



OFFICIAL REPORT

PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF THE FIRST SESSION (2020-2025) OF THE TWELFTH PARLIAMENT OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE REPUBLIC OF GUYANA HELD IN THE DOME OF THE ARTHUR CHUNG CONFERENCE CENTRE, LILIENDAAL, GREATER GEORGETOWN

2ND Sitting

Wednesday, 9TH September, 2020

**PARLIAMENT OFFICE
HANSARD DIVISION**

The Assembly convened at 10.22 a.m.

Prayers

[Mr. Speaker in the Chair]

MEMBERS OF THE NATIONAL ASSEMBLY (68)

Speaker (1)

*Hon. Manzoor Nadir, M.P.,
Speaker of the National Assembly,
Parliament Office,
Public Buildings,
Brickdam,
Georgetown.

(Virtual Participation)

MEMBERS OF THE GOVERNMENT (35)

(i) MEMBERS OF THE PEOPLE’S PROGRESSIVE PARTY CIVIC (35)

Prime Minister (1)

+ Hon. Brigadier (Ret’d) Mark Anthony Phillips, M.S.S., M.P.,
Prime Minister,
Prime Minister’s Office,
Colgrain House,
205 Camp Street,
Georgetown.

Vice-President (1)

+ Hon. Bharrat Jagdeo, M.P.,
Vice-President,
Office of the President,
New Garden Street,
Georgetown.

[Absent]

+ Cabinet Member

* Non-Elected Speaker

Attorney General and Minister of Legal Affairs (1)

+ Hon. Mohabir Anil Nandlall, M.P.,
Attorney General and Minister of Legal Affairs,
Ministry of Legal Affairs,
Carmichael Street,
Georgetown.

Senior Ministers (16)

+ Hon. Gail Teixeira, M.P.,
(Region No. 7 – Cuyuni/Mazaruni),
Minister of Parliamentary Affairs and Governance,
Ministry of Parliamentary Affairs and Governance.
Government Chief Whip,
Office of the Presidency,
New Garden Street,
Georgetown.
+ Hon. Hugh H. Todd, M.P.,
(Region No. 4 – Demerara/Mahaica),
Minister of Foreign Affairs and International Co-operation,
Ministry of Foreign Affairs,
Lot 254 South Road,
Georgetown.

+ Hon. Bishop Juan A. Edghill, M.S., J.P., M.P.,
Minister of Public Works,
Ministry of Public Works,
Wight’s Lane,
Kingston,
Georgetown.
+ Hon. Dr. Frank C. S. Anthony, M.P.,
Minister of Health,
Ministry of Health,
Brickdam,
Georgetown.

+ **Cabinet Member**

+ Hon. Priya D. Manickchand, M.P.,
(Region No. 3 – Essequibo Islands/West Demerara),
Minister of Education,
Ministry of Education,
Lot 26 Brickdam,
Georgetown.

+ *Hon. Brindley H.R. Benn, M.P.,
Minister of Home Affairs,
Ministry of Home Affairs,
Brickdam,
Georgetown.

+ Hon. Zulfikar Mustapha, M.P.,
Region No. 6 – East Berbice/Corentyne),
Minister of Agriculture,
Ministry of Agriculture,
Regent and Vlissengen Road,
Bourda, Georgetown.

+ Hon. Pauline R.A. Campbell-Sukhai, M.P.,
Minister of Amerindian Affairs,
Ministry of Amerindian Affairs,
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South Cummingsburg,
Georgetown.

+ Hon. Joseph L.F. Hamilton, M.P.,
Minister of Labour,
Ministry of Labour,
Brickdam,
Georgetown.

+ **Cabinet Member**
* **Non-Elected Minister**

+ Hon. Vickram Outar Bharrat, M.P.,
Minister of Natural Resources,
Ministry of Natural Resources,
Lot 96 Duke Street,
Kingston,
Georgetown.

+*Hon. Oneidge Walrond, M.P.,
Minister of Tourism, Industry and Commerce,
Ministry of Tourism, Industry and Commerce,
Lot 229 South Road,
Bourda, Georgetown.

+ Hon. Nigel D. Dharamlall, M.P.,
(Region No. 2 – Pomeroon/Supenaam),
Minister of Local Government and Regional Development,
Ministry of Local Government and Regional Development,
DeWinkle Building,
Fort Street,
Kingston,
Georgetown.

+ Hon. Collin D. Croal, M.P.,
(Region No. 1 – BarimaWaini),
Minister of Housing and Water,
Ministry of Housing and Water,
Brickdam,
Georgetown.

+ Hon. Vindhya V. H. Persaud, M.S., M.P.,
(Region No. 4 – Demerara/Mahaica),
Minister of Human Services and Social Security,
Ministry of Human Services and Social Security,
Lot 357 East and Lamaha Streets
Georgetown.

+ Hon. Charles S. Ramson, M.P.,
Minister of Culture, Youth and Sports,
Ministry of Culture, Youth and Sports,
Main Street,
Georgetown.

+ Hon. Sonia Savitri Parag, M.P.,
Minister of the Public Service,
Ministry of the Public Service,
164 Waterloo Street,
North Cummingsburg,
Georgetown.

+ **Cabinet Member**

* **Non-Elected Minister**

Junior Ministers (4)

Hon. Warren Kwame E. McCoy, M.P.,
Minister within the Office of the Prime Minister,
Office of the Prime Minister,
c/o Colgrain House,
205 Camp Street,
Georgetown.

Hon. Deodat Indar, M.P.,
Minister within the Ministry of Public Works,
Ministry of Public Works,
Wight’s Lane,
Kingston,
Georgetown.

Hon. Anand Persaud, M.P.,
Minister within the Ministry of Local Government and Regional Development,
Ministry of Local Government and Regional Development,
Fort Street,
Kingston,
Georgetown.

Hon. Susan M. Rodrigues, M.P.,
(Region No. 4 – Demerara/Mahaica),
Minister within the Ministry of Housing and Water,
Ministry of Housing and Water,
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Stabroek,
Georgetown.

Other Members (12)

Mr. Dharamkumar Seeraj, M.P.,
Lot 71 BB Eccles,
East Bank Demerara.

Mr. Alister S. Charlie, M.P.,
(Region No. 9 – Upper Takutu/Upper Essequibo),
148 Lethem,
Central Rupununi,
c/o Freedom House,
41 Robb Street,
Georgetown.

Dr. Vishwa D.B. Mahadeo, M.P.,
Region No. 6 – East Berbice/Corentyne),
Lot 4 Public Road,
No. 66 Village,
Corentyne,
Berbice.

Mr. Sanjeev J. Datadin, M.P.,
Lot 60 Section ‘K’,
John Street,
Campbellville,
Georgetown.

(Virtual Participation)

Mr. Seepaul Narine, M.P.,
Lot 321 BB Seventh Street,
Eccles,
East Bank Demerara.
Mrs. Yvonne Pearson-Fredericks, M.P.,
Mainstay Lake/Whyaka Village,
Mainstay Lake, Essequibo Coast,
c/o Freedom House,
41 Robb Street,
Georgetown.
Dr. Bheri S. Ramsaran, M.P.,
Lot 340 East Street,
South Cummingsburg,
c/o Freedom House,
41 Robb Street,
Georgetown.
Dr. Jennifer R.A. Westford, M.P.,
55 AA Victoria Avenue,
Eccles,
East Bank Demerara.
Mr. Faizal M. Jaffarally, M.P.,
(Region No. 5 – Mahaica/Berbice),
Lot 16-30 New Street,
New Amsterdam.
c/o Freedom House,
Robb Street,
Georgetown.
Dr. Tandika S. Smith, M.P.,
(Region No. 3 - Essequibo Islands/West Demerara),
Lot 290 Area ‘J’,
Tuschen, North,
East Bank Essequibo.
Mr. Lee G.H. Williams, M.P.,
Paruima Upper Mazaruni,
c/o Freedom House,
Robb Street,
Georgetown.
Ms. Bhagmattie Veerasammy, M.P.,
Lot 32 Crown Dam,
Industry,
East Coast Demerara.

MEMBERS OF THE OPPOSITION (32)
(i) A Partnership For National Unity + Alliance For Change (APNU/AFC) (31)

Lt. Col. (Ret’d) Joseph F. Harmon, M.S.M., M.P., <i>Leader of the Opposition,</i> <i>Lot 99 Mazaruni Street,</i> <i>Guyhoc Park,</i> <i>Georgetown.</i>	<i>[Absent]</i>
Mr. Khemraj Ramjattan, M.P., <i>Lot 10 Delph Street,</i> <i>Campbelville,</i> <i>Georgetown.</i>	<i>[Absent]</i>
Mr. Roysdale A. Forde, M.P., <i>Lot 410 Caneview Avenue,</i> <i>South Ruimveldt,</i> <i>Georgetown.</i>	<i>[Absent]</i>
Mr. Raphael G.C. Trotman, M.P., <i>Lot 3202 Pricese 3,</i> <i>Providence,</i> <i>East Bank Demerara.</i>	<i>[Absent]</i>
Ms. Dawn Hastings-Williams, M.P., <i>Lot 933 Block 1,</i> <i>Eccles,</i> <i>East Bank Demerara.</i>	<i>[Absent]</i>
Dr. Nicolette O. Henry, M.P., <i>Lot 2227 Ozama Street, North Ruimveldt,</i> <i>Georgetown.</i>	<i>[Absent]</i>
Dr. Karen R.V. Cummings, M.P., <i>Lot 2 Belfield Housing Scheme,</i> <i>East Coast Demerara.</i>	<i>[Absent]</i>
Ms. Tabitha J. Sarabo-Halley, M.P., <i>Lot 3382 Caneview Avenue,</i> <i>South Ruimveldt Park,</i> <i>Georgetown.</i>	<i>[Absent]</i>
Ms. Geeta Chandan-Edmond, M.P., <i>Lot 48 Atlantic Ville,</i> <i>Georgetown.</i>	<i>[Absent]</i>
Mr. Christopher A. Jones, M.P., <i>Chief Whip,</i> <i>Lot 609 Conciliation Street,</i> <i>Tucville,</i> <i>Georgetown.</i>	<i>[Absent]</i>
Ms. Annette N. Ferguson, M.P., <i>Lot 842 Eccles,</i> <i>East Bank Demerara.</i>	<i>[Absent]</i>

Mr. David A. Patterson, M.P., <i>Lot 151 Durbana Square, Lamaha Gardens, Georgetown.</i>	<i>[Absent]</i>
Ms. Coretta A. McDonald, M.P., <i>Lot 202 N, Fourth Street, Alexander Village, Georgetown.</i>	<i>[Absent]</i>
Ms. Catherine A. Hughes, M.P., <i>(Region No. 4 – Demerara/Mahaica), Lot 13 A, New Providence, East Bank Demerara.</i>	<i>[Absent]</i>
Mr. Haimraj B. Rajkumar, M.P., <i>Lot 18 Public Road, Johanna Cecilia, (Region # 2 Essequibo Coast).</i>	<i>[Absent]</i>
Ms. Amanza O.R. Walton-Desir, M.P., <i>Lot 1285 EE Eccles Sugarcane Field, East Bank Demerara.</i>	<i>[Absent]</i>
Ms. Natasha Singh-Lewis, M.P., <i>Lot 1110 Plot ‘B’, Herstelling, East Bank Demerara.</i>	<i>[Absent]</i>
Mr. Sherod A. Duncan, M.P., <i>Lot 590 Good Hope, East Coast Demerara.</i>	<i>[Absent]</i>
Ms. Juretha V. Fernandes, M.P., <i>Lot 1282 Block EE, Eccles, East Bank Demerara.</i>	<i>[Absent]</i>
Mr. Vincent P. Henry, M.P., <i>(Region No. 9 – Upper Takutu/Upper Essequibo), Shulidnab Village, South Central, Rupununi. (Culvert City Lethem)</i>	<i>[Absent]</i>
Mr. Ronald Cox, M.P., <i>(Region No. 1 – Barima Waini), Mabaruma Compound.</i>	<i>[Absent]</i>

Mr. Shurwayne F.K. Holder, M.P., (Region No. 2 – Pomeroon/Supenaam), Lot 55 Henrietta, Essequibo Coast.	[Absent]
Mr. Ganesh A. Mahipaul, M.P., Lot 14 Plantain Walk, West Bank Demerara.	[Absent]
Ms. Nima N. Flue-Bess, M.P., (Region No. 4 – Demerara/Mahaica), Lot 88 Nelson Street, Mocha Village, East Bank Demerara.	[Absent]
Ms. Maureen A. Philadelphia, M.P., (Region No. 4 – Demerara/Mahaica), Lot 17 Block 1, Section F, Plantation Belfield, East Coast Demerara.	[Absent]
Mr. Deonarine Ramsaroop, M.P., (Region No. 4 – Demerara/Mahaica), Lot 40 Block 3 Craig Milne, Cove & John, East Coast Demerara.	[Absent]
Mr. Vinceroys H. Jordan, M.P., (Region No. 5 – Mahaica/Berbice), Lot 214 Lovely Lass Village, West Coast Berbice. C/o Christopher Jones	[Absent]
Mr. Dineshwar N. Jaiprakash, M.P., Region No. 6 – East Berbice/Corentyne), Lot 80 Babu John Road, Haswell, Port Mourant, Corentyne Berbice.	[Absent]
Mr. Richard E. Sinclair, M.P., (Region No. 8 –Potaro/Siparuni) Church Street Mahdia. Lot 4 Public Road, Stewartville, West Coast Demerara.	[Absent]

Mr. Jermaine Figueira, M.P.,
(Region No. 10 – Upper Demerara/Upper Berbice),
Lot 136 2nd Street,
Silvertown,
Wismar, Linden.

Mr. Devin L. Sears, M.P.,
(Region No. 10 – Upper Demerara/Upper Berbice),
Lot 90, Section C,
Wismar, Linden.

[Absent]

[Absent]

A New and United Guyana, Liberty and Justice Party and The New Movement (ANUG, LJP & TNM) (1)

Mr. Lenox R. O’Dell Shuman, M.P.,
Deputy Speaker of the National Assembly,
St. Cuthbert’s Mission,
Soesdyke Linden Highway.

Officers (4)

Mr. Sherlock E. Isaacs, A.A.,
Clerk of the National Assembly,
Parliament Office,
Public Buildings,
Brickdam,
Georgetown.
Ms. Hermina Gilgeours,
Deputy Clerk of the National Assembly,
Parliament Office,
Public Buildings,
Brickdam,
Georgetown.
Ms. Deslyn West,
Assistant Clerk of the National Assembly,
Parliament Office,
Public Buildings,
Brickdam,
Georgetown.
Ms. Monette Garnett-Christopher,
Chief Administrative Officer,
Parliament Office,
Public Buildings,
Brickdam,
Georgetown.

Hansard Division Officers (20)

Ms. Allison Connelly, <i>Chief Editor</i>	Ms. Eyoka Gibson, <i>Reporter</i>
Ms. Marlyn Jeffers-Morrison, <i>Editor</i>	Ms. Lushonn Bess, <i>Reporter</i>
Ms. Shawnel Cudjoe, <i>Editor</i>	Ms. Bianca Cummings, <i>Reporter</i>
Ms. Latoiah Joseph, <i>Editor</i>	Mr. Rohan Ramjas, <i>Reporter</i>
Ms. Carol Bess, <i>Editor</i>	Ms. Nadeila Allen, <i>Reporter</i>
Ms. Shevona Telford, <i>Editor</i>	Ms. Celisa DeFlorimonte, <i>Reporter</i>
Ms. Christina Ramroop, <i>Editor</i>	Mr. Parmanand Singh, <i>Pre –Press Technician</i>
Ms. Tesia Ellis, <i>Reporter</i>	Mr. Saeed Umrao, <i>Audio Technician</i>
Ms. Indranie Persaud, <i>Reporter</i>	Mr. Daison Horsham, <i>Audio Technician</i>
Ms. Roseina Singh, <i>Reporter</i>	
Ms. Somna Karen-Muridall, <i>Reporter</i>	

2ND Sitting

Wednesday, 9TH September, 2020

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ANNOUNCEMENTS BY THE SPEAKER

Condolences to the Families of Isaiah and Joel Henry

Mr. Speaker: Hon. Members, good morning. As we start this 2nd sitting of the Twelfth Parliament of Guyana, it is with great sadness that I join with you in expressing our sincerest condolences to the families of Isaiah and Joel Henry, who were so brutally murdered.

Lastly, our condolences to the immediate family, the extended family and our nation.

Coronavirus Disease (COVID-19) Test Results

Hon. Members, I, also, would like to inform the House that, on Monday, the Clerk, the staff and I tested for the Coronavirus Disease (COVID-19). The test results came out last evening, and I report that I am positive. Hence, today’s session for me is *via* this video platform. The Clerk was tested negative. Thank you for all the expressions of concern that have been expressed.

PRESENTATION OF PAPERS AND REPORTS

The following Papers and Reports were laid:

- (1)

Annual Reports of the Indigenous Peoples’ Commission for the years 2013, 2014, 2015 and 2016;
- (2)

Annual Reports of the Office of the Ombudsman for the years 2017 and 2018; and
- (3)

Annual Report of the Public Service Appellate Tribunal for the year 2019.
- (1)

Estimates of Revenue and Expenditures of Guyana for the financial year 2020;
- (2)

Annual Reports of the National Insurance Scheme for the years 2017 and 2018;
- (3)

Annual Report of the Financial Intelligence Unit for the year 2018;
- (4)

Report of the Directors of the Dependants’ Pension Fund for the year 2018;
- (5)

Mid-Year Report for 2019;
- (6)

Annual Report of the Guyana Oil Company Limited for the year 2018; and

- (7)

Annual Report of the Guyana National Shipping Corporation for the year 2018.

[*Minister of Public Works*]
- (1)

Audited Financial Statement of the Guyana Marketing Corporation for the year ended 31st December, 2016;
- (2)

Audited Financial Statements of the National Agricultural Research and Extension Institute for the years ended 31st December, 2010 to 31st December, 2015;
- (3)

Annual Reports of the Guyana Sugar Corporation for the years 2016 and 2017;
- (4)

Audited Financial Statement of the Guyana Sugar Corporation for the year ended 31st December, 2016; and
- (5)

Unaudited Financial Statement of the Guyana Sugar Corporation for the year ended 31st December, 2017.

[*Minister of Agriculture*]
- (1)

Audited Financial Statement of the Cheddi Jagan International Airport Corporation for the year ended 31st December, 2017.

[*Minister within the Ministry of Public Works*]

MOTIONS RELATING TO THE BUSINESS OR SITTINGS OF THE ASSEMBLY AND MOVED BY A MINISTER

Suspension of Standing Orders Nos. 10(2) and 38(9) (a)

BE IT RESOLVED:

That Standing Orders Nos. 10(2) and 38(9)(a) be suspended to enable the Minister with responsibility for Finance to complete uninterrupted the reading of the Budget Speech for 2020 at the Sitting of the National Assembly on Wednesday, 9th September, 2020.

[*Minister of Parliamentary Affairs and Governance*]

Question put and agreed to.

Standing Orders suspended.

PUBLIC BUSINESS

GOVERNMENT BUSINESS

MOTIONS

Nomination of Members of the Committee of Selection

Mr. Speaker: Hon. Members, the Assembly will now, as required by Standing Order No. 81, nominate Members to comprise the Committee of Selection. I invite nominations accordingly.

Minister of Parliamentary Affairs and Governance [Ms. Teixeira]: Thank you, Sir. I wish to nominate the five Members of the Committee of Selection representing the Government: Prime Minister, Brigadier (Ret’d) Mark Phillips; yours truly; Minister Zulfikar Mustapha; Minister Pauline Campbell-Sukhai; Minister Nigel Dharamlall. As far as I know, we are entitled to five Members on this Committee.

The Clerk: The nomination needs to be seconded. The Minister proposed some names for the Committee of Selection; a Government Member is required to second the nomination.

Mr. Speaker: Hon. Members, I would like the nominations from the Government side to be seconded. Could I have someone second the nomination?

Minister of Natural Resources [Mr. Bharrat]: Mr. Speaker, thank you. I wish to second the nomination of the Minister of Parliamentary Affairs and Governance.

Mr. Speaker: Thank you very much.

Hon. Member, Lt. Col. (Ret’d) Joseph Harmon.

The Clerk: If I am permitted, Sir, the Chief Whip submitted the names to me, but the names must be proposed and seconded in the National Assembly. We have to move ahead; it cannot work like that, Sir.

Mr. Speaker: We will have to complete this once it is formally presented in the National Assembly.

10.37 a.m.

The Clerk: Very well, Sir.

Mr. Speaker: Hon. Members, we now come to the item, Budget for 2020. The Minister with responsibility for Finance will move the motion for the approval of the Estimates of

Expenditure for the financial year 2020. Hon. Minister with responsibility for Finance, you may proceed.

Budget for 2020 – Motion for the Approval of the Estimates of Revenues and Expenditure for the Financial year 2020

WHEREAS the Constitution of Guyana requires that Estimates of the Revenue and Expenditure of Cooperative Republic of Guyana for any financial year should be laid before the National Assembly;

AND WHEREAS the Constitution also provides that when the Estimates of Expenditure have been approved by the Assembly an Appropriation Bill shall be introduced in the Assembly providing for the issue from the Consolidated Fund of the sums necessary to meet that expenditure;

AND WHEREAS Estimates of Revenue and Expenditure of Cooperative Republic of Guyana for the financial year 2020 have been prepared and laid before the Assembly on 20-09-09.

NOW, THEREFORE BE IT RESOLVED:

That this National Assembly approves the Estimates of Expenditure for the financial year 2020, of a total sum of three hundred and six billion, two hundred and seventy one million, two hundred and eighty five thousand dollars (\$306, 271,285,000), excluding twenty three billion, two hundred and seventy-three million, and eight hundred and forty six thousand dollars (\$23,273,846,000) which is chargeable by law, as detailed therein and summarised in the undermentioned schedule, and agree that it is expedient to amend the law and to make further provision in respect of finance.

[Minister of Public Works on behalf of the Vice-President]

1. Introduction

Minister of Public Works [Bishop Edghill]: 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 2020 and, in so doing, 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.

I further wish to inform that the President has dedicated yours truly, under article 218 of the Constitution of the Co-operative Republic of Guyana, to prepare and lay before this National Assembly the Estimates of Revenues and Expenditure of Guyana for the year 2020.

Budget 2020 is finally here before this honourable House, after one of the most testing, convoluted, complicated and traumatic periods of Guyana’s post-independence history. It has been 20 months since *Budget 2019* was adopted in this National Assembly; 628 days since the No-Confidence Motion was successfully passed on the 21st of December, 2018; 475 days since a sitting of this National Assembly; 191 days since the 2nd of March, 2020, the day of the General and Regional Elections; and 38 days following the declaration of those Elections results on the 2nd August, 2020, with the People’s Progressive Party/Civic (PPP/C) being sworn in as the legitimate Government of Guyana.

The people of this country have been tested and tried but not defeated. Our nation’s young democracy was under severe duress. However, the *Constitution of the Co-operative Republic of Guyana* and the judicial system showed resilience in the face of the repeated efforts to undermine both. Our people endured and remained resolute and peaceful in their defense of democracy. We, as a people, were bolstered by the support of over 100 nations and all the major international and regional bodies – the United Nations (UN), the Commonwealth of Nations (Commonwealth), the Organization of American States (OAS) and the Caribbean Community (CARICOM) – in their righteous defense of the will of the people to elect a government of their choice and, in the end, democracy prevailed. How should we feel when several of our neighbouring sister CARICOM countries had their elections in the period between the 2nd March and the 2nd August, 2020, with their results being declared within hours of the close of polls? The unwarranted delays and subsequent court challenges that ensued have certainly tarnished the image of Guyana’s democratic credentials, a situation this President Ali-led Government has already started to correct.

These delays, over 20 months, not only put our democracy under duress but wreaked havoc on the economy which was already showing signs of an imminent decline. Uncertainty, instability, corruption, ineptitude and incompetence, alongside weak, visionless leadership, did immeasurable and unimaginable damage to the political, moral, social and economic fabric of our people.

The fact that the events from the 2nd March to present unfolded in the midst of a global pandemic, the COVID-19, which has already claimed the lives of over 900,000 persons worldwide, only compounded the difficulties and hardships faced by our people and the nation over those now infamous five months. We are humbled by the stoicism, restraint and fortitude of our people.

The COVID-19 pandemic remains with us today, as in the entire world, but now we are aggressively and scientifically addressing it at the national level by refocusing financial and other resources to improve testing capacity, and to acquire much needed pharmaceuticals and healthcare supplies in order to bring relief to our people, like never before. High on our agenda is the enactment of measures and stakeholder involvement, with a view of keeping our citizens safe.

We have now come with the annual budget, *Budget 2020*, in the last quarter of the year. This could have been avoided if the will of the people had been respected and had not been sabotaged on the 5th and 13th March, 2020. Had these treacherous events not occurred, the PPP/C, as a legitimately elected Government, would have had *Budget 2020* in this House by April of this year. The nation would not have had to endure this untenable situation over those long five months, and our present dire financial and economic situation could have been reversed faster.

There are two main overriding priorities in *Budget 2020* with a focus, in the last quarter, of bringing under control the spread of COVID-19, and the opening of the economy and restoring economic activity to some level of normalcy. Reversing the downward trend is a priority.

This budget has been prepared in record time. On the 10th August, the budget circular was issued, a mere five days after His Excellency was sworn into office. Immediately work began, and within 21 days we had concluded virtual budget hearings with all agencies and regions and had prepared the recommendations for the budgets of Constitutional Agencies. The budgets of Constitutional Agencies were submitted, and recommendations were made and approved by this National Assembly on the 1st September, at the very first sitting of the Twelfth Parliament. This cycle was completed in a record 22 days. Today, eight days later, we have before this honourable House, a motion of the Estimates and Expenditure for the fiscal year 2020.

Ministers and a highly professional and motivated budget team dedicated time every day and night, for long hours, to achieve this under the leadership of the Vice-President and

former President, the Hon. Mr. Bharrat Jagdeo. I am advised that, normally, the annual budget preparation process takes over 150 days. Hence, this achievement is not an insignificant one. These, however, are not ordinary times and it demands quick action of a highly responsive and responsible Government to enact measures to halt the downturn of the economy, which our people have had to unnecessarily endure, and bring them quick relief.

The PPP/C promised that, once the results were declared, our Administration, led by His Excellency President Mohamed Irfaan Ali, would hit the road at fast speed to restore normalcy and stability. Programmes and policies will be implemented to quickly turn the situation we inherited, and to set the stage for the implementation of the transformative projects we promised in our manifesto.

This budget embodies a no-nonsense, no-frill, no-fluff, people-centered, pro-poor, results-oriented approach to launch this nation back on its positive development trajectory. It is time to be candid with the Guyanese people concerning what we inherited as a new Administration. I want to take time to share with you some of our findings.

- (1) The bloat of employment in the public sector drove operational cost by astronomical levels and there was no increase in work output.
- (2) There were regular withdrawals from the Consolidated Fund and 20 months of uninterrupted, unauthorised invasion of the public purse, and also withdrawals from the Contingencies Fund which did not meet the legal requirements, throwing the entire financial architecture of the country off the legal and constitutional tracks.
- (3) The wholesale giveaway of our most important national patrimony – land – to friends, families and financiers of A Partnership for National Unity/Alliance For Change (APNU/AFC) without due process, without an iota of transparency and, in most cases, far below the market value and, even in one instance, no money being paid but an absolute title given.
- (4) Widespread discrimination in every aspect of governance including, but not limited to, employment, scholarship and allocation of resources.
- (5) Massive incompetence in every sphere of Government activity, to the extent that not only their manifesto promises of 2015 remained undelivered, but even normal functions of Government were not performed.

(6) Squander-mania was in every area that saw the greatest activism of this APNU/AFC Government. The D’Urban/Jubilee Park fiasco, the Sussex Street Bond and the conversion of the flood-prone, mould-infested Ocean View Hotel into a hospital are a few to mention.

(7) The complete malaise and assault on the economic sphere of the country, where no incentives were given for production and the promotion of productivity. To compensate for this omission, they unleashed on taxpayers. What was unleashed on taxpayers was a regime of abrasive and wide-reaching taxation, something never seen before in the Caribbean.

(8) We witnessed an unprecedented assault on lawful governance, on the *Constitution of the Co-operative Republic of Guyana*, the rule of law and on parliamentary governance, which culminated with a globally publicised attempt at rigging the 2nd March, 2020 General and Regional Elections. This vulgar display of authoritarianism cost taxpayers’ tens of millions of dollars to defend the indefensible.

The National Assembly and the country will hear more about these as time permits, as investigations are still ongoing.

10.52 a.m.

Such a situation could have only existed because of the gross mismanagement, maladministration and mishandling of the entire State apparatus. Our country fell into unchartered waters when the then Government fell by way of the successful passage of a no-confidence motion. Subsequently, they abdicated their caretaker status through failed and frivolous litigious forays, which culminated in an administration running on fumes, for more than one year, without parliamentary oversight.

There are key lessons to be learnt here – political gamesmanship is inimical to development, and the use of the public patrimony for the purchase of political support only lends to a style of governance that is wholly lacking in transparency and accountability.

New capital projects being undertaken in the absence of an Appropriation Act, and novel and skewed interpretations of the Constitution, as well as financial and procurement laws, were not only incredulous, but harmful to the economy.

The stalling and obstructionist approach adopted, as it relates to foreign investment, as well as the stranglehold and non-responsive attitude, led to capital flight, job losses and a local private sector being held in abeyance.

Given all that our country has endured since December, 2018, the PPP/C Administration is presenting *Budget 2020* under the theme, *Our Plan for Prosperity: Protecting our People in a COVID-19 Environment; Strengthening Democracy and the Rule of Law; Incentivising Economic Growth and Job Creation; Enhancing Welfare*.

The allocations and measures contained in *Budget 2020* have benefited from the numerous and ongoing engagements with various stakeholder groups which began during the formulation of our manifesto, which is our social contract with the people of this nation. In addition, ever conscious of the pandemic that has distorted our ideas of normalcy and wreaked havoc on health systems the world over, *Budget 2020* seeks to ensure that our level of preparedness and response prioritises to the safety of our people.

2. Economic Developments in the World Economy

The world economy is estimated to have grown by 2.9% in 2019, down from the 3.6% growth recorded in 2018. In January, 2020, the International Monetary Fund (IMF) attributed the lower 2019 growth to unexpected shocks to economic activity in some emerging economies, particularly India. In 2019, advanced economies are estimated to have grown by 1.7%, or 0.5 percentage points slower than the 2018 growth, and emerging markets and developing economies by 3.7%, down from the 4.5% growth observed in 2018. Further, Latin America and the Caribbean Region is estimated to have grown by 0.1% in 2019, according to the Economic Commission for Latin America and the Caribbean (ECLAC). This is lower than the 1% growth seen in 2018, attributed to widespread economic deceleration resulting from weakening domestic and external demands.

In April of this year, the IMF reported that the COVID-19 pandemic would lead to an unprecedented decline in global activity in 2020. With half-year data suggesting deeper downturns than previously anticipated, the Fund updated its 2020 projection to reflect a contraction of 4.9% in the global economy, almost two percentage points below the contraction of 3% projected at the beginning of the second quarter. For the first time, the IMF is projecting negative growth for all country groups.

The Fund is estimating a contraction of 8% in 2020 for advanced economies. The United States (US), United Kingdom (UK) and Canada are projected to contract by 8%, 10.2 % and 8.4%, respectively. The emerging market and developing economies group is anticipated to contract by 3%

in 2020, with all countries expected to record negative growth, except for China, which is projected to expand by 1%.

In their July 2020 COVID-19 Special Report, ECLAC highlighted that, since April, 2020, both external and internal shocks in the region have intensified and, as such, they projected a contraction of 9.1% by the region this year. In particular, declines of 9.4%, 8.4% and 7.9% are expected for South America, Central America and Mexico, and the Caribbean (excluding Guyana), respectively. The Commission is projecting an expansion of 44.3% for Guyana.

In light of the uncertainty, shocks and challenges induced by the COVID-19 pandemic, as Guyana is a commodity-dependent economy, Government remains cognisant of potential volatility in international commodity prices. The global price changes of Guyana’s major traded agricultural commodities varied in 2019. The average world price of rice (Thai 5%) declined by 0.6% to US\$418 per metric tonne in 2019, when compared with 2018. Unlike rice, the average world price for sugar and logs (Malaysia) increased by 1.6% and 1.3%, to US 28 cents per kilogramme and US\$273 per cubic metre, respectively, from 2018 levels. Further, metal prices were mixed at the end of 2019. The average world price for gold increased by 9.7% to US\$1,392 per ounce, while aluminium prices declined by 14.9% to US\$1,794 per metric tonne. In relation to Brent crude oil, the average world price declined by 9.9% to US\$64 per barrel in 2019, when compared with 2018.

The World Bank provided forecasts for commodity prices in April of this year, which were reported in the 2019 End-of-Year Outcome Statement. In 2020, the world market price for rice is expected to increase by 7.7% to US\$450 per metric tonne, and sugar by 14.3% to US 32 cents per kilogramme. Similarly, the world prices for logs is projected to grow by 0.7% to US\$275 per cubic metre. Moreover, with slowing global demand and the slowdown of key industries, metal prices are projected to fall by 13%, on average, in 2020. While aluminium prices are also expected to fall by 10.8% to US\$1,600 per metric tonne in 2020, gold prices are expected to grow by 14.9% to US\$1,600 per ounce. However, in August, gold prices surged to US\$1,969.85 per ounce, on average and, as such, prices for this commodity are likely to finish the year higher than the April forecast.

Further, oil markets are expected to be adversely affected throughout 2020, with the average crude oil prices projected to fall by 43% to US\$35 per barrel. While some recovery in

oil prices was observed in recent months, analysts remain cautious.

3. Developments in the Domestic Economy in 2019

A. Real Gross Domestic Product

The Ministry of Finance, in its End-of-Year Outcome Report for 2019, which was published in June 2020, noted that real Gross Domestic Product (GDP) grew by 5.4%, with non-oil growth pegged at 4.3%. This is based on a revised and rebased GDP series that was launched by the Bureau of Statistics in 2020. The updated series was rebased to years 2012, using the System of National Accounts 2008, and revisions included: the conversion of all economic activities to the International Standards of Industrial Classification of All Economic Activities; Revision 4; the use of updated methods of estimation, including the use of new and revised data; and the updating of implicit price deflators. This series will be used for the next three years while the Bureau completes a more thorough rebasing exercise, which will see the base year being updated to 2019.

B. Sectoral Performance

a. Agriculture, Forestry and Fishing

In 2019, the agriculture, forestry and fishing industries contracted by 0.5%, on account of declines in sugar, livestock and forestry.

The sugar growing industry contracted for a fourth consecutive year, with sugar production declining by 11.8% from the previous year, to 92,256 tonnes, approximately 21,000 tonnes below the original forecast for the year. This was primarily due to a shortfall of more than 14,000 tonnes in the second crop below the revised target, which was attributed to major mechanical failures in the Albion and Uitvlugt factories. Additionally, industrial unrest and adverse weather contributed to the industry’s underperformance in the second crop.

The rice growing industry expanded by 1% in 2019, with paddy production reaching 1,049,874 tonnes, 8.8% above the previous year and 0.8% short of the record production of 1,058,129 tonnes attained in 2015. The increase over 2018 was attributed to more hectares being harvested as well as higher yields, which rose by 6.9% and 1.8%, respectively.

With respect to the production of other crops, this industry is estimated to have grown by 0.3% in 2019, with total production, excluding coconuts, rising by 1.5% above the

previous year. This was driven by expansions in the production of pumpkin, cocoa, ginger, pineapples, sweet peppers and oranges. On the other hand, there were notable declines in tomato and watermelon production, which fell by 12.9% and 18.2%, respectively.

Like other crops, the livestock industry saw mixed outcomes in 2019. Beef production grew by 23.5%; pork by 66.9%; mutton by 8.3%; and table eggs by 45%. Despite these gains, the declines in poultry production by 7.6%, and milk production by 9.1 %, resulted in a contraction of 3.5 % in the livestock industry.

The forestry industry also contracted in 2019 by 3.9%, undoing the gains in the previous two years. This was on account of declines in log production by 5.2% and primary lumber by 3.6%.

11.07 a.m.

In the first quarter of 2019, lower activity by large concessionaires resulted in reduced log production. With log production improved in the second and third quarters, lower prices led to a low declaration of stored jungle stock by concessionaires in the final quarter. With regard to primary lumber, production in the first four months in the year outpaced the 2018 level, resulting in considerable gains at the half year. However, in the final two months of 2019, production was significantly below the 2018 level, which resulted in a contraction in this product category for 2019.

In 2019, the fishing industry grew, marginally, by 0.7%, despite a sargassum weed invasion, which affected industrial fishing operations. Industrial finfish production declined by 57.8% and industrial seabob production by 29.7%. The decline in the latter was also attributed to efforts by companies to attain Marine Stewardship Council certification, which requires implementation of harvest control rules as well as the use of by-catch reduction devices. Gains in artisanal finfish, red snapper, tuna, and prawn production were enough to offset the contractions in industrial finfish and seabob.

b. Extractive Industries

The mining and quarrying industries expanded by 10.6% in 2019, driven by the emerging petroleum and gas and support services industry, which grew by 124.2% over the previous year. This was further supported by growth in gold mining by 3%, other mining and quarrying by 7.3%, and bauxite by 1.7%.

The outturn in the gold mining industry was spurred by small and medium scale miners, whose declarations increased by 25% over the previous year. This was large enough to offset lower production by the two large-scale mining companies, which faced several operational setbacks in 2019. In the bauxite industry, growth slowed to 1.7%, its lowest rate since 2015. Nevertheless, the positive outturn in this industry was attributed to the scaling up of production activities by Guyana Industrial Minerals Incorporated (GINMIN), at its Bonasika site, which offsetted lower output by the two incumbent mining companies. Turning to the other mining and quarrying industries, growth was driven by increased sand mining by 12.9%, which outweighed an 11.5% contraction in diamond declarations and a 2.5% contraction in stone quarrying.

c. Manufacturing

The manufacturing industries are estimated to have expanded by 14.7% in 2019. While rice manufacturing and other manufacturing increased by 26.4% and 14%, respectively, further growth was constrained by a contraction of 11.8% in sugar manufacturing. Within other manufacturing, there were notable improvements in pharmaceutical, food and the beverage industries.

d. Construction

The construction industry is estimated to have grown by 3.1% in 2019, consistent with borrowing by the private sector for related activities. In particular, real estate mortgages grew by 6.9% in 2019, with 19.2% growth in loans for industrial and commercial properties and 5.9% growth in borrowing for private dwellings.

e. Services

The service industry grew by 4.2% in 2019, with expansions recorded across all major industries, apart from insurance services and agents, which contracted by 0.8%. The 2019 performance was driven by growth in wholesale and retail trade by 5%, administrative and support services by 5.8% and transport and storage by 6.9%.

C. Balance of Payments

In 2019, the overall balance of payments registered a deficit of US\$48.9 million, lower than the deficit of US\$132.2 million in 2018. This was on account of an increase in the capital accounts surplus, which offset an expansion in the current account deficit.

The current account deficit was US\$1.8 billion in 2019, 25.3% higher than the deficit in 2018, mainly on account of a larger deficit on the merchandise trade account. A larger services account deficit also contributed to the higher current account deficit position.

The merchandise trade deficit in 2019 was US\$1.5 billion, larger than the deficit of US\$1 billion in 2018, due to an increase in import payments, which offset higher export earnings. Export earnings of US\$1.6 billion in 2019 surpassed the 2018 levels by US\$189.9 million, largely supported by increased earnings from rice and paddy, gold and other exports by US\$36.7 million, US\$109.8 million and US\$43.4 million, respectively.

On the other hand, import payments grew by US\$608.9 million to US\$3,019.1 million or US\$3billion plus, in 2019, which was driven mainly by increased imports for the growing oil and gas sector. Import payments for fuel and lubricants, however, were lowered by US\$25.2 million, reaching US\$490.7 million in 2019, while all other import payments were higher, by \$634.1 million, reaching US\$2.5 billion in 2019.

The net services account registered a deficit of US\$932.2 million in 2019, higher than the 2018 level by US\$34.7 million. This was due to a higher deficit on both the non-factor services account and factor services account by US\$15.8 million and US\$18.9 million, respectively. In 2019, net payments for non-factor services increased to a deficit of US\$885.5 million, mainly on account of higher payments for transportation and other business services. On the other hand, net payments for factor services increased to a deficit of US\$46.6 million, largely on account of higher net outflows of compensation of employees, which was driven by the oil and gas sector and other investment income.

In 2019, net unrequited transfers increased by US\$89.8 million to reach US\$581.5 million when compared with 2018. This was mainly due to an increase in inflows of workers’ remittances, other current transfers and in-kind transfers.

The capital account recorded a substantially larger surplus of US\$1.8 billion in 2019, which is 36% higher than in 2018. This was mainly on account of increased foreign direct investment in the growing oil and gas sector. Foreign direct investments increased by \$463.6 million in 2019 when compared with 2018, reaching \$1.7 billion.

Although the current account deteriorated significantly in 2019, when compared with 2018, the improvement in the capital account in 2019 led to a significant overall improvement in the balance of payments deficit. In line with these developments, gross international reserves at the Bank of Guyana rose to US\$575.9 million or 1.6 months of import cover, when compared with US\$528.4 million or 1.8 months recorded in 2018.

The balance of payments deficit in 2019 was financed by debt relief of US\$50.7 million and debt forgiveness of US\$45.7 million, while the net foreign assets of the Bank of Guyana (BoG) increased by US\$47.5 million.

D. Monetary Developments

In 2019, the money supply expanded by 16.8% to \$461.1 billion when compared with 2018. This was supported by a robust expansion in narrow money of 43.5% to \$251.1 billion, which offset a contraction in quasi money of 4.5% to \$210 billion.

Over the same period, net domestic credit grew by 17.4% to \$297.8 billion, driven by an increase in credit to the private sector as well as the public sector remaining in a net credit position. Credit to the private sector grew by 8.6% to \$253.6 billion, primarily attributed to an increase in lending to business enterprises in the services and manufacturing sectors and for real estate mortgages.

On the public sector net credit position, this moved to \$78.4 billion, driven mainly by an increase in credit by Central Government of 24.3% to \$128.8 billion. Notwithstanding, the public enterprises (PEs) moved to a higher net depositors’ position by 10.6% to \$28.9 billion.

Total liquid assets of commercial banks increased by 25.2% to \$150.6 billion, over the review period, as a result of higher net balances due to resident and non-resident banks. Of this amount, holdings of Government treasury bills accounted for \$60.8 billion, an increase of 6.6%. Moreover, at the end of 2019, liquid assets held by commercial banks exceeded the minimum requirement by 54.5%.

Total reserves deposited with the Bank of Guyana rose by 7.8% to \$80.9 billion in 2019, when compared with 2018. Over the same period, the required statutory reserves of the banks increased by 12.3% to \$52.7 billion, with reserves in excess of the minimum requirement standing at \$28.1 billion, unchanged from the 2018 level.

E. Prices and Income

a. Inflation

The 12-month inflation rate was 2.1% in December 2019, 0.5 percentage points higher than the rate in December 2018, which was largely driven by higher food prices.

b. Interest Rates

Over the review period, the 182-day and 364-day treasury bill yield rates declined by seven basis points and 23 basis points to 0.89% and 1%, respectively. The 91-day treasury bill yield rate, in contrast, remained unchanged at 1.54%.

The commercial bank weighted average lending rate declined by 85 basis points to 9.18%, while the small savings rate also declined by seven basis points to 0.97%.

11.22 a.m.

c. Exchange Rates

The official exchange rate of the Guyana dollar to the United States dollar was \$208.5 in December, 2019, unchanged from December, 2018. The market mid-rate of the Guyana dollar to the US dollar, however, was \$214.7, a depreciation from \$213.2 in December, 2018, while the Guyana dollar to the British pound was \$260.2, an appreciation from \$271.7.

d. Income

This Government is committed to supporting the income of not just public servants, but all Guyanese. We are highly cognisant of the fact that income levels remain below par. The current public and private sector minimum wages are inadequate to allow the average person a due level of independence at a reasonable standard of living. This situation is further complicated with the onset of the COVID-19. To provide some immediate relief, we would have announced a \$25,000 unconditional cash transfer to households, which is intended to supplement household income in this time of economic downturn which, for many, has resulted in reduced working hours and take-home pay.

The recently announced series of measures would also result in additional disposable income being made available to households. Some of these include the removal of value-added tax (VAT) on electricity, water, medical supplies, cell phones, and building and construction materials. These are in keeping with our commitment to improve incomes.

F. The Fiscal Position

a. Non-Financial Public Sector

A non-financial public sector deficit (after grants) of \$39.3 billion was recorded for 2019, an improvement from the \$44.2 billion deficit recorded at the end of 2018, supported by higher revenue collection and higher grants, which grew by 15.5% or \$31.9 billion, 10.8% or \$1.2 billion, respectively.

b. Central Government

At the end of 2019, Central Government recorded a deficit of \$29.9 billion, widening by 11.5%, when compared with the deficit recorded in 2018, largely driven by an increase in total expenditure. Central Government’s current revenue for 2019 totalled \$240.6 billion, \$23.6 billion above that of 2018. Tax collections accounted for 93.9% of the 2019 current revenue, amounting to almost \$226 billion, \$27.5 billion above the 2018 tax collection. The growth in tax revenue is attributed to greater collections from all tax divisions – internal revenue, customs and trade, VAT and excise tax, which increased by \$15.9 billion, \$2.9 billion, \$4.6 billion and \$4.1 billion, respectively.

Further, growth in internal revenue was driven largely by withholding taxes, personal income tax and corporation tax from the private sector, which grew by \$9.5 billion, \$3.4 billion and \$2 billion, respectively. Higher VAT collections was largely the result of growth in revenue from domestically supplied goods, which grew by 14.4% or \$3.3 billion. Growth in collections of excise tax is attributed mainly to higher collections on imports of petroleum products and motor vehicles. These grew by 10.5% or \$2.8 billion, and 17.7% or \$1.2 billion, respectively.

Non-tax revenues for 2019 totalled \$14.6 billion, 21.1% or \$3.9 billion lower than the \$18.5 billion collected in 2018, largely on account of reduced profits from Central Bank and lower transfers from statutory and non-statutory bodies.

Central Government’s expenditure for 2019 totalled \$282.5 billion, growing by 10.9% or \$27.8 billion, when compared with 2018 total expenditure. Non-interest expenditure grew by 8.7%, from \$191.1 billion in 2018 to \$207.7 billion in 2019, driven by growth in all sub-categories – personal emoluments, other goods and services and transfer payments. These sub-categories grew by \$9.1 billion, \$6.7 billion, and \$824.6 million, respectively. Expenditure on interest payments remained stable at \$8.5 billion, while capital expenditure grew by \$11.2 billion, when compared with 2018, to reach \$66.3 billion.

c. Public Enterprises

The overall deficit of the public enterprises at the end of 2019 was \$9.4 billion, an improvement from the deficit of \$17.3 billion recorded at the end of 2018. This was attributed to higher expected revenue, combined with lower total expenditure. The public enterprises receipts grew by 2.4% or \$2.8 billion, while total expenditure declined by 3.9% or \$5.1 billion, when compared with the position at the end of 2018.

G. Public Debt Management

This Administration intends to pursue a debt management strategy, premised on contracting development financing and meeting debt service obligations at the lowest possible cost, over the medium to long-term, within acceptable risk parameters. This approach would engender the continued sustainability of Guyana’s public debt, which totalled US\$1.79 billion at the end of 2019, a 1.1% decline compared to the end of 2018 position of US\$1.71 billion. This decline was attributed to reductions in both external and domestic public debt.

External public debt decreased by 1.3%, from US\$1.32 billion at the end of 2018, to US\$1.31 billion at the end of 2019, mainly on account of US\$50.7 million debt reduction granted by Kuwait, after the finalisation and signing of the Bilateral Debt Settlement Agreement in March, 2019. The domestic debt stock declined by 0.7%, from US\$386.3 million at the end of 2018, to US\$383.6 million at the end of 2019, mainly due to principal repayments under the National Insurance Scheme (NIS) Debenture and Treasury Bills. The public debt to Gross Domestic Product ratio at the end of 2019 was 32.6%, representing 3.2 percentage-point reduction compared to the end of 2018. This ratio is expected to decline further over the short to medium term, in view of Guyana’s robust economic growth projections.

In 2019, total public debt service payments amounted to US\$84.4 million, marginally lower than the 2018 figure of US\$85.4 million. This decrease resulted primarily from lower interest costs on domestic treasury bills. Domestic debt service payments amounted to US\$6.3 million, 19% lower than the previous year, and comprised of principal repayments of US\$1.3 million and interest payments of US\$5 million. Meanwhile, external debt service payments amounted to US\$78.1 million in 2019, 0.6% higher than the previous year, and comprised of principal repayments of US\$54.6 million and interest payments of US\$23.5 million. In 2019, 6.8% of Government revenues went towards external public debt service, a 0.6 percentage-point decrease compared to 7.4% in 2018. This decline was primarily

attributable to an 11% increase in Government revenues. Work is ongoing to ensure the consistent treatment of treasury bills issued for fiscal purposes.

Going forward, we intend to strengthen Guyana’s governance architecture of public debt management by undertaking a transformative work programme, which would entail the completion and enactment of a Public Debt Management Bill. Enactment of this Bill would promote transparency, accountability and sustainability by enshrining and reinforcing key elements of sound debt management. These elements include: the authority to borrow and debt ceilings; the establishment of clear debt management objectives; the mandatory formulation and implementation of a Medium-Term Debt Management Strategy and an Annual Borrowing Plan, among others.

4. Agenda 2020: Our Plan for Prosperity

A. Introduction

As Guyanese, we all want a society which is free, prosperous, socially just, globally competitive and which serves every citizen equitably. Every Guyanese must afford a good education, decent work, be able to start their own businesses, raise and provide for a family, own their own homes, live in a safe and secure environment and retire with dignity. Every Guyanese must have access to comprehensive and quality healthcare, clean water, be able to participate in sports and recreation and freely practice their religion and culture. We believe our hard work and sacrifice, bolstered by an economy strengthened by a well-managed oil and gas sector, must guarantee the next generation of Guyanese a brighter and better future.

Having finally navigated the treacherous political uncertainties, the management of the COVID- 19 pandemic, both as a health emergency and as an economic crippler, is of paramount importance. Strengthening our public health response and capability, while finding avenues for stimulating economic growth is the challenge of the hour. A major focus is relieving hardships at the household level, and supporting micro and small businesses, as well as cushioning the adverse effects being experienced by vulnerable groups.

Our national disaster preparedness and management systems have supported our people in times of floods and droughts and other natural disasters. The scope and role of these systems will have to evolve and expand to be better prepared, not only as we continue to battle COVID-19, but as we recognise the emerging disease profile that besets the world.

As such, the capacity of the Civil Defence Commission (CDC) and related stakeholders will be strengthened and improved, as we work to ensure the disaster risk management planning, coordination and response are robust and effective at the national, regional and sector-specific levels.

B. Macroeconomic Outlook

In a time when the world faces an uncertain future, Guyana is better poised than many countries to emerge from the crisis more rapidly and with a more resilient economic base. While this budget will focus primarily on addressing the health and economic crises resulting from the pandemic, in the medium-term, investments will focus on creating the conditions to catapult Guyana towards prosperity, so that all our people reap the benefits of the petroleum revenue windfall.

11.37 a.m.

These investments will be grounded in the tenets of the Low Carbon Development Strategy (LCDS), low deforestation, low carbon and a climate-resilient economy. In this regard, budget agencies, over the coming months, will have to review and update medium-term strategies to ensure that we are able to deliver transformative development.

However, we are also mindful of the volatility inherent in petroleum revenues, as well as the risk of overheating the economy by spending too much too quickly. As such, the medium-term fiscal framework will see a paced and conservative ramp-up in spending, financed by the prudent use of petroleum revenues and decreasing reliance on debt.

C. Improved Governance and Institutional Reforms

a. Governance

As Guyana becomes an economic powerhouse, and the lives of our people are improved, our country must, with renewed vigour, pursue priorities to strengthen freedom, establish a firm commitment to democratic traditions whilst framing our priorities to be more inclusive, transparent, accountable and equitable. We will continue to promote good governance, respect for the Constitution and human rights of all Guyanese, while fostering an economic environment where jobs flourish and there is guaranteed income for people. The Constitution must be a dynamic framework, subjected to continuous adjustments after widespread consultation with the people.

The decision by His Excellency President Irfaan Ali to establish a Ministry of Parliamentary Affairs and

Governance, indicates the importance that this Government is giving to parliamentary democracy, good governance, transparency and accountability. This is the first time that this focus has been elevated to the level of a Ministry, with the mandate of managing the diverse affairs of Government in the Parliament of Guyana, to respond actively and effectively to Parliamentary matters on behalf of Government; ensuring effective, accountable and transparent institutions; promoting responsive, inclusive, participatory and representative decision-making at all levels; and coordinating the Constitutional and Electoral Reform processes.

The focus of this Ministry is in line with the promises made during the election campaign that “good governance is indispensable for a strong and fair democratic system. This new and expansive economy, the development of a higher standard of living, the demand for inclusivity, transparency and accountability, improved local governance, the legislative and monitoring roles of Parliament and the accountability of Cabinet, all require appropriate effective governance policies and measures.”

After the last five years of reversals, this Ministry brings additional intention to implementing the Government’s commitment to return to making our Government systems more accessible, inclusive and open to all, at all levels. With an active legislative agenda and oversight measures, we shall continue to:

- (1) Uphold the separation of the powers of the Executive, the Legislature and the Judiciary;
- (2) Ensure non-interference by the Executive in the work of the constitutional bodies;
- (3) Promote continuous reform and accountability of the criminal justice system to ensure justice is delivered in a timely way with regards for human rights;
- (4) Ensure that there is no discrimination on the basis of race, religion, gender or sexual orientation in the workplace, education, health sectors, or in any other areas of national life; and,
- (5) Foster diversity and inclusiveness to ensure that all Guyanese benefit and feel that they are an integral part of the decision-making processes that affect their daily lives.

b. Constitutional Reform

The Administration is committed to continuous revision of the Constitution. In this regard, we will ensure that the Committee on Constitutional Reform, that will advance the work, will pursue nationwide consultations following the model used in the past; that is, with half of the numbers from civil society and equal representation from Government and the Opposition. As I just mentioned, the creation of the Ministry with responsibility for governance will ensure that these important processes are finally given the due attention they deserve to ensure their swift and meaningful undertaking.

c. Strengthening Local Governance

The People’s Progressive Party/Civic strongly believes in community development, regional improvement and national collaboration. Therefore, we will implement our manifesto programme for local government which details strategic actions that will improve the efficacy of our Local Democratic Organs (LDOs).

Over the last five years, the previous Administration used Local Democratic Organs as a slush fund. We would have observed an inflated workforce from the hiring of political actors, and this would have cost taxpayers millions of dollars. There was no record or report of the work done by most of these employees. From all accounts, Local Democratic Organs were underperforming and negatively impacted as a result of an unclear policy direction.

Under this new Administration, the regional bodies and the Neighbourhood Democratic Councils (NDCs) will be strengthened to better engender local democracy. The Ministry of Local Government and Regional Development has been reestablished to focus on this agenda and now has dedicated programmes to oversee development at the regional and local government levels. A three-year strategic plan for local government and an institutional gap analysis for five municipalities: namely, Bartica, Linden, Georgetown, New Amsterdam and Lethem have been completed. We will review the contents of these analyses for consistency with the national policy directive and determine their utility for future interventions.

The local government representatives of the people will be supported by policy direction, additional funding through increased subventions, institutional strengthening to more effectively manage their resources and take on greater maintenance responsibilities for infrastructural development. We will bolster citizens’ access to community spaces and services and ensure that the various programmes of the 10

administrative regions are supported by the relevant sector agencies and ministries.

This Government will place emphasis on improving citizens’ awareness of the importance and role of the local government system and how they may participate in its development.

- d. Public Administration and Public Financial Management
- i. Public Service Human Resource Development

The PPP/C’s programme for job creation in the new and emerging sectors, as well as in the traditional sectors, must be bolstered by a well-trained, technically equipped and disciplined workforce. Government will pursue strategic initiatives to ensure efficient and effective human resource management as well as human resource development.

We must ensure that equal access and equal opportunity is afforded, so that a diverse and efficient public service is realised. As such, fully funded Government of Guyana scholarships will be made available. Departments and agencies of the Government will be incentivised to ensure good employment policies and greater efficiency, while addressing the critical issue of emolument packages. We cannot afford to continue to lose our talented and efficient public servants because we are unable to pay them a competitive wage, and neither can we continue to reward inefficient public servants who bring disrepute to the public service. As such, we intend to oversee and implement new management practices, such as a Performance Management System, while exploiting technological advances. With the expansion of information and communications technology (ICT) infrastructure, the red-tape and processing time must be significantly reduced. A system based on meritocracy and transparency will be actively pursued. There will be equal access and equal opportunity. A diverse and efficient public service is anticipated.

- ii. Revenue Management

In the area of tax administration, this Government will prioritise the rapid deployment of electronic tax services to the population. With the pandemic likely to persist into the new year, and possibly beyond, we must reconfigure how we do business. We will be preparing to deploy a Revenue Management System Software, which will gradually replace the tax component of the existing Total Revenue Integrated Processing System (TRIPS). It is expected to comprehensively automate tax administration procedures,

enhance taxpayer compliance and improve efficiency in tax administration through accuracy, completeness and timeliness of tax collection and reporting.

Additionally, the Guyana Revenue Authority (GRA) is yet to complete the roll-out of the Automated System for Customs Data (ASYCUDA), an initiative which began many years ago. Delays have been encountered with the Electronic Single Administrative Document module of ASYCUDA regarding connectivity and the procedure for transhipment between ports. We will be providing the necessary support to GRA, to ensure these long-standing initiatives finally come to close and finally yield benefits to the people.

- iii. Public Investment Management

The Public Sector Investment Programme (PSIP) is one of Government’s principal vehicles for driving catalytic change. These investments create jobs, add value, connect the factors of production and have many other spin-off effects in the economy. Over the last five years, the PSIP has not been able to deliver the change that it should have. Not one new major project has been completed. The state of Public Investment Management (PIM) needs to be rapidly improved and the roll-out of a systematic, criteria-based approach, is paramount and, as such, is a priority for this Administration.

Preparatory work is underway to finally implement a formalised approach to PIM, which will be elaborated in the Budget 2021 call circular. This will ensure that the quality and efficacy of the PSIP are improved by assuring, in advance, the viability of new projects being selected. Additionally, the Government will be prioritising public-sector wide capacity building in project management, planning cost-benefit analysis and other appraisal techniques.

- iv. Procurement

This Administration is decidedly pro-Guyana and pro-private sector. We have committed to reducing bureaucracy and the complexity of doing business, including with Government. Our private sector should be able to engage with public procurement in a transparent, systematic and efficient manner. We intend to make the procurement system more responsive and hold programme managers more accountable.

11.52 a.m.

Further, we are committed to viewing and strengthening, where necessary, recommendations to the modernisation of our public procurement architecture, which would set the

stage for the long-delayed introduction of electronic government procurement.

v. Results-Based Budgeting

Our Government is committed to assuring the public that every taxpayer dollar is well spent. This means that all public expenditure must be results-oriented. For example, you do not just build a road for the sake of just having a road. Rather, we build a road because it may, for example, open up 10,000 acres of farmland, create 1,000 jobs and generate economic activity of a certain value. We need to ensure that we scrutinise our programmes and projects effectively to ensure that we eliminate wastage and derive the best possible value for money for our people. This is what will improve livelihoods and propel us into the future. To improve these capacities, we will ensure that the budgeting for results platform completes its pilot phase so that we may determine the viability of a wider rollout and integration to the national budget process.

vi. Accounting and Treasury Management

The state of the treasury that we have inherited is admittedly questionable. The level of internal controls is insufficient and does not allow for the most effective management of public funds. The attempted implementation of an Integrated Financial Management and Information System (IFMIS) has resulted in a platform that is not intuitive, burdensome and counterproductive to the efforts of hardworking public servants and a strain on our slim bureaucracy. Testing of the National Payment System advanced, and it is anticipated that an expanded set of payments for Government services will be transmitted *via* this system before the end of 2020. A key priority remains the review of the IFMIS, with a view to determining the best way to improve treasury management.

vii. Data Systems Strengthening

This Administration recognises the importance of data for effective decision-making. We remain committed to pursuing the timely and accurate collection of data to inform policies. In the 21st century, we must utilise all available technologies to ensure that we are able to respond efficiently to the needs of our people. To this end, we intend to analyse and assess the Draft National Strategy for the Development of Statistics to ensure that it is configured in the most efficient way to deliver benefits to the people. We would also move to accelerate the completion of the Household Budget Survey, for which field work ended in 2019, to ensure that important analyses of this data, including a poverty study as well as the

rebasings of the Gross Domestic Product and Consumer Price Index (CPI) are completed in a timely manner.

e. Financial Sector Reform

The high levels of non-performing loans and exposure to speculative graded foreign securities (bonds), concentrated in the Caribbean region, remain the most significant risks to financial institutions’ soundness. Additionally, preliminary stress testing done to assess the impact of COVID-19 on the banking sector revealed a still resilient sector. The industry’s resilience is expected to remain largely unchanged during the latter half of 2020.

The Bank of Guyana (BoG) continues to improve on its efforts to ensure its stress testing models remain relevant and accurate to the evolving financial system. Further, several recommendations from the Financial Sector Assessment Program (FSAP) were incorporated into the strategic activities of the Bank. Recommendations in the areas of financial stability, amendments to current legislation and issuance of new legislation were addressed. The Bank continues to work towards the implementation of the remaining recommendations as outlined in its five-year strategic plan for 2018 to 2022, which will strengthen the Bank of Guyana as a modern regulator within the context of the evolving global and domestic dynamics.

f. Justice Sector Reform and Strengthening

From all indications, the Attorney General’s Chambers and the Ministry of Legal Affairs were demonstrably dormant for five years. Apart from a few Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Bills, which were hastily enacted in late 2015 and early 2016, there were no major legislation passed. Even these AML/CFT Bills were drafted during the PPP/C’s Administration, which the A Partnership for National Unity and Alliance For Change (APNU/AFC) used its one seat majority to vote down during the Tenth Parliament of Guyana.

The Ministry of Legal Affairs began to administer an US\$8 million Inter-American Development Bank (IDB) funded support programme for the criminal justice system in 2017; this programme was treated like the best kept secret. This programme appears to have been deeply shrouded in secrecy, as neither the Opposition in the Parliament at the time, important stakeholders in society, nor the ordinary Guyanese, knew what it was until this Administration made components of the programme public. A staggering US\$2 million was spent on this programme, largely for the payment of

expenditures, including salaries and wages, and rental and costs associated with accommodation.

Under this same project, in 2017, a Bill came to this House to establish a Law Reform Commission. Hence, in three years, not a single commissioner was appointed but the payment of staff and rental for this phantom Commission totalled tens of millions of dollars. Aspects of this project are under review by our Administration, and adjustments are likely to be made for the project to now be fully implemented.

One area in which there was great activity at the Attorney General’s Chambers was the hiring of special prosecutors and retaining of lawyers, both locally and across the Caribbean, to represent the Government, well as private individuals in a series of political litigations, all of which were completely without merit and all of which were eventually lost. This abuse of power costed taxpayers hundreds of millions of dollars.

Another agency that had a parasitic effect on the treasury was the State Assets Recovery Agency (SARA). It has not recovered a single piece of State asset. It is illegally constituted, and all it has done since its existence was to file a few cases in respect of plots of land sold by the PPP/C Administration at market value. It also filed proceedings against a leading commercial bank for a plot of land purchased from the State over a decade ago. In one ruling, the High Court had made it clear that all the proceedings filed are defective. Hundreds of millions of dollars was expended on this entity every year.

With renewed visionary leadership, we have already reoriented ourselves on a new course and have a packed legislative agenda, which will begin to unfold just after the passage of this Budget. Many new initiatives will be implemented in collaboration with the Deeds and Commercial Registry Authority, which will be modernised, resulting in greater efficiency. We will explore collaboration with the judiciary on measures to be adopted to produce greater speed in the delivery of justice. This will include the constitutional process for the appointment of additional judges under a new Judicial Service Commission (JSC).

Guyana’s AML/CFT structure will remain under constant review, with focus directed to the area of enforcement. In this regard, the Special Organised Crime Unit (SOCU) will be transformed from a politically witch-hunting unit, to the enforcement arm of the AML/CFT structure, as originally envisaged.

D. Supporting the Private Sector Development

The PPP/C Administration will relentlessly pursue creating and maintaining a friendly environment for businesses to be established and to grow. To this end, we will support initiatives to ensure cheaper, reliable and stable power supply. We believe that the private sector is an important player as we move to new levels of development and transformation. As such, we will provide the necessary tax on other incentives to attract multiple new investments. High on the agenda would be the establishment of industrial parks or estates for manufacturing, both in coastal and hinterland regions.

We must improve on the ease of doing business in Guyana if we wish to attract the type of investment that will bring sustainable benefits to our people. Not enough has been done by the previous Administration to remove the several hurdles that deter businesses from investing in Guyana. This is reflected in the ease of doing business index for 2020, in which Guyana was ranked 134 out of 190 countries. We will focus on improving areas in which we were worse performing, such as dealing with construction permits, getting electricity, resolving insolvency and trading across borders.

a. Small Business Support

Government has allocated \$100 million for the Small Business Development Fund, which will be used to provide loans and grants to prospective small business owners. We believe that it is long overdue to examine the feasibility of expanding the grant programme to levels above the current \$200,000 ceiling. A further \$212.1 million has been allocated to the Small Business Bureau, which includes provision to equip and operationalise the business incubators at Lethem and Belvedere. Government will be examining the possibility of the creation of a national entrepreneurship and innovation body to stimulate business development. Additionally, we have allocated \$105 million to the Sustainable Livelihood and Entrepreneurial Development (SLED) programme, which is being redesigned to ensure that the intended outcomes of small and micro business development and livelihood improvements are being demonstrably achieved.

Already, this Administration has announced the slate of measures that will benefit not just households but also small businesses.

We have reversed VAT on electricity, water, machinery and equipment. We have reversed VAT on exports and materials for the construction sector, among others. These measures

will surely improve the viability of small business start-up and the sustainability of existing businesses.

b. Investment Promotion

Unfortunately, the first half of 2020 saw a decline in investment interest. With a total projected value of facilitated investment of \$29 billion and 1,115 projected jobs created, but only a total of five investment agreements were executed during the reporting period, valued at \$12.3 billion, with an aggregate of 183 jobs proposed to be created when the projects are fully operational.

12.07 p.m.

This decline is a direct result of investor uncertainty pre and post elections, combined with the COVID-19 pandemic.

The subsequent worldwide travel bans severely affected investors’ access to Guyana. This resulted in a drastic reduction in the number of meetings and promotional activities facilitated by the Guyana Office for Investment (GO-Invest). Additionally, the available investment capital was redirected, as many businesses were forced to suspend operations, or operate within the confines of curfew, and with reduced staff complements in order to comply with emergency public health measures implemented to minimise the impact of COVID-19.

However, with the support of a development partner, recommendations for the reorganisation of GO-Invest are being developed in order to make the agency more efficient and effective in investment promotion, while, at the same time, implementing new policies and initiatives to drive international exports.

E. Transformational Infrastructure

a. Energy Expansion and Diversification

The inability of the APNU/AFC to develop baseload capacity to ensure a reliable energy supply has not escaped the incoming Administration. The constant blackouts and irregular power supply must be immediately tackled as energy is key for economic growth and for an improved quality of life for all Guyanese. The PPP/C Administration is committed to providing affordable, stable and reliable energy to benefit both households and businesses through an energy mix that includes hydropower, solar and wind.

To this end, the Government has gone out for expressions of interest to engage local suppliers to fulfil the immediate term

demand. In the medium to long-term, we are pursuing a path that will allow for the completion of the Amaila Falls Hydropower Project and investigating and exploring all possibilities for the use of natural gas to ensure cheaper reliable electricity. We will also continue the pursuit of micro-hydro grid tied systems in Bartica and Lethem as part of our energy diversification initiatives. Additionally, solar and wind systems for off-grid areas are being addressed.

The expansion of the Hinterland Electrification Programme (HEP) remains a top priority. Some 25,000 households in Amerindian, hinterland and deep riverain communities can expect an upgrade and replacement of their solar panels. Additionally, \$400.6 million has been allocated for expanded electrification of our Amerindian and hinterland communities.

It is envisaged that our programme, defined by an energy mix that includes hydropower, solar and wind, will lead to more than 400 megawatts of newly installed capacity for residential and commercial-industrial users.

b. Transport Networks

When we were last in Government, five years ago, the PPP/C commenced numerous transformational projects, much of which the previous Administration were mere custodians to ensure that they were implemented expeditiously, efficiently and within their budgeted amounts. The sad tale is that, due to their ineptitude, we are now saddled with the responsibility to ensure that these projects are completed with utmost speed and diligence. For the infrastructure sector, Government has budgeted \$34.4 billion.

i. Air Transport

We speak to projects like the Cheddi Jagan International Airport (CJIA) – a project that the APNU/AFC Government restructured to deliver a half-baked, partially rehabilitated facility rather than a brand-new airport, for which the PPP/C, while in Government, negotiated and contracted. This facility would have been able to land A380 Airbuses and would have had eight boarding bridges as well as new arrival and departure terminal. After five years of *thumb-twiddling* by the APNU/AFC outfit, we have had the occasion to read the riot act to the contractor, to complete the substantially reduced-scoped project, and to make provision, in this year’s Budget, to finance several critical interventions necessary to make the airport functional.

ii. Roads and Bridges

We speak to the East Coast Demerara Highway for which the APNU/AFC Government hastened to cut the ribbon, as a political gimmick, despite works are still yet to be completed. But we in the PPP/C, just like we started it when we were in Government, will complete it. This project will be completed and we have already actively moved to utilise unspent balances to replace all the acro-panel bridges between Sheriff Street and the Hope Canal. This will pave the way for the complete resurfacing of the East Coast Railway Embankment Road from Sheriff Street to Enmore and the construction of a new paved road from Golden Grove to the Hope Canal. Thus, providing six lanes available for commuters on this corridor.

We speak to the first leg of the Linden to Lethem road, for which the APNU/AFC outfit has only managed to conduct designs, at a budget that surpassed the available funding, and were stuck in indecisiveness on how to proceed. We have, since taking office, commenced the remodelling of this project to a manageable level, whereby, the highway can be completed from Linden to Mabura Hill within the resource availability of US\$150 million.

We speak to the Ogle to Diamond bypass road which was designed by the APNU/AFC Government to cost US\$208 million, when we had previously secured from the Government of India, a signed line of credit for US\$50 million. Again, they were stuck in indecision and confusion. Mere days – not months – in office and we have already secured an agreement to rescope the project into phases, whereby, the first phase can proceed from Ogle to Haags Bosch, including the connector at Haags Bosch to link with the East Bank Highway at Eccles. This will be done within the current line of credit of US\$50 million, while, at the same time, we are exploring opportunities to secure financing for the remainder of the road.

We speak of the lamentable and pedantic efforts by the past regime to conclude any arrangement for the construction of the new Demerara River crossing. This honourable House will recall the impropriety surrounding the conduct of the feasibility study for the bridge and the feeble effort to launch an expression of interest, which was a phenomenal adventure in incompetence. Within the last few weeks, we have rekindled huge interest in this project. Work is currently being done to put us on a path to facilitate the launching of expressions of interest for the design, construction and financing options for a four-lane, high-span bridge across the Demerara River.

iii. River Transport

We speak of the inability of the previous regime to unlock bilateral processes to allow for the award of the construction of an oceangoing ferry, which would benefit from a Government of India grant of US\$8 million and a low-cost interest loan of US\$10 million. Since assuming office, we have secured an amicable settlement of the award dispute and have approached the Government of India to mediate a mutually agreeable settlement so that this project can proceed – some five years behind time.

c. Information and Communications Technology

Information and communications technology (ICT) is utilised as a catalyst for development in education, health, industry and agriculture the world over. Information and communications technology grants us the opportunity to reduce transaction costs, improve effectiveness and efficiency, as well as enhance overall productivity. Our Government’s goal is to ensure that the benefits of enhanced ICT infrastructure reaches every Guyanese in every community, and we will pursue this in partnership with the private sector, as no Guyanese should be left behind. This year, Government has budgeted \$5.2 billion for ICT development.

Government will liberalise the telecommunications sector and increase access to cheap data and bandwidth to ensure improved access to the internet and increase ICT literacy and expanded electronic government (e-Government). Schools will be outfitted with adequate equipment and software and curricula will be reformed so that ICT proficiencies can be developed nationwide.

The Government will continue to provide internet access through the e-Government network to ensure government ministries, agencies and schools and other educational institutions are connected and will also continue to invest in ICT hotspots and hubs, particularly in our hinterland communities. To this end, the National Data Management Authority (NDMA) will receive an increased subvention of \$2 billion to ensure the bandwidth expansion and continued connectivity.

The pandemic has affected educational systems across the globe and has led to the closure of educational institutions at all levels, making way for the development of a series of solutions for the effective delivery of academic resources to students. In response to the closure of schools, past papers, electronic workbooks and other reference materials were made available online. The online availability of resources was supplemented by programmes in the electronic media,

including Broadcasts to Schools (BTS) on the radio and on the Guyana Learning Channel Trust on television. An additional \$200 million will be invested to expand the Guyana Learning Channel Trust to ensure our children continue to have access to academic resources as we prepare for the safe reopening of schools.

The Government sees ICT as an enabler for job creation and development and will continue to support the sector with capital inputs for its infrastructure and, through policy initiatives, we will ensure structured training and increased employment opportunities for all.

12.22 p.m.

To realise this, in 2020, Government has allocated \$65.6 million for the completion of a call centre in Linden, which will then be operated by a private company, generating more than 200 jobs for our people.

F. Sustainable Tourism

The tourism sector continues to be one of the hardest hit by the outbreak of COVID-19. By April 2020, the Guyana Tourism Authority (GTA) reported that the sector lost an estimated 46% of their total revenue, over a six-month period, in contrast to the revenue earned for the same period in 2019. In terms of employment, an estimated 30% of those employed in the tourism sector have lost their jobs and an additional 36% had been furloughed or placed on unpaid leave.

Through resiliency planning and increased marketing, GTA continues to promote nature, adventure and eco-tourism, both locally and internationally. With Government’s support measures, such as the reversal of VAT on hinterland travels and special incentives for new hotels and business, the sector will rebound stronger than ever to make Guyana a top sustainable tourism destination, in keeping with our manifesto promises.

The Government of Guyana will implement policies to strengthen and grow the workforce in this sector to cater for the influx of visitors expected as a result of focused marketing, as well as emergence of oil and gas, by completing the Hospitality Training Institute. This will offer world-class capacity building opportunities for our citizens who will, in return, deliver the quality of service required to build a successful tourism and hospitality industry. As the industry rebounds from COVID-19 and the demand for travel returns, the Government of Guyana will focus on attracting

large-scale tourism investment, such as world class hotels to further expand job opportunities. Guyana is open for business.

G. Investing in Our People

a. Health

The PPP/C Government inherited a Ministry of Health that was in an unhealthy situation. The last Government has neglected some of the most basic public health programmes. These include the Immunisation Programme, the Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Syndrome (AIDS) Programme, Chronic Non-Communicable Diseases (NCD) Programme and the Mental Health Programme. Many hospitals, health centres and health posts across the country are in a state of disrepair and lack the most basic of equipment. In addition, there is an acute shortage of drugs and medical supplies across every region. These chronic shortages, compounded with the mismanagement of the healthcare system, have compromised the care for thousands of Guyanese.

As an immediate measure, this Budget will provide for the purchase of adequate drugs and medical supplies, buy tests kits and anti-retroviral for HIV patients, start fixing the diagnostic imaging capacity of many of the hospitals, fix many of the infrastructural defects at facilities across the country and work quickly to improve the quality of healthcare provided to citizens. To this end, Government has allocated \$51.7 billion or 15.7% of the total Budget for the health sector for 2020. Of this amount, \$14.3 billion is budgeted for the procurement of drugs and medical supplies. Corrective action to facilitate the procurement of emergency supplies of drugs and medical supplies to the tune of \$3.2 billion is underway and a full review of quantification and procurement practices is being currently undertaken, as there is a lack of evidence of any purchased drugs and medical supplies since 2017.

As we fix these immediate needs, the Government has already started to look at medium and long-term projects in the health sector. These include completing the SMART Hospitals Initiative at Diamond, Paramakatoi, Mabaruma, Leonora and Lethem. Funding has been allocated for the redevelopment of the West Demerara Regional, Suddie and Bartica Hospitals. Preliminary discussions are being undertaken to operationalise a national electronic patient information system. In addition, Government has received several enquiries from local and international organisations to develop speciality care facilities in Guyana and is also

considering the establishment of a medical research institute as we work to modernise the delivery of healthcare in Guyana.

The state of affairs with regard to NCDs is concerning because of the pandemic. In addition to the shortage of essential drugs, much of the staff from the NCD unit have been reassigned to COVID-19 response and scheduled training has been deferred. As such, as of the 30th June, only 12 of the 50 planned workplace outreaches for 2020 were undertaken. Additionally, data collection for NCD reporting has also been challenged due to the emergency public health measures restricting movement. We have to resume the planning of progressive health policy measures to contain the onset of NCDs through risk factor reduction.

The pandemic has also challenged the National AIDS Programme, which only achieved testing for 6,659 persons for January to June, of an annual target of 70,000 – a serious shortfall. To make matters worse, the country suffered from a stock out of the HIV determine rapid test kits. As such, the National Public Health Reference Laboratory restricted HIV testing to critical or emergency cases and priority target groups. Government has budgeted \$143.3 million for HIV-related drugs and medical supplies, while we also seek global fund support to significantly bolster national testing capacities.

In the area of malaria control, we are preparing to undertake another cycle of distribution of the long-lasting insecticidal nets with procurement slated to commence after this Budget. The malaria programme for this year, however, has also faced the challenge of reduced capacity due to the COVID-19 restrictions. As such, timely data gathering and reporting has adversely affected the performance of this programme. The former has suffered from a reduced reporting rate of only 23% from January to mid-June. We have requested assistance for support in procuring rapid test kits for expanded testing.

With regard to our immunisation programme, it must be noted that, with the onset of the pandemic, it was almost inevitable that we would face challenges, as persons reduced their out-of-the-house activities. As such, we will be working to launch outreach and house-to-house immunisation activities to ensure our vaccination coverage does not significantly decline. We have also budgeted \$17 million to commence the construction of a cold storage bond in Region 6 to ensure that we are able to maintain a sufficient supply of vaccines in-country.

Another programme that will focus on outreaches, in light of COVID-19, will be the Family and Primary Healthcare Programme. The programme has prioritised the conduct of mobile family planning and obstetrics outreaches for 2020. Both are critical, as unplanned pregnancies are expected to increase, given the restrictions to movement due to COVID-19. Expectant mothers are also likely to not make regular clinic visits. Additionally, the Georgetown Public Hospital Corporation (GPHC) maternity block has been configured to accommodate suspected COVID-19 pregnancies.

The situation at Georgetown Public Hospital Corporation requires aggressive attention. Our only national referral hospital has been suffering from issues of overcrowding and insufficient infection prevention and control standards for quite some time. Government has budgeted \$15 million to continue the extension of the Accident and Emergency (A&E) and Medical Outpatient Department (MOPD). Additionally, we have budgeted another \$20 million to commence the design of a four-storey building to relocate the pharmacy and medical records services, and to create on-call accommodation for our hardworking medical personnel. Overall, we have budgeted \$11 billion for the GPHC, for 2020, which includes \$2.5 billion for drugs and medical supplies. The overall budgeted amount represents \$1.4 billion more than was expended for the GPHC in 2019.

i. Public Health Response to COVID-19

On the 11th March 2020, the World Health Organization (WHO) declared the disease COVID-19, caused by the novel coronavirus SARS COV2, to be a pandemic. On the same day, incidentally, Guyana recorded its first case, which was imported into the country. The APNU/AFC’s uncoordinated response was lacklustre, which resulted in a limited capacity to test, isolate and contact trace persons who were affected by the disease. That resulted in many persons who had the mild and asymptomatic versions to go undetected. There was also an inadequate supply of personal protective equipment (PPE) for frontline health workers and the hospitals did not have the appropriate equipment, drugs and medical supplies to provide the quality of care.

On the resumption of office, the PPP/C immediately changed the dynamics of the response by establishing a COVID-19 Policy Committee, consisting of Government, the private sector, the Pan American Health Organization (PAHO), United Nations (UN) and the Caribbean Community. This body has been offering policy guidance to the entire response. The new response changed focus to foundational public

health, societal compliance, developing health systems capacity, safeguarding industry, protection of the vulnerable and managing the economic health of the country. Using these measures, we are confident that we will find the right balance between keeping the public safe and keeping our economy healthy. Throughout this budget, adequate allowances have been made to ensure that each sector mitigates the impact of COVID-19.

The touted hospital for infectious diseases at Liliendaal was examined by the new Administration and was found to be a shell – beautifully painted but lacking in facilities and could be used as a response to COVID-19.

12.37 p.m.

A series of problems exist at the facility, including some as basic as sewage, water supply and electricity. A hospital that does not have these things is no hospital. We are trying to have the deficiencies corrected so that construction could be quickly concluded to an appropriate standard, whilst equipping the facility. Our intention is to staff and commission the facility by the end of this month. However, given the poor planning that went into the conceptualisation of this facility, having spent \$1.8 billion, we are forced to budget a further \$700 million, a sad state, to operationalise the Infectious Disease Hospital. The redeeming feature will be that the facility could be able to cater for 200 patients.

The GPHC is the still the institution that is providing essential care for patients affected by this pandemic. As it stands, today, our capacity at the GPHC has been overwhelmed and work is still to be done, which would require significant funds to fully operationalise this facility. At present, the new hospital is being used for isolation of non-critical patients, since there is no adequate facility for an Intensive Care Unit (ICU) or a High Dependency Unit (HDU).

The public health sector has, however, managed to provide some psychosocial services to COVID-19 patients which, to date, has reached 670 COVID-19 patients and quarantined individuals, of which 490 were Guyanese. This support included talk therapy, coaching in coping strategies, assessing pre-existing mental conditions and stress education. We have run a public education and awareness campaign on radio titled “*It is okay to be not okay*”, which includes coping with COVID-19 and wider mental health areas.

We plan to increase the health authorities’ capacity for surveillance, the importance of which cannot be stressed

enough. Effective and sufficiently expansive surveillance, including contact tracing, is the absolutely required foundation on which pandemic control could be achieved. Without this, we will be testing in the dark. Strong surveillance, coupled with efficient testing and subsequent coordinative and effective response, must be the pillars upon which we will control the COVID-19 pandemic. As such, we have reached out and will be partnering with the University of Guyana (UG) to bolster the surveillance staffing capacity until the transmission of COVID-19 is contained. The Government would be hard-pressed to lift all of the emergency public health management that is in place, lest the lives of all Guyanese are put at risk.

Last on the subject of COVID-19, in order to protect the public service and ensure that public services are able to continue uninterrupted, Government has budgeted \$1.8 billion for the procurement of Personal Protective Equipment (PPEs) for central government workers.

b. Education

While Guyana have begun to yield the benefit of its new resource, we remain resolute that the greatest resource that this great nation possesses is our human resource. As such, the Government understands the role of the public education sector in the development of Guyana and has budgeted \$52 billion or 15.8% of the total budget for education this year. Of this amount, over \$1.7 billion is allocated for the construction and rehabilitation of schools across the country.

The COVID-19 pandemic has created the largest disruption of education systems in the world and in our country. An estimated 1.6 billion learners worldwide have been affected, according to the UN statistics. It has forced the closure of schools country-wide and curriculum learning has been suspended. The safety of our people is paramount and, as such, we are not reopening schools in a traditional sense. However, we will deliver education safely and effectively, using innovative methods, assessing the specific needs of students by levels, grades, regions and situations.

Throughout the levels, grades and regions, the Government has embarked on instruction in different ways to deliver to our learners. The nursery students will be given individual home-based packages containing print materials, manipulatives and other appropriate resources. The primary and secondary school students will each receive workbooks and the core textbooks in Mathematics, English, Social Studies and Science, which they will use during this time and beyond.

This will be accompanied by content and instruction on the Guyana Learning Channel Trust, which has already begun broadcasting in a timetable structured format which caters for each grade from nursery to Grade 9. We acknowledge that the channel, in its current composition, fails to meet our needs across the country. Therefore, we will expand and upgrade so that six channels can run concurrently. This upgrade will also permit for hinterland communities that are currently unserved to be catered for. In conjunction with this channel, we have provided funds in this budget to establish a radio station which will be dedicated to delivering education. Over \$300 million is allocated to these blended learning options. Our children will continue to learn, even while being unable to be in a physical classroom.

As stated earlier, the safety and well-being of our people is paramount. With this in mind, and in anticipation of eventual schools reopening, provisions have been made for schools to be retrofitted with the necessary infrastructure to exist in a COVID-19 world. Sinks with running water, proper ventilation, working toilets, the delivery of masks to our teachers, students and ancillary staff, adequate signage to promote safe behaviour in all learning institutions and in all schools are catered for in this budget.

Provision is made in this budget also for the Cyril Potter College of Education (CPCE) to facilitate learning continuity in the hinterland centres of teachers’ education and to facilitate the virtual teacher education programme. The Ministry of Education also launched, recently, a mass teacher-training exercise, which will see all teachers across the country being trained in the delivery of education using ICT effectively. Additionally, a collaboration with the Commonwealth of Learning and Coursera has seen more than 16,000 Guyanese, to date, being registered for online courses.

The University of Guyana has moved its instruction online and will be using this time to do much needed renovations. Lecturers have begun to teach using various means of ICTs, but many have had to improve learning as they went along. To support our tertiary institution, Government has allocated \$3 billion to the University of Guyana. Of this amount, \$221.3 million is allocated to complete and advance several rollover projects across both campuses, including the new sewage system, the human resources and Bursary buildings, the pump house, the Teaching Learning Centre and electrical projects.

c. Housing

The vibrancy and the vitality of the housing sector will be restored. The comatose state of the housing sector during the last five years has served as a disincentive to young professionals, Guyanese families and all seeking homeownership. The Central Housing & Planning Authority (CH&PA), rather than being a catalyst of development, was made to be almost paralysed due to poor policy directions. The musical chairs of Ministers did not help this situation.

This new Government has a progressive and expansive agenda for housing. We intent to provide at least 50,000 house lots to Guyanese during this term in office. Further, those who are already beneficiaries of our pre-2015 housing initiatives will see improved services in various communities. Young professionals, individuals with immediate needs and persons with adequate disposable income will be facilitated to commence construction. Private developers are also included as part of the comprehensive housing strategy.

The Government has allocated \$3 billion to begin implementation of its vision for housing development. It is \$3 billion in *Budget 2020*. This allocation will be utilised for various activities, including infrastructural development in existing housing schemes, land preparation for new housing schemes and land acquisition. To this end, the capacity for delivery of the aforementioned will be enhanced as well as the Central Housing & Planning Authority’s enforcement arm, in order to address the issue of squatting, while providing a more robust and fair system of land acquisition.

d. Water and Sanitation

Budget 2020 provides for sustaining and improving access to potable water across coastal, urban and hinterland communities, continuing the reduction of the non-revenue water programme and increasing access to treated water in more areas. To this end, the Government has budgeted \$2.8 billion to support the operations of the Guyana Water Incorporated (GWI).

The Government is undertaking a number of water supply improvement projects in coastland and hinterland regions. They will be done in areas including Mabaruma, Barabina, Wainina, Shulinab, Shea, Cheong Mouth and Bartica. The GWI is also in the process of enhancing its capacity to drill new wells as well as to maintain existing wells by acquiring two new rigs. We will also continue the pipe replacements in Georgetown to improve pressure in the system, prioritising Vlissengen Road to Cummings Street, for the rest of this year.

We will commence a study for the provision of potable water from the Hope Canal and design of water treatment systems for the hinterland towns of Mabaruma and Mahdia; the islands of Leguan and Wakenaam; coastal areas of Walton Hall to Charity in Region 2; Bush Lot in Region 5; and Tain to No. 50 Village in Region 6. This study will be paramount in helping to shape the water sector programme going forward.

12.52 p.m.

We will also work with all stakeholders to ensure proper wastewater management as well as to ensure that water rates remain affordable. An integrated water resource and management framework is being developed to ensure the rationalisation of our water resources.

Further, PPP/C will be pursuing an aggressive Integrated Sustainable Waste Management (ISWM) programme. Our goal is to cater for the health of our citizens, our animals and the environment. We will undertake improving infrastructure for sanitary landfills, encouraging recycling and composting and spreading awareness to the public on the ISWM best practices and principles. An overall sum of \$644.2 million has been allocated for sanitation interventions in 2020.

e. Amerindian and Hinterland Development

Our first peoples in Guyana, for the last five years, were told of lofty promises and sold candy dreams, but with no delivery. They were promised more jobs, improved healthcare, more access to education and acceleration of the land titling programme. The reality is, from 2015 to 2020, there was the dismantling of the Community Service Officers (CSOs) programme, putting almost 2000 young Amerindians out of work, the stymieing of the Amerindian Land Titling Unit and the removal of resources previously earmarked for the development of their communities, such as the 6000 household solar panel systems.

In light of the lacklustre performance and the debilitating far-reaching effects of COVID-19, *Budget 2020* brings special meaning to our Amerindian brothers and sisters. In this budget, we will facilitate support for our indigenous people in the areas of food security, youth development, student welfare, women’s initiative, agriculture, ecotourism and grant moneys to fund social and productive micro-projects.

Government is committed to the prosperity of our indigenous people and we will redouble efforts for their economic and social development. To this end, \$800 million has been

allocated to the Amerindian Development Fund (ADF). The ADF will be providing \$300 million for the purchase of tractors and accessories to incentivise agricultural economic activity within indigenous communities. Economic programmes to generate income and stimulate growth will be undertaken in the areas of farming of non-traditional crops, agro-processing, poultry rearing and livestock rearing, among others. Further, to support the effective governance function of the National Toshias’ Council (NTC), as a key gesture of respect for indigenous people, we have committed to commencing the design of a new head office of the council with an initial allocation of \$10 million.

This Government will recommence support for our women in entrepreneurial initiatives, in an attempt to increase self-sufficiency and bolster economic independence and expand their ability to support their families. These initiatives will include sewing, tourism projects and other projects to be managed by women. The students of the hinterland will continue to be provided with school uniform assistance.

The Information and communications technology hub programme will also be re-introduced to 26 Amerindian communities which will prepare and equip them accordingly with the required equipment to allow these villages to be connected for leisure, learning and for work. To support the modernisation and equipping of our indigenous communities with appropriate amenities, Government has also committed to the provision of 25,000 household solar photovoltaic units. This particular energy intervention will be rolled out in a phased manner.

Aside from the stimulus provided by the ADF, Government has also allocated \$800 million for the hinterland roads. This programme will address construction and rehabilitation of roads across Regions 1, 7, 8, 9 and 10. To complement these construction works, we have removed VAT on travel to the hinterland. These initiatives will serve to stimulate economic activity, incentivising our own Guyanese to explore our beautiful country beyond just the coastland for both business and leisure.

Additionally, we will be resuming the Amerindian Land Titling Programme, with vigour, to ensure that the rights of the indigenous people are once again protected. I should note, as well, that Amerindian communities will be benefiting from the COVID-19 cash assistance announced by the Government. About 19000 Amerindian households are expected to benefit from the \$25,000 cash transfer, an allocation of \$475 million.

f. Social Protection and Vulnerable Groups

The PPP/C Administration is committed to the welfare and the wellbeing of all Guyanese. We will continue to deliver key services to the most vulnerable groups, including women and children, disadvantaged families, the elderly, differently-abled and those who are at risk of being trafficked.

We have found that, over the last five years, human services were badly managed and poorly executed because of improper hiring practices of the last Government. There was a common theme of unaccountability in the implementation of programmes that were supposed to target women, youth, migrant families, juveniles and other sections of society. On the legislative aspect, there was an incessant neglect of policies and recommendations that would have addressed issues such as sexual offences, trafficking in persons and domestic violence.

As part of our commitment, we will continue to partner with all stakeholders in Guyana to assist in the delivery of hampers and other forms of assistance to our underprivileged and vulnerable groups, included as part of our COVID-19 relief measures. A focused programme to address issues of homelessness and indigence is anticipated to be operationalised in the last quarter of 2020.

i. Senior Citizens

We realise that our respected elders are at greater risk because of the COVID-19 pandemic. We are committed to strengthening the medical capacities at the Palms Geriatric Home, which earlier this year was the site of 10 COVID-19 cases. Additionally, to reduce the risk of exposure of COVID-19, we will improve the service delivery to our pensioners; reduce long lines at the Guyana Post Office Corporation (GPOC) by endeavouring to utilise alternate models, modes and venues for payment. Further, we are also pleased to declare, once again, that this Government will be reinstating the water subsidy for pensioners from 1st October, 2020 and from 1st January, 2021, an increase in old age pension to \$25,000 per month.

ii. Youth and Children

Between 2015 and 2020, the involvement of youth in policy making was non-existent at the Cabinet, parliamentary and local government levels. However, it is clear, by the very composition of the Parliamentary Members of this side of the House, youths are being engaged and will continually be engaged in the policymaking of our country. Additionally,

His Excellency President Irfaan Ali has already announced that a Youth Advisory Council will be established, reflecting our country’s diversity, for which \$25 million has been allocated to support its effective functioning. We are not just talking about youth; we are giving them the resources to function.

We will expand the engagement of youth and sport groups to improve their organisational capacity and to work in collaboration with other Government agencies and private sector to pursue opportunities for our young people. We will address the issues of youth violence and gangs and the debilitating effects that such behaviour has on families and on society. The Government will also ensure that training and employment opportunities are expanded through programmes run by the Board of Industrial Training, (BIT), the various entrepreneurship programmes and our educational institutions, including scholarships. We would like to remind this honourable House as well that our housing programme will also permit for the allocation of house lots for persons from age 21.

iii. Victims of Domestic Violence

Domestic violence continues to be a plague that afflicts our citizens, particularly women and youth. Government will continue to support programmes to enhance the physical infrastructure of police stations to accommodate the privacy that is required when dealing with domestic violence and other sensitive issues. We will also be enhancing the capacity of law enforcement officers and prosecutors to better deal with these issues. However, we recognise that this scourge is something that cannot be tackled by Government alone, so we continue to encourage civil society organisations to partner with Government. *Budget 2020* has recorded increased allocations to several such organisations to help strengthen their ability to respond to this uncivilised, inhuman behaviour for which there should be zero tolerance.

Further, with the support of our international development partners, Government will be accelerating the Spotlight Initiative, which has seen little traction by the previous Administration. This initiative, designed to avoid violence against women and girls, will commence, in earnest, in the last quarter of 2020, and has a financial envelope valued at €\$4.5 million.

iv. Persons with disabilities

Our Government is dismayed at the level of infancy that still exists in this country with regard to caring for persons with

disabilities. Each and every one of us, regardless of our capacity, deserves the opportunity to enjoy a decent quality of life. Issues of disabilities are wide-ranging in our country and many of our challenges are associated with the inability to diagnose at early stages and support those who are determined to be differently-abled. Government will continue to work at an interagency level with stakeholder organisations to ensure opportunities for training, employment, effective diagnosis, treatment and rehabilitative support and services are expanded across all 10 regions of our country.

In the area of care for persons with visual impairment, I am pleased to indicate that we have expanded a partnership with Eye Care Guyana, which will also complement the 13 new optometrists who entered the system this year. This partnership will expand the number of glasses that could be provided to persons in need to 1,500.

1.07p.m.

We hope to increase this number to 5,000, annually, in the coming years. Additionally, our disabilities programme has also partnered with Starkey Hearing Foundation to screen, assess and fit over 1,000 persons with hearings aids in Regions 4 and 9 this year.

g. Culture, Sports and Arts

Our vision for embracing diversity and exploring the talents of our people has always been the focus. To this end, \$2.7 billion has been allocated for culture, youth and sport, for which \$805.3 million is for sports.

In the area of sports, as we look to revitalise the national sports programme, while simultaneously reconfiguring how we undertake them in the context of the pandemic, this year, we are going to be undertaking initial work on mini sports stadiums in Regions 2, 6 and 10, and the Guyana-China Friendship Park. Additionally, \$185 million has been allocated for the National Sports Commission (NSC) to accelerate works on the synthetic tracks in Regions 6 and 10, as well the purchase of sports gears and ground enhancements.

H. National Security

a. Foreign Relations

The Ministry of Foreign Affairs and International Co-operation is charged with overseeing the day-to-day conduct of Guyana’s foreign policy, and in so doing is mandated to develop, maintain and enhance relations with other nations

and regional and international organisations. Under the guidance of His Excellency President Mohamed Irfaan Ali, the Ministry of Foreign Affairs and International Co-operation has identified four critical areas of focus:

- i. Protecting Guyana’s sovereignty and defending its territorial integrity;
- ii. Strengthening Guyana’s multilateral diplomacy;
- iii. Improving Guyana’s regional, hemispheric and international presence; and
- iv. Focus on the Diaspora.
- v. Protecting Guyana’s Sovereignty and Defending its Territorial Integrity

Guyana’s sovereignty and territorial integrity are sacrosanct. In anticipation of a favourable outcome at the International Court of Justice (ICJ), the Ministry of Foreign Affairs and International Co-operation has garnered considerable support from the international community and has assembled a legal and technical team that continues to provide the people of Guyana with exceptional representation. Based on our arguments and justifications, we are confident that the court has jurisdiction to adjudicate in the matter. Moreover, based on the proceedings and submissions, we are equally confident that Guyana’s contention of the legitimacy and finality of the 1899 Arbitral Award will be upheld by the court, leaving Venezuela’s spurious and ill-founded claim of the said award having no legal basis in international law. The PPP/C Administration will continue to pursue this matter in a bipartisan manner and we anticipate critical support from the Parliamentary Opposition.

vi. Strengthening Guyana’s Multilateral Diplomacy

One of the core functions of the Ministry of Foreign Affairs and International Co-operation is to strengthen Guyana’s visibility and country image in international politics. Guyana’s chairmanship of the Group of 77 (G-77) and China provides us with an avenue to achieve a measurable degree of soft power diplomacy at the multilateral level, notwithstanding the setback caused by the recent political crisis, as well as the global pandemic. Of significance, Guyana’s chairmanship will provide the nation with much international recognition as the United Nations prepares to celebrate its 75th Anniversary. As the Chair, Guyana has a role in guiding the debate of this year’s General Assembly, which is in consonance with the G-77 agenda of accelerating

the implementation of the Sustainable Development Goals (SDGs) 2030.

vii. Improving Guyana’s Regional, Hemispheric and International Presence

Going forward, we will focus on strengthening Guyana’s leadership and presence within CARICOM. The economic indicators to show that Guyana’s intergovernmental participation within the community could be broadened and deepened. As a more developed country within the regional framework, Guyana is well poised to strengthen its leadership through its commitment to the revised Treaty of Chaguaramas, establishing the Caribbean Community and the Caribbean Single Market and Economy (CSME). With democracy restored, we initiated and reengaged our diplomatic ties with our traditional partners and friendly nation-states, especially in light of the COVID-19 global pandemic. The new Administration is currently focusing on promoting Guyana’s trade and economic interests and enhancing the image and presence of our country and people on the world stage.

viii.Diaspora

Indisputable evidence, which exists, suggests that the Guyanese diaspora is rich in intellectual, human and financial resources, which we intend to tap into as we broaden our engagement. More particularly, as we anticipate rapid transformation as a new emerging major oil and gas-producing economy. Traditionally, the several international non-governmental organisations (NGOs) and alumni associations that have supported Guyana, which stood alongside the individual family support through remittances, have been an immense contribution historically.

According to the 2019 Annual Report of the Bank of Guyana, the value of remittances stood at US\$374 million, the largest contributor to foreign inflows other than gold. At the micro-level, remittances contribute to a reduction in poverty as it keeps many families from succumbing to the inadequacies of their income. Notwithstanding their financial support, the diaspora’s stance with the Guyanese people in the five months between 2nd March, 2020 and 2nd August, 2020, portrays how near, even though many miles away, they are connected with Guyana.

Mr. Speaker, please permit me this opportunity to use this occasion to say the biggest thank you to all our Guyanese brothers and sisters scattered across the globe, whose words of solidarity, encouragement and prayers have helped us

through that difficult period. In true Guyanese spirit, they demonstrated what the great Guyanese poet Martin Carter wrote, “We are all involved! we are all consumed”. If we do not swim together, we will sink together. Moreover, the potential that lies in our diaspora is vast and we will continue to leverage the expertise, talent and investment potential of our people that reside abroad.

b. Public Safety and Security

Every Guyanese citizen is entitled to safer communities, where life can flourish unhindered. Crime in our communities is detrimental to our quality of life and takes a toll on the development of business. Historically, PPP/C Administrations have taken measures to reduce crime and support safer communities. Unfortunately, under the APNU/AFC Administration, crime has been on the increase across our nation, no rehabilitation of our prison system was undertaken, and there exists a backlog of cases in our court system.

In order to provide safety for all Guyanese, this Government will endeavour to strengthen our security forces. As such, we will deploy resources to improve investigative and forensic capabilities and provide equipment, facilities and training for our law enforcement officers. Government will also focus on expanding the use of ICT in the fight against crime, providing better remunerations and conditions for the officers in our security forces and ensuring greater accountability by the Guyana Police Force (GPF) for solving crime. Further, our Administration will seek to reform the prison system, to improve conditions and ensure compulsory training and educational opportunities for prisoners and the security and safety of prison officers. Government is allocating \$38.9 billion in the 2020 Budget to propel this agenda.

Government has allocated over \$1 billion for ongoing works on police stations and divisional headquarters to align the police’s boundaries with Guyana’s administrative regional boundaries. These stations include headquarters at Anna Regina, Fort Wellington, Mabaruma, Golden Grove and Mahdia. In addition, police stations will be constructed at Cove and John, Brickdam, Matthew’s Ridge, Leonora, Lethem, Whim, Albion, Parika, Wismar and Mahdia. Additionally, Government has set aside \$428.1 million for the procurement of 50 vehicles to ensure our police officers are adequately equipped to fight crime.

As with the Guyana Police Force (GPF), the Government has allocated sums to provide more equipment and better facilities for the Guyana Fire Service (GFS). Approximately

\$63 million is allocated to procure two water tenders for Linden and Bartica, as well as upgrade the facilities at Mahdia. Additional vehicles, tools and equipment will also be procured to aid in firefighting.

In the area of prison reform and improvement, Government will continue to invest in the provision of training opportunities for both inmates and prison management staff, as these are crucial to the health and rehabilitation of inmates. This Government will continue to work on the Georgetown and Mazaruni Prisons and will commence reconstruction of the Lusignan Prison, which is allocated \$200 million in this budget. Overall, Government has planned to expend \$2 billion on the construction, rehabilitation and upgrading of prison facilities countrywide.

I. Natural Resource Management

- a. Managing Extractive Sectors
- i. Forestry

From 2014 to 2019, the forestry industry contracted by more than 30%. The complete disregard for this industry by the APNU/AFC has crippled many hinterland communities that are dependent on this resource for their livelihood. At the same time, the Guyana Forestry Commission (GFC), a once profitable and efficiently run agency, has, under the APNU/AFC’s Administration, become financially distressed – being unable to pay basic salaries and other operational expenses.

If one examines the records, it will show that, at the end of 2014, the Guyana Forestry Commission recorded a net surplus of approximately \$211 million, which plummeted to a marginal surplus of \$2.3 million in 2019; the Guyana Forestry Commission is in a depleted financial state. In addition, exports fell from approximately US\$53 million, in 2014, to US\$34 million in 2019.

The downturn in this industry over the last five years, caused by poor policies has, in turn, resulted in the deterioration of logging roads since harvesters, like the Barama Company Limited which maintained some key hinterland infrastructure, exited the industry, due to bad policies under the previous Administration.

To rescue this once flourishing industry that contributed to the Consolidated Fund, this new Administration had disbursed \$350 million to provide support for the ailing Commission for salaries and wages for the remainder of 2020, payment of bonuses for 2018 and part payment towards

the Guyana Revenue Authority (GRA) and the National Insurance Scheme (NIS) contributions.

We will accompany this support by providing incentives for the retooling and expanding of this sector.

1.22 p.m.

The PPP/C Government is working to ensure that the GFC is financially viable and self-sustaining in the short, medium and long-term by reinvigorating the industry. To this end, we have included, in this budget, measures to allow companies to recapitalise to improve efficiency in operations. These include the removal of VAT on machinery and equipment and the provision of tax concessions on all-terrain vehicles (ATVs). Further, there has been a reversal of VAT on exports as well as the removal of VAT on hinterland travel. Additionally, we will amend the log export policy to allow sawmillers to export logs, which will boost industry production and revenues.

- ii. Mining

Like forestry, the period 2015 to 2020 could best be described as calamitous for the mining industry, particularly for small miners. For the hundreds, if not thousands of small miners and those associated, *Budget 2020* brings them a message of hope and an end to the fatigue that they have experienced. In consultation with all the stakeholders, we will invigorate, energise and incentivise this sector and put our people back to work. Communities who heavily depended on this industry will see improved infrastructure and job opportunities, as we pursue our policy direction and manifesto promises.

PPP/C Government will not only address matters that would develop the industry, but would also foster and promote greater collaboration and coordination among the regulatory agencies for the extractive sectors. The PPP/C will kick start the critical task of utilising, upgrading and adopting, where applicable, ICT programmes in key divisions in the Guyana Geology and Mines Commission (GGMC), such as the Land Management and Mines Divisions, to promote transparency and increase efficiency in the process. We will also endeavour to accelerate the restructuring of the commission to best meet the needs of a modern mining sector. Further, we will expand collaboration between budget agencies and the commission to ensure effective and efficient delivery in hinterland infrastructure, which is essential for mining operations.

In this, our first budget of our five-year term, we have already rolled out a host of measures that will bring prosperity to the mining industry. Like the forestry industry, mining will benefit from the removal of VAT on machinery and equipment, the provision of tax concessions on ATVs and the removal of VAT on hinterland travel. In addition to these, the industry will benefit from the removal of police clearance requirement for miners to transport fuel in their own vehicles.

We are aware that in mining regions – Regions 1, 7, 8 and 9 – mining is essential for the livelihood of the people. However, since the COVID-19 pandemic, there have been numerous persons infected and, as such, adherence to the COVID-19 protocols will be actively monitored, while permitting a balance to allow for continual economic activity.

iii. Petroleum

In keeping with the manifesto of the PPP/C, our Government will approach the oil and gas sector in a national, non-partisan manner. Oil and gas will bring not only significant financial resources and enormous transformational opportunities, but also many challenges. There are many examples around the world where developing countries have obtained windfalls from oil and gas but have eventually ended up poorer than before. Central to our strategy in the sector will be the following critical areas:

- i. A framework for proper management of the resource;
- ii. Transparency and accountability; and
- iii. Securing benefits for Guyanese.

To ensure that our oil resource is managed responsibly, the PPP/C will:

- i. Immediately engage the oil and gas companies in better contract administration/ renegotiation;
- ii. Establish an arm’s length Sovereign Wealth Fund (SWF), insulated from political interference;
- iii. Define, by legislation, how funds will flow from the Sovereign Wealth Fund into the budget and the purpose for which they will be used;
- iv. Ensure that expenditures are transparently determined and go through the parliamentary process;

- v. Establish a model - Public Securities Association (PSA) - based on industry-wide standards and best practices. The purpose of this is to ensure that Guyanese receive maximum benefit from these contracts without disincentivising foreign investment in the sector; and
- vi. Training of thousands of Guyanese at every level to create national core managers and workforce to chart the future direction and effectively manage the sector.

To ensure and prevent oil money from being squandered or stolen, the PPP/C will, among other things:

- i. Uphold the Santiago Principles of transparency and accountability and the Extractive Industries Transparency Initiative (EITI);
- ii. Criminalise non-disclosure of receipt of funds from oil revenues;
- iii. Ensure annual reports from the Government are laid in the National Assembly detailing oil revenues and expenditures;
- iv. Ensure that there are regular audits; and
- v. Civil society will be involved, in a central role, to monitor compliance and accountability.

Oil resource belongs to the people of Guyana. We will ensure that our oil revenue works for all Guyanese and is spent on improving lives and in support of job creation. Some areas in which oil revenue will be directed are:

- i. Support for job creation;
- ii. World-class education and health care for Guyanese;
- iii. Social and economic infrastructure;
- iv Targeted cash transfer to Guyanese, particularly the elderly children, the poor and vulnerable groups;
- v Strong local content for Guyanese with legislative safeguards;
- vi Savings for the future generations; and
- vii Tax reductions for Guyanese businesses and individuals.

His Excellency President Irfaan Ali, in keeping faithful to these promises that have been stated in our manifesto, has already established a high-level panel on local content in the oil and gas sector.

Further, expenditure allocations in *Budget 2020* will serve to support access to expertise in marketing of crude oil and cost audits, to ensure that we are able to maximise the benefits that flow from this resource. We have increased allocations of the Guyana National Bureau of Standards (GNBS), which has responsibility for metrology on the Floating Production Storage and Offloading (FPSO) vessel. From \$298 million, we have increased it to \$586.5 million, to ensure it is fully equipped to exercise this oversight responsibility.

b. Environmental Protection

The Guyana Government believes that Guyana’s rich natural resource must be utilised to provide jobs and create opportunities for our people in a sustainable manner. Our rainforest is a valuable national and global resource and its preservation will not only have a positive local impact, but it will also impact the fight against climate change. As such, we will reinstitute the Low Carbon Development Strategy (LCDS) to help achieve prosperity for our people, by deploying earnings from the forest climate services to diversify the economy and create more jobs and opportunities, utilising non-carbon intensive pathways. The LCDS will be broadened to include wider environmental services, including integrated water resource management and climate resilience. It will see the strengthening of the Environmental Protection Agency (EPA) and the National System of Protected Areas.

J. Agriculture and Food Security

Today, the agriculture sector comprises more than 20% of our real GDP, but there is a vast unrealised potential for this sector. However, due to the policies of the previous Administration, this could not have been realised. Over the next five years, starting from *Budget 2020*, we will implement measures to promote a diversified economy; create more jobs and increase the income of farmers, at the same time, through strategic investments; and ease the burden associated with the COVID-19 pandemic. For these interventions, the agriculture sector is allocated \$18.4 billion in 2020.

a. Sugar

A viable and sustainable sugar industry is our long-term goal. Our Government will work to solve the problems of the industry holistically. We will be reopening the Enmore, Rose Hall and Skeldon Estates in a phased approach. That is, we will carry out an assessment on the state of the assets and the level of investment to be done, starting with an initial allocation of \$3 billion in 2020 for critical works, with an additional \$2 billion being made available should works progress. As for Wales Estate, works have commenced to create opportunities and employment under the newly established Wales Development Authority. The Guyana Sugar Corporation will concentrate its efforts to ensure it achieves, in the short-term, a break-even status. We will ensure better management by appointing a new, competent and skilled Board of Directors. We will ensure greater efficiency through the necessary re-tooling, product diversification and retraining where necessary.

b. Rice

The previous Administration neglected our rice farmers under the premise, if you recall, that rice is a private business. For us, in the PPP/C, rice is a Guyanese business. Our Government will support the farmers and millers with the view of expanding the rice industry.

Action will be taken to ensure the reversing of the draconian fees for land rents, drainage and irrigation and restoring adequate budgetary support for the maintenance of drainage and irrigation systems, as well as farm-to-market roads, which will benefit rice farmers, including those involved in the cultivation of other crops. To this end, Government has taken the decision to reverse back to their 2014 position increases in land lease fees for lands under cultivation, land taxes and drainage and irrigation charges. Further, the Mahaica Mahaicony/Abary-Agricultural Development Authority (MMA-ADA) has been provided with a capital injection of \$112.9 million to undertake critical drainage and irrigation works within the area, which will see improvement for farmers and will bring additional lands to a usable state.

1.37 p.m.

The Guyana Rice Development Board (GRDB) will continue to expand and secure new markets for paddy and other by-products; increase productivity through research and development into new strains and robust pest control measures; continue seed paddy production with enhanced extension and quality control; and involve all stakeholders working together to increase productivity.

c. Other Crops

The Coronavirus Disease has affected the demand for the supply of agricultural produce, which, in turn, has significantly reduced the income of farmers. To provide relief to our struggling farmers, we have reversed, to the 2014, rate land lease fees, taxes and drainage and irrigation fees, as previously mentioned. Additionally, we have removed VAT on fertilisers, agro-chemicals and pesticides. Further, the National Agriculture Research and Extension Institute (NAREI), in a quest to reduce the cost of input and, at the same time, promote climate-smart agriculture, will expend \$15.8 million for the acquisition of shade house material and sprinkler hoses. The National Agriculture Research and Extension Institute will sell the material to farmers at cost price, saving farmers over 33% or \$5 million. The moneys from this investment will be utilised as a revolving fund for future purchases of required materials for farmers.

We will continue to promote agricultural diversification, with a focus on coconut and horticulture, by engaging the NAREI and the Hope Coconut Estate. The coconut industry will be given prominence by promoting expansion in acreage, intercropping, utilisation of coconut by-products and increasing production and productivity. In 2020, to increase access and to reduce the cost of coconut planting material, we will establish two coconut nurseries, at Charity on the Essequibo Coast and at Kairuni on the Soesdyke-Linden Highway, with the capacity to produce 25,000 additional seedlings every year. In addition to the NAREI and Hope Estate providing planting materials, farmers will receive training on how to establish their own nurseries.

This Administration will work to guarantee our food security, as well as that of our CARICOM brothers and sisters. We will continue to actively promote crop diversification and create incentives for farmers to invest in non-traditional crops, such as corn and soybeans. We will also promote value-added activities, as well as the export of produce to ensure our that agriculture sector continues to expand and farmers are able to realise higher incomes. To this end, this Budget will introduce tax concessions on investment in agro-processing facilities, cold storage and packaging.

d. Livestock

We will continue to invest in the development of the livestock industry and ensure there is sufficient throughput in the sector for food and nutrition security for the market demands. Emphasis will be on improving genetic and research capacity for farms and interventions to provide

appropriate breed stock. We are moving to improve standards and bring down production costs in this industry. To this end, we will continue projects, such as the abattoir at Onverwagt, West Coast Berbice, and review other projects in the pipeline in order to prioritise those most transformative for the sector. With regard to reducing production costs, we have already removed the VAT on key inputs in the poultry industry, in addition to reverting to zero-rated status and created incentives for the production of corn and soybeans, key feedstock inputs.

e. Fisheries

Government will provide much needed support to the fisheries industry, intensify the monitoring and surveillance capabilities and promote sustainable fishing through improved management. Emphasis will be placed on working to reverse the USA’s ban on catfish.

f. Drainage and Irrigation

A core component of providing and enabling the environment for agricultural development is to provide better drainage and irrigation infrastructure. Due to the fact that the majority of our population and agricultural activity is concentrated on the Low Coastal Plains, and the increasing incidence of overtopping, due to sea level rise and excess rainfall, heavy expenditure is being made to address the deficiencies in our drainage and irrigation (D&I) systems and to manage water in a structured manner. To this end, Government has budgeted over \$9 billion. Over 1,200 acres of farmlands in West Watooka, Linden will benefit from D&I works in 2020. Additionally, we will commence plans for the design of pump stations in Cottage, Adventure and Andrew, as well as the design of farm-to-market roads, with the intention of upgrading the existing mud dams across the farm-to-market access roads at Number 52 to 58 Villages in Region 6, the Right Bank Mahaicony, Left Bank Mahaica and Salem in Region 3. Further, our drainage capacity will be bolstered, this year, with the installation of 12 high capacity drainage pumps for Regions 2, 3, 4, 5 and 6.

K. Labour and Decent Work

Guyana’s labour force is in constant flux. More recently, statistics from the quarterly Guyana Labour Force Survey, published by the Bureau of Statistics, revealed a declining labour force participation rate, falling from 54.5% in quarter four of 2017 to 49% in quarter four of 2019. Over the same period, the unemployment rate increased from 12.2% to 13.4%. Our Government has promised to reverse the

unemployment rate, over the next five years, through the creation of 50,000 jobs. Creation of a stand-alone Ministry of Labour is this Administration’s clear recognition of the need to place priority focus on design and compliance with labour standards and rules and regulations across all sectors. The application of rules, in the context of managing within a pandemic, will also be maintained, in consultation with our unions, as we work to ensure expanded employment opportunities and skills development of the labour force. Sustainable job creation that supports the socio-economic objectives within in a low carbon development trajectory, will shape our Government’s delivery through strong and effective labour administration services.

The aggressive promotion of decent work to ensure an improved quality of life for workers, in both the public and the private sectors, is non-negotiable, while being conscious of the emergence of a new sector and its related impact on the production profile of our economy. In this new dynamic environment, while welcoming international companies, we will not compromise on compliance with our local laws, occupational health and safety regulations and the basic principles of equal pay for equal work.

5. Targets for 2020

A. Real Gross Domestic Product

In the first half of 2020, Guyana’s real economy is estimated to have grown by 45.6%, driven by the petroleum sector. However, the non-oil economy contracted by 4.9%, with significant declines recorded across major industries. This was, in part, due to the protracted General and Regional Elections, but also a result of the significant reduction in economic activity after the introduction of several emergency measures in the second quarter to curb the spread of COVID-19. These measures saw restrictions being imposed on the movement of persons and operation of non-essential businesses which, in turn, led to a reduction in household income.

While there was a phased relaxation of measures in the third quarter, a surge in COVID-19 cases in August has necessitated the reintroduction of more stringent measures. The need to constantly monitor and readjust emergency measures in response to the spread of COVID-19, amplifies uncertainty surrounding the economic performance of various industries for the remainder of this year. As such, a few different scenarios are considered in forecasting growth and other macroeconomic indicators for 2020. Real GDP is

expected to grow between 48.4% and 51.2%, while the non-oil economy is expected to contract between 1.4% and 4.3%

a. Agriculture, Forestry and Fishing

At the 2020 half year, the agriculture, forestry and fishing industries contracted by 4.1% as a result of lower production in the other crops, livestock, forestry and fishing industries. While some of these industries are expected to perform better in the second half, as a whole, the agriculture, forestry and fishing industries are projected to decline between 0.1% and 2.3% in 2020.

Turning to specific industries, sugar, which expanded by 10.4% at the half year, is expected to grow between 10% and 15.4%. Expansion is also expected in rice growing, with forecasts for second crop production anticipated to result in growth of between 2% and 3.5%. The livestock industry, which contracted by 2.3% at the half year, is expected to rebound in the second half to realise growth of between 0% and 2.4% in 2020. Similarly, the other crops, forestry and fishing industries are expected to see improvements in the second half of the year. The other crops industry is forecasted to contract between 1% and 3%, better than the decline of 4.7 % at the half year. Forestry is projected to contract between 11.8% and 15%, an improvement over the half-year contraction of 20.8%. Fishing is projected to contract between 3.5% and 10%, above the contraction of 12.1% at the end of June.

b. Extractive Industries

At the 2020 half year, the mining and quarrying industries expanded by 343.7%, driven by the petroleum industry and, to a lesser extent, the gold mining industry. This offset significant contractions in the bauxite mining and other mining industries during the same period. These industries are expected to expand between 320.6% and 324.3% in 2020.

Mechanical faults have resulted in erratic oil production volumes this year, which has posed challenges in projecting the outturn of this industry. The daily rate of production is expected to be just under 87,000 barrels of oil per day, well below the initial production of more than 100,000 barrels.

The gold mining industry, which expanded by 2.1% at half year, also experienced some setbacks, particularly with the two large scale companies, which together reported a 36% decline in production when compared with the same period in 2019. While large-scale production is expected to continue to dwindle in the second half, the output of small and medium

scale miners, in response to higher prices, is expected to bolster production, pushing growth to fall between -2% and 0.7%.

1.52 p.m.

The bauxite industry continues to face reduced global demand for its output which, in addition to the stoppage of mining by one company, resulted in contraction of 42.3% by half year. This industry is expected to contract between 40% and 51% in 2020. Similarly, the other mining industries also saw significant contraction at the half year, by 56.8%, as a result of lower demand. However, the resumption in construction activities is expected to see improved output in the second half, resulting in a less severe contraction of between 20% and 30% in these industries.

c. Manufacturing

The manufacturing industries contracted by 0.2% at the half year, despite expansions in sugar and rice manufacturing by 14.2% and 7.2%, respectively. This was due to the significant contraction of 5.7% in the other manufacturing industries. While the output of these industries is expected to improve in the second half amidst growing demand, other manufacturing is still expected to contract between 1% and 5% in 2020. Overall, the performance of the manufacturing industry in 2020 is projected to fall between a contraction of 1.4% and an expansion of 1.9%.

d. Construction

At the half year, the construction industry contracted by 5.6%, despite the emergency measures gazetted in April, which were expected to result in a more severe decline. While the formal easing of restrictions on construction activities in the second half and the resumption of public sector construction should not result in a significant decline in the industry, it is still expected to contract between 4% and 7% in 2020.

e. Services

The service industries, which are expected to be the worst hit by the emergency measures to curb the COVID-19 pandemic, contracted by 3.8% into the half year, with most industries suffering severe contractions. Wholesale and retail trade and repairs contracted by 14.7%; transport and storage by 25%; accommodation and food services by 32.9%; professional, scientific and technical services by 20.7%; administrative and support services by 5.3%; arts, entertainment and recreation by 45.8%; and other services by 51.2%.

While the conclusion of the General and Regional Elections has led to improved consumer sentiment and an expectation of improved performance in some of the services industries, the unpredictability of the COVID-19 pandemic threatens to dampen any recovery. As such, service industries have forecasted to contract between 0.7% and 3.5% in 2020.

B. Monetary Policy and Inflation

For December 2020, the money supply is expected to amount to \$530.9 billion, reflecting year-on-year growth of 15.1%. Further, total private sector credit, at the end of 2020, is forecasted to reach \$265.7 billion, a 4.8% above the position at the end of the previous year, while total public sector credit is anticipated to reach \$121 billion, growing by 54.3% year-on-year. These are expected, amid the recently announced COVID-19 measures, to encourage borrowing by the private sector, as well as the continued implementation of the Public Sector Investment Programme (PSIP) upon approval of this 2020 Budget.

The fuel and power and operation and personal transport subcategories of the Consumer Price Index (CPI) declined, notably, in March, April and May, 2020 amid low energy prices. As a result of these declines, the December, 2020 12-month inflation rate is anticipated to range between negative 0.23% and 0.07%, while the average 2020 12-month rate is expected to vary between 0.49% and 0.54%.

C. Balance of Payments

The overall balance of payments is expected to register a lower deficit, in 2020, of US\$21 million, compared to the US\$48.9 million in 2019. This is on account of a projected improvement in the current account deficit, offsetting an anticipated contraction in the capital account surplus.

The capital account surplus is projected to be reduced by 54.1% or US\$956 million to US\$810.6 million, mainly due to a decline in medium and long-term capital.

The current account deficit is expected to contract by 53.9% or US\$971.1 million to US\$831.6 million, supported by projections of higher export earnings, lower import payments, as well as higher net unrequited transfers. However, the deficit on the net services account is expected to expand.

Export earnings are projected to increase by 58.4% to US\$2.5 billion, supported by the exports of crude oil in 2020. Continued growth is projected in the export earnings of rice and paddy and gold of 10% and 15.8%, respectively. They are expected to offset an anticipated decline in export

earnings from the other sectors. Import payments are projected to reduce by 22.6% to US\$2.3 billion while net unrequited transfers are projected to increase by 20.1% to US\$698.1 million, attributed to higher expected net inflows of workers’ remittances.

D. Targets for the Non-Financial Public Sector

a. Central Government Operations

In 2020, Central Government’s current revenue is estimated at \$226.5 billion, 5.9% or \$14.1 billion below 2019 collections, as a result of lower anticipated collections from both tax and non-tax revenue sources. Tax revenue, in 2020, is estimated at \$214.5 billion, \$11.4 billion less than the \$226 billion collected in 2019. This is on account of reduced economic activity and the introduction of measures by the GRA to reduce the burden on both businesses and individuals amidst the COVID-19 pandemic. In April of this year, in light of COVID-19 tax relief measures, which included the extension of critical deadlines and waivers on value-added tax, duties and excise tax on some goods and services, GRA revised the 2020 estimated collections. The Authority’s revision included: low expected collections from self-employed income tax and corporation tax on account of reduced profits from current year basis and deferred payments owing to the deadline extensions; reduction in the estimated collections from travel tax to travel voucher tax due to the international travel restrictions; lower collections of VAT as a result of reduced remittances from utility companies and reduced economic activity; and reduction in estimated collections of excise tax on petroleum products, owing to the low worldwide prices for fuel and increasing exemptions to major companies.

In light of the above, the expected decline in tax revenue could be attributed to lower collection from three divisions: excise tax, customs and trade administration and VAT. Excise tax collections are projected to decline by 26.9% or \$11.8 billion in 2020, largely as a result of lower collection from the importation of petroleum products. Customs and trade taxes are expected to decline by 9.6% or \$2.4 billion, mainly as a result of the 10% or \$2.2 billion, fall in collection from import duties due to lower economic activity amidst the pandemic and protracted General and Regional Elections. A much smaller decline is expected on VAT. This tax type is projected to decline by 0.1% or \$57.7 billion, on account of lower collections of VAT on imports. Unfortunately, the anticipated 47% and 14.3% increase in withholding tax and

Pay As You Earn (PAYE) collections, respectively, will not be large enough to offset declines in the other tax divisions.

Non-tax revenues are projected to decline by 18.3% or \$2.7 billion to reach \$11.9 billion in 2020, on account of low collections of rents and royalties, fees, fines and charges, special transfers and Bank of Guyana profits. These revenue categories are expected to decline by 27.5% or \$1.3 billion, 38.1% or \$10.2 million, 17.2% or \$500 million and 21.6% or \$405.8 billion, respectively.

Central Government’s total expenditure is expected to increase by 13.4% to reach \$320 billion in 2020 when compared with 2019. This position is mainly the result of anticipated expenditure for COVID-19 relief and a growing Public Sector Investment Programme.

Non-interest expenditure is projected to increase by 15.6% to \$240 billion, driven by growth in all subcategories: employment costs, other goods and services and transferred payments. Employment costs are expected to rise by 9.1% or \$6.3 billion, when compared with 2019, on account of higher expenditure on wages and salaries and benefits and allowances. Expenditure on other goods and services is projected to increase by 18.8% or \$10.9 billion, largely due to significant increase of \$7 billion in expenditure on drugs and medical supplies, aimed at alleviating drug shortages and limiting the transmission and detrimental effects of COVID-19. Transfer payments are expected to grow by 18.7% or \$15.2 billion, when compared to 2019, mainly due to increases in subsidies and contributions to local organisations, largely affected by the pandemic, and an increase in social assistance. Subsidies and contributions to local organisations are expected to increase by \$7.5 billion to \$43.8 billion and expenditure on social assistance by 36.4% to \$19.9 billion.

Capital expenditure is projected to increase by 8.8% or \$5.8 billion to reach \$72.1 billion in 2020. Expenditure on donor-funded projects are expected to grow by 19.6% or \$3.7 billion and locally-funded projects by 4.4% or \$2.1 billion. Increased expenditure on donor-funded activities will be driven by the transport and communication and construction sectors, and locally-funded PSIP by the power generation and health sectors as a result of \$10.8 billion loan to the Guyana Power and Light Incorporated (GPL), as well as COVID-19 related expenditure. The overall deficit is projected at 6.5% of GDP, compared with 2.8% at the end of 2019. This deficit represents 8% of non-oil GDP.

Though this budget is being presented near the end of the third quarter of the year, much expenditure would have been accumulated in the first half of the year to ensure the continuation of multi-year projects, programmes and provision of public services in the middle of the pandemic.

2.07 p.m.

To ensure the continuation of multi-year projects and programmes and. This Budget of 2020 is \$329.5 billion, which is 9% or \$28.8 billion above that of 2019.

b. Summary Operations of the Public Enterprises

An overall deficit of \$4 billion is projected for the public enterprises in 2020, a 57.1% improvement from the \$9.4 billion deficit recorded at the end of 2019. This is attributed to higher expected revenue, combined with lower operating expenses. Higher forecasted receipts are largely driven by the GPL, the GuySuCo and the NIS. Their revenues are expected to grow by 58.2% or \$18.5 billion, 9.6% or \$1.7 billion, and 2.5% or \$625.5 million, respectively, when compared with 2019. Lower expenditure is expected mainly from the Guyana Oil Company (GuyOil). Its payments are anticipated to fall by 27.9 % or \$9.9 billion when compared with 2019.

6. Measures in Budget 2020

In order to stimulate the economy, an array of measures will be introduced to increase production and put Guyanese back to work, as we continue to combat the impact of the COVID-19 pandemic. These initiatives are aimed at creating incentives, reducing costs and bureaucracy, and facilitating greater ease of doing business, and will have an impact on people’s quality of life, cost of living and well-being.

A. Measures to Support COVID-19 Frontline Workers

This Government understands and appreciates the sacrifices being made by our frontline workers to ensure that fellow Guyanese remain safe and protected. As such, Government has set aside a budgetary allocation of \$150 million to support these workers. Additionally, to support our men and women in uniform, a two-week tax-free bonus will be made available to the Joint Services, in recognition of their service during this difficult time.

B. Measures to Reduce the Cost of Living and Increase Disposable Income

i. Reversal of VAT on Electricity and Water

The provision of basic utilities, electricity and water, impacts every household, every community and every business. The need to generate power, at lower costs, to our people has always been a priority for our Administration. The added pandemic situation and economic slowdown placed additional financial burdens on households and businesses. Our Government recognised the need to bring immediate and much needed relief to households and to place money back into the pockets of people and businesses. Reducing the cost of operations for manufacturing and food production and a whole range of industries will serve to stimulate economic activity. I am pleased to advise that you can all look forward to your electricity and water bills no longer having a 14% added to the cost of actual consumption, and that, with effect from October 1st, 2020, value-added tax on electricity and water will be reversed, increasing the income of households and businesses.

ii. Mortgage Interest Relief – Interest Incurred on Housing Loan up to \$30 million to be Deductible from Income Tax

In 2013, the PPP/C Administration introduced Mortgage Interest Relief (MIR) to first time low and middle-income homeowners to help them realise their dreams of becoming homeowners. The intention of the relief was to make the portion of these homeowners’ taxable income, utilised to pay interest on their housing loans, exempt from personal income tax and was applicable to loans of up to \$30 million. In 2017, however, the APNU/AFC Administration revised MIR to make it accessible to taxpayers whose mortgages do not exceed \$15 million.

Our Government will return the MIR to its original level. Homeowners, who occupy their properties, will now have access to MIR on housing loans up to \$30 million, \$15 million above the existing threshold. As such, interest incurred on loans up to \$30 million will now be tax-deductible from their income tax. This will help to reduce the cost of homeownership to new homeowners and young professionals.

iii. Increase the Limit for Low Income Loan for Corporate Tax Relief in the Banking Sector from \$8 million to \$10 million

It is crucial, now more than ever, for Government to stimulate the economy. I am pleased to announce that our engagements with the local banking sector have been fruitful and Government will be granting corporate tax relief for the banks for low income loans, which will allow low income

households to borrow up to an additional \$2 million at a lower interest rates.

iv. Provision of the \$25,000 COVID-19 Relief Per Household

Government is cognisant of the impact the COVID-19 pandemic has had on life in every single community. While some communities may not feel the impact as significantly as others, the damage to local economies is real. As such, Government has set aside \$25,000 per household for COVID-19 relief. It is our hope that this can help, in some way, to support families by ensuring that all Guyanese are able to put basic food items on the table. For this initiative, an allocation of \$4.5 billion has been made in *Budget 2020*.

v. Allowed Importation of Half-Cut Vehicles, Vehicles Over Eight Years Old and Used Tyres

Mr. Speaker, you will recall that, in 2017, the previous Administration imposed a measure that barred the importation of used tyres. The reversal of this policy, along with the allowance of the importation of vehicles more than eight years old, will now make vehicle ownership more affordable and accessible.

vi. The Removal of VAT on Building and Construction Materials

This Government will remove VAT on building and construction materials, where VAT was imposed after 2014. A major plank of our development path is the construction sector. Of key importance, is ensuring that there are opportunities for our people to become homeowners and to spend less to own those homes. Additionally, a major component of our future development is infrastructure transformation. This measure will provide much needed stimulation of the construction sector, which has tremendous potential for creating new jobs and opportunities.

vii. Removal of VAT on Cellular Phones

Recognising that mobile devices have become a more integral tool for learning and for economic activity within communities, Government is removing VAT on the purchase of cell phones.

viii. Reduction in License Fee by 50% for any License that was Increased after 2014.

This is yet another measure that will undo the burdensome fees and taxes imposed in the last five years.

C. Measures to Improve the Provision of Education and Health

i. Removal of 25% Corporate Tax on Education

Ensuring expanded access to quality education is paramount. To stimulate the expansion and affordable quality education for those who choose to undertake study at a private institution, Government has decided to remove the 25% corporate tax on private education. This will also make it a more profitable venture to attract quality educational investments, which will result in greater access to learning opportunities across all fields of study here at home, for both local and foreign students, while generating critical skills needed to realise our country’s accelerated development trajectory.

ii. Removal of 25 %Corporate Tax on Health and VAT on Medical Supplies

Similarly, Government is removing the corporate tax on private healthcare as well as VAT on medical supplies. This will help to make private healthcare more affordable to the average Guyanese, especially for those who wish to have a choice of healthcare providers. This will also help to attract other specialty health services to the country.

D. Measures to Incentivise the Extractive Industries

i. Removal of VAT on Machinery and Equipment

To support the recapitalisation of the industries and to reduce the cost of production, especially in the areas of mining, forestry, agriculture and manufacturing, I am pleased to advise that, with effect from 1st October, 2020, VAT on machinery and equipment will be removed. Farmers can now purchase such items as tractors and trailers and combines VAT free, to boost production. Forestry operators can purchase such items as chainsaws, tractors and skidders. Chainsaws used for ripping boards at the stump, can produce wood at significantly reduced cost than traditional mills and allow for improved incomes of hinterland and rural communities. Small and medium-term scale miners can now purchase such items as excavators and bulldozers, mechanical recovery equipment, to name a few, VAT free, and manufacturers can realign gains from zero VAT to retool for improved productivity and reduce capital investment costs.

Further, existing producers and new investors no longer have to waste valuable time to go through the GO-Invest for VAT free approvals; so, the ease of doing business is immediately improved.

ii. Removal of VAT on All-Terrain Vehicles for Mining, Forestry, Agriculture and Manufacturing

In our vast hinterland areas as well as in some coastal areas, the need for ATVs to support the productive and service sectors is critical for more efficient production and mobility. With effect from 1st October, 2020, the removal of the 14% VAT on ATVs will make the asset affordable and, further, support the capitalisation efforts across the key sectors.

iii. Removal of VAT on Exports

The reversal of VAT on exports seeks to alleviate the burden of input VAT paid on cost component, relevant to the production of the export product. Currently, because exporters such as those in the fishing, rice and timber industries, among others, are in the exempt category and cannot be registered for VAT, they cannot reclaim input/purchase VAT and moneys expended on cost in pursuant of production.

2.22 *p.m.*

This will be corrected and will take effect from 1st October, 2020, providing immediate support to our manufacturing sector and our exporters. A reduction in cost of production will make manufacturing enterprises more competitive and profitable, thereby stimulating expansion across sectors and creating employment opportunities.

iv. Removal of Police Clearance Requirement for Miners to Transport Fuel in Their Own Vehicles and Removal of Requirement to Register and Take Out Road Licences for Mining Equipment.

The PPP/C Administration has just removed the requirement for police clearances from miners to transport fuel in their own vehicles. No longer is red-tape required for this straightforward movement of one’s own fuel when travelling across Guyana. Complementing this is the removal of the requirement to register and secure a road licence for mining equipment. Our miners could now better streamline and plan their activities without the bureaucratic time-consuming exercise of these administrative actions.

v. Change of the Log Export Policy to Allow Sawmillers to Export Logs

We have altered the national policy on log exports to allow sawmillers to export logs as well. Not only will this allow for enhanced trade, but small loggers will now have an

opportunity to expand the range of species produced and gain access to additional markets.

e. Measures to Support our School Children

Effective 1st January, 2021, Government will introduce \$15,000 cash grant to school children, to bring help to families and children, by which time they will, hopefully, be returning to school.

Additionally, the uniform voucher allowance will be doubled to \$4,000 per child.

f. Measures to support our Senior Citizens

Effective from 1st January, 2021, old age pension will be increased from \$20,500 to \$25,000, allowing \$4.4 billion, on an annualised basis, to be injected into the disposable income of our senior citizens. Pensioners will also benefit from free water service, which will also improve their disposable income.

g. Measures to Promote Agricultural Development

i. Reversal of Land Lease Fees Across All Sectors and Water Charges Back to 2014 Rates, and the Reversal of Land Taxes and Drainage and Irrigation Charges Back to 2014

Land lease fees represent annual costs to farmers, manufacturers and other productive sector operators. Reversing the increases imposed over the last five years to the 2014 levels will significantly reduce these costs which grew between 67% and 1,900%. This would impact all segments of the population who are leasing land to support economic activity and, in turn, benefit all activities and related linkages to the productive sectors. Additionally, the agriculture sector will see a further benefit from the reversal of water and drainage and irrigation charges back to 2014 levels. The hardships have been removed.

ii. The Removal of VAT on Fertilisers, Agrochemicals, Pesticides, and Key Inputs in the Poultry Industry and Zero-Rating of the Poultry Industry

In order to ensure that all inputs into poultry production are made affordable, with effect from 1st October, 2020, there will be no VAT on fertilisers, agrochemicals, pesticides and key inputs in the poultry sector, including poultry feed, building materials and packaging.

We will, also, be reverting the poultry industry to zero-rated VAT status. This will boost the sector’s production across small, medium and large-scale producers. Poultry farmers across the country can now accelerate expansion plans so that they can take advantage of the increased demand for poultry, while keeping prices to consumers affordable.

iii. Tax Concessions and Investment in Agro-Processing Facilities, Cold Storage and Packaging

Government will be affording tax concessions on investments in agro-processing facilities, cold storage and packaging. This will serve to incentivise much needed growth in value-added production within the agriculture sector. Facilitating these types of investments would yield higher-value products which, in turn, would result in improved earnings and economic growth.

iv. Special Incentives to be Made Available for Planting of Corn and Soybean

The promotion and expanded production of non-traditional crops is a key aspect of our agricultural and wider economic diversification policy. To this end, special incentives, inclusive of land, will be made available for planting of corn and soybean to satisfy local and regional demands. It is our intention to ensure that no effort is spared in diversifying our economy, cognisant of the potential of the Dutch Disease. We are talking here about plantation agriculture.

v. Allocation of \$3 billion for the Recapitalisation of GuySuCo and an Additional \$2 billion as Required

This support to GuySuCo is intended to allow for the financial outlay required towards the reopening of estates and to cater for deferred/delayed recapitalisation.

h. Measures to Support our Amerindian Brothers and Sisters

Key among Government’s priorities for the development of Amerindian communities are:

- i. the implementation of a programme that will see 25,000 solar units being distributed;
- ii. \$800 million for the ADF, which will include the reintroduction of the CSOs programme aimed at developing young Amerindians in various villages and communities by building capacity and strengthening their individual interests, while

creating job opportunities for approximately 2,000 youths;

- iii. \$300 million from the ADF for the investment in productive assets including tractors, trailers and agriculture tools;

- iv. \$10 million for commencement of the design of the National Toshias Council Headquarters; and

- v. resumption of the Amerindian Land Titling programme.

i. Measures to Promote Sports Development

This Government is committed to the growth and development of our young people, our sportsmen and women, in finding new talents and supporting every region of our country. To this end, we will be constructing three multi-purpose sports complexes in Regions 2, 6 and 10.

j. Measures to Support Tourism

In anticipation of both the recovery from the current economic downturn and the expanded economic activity from the growing petroleum sector, it is projected that increased hotel development will bring significant employment opportunities and income. For this, a special incentive package is being developed to attract new investments that will result in four new hotels in the coming years.

k. Measures to reduce travel costs to the Hinterland

Accessing our hinterland has always been a cost burden for many of our people. Measures to reduce these costs are important to our Government and the first among these would be the removal of VAT on hinterland travel. This will immediately reduce the cost of transporting cargo and personal travel for our hinterland brothers and sisters, the business community, including the mining and tourism sectors, especially air service operators and anyone who needs to travel from coast to hinterland. Thanks to His Excellency, your ticket to travel to Guyana’s hinterland is now VAT free.

7. Conclusion

Notwithstanding our rather disturbing findings upon taking the reins of Government a mere 35 days ago, we confronted the challenge of recharting Guyana’s course by laying an emergency budget to this honourable House.

This year, 2020, has been a complicated and difficult one for us as Guyanese. Like I said in the beginning, we have gone through testing times as a nation, given our own internal struggles of living together as one people; but, it is clear that we have one destiny. As Guyanese, we must all make every effort to heal and move forward together as we consolidate our national position in order to achieve our development trajectory ahead.

The pandemic presents an additional crisis that will continue to affect all spheres of our lives. As we adapt to this new normal, one lesson rings true - how we act as individuals will ultimately impact the lives of those around us, whether we apply that to the prevention of the spread of COVID-19 or to our engagement as mutual respecting citizens of our beloved country.

Budget 2020 offers hope and relief in its measures, programmes and projects. It reflects our Government’s fierce dedication to ensuring a better quality of life for all Guyanese. Our Government will continue to fiercely defend our cherished democracy as we have recently done and we will always champion upholding the rule of law.

We will continue, as always, to secure working partnerships with our private sector, whether from the fruit vendors to the rum producers, farmers to the fishers, miners to the millers and air service providers to minibus drivers. We will work within the public sector with all diligent public servants, including soldiers, police, educators, and health workers, especially those who are on the frontline, to ensure effective delivery of public services to all Guyanese, particularly at this crucial time.

Our plan for prosperity, despite the challenges, has taken root in this emergency budget, and *Budget 2021* will outline the transformative agenda for the medium-term, one that is inclusionary and participatory in its architecture and implementation. We have to intentionally work on reversing the trend within our socio-political landscape. I am reminded of a quote by William J. Brennan, Jr., former Associate Justice of the US Supreme Court:

“*We must meet the challenge rather than wish it were not before us.*”

Mr. Speaker, may we all, collectively, rise to the challenge of being true Guyanese, and together, realise our plan for prosperity that is truly representative of all Guyanese.

I thank you, Mr. Speaker. [*Applause*]

2.37 p.m.

ADJOURNMENT

BE IT RESOLVED,

“That the Assembly do now adjourn to 10.00 a.m. on Monday, 14th September, 2020.” [*Prime Minister*]

Motion put and agreed to.

Mr. Speaker: Hon. Members, the Assembly now stands adjourned to Monday, 14th September, 2020.

Adjourned accordingly at 2.38 p.m.