
Other Custom Revenue	79	88	81	116	108	100
Surplus of Government Monopolies	133	114	110	153	211	220
Business of Trading Licences other than Revenue from Forests, Lands and Mines	1,089	1,197	1,153	1,177	1,264	1,451
Business of Trading Licences - Revenue from Forests, Lands and Mines	179	181	121	149	157	147
Stamp Duties and Transfer Duties	453	194	92	96	273	346
All other	421	395	316	353	450	442
<u>Total</u>	<u>30,606</u>	<u>28,343</u>	<u>27,631</u>	<u>32,743</u>	<u>38,877</u>	<u>44,695</u>
<u>INCOME FROM PROPERTY</u>						
Rent	197	84	829	911	1,074	1,105
Royalties	1,133	1,239	1,258	954	717	799
<u>Total</u>	<u>1,330</u>	<u>1,323</u>	<u>2,087</u>	<u>1,865</u>	<u>1,791</u>	<u>1,904</u>
<u>INTEREST AND DIVIDENDS FROM</u>						
Households and Unincorporated Enterprises	364	360	265	378	230	275
Public Corporations	297	225	1,247	285	2,285	630
Private Corporations	-	-	-	-	-	-
Government Enterprises - Harbour Services	333	416	264	382	675	571
Rest of the World	15	15	8	8	8	15
Other General Government Agencies	648	964	1,073	981	958	1,387
<u>Total</u>	<u>1,657</u>	<u>1,980</u>	<u>2,857</u>	<u>2,034</u>	<u>4,156</u>	<u>2,878</u>



Table 13.4 (Cont'd.)

ECONOMIC CLASSIFICATION OF CENTRAL GOVERNMENT ACCOUNT - REVENUE

1961 - 1966

\$ 000

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966*</u>
<u>TRANSFER FROM</u>						
Households and Unincorporated Enterprises	1,113	1,100	1,048	1,139	1,111	1,182
Rest of the World	-	-	255	52	383	3,390
Sales of Goods and Services	1,639	1,791	1,320	619	557	572
Reimbursement of Expenditure	314	213	501	658	753	524
<u>Total</u>	<u>57,334</u>	<u>56,272</u>	<u>61,856</u>	<u>64,557</u>	<u>74,832</u>	<u>83,108</u>

\* Provisional

Note: Revenue collected from the following are omitted:-

Post Office and Telecommunications.

Refunds of Loans.

Marketing Schemes - Capital Charges.

CHAPTER 14POPULATION AND MIGRATION

The population at the end of 1965 is now estimated to have been approximately 653,000 inclusive of Amerindians. This therefore represents an increase of 2.7% above the 1964 estimated population of 636,000. The rate of natural increase (the ratio of the excess of the number of births over the number of deaths, to total population) was 3% in 1965. End of year estimates indicate that the rate (3.2%) is running at about the same level as in 1965. Net migration was again outward, but end of year figures reveal that the magnitude has decreased considerably and the overall rate of population increase tended to close to the rate of natural increase.

Table 14.1End of Year Population Estimates(exclusive of Amerindians)1961 - 1966

<u>Year</u>	<u>Total</u>	<u>Males</u>	<u>Females</u>
1961	560,924	279,585	281,339
1962	575,030	286,628	288,402
1963	591,792	295,352	296,440
1964	606,313	302,615	303,698
1965	622,407	310,066	312,341
1966	641,691	319,639	322,052

14.2. Provisional end of year estimates indicate that there were 25,396 births during the year 1966, exclusive of Amerindian births, and 5,277 deaths, resulting in a Natural Increase of approximately 20,119.

14.3. The end of year population is therefore estimated to be approximately 641,700 exclusive of Amerindians and approximately 673,000 if Amerindians are included.

/During.....



14.4 During the year, 2,564 persons arrived in Guyana as immigrants, this was 667 more than the number that arrived in 1965 (1,897). During the same period (the whole year 1966), 5,174 Guyanese residents reported that they were departing permanently from Guyana compared with 4,524 the previous year. Whilst 19,861 Guyanese residents departed from the country during 1966 (14,687 temporarily, and 5,174 permanently), 19,265 residents returned to the country. Thus there was greater movement among residents in 1966 than in 1965, when 16,210 residents returned to the country and 17,662 departed (13,138 temporarily, and 4,524 permanently). On balance therefore, there was a net inflow of residents<sup>1/</sup> and immigrants of 1,968 persons during 1966, compared with a net inflow of residents and immigrants of 445 during 1965, and a net outflow of 1,040 during 1964.

Table 14.2

## Migration 1964 - 1966

	Jan. - Dec. 1964	Jan. - Dec. 1965	Jan. - Dec. 1966
<b>ARRIVALS</b>			
Returning Residents	14,218	16,210	19,265
Immigrants	540	1,897	2,564
Visitors	8,168	16,680	18,349
<b>TOTAL</b>	<b>22,926</b>	<b>34,787</b>	<b>40,178</b>
<b>DEPARTURES</b>			
Departing Guyanese Residents			
Temporary	12,298	13,138	14,687
Permanent	3,500	4,524	5,174
Visitors	10,816	19,881	20,977
<b>TOTAL</b>	<b>26,614</b>	<b>37,543</b>	<b>40,838</b>

Source: Commissioner of Police.

<sup>1/</sup> When the movement of visitors is taken into account, a net migration outwards results.

14.5. The crude birth rate in 1965 was 37.7 per thousand exclusive of Amerindians, and increased to about 40.2 per thousand in 1966, on the basis of the provisional figures. The birth rate has therefore trended upwards in 1966; in fact the number of non-Amerindian births reported in 1966 was 2,220 higher than the number reported for 1965.

Table 14.3

Crude Vital Rates 1961 - 1966

(exclusive of Amerindians)

Year	Births		Deaths		Natural Increase	
	Total	Rate per 1,000	Total	Rate per 1,000	Total	Rate per 1,000
1961	23,321	42.1	5,175	9.3	18,146	32.8
1962	24,269	42.7	4,649	8.2	19,620	34.5
1963	24,233	41.5	4,840	8.3	19,393	33.2
1964	23,836	39.8	5,069	8.5	18,767	31.3
1965	23,176	37.7	5,046	8.2	18,130	29.5
1966	25,396	40.2	5,277	8.4	20,119	31.8

14.6. There was a slight increase in the mortality rate of about 2 per 10,000 of population, compared with 1965. The number of deaths during 1966 was 5,277 (exclusive of Amerindians), compared with 5,046 during 1965. The death rate, therefore, rose from 8.2 per thousand in 1965 to 8.4 per thousand in 1966.



CHAPTER 15PROSPECTS FOR 1967

The year 1967 will be the second year of Government's Seven Year Development Programme, and planned expenditure is of the order of \$39 Mn. for the year. However, it is expected that the rate of achievement will be higher than in 1966, largely because preparatory work and a delayed Budget, necessitated a late commencement of some projects in 1966. However, a number of projects started in 1966 are expected to increase in momentum by the beginning of the new year. Unfortunately, bottlenecks in the form of shortages of professional and skilled labour would probably continue in 1967.

15.2. On the basis of present expectations, the first phase of the Hydro-electric Power Development Survey would be completed by the middle of 1967, and then a detailed survey of the selected site should begin and will be in progress at the end of 1967. Pure water supply projects proposed for the 1967 Development Programme are expected to make progress and should be completed during the year, assuming the shortage of skilled staff is remedied to a sufficient degree.

15.3. The Road Building Programme is expected to be pushed ahead, and would include work on the Atkinson-McKenzie highway, the East Coast road to Rosignal, and the road on the West Coast from Vreed-en-Hoop to Parika. Work on the Atkinson-McKenzie road is expected to make substantial progress, and the East Coast road is expected to be completed as far as Rosignal. Expenditures to the order of \$10 Mn. are expected in relation to these roads. A feasibility study, financed by the U.S.A.I.D. Loan is also to be carried out on the rebuilding of the roadways on the Corentyne and the West Bank of Demerara. In the field of building construction, the buildings of the University of Guyana should be started in 1967 and a number of Government flats in greater Georgetown and quarters in the rural areas are expected to be completed during the year. The rehabilitation of a number of Government Buildings is also to be accelerated. In addition, construction work on the rehabilitation of the Airport at Atkinson, the

redevelopment .....



redevelopment of Central Georgetown and the rehabilitation of Telecommunications should begin in 1967, and an amount of approximately \$6.8 Mn. should be spent on these projects. A Forest Industries Survey, and Topographical and Geological Surveys are also to be carried out during 1967.

15.4. An advancing sea is posing a serious threat to existing sea-defences in several areas along the sea coast of the Country. This has necessitated heavy outlays for the reconstruction and improvement of sea-defences in 1966, and a similar programme, on possibly the same scale, appears to be likely in 1967, even though the presently approved programme for 1967 calls for expenditures of \$1.5 Mn., compared with \$4.0 Mn. in 1965. The existing sea-defences on the sea coast of Georgetown and areas immediately east of the city, as well as on the Corentyne are seriously threatened, and large additional expenditures of approximately \$5 Mn. are required for the improvement of the sea-defences in the areas concerned. A substantial portion of these outlays is likely to be made in 1967.

15.5. In addition to these works, an important programme for the re-organisation and development of the rice industry is expected to be implemented during the year. A feasibility study will first be carried out on the re-organisation programme for the industry, which will cover the operations of the Rice Marketing Board and the Rice Development Company including arrangements for the milling of padi, the construction of storage warehouses, and the establishment of a Rice Research Centre. The feasibility study, which is being financed by a U.S.A.I.D. Loan, should be completed by the middle of the year, and assuming that the programme is feasible, implementation should commence in late 1967 or early 1968.

15.6. The Private Sector is also expected to carry out large scale investment programmes. The major companies - that is, those operating in Bauxite and Manganese Mining and in Sugar Production - are expected to invest something of the order of \$40.8 Mn. in fixed

assets .....



assets during 1967. Other expatriate companies will probably invest another \$4.1 Mn. making a total of approximately \$44.9 Mn. of expected investment by foreign-owned companies and an increase of about 30% above their investment outlays in 1966. Guyanese owned Manufacturing enterprises would probably spend a further \$5.1 Mn. on fixed investment. Other local firms operating in remaining sectors, apart from Agriculture, are likely to spend \$2.1 Mn. bringing the total projected expenditure in 1967 on fixed assets to about \$52.1 Mn. These firms were expected to spend \$39.0 Mn. on fixed assets during 1966. Thus in 1967, Private non-farm business investment is expected to show an increase of about 33% over 1966.

15.7. Investment in agriculture, mainly rice, (the Sugar Industry is here excluded) declined during 1966, and there is no clear prospect of an expansion in 1967. Some investment outlays are likely following the feasibility study to re-organise the rice industry, but the prospective re-organisation is not scheduled to commence before the end of the year. Consequently little extra investment is expected during 1967 by rice farmers.

15.8. Judging however, by the fairly large number of building plans approved, particularly in Georgetown, it is anticipated that the rate of private building and construction will be higher in 1967 than in 1966. Thus, total Private Investment is expected to show an increase of approximately 25%, and with the higher level of public capital outlays, it appears reasonable to expect that total investments in fixed assets may reach up to nearly \$110 Mn. in 1967.

15.9. Manufacturing production, apart from Sugar and Rice, is expected to show an improvement of about 8% in 1967. Sugar Production would probably increase by about 20% over 1966, compared with a 7% fall in 1966. However, the income of the industry will be influenced by the level of the World Market price for Sugar which continues to be low, and there is little prospect for an improvement in 1967. However, the increased production should permit an increase in the export of Sugar to the U.S.A. Market, and this would help to counter the effects of the low World Market price.

In addition.....



15.10. In addition, during the year 1966, the Guyana Development Corporation granted concessions to 33 companies for the manufacture of a wide variety of goods, including the assembly of radios and electronic equipment, and the manufacture of footwear, garments, crown corks, galvanised and aluminium goods, exercise books, and concrete prefabricated products. The Corporation expects that a number of these companies will take up their concessions and begin production in 1967.

15.11. A great deal of further expansion is not expected in the Mining Sector, in 1967. The production of Calcined Bauxite in 1967 is expected to increase by about 3%, Alumina is projected to decline however, by about 6% in terms of physical production and about 8% in terms of value, implying an expected decline in prices in 1967. The production of other types of bauxite, is expected to increase however, by nearly 29% in terms of physical production. On the basis of expected price levels, therefore, Bauxite Mining may not show in 1967 a significant improvement over 1966, in spite of substantial expansion envisaged by one of the Companies. If prices are maintained however, at their 1966 levels, Bauxite Mining is likely to show a modest 4% - 5% growth in incomes in 1967.

15.12. There is no evidence to indicate that Agricultural production including Rice would expand significantly in 1967, though the Ministry of Agriculture would probably be expanding their research programme in Rice and Beef cattle, and would be encouraging the expansion of certain types of agricultural output to replace imports.

15.13. On the whole, therefore, it appears that on present expectations, growth of the economy in terms of Gross Domestic Product would probably be somewhere in the region of 4% or 5% over 1966. The Government Sector (Current and Capital) would probably be contributing the greatest share to any increase in national income.

15.14. The level of investment anticipated by both Private and Public Sectors would have a significant impact on the level of merchandise .....



merchandise imports in 1967, as it did in 1966. Visible Imports are projected to rise by about 10% above the known level for 1966 (\$202.0 Mn.). Exports, on the other hand, are being forecast to increase by approximately 5% which may not be very surprising in view of the modest expectations for both Bauxite and Sugar.

15.15. The Balance of Payments Gap (on Current Account) is expected to increase, that is, a larger Current Account deficit is forecast for 1967. It is clear, therefore, that the Balance of Payments position will need to be under constant review, to counter a situation in which the country shows each year a deficit in its Merchandise Trade, in spite of the fact that it must be a debtor nation so far as the invisible section of its international transactions is concerned. In 1967 however, the increase in the inflow of Capital Funds, through the investment programmes of the Expatriate Companies and through external loans and grants to the Government, is expected to be greater than the increase in the Current Account deficit that is forecast for the year. So that it is not expected that a loss in Reserves will be experienced again in 1967; in fact there might be some improvement over 1966.

15.16. Inflationary trends are another danger the economy is likely to encounter in the coming year. Large scale expenditures on public works is bound to bring in its train some evidence of inflation, though the steepness of the inflationary trend may be somewhat modified, so long as the free flow of imported consumer goods continues. The higher taxes to be levied by the Government on certain imports will also absorb some amount of purchasing power and this will have an anti-inflationary effect and may even encourage personal savings. Under present conditions, therefore, it would seem reasonable to expect in 1967, some limited increase in the imports of consumer goods and inflationary trends that are not more severe than in 1966.



## GROSS DOMESTIC PRODUCT AT CURRENT FACTOR COST

in \$ Mn. 1961 - 1966.

	<u>1961</u>	%	<u>1962</u>	%	<u>1963</u> <sup>1/</sup>	%	<u>1964</u> <sup>1/</sup>	%	<u>1965</u> <sup>1/</sup>	%	<u>1966</u> <sup>2/</sup>	%
TOTAL	289.8	100	307.2	100	275.4	100	302.9	100	332.8	100	358.8	100
Agriculture:												
Sugar Cane	36.1	12.4	35.3	11.5	41.9	15.2	32.3	10.7	35.1	10.5	32.6	9.1
Padi	13.0	4.5	13.1	4.3	9.9	3.6	15.5	5.1	15.9	4.8	17.0	4.7
Other	9.2	3.2	9.7	3.2	7.3	2.7	8.4	2.8	8.8	2.6	9.3	2.6
Livestock	6.9	2.4	9.8	3.2	6.9	2.5	8.4	2.8	8.8	2.6	9.2	2.6
Fishing	5.8	2.0	6.2	2.0	5.8	2.1	6.5	2.2	7.2	2.2	8.1	2.2
Forestry	6.9	2.4	6.4	2.1	4.3	1.6	4.9	1.6	6.7	2.0	7.3	2.0
Mining & Quarrying	37.3	12.9	49.9	16.3	35.8	13.0	53.5	17.6	58.9	17.7	64.5	18.0
Processing:												
Sugar	13.9	4.8	16.9	5.5	20.4	7.4	12.1	4.0	13.0	3.9	12.3	3.4
Rice	2.7	0.9	2.0	0.7	3.2	1.2	4.9	1.6	4.3	1.3	4.5	1.3
Food, drink & tobacco	6.6	2.3	7.1	2.3	8.3	3.0	11.1	3.6	12.4	3.7	13.1	3.7
Other Manufacturing including Power	8.3	2.9	9.5	3.1	7.8	2.8	8.9	2.9	12.2	3.7	12.7	3.5
Distribution	39.2	13.5	36.6	11.9	33.7	12.2	39.1	12.9	39.7	11.9	43.1	12.0
Transport & Communication	21.8	7.5	22.1	7.2	18.2	6.6	19.9	6.5	20.9	6.3	23.5	6.5
Engineering & Construction	20.8	7.2	20.8	6.8	13.8	5.0	15.1	5.0	17.1	5.1	22.0	6.1
Rent & Dwelling	8.4	2.9	8.5	2.8	8.7	3.2	8.3	2.7	8.4	2.5	8.5	2.4
Financial Services	9.1	3.1	9.0	2.9	8.7	3.2	9.0	3.0	9.9	3.0	11.0	3.1
Other Services	13.2	4.6	13.7	4.5	12.3	4.5	12.7	4.2	13.6	4.1	15.0	4.2
Government	30.5	10.5	30.5	9.9	28.1	10.2	32.3	10.7	39.9	12.0	45.1	12.6

<sup>1/</sup> Revised.<sup>2/</sup> Provisional.



## DIRECTION OF TRADE BY CURRENCY AREAS AND PRINCIPAL COUNTRIES

JANUARY - DECEMBER, 1965

(\$ G.)

Countries	Imports	Domestic		Balance of Visible Trade	
		Exports	Re-Exports	+	-
<u>ALL COUNTRIES</u>	<u>178,830,509</u>	<u>164,663,706</u>	<u>2,080,256</u>		<u>12,086,547</u>
STERLING AREA	87,863,470	67,257,775	901,679	-	19,704,016
DOLLAR AREA	59,075,732	70,178,676	768,135	11,871,079	
E. C. M.	17,887,860	10,455,612	284,676	-	7,147,572
E. F. T. A.	3,393,457	9,596,267	3,889	6,206,699	
REST OF THE WORLD	10,609,990	7,142,112	4,074	-	3,463,804
<u>STERLING AREA</u>	<u>87,863,470</u>	<u>67,257,775</u>	<u>901,679</u>	-	<u>19,704,016</u>
United Kingdom	55,404,636	40,795,713	418,695	-	14,190,228
Australia	2,761,987	5,913	11,782	-	2,744,292
Trinidad & Tobago	19,547,407	14,843,206	292,248	-	4,411,953
India	1,762,414	-	1,200	-	1,761,214
Pakistan	2,061,798	9,604	-	-	2,052,194
New Zealand	396,438	10,357	5,450	-	380,631
St. Vincent	107,858	348,529	1,874	242,545	
St. Lucia	302,784	252,511	9,584	-	40,689
Barbados	367,320	2,506,479	90,015	2,229,174	
Jamaica	1,243,614	3,507,070	31,752	2,295,208	
Hong Kong	2,549,256	6,586	80	-	2,542,590
Rhodesia South	287,429	-	-	-	287,429
Other	1,070,529	4,971,807	38,999	3,940,277	
<u>DOLLAR AREA</u>	<u>59,075,732</u>	<u>70,178,676</u>	<u>768,135</u>	<u>11,871,079</u>	
Canada	14,470,624	38,083,526	94,790	23,707,692	
U.S.A.	43,392,732	30,485,346	518,608	-	12,388,778
Puerto Rico	483,430	79,467	-	-	403,963
Other	728,946	1,530,337	154,737	956,128	
<u>E. C. M.</u>	<u>17,887,860</u>	<u>10,455,612</u>	<u>284,676</u>	-	<u>7,147,572</u>
Netherlands	7,807,248	2,646,190	12,386	-	5,148,672
France	1,664,928	1,352,012	242	-	312,674
Belgium	1,641,400	1,024,664	-	-	616,736



## DIRECTION OF TRADE BY CURRENCY AREAS AND PRINCIPAL COUNTRIES

JANUARY - DECEMBER, 1965

(\$ G.)

Countries	Imports	Domestic		Balance of Visible Trade	
		Exports	Re-Exports	+	-
Italy	1,363,586	975,707	6	-	387,875
Western Germany Possessions	4,999,154	2,429,974	5,052	-	2,564,128
	411,544	2,027,065	266,990	1,882,511	
<u>E. F. T. A.</u>	<u>3,393,457</u>	<u>9,596,267</u>	<u>3,889</u>	<u>6,206,699</u>	
Denmark	1,124,897	116,404	336	-	1,008,157
Portugal	404,070	32,943	-	-	371,127
Madeira	168,560	3,515	25	-	165,020
Norway	669,994	8,209,915	1,154	7,541,075	
Sweden	562,576	1,066,824	1,574	505,822	
Austria	162,090	767	50	-	161,273
Switzerland	299,739	2	750	-	298,987
Possessions	1,531	165,897	-	164,366	
<u>REST OF THE WORLD</u>	<u>10,609,990</u>	<u>7,142,112</u>	<u>4,074</u>	-	<u>3,463,804</u>
Czechoslovakia	1,144,219	-	-	-	1,144,219
Japan	4,945,391	1,006,200	2,340	-	3,936,851
China	1,479,608	-	-	-	1,479,608
Eastern Germany	540,029	267,998	-	-	272,031
Hungary	515,017	-	-	-	515,017
Poland	499,016	-	-	-	499,016
U.S.S.R.	852,839	-	-	-	852,839
Other	633,871	5,867,914	1,734	5,235,777	
<u>STORES AND BUNKERS</u>	-	<u>33,264</u>	<u>117,803</u>	<u>151,067</u>	



## APPENDIX III

## DIRECTION OF TRADE BY CURRENCY AREAS AND PRINCIPAL COUNTRIES

JANUARY - DECEMBER, 1966

(\$ G.)

Countries	Imports	Domestic		Balance of Visible Trade	
		Exports	Re-Exports	+	-
<u>ALL COUNTRIES</u>	<u>202,006,058</u>	<u>182,571,775</u>	<u>3,796,588</u>	-	<u>15,637,695</u>
STERLING AREA	98,751,178	68,696,071	2,080,272	-	27,974,835
DOLLAR AREA	65,528,940	81,400,558	1,531,610	17,403,228	
E.C.M.	21,832,738	14,096,929	176,709	-	7,559,100
E. F. T. A.	3,762,049	12,296,034	4,379	8,538,364	
REST OF THE WORLD	12,131,153	6,082,183	3,618	-	6,045,352
<u>STERLING AREA</u>	<u>98,751,178</u>	<u>68,696,071</u>	<u>2,080,272</u>	-	<u>27,974,835</u>
United Kingdom	65,619,749	39,754,602	1,312,992	-	24,552,155
Australia	2,572,300	747,942	687	-	1,823,671
Trinidad & Tobago	20,596,388	14,554,879	521,723	-	5,519,786
India	2,246,885	916,708	2,550	-	1,327,627
Pakistan	594,987	-	-	-	594,987
Barbados	418,200	2,546,620	118,638	2,247,058	
Jamaica	2,473,465	3,121,695	77,376	725,606	
Bermuda	181,213	138,505	2,196	-	40,512
Hong Kong	2,388,314	18	-	-	2,388,296
Other	1,659,677	6,915,102	4,410	5,299,535	
<u>DOLLAR AREA</u>	<u>65,528,940</u>	<u>81,400,558</u>	<u>1,531,610</u>	<u>17,403,228</u>	
Canada	18,379,229	39,279,678	767,566	21,668,015	
U.S.A.	46,075,514	40,030,852	574,028	-	5,470,634
Venezuela	55,278	626,928	7,430	579,080	
Other	1,018,919	1,463,100	182,586	626,767	
<u>E. C. M.</u>	<u>21,832,738</u>	<u>14,096,929</u>	<u>176,709</u>	-	<u>7,559,100</u>
Netherlands	7,252,494	5,184,175	6,834	-	2,061,485
France	2,160,800	1,238,337	-	-	922,463



## APPENDIX III (CONT'D.)

## DIRECTION OF TRADE BY CURRENCY AREAS AND PRINCIPAL COUNTRIES

JANUARY - DECEMBER, 1966

(\$ G.)

Countries	Imports	Domestic		Balance of Visible Trade	
		Exports	Re-Exports	+	-
Belgium	2,870,856	1,049,652	-	-	1,821,204
Italy	2,539,153	1,159,830	475	-	1,378,848
Western Germany	6,420,711	1,428,150	4,300	-	4,988,261
Possessions	588,724	4,036,785	165,100	3,613,161	
<u>E. F. T. A.</u>	<u>3,762,049</u>	<u>12,296,034</u>	<u>4,379</u>	<u>8,538,364</u>	
Denmark	1,052,309	140,751	310	-	911,248
Portugal	375,462	54,971	-	-	320,491
Switzerland	288,065	40	4,043	-	283,982
Norway	776,576	10,865,933	-	10,089,357	
Sweden	890,160	1,233,240	24	343,104	
Austria	214,288	1,099	-	-	213,189
Possessions	165,189	-	2	-	165,187
<u>REST OF THE WORLD</u>	<u>12,131,153</u>	<u>6,082,183</u>	<u>3,618</u>	-	<u>6,045,352</u>
Czechoslovakia	1,064,218	-	-	-	1,064,218
Japan	6,709,355	1,182,073	200	-	5,527,082
China	1,504,312	-	-	-	1,504,312
Poland	453,178	-	-	-	453,178
Finland	145,656	-	-	-	145,656
U.S.S.R.	1,175,376	-	-	-	1,175,376
Formosa Thailand	70,925	-	18	-	70,907
Other	1,008,133	4,900,110	3,400	3,895,377	
<u>STORES AND BUNKERS</u>	-	<u>23,123</u>	<u>39,282</u>	<u>62,405</u>	



## GUYANA - BALANCE OF PAYMENTS 1960 - 1965

## APPENDIX IV

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ITEM	1960		1961		1962		1963		1964		1965	
	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT
<b>A. <u>GOODS AND SERVICES</u></b>	145,674	194,164	168,657	195,306	192,135	189,302	193,117	170,105	194,113	211,382	205,719	243,017
1. Merchandise	128,224	147,598	149,544	147,001	164,020	126,277	172,863	118,510	169,369	150,826	177,127	180,965
2. Non-Monetary Gold	-	271	-	369	-	398	-	175	-	248	-	443
3. Freight & Insurance on International Shipments	2,848	-	2,809	-	2,587	-	1,139	-	1,141	-	922	-
4. Other Transportation	2,858	7,589	3,225	8,872	3,132	4,239	2,755	2,098	2,738	3,378	3,305	4,495
5. Travel	1,403	3,767	1,522	3,534	1,435	2,944	1,075	2,691	1,269	5,219	1,922	5,852
6. Investment Income	2,261	25,870	2,253	25,499	1,739	38,732	2,002	30,478	2,012	31,788	2,024	29,306
Direct Investment	-	22,380	-	21,557	-	34,110	-	24,706	-	25,357	-	23,824
Other	2,261	3,490	2,253	3,942	1,739	4,622	2,002	5,772	2,012	6,431	2,024	5,482
7. Government n.e.s.	751	464	648	1,615	1,707	2,569	2,236	2,194	2,793	2,514	3,758	6,858
8. Other Services	7,329	8,605	8,656	8,416	17,515	14,143	11,047	13,959	14,791	17,409	16,661	15,098
TOTAL		48,490		26,649	2,833		23,012			17,269		37,298
<b>B. <u>TRANSFER PAYMENTS</u></b>	6,263	2,496	9,789	2,778	8,656	2,495	7,675	4,330	9,200	3,626	14,454	5,102
9. Private	1,227	1,544	2,512	1,839	1,814	1,392	2,517	2,171	2,761	2,407	2,670	4,272
10. Central Government	5,036	952	7,277	939	6,842	1,103	5,158	2,159	6,439	1,219	11,784	830
TOTAL	3,767		7,011		6,161		3,345		5,574		9,352	
TOTAL (1 through 9)		48,807		25,976	3,255		23,358			16,915		38,900
TOTAL (1 through 10)		44,723		19,638	8,994		26,357			11,695		27,946



ITEM	1960		1961		1962		1963		1964		1965	
	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT
C. CAPITAL AND MONETARY GOLD	42,331		15,586			2,138		11,271	7,140			26,617
Non-Monetary Sectors	42,010		17,508		6,898		14,859		14,161			14,742
11. Direct Investment	30,413		9,610			3,042	7,294		9,504			16,165
In Guyana	30,413		9,610		-	3,042	7,294	-	9,504			16,165
Abroad	-	-	-	-	-	-	-	-	-	-	-	-
12. Other Long Term Private	1,950		771		2,189		1,503			1,249		1,775
Liabilities	2,701	-	2,933	-	4,497	-	2,082	-	-	837	-	1,264
Assets	-	751	-	2,162	-	2,308	-	579	-	412	-	511
13. Other Short Term Private	-	-		539		2,454	734		3,318			1,659
Liabilities	-	-	-	-	-	-	980	-	3,606	-	1,966	-
Assets	-	-	-	539	-	2,454	-	246	-	288	-	307
14. Central Government	9,647		7,666		10,205		5,308		2,588			1,307
Loans, Received	9,204	1,792	7,999	732	11,420	899	7,645	2,208	4,003	1,507	4,537	2,667
Other Liabilities	2,400	-	752	-	-	-	-	-	-	-	-	-
Other Assets	-	165	-	353	-	316	-	109	92	-	-	3,177
Monetary Sectors	321			1,922		9,036		26,130		7,021		11,875
15. Central Government Assets	-	2,818	-	143	2,634	-	-	5,294	741	-	3,154	-
116. Central Government Liabilities	-	638	-	-	2,189	-	-	-	-	-	-	-
17. Commercial Banks Assets	5,110	-	275	-	-	6,811	-	13,718	-	6,255	12,431	-
18. Commercial Banks Liabilities	2,258	-	271	-	-	3,289	-	91	-	27	-	28
19. Currency in Circulation	-	3,850	-	2,603	-	6,308	-	6,384	-	1,517	-	5,761
20. Post Office Savings Bank Assets	259	-	278	-	2,549	-	-	643	37	-	2,079	-
21. Net Errors and Omissions	2,392	-	4,052	-	-	6,856		15,086	4,555	-	1,329	-



## APPENDIX V

(i) Commercial Banks' Assets By Type  
(1961 - 1966)

(\$ 000 G.)

End of Period	Total	Cash	Balances Due by Other Banks		Loans and Advances	Investments	Other Assets
			Locally	Abroad			
			1961	51,254			
1962	51,381	5,012	451	11,458	30,283	-	4,177
1963	64,844	6,404	123	25,176	28,659	-	4,483
1964	74,690	5,609	606	31,431	32,400	-	4,644
1965	84,900	9,972	1,262	13,796	48,099	1,368	10,403
1966	90,468	6,013	7,204	7,090	53,540	5,327	11,294

(ii) Commercial Banks' Liabilities By Type  
(1961 - 1966)

(\$ 000 G.)

End of Period	Total	Notes	Deposits				Balances due to Banks		Other Liabilities
			Demand	Time	Savings	Drafts <sup>1/</sup>	Locally	Abroad	
			1961	51,254	38	14,138	1,511	23,630	
1962	51,381	37	17,086	5,046	25,632	1,209	985	234	1,752
1963	64,844	37	20,312	10,122	30,668	1,363	-	143	2,000
1964	74,690	36	21,611	9,754	38,554	1,973	354	116	2,292
1965	84,900	34	21,969	11,473	45,636	-	701	88	4,999
1966	90,468	39	19,687	12,799	50,543	-	-	130	7,270

<sup>1/</sup> Drawn on Branches and Correspondents.

Source: 1961 to 1965: The Official Gazette.

Source: 1966: The Bank of Uganda.

APPENDIX VI

ACREAGE CULTIVATED, CANE HARVESTED AND YIELDS BY  
SUGAR ESTATES<sup>1/</sup> 1961 - 1966.

<u>YEAR</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
Acreage <sup>2/</sup> under cultivation	95,742	93,187	96,452	96,664	104,040	104,150
Canes harvested (000 tons)	3,507	3,383	3,353	2,937	3,298	3,133
Yield: Tons Sugar per acre of cane.	3.35	3.59	3.63	3.01	3.21	3.10

Source: Sugar Producers' Association.

<sup>1/</sup> Farmers' Cenes are excluded.

<sup>2/</sup> English Acres.