



**STIMULATING
GROWTH,
RESTORING
CONFIDENCE:
THE GOOD LIFE BECKONS**

BUDGET

29th January, 2016



Ministry of Finance
Main and Urquhart Streets, Georgetown.
Co-operative Republic of Guyana

Original title: National Budget Speech 2016

Presented by: the Honourable Winston Jordan, Minister of Finance.

Publisher: Ministry of Finance

Cover: The cover shows the Coat of Arms, Budget Theme and border with the colours of the National Flag.

Production Services: Printed in the Co-operative Republic of Guyana.

© **Copyright** 2016. Ministry of Finance.

COOPERATIVE REPUBLIC OF GUYANA

SESSIONAL PAPER NO. 1 OF 2016

**ELEVENTH PARLIAMENT
OF THE
COOPERATIVE REPUBLIC OF GUYANA**

UNDER THE

**CONSTITUTION
OF THE
COOPERATIVE REPUBLIC OF GUYANA**

FIRST SESSION 2016

BUDGET SPEECH

Honourable Mr. Winston D. Jordan, M.P.

Minister of Finance

January 29, 2016

TABLE OF CONTENTS

1.	Introduction	1
2.	Global Economic Developments	5
3.	Developments in the Domestic Economy in 2015	7
	A. Real Gross Domestic Product	7
	B. Sectoral Performance	7
	a. Agriculture, Forestry and Fishing	7
	b. Mining and Quarrying	8
	c. Manufacturing	8
	d. Services	8
	C. Balance of Payments	9
	D. Monetary Developments	10
	E. Prices and Income	11
	a. Inflation	11
	b. Interest Rates	11
	c. Exchange Rate	11
	d. Income	11
	F. Fiscal Position	12
	a. Non-Financial Public Sector	12
	b. Central Government	12
	c. Public Enterprises	13
	G. Debt Management	14
4.	Agenda 2016: Stimulating Growth, Restoring Confidence	15
	A. Introduction	15
	B. Macroeconomic Stability	15
	C. National Unity	16
	a. Culture and Arts	16
	b. Social Cohesion	16
	c. Gender Equality-Equal Rights for All	17
	d. Hinterland Development and the Preservation of Indigenous Culture	18
	e. 50 th Anniversary of Independence	20
	D. National Infrastructure	21
	a. Knowledge-Driven Government and Industries	21
	b. Business and Investment	23
	c. Managing the Extractive Sector	24
	d. Production Transformation and Agricultural Diversification	26
	e. Addressing the Infrastructure Deficit	28
	f. Energy	33
	g. Environment and Protected Areas	34
	h. Destination Guyana	36
	E. National Institutions	37

	a. Governance and Justice	37
	b. Building Sustainable Communities	38
	i. Local Government Systems	38
	ii. Water	39
	iii. Sanitation	40
	iv. Housing	40
	c. Financial Sector Reform	41
	i. Bank of Guyana	41
	ii. National Insurance Scheme	43
	d. Forensic Audits and Asset Recovery	44
	e. Tax Reform	44
	f. Public Administration and Public Financial Management	47
	g. Data for Decision Making	48
	F. National Security	49
	a. National Sovereignty and Economic Diplomacy	49
	b. Safeguarding Public Security, Rebuilding Public Trust	50
	c. Anti-Money Laundering and Countering Financial Terrorism	51
	G. Public Services	53
	a. Producing a Well-Rounded Life Long Learner	53
	b. Health for Human Development	57
	c. Our Youth, Our Future	59
	d. Families and Children	60
	e. Elderly and Persons with Disabilities	61
5.	Targets for 2016	62
	A. Real Gross Domestic Product	62
	a. Agriculture	62
	b. Industry	62
	c. Services	63
	B. Monetary Policy and Inflation	63
	C. Balance of Payments	63
	D. Targets for the Non-Financial Public Sector	64
	a. Central Government	64
	b. Summary Operations of the Public Enterprises	65
	c. Operations of the Non-Financial Public Sector	65
6.	Measures	66
	A. Measures in support of our programme of 'greening' the economy and protecting the environment	66
	B. Measure to bring equity to the charging of excise tax on alcoholic beverages	67
	C. Measures to remove arbitrary, discretionary or undefined remissions	67
	D. Measures in support of the Elderly	69
	E. Measures to Improve Tax Administration	70
	F. Measures to Enhance Revenue	71

	G. Other Measures	72
	i. Increase in Rebate Granted by GPL and Reduction in Prices of Fuels	72
	ii. Wages and Salaries	72
	iii. Measures to Improve Workers' Income	73
7.	Conclusion	74
	Appendices	
	1. Selected Socio-Economic Indicators	76
	2. Gross Domestic Product at 2006 Prices by Industrial Origin	77
	3. Central Government Financial Operations	78
	4. Urban Consumer Price Index-New Series	79
	5. Balance of Payments Analytic Summary	80
	6. Actual and Projected External Debt Stock	81
	7. Actual and Projected Domestic Debt Stock	82
	8. Tax Remissions by Category	83
	9. Proposal for the increase in Licence Fees	84
	10. Liquor Licences	86
	11. Trade & Miscellaneous Licences	87
	12. Schedule 1. Thresholds for Revenue by Tender Boards	89
	13. Schedule 2. Exceptions to open tendering	90

1.

Introduction

1.1 Mr. Speaker, I rise to move the motion for the approval of the Estimates of the Public Sector and the Budget for the Financial Year 2016 and, in doing so, I wish to indicate that Cabinet has recommended that the National Assembly proceed upon this motion, pursuant to Article 171 Paragraph 2 of the Constitution of the Co-operative Republic of Guyana.

1.2 Mr. Speaker, this is the second budget of the Coalition Government, following the first, which was presented on August 10, 2015. It is the first full year budget of the Government - the last one being a truncated budget that, nevertheless, had to be presented, if only to fulfill the requirements of the Constitution and the Fiscal Management and Accountability Act. I am pleased to have the honour, as the 10th Minister of Finance, of presenting this budget, in this Year of National Renaissance; in this momentous year of the Golden Jubilee of our Independence.

1.3 Mr. Speaker, this year is a time for great joy and celebration. Nearly fifty years ago, we were birthed as a nation in strife and disunity. Distrust stalked our country. Dark clouds hovered over the land, as if overseeing the political division and ethnic conflict and insecurity that was wreaking the country. Recalling the state of our economy at the time of Independence, His Excellency President David Granger, in his New Year's Address said that "We subsisted in a dependent colonial economy. We languished as a small, servile satrapy ruled by a colonial governor." But we became independent, nevertheless. We emerged, slowly, from the mayhem and destruction, to the new reality that we were now masters and mistresses of our own destiny.

1.4 The path to peace and national reconciliation has been long and arduous, but we have weathered the storm to progress to where we are currently. It is written in the Good Book, in Psalm 118:24, "... let us rejoice today and be glad!"

Today, there is a lot for which we should be thankful and be glad. From the numerous schools, hospitals, health centres, roads, bridges and sea defence structures to our symbols of nationhood to our search for unity and social cohesion, successive governments have struggled to mould this nation we now call Guyana: Land of Many Waters; the Magnificent Province; Land of the Mighty Roraima; and so many other sobriquets that this fair land has come to be known. For most of us, this is the only home we know. It is where our heart is. We must strive manifestly, therefore, to keep it intact.

1.5 Mr. Speaker, last year was a difficult one for our economy. While I do not wish to chronicle all of the events that were responsible for that state of affairs, suffice it to say that because the characteristics of the economy, bequeathed to us at the time of Independence, have changed little, we suffered tremendously. In 2015, perhaps for the first time in recent history, all of the country's key industries - sugar, rice, bauxite, gold and forestry - found themselves in various states of distress. Even remittances, which have contributed significantly to income, consumption, investment and employment, and upon which so many of our people depend, was a victim of the slowdown in the world economy. It is obvious that our excessive reliance on these generators of foreign exchange will continue to expose the economy to volatile external developments. It is a tribute to this young Government's prudent management of the economy, including timely policy interventions, that the economy's growth trajectory continued; that there were no reported job losses; and, as was evident in the last two months of 2015, the business community's confidence had been restored. This must come as a bitter disappointment to those in the Opposition and elsewhere whose forecast of gloom and the 'tanking' of the economy did not eventuate.

1.6 Mr. Speaker, this budget builds on the policies and programmes which were first outlined in the Manifesto of the APNU+AFC Coalition and, subsequently, extensively elaborated in my maiden budget speech. That presentation focused on the path to realizing our vision that every Guyanese must enjoy the Good Life. This was reiterated recently, on Thursday 14th January,

2016, by His Excellency, President David Granger, during his address to this Honourable House. He was sage in his reasoning that while achieving the good life should not be a dream, its reality would not be easy. It would call for each citizen being given the opportunity to unleash his/her talents to become productive citizens of the Republic. It would entail the removal of inequalities that act as obstacles to economic progress and prosperity. Among the known inequities are the divide: between rich and poor; between the hinterland and the coast; and between the educated and the uneducated. Mr. Speaker, we must close the gaps and bridge the divides wherever they exist. It is our duty; it is part of the reason why we were elected to govern this nation. The year 2016 offers us the opportunity to harness our natural and human resources to build a resilient nation - one in which our people enjoy the Good Life.

1.7 The platform for Budget 2016 is anchored on the five pillars outlined in His Excellency President David Granger's New Year's Speech. These are summarized thus:

- National Unity: We will implement policies aimed at reducing, if not eliminating, division and divisiveness in the society; and foster a more harmonious environment. In this year of our jubilee celebration, we will strive to reaffirm our motto - *'One people, One nation, One destiny.'*
- National Infrastructure: In an effort to foster integration between the coast and hinterland, with a view of increasing access to the resources of the hinterland so as to accelerate the country's development, we will be renewing, extending and expanding our physical infrastructure.
- National Institutions: We will strengthen our national institutions in furtherance of a stable legal and constitutional environment, and will pursue democratic renewal at the local government level to empower our people to better administer their communities.

- National Security: We will strengthen the national security network to better protect our country's patrimony and our citizens from both internal and external threats and aggression.
- Public Services: We will improve and extend education, health, sanitation, pure water supply, electricity services, safe and secured communities, affordable housing, adequate recreational facilities, and social protection to vulnerable and disadvantaged groups.

1.8 Mr. Speaker, in keeping with these pillars and the direction in which we are steering the economy, we have chosen the theme for this budget as, *Stimulating Growth, Restoring Confidence: The Good Life Beckons*. This theme highlights the imperative of growing and 'greening' the economy in an atmosphere of renewed hope and expectation for an improved quality of life of the citizenry. As has been the practice, this budget benefitted from widespread consultations with private sector organizations, trade union bodies and women groups, among others. For the first time, youth representatives from all ten (10) regions were invited to participate in shaping a national budget. We were particularly encouraged by our interface with them, as it gave us a first-hand understanding of many of the issues that are of immediate concern to youth. They brought with them, refreshing perspectives and inspiring thoughts that resonated with the 'fresh approach' which the Coalition Government has been advocating. It is an approach we commend to the Opposition who, though invited to budget consultations, found it inconvenient to attend. I thank all participants and wish to remind that our door remains open to anyone who would like to make a meaningful contribution to the development of our society.

2.

Global Economic Developments

2.1 Mr. Speaker, according to the World Economic Outlook, global economic growth in 2015 contracted to 3.1 percent. Growth in advanced economies was estimated at 2 percent, slightly better than in 2014. Factors responsible for this outcome included modest recovery in the Euro Area, positive growth in Japan, declining oil prices, an accommodative monetary policy and, to some extent, depreciating exchange rates. Developing economies recorded slower growth, as a result of continued low productivity growth, high debt and reduced commodity market prices. Emerging market economies were severely affected by the financial market volatility spike, in August, 2015. That, together with falling commodity prices, led to the weakening of currencies for many emerging markets and contributed to a lower growth rate of 4 percent, in 2015, compared to 4.6 percent, in 2014.

2.2 Mr. Speaker, in the Caribbean region, commodity exporters are projected to have grown by 2.0 percent and tourism dependent economies, by 2.3 percent. However, growth in Latin America and the Caribbean is projected to have declined by 0.3 percent, in 2015. Lower commodity prices have been responsible for a deterioration in the terms of trade, widening current account deficits, exchange rate depreciation and weakening investment in the region.

2.3 Mr. Speaker, prospects for 2016 are far from encouraging. Global economic developments remain hostile, with heightened uncertainties against the backdrop of increased interest rates in USA and economic slowdown in China. As a result, global growth, in 2016, is now pegged at 3.4 percent. Growth in the advanced economies is projected at 2.1 percent; emerging market and developing economies, 4.3 percent; and Latin America and the Caribbean, -0.3 percent. It is this challenging environment that Guyana's economy will have to navigate and subsist. Given the structure of our domestic economy, with its heavy dependence on primary products, in the expected mix of soft commodity prices and continued tumbling oil prices, focus has to be on accelerating production

and, through our various policy measures and reforms, stimulating growth and exports. It is against this background that I now review the performance of our economy, in 2015, and set the stage for the economy to forge ahead in 2016.

3. Developments in the Domestic Economy in 2015

A. Real Gross Domestic Product

3.1 Mr. Speaker, the budget for 2015 projected an overall real economic growth rate of 3.4 percent. This target appeared under threat at mid-year, when real economic growth was recorded at a paltry 0.7 percent. However, buoyed by accelerated activities in the rice, sugar, gold and construction sectors, as well as renewed optimism and confidence by the business community, during the second half of the year, the economy rebounded to record real growth of **3.0** percent.

B. Sectoral Performance

a. Agriculture, Forestry and Fishing

3.2 Mr. Speaker, the sugar industry returned a creditable performance, in 2015, with production growing by 6.9 percent to 231,145 metric tonnes. Though this level of production is still below the average achieved in the previous decade, the industry is showing encouraging signs of recovery. This, no doubt, can be attributed to new management and the measures taken to increase efficiency and productivity.

3.3 In spite of the uncertainty that prevailed in the rice industry, recorded output was 687,784 metric tonnes, an increase of 8.3 percent. The premature end of the Venezuelan market, which accounted for 37.5 percent of the volume of rice exported in 2014, created great turmoil for both rice farmers and millers. The Government was proactive in its assistance to the rice industry - aiding in the search for new markets and meeting payments to farmers for rice shipped to Venezuela, which could not have been made from the PetroCaribe Fund.

3.4 The livestock sub-sector grew by 5.8 percent, double the rate achieved in the previous year, while the 'other crops' sub-sector grew by 2 percent. On the

other hand, negative growth was returned by the fisheries sub-sector, 7.2 percent; and forestry, 16.2 percent.

b. Mining and Quarrying

3.5 Mr. Speaker, in spite of the downturn in bauxite (13.4 percent) and quarrying (0.3 percent), the mining and quarrying sector grew by a strong 9 percent, thanks to a very dominant performance by gold, which grew by 16.4 percent. Though the increase in gold production was attributed to the new entrants - Guyana Goldfields and Troy Inc. - it was the local miners who accounted for over 90 percent of the 451,490 ounces that were declared. The significant incentives granted to the sub-sector by this Government, undoubtedly, played a major part in the substantial increase in declaration. But, Mr. Speaker, we remain troubled by disclosures that as many as 15,000 ounces of gold per week are being smuggled out of the country, thereby robbing the country of vital developmental resources. We have begun to address this matter frontally and expect that all stakeholders in the sub-sector will play their part in bringing an end to this illegal practice.

c. Manufacturing

3.6 Mr. Speaker, the manufacturing sector achieved a growth rate of 5.3 percent. This was driven by growth in the sugar and rice industries, as well as other manufacturing.

d. Services

3.7 Mr. Speaker, the services sector expanded by 2.3 percent. Growth was returned in most sub-sectors, including transport and storage, electricity and water, Information and Communication, Financial and Insurance and Social Services. Negative growth was recorded in construction and wholesale and retail sub sectors.

C. Balance of Payments

3.8 Mr. Speaker, there was an improvement in the overall deficit of the balance of payments, which contracted by 7.5 percent to US\$107.7 million. This was principally the result of a reduction in the merchandise trade deficit, occasioned by a 17.7 percent decline in imports, which was due to lower oil prices.

3.9 Increased export receipts of gold and "other exports", by 6.7 percent and 9.4 percent respectively, ensured a small 0.2 percent increase in merchandise export earnings, to US\$1.2 billion. As expected, there were significant reductions in export receipts for bauxite (16.4 percent), timber (18.5 percent), sugar (8.1 percent), and rice (11.5 percent). The value of merchandise imports declined by 17.7 percent to US\$1.5 billion, on account of reductions in all of the categories: consumption goods, 2.7 percent; intermediate goods, 25.4 percent; and capital goods, 15.1 percent. Net payment for services contracted by 16.9 percent to US\$255.8 million. Net current transfers decreased by 9 percent to US\$416.5 million, reflecting lower inflows to the private sector in the form of workers' remittances and other current transfers. These developments allowed the current account deficit to improve to US\$144.2 million, from US\$385.2 million in 2014.

3.10 The capital account surplus fell by 66 percent, largely the result of lower disbursements to the non-financial public sector. The overall deficit was financed from the gross international reserves of the Bank of Guyana and debt forgiveness. The gross international reserves were equivalent to 3.8 months of import cover at end 2015.

D. Monetary Developments

3.11 Mr. Speaker, the monetary aggregates of reserve and broad money grew by 9.7 percent and 1.5 percent, respectively. Reserve money expanded by \$12.3 billion to \$138.2 billion. This performance was due mainly to an improvement in net domestic assets by \$23.8 billion. However, net foreign assets fell by 8.3 percent. Broad money (M2) grew at a slower rate of 1.5 percent, compared to 5.2 percent, in 2014. This performance is explained by a 19.4 percent increase in net domestic credit. Net foreign assets declined by 8.3 percent. Narrow money (M1) fell by 0.7 percent, on account of declines in demand deposits and cashiers' cheques and acceptances. In contrast, currency in circulation grew by 4.6 percent. Quasi money grew by 2.9 percent.

3.12 Net domestic credit of the banking system grew by 19.4 percent to \$185 billion. Loans and advances to the private sector grew by 6.2 percent. Credit to all sectors grew, except for the mining, manufacturing, other services and agriculture sectors. Private sector credit represented 64.1 percent of M2, compared to 61.3 percent in 2014. The public sector, which consists of deposits net of loans and advances, treasury bills and debentures, remained a net depositor with the banking system. The public enterprises (net) deposits amounted to \$45.3 billion, a 22 percent increase.

3.13 Total liquid assets of the commercial banks expanded by 14.6 percent to \$122.8 billion. The banks' excess liquid assets amounted to \$47.8 billion or 63.8 percent above the required level and reflected the banks' preference for short-term assets, comprising mainly Government of Guyana treasury bills. Treasury bills accounted for 51.9 percent of total liquid assets.

E. Prices and Income

a. Inflation

3.14 Mr. Speaker, at the time of the mid-year review, last year, the economy had already recorded deflation, that is, a reduction in the general level of prices, of 0.2 per cent. Prices were expected to remain fairly stable to the end of the year, premised on continued low level of prices of fuel and a range of consumer items, as a result of the removal of the Value Added Tax (VAT). Deflation persisted throughout the year and by end December, it had been recorded at 1.8 percent.

b. Interest Rates

3.15 Mr. Speaker, interest rates remained low, in 2015. The small savings rate was flat at 1.26 percent throughout the year, while the weighted average lending rate fell slightly, from 10.86 percent in December 2014 to 10.63 percent in December 2015. Treasury bill rates edged up over the year, with the discount rate on 91-day Treasury bills rising from 1.67 percent in December 2014 to 1.92 percent in December 2015. With the projection for global interest rates to rise in the next couple of years, upward pressure would be exerted on domestic interest rates.

c. Exchange Rate

3.16 The Guyana dollar exchange rate remained stable throughout 2015, at G\$206.5 per US\$1.

d. Income

3.17 Mr. Speaker, following our accession to office, in May 2015, the Government immediately set about to improve wages of public servants. As a result, the minimum wage was raised to \$50,000, an increase of between 17.1

percent and 26.4 percent, depending on whether the employee was receiving \$39,540 or \$42,703. Other employees received 5 percent on the salaries as at December 2014 plus an additional \$5,000 per month. Further, in December 2015 all public servants earning less than \$500,000 were paid a one-off, tax-free bonus of \$50,000, a departure from the discriminatory practice employed by the previous Administration of only paying members of the Disciplined Services.

F. Fiscal Position

a. Non-Financial Public Sector

3.18 Mr. Speaker, the non-financial public sector performed creditably in 2015, recording a deficit of \$1.2 billion (0.2 percent of GDP) compared to a deficit of \$36.4 billion (5.7 percent of GDP) in 2014. This outturn would have been worthy of commendation, had it occurred under normal circumstances. But this was not the case, in 2015. The factors which contributed to this improved performance included the late presentation of the 2015 budget, the general compression of expenditure in the first eight months of the year and the low rate of implementation of the public investment programme.

b. Central Government

3.19 Mr. Speaker, buoyed by the rebound in economic growth in the latter half of 2015, increased transfers from statutory and non-statutory agencies and the closure of several dormant government bank accounts, the total revenue collected was \$161.7 billion, 11 percent more than in 2014.

3.20 Tax revenue amounted to \$142.9 billion, an increase of 5.2 percent, which was driven primarily by increased collections of personal income taxes (11.1 percent), company income taxes (4.7 percent) and property taxes (33.6 percent). Low compliance by self employed individuals continued to be the main factor why this category lags behind other areas of income tax collection.

3.21 Excise tax collections improved to \$33.3 billion, an 18.1 percent increase. Similarly, international and trade transactions increased by \$170 million, to reach \$14 billion. Value Added Tax collections of \$35.4 billion, represented a 5.2 percent decline. One reason for this was the increase in the number of zero-rated items introduced in last year's budget. Notwithstanding the increased revenue, in 2015, the Guyana Revenue Authority remitted an estimated \$47.1 billion. While this figure is substantially lower than the \$55.6 billion remitted in 2014, strenuous effort will be exerted in 2016 to monitor concessions that are granted.

3.22 Total non-tax revenues doubled in 2015, as the Government began the phased transfer of the excess cash balances of statutory agencies to the Consolidated Fund. A total of \$7.9 billion was transferred from several agencies, including the Guyana Geology and Mines Commission (GGMC) and the National Frequency Management Unit (NFMU). In addition, \$1 billion was transferred from the Lotto Fund.

3.23 Mr. Speaker, for reasons identified earlier, total expenditure of the Central Government was severely curtailed, in 2015. Non-interest current expenditure amounted to \$141.2 billion, compared to \$127.5 billion in 2014. Increases in expenditure were recorded in the following categories: personal emoluments, 5.6 percent; other goods and services, 7.7 percent; and transfer payments, 18.3 percent. However, there was a sharp reduction in capital expenditure, from \$51 billion, in 2014, to \$30.7 billion, in 2015. These developments resulted in the overall deficit of the central government improving to 1.4 percent of GDP, in 2015, compared to 5.5 percent of GDP in 2014.

c. Public Enterprises

3.24 Mr. Speaker, the combined operations of the public enterprises resulted in a surplus of \$8.1 billion, compared to a deficit of \$1.5 billion, in 2014.

G. Debt Management

3.25 Mr. Speaker, our Government continues to prudently manage the country's public debt, in order to reduce the debt burden. I am happy to report that this has resulted in the total public debt to GDP ratio reducing from 51.9 percent, in 2014, to 48.6 percent, in 2015. By the end of 2015, the total stock of public debt stood at US\$1.5 billion, a reduction of 3.6 percent from its 2014 level.

3.26 A key component of public debt is the stock of external debt, which reduced by 6 percent, to US\$1.1 billion, at the end of 2015. This was due largely to repayments of the oil debt under the Guyana-Venezuela Rice Trade Arrangement. In 2015, Guyana concluded negotiations for two Debt Compensation Agreements with Venezuela, which reduced the oil debt by a further US\$88.7 million. In September 2015, one debt compensation agreement was signed for the amount of US\$44.9 million. The total external debt service payments also fell by 41 percent to US\$98.4 million, in 2015.

3.27 On the other hand, there was an increase of 4.2 percent in the domestic debt stock, from US\$379.8 million, in 2014, to US\$395.6 million in 2015. This increase was primarily due to higher issuance of Treasury Bills. The actual domestic debt service payment totaled US\$8.5 million, an increase by 10.9 percent.

4. Agenda 2016: Stimulating Growth, Restoring Confidence

A. Introduction

4.1 Mr. Speaker, the policies, programmes, reforms and measures envisaged in this budget are designed to stimulate the economy to achieve higher growth rates. It is an economy which is growing at ever higher rates, with the benefits being more equitably distributed, which will enable us to bring the "good life" closer to reality. We cannot continue to have the see-saw growth that has been witnessed over the past three decades and expect to solve pressing issues such as unemployment and poverty. We have to be innovative in our approach and bold in our measures, if we are to build an economy that stands on a foundation of granite. It is our view that the Agenda for 2016 provides the building blocks for a resilient economy, capable of withstanding global shocks and climate change. The Agenda also establishes a pathway for our people to face the future with renewed hope and confidence.

B. Macroeconomic Stability

4.2 Mr. Speaker, in my 2015 budget presentation, I noted that the "good life" could only be achieved on the foundation of macroeconomic stability. Last year, deliberate efforts by Government led to continued positive economic growth, stable prices and exchange rate, and a reduced debt-to-GDP ratio, while maintaining a long term debt sustainable position. Further, expansion in private sector credit reflected initial signs of improved private sector confidence in our economy.

4.3 The Ministry of Finance instituted a macro-fiscal framework to aid in the fiscal diagnosis of the economy and projections for the real sector in the medium term. Mr. Speaker, in 2016, the Government will continue to maintain macroeconomic stability, and improve the capacity for analysis that underpins economic policy decisions. Growth projections remain positive and inflation is

targeted to be within low single digits. Prudent and targeted expenditure, coupled with more effective revenue collection, and anchored by a debt sustainable position, will underpin fiscal policy. Diversification will continue in all sectors of our economy, as we aim to remove our country's vulnerability to swings in global commodity prices and climate-related challenges here at home.

C. National Unity

a. Culture and the Arts

4.4 Mr. Speaker, the Guyanese culture reflects a rich blend, born of six peoples. Whether Emancipation or Diwali, pepperpot or curry, cookup or chowmein, ginger beer or swank, we all enjoy and celebrate together. Through these lens, Mr. Speaker, there is far more that unites us than divides us. I would like us all to remember this as we consider these national estimates within this Honourable House.

4.5 This year, the Government will focus on reviewing, enhancing and implementing a National Cultural Policy, subsequent to meaningful consultation with cultural heritage and creative industry stakeholders. Whilst the policy implementation period will cover two five year cycles, specific programme initiatives will fall under a biennial 2016-2017 work programme. The policy will be premised on three areas: mainstreaming culture in national development, cultural heritage preservation, and creative industries development.

b. Social Cohesion

4.6 Mr. Speaker, while past governments have employed the rhetoric of unity, none have successfully made significant efforts in this regard nor dedicated any deliberate aspect of its day-to-day governance towards its realization. Our Government is initiating strategic actions to pursue a social cohesion agenda in Guyana. In its commitment to bridge the gaps created by social, economic and

ethnic divides, the Government held the inaugural Social Cohesion Roundtable (SCR), in 2015. The event featured both local and international experts, and was designed to engage, and gather contributions from citizens. Also, it examined inequalities within society, while simultaneously creating national awareness and sensitization among stakeholders on issues of social unity.

4.7 Mr. Speaker, Government will be deepening initiatives designed towards building and sustaining the momentum for long term social programming. Stakeholder meetings and consultations throughout the regions of Guyana will continue, and training and capacity building for social cohesion programming and management will commence. The aim is to ensure that national institutions are empowered to address issues of diversity. These initiatives will also create an enabling environment for citizens to work collaboratively within their communities to improve their socio-economic conditions.

c. Gender Equality - Equal Rights for All

4.8 Mr. Speaker, promoting gender equality has been established globally as a development strategy for reducing poverty levels among women and men, improving health and living standards and enhancing efficiency of public investments. Our Government is working assiduously to develop a society in which all girls and boys, women and men live together in safety and harmony, with dignity and mutual respect.

4.9 To enable all Guyanese to thrive in an environment in which they achieve their full potential and are equal partners in the decision-making processes, the Government is committed to establishing a national consultative process, to create a national policy on gender and development. This undertaking is expected to strengthen gender responsive structures, processes and mechanisms supporting development in which both women and men participate equally in the development efforts and have access to and benefit from the utilization of the country's resources. The National Gender Policy will be launched, in 2016.

d. Hinterland Development & Preservation of Indigenous Culture

4.10 Mr. Speaker, the hinterland, home to our Indigenous peoples, spreads across three-quarters of our nation's landmass. In His Excellency's address to the 2015 National Toshias' Council meeting, he cautioned about the general perception, hostile attitude and divisive policies meted out to our Indigenous peoples in the past, which undermined, to quote him, "...our sense of solidarity and impoverished a large section of our population alienating the hinterland regions and gradually creating 'two countries' instead of cementing our people into one nation." It is, therefore, imperative that there is integration between the hinterland and the coastland. This thematic bridging of the divide between the inequity of hinterland and coastal development initiatives forms a substantial thrust of our Government's 2016 budget prescription for corrective measures. Substantial financial provision has been made to promote the preservation of indigenous cultural identity, social integration, economic prosperity, physical infrastructure, green energy, sustainable development and the protection of Indigenous lands.

4.11 Mr. Speaker, in 2016, the Government will be investing over \$4 billion, in support of the Plan of Action for Hinterland Development. In excess of \$280 million has been allocated to promote economic prosperity, tourism development and preserving cultural identity. This sum is inclusive of grants for 211 Indigenous communities that will build village economies and fund eco-tourism projects specifically for our nation's 50th Independence celebration. It also includes support to women's groups, the construction of community centres and the procurement of musical instruments, sports gear and sewing machines.

4.12 Mr. Speaker, the Ministry of Indigenous Peoples' Affairs will work with communities to prioritize the outcomes they want to achieve, and identify the key barriers to achieving them. The Ministry will assist communities in designing projects that take a comprehensive approach to addressing their particular challenges. It will help communities develop plans to mitigate risks to

development projects, and plans for maintaining valuable community assets. Finally, the Ministry will help communities develop evaluation plans to assess whether their objectives were achieved, and identify lessons learned to improve future project implementation.

4.13 Mr. Speaker, in order to support hinterland education, the Government has made provision for the design of a new dormitory at Liliendaal, to accommodate students with interest in enrolling in institutions of higher learning. There will also be support to the Bina Hill Institute and the procurement of buses for the transportation of school children. Additionally, nearly \$1 billion has been budgeted for the Hinterland Employment and Youth Service (HEYS) project. Launched in October 2015, the project will prepare youth for leadership roles in their communities. In 2016, the project will provide training for more than 1,000 hinterland youths in areas such as garment construction, carpentry, joinery and entrepreneurship. It will entail six months of classroom training and six months of practical training. Participants will benefit from a stipend (part of which will be saved on a monthly basis) as well as business mentoring. On completion of the training, participants will have the opportunity to develop viable business plans, which will be awarded grants for start-up. Moreover, education assistance for hinterland students will be fortified with the provision of school uniforms for over 30,000 school children at a cost of over \$89 million and over 450 hinterland students will benefit from the Hinterland Scholarship Programme.

4.14 Mr. Speaker, lack of access to markets is often a key barrier to community development. Communities will not benefit from new technologies or training if they cannot sell their products to a market for a profit. Costly transportation makes it difficult for hinterland communities to market their products and sell them at a competitive price. To help narrow the gap in living standards of residents of our coastal and hinterland regions, the Government has allocated over \$2 billion for the establishment and improvement of physical infrastructure throughout the hinterland regions, in 2016. Of this amount, the sum of \$1.7

billion has been identified for the rehabilitation and surfacing of roads in areas such as Mahdia, Bartica, Ituni, Kurupukari, Tabatinga and Port Kaituma. Additionally, provision is made for the rehabilitation of Bartica stelling. Under the Hinterland Electrification Programme, over 6,000 solar home systems have been installed in communities in Regions 1, 7, 8 and 9. During this year, electricity systems in St. Cuthbert's Mission, in Region 4; Orealla and Siparuta, in Region 6; and Culvert City, in Region 9, will be extended. The extension of these networks is intended to enhance the capacity of the grid to serve a larger segment of the population residing in these communities.

4.15 Mr. Speaker, it is essential that public services touch every corner of our country. To make this possible, the provision to the National Communication Network has been increased to cater for the establishment of new communication stations in the hinterland regions. The intent is to extend the frequency of national radio and television to our Indigenous brothers and sisters in near and far flung areas. New stations will help to promote our Indigenous languages, culture and way of life while bridging the divide between coast and hinterland.

e. 50th Anniversary of Independence

4.16 Mr. Speaker, His Excellency President David Granger has charged the members of this Honourable House to "open avenues of cooperation and agreement so that we can join hearts and hands for the common good". As we collectively strengthen ties of unity, this year, we call on all Guyanese to reflect on the journey of the past 50 years, taking into account the people and experiences that have shaped our history and the lessons learnt, while mindful of the opportunities we have missed. This is a time of reflection and celebration, even as we provide inspiration and tools for our young people to dream bigger and reach higher over the next 50 years. The generation that pauses to reflect during our Centenary Celebrations must be able to savour the legacy of the last 50 years. This year is the beginning of the creation that legacy. Mr. Speaker, notwithstanding the allocation for the specific events surrounding our 50th

Anniversary, Budget 2016 - indeed, all future budgets - is dedicated to ensuring the path to the good life is secured for generations to come. A sum of \$300 million has been budgeted to support activities in celebration of our Golden Jubilee year.

D. National Infrastructure

a. Knowledge-Driven Government and Industries

4.17 Mr. Speaker, information and communication technologies (ICTs) have changed the way the world does business. In fact, His Excellency President David Granger adverted to this when he noted, “Data and information and communication technologies, increasingly, will become drivers of economic growth. They will allow us to develop new products and services, improve competitiveness and transform the business, health and education sectors. We will ensure that more teachers, more students and more schools go online over the next decade.” Mr. Speaker, in providing a better life for all Guyanese, the Government is dedicated to investing in ICT infrastructure and related services, to ensure knowledge-driven government and industries.

4.18 Last year, we invested \$2.5 billion in the ICT sector. This year, we propose investing, through the Guyana REDD+ Investment Fund (GRIF), about \$3.1 billion for the ICT Access and E-Services for Hinterland, Poor and Remote Communities Project. The project will provide infrastructure, equipment, hardware and software, so as to enable access to quality ICT, training and e-services, including distance learning, with particular focus on our vulnerable groups. It will ensure the development of a digital knowledge-based society, enhance national efficiency and competitiveness, and promote sustainable growth and development.

4.19 This year, the Government has allocated an initial \$25 million for the establishment of a Centre of Excellence in Information Technology (CEIT). The

Centre forms the basis for the requisite education of ICT professionals and knowledge workers in the public sector and partner agencies. Additionally, the e-Government initiative will improve the efficiency and transparency of governance in Guyana, by using ICT to facilitate better communication and data sharing among agencies, and to achieve seamless service delivery to all stakeholders for any service across government agencies. In 2016, provision has been made for the upgrade of the software used by government agencies; modernizing and digitizing the operations of the companies, land and civil registries. Also, the Integrated Crime Information System (ICIS) will be expanded to divisions and subdivisions of the Guyana Police Force. These are all necessary foundation elements in the drive to deliver on the commitment of a single window to “One Government” by 2020.

4.20 Mr. Speaker, the Government will conclude negotiations with ATN and GT&T, with a view of bringing to an end GT&T's claim to a monopoly over international voice and data transmissions and domestic wireline service. Draft legislation (Bills, Regulations, and model Licences) have already been developed that will inform and govern a liberalized telecommunications regime. The Government is committed to having these Bills tabled and passed this year.

4.21 Mr. Speaker, as part of creating the enabling environment for full electronic commerce and electronic government, we will table legislation governing electronic transactions and digital signatures, utilizing comprehensive model laws already developed for our region. In keeping with our philosophy of accountable government, and with due regard to the risks associated with automation, we will also table privacy and data protection legislation that will bind both government and private sector operators, who hold sensitive personal data, to the same standards of care.

b. Business and Investment

4.22 Mr. Speaker, to make Guyana more business-friendly, the Government will support private businesses by cutting bureaucratic red tape and making official procedures easier to navigate. We will seek financing to implement the Single Window Automated Processing System (SWAPS). When established, the SWAPS will link licensing bodies to the Custom and Trade Administration to facilitate the sharing of information and to enhance the efficiency with which trade transactions are carried out. These improved procedures will not only reduce the amount of time that private businesses spend mired in paperwork, but also increase government accountability, reduce corruption, and make data and information more accessible. The Ministry of Business is also establishing a Help Desk for businesses, which will act as a single point of contact for information and advice for businesses, traders, and the Government.

4.23 Mr. Speaker, while consumers and large businesses can access loans, small businesses commonly face a financing gap. Our Government, in 2016, intends to further reduce bottlenecks in accessing finance through the implementation of the Micro and Small Enterprise Development (MSED) initiative. To build both generic and sector specific skills, training opportunities for entrepreneurs will be expanded to cover all ten administrative regions, with special emphasis on business operators in the mining and forestry sectors. This year, 400 entrepreneurs will be targeted to benefit from training.

4.24 Mr. Speaker, as a small economy, we must work to enhance our brand and visibility as an investment destination. GO-Invest is working to improve agency websites and develop partnerships with other investment promotion agencies worldwide. In 2016, GO-Invest will increase its engagements with the diaspora to re-invest at home. Publicizing Guyana's unique advantages will attract new and diverse industries. In 2015, GO-Invest facilitated 148 projects across 7 economic sectors, namely, agriculture, light manufacturing, tourism, services, forestry, information and communication technology and energy. The potential value of

investment facilitated amounted to \$89.3 billion, while the total potential jobs numbered about 8,400. GO-Invest also facilitated 44 foreign direct investments. In 2016, the agency hopes to facilitate 160 new investments worth a total of \$11 billion.

4.25 Mr. Speaker, another challenge that investors in Guyana face is finding adequate facilities with full utility services. Our Government is addressing this problem by upgrading and building industrial estates at Belvedere and Lethem will facilitate business ventures in such areas as light manufacturing, woodworking and fabrication, creating over 3,000 new jobs.

c. Managing the Extractive Sector

4.26 Mr. Speaker, the extractive sector plays a crucial role in underpinning our economy. Our mineral and non-mineral commodities provide untapped opportunities that when fully realized, will undoubtedly provide revenue for both current and future generations. Although our extractive industries were hindered by low global prices in 2015, there were many positive developments. For instance, the gold industry achieved unprecedented levels of production, spurred by the coming on stream of two large gold operations. Permanent and temporary employment will continue to be generated as these two gold companies continue their expansion within the mining industry. Such bold investments are vital for economic growth and development and will be encouraged by this administration. Notwithstanding, the small and medium scaled operators in the sector have struggled somewhat, due to low commodity prices. In addition, many small-scale miners, who received concessions in 2015, were unable to take up these opportunities due to lack of tax compliance. This is indeed a cause for concern, as every Guyanese must pay their fair share of taxes. We intend to work closely with the gold mining sector to ensure sensitization on this issue. Despite these challenges, the valiant efforts of our local miners must be applauded, for it is the gold industry that will continue to drive growth in the economy over the

medium term. The Government will continue to work with the extractive sectors to support increased production that is environmentally and socially sustainable.

4.27 Mr. Speaker, petroleum is poised to become an important industry for Guyana. Following earlier discoveries, Exxon Mobil will undertake further exploratory drilling of the Liza Well. Additionally, a Petroleum Prospecting Licence and Production Sharing Agreement have been signed, recently, with Tullow Guyana B.V. and Eco (Atlantic) Guyana Inc. for a small concession called the Orinduik Block, just offshore of Guyana and close to Exxon Mobil's discovery. Despite low oil prices, which are expected to continue through next year, all licensed operators remain committed and new venture interests are considered on a regular basis. These investments will bring fruitful rewards to the Guyanese, people through increased revenues, employment and income, which will propel Guyana towards achieving national as well as sustainable development goals. The preparedness of Guyanese to respond to the needs of this growing sector is critical, and as such, much emphasis will be placed on capacity building during the year.

4.28 The bauxite sector underperformed in 2015, largely due to low commodity prices. During 2016, the sector will continue to face challenges, as commodity prices are expected to remain low. Work is presently underway to stimulate greater foreign and local investment in the forestry sector, especially in value added activities. Sustainable management of the forestry resources will continue through community training and capacity building, which will target over 400 persons. The Government, through the Ministry of Natural Resources, will continue to work along with the international community to develop a comprehensive, equitable and sustainable international regime of compensation for the provision of climate amelioration services provided by Guyana.

4.29 Mr. Speaker, it is important that the extractive industries that fuel our growth today also provide for the future of our children tomorrow. In an effort to ensure that the benefits accrued from this sector reach every Guyanese for

generations to come, the Government will finalize the framework for a Sovereign Wealth Fund in 2016.

d. Production Transformation and Agricultural Diversification

4.30 Mr. Speaker, Guyana's vision for agriculture by 2020 is to promote the sector as a wealth generator and entrepreneurial enterprise, producing food and non-food commodities to meet the needs of the country and our regional and international partners. Issues of national and regional food security mandate that we must diversify into new crops and open up new lands for agriculture in areas not prone to flooding. The promotion of non-traditional agriculture, aquaculture, and food processing, alongside the commodities that have traditionally dominated our agricultural landscape, must bear fruit in coming years. The Government, therefore, remains committed to the promotion of agricultural diversification initiatives, while also restoring the competitiveness of the traditional agricultural sectors.

4.31 The Ministry of Agriculture has adopted a strategy which focuses on five F's: food security, fiber and nutritious food, fuel production, fashion and health products, and furniture and craft. Mr. Speaker, in this budget, we are putting forward a set of practical action plans, linked to measurable targets, in all of these five areas. In total, **\$20.3 billion** has been allocated to the agricultural sector to create an economic environment in which farming and agro-processing operations can grow the economy and create employment. To this end, in excess of \$598 million is allocated to enhance diversified agriculture in the hinterland, riverain communities and the intermediate and Rupununi savannahs.

4.32 Mr. Speaker, diversification will make our agricultural sector more resilient to economic shocks. The Government proposes to establish several research, training and extension facilities in such locations as Ebini, Hosororo, Manari and Bina Hill, to promote sustainable food production systems that can

help maintain the ecosystem and strengthen the capacity for adaptation to climate change, drought, flooding and other disasters.

4.33 Mr. Speaker, as the agricultural sector moves forward, our traditional industries—sugar and rice—must not be forgotten. Although GuySuCo surpassed its 2015 production targets, the industry is threatened by weakening sugar prices, aged machinery and high production costs. In 2016, the Government will inject \$9 billion to assist the industry in its recovery and modernization programme. Similarly, though surpassing its target last year, the rice industry remains challenged in terms of cost of production and competitiveness. The Government will continue to support the industry to access new trade partners, following the collapse of the lucrative Venezuelan market.

4.34 Mr. Speaker, livestock production is another important industry within the agricultural sector. The Government intends to re-energize the cattle industry through the development of a milk pasteurization plant. Additionally, plans are underway for the development of 4,000 acres of state lands, situated in Region 9, for the purpose of constructing an agriculture station. This station will serve as a pilot for the sustainable harvesting of surface water for agriculture in this region. The land will be utilized for the rearing of cattle and small ruminants; aquaculture; and planting of rice and vegetables. The livestock sub-sector will be further fortified with increased focus on animal health to address known and emerging diseases.

4.35 Mr. Speaker, Guyana is blessed not only with lush growing conditions, but also with bountiful rivers and the sea. Increased focus in the fisheries sector will see the promotion of the sustainability of the marine fishery resources through continued efforts to attain Marine Stewardship Certification for the sea bob sub-sector. This will be complemented with the full implementation of the Vessel Monitoring System on all trawlers and the enforcement of no-trawl zones and the harvest control rule. Further, the Government will support innovation in

sustainable aquaculture and inland fisheries sector with research and promotion of new marketable species.

e. Addressing the Infrastructure Deficit

4.36 Mr. Speaker, the absence of well-developed infrastructure has impeded the country's development in several ways. Inadequate transport linkages across Guyana have increased production costs, making many of our products uncompetitive in world markets. Limited road, water and air access across Guyana has obstructed our ability to fully exploit the abundant opportunities in our tourism and natural resources sectors. Skewed transport road network development systems have thwarted the creation of employment opportunities in areas outside of the coastland. Sub-optimal infrastructure in housing settlements has prevented the development of sustainable communities. We have recognized these impediments. This is why this budget has placed a high priority on infrastructural development.

4.37 Mr. Speaker, our existing road network is incapable of meeting the rapid growth in vehicular traffic over the last decade. The consequences of this mismatch are many, including frustration of all road users; lost time and productivity due to delays; and frequent accidents, many of them deadly. The recently-expanded East Bank Demerara Road is already incapable of accommodating the flow of traffic into the country's capital, while the East Coast and West Coast Roads can be harrowing during rush hours.

4.38 To address this lacuna, the Government has concluded a sustainable urban transport plan, which includes, among other things, a traffic model for Georgetown, a parking management plan, regularization of mini-bus operations, provision of public transport facilities, and the use of public transport and non-motorised modes in the most congested areas. In addition, we have budgeted **\$14.4** billion to continue the upgrade, expansion and rehabilitation of our network of roads and bridges. The Government is finalizing negotiations with the

Government of China for the construction of the East Coast Highway, from Better Hope to Belfield. In collaboration with the IDB, the Government will, this year, conduct studies and designs for an improved East Coast Railway Embankment Road, entailing the construction of bridges between Sheriff Street and Mahaica; the upgrade of the current embankment road, from Sheriff Street to Enmore; and the extension of the embankment road, from Enmore to Mahaica. Additionally, we will be investing over \$5.0 billion in the reconstruction of Sheriff Street that will facilitate improved traffic safety features, including pedestrian overhead crossings at strategic locations.

4.39 Shortly, a US\$50 million loan will be signed with the Government of India to construct a new road link between Ogle on the East Coast of Demerara and Diamond on the East Bank of Demerara. The proposed new road will intersect several communities, including Sophia, South and North Ruimveldt, Eccles and Providence, creating an alternative access route to these densely populated areas, expanding business opportunities and opening new lands for housing development. Overtime, it is the vision of the Government to extend this East Bank-East Coast road link, to connect the Ogle International Airport and the Cheddi Jagan International Airport. We will invest \$2.3 billion to upgrade the West Coast Demerara Road, from Parika to Vreed-en-Hoop. The works include widening the corridor and improving road safety features.

4.40 Mr. Speaker, connectivity between West Demerara and Essequibo Coast and Islands is severely challenged by the current aged floating bridge across the Demerara River. The daily traffic bottlenecks to access and exit the city create untold hardships for commuters and business alike. We must construct a fixed high-level bridge to facilitate easy commute and allow for improved river navigation. We are committed to this project and, in this regard, have made provision, in this budget, for the conduct of the feasibility study. This is the first step to realizing a public-private-partnership for construction of the bridge.

4.41 Addressing the deplorable and underdeveloped infrastructural facilities in the hinterland region is paramount on the Government's infrastructural development agenda. The Government will pursue several initiatives, in an effort to expand the integration of road networks into our intermediate savannahs, thereby helping to bridge the divide between our vast rural and hinterland communities and the coastland. A total of \$6.72 billion has been allocated for the improvement of hinterland, rural and urban community roads in Bartica, Mahdia, Ituni/Kwakwani, Puruni/Itaballi, Mabaruma and Port Kaituma/Baramita and the Sophia ring road, among others. In collaboration with the IDB, we will commence activities to facilitate the complete rehabilitation of the 47 year old Soesdyke/Linden Highway. In the meanwhile, critical works will be undertaken to preserve its upkeep. Concurrently, maintenance works will be undertaken on the Linden/Kwakwani corridor. Over the longer term, we aim to fully pave this road so as to open access to communities in Ituni, Aroraima, Kwakwani, Ebini, Kimbia and other remote areas along the Berbice River. A feasibility study for the reconstruction of the existing bridge which links the communities of Wismar and MacKenzie will also be carried out.

4.42 An alternative link to Bartica and other hinterland communities would be created when on-going negotiations with our development partners to construct the Parika/Goshen road are finalized. Additional resources have been made available to expand efforts currently being undertaken to improve farm-to-market access roads at Parika, Ruby and Laluni. We are in discussions with the same donor for new farm access interventions in Triumph, Buxton and Ithaca, in order to stimulate micro-farms and small scale agro- processing initiatives.

4.43 Mr. Speaker, the full potential of residents living on the banks of our numerous rivers and waterways has been inhibited by the poor and inadequate river transport network. To vastly improve river connections between the coast and riverain areas and remote regions, the ageing fleet of vessels must be replaced. In this regard, the Government expects to conclude arrangements, soon, with the Government of India, for financing to procure new river transport

vessels. In addition, private financing is being explored for the purchase of at least two, semi-new vessels. To complement spending on the new fleet of ferries, emphasis will be placed on navigational aids and improving stelling and wharves. To this end, the Government has started preparations to access the UK–Caribbean Infrastructure Fund (CIF), to upgrade and reconstruct several facilities in Georgetown, Parika, Port Kaituma, Kumaka and Bartica, among other areas.

4.44 Mr. Speaker, on a related and very important matter, navigation of Port Georgetown is severely hampered because of the siltation of the channel and the presence of several wreckages. This has led to restrictions in container traffic and increased cost of shipping. Similarly, our main rivers and creeks are clogged and, oft times, are inaccessible to our ferries and water taxis. To avert a potential crisis, the Government will aim to secure funding, through the UK-CIF, to purchase a dredge. It is expected that the dredge will be managed and operated in collaboration with Maritime Administration Department (MARAD) and the Shipping Association of Guyana (SAG). In 2016, an amount of \$1.3 billion is budgeted for works to commence on the rehabilitation of the Bartica stelling and the goods wharf at Kingston; docking of dredges and ferry vessels; dredging of the Demerara and Essequibo Rivers; and installation and maintenance of navigational aids.

4.45 Mr. Speaker, works will begin on a phased waterfront development programme over the next 5 years. This investment, estimated to cost over \$1.6 billion, will see the development of state-of-the-art waterfront facilities, which will be on par with those in the Caribbean. This development will target Kitty, Kingston, Stabroek, Vreed-en-Hoop, Supenaam and Skeldon. The proposed project will include boardwalks; recreational areas; modernized ramps for ferries and water taxis; and a dockyard for yachts. The initiative will serve as a recreational and tourist attraction, and will create opportunities for small business development.

4.46 Mr. Speaker, the growth of the air services industry, with injections of new and improved technologies and the ever-expanding list of travel destinations being offered to our people, has induced Government to undertake a massive upgrade of our airports and aerodromes. An allocation of \$5.2 billion has been made for the continued development of the air services industry, including the expansion of the Cheddi Jagan International Airport. The improved facilities at the Ogle International Airport has led to increased services to multiple local and overseas destinations, inclusive of commercial flights at nights. The extension and upgrade of the Ogle runway has transformed the airport into a Regional hub, linking Georgetown to Suriname, Barbados and Trinidad. We are currently pursuing financing, in an effort to upgrade many of our hinterland airstrips at Eteringbang, Annai, Paramakatoi, Kurupung, Kato, Kopinang, Monkey Mountain and other locations. The Government is earmarking over \$2 billion, in the medium term, for its Airstrips and Aerodromes Improvement Programme.

4.47 Mr. Speaker, similar to the experiences of Small Island Developing States (SIDs), Guyana is most vulnerable to climate change impacts. We continue to be threatened by rising sea levels and an aged and weakened sea defence system. With the heart of Guyana, Georgetown, being in the sight of the mighty Atlantic Ocean, significant investments must be made to protect people, property, livelihoods and infrastructure. The Government has developed long term sea and river interventions with several donors. We have negotiated sea and river defence programmes amounting to over \$6 billion to erect and strengthen our bulwarks as well as to fashion a comprehensive instrument for coexisting harmoniously with our ocean and rivers. To support these efforts, the Mangrove Restoration Project and the Shorezone Management Plan will focus on developing natural mangrove regeneration initiatives that facilitate eco-friendly solutions while preserving the livelihood of people living in close proximity to the sea.

f. Energy

4.48 Mr. Speaker, the current fluctuation and volatility of oil prices has convinced the Government of the correctness of its policy of "greening" the economy through adopting clean energy solutions. The Government is currently collaborating with the IDB to define an energy matrix that will determine the best blend of energy options to ultimately boost the resilience of the energy sector. A draft of this matrix has been completed and it is expected to be finalized this year. One option that has been presented in the matrix is the Amaila Falls Hydro Project, which was determined by the Coalition Government to be not viable in its current configuration. The Government of Guyana and the Kingdom of Norway are currently engaged in discussions for a final review and determination of the future of this Project.

4.49 Mr. Speaker, the Government's thrust towards creating sustainable cities and communities that are powered by green energy solutions is being actively pursued. The Government proposes to prioritize the construction of four mini-hydro power stations at Kamaira, Kumu, Tumatumari and Tiger Hill, which will contribute to development efforts in the communities identified for upgrade to towns. The Government has invited expressions of interest (EOI) from firms for the rehabilitation and operation of the Moco Moco Hydropower Scheme, under a Build, Own, Operate and Transfer (BOOT) arrangement, to supply power to the Lethem Power Company Inc.

4.50 Mr. Speaker, the Tumatumari Hydropower Scheme is also being re-developed by a private company, Tumatumari Hydropower Inc. (THI). The company is seeking to supply Mahdia with electricity through a power purchase agreement (PPA) with Mahdia Power and Light Inc. The Government is currently in discussions with THI for the completion of a hydropower development so that consumers at Mahdia can enjoy the lowest possible electricity rates. Accordingly, the Government intends to finance part of the scheme, using funding from the

Global Environmental Facility (GEF), which is being managed by the IDB, under the Sustainable Energy Program for Guyana.

4.51 In 2016, the Government will invest \$2.5 billion in initiatives to improve GPL's operational management capabilities. Approximately 830 km of the main distribution network will be rehabilitated, with a focus on reducing electricity losses and improving the safety and reliability of the electrical system. The Government is examining a number of un-served areas with a view of providing electricity to residents in those excluded communities, so as to improve living conditions.

4.52 The Government is negotiating a power purchase agreement with a private developer for a US\$50 million wind farm at Hope Beach. This facility is expected to provide an additional 25 megawatts of power to the national grid. Currently, the Guyana Power and Light (GPL) generates power at an average weighted cost of US\$0.28 per kilowatt hour. The new project will likely offer GPL energy at less than half that cost, which will translate to lower electricity tariffs to consumers.

g. Environment and Protected Areas

4.53 Mr. Speaker, Guyana's strategic geophysical location within the world's largest rainforest reserve in the Western Hemisphere places it among the countries with the most intact environmental assets. This natural endowment affords us the unique opportunity to provide for global environmental resilience and at the same time, earn environmental and carbon credits to address the developmental needs of our citizens. It is within this challenge of preserving our vast rainforest and environmental heritage, while pursuing a green-growth pathway, that lies our greatest opportunities. In 2016, Government will focus particular attention on this aspect of our development, as committed in our Manifesto promise "to adopt a long-term sustainable economic development plan to realize the vast potential of this country."

4.54 Mr. Speaker, in this budget, provision is made for the sustainable use and conservation of our nation's nature reserves and protected areas. Therein resides a vast array of world renowned flora and fauna; national treasures such as the harpy eagle, arapaima, leatherback turtles, jaguars and canje pheasants, to name a few. In this regard, Government has committed, in 2016, to develop a comprehensive project, costing over \$1.5 billion, to fund the development of our botanical and zoological parks and protected areas.

4.55 Mr. Speaker, we will also be focusing our attention on the beautification and rehabilitation of the three parks, in an effort to reinvigorate pride, educate the citizenry and ensure the enjoyment of the national patrimony. To complement this national drive, Government will invest immediately \$114 million to improve public facilities in our urban parks. We intend to expand the National Protected Areas System to include indigenous lands such as Konashen. Additionally, public education efforts will be launched, to create awareness and provide educational material to develop public knowledge and increase national pride in Guyana's nature treasures. Initiatives to support sustainable livelihood around hinterland protected areas will be a priority.

4.56 The Environmental Protection Agency (EPA) will continue to develop and implement policies, legislation and strategies to coordinate programmes for conservation and sustainable use of biodiversity. The agency will benefit from equipment which will allow for better execution of its mandate. Additionally, a sum of \$200 million is anticipated to provide for the construction of a new building for the EPA, of which \$40 million is allocated in this year's budget to conclude the design and commence construction. The building will facilitate a laboratory for the testing of particles to ensure that businesses comply with stringent environmental regulations and standards.

4.57 Other key interventions for 2016 include the restructuring of the EPA; implementation of Environmental Protection Compliance and Enforcement regulations, aimed at strengthening management of environmental and social

impacts of development activities in the economic sectors of Guyana; continuing the awareness campaign for the ban on the use of styrofoam; and the finalization of Zoo regulations. The need for the conservation and management of our wildlife resources will also be addressed through establishment of a new entity to regulate both domestic and international trade within the sector, whilst addressing issues of smuggling.

h. Destination Guyana

4.58 Mr. Speaker, this Government recognizes the immense value to be garnered from further advancing Guyana's tourism. Momentum is being built through both public and private sector investments. Already, the cleaning of our city has begun to restore its beauty and attract new visitors. In 2015, the Government continued to support the tourism industry through product development and marketing, under the new initiative 'Guyana, South America Undiscovered'.

4.59 Mr. Speaker, our Golden Jubilee Year marks an opportunity for us to welcome visitors, new and old. Later this year, a four-day Jubilee Festival will be held at the national stadium, complemented by local events across the country, showcasing Guyanese musical, cultural and craft traditions. Marketing efforts will focus on campaigns such as the 'Home Coming Guyana' initiative, which will be targeted to the Guyanese Diaspora. Other events planned for 2016 include the Coconut Festival, an agri-tourism event promoting coconut products and the development of their value chain.

4.60 The Government has engaged the Caribbean Tourism Organization to guide the production of tourism satellite accounting to generate meaningful data about the industry, including its contribution to GDP. Going forward, the Government will develop an operational plan to realize the intent of the recently revised National Tourism Policy, which will lay a foundation for tourism development and ensure collaboration between Government and all

stakeholders. It will focus on areas such as bird watching, eco-tourism, adventure tourism, wildlife watching, community based tourism, sports fishing, sports tourism, yachting and cruise visits, entertainment and events and heritage/cultural tourism. This policy and operational plan will emphasize the role of tourism in providing jobs and economic growth throughout Guyana, but especially in the hinterlands.

E. National Institutions

a. Governance and Justice

4.61 Mr. Speaker, strengthening governance and judicial institutions will remain on the front burner. The Governance Office will collaborate with key rights and state Commissions, including the Office of the Ombudsman and the Integrity Commission. It will also ensure adherence, by Guyana, to our obligations under a number of international human rights treaties and conventions. During this year, the Governance Office will coordinate and fast-track the process for establishing the Public Procurement Commission, and will be pro-active in enacting a code of conduct for ministers of government and parliamentarians. Simultaneously, the Office will coordinate implementation of recommendations by the steering committee on Constitutional Reform. The Government has made provision for establishment of a broad-based constitutional reform commission and expects this commission to begin work during this year.

4.62 Mr. Speaker, in keeping with this Administration's commitment to uphold the Constitution with regard to the independence of constitutional bodies, Act No. 2 of 2015 Constitution (Amendment) Act 2015 and the Fiscal Management and Accountability (Amendment) Act 2015 were passed and implemented. These paved the way for the financial autonomy of constitutional bodies, as witnessed by the National Assembly's approval, on January 7, 2016, of their 2016 budgets ahead of presentation and approval of the National Budget. These agencies will

continue to provide annual reports and audited financial statements, in keeping with the reporting requirements under the FMAA 2003. In addition, Government will keep under consideration, the creation of a Parliamentary Budget Office to support the functioning of Parliament.

4.63 Mr. Speaker, in the area of justice, several interventions will combine to ensure a procedural justice system that is fair and accessible to all Guyanese. Investors' and citizens' trust in a nation is hinged on the ability of the Government to guarantee good enforcement of rights. Sound and fair laws coupled with an effective court system promotes a peaceful society and a thriving business atmosphere in which investor security is assured. National courts must provide effective judicial protection to all - irrespective of race, creed, gender, societal status, religious persuasion or political affiliation. The Government has been paying increasing attention to reforms intended to improve law and justice institutions. Over the medium term, a \$1 billion will be invested in strengthening the justice sector.

b. Building Sustainable Communities

i. Local Government Systems

4.64 Mr. Speaker, after a hiatus of over 19 years, the long awaited Local Government Elections will be held on March 18, 2016, in the 9 municipalities and 62 Neighbourhood Democratic Councils (NDCs) countrywide. The people are eager to practice local democracy, through participatory methods. Local representatives elected by citizens will play a critical role in ensuring the towns, municipalities and villages have better management and more accountability and autonomy in local affairs. With new life breathed into local government, it is expected that the new system will provide for more effective maintenance of community roads, streets, street lights, drainage canals, playgrounds, and solid waste management at the community level.

4.65 In keeping with the philosophy that strong regions will lead to a strong nation, this administration has undertaken to prepare a Plan of Action for Regional Development (PARD) in all of our administrative regions. In 2015, significant advancement was made in the completion of the pilot draft PARD for Region 10, which outlines a development agenda over the next 10 years. The process of preparation involves region-wide consultations with all major stakeholders. In 2016, this process will be replicated in two additional administrative regions drawn from the coastland and hinterland.

ii. Water

4.66 Mr. Speaker, under the tenet that access to potable water is a fundamental human right, we further strengthen systems in order to achieve the targeted outcomes in the water sector. We will resuscitate the National Water Council, the Non-Revenue Water Reduction Programme and the Dakoura Creek Watershed Protection Plan. In tandem with these initiatives, will be our drive to increase national water delivery coverage. In this regard, we spent \$1.6 billion, in 2015, to expand and rehabilitate the water supply and distribution systems across the country. For the first time, over 1,200 residents are receiving potable water in Ann's Grove, Angoy's Avenue and Friendship.

4.67 Another \$4 billion has been allocated this year to improve and expand access to water across Guyana. Areas that will be targeted for water supply and line distribution improvements and expansion include Paramakatoi, Mahdia, Mabaruma, Port Kaituma, Hubu to Naamless, Waia Kabra, Yarrowkabra, Area 'C' Golden Grove, Victoria, Lusignan, Le Ressouvenir, Vryheid's Lust, Albouystown, West La Penitence, Baramita, Parakees, Canal Bank, Belladrum, Lovely Lass, Itaballi and Tiger Pond. Over 18,000 persons are expected to benefit from these improvements while another 11,000 persons will benefit from the rehabilitation of water treatment plants at Cotton Tree and Bartica. New wells are earmarked for Vergenoegen and Lima Sands while a ground storage facility will be installed in Sophia. We have allocated \$2.0 billion for the drilling of new wells at Uitvlugt,

Diamond and Sheet Anchor. Further, a programme costing \$5.6 billion is being designed that will see new water treatment plants constructed at Friendship, Hope Estate, Bush Lot, Leguan, Bartica, Port Kaituma, Mabaruma and other locations in Regions 2 and 6.

iii. Sanitation

4.68 Mr. Speaker, upon the assumption of office, this Government heralded the rebirth of “my clean space” and the public’s response shows that the Guyanese people have embraced and are championing this initiative. Last year, we initiated the Georgetown Restoration Programme, for which \$300 million was allocated. This programme realized the transformation of several communities within Georgetown. Families can now enjoy restored areas designated for recreation and entertainment. To further advance this successful initiative, Government in 2016 has budgeted a further \$200 million, while another \$319 million will be expended on the Solid Waste Disposal Management Programme. This year, we expect to finalize the National Solid Waste Management Strategy; establish an inventory of all future landfill sites; and construct a sanitary landfill site in Bartica which will bring much needed relief for residents of this community. Other activities include the execution of critical drainage and clean-up works within the local communities of the city which will be executed by community groups. We intend to seek financing, through the UK-CIF, to complete Cell 1 of Haags Bosch Sanitary Landfill, operationalize Cell 2, and upgrade sanitation facilities in the existing six townships.

iv. Housing

4.69 Mr. Speaker, the Government will forge ahead with its programme of establishing cohesive communities in which serviced lots, other social infrastructure and amenities, including green spaces, parks and recreational facilities, are provided to ensure an improved quality of life. In 2015, we expended the sum of \$1.9 billion on infrastructural improvements in housing

schemes. Additionally, 74 turn-key homes were built and over 4,000 land titles distributed. The high rate of possession of these turn-key homes and lots indicates that new home owners are eager to realize their dream of home ownership. In 2016, we will continue with infrastructure works in existing housing schemes, including the installation of electricity and provision for potable water. New housing developments will commence in areas such as Perseverance, Stewartville, Cummings Lodge, Prospect, Williamsburg and Amelia's Ward. In the hinterland regions, we will spend over \$644 million, to expand the Hinterland Housing Project, which will provide housing subsidy for the construction of houses and the replacement of roofs in Regions 1 and 9.

4.70 Mr. Speaker, I am pleased to announce that approximately \$4.2 billion has been earmarked to assist in developing the four communities identified to be upgraded to township, namely Mabaruma, Bartica, Mahdia and Lethem. This investment will realize the decentralization of key Government systems into these communities as well as provide for the establishment and upgrading of critical infrastructure. The Government stands steadfast in its pledge to make these imminent towns thriving economic centres.

c. Financial Sector Reform

i. Bank of Guyana

4.71 Mr. Speaker, every person in Guyana should have access to financial services: savings, loans, and the systems that facilitate financial transactions. The Government is committed to supporting the development of the financial sector and improving its ability to meet the needs of everyone. The following actions will be taken this year:

- The Bank of Guyana will license cambios located outside of Georgetown, in order to facilitate businesses and individuals who reside in rural, hinterland and other remote or isolated areas.

- The Bank of Guyana will conduct a study on implementing deposit insurance in Guyana, with the goal of rolling out a deposit guarantee scheme by 2017. This action takes on heightened importance to protect businesses and individuals from losses in the case of a bank failure.
- The Bank of Guyana will examine the feasibility of agency banking, which would allow local non-banks to provide some financial services. Agency banking has the potential to dramatically improve access to banking in rural communities. The Bank of Guyana also plans to support the expansion of mobile money, which would allow more people to save and transfer money using their phones, thereby reducing the transaction costs.
- In collaboration with the IMF and the World Bank, the Bank of Guyana will undertake a financial sector assessment. I wish to advise that a scoping mission was completed during the latter part of 2015, with the substantive mission slated for later this year.

4.72 The Bank of Guyana will be moving towards Basel II implementation, which will strengthen the regulatory framework governing banks and also result in Guyana aligning its capital requirements with internationally recommended best practices. Basel II, which was introduced in 2006 by the Basel Committee on Bank Supervision, was intended to create an international standard for banking regulators to control how much capital banks need to set aside to guard against the types of financial and operational risks banks face. Basel II has three pillars: ensuring that bank capital is more risk sensitive, ensuring that banks have adequate capital to support all the risks in their business, and enhancing disclosure requirements to make the risks banks take more transparent.

4.73 The Financial Sector Reform and Strengthening (FIRST) Initiative, a project managed by the World Bank, is providing technical assistance to the Bank of Guyana to strengthen supervision of the Non-Bank Financial Institutions (NBFIs) and insurance companies. The initiative aims to close gaps in the

supervisory perimeter, regarding prudential and non-prudential standards, and to build supervisory capacity. FIRST will assist with the development of a legal and institutional framework for market conduct and financial consumer protection.

4.74 As part of the financial consumer protection initiative, the Bank of Guyana will be enhancing its National Financial Literacy Programme. It is hoped that the average citizen will be empowered with the ability to make informed financial judgments and take effective decisions regarding the use and management of his/her money.

4.75 As it relates to the Foreign Account Tax Compliance Act (FATCA), the Government of Guyana is currently reviewing the Inter-Governmental Agreement (IGA) between Guyana and the US. The Government of Guyana presently has an Agreement in substance; signing this Agreement would solidify Government's commitment to honour the requirements of that Act.

ii. National Insurance Scheme

4.76 Mr. Speaker, the National Insurance Scheme (NIS) has faced several challenges over the years, including lack of compliance by both employers and employees combined with unprofitable investments. In 2016, the Government intends to examine options for repayment of \$5.24 billion owed by CLICO. To this end, the Government will start discussions on the modality of an arrangement that will see NIS recovering this money over the long term. Additionally, the management of NIS will work diligently to ensure greater compliance through the enforcement of the laws. This year, management will be targeting delinquent businesses and employers, in order to recover the \$1.3 billion in arrears owed to the Scheme. The NIS will also be examining an appropriate investment policy to guide its investments to ensure that future investments are profitable. Mr. Speaker, NIS plays an important role in enhancing the capacity of the poor and vulnerable to manage risks such as

unemployment, disability, sickness and old age. Given this, as well as Government's commitment to reduce poverty and inequality within our society, we will ensure that profitability is restored at NIS, over the longer term.

d. Forensic Audits and Asset Recovery

4.77 Mr. Speaker, several internal forensic audits were being undertaken to review the performance and efficiency of publicly-owned entities, statutory bodies and projects and activities financed by or through public funds. Most of the audits have been completed. A preliminary analysis indicates that in a number of cases, there were acts of dishonesty and duplicity, mismanagement of resources, opaqueness of transactions and a disregard for basic internal controls, among others. This was compounded by the absence or non-existence of functioning Internal Audit Departments. The Audits identified many instances where the laws governing the entities and their operations were violated with impunity, in particular the Fiscal Management and Accountability Act and the Procurement Act. Going forward, the audits will provide a guidepost on enhancing accountability and transparency through improved operational procedures, financial reporting, corporate governance and compliance with applicable laws and regulations.

4.78 Mr. Speaker, another aspect of accountability in government is the creation of the State Asset Recovery Unit (SARU). This unit will soon be vested with the authority and appropriate State powers to execute its mandate in the recovery of assets, including investigations, asset tracing, freezing and seizing of assets, and the enforcement of foreign restraint orders and confiscation.

e. Tax Reform

4.79 Mr. Speaker, in my 2015 budget presentation, I adverted to the need for comprehensive reform of the current tax system. In doing so, I explicitly recognized that our tax system was far from efficient, equitable and fair. That this

remains true is evident by, for example, the prevalence of high tax rates that encourage smuggling, evasion, under-reporting, under-invoicing and corruption, as well as frequent requests for waivers and remissions. Thus, in August last year, I established a four-person Tax Review Committee charged with coming up with a range of recommendations to improve the system. I would like to thank the persons involved for their time and valuable service at nominal cost. It was anticipated that the Committee would have presented its report by end-December 2015, to enable implementation from the 2016 Budget. Unfortunately, the report was submitted on January 18, 2016 - too late for Cabinet to consider and pronounce on all of the recommendations. Nevertheless, several of the measures that will be announced shortly are consistent with the Committee's recommendations.

4.80 Mr. Speaker, the Government is aware that to achieve its goals, it must have the revenues to spend. As an independent nation, we must first look to ourselves to find the money to develop our country. Admittedly, we were able to achieve the revenue targets that were set over the years. We know from this experience that we have the ability to achieve realistic revenue targets using the tax structure and tax rates that we have currently. What we have noticed though is that our tax structure yields uneven amounts of revenue. The numbers suggest that there is a large population of delinquent taxpayers out there, prominent among whom are the self-employed and persons paying Tributors' tax. We are concerned about the failure of both categories to pay their fair share of taxes.

4.81 A simple analysis of tax collections has shown that only three parts of the tax structure are contributing meaningfully to government revenues: income tax, production and consumption taxes, and import duties. It is with the need to remedy this situation of revenue leakage that the GRA is being asked to undertake a sensitization and awareness exercise in order to help taxpayers to fulfill their obligations.

4.82 We will be encouraging GRA to intensify its efforts at undertaking evaluations of tax revenues by impact of exemptions, economic centres and economic sectors. The reason is to enable better targeting of those taxpayers who are not in compliance with the tax laws and to understand the reasons for non-compliance, so that we could help them to do better. Once the evaluations are completed, we would be able to determine the economic value of concessions to the country, align economic centres with geographic regions and gain a better understanding of which industries are not paying their fair share of taxes and why.

4.83 Mr. Speaker, tax transactions are about relationships. We tend to focus on the relationship with foreign investors or large investors to support their shift of resources from their home country to ours. It is important that we add capacity to our production structure. We do this by offering tax exemptions and tax holidays with the hope of achieving a net gain in tax revenues. But in a study done in the mid-2000s, it was observed that small businesses make up approximately half of the Guyana economy. These investors, small as they might be, can transfer resources from consumption to investment. In this way, they too can help add capacity to our production structure and expand economic opportunity. Yet, our attitude towards small businesses with tax consequences and real potential to contribute to the growth and development of Guyana is rather flippant. Too many of these businesses plan their expenditure without taking the tax impact into account. We must enable small businesses to build tax impact models into their business plans so that they have a true sense of the cash flows needed to successfully operate the business.

4.84 Mr. Speaker, on the vexed question of refunds, the Government is aware of the view of the taxpaying public that once their money gets into the hands of the GRA, it is not coming back out. This is the frustration that many taxpayers experience even after they might have been advised that they were entitled to a refund. This goes for those taxpayers who expect VAT and income tax refunds. Mr. Speaker, we believe that where refunds are to be granted the taxpayers must

get them on time, unless there is good reason to delay the refund. As an organization that is seeking to build taxpayers' compliance and confidence, GRA must change the way taxpayers feel about it.

f. Public Administration and Public Financial Management

4.85 Mr. Speaker, last December, President David Granger requested that each Ministry table their Annual Performance Report in Cabinet. All Ministries were required to report on their key performance indicators against their set targets for the year 2015. This is now a mandatory feature that will occur annually and is part of the fresh approach. Budget Agencies and Regions must develop and implement strategic plans that are monitored through performance indicators and adopt Performance Monitoring Frameworks. For too long, plans have been developed without adequate baseline data. Mr. Speaker, under this Administration, such practices must end. Our government is seeking to re-establish a capacity for national planning, and has sought the assistance of the CDB to facilitate this process.

4.86 Mr. Speaker, real growth cannot be accomplished if the poor performance of implementing projects, funded within the public sector investment programme (PSIP), is not addressed with alacrity. Significant contributors to delayed project execution include national procurement policies and the operations of the National Procurement and Tender Administration Board (NPTAB). It is, therefore, time that we rethink the structure and mechanism employed in implementing development projects. In this regard, plans are underway for the enhancement of procurement processes and procedures. Just a few days ago, Cabinet agreed to increases in the ministerial and regional tender board limits, so as to empower Ministries and regions to undertake more in-house evaluations. In order to reduce the volume of paperwork received by the NPTAB, Section 4(2) of the Regulations to the Procurement Act will be amended to require that all contracts exceeding \$1.5 million in value to be posted on NPTAB's website.

4.87 Other improvements include: ensuring contractor compliance to tender/bid requirements; strengthening contractor capacity and capabilities through training and capacity building initiatives; ensuring that contracts are awarded within contractors' technical, financial, equipment and managerial capabilities; training and widening the pool of evaluators to speed up contract awards; implementing rigorously liquidated damages against defaulting contractors; strengthening project supervision; installing a permanent bid protest committee; and training and certifying national procurement officers across the central government. Mr. Speaker, the Government anxiously awaits the start-up of the much delayed Public Procurement Commission and hopes that good sense prevails, to ensure that this statutory body is properly constituted with dispatch.

4.88 Mr. Speaker, our Government has recognized the need to improve the quality of human resources within the public sector and, to this end, will operationalize the Public Service Staff College this year. Further, capacity building in project management and public policy analysis, monitoring and evaluation, and procurement planning will become a standard feature within the public service. To ensure that this all happens in an environment of accountability, we will be strengthening our internal audit capacity and mechanisms to ensure that the delivery of public goods and services occurs in a transparent manner. Together these initiatives will build the absorptive capacity of our public and private sectors to respond promptly and effectively to the development challenges before us.

g. Data for Decision Making

4.89 Mr. Speaker, data generation by the public sector will continue to be a priority, since day-to-day programme execution as well as quarterly and annual reports of agencies will need to be results-based and performance-focused in content. Our central statistical agency will be given the resources to strengthen its institutional capacity, so as to facilitate its transition towards the conduct of

annual multi-topic surveys. Over \$260 million will be provided, over the next 4 years, to design, execute and analyze a Household Survey of Living Conditions, a Labour Force Survey and a Crime and Victimization Survey. Statistics Canada will assist the Statistical Bureau through technical support in price measurement and the national accounts. The former is in keeping with our goal to expand the measurement of the Consumer Price Index from the use of the Georgetown Index as a proxy for inflation in the country to an all-urban index.

4.90 Mr. Speaker, the Census results will be completed and disseminated by the end of the second quarter 2016. This comes nearly 4 years after the census was initiated. The information that this will provide will further guide policy decisions of our Government. I have charged the Bureau to ensure that future Census data become available in a more timely manner.

F. National Security

a. National Sovereignty and Economic Diplomacy

4.91 Mr. Speaker, this budget has been cast in the shadow of continued threats to our sovereignty and territorial integrity. In addition to re-ordering our priorities, in defence of our national interests, the many acts of aggression by our neighbour to the West, has placed considerable financial strain on the country's slender financial resources, forcing the delay, alteration or curtailment of several projects and programmes. We have made measured progress in repelling these hostilities, as well as emerging threats and global trends that are impacting our national interest. Our focus, in 2016, will be to build on our achievements of 2015 and to further expand our outreach, especially in the hemisphere and in Asia and Africa through mutually beneficial cooperation programmes.

4.92 We will continue to be actively engaged in the regional integration processes, especially CARICOM, Union of South American Nations (UNASUR), Community of Latin American and Caribbean States (CELAC) and MERCOSUR.

We will also continue to promote the interests and concerns of Guyana at the international level, particularly in relation to the preservation of sovereignty and territorial integrity, human rights and democracy, climate change and the pursuit of the 2030 Agenda of the Sustainable Development Goals.

b. Safeguarding Public Security, Rebuilding Public Trust

4.93 Mr. Speaker, public security concerns have been a dominant and recurrent theme since this Government came to office. The public discourse and disenchantment with the spate of criminal activities that, regrettably, punctuated our security domain prior to May 11, 2015 is an unwelcomed provocation that our Government inherited. Upon our assumption to office, we resolved immediately to bring an end to this unwholesome state of affairs. We committed unreservedly to implement policies to secure our citizens from the threat of national and transnational crime, violence and disorder. Through a series of measures and initiatives, we aim to establish an environment of enhanced human safety and public security.

4.94 Mr. Speaker, earlier this month, we launched the US\$15 million Citizen Security Strengthening Programme (CSSP), which will contribute nationally to reducing crime and violence through a comprehensive approach that combines preventive strategies with institutional strengthening activities. The programme will address three specific problems: the high incidence of violent behaviour at the community level; the low effectiveness of the police to prevent and investigate crime at the national level; and the high number of repeat offenders. The CSSP activities will focus on skills training to improve community engagement as well as systems strengthening in order to more pro-actively prevent and investigate crime and violence. The programme will also finance sustainable re-entry initiatives by assessing specific needs across the prison system, developing a suitable model for rehabilitation and reintegration, and setting up a case management programme to support and track progress. The community level crime prevention actions will target 20 communities based on homicide,

burglary, robbery and domestic violence rates, while vulnerability will be addressed through social prevention interventions. We will focus on developing a cadre of skills and capabilities among community members to address violence, unemployment and counterproductive behavioral risk factors.

4.95 We will equip the enforcement arms of the state with the resources to enable them to serve our citizens, engender investor confidence and build trust and goodwill in the business community. In 2015, \$21.1 billion was expended to support the implementation of priority actions stemming from the strategic plans that were developed for the Ministry of Public Security, the Police Force, the Prisons Service and the Guyana Fire Service. In 2016, a total of \$24.6 billion has been allocated for the development and modernization of the security sector.

c. Anti-Money Laundering and Countering Financial Terrorism

4.96 Mr. Speaker, money laundering allows individuals to disguise the origin of illicit funds and integrate these funds into the formal financial system, while the financing of terrorism enables terrorists or terrorist organizations to carry out terrorist acts. Recognizing that these activities can have severe economic, social and political consequences for the economy, the Government of Guyana cooperated with the Financial Action Task Force (FATF) and the Caribbean Financial Action Task Force (CFATF) to fully comply with all outstanding deficiencies related to its AML/CFT regime and become compliant with the FATF Revised Recommendations, which are the global AML/CFT standards.

4.97 Mr. Speaker, in 2015, the National Assembly passed legislation and guidelines on terrorism and terrorist financing. Stemming from these actions, Guyana has fully satisfied five of the eight elements of the Action Plan and partially satisfied the remaining three. In December, 2015 Guyana passed further amendments and regulations, including guidelines on freezing, unfreezing and providing access to frozen funds. These actions should result in Guyana satisfying the three partially met elements of the action plan.

4.98 It should be noted that Guyana is among eleven countries that are currently listed in the FATF Public Statement as Improving Global AML/CFT compliance: Ongoing Process. This listing is referred to as the “Light Grey List”, and it indicates that though the country has strategic deficiencies with its AML/CFT regime, it has provided a high-level of political commitment to address the deficiencies through the implementation of an action plan developed with the FATF. Guyana has been encouraged to execute the action plan expeditiously and within the proposed timeframe.

4.99 Mr. Speaker, as a further demonstration of our commitment to combat money laundering and the financing of terrorism, we have commenced a National Risk Assessment Exercise with Technical Assistance and guidance from the World Bank. This exercise will see the participation and involvement of all the major stakeholders, and will help the country to identify, assess and understand its ML/TF risks. The outcome will facilitate the implementation of appropriate risk management and risk mitigation policy measures and the efficient allocation of financial and human resources.

4.100 The Government of Guyana will also be benefitting from funding from the IDB to support Anti-Money Laundering and Financing of Terrorism initiatives. In this regard, assistance will be provided to the government in the following areas: national risk assessments and national strategies; capacity building and regulatory reforms; and knowledge and dissemination.

4.101 We are also in the process of restructuring the FIU, to make it a more vibrant and effective unit, in line with the functions specified in the Financial Action Task Force (FATF) Recommendation 29. To this end, the Parliamentary Committee on Appointment is currently taking steps to appoint a Director and a Deputy Director for the Unit. Other technical staff will also be recruited and steps will be taken to enhance their proficiency to ensure compliance with AML/CFT laws and regulations, and facilitate the efforts of law enforcement agencies in combating money laundering and the financing of terrorism activities in Guyana.

G. Public Services

a. Producing a Well-Rounded Life Long Learner

4.102 Mr. Speaker, fulfilling this Government's mandate of education becoming both a means to, and an end of, our sustainable development, several new initiatives will be advanced within each level of the education sector. The ten regional education action plans emanating from the national strategic plan for education 2014-2018 will be reviewed and updated, in keeping with the new mandates for the sector and new timelines. Further, equity and quality across regions will guide our interventions in 2016 and well into the medium term, while focus will be given to education in the hinterland where both the deployment of manpower and the monitoring of education delivery require urgent attention. While approximately \$31.8 billion or 16.6 percent of last year's budget was expended in this sector, we have programmed to spend about \$40.3 billion or 17.5 percent of the 2016 Budget.

4.103 Recognising the need to improve access to and quality of education across the education levels, we have crafted interventions to provide tangible support to families and children. In addition to Government's efforts, the role of parents in supporting their children's education must be emphasized as a critical component in ensuring the success of our children. Mr. Speaker, after assessing the plight of our pupils and the transportation woes they encounter, this Government introduced the 'Three Bs' (Boats, Buses and Bicycles) Initiative, which will be expanded in 2016, to include Books and Breakfast. Issues of school attendance, punctuality and students' ability to focus after travelling long distances by foot, all of which limit their access to education, will be addressed. Further, to ensure children are adequately outfitted for school, 28,000 pairs of footwear will be distributed in the first quarter of this year, primarily within our hinterland and riverain areas, and this will complement the \$424.2 million that has been budgeted for the continuation of the school uniform programme that

will benefit over 204,000 children attending schools in the hinterland and on the coastland.

4.104 Mr. Speaker, a sum of \$1.3 billion was expended on the National School Feeding Programme. This year's programme has been increased to \$1.9 billion to cater for a hot meal to be given to over 7,000 additional hinterland students. In an effort to ensure that students at all levels have access to teaching-learning materials, our Government will introduce the Education Resources Delivery Software, in 2016. No child should be asked to learn without having access to the requisite textbooks and our Government will ensure that this barrier is removed.

4.105 Mr. Speaker, the results of the performance of our children in examinations point to critical gaps in the quality in delivery of education. One key component is the area of teacher training. Last year, 506 trained teachers were added to the education system and another 415 teachers will be added this year. Further, additional satellite centres in Kwakwani, Kamarang, Moraikobai and Charity will be established to increase the number of trained teachers in the hinterland and riverain areas.

4.106 Mr. Speaker, equipping our teachers and classrooms to ensure more effective subject delivery continues to be a priority. In an attempt to address the increasing rate of psycho-social problems in our schools, teachers will be trained with the requisite competencies and techniques to lend support to our school welfare officers. Also, separate rooms will be made available at our schools to render counselling sessions for both parents and students. Last year, we expended \$2.1 billion on the construction, extension, rehabilitation, and maintenance of our educational facilities. Works were completed on the extensions and rehabilitation of various facilities, including One Mile Primary School and secondary schools at West Demerara and Sand Creek; the Port Kaituma male dormitory; and science laboratories at Corentyne Comprehensive Secondary School and Vreed-en-hoop Secondary.

4.107 Mr. Speaker, this year, a sum of \$4.3 billion has been allocated to continue infrastructure construction, rehabilitation and repairs. Included in this programme are the completion of Kato Secondary complex, which is intended to ease the overcrowding at Paramakatoi and provide full secondary education for many students in primary tops. Also included is the construction of a new building for South Road Nursery, Peter's Hall Primary and Golden Grove and Aurora Secondary Schools. Furthermore, in an effort to ensure access to quality education in the hinterland, over \$80 million has been allocated for the provision of adequate accommodation for hinterland teachers, one of the key impediments to deploying trained teachers to the hinterland.

4.108 In an effort to improve literacy and numeracy at the nursery level, several initiatives will be pursued, in 2016. Early childhood education resource kits and teacher's manual will be procured and distributed to all nurseries and grade one classes in the hinterland regions and targeted riverain areas. The kit contains resources that explicitly target numeracy, science and inquiry, dramatic play and music, art and craft and social studies, thereby providing the foundational tools for appreciation of culture and arts at a young age. The Government is intent on expanding the music programme to an additional 80 primary schools, from the initial 20 schools, with recorders already procured for the benefit of 800 Grade 3 pupils. This budget has made provision for all regions to include music education in the curriculum.

4.109 Mr. Speaker, our recent national and regional performance at mathematics was dismal. The transformation of any economy is dependent on the ability of its citizens to think cortically and apply appropriate solutions to advance the economy. To this end, the importance of STEM education (Science, Technology, Engineering and Mathematics) to meeting the needs of a modern economy cannot be over-emphasized. Under the Secondary Education Improvement Project, a total of 1,125 tablets will be distributed to seventh grade students and math teachers in eight pilot schools, facilitating better learning outcomes through the use of technology. Additionally, diagnosis of teacher

training needs for 153 teachers, through classroom observation, content exams, item-based analysis of student results on national exams and teacher questionnaires were completed. This analysis will serve as the basis for the design of a menu of teacher training activities covering varying teacher competencies and Mathematics content areas. School participation in the national science fair will be expanded and partnerships with the private sector will be pursued.

4.110 Mr. Speaker, in the area of post secondary education we have allocated \$2.2 billion for equipping and upgrading the technical institutes and training centres. This allocation will facilitate the acquisition of equipment and upgrades of these facilities, along with producing over 800 persons trained in the fields of information technology, electrical installation and air condition repairs, and motor repairs, among other key specialties. Also, efforts will be made to strengthen resident training programmes at Kuru Kuru Skills Training Centre.

4.111 Mr. Speaker, our Government is committed to providing the necessary resources, over time, to upgrade the entire University of Guyana (UG) system and ensure that UG has the capacity to attract quality lecturers and researchers as a key input into producing a quality graduate. Our commitment to UG stems from our appreciation of the critical role a university plays in supporting knowledge-driven economic growth strategies and fostering democratic, socially-cohesive societies. In 2016, we have allocated \$3.2 billion, a 52 percent increase, as a first step to making the university a true institution of higher learning. The Government will continue to support this vital institution, created just 3 years before formal independence was granted, by doing all that is necessary to give Guyana a University that will secure economic and cultural independence. It is both a barometer of, and a critical factor in determining, the quality of our nationhood.

b. Health for Human Development

4.112 Mr. Speaker, prioritizing investments in health is a key input towards achieving human resource productivity – an essential element for sustainable development. In affirming Government’s commitment to ensure that the people of Guyana are among the healthiest in the Caribbean and the Americas, strategic investments will be made in the health sector as it embarks on implementing Health Vision 2020. To this end, over \$22.1 billion, or 11.5 percent of the budget was expended in this sector in 2015. This year, we project to spend about \$28 billion, or 12.2 percent of the budget.

4.113 Mr. Speaker, as a nation, we are traumatised by the high incidence of suicide. We are alarmed by the number of maternal and infant deaths, many of them avoidable. We are concerned about the lack of attention paid by many of our citizenry to adopting a healthy lifestyle, in the face of chronic non-communicable diseases. We are acutely aware of the recent emerging and now present threat of the H1N1 and Zika viruses, among others. Together, these place undue burdens on our health care system, which is already stretched in the effort to deliver universal health coverage and attain our targets within Goal 3 of the Sustainable Development Goals.

4.114 Mr. Speaker, the Government recognizes that the issue of suicide is driven by multi-dimensional factors and, hence, can only be solved through a multi-stakeholder approach. Immediately, we intend to mount a commission of inquiry and develop an emergency suicide prevention plan of action, even as we conduct research and gather data to establish a baseline for monitoring and evaluation. Data collection and research will include gathering epidemiological data, demographic information, and research on driving factors contributing to designated rates per region. Analysis will be done at the regional and country level, including maps and profiles for targeted interventions. We will also train secondary school teachers and students to be able to identify those at risk for self-harm. Further, we are advanced in preparatory work for the introduction of a

psychiatry programme at the University of Guyana, and this year, we will establish a mental health secretariat to offer training and services to both professionals and those seeking mental health services.

4.115 Mr. Speaker, it is the firm belief of this Government that no woman should die giving birth. To give meaning to this belief, the Government will devote additional resources towards the expansion, rehabilitation, maintenance and equipping of maternal and child health facilities countrywide. For 2016, over \$89 million is earmarked for the expansion of the Georgetown Public Hospital Corporation (GPHC) maternity unit. Additionally, this year's allocation will facilitate the purchase of equipment such as table-top foetal heart rate monitors, handheld foetal heart monitors and portable ultrasound machines, with the aim of increasing the quality of service being offered at the institution's maternal and child care facility.

4.116 Mr. Speaker, hypertension, diabetes and cancer have become too familiar in our day-to-day jargon. These and other chronic non-communicable diseases have taken their toll on individual lives, families, communities and our nation. We, as individuals, must become more responsible for managing our own health outcomes, even as Government invests in drugs, medical supplies, equipment and facilities to meet the growing demand for services in this area. Mr. Speaker, the drug shortages that exist in public health facilities reflect a myriad of management and procurement issues that are receiving the urgent attention of this Administration. In 2016, over \$6.5 billion has been budgeted for drugs and related consumable medical supplies, to address the expanding range of services and coverage being given to citizens across our country.

4.117 Last year, over \$770 million was spent on the construction, upgrade, expansion and maintenance of health care facilities nationwide. This year's allocation is a massive \$1.9 billion, which includes mobilization for the construction of the state-of-the-art specialty surgical hospital at Liliendaal; a ten-bed cardiac theatre and intensive care unit at the GPHC; various works at

hospitals at Port Kaituma, Kwakwani and Linden; and diagnostic centres at Diamond and Leonora. Additionally, over \$1 billion will be spent on the purchase and maintenance of medical equipment, double the allocation of last year. Preparatory works will begin on the modernization of primary health care facilities at Bartica, Suddie and West Demerara Regional Hospitals, funding for which will be sourced from India.

c. Our Youth, Our Future

4.118 Mr. Speaker, Guyana's National Youth Policy (NYP) has been completed. It will guide the Government's actions on youth. In addition, preparatory work has commenced on the National Youth Empowerment Action Plan (NYEAP).

4.119 Mr. Speaker, our Government sees youth as an 'asset', a human resource to be developed. As stated in the National Youth Policy, "We intend to develop youth who are creative, industrious, skilled, ambitious and qualified to fulfill career and vocational aspirations while enjoying their youth." It is against this backdrop that we consider high youth unemployment and the concomitant social ills as scourges, of which we need to rid the society.

4.120 In the main, tackling unemployment is both a function of education and training and job creation. It is for this reason that this budget allocates significant resources to deal with the education and training of the youth and the creation of youth employment. There is significant allocation of resources for training at both the technical and vocational levels and in youth entrepreneurship. This budget allocates resources to deal with youth unemployment in a holistic way. Training will be done in literacy and numeracy, counseling and guidance and youth small business development.

4.121 Mr. Speaker, in my 2016 budget consultations with youth representatives from each region, I was heartened to hear about their ideas for their own development, such as the creation of youth empowerment hubs and innovative

work spaces. Their concerns included the lack of skills training, need for career guidance, inability to qualify for loans, especially in the hinterland areas, to name a few. I want to let them know that I listened attentively. I considered their requests for support and in addition to the millions allocated within various sectors to support youth development, we will work to establish a more permanent funding structure for entrepreneurship and micro-lending for persons under 30, as a special Youth Investment Fund.

4.122 Mr. Speaker, apart from youth employment, this budget seeks to promote youth health and safety, sport and culture, since it is believed that Guyana's youth population needs a healthy and safe environment in which to develop their sport and cultural skills. It is also recognized that for years, youth have not been given the type of leadership training that is required to prepare them for leadership. In this budget, provision has been made for leadership training and the improvement of existing youth training facilities.

d. Families and Children

4.123 Mr. Speaker, the Government is aware of the immense value that is to be garnered from our families and the important role that strong and stable families play in our society. As such, the focus for child care and protection is to increase inter-agency and professional collaboration to enhance the provision of family assistance and support for children in need of alternative care. To this end, the Child Care and Protection Agency will be working with stakeholders to document a national policy for such children. It will focus on areas of supporting, protecting and caring for children. Further, the Family Commission, in collaboration with the Child Protection Agency, will create family-friendly and educationally-interactive child-friendly spaces at which there will also be support for families with children who have developmental disabilities.

4.124 Mr. Speaker, slated for 2016 is the launching of a Public Awareness Campaign to raise awareness of the plight of children who suffer abuse, with the

hope of putting an end to this gruesome act. In addition, the Child Care and Protection Agency will also be launching a National Early Childhood Development Sensitization Programme for parents and caregivers, with the aim of providing the relevant knowledge and skills to support early learning. To further promote and enhance family relations, efforts will be made to ensure that many of the over 700 children, in the 22 residential care institutions, are either returned to their parents or are provided with a family-like setting.

e. Elderly and Persons with Disabilities

4.125 Mr. Speaker, the Government will focus on a holistic approach for the improvement of services and provisions for the elderly. In 2016, systems will be put in place to further enhance and modernize the old age pension (OAP) system through consultations and testing for an OAP electronic payment system, with full implementation in all ten Administrative Regions by 2017.

4.126 Mr. Speaker, the Government will continue efforts to fully integrate persons with disabilities into our society and provide them with the care and attention they deserve. As such, the Government has embarked upon several initiatives such as the Ramps and Yellow Border Project which entails the installation of ramps and stair lifts at public and private buildings, and painting yellow borders on stairs to guide the visually impaired. To further promote inclusiveness of persons with disabilities, there has been the reproduction of three legislative documents in braille, namely: Trafficking in Persons Act (2005), Protection of Children's Act (2009) and the Sexual Offences Act (2010), which are expected to equip persons with disabilities with valuable knowledge about their basic human rights.

4.127 In 2016, the Government, in an effort to ensure that persons with disabilities receive their benefits throughout the year without interruption or delays, will be issuing a one year Public Assistance booklet to persons with permanent disabilities.

5.

Targets for 2016

A. Real Gross Domestic Product

5.1 Mr. Speaker, having emerged from the disruptive year that was 2015, the clear expectation is that 2016 will be a year of recovery, a platform to put the economy on a higher growth path to realise the "good life". Accordingly, a growth rate of 4.4 percent has been set for 2016. Non-sugar growth is projected at 4.3 percent.

a. Agriculture

5.2 Mr. Speaker, the Agriculture, Fishing and Forestry sector is projected to grow marginally by 0.3 percent. Given its encouraging performance in 2015, sugar production is targeted to grow by 4.8 percent to 242,287 metric tonnes. Not unexpectedly, the projection for rice output has been tempered, as the industry continues its efforts to synchronize production and existing stocks with domestic consumption and external markets. As a result, production is expected to decline by 8.4 percent from the 2015 level to 630,028 metric tonnes.

5.3 The Other Crops sub-sector is anticipated to grow by a further 2.5 percent and Livestock, 0.5 percent. For the first time since 2012, the Fisheries sub-sector is expected to record increase in output, growing by a modest 1.5 percent. This sub-sector will require greater policy and management intervention if it is to realise its potential. The Forestry sub-sector is estimated to growth by 2.5 percent with an output of 392,469 cubic metres of timber harvested.

b. Industry

5.4 The mining and quarrying sub-sector is targeted to improve by 16.6 percent. Once again, this growth will be driven by gold, whose output is conservatively estimated to increase by 22 percent to 550,000 ounces. Other

mining (sand and stone) is targeted to improve by 4.4 per cent, with the predictable upsurge in construction activities. As the bauxite industry continues to struggle with reorganization and soft prices on the world market, production is expected to be maintained just at the 2015 level of 1,526,467 metric tonnes.

5.5 In spite of the targeted growth in sugar and light manufacturing, the manufacturing sector is projected to decline by 0.7 percent, as a consequence of the scaling back of rice production.

c. Services

5.6 The Services sector is expected to grow by 4 percent, with projected growth in the construction sector of 10.5 percent, following a lacklustre performance in 2015.

B. Monetary Policy and Inflation

5.7 Mr. Speaker, with the predicted increase in growth in almost all sectors, during 2016, the level of inflation is expected to be approximately 2 percent.

C. Balance of Payments

5.8 Mr. Speaker, notwithstanding the projected expansion in the economy, in 2016, the overall balance of the balance of payments is expected to improve considerably, to a surplus of US\$46.26 million, from a deficit of US\$107.68 million in 2015. This improvement is premised on positive turnarounds in the current and capital accounts.

5.9 The deficit on the current account is projected to improve by 19 percent, to US\$116.86 million. Merchandise exports are expected to earn US\$1.2 billion, a small increase of 2.5 percent. Merchandise imports are projected to rise by 2.7 percent to US\$1.5 billion. Net services is projected to fall from US\$255.8 million

to US\$237.4 million, principally on account of a reduction in net non-factor services. After falling in 2015, transfer payments are targeted to rise by 4.9 percent. The capital account is anticipated to grow appreciably to US\$163.1 million, from US\$71.5 million in 2015.

D. Targets for the Non-Financial Public Sector

a. Central Government

5.10 Mr. Speaker, Central Government's current revenue is projected at \$173.3 billion for 2016, an increase of 7.2 percent. This growth will be driven by the expected buoyancy of tax revenue, arising from tax efficiency, enforcement and administration measures that will be announced later. As a result, tax revenue is projected to increase by \$7.6 billion, or 5.3 percent, while non-tax revenue is estimated to grow by \$4 billion, or 21.7 percent. Value added and income taxes are projected to grow by 9.9 percent and 5.3 percent, respectively. The higher revenue from VAT will be as a result of closer scrutiny of import declarations, domestic manufacture and trading activities. Similarly, income tax compliance, especially among the self employed, is expected to rise due to greater enforcement by the GRA. Both customs and excise taxes are expected grow by 6.8 percent and 0.7 percent, respectively.

5.11 Mr. Speaker, in my 2015 Budget presentation, I alluded to the fact that Government would gradually transfer the accumulated funds from statutory agencies such as the Guyana Geology and Mines Commission (GGMC) and National Frequency Management Unit (NFMU) to the Consolidated Fund. This process started in 2015 and will continue in 2016 with a total of \$8.7 billion estimated to be transferred to the Consolidated Fund. Royalty revenues are expected to amount to \$3.9 billion, in 2016, based on the projected output of Guyana Goldfields Inc. and Troy Resources Inc.

5.12 Total expenditure is expected to increase to \$223.3 billion, or 25.2 percent. This higher expenditure level will result from a significant growth of 70.2 percent in capital expenditure, consequent upon the implementation of several new projects that will aid in propelling economic growth. Personal emoluments, other goods and services and transfer payments will increase by 11.8 percent, 10.5 percent and 25.1 percent, respectively. A small increase of 4.6 percent has been budgeted for interest payments.

5.13 Central Government's deficit is projected at 4.7 percent of GDP, in 2016. While this is higher relative to the previous year, it is lower than the 2014 ratio. Mr. Speaker, to repeat, this administration aims to promote robust economic growth in the context of a prudent fiscal policy, and this deficit-to-GDP ratio is in keeping with this goal.

5.14 Mr. Speaker, the size of Budget 2016 is **\$230** billion, which is slightly higher than the \$221 billion budgeted in 2015, but 20 percent more than the amount expended last year.

b. Summary Operations of the Public Enterprises

5.15 The overall deficit of the public enterprises is projected at \$5 billion, mainly driven by significantly higher capital expenditure.

c. Operations of the Non-Financial Public Sector

5.16 The overall deficit of the non-financial public sector is targeted at \$38.2 billion, or 5.5 percent of GDP.

6.

Measures

6.1 Mr. Speaker, a range of measures are being proposed in this budget. A few are aimed at entrenching in law, concessions which are either discretionary or granted arbitrarily. Most of the measures, however, are designed to support our thrust of stimulating the economy while rekindling hope and confidence. These are essential ingredients towards attaining the Good Life. It should be noted that while the late submission of the Tax Reform Committee's report did not allow for its wide ventilation, a number of the measures being proposed are consistent with several recommendations contained in the report.

A. Measures in support of our programme of 'greening' the economy and protecting the environment

6.2 Mr. Speaker, I propose the following measures:

- i. the removal of excise tax on motor vehicles under four years old under 1500cc. These vehicles currently attract excise tax at the rate of 30% and an effective tax rate of 118.7%. With this removal, the effective tax rate will be reduced to 68.2%.
- ii. the reduction of excise tax from 50% to 10% on motor vehicles under four years old, between 1500cc and under 2000cc. As a result, the effective tax rate of 152.3% will be reduced to 85%.
- iii. restriction of the importation of used and/or re-conditioned vehicles to under 8 years old from the date of manufacture to the date of importation. This restriction shall be enforced from May 1, 2016.
- iv. notice of intent to ban the importation of used tyres and to reduce taxes on new tyres to encourage their use. This ban will be put into effect as soon as some procedural hurdles are cleared.

- v. a ban on styrofoam used in the packaging of beverage, food and food products, except styrofoam containers of a type used for packaging frozen fish and seafood.
- vi. amendment to the Customs Act to exempt all bio-degradable containers used in the packaging of food and beverages. It should be noted, Mr. Speaker, that solar panels and other equipment geared towards producing clean energy, are already exempted from the payment of customs duty.
- vii. begin the consultations for the re-introduction of a broad-based, non-discriminatory environmental tax.

B. Measure to bring equity to the charging of excise tax on alcoholic beverages

6.3 Mr. Speaker, I propose to amend the Excise Tax Act No. 11 of 2005 to provide for a new basis for the imposition of excise tax on alcohol for consumption. The intent is to introduce a graduated, specific rate system for the collection of excise tax on alcohol based on the alcoholic strength. This is deemed to be the most effective way of dealing with importers and domestic manufacturers of alcoholic beverages. It will also be easier for the Guyana Revenue Authority to administer as well as reduce significantly, opportunities for manipulating the values of the goods for the purpose of taxation.

C. Measures to remove arbitrary, discretionary or undefined remissions

6.4 Mr. Speaker, I propose the following measures:

- i. an amendment the Regulations under the Excise Tax Act 2005, the Customs Act and the Value Added Tax Act (VAT) to exempt from the payment of excise taxes, customs duty and VAT, motor vehicles when

- imported by returning Foreign Service Officers who have completed official duties overseas.
- ii. an amendment to the Customs Act to exempt import duty on motor vehicles imported by eligible public officers, qualifying re-migrants and settlers. The opportunity will be taken to close existing loopholes in the law that allow the abuse of the concession.
 - iii. an amendment to the Customs Act to exempt baggage and household effects imported within six months upon arrival of a qualifying re-migrant.
 - iv. amendment to the Financial Administration and Audit Act to exempt diplomatic, consular, international, charitable and non-profit organizations, semi-autonomous agencies, government departments and public corporations from the payment of want-of-entry charges, stamp duty and environmental tax.
 - v. amendment to the Customs Act to exempt computer printer ink and toner cartridges for non-commercial printers.
 - vi. amendment to the Value Added Tax to:
 - a. exempt par-boiled rice;
 - b. packaging materials;
 - c. other malt extracts other than ovaltine;
 - d. exempt the importation of personal effects, including motor vehicles for re-migrants and settlers who qualify for exemptions from Customs duties under Section 23 of the Customs Act.
 - vii. amendment to Income Tax Act to:

- a. provide for the income earned by Artistes during festivities certified by the Minister responsible for tourism to be exempted from the payment of income tax;
- b. allow the Commissioner General to apply an refund towards outstanding taxes, levy, interest or penalties payable by any person and for the Commissioner General to refund any excess remaining to the person.

D. Measures in Support of the Elderly

6.5 Mr. Speaker, I propose the following specific measures in support of the elderly segment of our population:

- i. I propose to increase the pensions payable to ex employees of Guyana Telecommunications Corporation. These pensioners have waged a prolonged struggle to get their correct pension, but were denied by the past regime. The increases will be effective from April 1, 2016;
- ii. Effective April 1, 2016 Old Age Pension will increase from \$17,000 to \$18,200. Nearly 50,000 pensioners are expected to benefit. Mr. Speaker, in the short space of eight months, this Coalition Government has been able to increase old age pension by 38.7 percent, the largest increase in recent memory, and a testimony to our commitment to govern in the interest of all Guyanese;
- iii. Effective April 1, 2016 Public Assistance will increase from \$6,500 to \$7,300. Over 9,600 persons will benefit from an almost 24 percent increase since this Government took office;
- iv. Effective April 1, 2016 all Guyanese citizens 65 years and older will no longer be required to pay for a driver's licence;

- v. Effective April 1, 2016 all Guyanese citizens 65 years and older will be exempt from travel tax when travelling overseas on a Guyanese passport. However, they will still be required to pay the Airport Security Tax of \$1,500.

6.6 Mr. Speaker, we will continue to examine other ways of easing the burden on our elderly citizens, as they too look to enjoy the Good Life in their senior years. In this regard, we will turn our attention to the plight of former public servants and parliamentarians, whose current pensions neither reflect the years of service given nor the positions from which they retired. This is because their pensions have been substantially eroded because of depreciation of the Guyana dollar and inflation over the years.

E. Measures to Improve Tax Administration

6.7 Mr. Speaker, I propose the following measures aimed at improving the efficiency administering taxes by Guyana Revenue Authority:

- i. amendment to the Tax Act to ensure that prior to the issuance of all licences for public use, including licences to conduct forms of trade and business, the applicant has complied with his/her obligations to file annual returns and paid, or has made arrangements to pay, all taxes due and payable.
- ii. amendment to the Customs Act to provide for the non grant of exemptions to an applicant unless all outstanding tax returns are filed in accordance with the Income Tax Act, and all taxes have been paid or satisfactory arrangements have been made to pay such taxes.

F. Measures to Enhance Revenue

6.8 Mr. Speaker, I propose to amend a raft of legislation, the effect of which is to increase the fees paid to obtain various licences. The pieces of legislation are:

- i. Regulations under the Auctioneer Act
- ii. Regulations under Hucksters Licencing and Control Act
- iii. Regulations made under Miscellaneous Licences Act
- iv. Regulations made under the Motor Vehicles and Road Traffic Act
- v. Regulations made under the Rice Factories Act
- vi. Regulations made under the Tax Act

6.9 In addition, it is proposed to amend Section 19 Of the Firearms Act Cap 16:05 to increase the annual fee for firearm licences as follows:

Type of Licence	Current Fee (\$)	New Fee (\$)
Shotgun	2,000	5,000
Handgun	5,000	25,000
Rifle	5,000	40,000
Dealer's	7,500	150,000

G. Other Measures

i. Increase in Rebate Granted by GPL and Reduction in Prices of Fuels

6.10 Mr. Speaker, conscious of the need to provide incentives to the manufacturing sector, in order for it to become competitive, and, as a further measure to boost incomes of households, it is proposed to increase the rebate granted by the Guyana Power and Light Company from 10 percent to 15 percent, with effect from April 1, 2016.

6.11 Mr. Speaker, with effect from February 1, 2016, the prices of fuel sold by Guyana Oil Company (GUYOIL) will be reduced as follows:

Type of Fuel	Current Retail Price/Litre (\$)	New Retail Price/Litre(\$)
Gasoline	190	170
Dieseline	161	150
Kerosene	120	90

ii. Wages and Salaries

6.12 Mr. Speaker, an announcement on salary increases for public servants, for 2016, has to await the conclusion of discussions with the relevant unions. The Government understands the disappointment this will create among public

servants, but wishes to assure them of our commitment to their welfare and advancement. We ask that they give the collective bargaining process an opportunity to work.

iii. Measures to Improve Workers' Income

6.13 Mr. Speaker, I propose to amend the Income Tax Act to increase the income tax threshold to \$660,000, from \$600,000. With this measure, over 68,000 workers will be removed from the income tax roll, in addition to the fact that workers have an additional disposable income annually.

7.

Conclusion

7.1 Mr. Speaker, budget 2016 represents the beginning of the fulfillment of our vision of transforming our national economy and providing a Good Life to all Guyanese. In this momentous year of the 50th anniversary of our Independence, we have sought to lay the foundation for progressively higher and more stable growth in an economy that has been too accustomed to anemic growth rates. Through our spending priorities, we have shown a desire to tackle the key and pressing problems of the society: bridging the divide between coast and hinterland; investing in traditional and new industries; setting the conditions for private sector growth and job creation; spending to repair a broken education system; improving the health and wellness of the population; and caring for the elderly and vulnerable sections of the population, amongst others.

7.2 This budget shows that we are prepared to take the tough decisions needed to secure a better and brighter future for our people. I am confident that we, as a nation, united in a common cause, will leave behind the acrimony, partisanship and division that still persist in our society. We must return to being proud Guyanese, living in a country of unity, security and prosperity. At the time of celebration of the next quinquagenary of our Independence, we must have built a country that ranks among the pantheons of high income countries, a shining example of unity in diversity, with our people being at peace with themselves, enjoying the Good Life. Do we dare dream about such a quantum leap in our development? I say we must! But we must demonstrate the courage to pursue the dream. In the immortal words of Jesse Owens:

"We all have dreams. But in order to make dreams come into reality, it takes an awful lot of determination, dedication, self-discipline, and effort."

7.3 Mr. Speaker, I end this presentation with the hope that those sage words of advice, by arguably one of the greatest Olympians, will be uppermost in our minds. Let us embark on this journey together – stimulating growth and restoring confidence to build this great nation of ours. The Good Life beckons.

Thank you!



APPENDICES

APPENDIX I

SELECTED SOCIO - ECONOMIC INDICATORS

INDICATORS	2011	2012	2013	2014	2015
1.10 NATIONAL ACCOUNTS AGGREGATES (2006 Base)					
1.11 Growth Rate of Real GDP	5.4	4.8	5.2	3.8	3.0
1.12 GDP at current basic prices (US\$M)	2,265.1	2,506.8	2,611.3	2,685.2	2,762.8
1.13 GNP at current basic prices (US\$M)	2,255.8	2,530.8	2,639.8	2,711.9	2,787.5
1.14 Per capita GDP (US\$)	2,868.7	3,347.3	3,496.3	3,606.4	3,723.6
1.15 Per capita GNP (US\$)	2,856.8	3,379.3	3,534.4	3,642.1	3,756.9
1.16 Gross National Disposable Income (US\$M)	2,879.9	3,182.9	3,227.5	3,169.5	3,383.7
1.17 Private Consumption as % of Gross Domestic Expenditure	69.8	70.3	74.2	64.4	65.8
1.18 Public Consumption as % of Gross Domestic Expenditure	11.8	10.3	11.2	13.2	14.3
2.0 EXTERNAL TRADE AND FINANCE (US\$M)					
2.1 BOP Current Account Balance	-372.2	-366.7	425.3	-385.2	-149.2
2.2 Imports of Goods and Non-Factor Services (G&NFS)	-2,204.8	-2,523.1	-2,347.7	-2,217.5	-1,900.3
2.3 Exports of Goods and Non-Factor Services (G&NFS)	1,426.4	1,713.2	1,540.6	1,348.4	1,306.2
2.4 Resource Balance	-778.3	-809.9	-807.0	-869.5	-594.1
2.5 Imports of G&NFS/GDP (%) at 2006 Base	97.3	100.6	89.9	82.6	68.8
2.7 Exports of G&NFS/GDP (%) at 2006 Base	63.0	68.3	59.0	50.2	47.3
2.8 Net International Reserves of Bank of Guyana	749.7	825.2	751.2	652.2	596.5
2.9 External Public Debt Outstanding	1,205.6	1,358.6	1,246.0	1,216.4	1,143.0
3.0 PRICES, WAGES & OUTPUT					
3.1 Rate of Inflation (% change in CPI) 1/	3.3	3.5	0.9	1.2	-1.8
3.2 Public Sector Monthly Minimum Wage in G\$(e.o.p)	35,864.0	37,657.0	39,540.0	42,703	50,000
3.3 % Growth Rate	8.0	5.0	5.0	8.0	17.1
3.4 Electricity Generation (in M.W.H)	645.2	690.5	711.0	716.7	750.7
4.0 POPULATION & VITAL STATISTICS					
4.1 Mid-Year Population ('000)	789.6	748.9	746.9	744.6	742.0
4.2 Population Growth Rate (e.o.p)	-1.9	-2.3	-2.7	-3.1	-3.5
4.3 Net Migration ('000)	-13.4	-10.7	-11.8	-12.7	4.8
4.4 Visitor Arrivals ('000)	156.9	176.6	157.8	205.8	206.8
4.5 Crude Birth Rate (per 1,000 persons)	18.5	18.2	18.5	19.8	17.6
4.6 Crude Death Rate (per 1,000 persons)	7.1	7.2	6.6	7.3	6.8
4.7 Crude Marriage Rate (per 1,000 persons)	6.5	6.9	6.2	6.5	6.5
4.8 Infant Mortality Rate (per 1,000 live births)	14.4	13.8	12.9	23.3	21.8
4.9 Under 5 mortality Rate (per 1,000 live births)	17.9	16.2	15.8	23.9	22.5
5.0 HEALTH AND EDUCATION					
5.1 Public Expenditure on:					
5.1.1 Education as % of National Budget	15.2	13.8	13.6	14.8	14.4
5.1.2 Health as % of National Budget	9.0	8.9	8.5	9.9	9.5
5.2 Number of Physicians per Ten Thousand Population	7.0	7.7	9.5	13.3	14.1
5.3 Number of Nurses per Ten Thousand Population	13.0	14.2	15.3	30.5	31.4
5.4 Number of Hospital Beds per Ten Thousand Population	25.2	25.4	25.4	25.4	25.4
5.5 Low birth-weight babies (<2500g.) as a % of live births	9.3	9.6	8.9	11.7	11.9
5.6 Severely malnourished	0.3	0.3	0.2	0.3	0.3
5.7 Moderately malnourished	2.7	2.2	2.0	1.9	2.1
5.8 Overweight (%)	4.9	5.7	7.6	7.8	8.7
6.0 IMMUNIZATION COVERAGE					
6.1 1 year olds Immunized against DPT/ (Pentavalent) (%)	92.6	97.4	98.0	98.0	96.0
6.2 1 year olds Immunized against MMR, Yellow Fever (%)	97.4	99.1	97.5	100.0	90.6
6.3 1 year olds Immunized against polio (%)	93.3	97.4	97.5	97.0	96.0
6.4 1 year olds Immunized against TB, BCG (%)	97.4	98.0	97.8	99.0	90.0
7.0 CRIME					
7.1 Reported Serious Crimes	3823	3760	4204	3688	4008
7.2 of which: Murder	130	139	155	149	149

Note: 1/ Rate of inflation in 2010 is presented under the New Series with base year December 2009, while for 2005 to 2009 data is presented under the Series with Base Year December 1994.

2/ Revisions made from 2009 in population estimates and per capita GDP due to current trends derived from current count of the population and updated vital statistics data from health sector.

APPENDIX II

GROSS DOMESTIC PRODUCT AT 2006 PRICES BY INDUSTRIAL ORIGIN

INDUSTRY	BUDGET 2012	ACTUAL 2012	BUDGET 2013	ACTUAL 2013	BUDGET 2014	ACTUAL 2014	BUDGET 2015	REVISED 2015	BUDGET 2016
Agriculture, Fishing and Forestry	66,949	67,579	70,070	69,151	72,718	73,051	76,512	73,861	74,065
Sugar	14,757	12,872	14,166	11,024	12,744	12,761	12,981	13,644	14,301
Rice	9,124	9,337	9,739	11,845	11,976	14,053	15,562	15,220	13,938
Other Crops	16,345	16,549	17,245	17,245	18,107	18,107	18,469	18,469	18,931
Livestock	9,052	9,878	10,273	10,305	10,644	10,605	11,544	11,222	11,273
Fishing	9,146	10,058	10,259	9,401	9,612	6,892	6,758	6,396	6,492
Forestry	8,526	8,886	8,389	9,330	9,635	10,633	11,197	8,911	9,130
Mining and Quarrying	35,844	40,411	41,623	43,656	44,895	38,631	38,868	42,107	49,078
Bauxite	6,238	7,036	7,492	6,261	6,979	5,763	5,436	4,992	4,992
Gold	25,142	29,520	30,286	32,376	32,610	26,078	26,246	30,343	37,014
Other	4,463	3,855	3,846	5,018	5,306	6,789	7,185	6,772	7,072
Manufacturing	23,059	22,717	23,715	24,524	26,260	27,148	27,279	28,576	28,381
Sugar	3,923	3,422	3,766	2,931	3,388	3,392	3,451	3,627	3,802
Rice	5,716	5,849	6,099	7,420	7,495	8,804	8,398	9,473	8,731
Other Manufacturing	13,421	13,447	13,850	14,173	15,378	14,952	15,431	15,477	15,848
Electricity and Water	5,753	5,878	6,111	6,208	6,657	6,371	6,665	6,701	6,941
Construction	34,631	28,983	31,881	35,520	38,185	41,930	41,817	37,750	41,714
Wholesale and Retail Trade	49,247	49,352	52,560	48,930	51,132	47,485	50,050	47,181	49,021
Transportation and Storage	29,603	32,143	34,643	33,422	36,219	38,001	40,409	43,160	44,365
Information and Communication	23,120	23,389	24,442	24,769	25,810	25,711	26,688	27,125	27,884
Financial and Insurance Activities	15,164	15,981	17,899	17,764	19,868	17,910	19,094	19,358	19,920
Public Administration	25,772	26,133	26,133	26,787	27,322	27,188	27,188	27,868	28,202
Education	15,412	15,474	16,016	16,016	16,650	16,650	17,173	17,279	17,718
Health and Social Services	6,876	6,709	7,004	6,977	7,243	7,243	7,460	7,509	7,696
Rental of Dwellings	3,858	3,953	4,111	4,176	4,551	4,426	4,559	4,537	4,687
Other Service Activities	14,099	14,590	15,757	14,153	15,228	14,719	15,234	14,976	15,350
<i>less adjustment for FISIM</i>	<i>(9,917)</i>	<i>(11,386)</i>	<i>(11,842)</i>	<i>(12,294)</i>	<i>(12,786)</i>	<i>(12,887)</i>	<i>(12,887)</i>	<i>(13,184)</i>	<i>(13,381)</i>
TOTAL	339,471	341,905	360,123	359,757	379,952	373,577	386,107	384,805	401,641

Note: FISIM - Financial Intermediation Services Indirectly Measured

Figures: G\$m
Source: Bureau of Statistics

APPENDIX III

CENTRAL GOVERNMENT FINANCIAL OPERATIONS				
	ACTUAL 2014	BUDGET 2015	REVISED 2015	BUDGET 2016
Total Revenue	145,725.8	164,656.6	162,710.2	173,329.7
Revenue	144,711.4	163,651.6	161,710.2	173,324.7
Tax	135,889.7	143,252.5	142,896.3	150,406.8
Income taxes	51,183.1	54,398.5	54,500.2	57,424.0
Consumption taxes	65,709.5	69,521.5	68,806.8	72,539.1
Trade taxes	13,856.4	14,131.0	14,026.6	14,919.1
Other	5,140.8	5,201.6	5,562.7	5,524.6
Non-tax	8,821.7	20,399.1	18,813.9	22,917.9
Private sector	3,530.2	6,353.1	6,422.1	7,672.9
Public enterprise & BOG	5,291.5	14,046.0	12,391.8	15,245.0
GRIF Inflows	1,014.4	-	-	-
Total expenditure	184,847.1	192,172.1	178,302.5	223,278.6
Current expenditure	133,833.5	153,123.5	147,637.6	171,094.8
Non-interest expenditure	127,494.1	146,645.0	141,152.2	164,308.1
Personal emoluments	42,305.6	45,198.8	44,661.7	49,909.6
Other goods and services	40,106.2	44,979.8	43,175.9	47,709.0
Transfer Payments	45,082.2	56,466.4	53,314.5	66,689.5
Interest	6,339.4	6,478.5	6,485.4	6,786.7
External	4,794.4	4,761.8	4,769.0	4,882.6
Domestic	1,544.9	1,716.6	1,716.5	1,904.1
Primary balance	17,217.3	17,006.6	20,558.1	9,016.6
Current balance	10,877.9	10,528.1	14,072.6	2,229.9
Capital Revenue	-	1,005.0	1,000.0	5.0
Capital Expenditure	51,013.6	39,048.6	30,664.9	52,183.8
Overall Balance before Grants	(39,121.3)	(27,515.5)	(15,592.3)	(49,948.9)
Grants	4,191.1	7,415.9	6,273.1	16,782.6
HIPC relief	3,279.4	2,432.0	2,428.6	2,468.9
Original	-	-	-	-
Enhanced	915.2	947.3	943.9	984.2
CMCF	2,007.3	1,484.7	1,484.7	1,484.7
MDRI	356.9	-	-	-
Other	911.7	4,984.0	3,844.5	14,313.7
Projects	911.7	4,984.0	3,844.5	5,675.0
Non-projects	-	-	-	8,638.7
Overall Balance after Grants	(34,930.2)	(20,099.6)	(9,319.2)	(33,166.4)
Financing	34,930.2	20,099.6	9,319.2	33,166.4
Net External Borrowing	(13,753.3)	(15,277.1)	(5,264.8)	10,918.1
Disbursements of Loans	36,752.3	25,286.1	14,710.8	15,932.0
Debt Repayments	28,284.7	29,906.7	15,345.9	5,551.1
Rescheduling	520.3	652.6	650.3	537.2
Guysuco - Escrow A/C	-	-	-	-
Overseas Deposits	(22,741.3)	(11,309.1)	(5,280.1)	-
Net Domestic Borrowing	48,683.5	35,376.6	14,584.0	22,248.2
Overall Deficit as a % of GDP	(5.5)	(2.9)	(1.4)	(4.7)

APPENDIX IV

URBAN CONSUMER PRICE INDEX - NEW SERIES

GROUP	2014	2015											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
ALL ITEMS	113.9	110.7	110.9	111.0	111.2	111.8	111.9	112.1	112.2	112.1	111.9	111.7	111.9
FOOD	126.7	120.8	123.1	122.3	122.8	124.3	124.4	125.1	125.8	125.4	125.0	124.8	125.3
CLOTHING	99.3	99.9	100.1	103.3	103.9	103.9	101.8	101.8	102.1	102.2	101.5	98.8	98.8
FOOTWEAR AND REPAIRS	96.1	95.1	97.6	98.7	98.7	98.7	97.2	97.3	96.6	96.6	96.7	96.0	96.0
HOUSING	100.6	100.0	98.9	99.2	99.2	99.3	99.2	99.0	98.9	98.8	98.8	98.8	98.8
FURNITURE	95.4	93.0	92.9	92.9	92.7	92.7	92.7	92.5	92.4	92.4	92.3	92.3	92.3
TRANSPORT & COMMUNICATION	121.2	117.5	115.8	117.1	117.4	117.9	118.3	118.7	118.1	117.7	117.4	117.2	117.2
MEDICAL & PERSONAL CARE	121.6	121.6	121.6	122.2	120.9	120.9	121.0	121.1	121.7	121.8	122.4	122.1	122.1
EDUCATION, RECREATION, CULTURE	98.7	93.8	94.3	94.3	94.2	94.2	94.1	93.3	93.4	94.7	94.7	94.7	94.7
MISC. GOODS & SERVICES	120.9	121.0	120.5	120.4	120.4	120.4	120.6	120.8	121.1	121.1	121.2	121.3	121.3

GROUP	OLD SERIES CONCLUDED AT 31st DECEMBER 2009		NEW SERIES COMMENCED 1st JANUARY 2010							% Change DEC - DEC
	2009	2009	2009	2010	2011	2012	2013	2014	2015	
	DEC	DEC	DEC	DEC	DEC	DEC	DEC	DEC	DEC	
ALL ITEMS	100.0	100	104.5	107.9	111.6	112.6	113.9	111.9	-1.8	
FOOD	100.0	100	110.4	113.2	124.0	124.1	126.7	125.3	-1.1	
CLOTHING	100.0	100	99.3	101.8	98.0	98.4	99.3	98.8	-0.5	
FOOTWEAR AND REPAIRS	100.0	100	100.5	103.5	104.6	89.8	96.1	96.0	0.0	
HOUSING	100.0	100	99.7	100.4	100.7	100.8	100.6	98.8	-1.8	
FURNITURE	100.0	100	99.2	101.1	100.6	95.9	95.4	92.3	-3.2	
TRANSPORT & COMMUNICATION	100.0	100	104.8	115.5	114.6	121.9	121.2	117.2	-3.3	
MEDICAL & PERSONAL CARE	100.0	100	101.4	101.3	111.7	116.0	121.6	122.1	0.4	
EDUC., RECR. AND CULTL. SERVICE	100.0	100	102.0	98.7	98.4	96.9	98.7	94.7	-4.1	
MISC. GOODS & SERVICES	100.0	100	102.0	107.0	111.0	112.6	120.9	121.3	0.3	

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

APPENDIX V

BALANCE OF PAYMENTS ANALYTIC SUMMARY

ITEM	ACTUAL 2014	BUDGET 2015	REVISED 2015	BUDGET 2016
A Current Account	(385.18)	(174.65)	(144.20)	(116.86)
1.0 Merchandise (Net)	(624.08)	(421.75)	(304.92)	(316.67)
1.1 Exports (f.o.b.)	1,167.19	1,136.60	1,169.97	1,198.78
1.1.1 Bauxite	124.69	121.36	104.30	114.49
1.1.2 Sugar	88.02	82.00	80.91	91.75
1.1.3 Rice	249.50	267.24	220.77	174.22
1.1.4 Gold	469.82	407.00	501.13	568.86
1.1.5 Timber	53.43	54.00	43.54	48.93
1.1.6 Other	169.18	185.00	185.10	177.14
1.1.7 Re - exports	12.55	20.00	34.22	23.39
1.2 Imports (c.i.f.)	(1,791.27)	(1,558.35)	(1,474.89)	(1,515.00)
1.2.1 Fuel & Lubricants	(573.42)	(416.40)	(350.81)	(380.00)
1.2.2 Other	(1,217.85)	(1,141.95)	(1,124.08)	(1,135.00)
2.0 Services (Net)	(218.72)	(178.30)	(255.79)	(237.26)
2.1 Factor	26.66	7.50	24.70	25.68
2.2 Non Factor (Net)	(245.37)	(185.80)	(280.48)	(262.94)
3.0 Transfers	457.62	425.40	416.51	437.06
3.1 Official				
3.2 Private	457.62	425.40	416.51	437.06
B Capital Account	210.11	61.22	71.45	163.12
'1.0 Capital Transfers	4.42	24.14	18.45	11.43
'2.0 Medium and Long Term Capital (Net)	263.50	90.83	30.29	216.68
2.1 Non - Financial Public Sector Capital (Net)	0.50	(126.17)	(94.76)	(38.87)
2.1.1 Disbursements	163.38	121.11	53.57	60.61
2.1.2 Amortization	(67.36)	(193.23)	(123.15)	(79.49)
2.1.3 Other	(95.53)	(54.06)	(25.18)	(20.00)
2.2 Private Sector (Net)	263.00	217.00	125.06	255.56
'3.0 Short Term Capital	(57.80)	(53.75)	22.70	(65.00)
C Errors and Omissions	58.68	-	(34.93)	-
D OVERALL BALANCE	(116.39)	(113.43)	(107.68)	46.26
E Financing	116.39	113.43	107.68	(46.26)
1.0 Bank of Guyana net foreign assets	67.90	47.76	55.70	(116.74)
2.0 Change in Non-Financial Public Sector Arrears	-	-	-	-
'3.0 Exceptional Financing	48.49	65.67	51.98	70.48
3.1 Debt Relief	2.52	16.50	3.15	17.43
3.2 Balance of Payments Support	-	-	-	-
3.3 Debt Forgiveness	46.96	49.17	48.83	53.05
3.4 Debt Stock Restructuring	(0.98)	-	-	-

Figures: US\$m

Source: Ministry of Finance,
Bureau of Statistics and Bank of Guyana

APPENDIX VI

ACTUAL AND PROJECTED EXTERNAL DEBT STOCK

ITEMS	Actual End-December 2013 (After E-HIPC & MDRI Reduction)	Actual End-December 2014 (After E-HIPC & MDRI Reduction)	Actual End-December 2015 (After E-HIPC & MDRI Reduction)	Preliminary End-December 2016 (After E-HIPC & MDRI Reduction)
TOTAL EXTERNAL DEBT	1,246.03	1,216.38	1,143.01	1,192.44
1.0 Multilateral	716.65	691.85	692.19	718.10
IBRD	0.00	0.00	0.00	0.00
IDA	12.86	14.21	20.44	26.95
IADB	469.09	486.26	489.29	504.57
CDB	139.84	143.10	143.63	150.84
CMCF	31.10	0.00	0.00	0.00
IMF	25.68	13.42	3.85	0.00
IFAD	9.86	9.34	8.98	8.89
EEC	9.77	8.10	6.84	6.70
EIB	1.74	0.77	0.00	0.00
OPEC FUND	16.70	15.72	14.74	13.76
CDF	0.00	0.93	4.43	6.39
2.0 Bilateral	510.18	505.52	432.79	456.20
2.1 Paris Club Creditors:	40.67	35.32	29.22	22.83
USA	0.77	0.72	0.67	0.58
-PL 480	0.77	0.72	0.67	0.58
UK	0.00	0.00	0.00	0.00
Canada	0.00	0.00	0.00	0.00
Germany	0.00	0.00	0.00	0.00
-KFW	0.00	0.00	0.00	0.00
Netherlands	0.00	0.00	0.00	0.00
Denmark	0.00	0.00	0.00	0.00
Norway	0.00	0.00	0.00	0.00
Sweden	0.00	0.00	0.00	0.00
France	0.00	0.00	0.00	0.00
Japan	0.00	0.00	0.00	0.00
T&T	35.57	30.80	25.32	19.07
Russia	0.00	0.00	0.00	0.00
Italy	4.33	3.81	3.23	3.18
2.2 Non-Paris Club Creditors:	469.51	470.19	403.57	433.36
Venezuela	198.27	183.97	120.83	123.00
Argentina	13.86	14.20	14.54	14.88
Kuwait	72.25	72.10	72.01	74.53
Libya	42.38	42.66	42.94	43.23
China	111.43	126.36	124.17	148.49
India	22.34	21.84	19.96	20.07
UAE	7.39	7.52	7.65	7.78
Bulgaria	0.32	0.27	0.16	0.05
Serbia	1.26	1.29	1.31	1.33
3.0 Commercial Creditors	19.20	19.01	18.03	18.14
3.1 Suppliers 1/	13.45	13.47	12.60	12.60
3.2 Financial Markets/Bonds 2/	5.75	5.54	5.43	5.54

Notes:

1/ Includes EPDS loans.

2/ Includes Bonds (Ruston Bucyrus), Lloyds Bank (O/Draft) and Barclays Bank loans

APPENDIX VII

ACTUAL AND PROJECTED DOMESTIC DEBT STOCK

ITEMS	Actual End-December 2013	Actual End-December 2014	Actual End-December 2015	Preliminary End-December 2016
TOTAL DOMESTIC DEBT	478.54	379.83	395.59	419.64
1.0 Treasury Bills	452.74	354.23	370.16	394.38
91-Days	33.90	29.06	38.19	38.19
182-Days	32.70	20.60	1.23	15.76
364-Days	386.14	304.57	330.74	340.43
2.0 K-Series	4.83	4.83	4.83	4.83
3.0 Bank of Guyana Debentures 1/	18.90	18.88	18.88	18.88
4.0 Defence Bonds	0.02	0.02	0.02	0.02
5.0 National Insurance Scheme	2.04	1.87	1.70	1.53
5.1 CARICOM Loan	2.04	1.87	1.70	1.53

Notes:

1/ Excludes non-interest bearing debentures.

APPENDIX VIII

TAX REMISSIONS BY CATEGORY

ITEM	ACTUAL 2014	ACTUAL 2015
TOTAL TAX REMISSIONS	55,579,914	47,087,656
I HOSPITALS	280,510	227,924
II COMPANIES/BUSINESSES	43,158,869	35,649,264
III CHURCHES/CHARITABLE ORGANISATIONS	1,680,093	2,041,358
IV PUBLIC OFFICIALS/OFFICERS	1,392,282	1,537,940
V MINISTRIES OR GOVERNMENT DEPARTMENTS	4,649,231	2,949,633
VI REMIGRANTS	2,088,073	1,972,292
VII DIPLOMATS	1,422,195	1,556,161
VIII FOREIGN FUNDED PROJECTS	908,661	1,153,084

APPENDIX IX

PROPOSAL FOR THE INCREASE IN LICENCE FEES

Types of Licences	Current Fee	Proposed Fee
	\$	\$
Drivers Licences		
Private Car Drivers Licence	2,000	4,000
Hire Car Drivers Licence	2,000	3,000
Provisional Drivers Licence	1,000	2,000
International Driving Permit	2,000	4,000
Conductors Licence	500	1,000
Dealers Licences	100,000	200,000
Identification Mark	10,000	20,000
Competence	1,500	3,000
Failure	1,500	3,000
For Motor Vehicle Registration and Transfer of Registration		
Motor Cycle	500	1,000
Other Vehicles	1,000	2,000
Trailer	300	600
Copy of Registration	500	1,000
Drivers Over 65Yrs.		FREE
Duplicates*	240	SAME AS ORIGINAL COST OF LICENCE
Fitnesses		
Cycle, Tractor & Trailers	500	1,000
Hire Car	750	1,500
Private Vehicle	1,000	2,000
Buses & Goods Vehicle	1,500	3,000
Articulated vehicle	2,000	4,000
Motor Vehicle Licences		
Motor cycles		
- having 2 wheels and not exceeding 200 pounds	1,000	1,500
- having 2 wheels and exceeding 200 pounds	2,000	3,000
- having 3 wheels	1,500	2,250
ATV	1,500	2,250
Motor Vehicles other than a motor cycle		
- not exceeding 2240 pounds	2,000	3,000
- exceeding 2240 pounds and not exceeding 3000 pounds	2,500	3,750
- exceeding 3000 pounds and not exceeding 4000 pounds	4,000	6,000
- exceeding 4000 pounds and not exceeding 5000 pounds	6,000	9,000
- exceeding 5000 pounds	10,000	15,000

APPENDIX IX

PROPOSAL FOR THE INCREASE IN LICENCE FEES

Types of Licences	Current Fee	Proposed Fee
	\$	\$
Hire Car		
- not exceeding 2240 pounds	4,000	6,000
- exceeding 2240 pounds and not exceeding 3000 pounds	4,500	6,750
- exceeding 3000 pounds	5,000	7,500
Yellow Cab (Corporate Yellow)	FREE	FREE
Motor Bus		
- not more than 14 passengers	4,950	7,425
- more than 14 passengers	9,360	14,040
Goods Vehicles		
- not exceeding 1120 pounds unladen weight	2,500	3,750
- exceeding 1120 pounds but not exceeding 2240 pounds unladen weight	4,500	6,750
- exceeding 2240 pounds but not exceeding 4480 pounds unladen weight	9,000	13,500
- exceeding 4480 pounds but not exceeding 8960 pounds unladen weight	11,000	16,500
- exceeding 8960 pounds but not exceeding 13440 pounds unladen weight	25,000	37,500
- exceeding 13440 pounds unladen weight	30,000	45,000
Articulated Vehicles		
- exceeding four tons, but not exceeding six tons payload	25,000	37,500
- exceeding six tons payload	30,000	45,000
- articulated vehicle	35,000	52,500
Other Vehicles		
Motor tractor and trailer within a radius of 6 miles thereof but not in Georgetown or New Amsterdam	3,600	5,400
Any agricultural tractor used alone for the said purpose	600	900
Motor hearse	1,200	1,800
Motor vehicle used solely for the servicing of equipment or machinery	3,000	4,500
Mechanically propelled crane, hoist, compressor, bulldozer or similar vehicle used in connection with construction	1,200	1,800
Trailer used in connection with a car		
having two wheels	360	540
having more than two wheels	600	900
Trailer capable of being attached to any vehicle other than a motor tractor or motor car and not constructed as a permanent attachment to that vehicle	720	1,080
Duplicates	240	SAME AS ORIGINAL COST OF LICENCE

APPENDIX X

LIQUOR LICENCES

TYPE OF LICENCE	DESCRIPTION	CURRENT APPLICATION FEE	PROPOSED APPLICATION FEE	CURRENT LICENCE FEE	PROPOSED LICENCE FEE	CURRENT RENEWAL FEE	PROPOSED RENEWAL FEE
HOTEL	(G/T INCLUSIVE OF INDUSTRY- AGRICOLA	5,000	10,000	7,500	15,000	5,000	10,000
	OUT OF TOWN-			5,000	10,000		
OFF-LICENCE	(G/T INCLUSIVE OF INDUSTRY- AGRICOLA	2,000	4,000	1,500	3,000	500	1,000
	OUT OF TOWN-			1,200	2,400		
LIQUOR RESTAURANT	(G/T INCLUSIVE OF INDUSTRY- AGRICOLA	5,000	10,000	5,750	11,500	5,000	10,000
	OUT OF TOWN-			5,000	10,000		
SPIRIT SHOP	(G/T INCLUSIVE OF INDUSTRY- AGRICOLA	5,000	10,000	3,500	7,000	5,000	10,000
	OUT OF TOWN-			2,000	4,000		
MEMBERS CLUB		5,000	10,000	1,500	3,000	5,000	10,000
MALT & WINE		-		750	1,500	-	
OCCASIONAL LICENCE	(G/T INCLUSIVE OF INDUSTRY- AGRICOLA	-		1,250	2,500	-	
	OUT OF TOWN-			1,150	2,300		

APPENDIX XI

TRADE & MISCELLANEOUS LICENCES

LICENCE CODE	DESCRIPTION	CURRENT FEE	PROPOSED FEE	LAW/CHAPTER
		\$	\$	
4	Pooling Betting Licence	2,000,000	3,000,000	Chapter 80:01 Section 8
5	Betting Shop Licence	2,000,000	3,000,000	Chapter 80:01 Section 9
78	Aerated and Mineral Water	500	1,200	Chapter 80:01 Section 20(b)
79	Film Distributors	20,000	50,000	Chapter 80:01 Section 4
80	Insurance Companies (Life)	40,000	100,000	Chapter 80:01 Section 17
81	Video Rental	13,200	30,000	Chapter 80:01 Section 6
82	Insurance Companies (Accident and Fire)	40,000	100,000	Chapter 80:01 Section 17
83	Trade Licence (G/Town, Linden, New Amst.) up to 150 sq. Ft	600	1,000	Chapter 80:01 Section 18
84	Trade Licence (G/Town, Linden, New Amst.) up to 150-300 sq. Ft	1,200	2,000	
85	Trade Licence (G/Town, Linden, New Amst.) up to 300-1000 sq. Ft	2,400	4,000	
86	Trade Licence (G/Town, Linden, New Amst.) up to 1000-2500 sq. Ft	4,500	8,000	
87	Trade Licence (G/Town, Linden, New Amst.) up to 2500--5000 sq. Ft	10,500	18,000	
88	Trade Licence (G/Town, Linden, New Amst.) up to-5000-10000 sq. Ft	15,000	25,000	
89	Trade Licence (G/Town, Linden, New Amst.) up to 10000-15000 sq. Ft	27,540	50,000	
90	Trade Licence (G/Town, Linden, New Amst.) up to 15000-20000 sq. Ft	42,150	75,000	
91	Trade Licence (G/Town, Linden, New Amst.) over 20000 sq. Ft	44,550	80,000	Chapter 80:01 Section 19
92	Trade Licence (Stabroek Market)	2,400	4,000	
93	Trade Licence (Cummingburg & Other Markets)	1,200	2,000	
94	Trade Licence (New Amsterdam and Linden Markets)	1,500	2,000	
95	Trade Licence (Villages Council and Local Government Markets)	600	1,000	
96	Trade Licence in Rural Districts up to 120 sq. ft	300	500	Chapter 80:01 Section 20
97	Trade Licence in Rural Districts 120-2000 sq. ft	900	2,000	
98	Trade Licence in Rural Districts over 2000 sq. ft	3,000	5,000	
99	Druggist Licence - G/Town, Linden & New Amst.	3,000	5,000	Chapter 80:01 Section 22
100	Druggist Licence - Market	750	1,500	
101	Druggist Licence - Rural	750	1,500	Chapter 80:01 Section 23
102	Butcher Shop Licence	840	1,500	Chapter 80:01 Section 25
103	Cigarette Factory (output exceeding 60,000 lbs. per annum)	45,000	80,000	Chapter 80:01 Section 26
104	Cigarette Factory (output less than 60,000 lbs. per annum)	27,000	50,000	
105	Cigarette Factory (output less than 40,000 lbs. per annum)	18,000	30,000	
106	Cigarette Factory (output less than 20,000 lbs. per annum)	12,000	20,000	
107	Cigarette Factory (output less than 1,000 lbs. per annum)	9,000	15,000	Chapter 80:01 Section 27
108	Tobacco Licence	300	1,000	
109	House Agent Licence	25,000	40,000	Chapter 80:01 Section 29
110	Pawn Broker Licence - Georgetown	40,000	60,000	Chapter 80:01 Section 30
111	Pawn Broker Licence - New Amst. & Linden	30,000	45,000	
112	Pawn Broker Licence - Elsewhere in Guyana	20,000	30,000	
113	Money Lender Licence	15,000	30,000	Chapter 80:01 Section 31
114	Guycraft - Exceeding 25 feet up 30 feet	210	1,200	Chapter 80:01 Section 33
115	Guycraft - Exceeding 30 feet up 40 feet	300	2,000	
116	Guycraft - Exceeding 40 feet up 60 feet	810	5,000	
117	Guycraft - Exceeding 60 feet up 80 feet	1,500	9,000	
118	Guycraft - Exceeding 80 feet	3,000	18,000	

APPENDIX XI

TRADE & MISCELLANEOUS LICENCES

LICENCE CODE	DESCRIPTION	CURRENT FEE	PROPOSED FEE	LAW/CHAPTER
		\$	\$	
119	Cart Drawn Horse, Pony or Mule	300	2,000	Chapter 80:01 Section 35
120	Carts drawn by horse, pony or mule kept/used in Georgetown	1,500	9,000	
121	Cart Drawn by bullock or ox kept and used in Guyana	840	5,000	
122	Cart (4 - wheel) drawn by horse, pony or mule not in Georgetown	840	5,000	
123	Cart (2 - wheel) drawn by horse, pony or mule not in Georgetown	300	2,000	
124	Cart (2 - wheel) drawn by donkey used in Georgetown	300	2,000	
125	Cart (4 - wheel) drawn by donkey and used not in Georgetown	600	4,000	
126	Cart (2 - wheel) drawn by donkey used not in Georgetown	300	2,000	
127	Carts (4 - wheel) drawn by donkey used not in Georgetown	420	2,500	
134	Ball and Dance	1,000	6,000	Chapter 80:01 Section 52
135	Cinematograph Quarterly - Georgetown	4,400	25,000	Chapter 80:01 Section 53
136	Cinematograph Quarterly - New Amsterdam	2,000	12,500	
137	Cinematograph Quarterly - Rural	1,200	7,500	
138	Billiards or Pools tables	1,000	6,500	Chapter 80:01 Section 54
139	Petrol Pump (All town)	10,000	60,000	Chapter 80:01 Section 60
141	Petrol Pump - Rural	5,000	30,000	
142	Hucksters Licence - Man propelled	560	3,500	Chapter 91:06 Section 3
143	Hucksters Licence - Beast of Burden	2,000	12,500	
144	Hucksters Licence - Motor vehicle	10,000	62,500	
145	Auctioneers Licence	7,000	40,000	Chapter 80:01 Section 28
148	Copy of Licence	200	1500	Chapter 80:01 Section 5
149	Rice Factory with milling capacity not exceeding 2 tons	1,000	2,000	Chapter 95:05
150	Rice Factory with milling capacity between 2 and 4 tons	1,250	2,500	
151	Rice Factory with milling capacity between 4 and 6 tons	1,500	3,000	
152	Rice Factory with milling capacity exceeding 6 tons	2,000	3,500	
128	Carts drawn by horse, pony or mule (Sugar Plantation)	300	TO BE REPEALED	Chapter 80:01 Section 36
129	Carts (2 - wheel) drawn by donkey (Sugar Plantation)	240		Chapter 80:01 Section 38
130	Carts (4 - wheel) drawn by donkey (Sugar Plantation)	300		Chapter 80:01 Section 39
131	Steam Boiler Licence	100		Chapter 69:05
132	Explosive wholesale Licence	1,500		
133	Explosive Retail Licence	1,000		
146	Coconut Manufacturer	500		
147	Coconut Registration	500		
	Overall Avg. %			

APPENDIX XII

SCHEDULE 1 - THRESHOLDS FOR REVIEW BY TENDER BOARDS

TYPE OF BOARD	TYPE OF CONTRACT	CONTRACT VALUE	REVISED CONTRACT VALUE
I National	All types	All contracts exceeding the maxima for other boards	All contracts exceeding the maxima for other boards
II Regional	Goods and Services (other than consulting)	250,000 - 6,000,000	250,000 - 8,000,000
	Consulting Services	400,000 - 500,000	400,000 - 800,000
	Construction	600,000 - 9,000,000	600,000 - 14,000,000
III Ministerial/ Departmental/Agency	Goods and Services (other than consulting)	250,000 - 600,000	250,000 - 1,500,000
	Consulting Services	400,000 - 500,000	400,000 - 800,000
	Construction	600,000 - 1,000,000	600,000 - 2,000,000
IV Ministry of Public Infrastructure	Goods and Services (other than consulting)	1,000,000 - 4,000,000	1,000,000 - 6,000,000
	Consulting Services	1,000,000 - 3,000,000	1,000,000 - 5,000,000
	Construction	1,000,000 - 8,000,000	1,000,000 - 14,000,000
V Ministry of Agriculture	Goods and Services (other than consulting)	1,000,000 - 4,000,000	1,000,000 - 6,000,000
	Consulting Services	1,000,000 - 3,000,000	1,000,000 - 5,000,000
	Construction	1,000,000 - 8,000,000	1,000,000 - 14,000,000
VI Ministry of Public Health	Goods and Services (other than consulting)	250,000 - 600,000	250,000 - 1,500,000
	Consulting Services	400,000 - 500,000	400,000 - 800,000
	Construction	600,000 - 1,000,000	600,000 - 8,000,000
VII Ministry of Public Security	Goods and Services (other than consulting)	250,000 - 600,000	250,000 - 1,500,000
	Consulting Services	400,000 - 500,000	400,000 - 800,000
	Construction	600,000 - 1,000,000	600,000 - 8,000,000
VIII Ministry of Education	Goods and Services (other than consulting)	250,000 - 600,000	250,000 - 1,500,000
	Consulting Services	400,000 - 500,000	400,000 - 800,000
	Construction	600,000 - 1,000,000	600,000 - 8,000,000

APPENDIX XIII

SCHEDULE 2- EXCEPTIONS TO OPEN TENDERING

METHOD OF PROCUREMENT	THRESHOLD	REVISED THRESHOLD	SECTION OF THE ACT
I Restricted Tendering	1,000,000, in the case of contracts for Goods and Services (other than consulting services)	3,000,000 in the case of contracts for Goods and Services (other than consulting services)	26(1)b
	5,000,000, in the case of contracts for construction	10,000,000, in the case of contracts for construction	26(1)b
II Request for Quotations	800,000	1,500,000	27(1)
III Community Participation	1,500,000	5,000,000	29

GUYANA



VENEZUELA

BARIMA-WAINI

POMEROON-SUPENAAM

NORTH ATLANTIC OCEAN

Georgetown

ESSEQUIBO ISLANDS-WEST DEMERARA

CUYUNI-MAZARUNI

DEMERARA-MAHAICA

MAHAICA-BERBICE

UPPER DEMERARA-BERBICE

POTARO-SIPARUNI

SURINAME

UPPER TAKUTU-UPPER ESSEQUIBO

EAST BERBICE-CORENTYNE

BRAZIL



Printed by Guyana National Printers Limited