



NATIONAL ASSEMBLY
OF THE PARLIAMENT OF
THE CO-OPERATIVE REPUBLIC
OF GUYANA

OFFICIAL REPORT

*PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF THE FIRST SESSION
(2020-2022) 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*

36TH Sitting

Wednesday, 26TH January, 2022

**PARLIAMENT OFFICE
HANSARD DIVISION**

The Assembly convened at 2.28 p.m.

Prayers

[Mr. Speaker in the Chair]

ANNOUNCEMENTS BY THE SPEAKER

Resignation of the Leader of the Opposition

Mr. Speaker: Hon. Members, at 11.40 a.m., I received from my Confidential Secretary, a letter from the Hon. Member, Lt. Col (Ret'd) Joseph Harmon, resigning his position, with immediate effect, as Leader of the Opposition.

Apology for Delayed Start of Sitting

Let me make a word of apology for this delayed start, especially to the Hon. Senior Minister in the Office of the President with Responsibility for Finance.

Consultations Held with Opposition Parties

I had some consultations with the parties in the National Assembly which are not in the Government, and the party which the Hon. Deputy Leader represents... the Hon. Deputy Speaker said to me that he would not be part of what transpires with respect to a new Member of the Opposition. The Chief Whip for the A Partnership for National Unity/ Alliance For Change (APNU/AFC) said that they would indicate to me, at a later time, their availability for me to convene a meeting for the election of a new Leader of the Opposition.

Inaccurate Comments by Members of Parliament

Hon. Members, of lately, I have been aware of several inaccurate and distorted comments inside of the House and outside of the Assembly. These are being made by Hon. Members, many of whom should know better. Many of these inaccurate and distorted comments relate to the issue of questions and motions.

Admissibility of Motions and Questions in the National Assembly

I will use this opportunity to outline the process of how questions and motions qualify for the Order Paper. When questions and motions are received by the Clerk of the National Assembly, they are read to ensure that they are in keeping with Standing Order No. 20 and Standing Order No. 26. These are well detailed in your Standing Orders. If in the opinion of the Clerk, questions and motions are in or out of order, he would advise the Speaker accordingly. However, under the Standing Orders, the Speaker of the National Assembly has the sole authority to determine the admissibility or inadmissibility of questions and motions.

Further, if a question or motion is disallowed by the Speaker, his decision is conveyed to the Member by the Clerk. The Speaker is not required under the Standing Orders to give reasons for disallowing questions and motions; we do as a matter of courtesy. After a question or motion is approved by the Speaker, the Member is notified and, thereafter, the question or motion is published on a Notice Paper. A question is published on a Notice Paper 21 clear days before it is placed on the Order Paper. A Government motion is placed on a Notice Paper six clear days before it is placed on an Order Paper. Notwithstanding, Standing Order 28 (2), which states:

“(2) with the consent of the Speaker, a Government motion may be placed upon the Order Paper for the Sitting of the day following that on which notice was given to the Clerk.”

A private members motion is published on a Notice Paper 12 clear days before it is placed on the Order Paper. Those Standing Orders, I ask Hon. Members, to again, refamiliarise yourselves with. Just for the information of those persons – Hon. Members, I should say – who are and may not be aware of the questions and motions that we have received thus far in this Twelfth Parliament, the following is the summary: We have had 12 Private Members’ motions; six of those have been approved for the National Assembly and six were disallowed. For questions received by the Parliament Office – 469; questions approved with or without amendments by the Speaker – 412; and the number questions disallowed by the Speaker – 57. This is the record of which I am proud.

Cries of Shame

I also want to draw Member’s attention to cries of shame. During in the last sitting of the National Assembly, this reverberated through the chambers in spite of me speaking and cautioning

Members about it. On the 5th February, 2007, the then Speaker of the National Assembly had to raise this issue. He mentioned the gravity of interruptions, especially by loud cries of shame, I am quoting. I intend to uphold the position of then Speaker Ramkararran as we proceed hence forth.

PRESENTATION OF PAPERS AND REPORTS

The following Paper and Report were laid:

- (1) Minutes of Proceedings of the 5th Meeting of the Committee of Selection held on Monday, 24th January, 2022 at 5.20 p.m.

[Mr. Speaker – Chairman]

- (2) Estimates of Revenue and Expenditures of Guyana for the financial year 2022.

[Senior Minister in the Office of the President with Responsibility for Finance]

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

Suspension of Standing Orders No. 10(2) and 38(9)(a)

BE IT RESOLVED:

“That Standing Orders Nos. 10(2) and 38(9)(a) be suspended to enable the Senior Minister in the Office of the President with Responsibility for Finance to complete uninterrupted the reading of the Budget Speech for 2022 at the Sitting of the National Assembly on Wednesday, 26th January, 2022.”

[Minister of Parliamentary Affairs and Governance]

Minister of Parliamentary Affairs and Governance and Government Chief Whip [Ms. Teixeira]: I wish to present the following suspension motion to the House:

“**BE IT RESOLVED:**

‘That Standing Orders Nos. 10(2) and 38(9)(a) be suspended to enable the Senior Minister in the Office of the President with Responsibility for Finance to complete

uninterrupted the reading of the Budget Speech for 2022 at the Sitting of the National Assembly on Wednesday, 26th January, 2022.””

I therefore propose the motion, Sir.

Question put and agreed to.

Standing Orders suspended.

PUBLIC BUSINESS

GOVERNMENT BUSINESS

Mr. Speaker: Hon. Members, we have now come to the item: *Budget 2022*. The Hon. Senior Minister in the Office of the President with Responsibility for Finance would move the motion for the approval of Estimates of Revenues and Expenditure for the financial year 2022. Hon. Senior Minister in the Office of the President with Responsibility for Finance, you may proceed.

MOTION FOR THE APPROVAL OF THE ESTIMATES OF EXPENDITURE FOR THE FINANCIAL YEAR 2022

WHEREAS the Constitution of the Cooperative Republic of Guyana requires that Estimates of the Revenue and Expenditure of the 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 the Estimates of Revenue and Expenditure of the Cooperative Republic of Guyana for the financial year 2022 have been prepared and laid before the Assembly on 2022-01-26.

NOW, THEREFORE BE IT RESOLVED:

That this National Assembly approves the Estimates of Expenditure for the financial year 2022, of a total sum of five hundred and one billion, six hundred and seventy-eight million, two hundred and ninety-eight thousand dollars (**\$501,678,298,000**), **excluding fifty one billion, two hundred and fifty-five million, and four hundred and twenty thousand dollars (\$51,255,420,000)** 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.

[*Senior Minister in the Office of the President with Responsibility for Finance*]

Introduction

Senior Minister in the Office of the President with Responsibility for Finance [Dr. Singh]:
Thank you very much 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 2022. In doing so, I wish to indicate that Cabinet has recommended that the National Assembly proceed upon this motion, pursuant to article 171 subsection (2) of the Constitution.

Budget 2022 is the third Budget that this People’s Progressive Party/Civic (PPP/C) Government is submitting to this honourable House in our current term of Office. It comes to this House a mere 18 months since the culmination of that epic struggle to defend democracy that was waged for five months following the unforgettable March, 2020, elections. History now records it indelibly that the struggle secured the triumph of democracy over dictatorship and safeguarded the supremacy of the will of the people.

Over the 18 months that have elapsed since democracy prevailed, pessimism has been replaced with optimism. Lethargy has made way for energy, superficiality has made way for substance, and pomp and pageantry have made way for humility and hard work. The policy void that existed then has been replaced with vision and clear direction, institutional inertia has been replaced with dynamism, and empty rhetoric has been replaced with concrete action. Today, investors who had walked away are returning, and projects that had stalled have resumed. Where there was once economic contraction, there is now economic expansion, and where there were once job losses, there is now job creation. These developments are clear for all to see, and they illustrate amply the indisputable relationship between democratic and the economic outcomes.

2.43 p.m.

Lest we make the mistake of taking for granted the freedoms for which so many have fought for so long and so hard, the events of 29th December, 2021 in this very House, provided a stark reminder of the dangers that still threaten our democratic institutions. It is indeed sobering to contemplate that the reins of government once, not so long ago, rested in the same hands that sought to desecrate the sanctity of this House in the manner that happened last month. Clearly, those who are yet to learn that dictatorship is a discredited form of governance, are also yet to learn that hooliganism has no place in civilised political discourse. The events of that memorable day serve the important purpose of showcasing for the world the political landscape within which we operate here in Guyana.

With this very political landscape in mind, we in this People’s Progressive Party/Civic (PPP/C) Government are determined to continue to distinguish ourselves from the alternative. We are battened down in our resolution to serve the cause of unifying the people of Guyana and at the same time to ensure that the lives of all Guyanese are meaningfully demonstrably, and lastingly improved. Forever faithful to the timeless refrain of our National Motto – “One People, One Nation, One Destiny” – we are relentless in our commitment to a path of national unity and national prosperity.

Nowhere is this better articulated than in the vision of One Guyana that was outlined by His Excellency the President right here in this hallowed House, almost exactly one year ago. It is that vision of One Guyana that guides us in all we do and, most immediately, it is that vision of One Guyana that guides us now as we present *Budget 2022*. As we do so, we are not unmindful of the severe challenges that continue to beset both the global and domestic environments in which we operate.

To begin with, the Coronavirus disease (COVID-19) continues its relentless course through variant after variant, each one wreaking a new instalment of public health havoc across the globe. Since I presented *Budget 2021* last year, 245 million more cases and 3.2 million deaths have been confirmed, bringing the accumulative number of cases and deaths worldwide to 353 million and 5.6 million, respectively. The highly contagious Omicron variant has brought a record spike in

infections with global cases reaching a high of four million on 20th January, 2022, sparking a new wave of containment measures worldwide.

Like every other country around the world, Guyana could not escape COVID-19's inexorable grip on daily human existence. The main anchor of our Government's response has been the deployment of an aggressive vaccination campaign. Currently, 82.1% of the adult population of Guyana has received at least one dose, while 60.3% of the adult population is fully vaccinated. Undoubtedly, our vaccination successes have helped to contain the most severe consequences of infection and have helped to reduce hospitalisation and mortality rates. Despite this, stubborn pockets of vaccine hesitancy continue to threaten our prospects of achieving herd immunity and delay the return to any semblance of normalcy.

Beyond its global public health consequences, COVID-19 has also had severe disrupted effects on global production and trade, and particularly on the global supply chain. Since the onset of COVID-19, supply chains around the world have been clogged up with disruptions in critical shipping routes due to port congestion, shortages in labour and key materials and fluctuating demand. Additionally, a shortage in container availability drove up freight charges significantly. The consequence has been freight rates that have increased by over 400% over the past two years with most of that increase occurring in 2021. As a result, inflationary pressures were amplified the world over, and global inflation is at its highest in at least a decade and, in some places, inflation is at its highest in over four decades. The disruptions created by the pandemic are not expected to dissipate in the near term.

Our Government has moved to contain the pass-through to the domestic economy. Specific interventions implemented to date include restricting the freight cost to pre-COVID-19 levels for the purposes of determining the taxable value of imports. This measure is estimated to have saved Guyanese businesses and consumers nearly \$4 billion since its implementation in August, 2021. Additionally, successive reductions in the excise tax rate charged on gasoline and diesel. First in February, 2021 from 50% to 35% and then in October from 35% to 20% also helped to contain the cost of domestic transportation which feeds through directly to prices more broadly.

As if COVID-19 were not enough, 2021 also brought the most severe floods in living memory. The 2021 floods were even more devastating than the 2005 floods and resulted in a National

Disaster being declared. During the first half of last year, we experienced the second highest level of rainfall since 1981 with the month of May alone recording 607.7 millimetres, compared with 474.5 millimetres in May, 2020. The floods that followed left none of our Regions unharmed. The productive sectors of over 130,000 acres of farmland were affected and, approximately 1.3 million animals were lost.

Here again, our Government moved swiftly to deploy mobile pumps to remove the water from the land and heavy equipment to clear previously blocked channels and shore up structures that came under threat. We distributed 3,761 medical kits to reduce the risk of water borne disease and 74,162 food hampers to provide relief to the households in distress. In addition, we distributed over \$7 billion in relief cash grants to households and to the agriculture sector, in addition to thousands of bags of seed paddy to help rice farmers recover from the flood. Unavoidably, the temporary destruction to production of food items caused by the floods, contributed to some price escalation in the domestic marketplace. These started to revert somewhat as the year progressed and as production resumed. The immediacy of our interventions helped to facilitate a quick recovery from the floods. Nevertheless, the reality of our acute vulnerability to climate change and to extreme weather events is ever present and will only be mitigated with very significant investments aimed at achieving greater climate resilience.

Even as we confront head-on the formidable challenges before us, our Government continues to work in earnest to advance the aggressive agenda for transformation that we had previously outlined. At this moment of unprecedented opportunity for our country, we seek now to convert the bright prospects before us into realised national and individual well-being for all Guyanese. In this regard, *Budget 2022* has historic significance. Building on the foundation laid by the previous two budgets, *Budget 2022* launches what will be the most rapid period of transformation and modernisation ever witnessed in Guyana's entire history.

As I will shortly elaborate, *Budget 2022* provides for massive investment in infrastructure that will change the face of our country forever, opening vast new tracts of land for productive purposes, establishing entire new communities while connecting others, and making thousands of Guyanese homeowners for the very first time. The Budget lays the basis for thousands of rewarding jobs to be created for Guyanese nationals, including by leveraging the local content opportunities that are now being created and it provides for relevant training to ensure that the Guyanese workforce is

suitably equipped. The Budget lays the cornerstone for a visible leap in the coverage and quality of social services enjoyed by our Guyanese brothers and sisters, including and especially the most vulnerable.

It is also important to note that *Budget 2022* is the first Budget that will benefit from financing from the proceeds of Guyana's new and emerging oil sector. In this regard, this Budget supported by the robust institution architecture that this Government has established ensures that two complimentary and critically important objectives are met: first that the urgent development needs of the country are met in the shortest possible time; while secondly and simultaneously, that the long-term economic well-being of the country is protected and safeguarded at all times.

We must never take for granted the challenges and risks that lie before us. They are real and formidable. At the same time, we must be cognisant of the vastness of the opportunities that beckon us as a nation and we must have the vision and courage to convert those opportunities into a positive and lasting reality, remaining faithful always to the oneness of our country. *Budget 2022* does precisely this and it is, therefore, presented under the theme *Steadfast Against All Challenges, Resolute in Building Our One Guyana*.

The Global and Regional Economic Context

I will now review the global and regional economic context within which *Budget 2022* comes to this honourable House. As indicated earlier, global economic performance continues to be dominated by COVID-19. Undoubtedly, the 9.9 billion vaccine doses administered worldwide to date, would have helped to limit the severity of the pandemic's impact. However, the spikes caused by successive variants have resulted in some rolling back of previously relaxed containment measures. These factors, combined with the impact of the significant Government support measures implemented in both advanced and emerging market and developing economies, led to the global economy recording a significant rebound from the 2020 contraction. Global growth is now estimated at 5.9% in 2021.

2.58 p.m.

Underlying this was estimated growth of 5% in advanced economies, led by the United Kingdom (UK), the United States of America (USA) and the Euro area which grew by 7.2%, 5.6% and 5.2%,

respectively. Emerging market and developing economies grew by 6.5%, with particularly strong performances from China and India at 8.1% and 9%, respectively. Latin America and the Caribbean (LAC) recorded growth of 6.8% and, within the Caribbean, the latest estimate of overall growth in our sub-region is 3% in 2021, but excluding Guyana that estimate is revised downwards to 1.2% reflecting continued subdued conditions in the tourism sector.

Looking ahead to 2022, global growth prospects are subject to a high level of uncertainty. Renewed outbreaks, continued trade disruptions, and rising commodity prices are just a few of the downside risks to this year's outlook. Against this backdrop, global growth for 2022 is projected to be lower, at 4.4%. Output in advanced economies and emerging market and developing economies is expected to grow by 3.9% and 4.8%, respectively, while growth in Latin America and the Caribbean is expected to moderate to 2.4%. Meanwhile, the Caribbean is expected to grow by 11% overall, but by 6.1% if Guyana was to be excluded.

As mentioned earlier, the COVID-19 had adverse impacts on the global supply chain thereby fuelling global inflationary pressure. Rising commodity prices, coupled with the supply-demand mismatches, resulted in inflation rates increasing rapidly, both in advanced economies and in some emerging markets and developing countries. In the advanced world, the UK saw the highest inflation since 1992, while the US has reported a 7% 12-month inflation rate at the end of 2021, the fastest consumer price increase since 1982. Similarly, in Canada, annual inflation reached 4.8%, the highest level since 1991. Prices also soared in the Euro area and in Latin America and the Caribbean, with growth in consumer prices estimated at 5% and 9.3%, respectively.

Like all commodity exporting nations, Guyana remains particularly susceptible to global price fluctuations as evidenced by significant swings in our export earnings across some commodities in 2021. Across our main exports, rice and logs recorded an overall drop in prices. The average world market price of rice fell by 7.8% to US\$458.3 per metric tonne on account of increased supply in large producing countries. Similarly, the average price of logs decreased by 2.7% from US\$278.9 per cubic metre. The average world market price of sugar, on the other hand, rose by 37.6% at the end of last year to an estimated US\$0.39 per kilogramme. With respect to precious metals, the average price of gold increased by 1.7% to US\$1,799.6 per troy ounce. Similarly, there was a significant increase in aluminium prices, which grew by 45.1% in 2021 to US\$2,472.8 per metric tonne. With respect to crude oil, prices rose by 66.5% to an average of US\$70.4 per barrel

in 2021. This increase resulted from supply disruptions and the global energy crunch, the latter resulting from unprecedented growth in demand combined with dwindling supplies.

In 2022, prices are expected to taper for most of our exported commodities. The price of rice is expected to decline further by 12.7% to US\$400 per metric tonne. Similarly, the world market price for sugar is expected to contract by 5% to US\$0.37 per kilogramme. Further, while the price of gold is also projected to fall in 2022 by 2.8% to US\$1,750 per troy ounce, the prices of aluminium and logs are expected to rise. Like aluminium, the average price of crude oil is expected to increase this year, growing by 5%, owing to continued high demand to an average of US\$74 per barrel in 2022.

Developments in the Domestic Economy in 2021

A. Real Gross Domestic Product

Mr. Speaker, I will now review developments in the domestic economy in 2021. Real Gross Domestic Product (GDP) in Guyana is estimated to have grown by 19.9%, while non-oil GDP is estimated to have grown by 4.6% in 2021. This, I hasten to add, was achieved despite the persistence of COVID-19 as well as the devastating impact of the 2021 floods. With this overall rate of growth, that is to say the 19.9% overall, Guyana is likely to be amongst the three fastest growing economies worldwide in 2021.

The very creditable performance of the non-oil productive sector reflects the delicate and dynamic policy balance struck between aggressive containment of COVID-19 on the one hand and phased reopening of the economy on the other hand. It also reflects the prompt and proactive flood mitigation measures which helped limit the fallout in the agriculture sector and supported the sector in resuming activity in the shortest possible time. Additionally, I may add that the services sector recorded extraordinarily strong performances in response to a policy framework that has stimulated historic levels of demand for services and that has facilitated a commensurate response on the supply side.

B. Sectoral Performance

a. Agriculture, Forestry and Fishing

The agriculture, forestry and fishing sectors bore the brunt of the impact of the floods and are estimated to have contracted by 9.1% in 2021. This position is largely on account of reducing output in the sugar growing, rice growing, and other crops subsectors, which outweighed improved performances in the forestry, fishing and livestock subsectors.

Despite the devastation caused by the flood, the sugar growing subsector managed to contain the reduction in its value added to 34.7% in 2021, and delivered total sugar production of 58,025 tonnes. This reflects the destruction of some 4,300 hectares of cane in inundated fields in the first half of 2021. It is estimated that approximately 35% of the standing cane for the second crop was lost as a result of the floods. At the Albion Sugar Estate alone, it is estimated that the mortality rate for the standing canes planned to be harvested for the first crop was 80%. Having drained some 4.5 million tonnes of water off the lands, the industry was only able to save some of the surviving cane.

Similarly, the record-high rainfall observed in the first half of last year also had a severe impact on the rice growing sector, but the sector managed to confine the reduction in its value added to 20.5%, with total paddy production in 2021 amounting to 859,993 tonnes, which resulted in 558,995 tonnes of rice being produced despite the floods.

The other crops subsector is estimated to have contracted by 9.8% in 2021. When compared with the output from this industry in 2020, significant declines are observed for many fruits, vegetables, spices, *et cetera*. Here again, the impact of the flood was sharp and severe. The reduced output of many items under this category was observed in the marketplace and fed through to prices of these and related commodities.

On the upside, growth in the livestock subsector is estimated at 9.2% in 2021, despite the heavy loss of livestock in the floods. This increase is on account of growth in the production of poultry meat, beef, pork and mutton, which are estimated to have expanded by 16.5%, 13.9%, 23.6% and 21.3%, respectively. These more than offset the estimated declines in the production of eggs and milk. The increase in production reflects the growth in demand which followed the relaxation of COVID-19 restrictions on restaurants and other food establishments, combined with very strong demand in the oil and gas and mining sectors.

Similarly, the forestry subsector is estimated to have expanded in 2021 by 11.3%. Some level of recovery was noted in the latter months of the year after the initial impact of the floods affected accessibility and declarations. According to the latest declarations, timber output grew from 344,179 cubic metres in 2020 to 383,189 cubic metres in 2021.

Despite the well-known challenges currently being faced by the subsector, fishing is estimated to have grown by 11%, having shown signs of recovery in the latter half of 2021 which resulted in some 15.7% growth in fish production. Notable increases were observed in production across all fish products, with the most significant growth observed for industrial finfish, which grew by 235.4%. Undermining the subsector's overall performance, was a 13.5% decline in the production of shrimp, as a result of declines in catches of white belly and industrial seabob shrimp. These declines outweighed increased catches of artisanal seabob shrimp and prawns.

b. Extractive Industries

The mining and quarrying sector is estimated to have expanded by 36.5% in 2021, driven mainly by an expansion in the oil and gas and support services subsector which, when combined with the estimated growth in the other mining and quarrying subsector, outweighs the contraction in the gold and bauxite mining subsectors.

A total of 42.7 million barrels of oil were produced in 2021 compared with 27.2 million in 2020. This level of output was supported by the remedying of the mechanical issues initially encountered as a result of which the oil production rate for 2021 is now estimated at approximately 116,900 barrels of oil per day (bpd). The increased level of production resulted in the subsector's value added increasing by an estimated 46.5%.

3.13 p.m.

Output in the bauxite mining subsector is estimated to have declined by 3.8% in 2021. In the latter half of the year, along with the effects of the continuous rainfall on the condition of access roads and on mining operations in some locations, one of the large operators faced mechanical issues with some of their machinery, thereby resulting in output falling by an estimated 12.7% below their 2020 performance. This outweighed the 155% growth in output recorded by the other operator who is somewhat smaller.

The gold mining subsector is estimated to have contracted by 14.8% in 2021, driven by lower output from both large and small and medium scale producers. On account of technical, financial and administrative challenges, the combined output from the large operators declined by 31.7% in 2021 to 68,268 troy ounces. Further, the small and medium scale operators declared 11.3% less ounces in 2021, taking the total 2021 output to 499,054 troy ounces.

In contrast, in the latter half of 2021, output from the other mining and quarrying subsector, which comprises of diamond, sand and stone mining, continued its upward trajectory. The subsector is estimated to have expanded by 81.1%, my apologies, by 81.6% in 2021. Diamond declarations grew by an estimated 82.2% to 45,106 metric carats last year. Sand extraction and stone production are estimated to have grown by 132.8% and 15.9%, respectively, partially supported by heavy emphasis, largely rather, supported by heavy emphasis of construction activity in the Government's Public Sector Investment Programme (PSIP) as well as rapid expansion in private sector construction activity.

c. Manufacturing

The manufacturing sector is estimated to have grown by 3.5% in 2021. While rice and sugar manufacturing are estimated to have declined by 16.1% and 34.7%, respectively, the other manufacturing sector is estimated to have expanded by 20.7%. The expansion in other manufacturing is attributed to increased output of products like cement blocks, fabricated metal products, beverages, chemical products, and other food.

d. Electricity and Water Supply and Sewerage

Electricity supply is also estimated to have grown in 2021, by 4.7%, while the water supply and sewerage sector is estimated to have declined by 6.4%, partially on account of loss reduction efforts. Total water production amounted to 162 million cubic metres in 2021.

e. Construction

As indicated above in relation to production of sand and stone, investment in critical infrastructural projects by both the public and private sectors is driving, and will continue to drive, significant growth in construction activity. Current estimates show that the construction sector grew by 29.8% when compared with 2020. This, as I indicated, is underpinned by both the major public

infrastructure build-out that is currently underway, as well as the increased private sector activity in industrial, commercial, and residential construction.

f. Services

Growth in the services sector is estimated at 11.9%. This is largely the result of significant expansion in wholesale and retail trade and repairs, transport and storage, financial and insurance activities, and administrative and support services, which are estimated to have grown by 32.9%, 31.8%, 10.3%, and 7.4%, respectively. Growth in wholesale and retail trade and repairs was primarily driven by heightened demand for consumption goods and construction materials. With respect to transport and storage, there was observed growth in the land transport subindustry through cargo movements and increased passenger transport attributed to relaxed COVID-19 restrictions and the wider growth in the economy. The administrative and support services industries expanded on account of increased activities related to the rental and leasing of machinery and equipment used in the construction industry, rising customer care service activities, and an increase in demand for security services due to business expansion countrywide.

C. Balance of Payments

I now turn to the balance of payments. The overall balance of payments recorded a surplus of US\$130.2 million at the end of 2021, 24.4% higher than the surplus in 2020. This was the result of a higher capital account surplus, which more than offset the larger deficit on the current account.

Over the year, the deficit on the current account increased from US\$822.9 million to US\$1,533.1 million, primarily on account of the importation of Guyana's second floating production storage and offloading (FPSO) vessel as it is known, as well as a significant increase in net service payments.

At the end of 2021, total export earnings amounted to US\$4,352 million, 68% higher than in 2020. This was mainly driven by oil exports growing by 179.6% to US\$2,975.5 million. Non-oil export earnings amounted to US\$1,376.5 million.

Matching the intensity of the rise in exports, total import payments grew by 90.8% to US\$4,293.1 million. This, as I indicated earlier, was primarily attributed to the arrival of Guyana's second FPSO. This accounted for US\$1,658.6 million or 38.6% of total imports for 2021. Further, net

service payments stood at US\$2,557.1 million throughout the external sector sections on the balance of payments. The dollars to which I refer to would be United States (US) dollars. I believed, particularly, given events of the last sitting, this is an important clarification, if I might be permitted, slightly lighter moment. Net service payments stood, as I was saying, at US\$2,557.1 million at the end of 2021, rising 40.4% above the end-2020 position. This resulted from payments for non-factor and factor services growing by 40.1% and 60.8%, respectively.

The capital account recorded a surplus of US\$1,678.5 million in 2021, US\$758.8 million above the surplus in 2020. This was primarily attributed to a 110.5% increase in net foreign direct investment to US\$4,336.2 million. The overall favourable performance on the capital account was also supported by the net position for the non-financial public sector recording a 77.9% lower deficit of US\$42.1 million. This was largely due to disbursements increasing by 163.2% to US\$125.2 million.

The balance of payments surplus resulted in the Bank of Guyana's external reserve position increasing to US\$810.8 million at the end of 2021, up from US\$680.6 million at the end of 2020.

D. Monetary Developments

The stock of broad money at the end of 2021 was \$588.3 billion, 12.9% above the 2020 level. Growth was supported by narrow and quasi money expanding by 14.5% and 10.8% to \$342.5 billion and \$245.8 billion, respectively. The expansion in the former resulted primarily from demand deposits and currency in circulation increasing by 16.6% and 12.6%, respectively. The increase in demand deposits was driven by business enterprises and individual customers' deposits growing by 24.2% and 6.8%, respectively.

At the end of 2021, net domestic credit stood at \$225.1 billion, below the 2020 level of \$337.3 billion. While credit to the public sector declined, the private sector credit increased by 10.4% to \$286.9 billion, consistent with the strong growth in the economy and improved sentiments in the financial sector. Private sector credit growth was supported by increased lending of 16.4%, 27%, and 19.4% to businesses in the services, manufacturing, and agriculture sectors, respectively. The growth in lending to the services sector resulted mainly from increased credit for other services, distribution, and telecommunications, respectively. The increased lending to the manufacturing sector was primarily attributed to credit for other construction and engineering, and other

manufacturing expanding also. Growth in credit to agriculture was primarily driven by increased lending for paddy production and shrimp and other fishing.

While credit to businesses in the mining and quarrying sector reduced, lending to households and for real estate mortgage loans increasing by 7.4% and 5.5%, respectively. The expansion in the former was supported by growth of \$2.7 billion and \$2.1 billion in lending for other purposes and motor cars, respectively. The increase in real estate mortgage loans was due to mortgages granted for private dwellings rising by 6.6% to \$88.2 billion, reflecting our Government strong drive to promote homeownership.

3.28 p.m.

As it relates to the public sector, in contrast to a net credit position of \$127.2 billion at the end of 2020, the position reflected net deposits of \$2.9 billion at the end of 2021. This improvement resulted from credit to Central Government declining from \$188.2 billion to \$73 billion, as a result of the previously reported securitisation of the Government's overdraft with debentures. The overall favourable position was also supported by public enterprises and other public sector net deposits increasing from \$40.9 billion and \$20.1 billion to \$51.7 billion and \$24.3 billion, respectively.

Consistent with the increased lending by the commercial banks and the growth in the money supply is total reserves deposited with the Central Bank declining by 6.5% to \$117.4 billion over the year. Additionally, total liquid assets of commercial banks increased from \$211.5 billion to \$257.6 billion over the review period.

E. Prices and Income

a. Inflation

As discussed earlier, inflationary pressures are elevated worldwide. Guyana was not exempt from these pressures. Indeed, as also discussed previously, imported price pressures were mitigated by measures implemented by Government, but were compounded by the domestic shock to productive output, especially as a result of the floods.

The immediate aftermath of the flood resulted in a sharp spike in prices, but as production returned to some normalcy as the year progressed, some amount of reversion was observed in the latter months of last year. This led to a 12-month inflation rate of 5.7% in December, 2021. This reflected higher food prices, which rose by 11.6% and contributed 5 percentage points to the inflation rate.

b. Interest Rates

There were no substantial changes in treasury bill yields over the review period. The 91-day treasury bill and 182-day treasury bill remained unchanged at 1.54% and 1.00%, respectively, while the 364-day treasury bill yield declined marginally from 1.00% to 0.99%. On the commercial bank rates, the small savings rate decreased from 0.91% to 0.83%, while the weighted average lending rate also fell, from 8.95% to 8.88%.

c. Income

Our Government remains firmly committed to improving the lives and livelihoods of all Guyanese. In 2021, a 7% across-the-board increase was paid to over 50,000 public servants, teachers, members of the disciplined services, and Government pensioners. We also committed, at the end of 2021, to seek to resolve the disparities that exist across positions in the public service salary scales to ensure parity and consistency with which persons with similar qualification are paid. The required work to support this process will be undertaken this year.

Additionally, in recognition of the tremendous efforts of our health workers across the country, who have continued to confront the challenges of the Coronavirus Disease (COVID-19) pandemic, a special tax-free bonus equivalent to two weeks salary and amounting to more than \$600 million was paid to 9,200 health workers. Further, in fulfilment of our manifesto promise, our Government restored the one-month bonus to the members of the disciplined services, which was so unconscionably removed and which, on its restoration, resulted in a \$1.2 billion pay out to our hard-working men and women in uniform. Government also paid a \$250,000 one-off cash payment to nearly 5,300 sugar workers who were so callously severed from the Enmore, Skeldon, Rose Hall and Wales sugar estates. This injected over \$1.3 billion into these communities.

F. Fiscal Position

a. Non-Financial Public Sector

The non-financial public sector deficit after grants was \$121.8 billion, equivalent to 10.7% of Gross Domestic Product (GDP) at the end of 2021. This reflected the expanded public sector investment program, growth and public expenditure to finance social programmes and to respond to the shocks encountered during the year, as well as the impact of the revenue measures implemented to provide relief to businesses and households, including to reverse the punitive taxes that have been imposed during the 2015-2020 period.

b. Central Government

The operations of the Central Government recorded a deficit of \$115.7 billion, 10.2% of GDP, at the end of 2021. This is largely attributed to a \$61.8 billion increase in total expenditure which outweighed the \$38.5 billion growth in revenue.

The strong performance of the economy and expanded activity across multiple sectors resulted in revenue gains that more than offset the annualised loss from the revenue measures implemented in the 2020 and 2021 budgets. As a result, total current revenue net of inflows of the Guyana REDD+ Investment Fund (GRIF), as it is known, was \$265.8 billion, 16.7% above 2020. Tax revenue collections which accounted for 96% of total current revenue collections, net of GRIF, again, amounted to \$255.1 billion, a growth of 16.8% over 2020.

Internal revenue collections increased by \$20.1 billion or 17.8% over 2020. This was driven largely by higher increases of personal income tax – Pay As You Earn (PAYE) – private sector corporation taxes, and withholding taxes. The increase in personal income tax of \$8.2 billion was driven by higher remittances by employers in both the public and private sectors. Collections of private sector corporation taxes grew by 22.6%, due to higher payments by companies within the retail trade which, we would recall, performed extremely well in the productive sector side, telecommunications and manufacturing of beverages sectors, amongst others. Withholding taxes grew by \$4.8 billion, largely on account of collections from the oil and gas sector.

The Value-Added Tax (VAT) and excise tax collections increased by \$10.9 billion or 13.1%. Underlining this performance is a very interesting set of facts. Excise tax collections grew by \$12.5 billion, above the \$33.9 billion in 2020, as a result of higher tax collections from the importation of motor vehicles and petroleum products. Collections from the importation of motor vehicles grew by \$6.7 billion above 2020, reflective of the budget measure in 2020 that removed the

punitive restriction prohibiting the importation of vehicles above eight years. What this demonstrates is that the removal of that restriction unleashed demand for motor vehicles. Those were people who wanted to import motor vehicles and could not import motor vehicles during 2015-2020, but they became motor car owners in 2021.

On the downside, collections from VAT (net of refunds) totalled \$48.4 billion, \$1.5 billion below the level in 2020. This was primarily attributed to the zero rating of several previously standard rated goods and services, giving back to the people of Guyana. It would be recalled that this People's Progressive Party/Civic (PPP/C) Government under the leadership of His Excellency the President, Dr. Mohamed Irfaan Ali, committed, even prior to our assumption of Office, that we will roll back those punitive taxes and, immediately upon assuming Office, within weeks brought an emergency budget in 2020 and delivered on our promise. This is the direct result.

Customs and trade tax collections were \$27 billion, a \$5.7 billion increase above 2020, resulting from higher collections of import duties of \$5.1 billion from goods imported within the wholesale food, beverages and tobacco category and retail sales of hardware, paints, glass, automotive fuel, household appliances and furniture, all reflecting the resumption of economic activity and growth in disposable incomes.

Non-tax revenues totalled \$10.7 billion, \$1.3 billion above 2020.

Central Government expenditure totalled \$387.3 billion, \$61.8 billion above the amount expended in 2020. Within this, non-interest current expenditure for 2021 was \$275 billion, growing by 13.8%. This was primarily driven by the growth in other goods and services of \$17.8 billion and transfer payments of \$9.6 billion. The higher expenditure within the goods and service category was attributed mainly to the more than \$7 billion in payments to farmers and households for flood relief assistance to recover from the floods. There was higher spending on Coronavirus disease (COVID-19) vaccines due to the countrywide rollout campaign. The growth in transfer payments resulted from such factors as the restoration of the grants to parents of children attending school as well as the extension of that programme to private school students for the very first time. It also reflected increase in expenditure on training, such as through the provision of 6000 online scholarships under the Guyana Online Academy Learning (GOAL) programme.

Capital expenditure grew by \$28.3 billion to \$104.4 billion, on account of the ramped up Public Sector Investment Programme (PSIP) to support critical infrastructural development, including transport infrastructure such as roads and bridges, as well as in the social sector such as schools and public health care facilities. A significant contributing factor was also the resumption of the Government housing programme.

c. **Public Enterprises**

The public enterprises at the end of 2021 recorded an overall deficit of \$6.2 billion. Total receipts were \$140.3 billion, 20.2% higher than 2020, and total expenditures were \$146.5 billion, 24.1% above the expended amount in 2020. A significant contributory factor was higher operational costs at the Guyana Power and Light Inc. (GPL) due to increased oil prices.

3.43 p.m.

G. Public Debt Management

Over the last year, our Government has continued its well-established track record of prudent public debt management, despite global and domestic shocks which constrained economic activity, affected Government revenue, and necessitated increased Government spending to curb the social and economic ramifications. In executing Guyana's public debt management functions, we have stuck, steadfastly, to the tried and tested strategy of contracting development financing in a manner that is conducive to both cost minimisation and risk mitigation.

Consequently, we have succeeded in preserving the sustainability of Guyana's total stock of public and publicly guaranteed (PPG) debt, which amounted to US\$3.126 billion at the end of last year, equivalent to 38.7% of the Gross Domestic Product (GDP). It will be noted that that represents one of the lowest debts to GDP ratios in this entire hemisphere.

The end-2021 stock of public and publicly guaranteed debt represented a 20.6% increase from 2020, primarily driven by the growth of domestic public debt for reasons I will shortly outline. At the end of 2021, domestic public debt totalled US\$1.731.5 billion, 36.4% higher than by the end of 2020, mainly due to two factors. The first is an 81% increase in the stock of treasury bills to US\$702.7, reflecting this Government's commitment to finance fiscal operations by recourse to the market instead of perpetuating the inherited malpractice of overdraft accumulation at the Bank

of Guyana (BoG). The second factor responsible for the higher domestic debt is the issuance of the debentures to the Central Bank in June, 2021 for a total value of US\$959.2 million. These debentures were issued primarily to securitise and regularise the inherited overdraft. The issuance of these debentures restored a positive balance on public deposits at the Central Bank, and also restored the integrity of Guyana's fiscal accounts.

The stock of external public debt grew by 5.5% over the last year, to US\$1.392.8 million. This increase was largely influenced by positive net flows from creditors.

Total public debt service payments amounted to US121.9 million in 2021, mainly as a result of debt service on the increased domestic debt stock, to which I have just alluded. The growth in domestic debt service payments was caused by three factors: firstly, an increase in debt service payments on debentures held by the National Insurance Scheme (NIS) due to an early repayment which yielded interest cost savings to the Central Government and improved liquidity at the NIS; secondly, 2021 marked the first year that the Central Government fully covered the payments under a bond issued by the National Industrial and Commercial and Investments Limited (NICIL) in 2018. It is a bond with which I believe Members of this honourable House are very familiar and a bond that was issued with an unconditional Government guarantee. Thirdly, domestic debt service costs were also driven up by the payment of interest on the debenture, to which I just referred. On the external side, debt service payments increased by 6% in 2021, due to the commencement of principal repayments on several loans to our external creditors.

H. Natural Resource Fund

It would be recalled that the previous Government had established a Natural Resource Fund by enacting a Natural Resource Fund (NRF) Act in 2019, and that our Government enacted a revised NRF Act last month to address the most egregious deficiencies of the 2019 enactment. I will return shortly to the significance of the changes we made to the institutional architecture of the NRF which flow from the 2021 enactments.

Permit me, however, meanwhile, to report that from the commencement of oil production in December, 2019 to the end of 2021 there were 69 lifts of oil exported from Guyana, of which nine were for Government. In March, 2020, the US\$54.9 million proceeds from our nation's first lift of crude oil were deposited into the Fund. This was followed in April, 2020 by the first royalty

payment of US\$4.9 million. The Fund received US\$185.4 million from four lifts of profit oil and US\$12.9 million from royalties for the period from March 2020 to December 2020. In 2021, the Fund received US\$357.2 million from Government's share of profit oil, and US\$52 million from royalties. As a result of which, at the end of 2021, the Fund's cumulative balance stood at US\$607.6 million.

Consistent with our Government's commitment not to use any of the proceeds of the oil sector until the deficiencies of the highly-defected 2019 Act were corrected, no withdrawals have been made from the Fund to date. As I will subsequently discuss, *Budget 2022* proposes the first withdrawals to be made in keeping with the strengthened legislative framework that now governs the NRF.

Sectoral Developments and the Agenda for 2022

A. Introduction and Macroeconomic Context

Firstly, by way of introduction and if I might be permitted to set the context, this Government, led by His Excellency the President, Dr. Mohamed Irfaan Ali, is guided by the contract we have with the people of Guyana, the manifesto on the basis of which they elected us. Our two previous budgets were guided accordingly, and so is *Budget 2022*. Our priorities continue to be to ensure that:

- (i) Our economy is growing rapidly but sustainably based on a diversified, competitive and resilient productive base;
- (ii) Rapid economic growth translates into abundant employment and entrepreneurial activity for the Guyanese people;
- (iii) Our people are equipped with the skills that they will need to participate meaningfully in, and contribute fully to, the economic transformation that is underway;
- (iv) The infrastructural prerequisites for rapid transformation to a modern Guyana are in place with special focus on energy, transport, and climate-resilient sea and river defences;

- (v) Our people have access to the highest standards of social services, including education, healthcare, water, and sanitation;
- (vi) Basic protections and support are offered to the most vulnerable in our society, particularly the elderly and the young; and
- (vii) Our institutions are strengthened to ensure a peaceful, safe, harmonious society, and one where our citizens enjoy the highest quality of service and the highest standards of living throughout the country.

This is the essence of what we committed to deliver to the people of Guyana and, this is the essence of what *Budget 2022* contains and will deliver. I should add that we are also guided by the global and regional goals to which we have subscribed. These include, of course, the Sustainable Development Goals (SDG) agreed under the auspices of the United Nations (UN) in Agenda 2030. All of our national and sectoral strategies are guided by our aspiration to realise the eminently relevant objectives and targets of this globally shared Agenda to which we are firmly committed, and with which we are proud to associate ourselves.

Similarly, we continue to be proud of our place as the seat of the Caribbean Community (CARICOM). We have resumed our rightful place in that community. It would be recalled that since this People's Progressive Party/Civic Government returned to Office in 2020 and since His Excellency, President Ali, assumed the presidency, Guyana was restored to its historic place as holding the portfolio responsibility for agriculture and food security in the CARICOM Quasi-Cabinet arrangement. It is a responsibility with which we have been vested for as long as I can remember myself, but which was either removed from us or which we surrendered, for reasons that are still unclear, during the course of the 2015 to the 2020 period. Guyana now, once again, holds portfolio responsibility for agriculture and food security in the person of His Excellency, the President, and ably assisted by my distinguished Colleague, the Minister of Agriculture.

I mentioned this because foremost amongst the regional's agendas and strategies to which we are committed is the agenda styled, 'Twenty-Five by 2025'. This is a regional commitment or a regional agenda for action which calls for the region to reduce its extra-regional food import bill by 25% before 2025. We embrace fully this objective, not least because it coincides fully with our

objective to ramp up agricultural production, agro-processing, and agri-business, as a major productive sector going forward.

Budget 2022 marks a visible stepping up of the pace towards achieving all these objectives and towards achieving them in an observable, measurable, quantifiable and lasting manner. With this in mind, this budget proposes dramatically scaled-up investments in almost all sectors. It is important, also, to emphasise that *Budget 2022* is cast within a framework that strikes a balance between meeting the immediate needs of the country and, on the other hand, investing for the future. Hence, our heavy investment in infrastructure that would be so critical for the long-term growth and wellbeing of our country. To this matter, I will return shortly.

Looking ahead, the future will be a period of strong economic growth which will moderate into the medium term. We will continue to be vigilant in our efforts to address supply-side constraints in the near term, given the reality of pre-existing imported inflationary pressure. At the same time, we will remain focused on preserving and reinforcing fiscal and external sustainability for the long term, including – I emphasise – by prudent management of the resources earned from our oil and gas sector.

3.58 p.m.

B. The Low Carbon Development Strategy

I turn to our overarching Low Carbon Development Strategy (LCDS). As a new oil and gas producer, it becomes doubly important for Guyana to maintain and demonstrate our strong global credentials on climate issues. For generations, Guyanese have discharged more than our fair responsibility in the global fight against climate change while, at the same time, we have been bearing the brunt of climate vulnerability. Our country has championed the global effort to recognise the value of standing forests in fighting climate change, in particular under the distinguished leadership of now Vice-President and former President, Dr. Bharrat Jagdeo.

At the heart of our original and pioneering Low Carbon Development Strategy (LCDS) was a mechanism to monetise the value of forest climate services. Under that strategy, Guyana was eligible to earn up to US\$250 million under a partnership concluded with the Government of Norway. Regrettably, during the period 2015 to 2020, despite all the talk about green and green

state, over US\$135 million of those revenues earned under that strategy, well over half of what had been earned, was ignored and left unallocated. It was just left sitting there. Other programmes that had started before 2015 slowed down and were effectively stopped. Moreover, work to integrate with global carbon markets did not advance at all. Since we resumed Office, the task of repairing these failures and recovering from those lost years has begun.

Indeed, there were lost years for so many reasons and in so many respects. *In Budget 2021*, we unblocked over US\$85 million of the US\$137 million that had been left unallocated. Work has now been resumed on solar energy, Amerindian land titling, Information and Communication Technology (ICT) access for the hinterland, and sustainable land management practices, all funded through the Guyana REDD Plus Investment Fund (GRIF). That fund itself was an innovative and pioneering structure designed by Guyana and, in particular, like I said earlier, under the leadership of our then president. The benefits of all these investments in those areas that I have just mentioned will fully materialised over the course 2022 and early 2023, and these benefits will last long into the future, bringing economic and social benefit to tens of thousands of Guyanese.

In 2022, we will allocate the balance received from Norway currently sitting in the GRIF. When combined with investment income, this totals just around US\$54 million. Alongside the requisite institutional strengthening, the majority of this sum will be invested in building out major new outfall channels in Regions 5 and 6, similar to the Hope Canal, to strengthen our climate resilience. I hasten to add that these represent two of three new major outfall channels that His Excellency the President, Dr. Mohamed Irfaan Ali, has instructed be built in order to ensure that the same resilience that is enjoyed by Georgetown and the East Coast, as a result of Hope Canal, now be extended to Regions 3, 5 and 6. This final allocation of the amount earned through the Guyana-Norway partnership means that this year will see the first phase of that pioneering and historic of LCDS draw to a close. It also means that Guyana can now pivot away from catching up and repairing damage done during those very lost years, and instead we can refocus on a vision for the future.

In line with that goal of focusing on the future, His Excellency the President launched, in October, 2021, the updated and expanded Low Carbon and Development Strategy, the LCDS 2030, which has at its core four objectives. First, integrating Guyana's forest climate services with emerging global carbon markets; second, supporting Guyana's economic transformation through cleaner,

cheaper energy, and this is a subject to which I will return shortly; third, investing in adaptation to climate change and building resilience, so that the extreme impacts of floods, droughts and other weather events can be lessened in the future; and fourth, contributing to the global effort to address climate change and biodiversity loss, both in terms of managing our natural resources responsibly, including our forest resources as integration with carbon markets advances, and also in relation to management of our oil and gas sector.

Underpinning the entire draft LCDS 2030 is the need for the objective and the conviction that we have that it must be responsive to the needs of all Guyanese. This is why the strategy is currently undergoing a national consultation. Already, hundreds of persons have taken part in the consultation with many more contributions anticipated in the weeks ahead. The feedback received in the consultation will lead to the preparation of the final LCDS 2030, which will then be tabled in this very House. At that point, the financing modalities for transitioning away from the GRIF while Guyana integrates with carbon markets will be fully specified.

I now turn to the first amongst or one of our major strategic objectives, a Diversified, Resilient, and Competitive Productive Sector, the Oil and Gas Sector.

C. A Diversified, Resilient, and Competitive Productive Sector

a. Oil and Gas

As a new oil and gas producer and the country with the 17th largest oil reserves in the world to date, the oil and gas sector promises to be the driver of historically high levels of growth in the Guyanese economy with strong positive spillovers into the non-oil economy. This is already observed in our economic performance over the past two years, and the external environment remains supportive with demand for oil anticipated to exceed pre-pandemic levels in 2022 and to maintain a very positive outlook going forward.

Ongoing exploration activities have continued to yield positive results, with 28 commercially viable oil discoveries to date in the Stabroek Block and an estimated recoverable resource of over 10 billion oil-equivalent barrels, merely six years after first discovery. The Stabroek Block currently has three identified production areas Liza 1, Liza 2, and Payara. Production capacity is currently at 120,000 barrels per day with the Liza Destiny Floating Production Storage and

Offloading (FPSO) in operation. The coming into operation of the Liza Unity FPSO, which arrived in Guyanese waters in October 2021, and which will come into operation early in 2022 will raise capacity to 340,000 barrels per day, and the deployment of the Liza Prosperity FPSO, which is currently under construction, and which is expected to commence operation and production in 2024, will further raise capacity to 560,000 barrels per day. With the anticipated fourth production area, Yellowtail, estimates are poised to reach 810,000 barrels per day by 2026/2027 and additional developments under consideration could see us reaching six FPSOs producing 1 million barrels per day by 2030.

Additionally, the current estimate of the gas reserve is 16 trillion cubic feet (Tcf) with projections from Liza 1 and 2 likely at 50 million standard cubic feet per day (mmscfd) and Payara will bring additional reserves. This augurs extremely well for the Gas-to-Energy Project that I will discuss shortly.

Meanwhile, I should add, as development works continue on Payara and Yellowtail, the exploration programme, the operators in the Kaieteur and Canje Blocks also advanced their exploration programmes in 2021, with additional wells likely to come online in the last quarter of 2022. Exploration activities will also continue in the Kanuku block.

In the third quarter of this year, our Government will be holding auctions and bidding rounds for additional available acreages offshore. This will be done in an open and competitive manner, as we have often said, which will allow for a more marketable approach to Guyana's resource development and, at same time, bring financial gains to our country.

Meanwhile, the legal and institutional framework to govern the sector has also undergone significant strengthening since we assumed Office. The historic Local Content Act 2021 was enacted just last month. We started work on this, it would be recalled, as soon as we assumed Office, in striking and stark contrast to those who occupied office for five years and did absolutely nothing. Those very lost years did absolutely nothing to bring local content legislation to the Parliament. The new local content law earmarks 40 sectors or services or groups or category of services and stipulates a minimum percentage of the total value of expenditure on those services that oil companies and their contractors must procure from Guyanese suppliers. In some cases, those percentages are quite high. What this means is that it creates an abundance of business

opportunities for Guyanese companies and Guyanese nationals. Sir, that is the direct result of our Local Content Act.

4.13 p.m.

That Act provides an enabling framework for the development and expansion of Guyanese companies, and it articulates a supportive administrative structure, including the establishment of a local content secretariat. Indeed, I am pleased to report on behalf of my distinguished Colleague, the Minister of Natural Resources, that work is already significantly advanced on the establishment of that secretariat. The local content secretariat, upon its establishment, will introduce local content registers on which Guyanese companies and Guyanese nationals can register. Flowing from that will be business and employment opportunities. Importantly, the Local Content Act includes requirements in relation to capacity development, recognising the importance of building local capacity to participate in these opportunities.

Relatedly, and returning to a matter which I mentioned earlier, in order to ensure sound management of the revenues from the oil and gas sector, this honourable House repealed the highly deficient Natural Resource Fund Act 2019. It would be recalled that the Act was forced through this National Assembly after the APNU/AFC had lost a no-confidence motion. Beyond the fundamental defect that had arisen from the timing with which that Act was considered by this House, the contents of that Act also reflected very significant and, indeed, fatal deficiencies.

I will mention some of these and I will speak of how they were repaired. They included the most offensive and egregious of deficiencies: fundamental weaknesses in the governance arrangements, including a high concentration of powers – indeed, ‘high’ is perhaps a mild word – a full concentration of powers and responsibilities in the hands of the Minister of Finance, the complete absence of a Board of Directors or any similar governing body, as is explicitly required by the Santiago Principles; a blatant lack of transparency, including an opaque and unnecessarily complicated formula for determining the ceiling on withdrawals from the Fund, and which was open to manipulation by the Minister of Finance because the Minister determined the economically sustainable amount and the fiscally sustainable amount, subjected entirely to the caprice of the Minister of Finance’s whims and fancies, but disguised behind the cloak of elaborate structures, multiple committees, and a formula that is yet to be deciphered by any of the commentators on

this matter, and hiding behind a veneer of sophistication – concealing the mischief behind a veneer of sophistication.

In addition, that 2019 Act allowed for expenditure to be met directly from that Act without prior approval of the Parliament. It referred to all manner of expenditure that could be a direct charge on the Fund without coming to the Parliament for prior approval. We have repaired all of those. One of those defects would have been fatal, but they are many in number. We repaired them while not casting out, in its entirety, the 2020 Act. We endeavoured our very best to retain some parts of the Act, but we repaired the most offensive sections. We scaled back the excessive powers of the Minister of Finance. We established a board of directors for the first time, and we vested in that board the powers that were previously concentrated in the hands of the Minister. We removed the possibility of any expenditure from the Fund being met without prior parliamentary approval. Hence, we are coming today. We strengthened transparency by requiring publication and parliamentary tabling of notification of every single receipt into the Fund. These amendments constitute major improvements to the framework for managing the revenues for our oil and gas sector. It is within that context and against that background that *Budget 2022* now proposes to deploy these resources in the cause of national development.

b. Other Extractives

Beyond oil and gas, other extractives such as gold, bauxite, sand, stone, and other minerals will be major contributors to Guyana's economy going forward. Our Government recognises the critical role of the mining sector in the economy and will continue to invest in and promote the expansion of the sector. We remain mindful of the challenges and vulnerabilities that the sector faced during the 2021 floods, and we remain firmly committed to working with the sector to overcome those challenges.

i. Gold

In 2021, the gold mining subsector represented 8.8% of Guyana's gross domestic product (GDP) – the third largest non-oil sector in the economy – and, importantly, more than 60% of total non-oil exports earnings. Such is the importance of the gold sector. The vision for gold mining lies with the continued support for exploration to uncover new discoveries that can potentially transition to mining projects. At a strategic level, more focus is being placed on deriving efficiency from the

mineral recovery phase of the small and medium scale miners in order to help to promote sustainability.

Significant growth can be expected from the subsector going forward, not just from the small and medium-scale operators but also from the prospect of large-scale operators commencing their operations. There are at least two, probably three, large-scale operators who will be coming fully on stream in the medium-term and who will, indeed, be constructing, in due course, underground mines for the first time in Guyana's history. At Karouni, for example, while production will be paused this year, the investor will be forging ahead with exploration and development of the underground prospect. Beyond this year, investment in the Toroparu area will finally result in long anticipated development of a full-fledged gold mine since an international mid-tier gold company has confirmed their interest in this project.

ii. Bauxite

If I turn to bauxite, having lost one major producer in 2020 as a result of the hostile investment environment at the time – and here I refer to the pre-August, 2020 period – the Russian Aluminium Inc. (RUSAL) in the Berbice River – bauxite mining continued with only two major operators. The larger of the two operating in Linden has in place plans to expand investment in 2022 with an estimated outlay of US\$16 million in capital investments. We will continue to work closely with this operator, and the other, to encourage their investment, to ensure that it occurs in a timely manner, and to ensure that bauxite resumes its rightful place in the Guyanese economic landscape.

iii. Sand and Stone

With the construction boom that is underway, particularly pertaining to the rapid expansion in housing and road projects, the development and expansion of the other mining and quarrying subsector is crucial. This expansion has the potential of increasing production volumes and lowering construction costs since the abundance of local, readily available resources could ease the impact of imported price pressure on the cost of key construction materials. We have the sand, and we have the stone available in Guyana for mining.

In 2021, there were five new permits granted for sand and loam that covered some 525 acres. The acreage of the plots ranged from between 25 to 283 acres, and production is expected to expand

significantly in 2022 and beyond. Critically, 2022 will see attention focused on ensuring beneficial occupation of the sand-bearing properties along the Soesdyke-Linden Highway. I suspect that this is a matter that my distinguished Colleague, the Minister of Natural Resources, will elaborate on when he speaks.

On quarry production, private investment in the sector will bring significant growth in output in 2022. Currently, there are seven active stone quarries, three in Mazaruni, two in Essequibo, and one each in the Corentyne River and the Northwest District. In 2021, 11 quarry licences were issued to new applicants, covering 30,737 acres, with each having a productive capacity of between 150,000 and 200,000 metric tonnes (MT) per year. Most of those new quarries are anticipated to come on stream by the end of 2022. Indeed, we are assured that many are likely to come on stream way before.

v. Manganese

The manganese operation in Matthew's Ridge was granted its Environmental Permit and Mining Licence along with the approval of the mine plan. The project investment is pegged at US\$75 million, and the annual production and shipment of manganese ore concentrates is targeted at 500,000 metric tonnes annually. The first shipment of manganese is slated for March this year for Port Kaituma

c. Forestry

I turn now to forestry. Our Government is committed, as I indicated earlier, to ensuring the sustainability of the forestry sector, consistent with the new Low Carbon Development Strategy (LCDS).

As already discussed, also, the sector's performance was affected by the recent floods. Beyond the recovery from those floods, the adjusted National Log Export Policy has allowed for the rebound of timber exports, including in the medium range species. Phase II of the National Forest Inventory (NFI), for which we voted resources last year to conduct that inventory, was successfully completed for Regions 2, 3, 6, and 10 at a cost of \$250 million, which was approved by this very House in last year's Budget. This will allow improved cost effectiveness in the resource extraction and more efficient management of the concessions.

4.28 p.m.

In support of continued growth in the sector, this year we anticipate the conversion of three large concessions, equivalent to 1.5 million acres which will result in an additional 30,000 cubic metres of logs, in 2022, and approximately 50,000 cubic metres of logs, annually, for the next 4 years. In addition, 50 new small concessions of a combined 150,000 acres will be allocated resulting in a further 20,000 cubic metres of logs. In 2023, we project to allocate another 500,000 acres, with an estimated production output of 30,000-40,000 cubic metres of logs, annually.

In the area of expanding the local value chain for wood products, we have been exploring market opportunities for export of sawn lumber to Barbados and other markets such as Ghana. We have identified in fact a market for prefab products in Ghana. In fact, in relation to the latter initiative, 120 prefab houses will be manufactured using the local wood and exported to Ghana later this year. We seek, Sir, to secure long-term relationships with all of these new and potential markets. We will continue to work very closely with the sector with a view to identifying more markets and promoting more value-added production and export.

d. Agriculture and Food Security

As has been said on multiple occasions, agriculture will be a major anchor of Guyana's non-oil economy. I alluded earlier to our Caribbean Community (CARICOM) responsibilities in relation to agriculture and I mentioned the twenty-five by 25 agenda. The region's commitment to this agenda presents a golden opportunity for Guyana to realise, finally, its potential as the long-heralded breadbasket of the Caribbean. Our focus is on ramping up domestic production; promoting agro-processing and developing agro-processing capabilities; working with the region to remove all historic barriers and impediments to intra-regional trade, including some of the transport and logistics constraints; and promoting, more widely, agri-business and complete transformation of regional food systems. On the domestic front, focus will be placed on both traditional crops as well as new and emerging ones.

i. Sugar

Speaking of traditional crops, this PPP/C Government's commitment to the sugar industry remains unwavering despite inheriting a devastating situation that was dominated by the callous shutdown

of three sugar estates. Since resuming Office, our Government has been proactive in focusing on reopening and recapitalising the closed estates; rationalising cost structures; diversifying the sugar sales mix to maximise earnings; re-engaging previously displaced workers; and repositioning the industry on a sustainable path to profitability. Since taking Office in August 2020, the focus has been on rehabilitation of assets and retooling of the estates.

Looking ahead at 2022, strategic investments will be made at Albion, Blairmont, and Uitvlugt, to upgrade and mechanise, where appropriate, and to expand packaging capabilities to produce more value-added products for our domestic and international markets. These investments will be undertaken with the ultimate objective of ensuring that each estate is able to breakeven in the not-too-distant future.

In anticipation of improved production levels, the Guyana Sugar Corporation (GuySuCo) will be concentrating its marketing efforts on shifting from the low-value bulk sugar markets to more bagged and packaged sugar products. To this end, these products will increase from 34% in 2020 to 64% of total production in 2022.

I am pleased also to inform this honourable House that over 1,300 persons have been re-employed with GuySuCo, 1,300 persons who were callously and unconscionably fired by the APNU/AFC Government. Despite, prior to 2015 making all manner of lofty promises to sugar workers, they came into Government and promptly proceeded to close estates and put people out of work. Sir, 1,300 of those persons have already... and, in addition, I believe, Minister Mustapha is reminding me and prompting me, correctly so, to point out that more than 5,000 persons also received, from this Government, a grant of \$250,000 so that they can start up a small business and earn a livelihood once again.

I am pleased to announce that, in *Budget 2022*, this People's Progressive Party/Civic Government has allocated \$6 billion to support GuySuCo's ongoing investment in field and factory operations to turn around the industry, while we continue to consider the possibility of engaging investors in some of the estates.

ii. Rice

Rice remains a mainstay of our agriculture sector and rice cultivation continues to be the main source of economic activity in many rural farming communities. We see rice maintaining and expanding its importance and increasing its contribution in the economy going forward. Our Government's immediate priority is to help our rice farmers recover from the aftermath of the 2021 floods, and then continue to expand cultivation and production, including more value-added varieties and products. In 2022, a total of 185,000 hectares is slated for cultivation with plans to expand by 8,000 hectares by 2026.

Focus in 2022 will see improved drainage and irrigation to mitigate losses and expand research on new high yielding varieties, and seed production. In that regard, soil testing facilities were made available to farmers through the construction of a soil laboratory at the Burma Rice Research Station, and a value-added laboratory for rice and rice products was completed.

I am pleased to announce that, in 2022, the Guyana Rice Development Board (GRDB) will expend over \$300 million in plant breeding, agronomy, plant pathology, entomology and valued-added products as part of its research and development thrust. An additional \$20 million is budgeted for the procurement of a seed dryer for Black Bush Polder which will benefit more than 600 rice farmers in the area. In addition, a mini testing mill or polisher will be acquired to analyse the quality of cargo rice and paddy. In anticipation of expanded production, six drying floors in Regions 2, 3, 5, and 6 were constructed in 2021, and this year two additional drying floors will be added in Regions 3 and 4. Moreover, efforts to secure new markets will continue, with the British Virgin Islands, Estonia, and Slovenia secured recently.

Corn and Soya Bean

I turn now to a new emerging crop whose introduction was piloted by and advocated most strenuously by no less a person than His Excellency the President. I refer here to the corn and soya bean project. Historically our livestock feed supplies have largely been imported, with our poultry industry consuming approximately 113,000 tonnes annually. Given that livestock feeds typically comprise 60 % corn and rice and 30 % soya beans, the recent global supply chain problems have transmitted this vulnerability to our domestic food chain. We heard of how rapidly poultry meat production has already been growing. Anticipated increases in demand for poultry and other livestock, as our economy grows and as the demand for food supplies expand, led to a strategic

decision by our Government in 2021 to support the local private sector in a trial cultivation of approximately 200 acres of corn and soya bean. Our Government took the initiative to rehabilitate 47 kilometres of a vital farm-to-market road – the Ituni-Tacama road – which will open up approximately 61,000 hectares of prime farmland in the Tacama, Wiruni, and Ebini Savannahs on the eastern side of the Berbice River.

I am pleased to report that the success of this trial has led to a decision by the private consortium to increase to 2,700 acres for commercial trials in 2022. This will result in 1,500 tonnes of soya bean and 3,000 tonnes of corn being harvested in the second half of this year right here in Guyana. With the anticipated success of the commercial trial, cultivation is expected to ramp up to 12,500 acres in 2023, 25,000 acres in 2025, and 56,000 acres in 2028. Minister Mustapha, perhaps, has more up to date information and will tell us when he speaks that the acreage will be even greater.

To this end, \$102 million was expended in 2021 and a further \$426 million budgeted in 2022 to complete that road. Further, required storage for anticipated harvests saw approximately \$236 million committed to procure a drying and storage facility with an additional \$225 million budgeted in 2022 for the additional works and installation. This initiative sets the stage for large scale cultivation of corn and soya bean and related agro business development in the Tacama area.

Coconuts

I turn to a new and exciting... well, perhaps, not so new, but exciting on a commercial scale, a product that is not new but, from the point of view of commercial production, can perhaps be regarded as new or large-scale production, and I refer here to coconuts. In support of the expanding market for coconut water and coconut-based products, our Government has allocated \$66 million in 2022. This allocation will support the expansion of coconut cultivation and production, with decentralised and strengthened services to farmers; the establishment of three additional nurseries at Hosororo, Fort Wellington and Lethem, bringing a total of decentralised nurseries to nine across Guyana; and importantly, the expansion of seedling production to 36,000 in 2022.

4.43 p.m.

The production of value-added products, such as coconut fibre from coconut waste, would also commence in the Pomeroon, and would be used for purposes of soil enhancement.

High-Value Crops

Having recognised the growing markets for high-value produce, coupled with the need to provide employment opportunities particularly for young people and especially for young people trained in agricultural science and related areas, a sum of \$100 million is allocated to a newly launched Agriculture and Innovation Entrepreneurship Programme (AIEP). Many of us had the privilege of participating in an event right here in this room when His Excellency the President launched that initiative in the presence and company of those young people. Works have already started, and I had the privilege of seeing the evidence of some of that work lead by Minister Mustapha's Ministry.

The first phase would see the construction of 25 shade houses for high-value crops such as broccoli, cauliflower and carrots, with over 300 shade houses slated for the medium-term. These are young Guyanese people; in fact, these are young graduates of the Guyana School of Agriculture (GSA).

iv. Agro-Processing

It is recognised that Government's intervention in the agro-processing industry is critical for business viability and the development of private sector capacity in post-harvest options. To this end, in 2021, we established a one-stop agri-business incubator and cold storage and agro-processing facilities, all of which are interventions that would improve value-added in the agriculture sector.

In 2022, the Guyana Marketing Corporation (GMC), under the purview of the Ministry of Agriculture, is aiming to decentralise the one-stop agribusiness incubators in Regions 3, 5, 9 and 10 in areas such as Parika, Fort Wellington, St. Ignatius and Watooka. The sum of \$96.5 million has been allocated in *Budget 2022* to equip the Sophia, Parika and Mabaruma agro-processing and packaging facilities. These facilities, along with supportive market research, would assist producers in meeting the international market protocols for their products and enable access to new markets.

v. Livestock

In response to the floods last year, Government provided cash grants totalling \$421 million to livestock farmers, and distributed 71,594 breeding stock to be followed by another 80,104. The Government also provided technical support to assist with the recovery of the sector. We will continue to focus on the recovery of the industry and help farmers build resilience, in especially vulnerable situations. This include initiatives such as prioritising the relocation of vulnerable farms and providing supporters appropriate; constructing refuge mounds for animal shelter in the pastures; improving feed conservation; establishing alternative holding areas for disasters as part of an approved emergency plan; storing adequate veterinary supplies; and formalising the Disaster Risk Management Unit, with dedicated staff and resources to work on mitigation, adaptation and response to different types of hazards. The floods of 2021 illustrated to us, very clearly, the value of interventions such as these.

In 2022, we will partner with the private sector to develop a modular swine abattoir at Garden of Eden to expand the production of pork and pork products. This facility would encompass better standardised production systems and biosecurity and will benefit over 600 farmers. In addition, we would facilitate the establishment of a modern abattoir at Onverwagt for beef and beef products, which is expected to be completed by 2023.

To achieve all of these objectives and more, *Budget 2022* provides \$977.3 million for livestock development in 2022.

vi. Fisheries and Aquaculture

The fishing industry has been going through challenging times, despite its creditable performance in 2021. Our Government has been working closely with the sector to help overcome those challenges. In this regard, we have facilitated the creation of an Aquaculture Committee, and rolled out a programme to promote the improvement of brackish-water shrimp production on the Corentyne Coast. That programme is already underway. Currently in its first phase, this project provided for the rehabilitation of 23 shrimp farms in Region 6, resulting in higher shrimp production in this category in 2021 when compared to 2020.

Our Government will continue to support the livelihood of fishermen. In 2022, \$230 million is budgeted for the second phase of the brackish-water shrimp production initiative. Both phases are

expected to raise aquaculture production by over 300%, moving brackish-water shrimp production to 500,000 kg per annum.

If that were not enough, in 2022, we will pioneer an innovative solution new to Guyana to promote important and valuable alternative production modality for Guyana's fisherfolk. Here I refer to an allocation of \$200 million in *Budget 2022* to introduce and develop marine caged fishing, which would enhance the production of prawns and tilapia on costal Guyana.

Additionally, we will continue to improve the supportive infrastructure for the fisheries industry. In 2022, the greenhouse at the Satyadeow Sawh Aquaculture Station will be upgraded for the promotion of aquaponics, as a climate smart option for food production. Research will be also undertaken in indigenous high-value species and the use of local low-cost feed ingredients into aquafeed development.

In total, for the promotion of the fisheries and aquaculture sector, *Budget 2022* provides \$743.7 million.

vii. Drainage and Irrigation

The importance of our drainage and irrigation infrastructure, not only to productive activity but also for the well-being of residence, is well known. We will continue to strengthen the drainage and irrigation (DNI) network across all regions.

In 2022, over \$1 billion is budgeted to procure 37 new mobile pumps to be installed along the coast, in Regions 2, 3, 4, 5 and 6, in areas identified to be especially vulnerable to flooding. We would also purchase 100 tractor-driven pumps to be utilised in all coastal regions. These would be complemented by the construction and rehabilitation of pump stations at Canal No. 1, A-Line sluice West Bank Demerara (WBD), Charity and Cozier, which will benefit over 9,500 acres of coastal farmlands. These interventions, along with the development of drainage improvement in the Mahaica-Mahaicony area, will benefit over 36,300 acres of farmlands.

In 2022, we have budgeted \$13 billion to upgrade drainage and irrigation systems.

e. Sustainable Tourism

Like so many other sectors of activity, the trajectory of the tourism sector worldwide remains heavily dependent on the evolution of the pandemic. According to the World Tourism Organisation (UNWTO), a return to 2019 levels of international arrivals could take anywhere from 2.5 to 4 years. In striking contrast with this global trend, this global circumstance, Guyana's tourism industry is facing its brightest prospects ever. Visitor arrivals increased by 52% in 2021 to 131,381, indeed, during a continuing and pervasive pandemic. Amongst other things, this reflects the captive business traveller and resident expatriate market, as well as the very resilient diaspora market, who remains very loyal and attached to Guyana.

To prepare for the heightened interest in Guyana and a gradual but hopeful early return to pre-pandemic levels of visitors, large investments in accommodation are already underway. This year, an additional 200 rooms will become available with the anticipated completion of the Pegasus Suites and Corporate Centre. An additional three internationally branded hotels are already under construction with an additional 485 rooms. Furthermore, approximately eight additional hotels are expected to commence construction later this year. They would increase the room stock by a further 995 once completed. I might add that among these are several global brands such as the Marriott and Hyatt Place all signalling their confidence and optimism in the 'new Guyana'. When completed, this pipeline of privately invested projects would add a further 2,180 hotel rooms to the stock by 2025, if not more. Additionally, in support of the enhancement and expansion of the eco-tourism product, our Government recently invited expressions of interest for the establishment of even more eco-lodges and resorts. The we expect would lead to tremendous future private investment in that subsector.

At the same time, our efforts to facilitate increased airlift capacity continue apace. InterCaribbean Airways began operations to Barbados last December, and is expected, in the medium-term, to add about 30,000 seats annually. This would allow for convenient connections to the Caribbean and Europe. In January 2022, Aruba Airlines and Trans Guyana Airways resumed services to Cuba via Aruba and to Boa Vista. Additionally, Fly Allways is expected to commence flights between Guyana and Cuba with an anticipated 2,016 weekly seats being added to the market, all contributing to increased connectivity between Guyana and the rest of the world and increased airlift into Guyana.

4.58 p.m.

Apart from this, discussions are ongoing with a number of other major international and regional airlines on the possibility of introducing service to either of Guyana's two international airports.

Meanwhile, Destination Guyana continues to attract mainstream attention and coverage, and we continue to seize every available opportunity to market and showcase our product. We leveraged key international venues to showcase Guyana, including our participation at the Dubai Expo 2020. Additionally, in 2021, Guyana was showcased in several major industry publications, including *Wanderlust Magazine*, *Condé Nast Traveller* and *Forbes Top 50 Best Places to Visit Post-Pandemic*, filling all of us as Guyanese with a burst of pride.

Looking ahead, strong emphasis will be devoted to human resource development in the sector. Work has begun on the design of the new tourism and hospitality institute, as well as the preparation of draft curriculum, and construction is anticipated to commence this year. Additionally, we have secured a partnership with the Government of Barbados arising out of a visit by His Excellency the President to Barbados, where he was accompanied by the distinguished Minister of Tourism. Under that initiative, over 6,000 Guyanese nationals would be trained in various areas within the hospitality sector.

At the same time, we continue to explore technical exchanges and cooperation with our counterparts internationally, all with the aim of promoting Guyana as a destination for tourism.

f. Information and Communications Technology

I turn now to Information and Communications Technology (ICT). It would be recalled that one of the first actions taken by His Excellency the President upon assuming office on 2nd August, 2020, was to bring into operation the new Telecommunications Act. That had the immediate consequence of liberalising the telecommunications sector. Recognising as we did then, the vast transformative potential of the telecommunications sector, returns have already started to manifest themselves.

We have already seen fibre optic cables laid across the Essequibo River, all the way to Charity for the very first time. New cables are being laid all the way to Corriverton and all the way to Linden by private investors.

Additionally, and as a consequence, we have supported and facilitated the growth of the business process outsourcing (BPO) sector, as I would abbreviate it, the BPO industry. I hasten to inform this House that this BPO sector, which prior to 2015, our Government had invested significant effort in nurturing this sector, first and foremost in attracting international operators to Guyana, in promoting Guyana as a destination for BPO investment and in supporting the sector in growing its operations, cast into the wilderness over the last five years, we returned to Office to find a sector completely in the doldrums. Disengaged, unengaged and abandoned. We resumed our engagement with the sector, working closely with them, encouraging their expansion, particularly recognising their labour-intensive nature of their operations. I am pleased to report now that the BPO sector has created between August, 2020 and at the end of 2021 no less than 1,131 jobs.

It is apposite to note and to cite the example of the Call Centre in Linden which had existed under a partnership between Government and a private operator and which, for reasons unknown, and when I say ‘which’ I refer here, of course, to investor, the investor, for reasons unknown, had to close up shop shortly after 2015, putting more than 100 young Lindeners out of work.

With no effort made to protect and preserve that investment, with no regard for the jobs that that investor had created for young Lindeners. Immediately on our return to Office, we identified a strategic investor, and in this case, a strategic Guyanese investor, I am proud to say, a young Guyanese person, engaged with this investor and is resuscitating that Call centre. I am pleased to report that within the space of months, the Call Centre in Linden was reopened. Today, that Call Centre employs of 125 persons going to work every day and earning an income every day. That Call Centre is poised to employ within the first half of 2022, another 100. That is going to be 225, if not more, young people in Linden and by extension, families in Linden who now have an income.

In addition, we will continue to emphasise improving ICT literacy so that the employability and productivity of our population are improved. In 2021 alone, over 1,300 young people benefitted from training in areas ranging from word processing to robotics to networking and programming. This year, we are targeting to train more than 3,000 persons, no less than 3,000 persons on various subdisciplines within the Information and Communications Technology space.

g. Small Business Support

Mr. Speaker, small businesses have the potential to strengthen communities, local economies and the economy as a whole. We have seen this in our own communities throughout the length and breadth of Guyana. For this reason, we have always supported and will continue to support small businesses, through various initiatives, including small business development grants, training opportunities and incubator centres.

In 2021, the Small Business Bureau (SBB) successfully distributed 746 small business development grants at a value of \$329 million. We also introduced the country's first ever Small Business One-Stop Shop in Region 2, which rendered assistance to 111 persons, helping them to register their businesses, secure National Insurance Scheme (NIS) compliance and helping them with all the other start up processes that are associated with establishing a business.

I am pleased to announce that, in 2022, the Budget provides \$300 million for the replenishment of the Small Business Development Fund. That represents \$300 million that will be going to small businesses in Guyana through the Small Business Bureau. Furthermore, training will be provided to small business owners in areas including business management, recording keeping, business plan writing, amongst others, all of which will enhance the capacity of small business owners to effectively develop and manage their businesses. We will also establish, and work has already commenced to establish an e-commerce marketplace for small businesses to market goods and services using technology, using the internet which will no doubt support their resilience, avoid them necessarily having to have a physical shop where their products and services can be accessed and, of course, helping to maintain and increase revenue.

As part of our ongoing efforts to enhance small business support, six Small Business One-Stop Shops across Regions 1, 5, 6, 7, 8, and 9 will be held in 2022. We will also continue our efforts to improve the ease of doing business and to assist small businesses in navigating the processes – making those processes simpler and helping businesses to navigate the processes to licence and establish their business.

On that note, the question of improving the ease of doing business, the design of an electronic single window for trade will commence in 2022. This initiative will result in the development and deployment of a single-entry point to fulfil all trade-related transactions, bringing together all of the agencies involved in trade transactions, including foremost amongst which will be the Guyana

Revenue Authority (GRA) but, of course, there are other agencies involved in licencing and permitting, depending on the nature of items being traded. This single window will bring together all of the agencies involved in trade transactions and facilitate a single, easy, efficient and technology-based solution. Concomitantly, we are currently undergoing a comprehensive review of the business processes related not only to trade transactions, but to other aspects of citizen and business interaction with the Government, with a view to mapping those processes out, identifying ways of simplifying them and making them more efficient and making them more citizen and client friendly. That work has already commenced.

On the question of establishing of businesses and access to industrial estates, a matter that I know is of great interest to the Private Sector, a sum of \$244 million has been budgeted this year to facilitate the establishment of new industrial estates in Regions 2 and 10. Business incubator centres will be operationalised this year at Lethem and Belvedere, where we have two estates. These will have 16 pods combined between them and these pods will provide access to shared-like manufacturing facilities, operational space and training and coaching, suitable for small businesses. They will also allow for small businesses to produce value-added agricultural products, including things like coconut oil, indigenous flour and processed fruits.

Further, to assure confidence in our Private Sector and locally-produced goods and services, a National Standard Strategy for the development of priority standards will be pursued, in consultation with stakeholders. In addition, we are examining the establishment of a traceability system which will address trade barrier issues to the benefit of our growing Private Sector.

5.13 p.m.

We also expect work to be advanced on the construction of a new laboratory at the Guyana National Bureau of Standards (GNBS) under the National Equality Infrastructure Project.

E. Transformational Infrastructure

I turn now to that other major priority of our Government. The build-out and I see Minister Edghill has returned *on cue* – the build-out of transformational infrastructure.

a. Energy Expansion and Diversification

Inadequate, unreliable, costly, and environmentally unfriendly energy has been the bane of Guyana's industrial development as well as of our citizens' daily existence for as long as any of us can remember. As has often been said, had the Amaila Falls Hydropower Project (AFHP) not been derailed by those on the other side of this honourable House, that project would have been meeting the needs of the national grid today. Be that as it may, the time for fixing this problem is overdue.

Following a public expression of interest in September, 2021, our Government issued an advertisement for the prequalification of firms interested in the transformational Gas-to-Energy project, recognising the potential of natural gas as a transition fuel. This project will allow us to phase out the use of expensive heavy fuel oil and is targeted to reduce costs substantially below the current levels. This project encompasses the establishment of a power plant at the Wales Development Authority (WDA) to generate 300 megawatts (MW) of power as well as a natural gas liquids (NGL) plant that will cover domestic demand. This project also entails the construction of a 225-kilometre 12-inch pipeline to transport the gas from offshore Guyana to Wales.

Ongoing geotechnical and geophysical works for both offshore and onshore operations are advancing with some portions already completed. An Environmental and Social Impact Assessment (ESIA) is expected to be completed by early second quarter, 2022. Utilising a transparent procurement process, it is expected that the firm selected would be able to engineer, procure and construct the power plant and natural gas liquids plant along with related facilities. Construction is expected to start in the third quarter of 2022 and will be completed by the fourth quarter of 2024.

Regarding renewable and low carbon energy, our most promising venture continues to be the Amaila Falls Hydropower Project, which incidentally was confirmed by a report produced by the international consulting firm, Norconsult who were recruited by the A Partnership for National Unity/Alliance For Change (APNU/AFC) shortly after they assumed Office in 2015. Notwithstanding Norconsult's report, endorsing the Amaila Falls Hydropower Project, that report was put aside, and the project was killed. We have requested, received, and evaluated proposals for this project. Negotiations are already underway with the highest ranked company, which is an experienced international company. The project will be developed under a build-own-operate-transfer (BOOT) arrangement within which the Guyana Power and Light Incorporated (GPL) will

purchase power from the operator under a Power Purchase Agreement (PPA). In relation to this project, we anticipate that construction will also begin in 2022. Once operationalised, this facility and the power plant at Wales will dramatically reduce the cost of energy for both businesses and households.

At the same time, we have already advanced the process for the construction of a 1.5 megawatt (MW) hydropower plant at Kumu and for the rehabilitation of the Mocomoco hydropower plant in Region 9. For the purposes of those two plants, over \$600 million is budgeted in 2022. Additionally, we have budgeted more than \$170 million for the completion of the hydropower scheme at Kato and for 30,000 photovoltaic (PV) home systems for hinterland and riverain areas. These solar mini-grid and off-grid solutions remain our most viable options to ensure unserved and underserved hinterland regions are energised.

The sum of \$1.1 billion is budgeted for solar farm interventions in 2022. These include the completion of the 1.5 megawatt farm at Bartica, three-quarter megawatt at Wakenaam and the 1.0 megawatt at Lethem. We will also tender for a 0.6 megawatt farm at Leguan and a 0.65 megawatt farm at Mahdia later this year. Over \$450 million has been budgeted to expand and upgrade the hinterland electrification and power generation capacity.

Regarding GPL, we have successfully supported the rehabilitation of over 600 kilometres of medium/low voltage distribution network. We have also implemented a transformer module in GPL's customer information system. Both interventions will help to better manage electricity loss in the grid. In 2022, \$1.6 billion is budgeted for the construction of a parallel transmission line linking the Kingston and the new Sophia substations, the upgrade of the existing L5 transmission line, and other works aimed at reducing transmission losses and maintaining desired system voltage levels. Meanwhile, the necessary studies that are required to prepare GPL's transmission and distribution network to offtake the power that will be supplied by the Wales Development Authority and by the Amaila Falls Hydropower Project, that necessary technical work has already been initiated. Once ultimately implemented, we expect that will include the introduction of a smart grid that will replace GPL's existing grid.

With the aim of advancing the transition to cleaner sources of energy, while ensuring that we meet the growing demand for electricity and reduce the cost of electricity by at least 50% over the next

5 years, *Budget 2022* allocates \$29 billion to the energy sector. Major allocations within this amount include \$20.8 billion for the Gas-to-Energy Project and \$1.4 billion for the 33 megawatt solar farms for Berbice, Essequibo and Linden.

b. Transport Infrastructure

Our Government is committed to implementing an integrated national infrastructural development programme: improving international connectivity, hemispheric connectivity, regional connectivity; creating and strengthening communication linkages between and amongst our major urban, rural, hinterland and inland centres; and prioritising farm to market access to promote increased production and reduce the cost of production as well as improving trade and competitiveness.

i. Roads and Bridges

Budget 2022 allocates a sum of \$76.7 billion for roads and bridges. Of that sum \$49.2 billion will be spent on roads and \$27.5 billion on bridges. In relation to roads, key allocations include provisions of \$8.3 billion for the rehabilitation of the from Palmyra to Crabwood Creek; \$6 billion for the construction of the Linden to Mabura Hill road; \$3.4 billion for hinterland roads; \$2.6 billion for the rehabilitation of the entire Soesdyke to Linden Highway; \$2.3 billion for the East Bank to East Coast Demerara Road between Ogle and Eccles; \$1.1 billion to complete Sheriff Street to Mandela Avenue. In addition to that a sum of \$15.2 billion for the construction and rehabilitation of additional urban and community roads.

We recognise that one of the most severe irritants regarding the roads network right now is the congestion on the East Bank Demerara corridor. We have committed to resolving this. To this end, we have already constructed and operationalised a 3.7-kilometre inter-community road link between Mocha Arcadia and Diamond. Additionally, a new four-lane highway linking Mandela Avenue to Haags Bosch is currently under construction and will be completed in the first quarter of 2022. Construction of the four-lane Ogle to Haags Bosch road will also commence shortly, creating another road access which will further reduce the chaos and congestion along the East Bank. Furthermore, works will commence to widen and pave the East Bank highway from Grove to Timehri for which \$2.1 billion is allocated in 2022. Preparatory work has also been initiated in relation to the widening of the East Coast highway from Annandale to Mahaica, the upgrade of

the railway embankment from Sheriff Street to Orange Nassau, and the construction of the new four-lane superhighway from Schoonord to Parika.

With respect to bridges, \$21.1 billion is allocated to advance construction of the new, fixed four-lane high span Demerara River Bridge. Another \$946 million has been budgeted to rehabilitate and maintain the existing floating bridge. Additionally, a sum of \$4.1 billion is allocated for the reconstruction and upgrade of several bridges along the Kurupukari to Lethem corridor that will support the phased construction of the Linden to Lethem highway. In addition, another \$173.9 million is budgeted for the construction, rehabilitation and maintenance of bridges in a number of other areas.

Another extremely important intervention included in *Budget 2022* is an allocation of \$3.3 billion to finance improvement and enhancement of the aesthetics of the environment across major areas on our coast.

5.28 p.m.

With a particular focus on the capital city, it would be recalled that no less a person than His Excellency the President himself spearheaded a major clean-up campaign in Georgetown just over one week ago. I believed it was two weekends ago.

ii. Air Transport

In addition to works ongoing at the Cheddi Jagan International Airport, an amount of \$600 million has been allocated for the rehabilitation and maintenance of hinterland airstrips at Eteringbang, Karisparu, Paruima and Ekereku Bottom. These interventions are intended to make them compliant with minimum engineering standards to address issues relating to safety of travellers, aircrafts and personnel using those airstrips. The air transport sector has been allocated in total, \$2 billion.

iii. River Transport

With the emerging oil and gas sector, the country's riverain transport activities have increased tremendously. This is particularly so in the Demerara River which is now host to several emerging shore base facilities and other ports catering to the oil and gas sector. In augmenting and supporting

this new fast-growing sector, we have increased navigational safety through the acquisition and installation of navigational aids and guide vessels using our main waterways in the Demerara, Berbice and Essequibo. A new pilot launch was acquired. Steps have been taken to acquire a new pilot launch last year. I believe that is expected to be delivered during the course of this year. The Steve N vessel was rehabilitated. In addition to that, the stelling at Wakenaam and sections of the Parika and Supenaam stellings were rehabilitated also.

The rehabilitation of our ferry vessels, which facilitate the travelling public, is also of critical importance. To this end, we have allocated, in 2022, the sums of; \$2.1 billion for the construction of a new ocean-going passenger and cargo vessel, which will ply the North West District route; another \$562 million for the docking of Makouria, Sabanto, and Kanawan. In addition, \$456 million has been budgeted for the continued rehabilitation of the Leguan, Fort Island and Bartica stellings. The new vessel for the North West District route is expected to be completed and operationalised in the second half of 2022.

Additionally, private investments are being encouraged to develop port facilities at the mouth of our main rivers. To this end, two new oil and gas shore base type facilities are expected to be constructed by private investors on the western side of the Demerara River. Additionally, at the mouth of the Berbice River, work has already commenced by private investors to construct a port facility there also to service our oil and gas industry.

c. Sea and River Defence

Much has already been said about our vulnerability to climate change. In 2021, we expended \$4.7 billion on the construction rehabilitation and maintenance of rip-rap sea defence in various areas. In 2022, I am pleased to inform this honourable House that the Budget for this year allocates a further \$5 billion to strengthen Guyana's flood protection infrastructure system through sea and river defence works, again, in several areas.

F. Investing in Our People

a. Health

Ensuring a modern, world class healthcare system is a paramount objective for our Government. To this end, we will leverage existing and soon to be built new public healthcare facilities, private

investment in the sector, as well as public-private partnerships arrangements, all with the aim, not only of meeting the needs of our citizens and residents, but also to be able to offer medical treatment as an export service through medical tourism.

Indeed, it was right here in the hollow halls of this honourable House that approval of was granted for the Human Organ and Tissue Transplant Act, which establishes a modern framework for the donation and removal of organs and tissues for their use in regenerative medicine and other therapeutic purposes, including, I believe, subject to correction by my distinguish Colleague, the Minister of Health, gene and stem cell therapy. The Hon. Minister informs me that I am not mistaken. At the same time, we continue to battle the most immediate challenges before us, foremost amongst them, of course, the ongoing COVID-19 reality. We will continue to manage the pandemic even as we prioritise investments to modernise the sector and improve service delivery. To achieve these objectives, the amounts totalling \$73.2 billion has been budgeted for the health sector.

A total of \$16.1 billion have been budgeted to launch a major expansion in public healthcare facilities. Of the amount allocated, \$12.4 billion will be used for the design and construction of a major state-of-the-art paediatric and maternal hospital, upgrading of the West Demerara and Bartica regional hospitals, and the construction of six brand new modern regional hospitals at Anna Regina, Tuschen, Diamond, Enmore, Bath and No. 75 Village, Corentyne. These regional hospitals are expected to catapult healthcare delivery beyond current levels provided by existing regional facilities as well as to reduce, dramatically, the undue burden, currently, of referrals to the Georgetown Public Hospital Corporation (GPHC). We have also budgeted \$220 million to retrofit and equip the Festival City Polyclinic to provide services that will include x-ray, dental, laboratory and rehabilitation services. We have allocated a sum of \$1 billion to upgrade of health centres across the regions, aimed particularly at addressing those critical interventions needed to improve the patient and visitor experience.

Also, in 2022, amounts totalling \$2 billion have been budgeted for medical and non-medical equipment. Of this amount, \$359.3 million is earmarked for the GPHC, which will allow for increased use of laparoscopic surgical techniques serving to improve surgical outcomes and reduce recovery time, and, of course, for the introduction of vascular surgery, for the very first time.

Human Resource Capacity

As it relates to human resource capacity, having placed 20 graduates in the health sector in 2021, we anticipate placing, here I speak of specialists, in areas, including emergency, medicine, paediatrics, dentistry and others. We anticipate placing a further 70 in 2022. Furthermore, and for the first time, we will be training 40 biomedical technicians to support more effective maintenance of medical equipment across the country. Employment for another 40 young Guyanese.

Chronic Diseases

On chronic diseases, despite the pandemic, we still managed to screen over 25,000 persons in 2021 for major non-communicable chronic diseases and we plan to continue to support strong early screening. In 2022, we target screening a further 27,000 persons. In the specific area of diabetes, we have made significant progress towards the construction of a specialise diabetic clinic at Lusignan, which will be completed this year and is intended to be a one-stop shop for diabetic patients. Once operationalised, this clinic will be able to provide specialist services including eye screening, diabetic wound care and cardiovascular screening.

Emergency Medicine

In emergency medicine, we will continue to equip and upgrade our Emergency Medical Services Programme this year, with the acquisition of two additional ambulances.

Mental Health

Other priorities include, of course, mental health.

Maternal and Child Health

I spoke already on COVID-19. Maternal and child health – in 2022, we will be pursuing strengthened engagement and partnerships with traditional birth attendants, strengthening health facilities with related equipment, and expanding family planning services. We also anticipate that the maternal waiting homes at Moruca and Kato as well as the maternity ward at the New Amsterdam Hospital will be substantially completed this year, all of which are expected to improve maternal and child health.

Adolescent Health

In the area of adolescent health, to reduce adolescent pregnancies, the Government will pursue the “safe-space” initiative in schools to facilitate peer interaction and counselling as well as partner with local medical teams and community organisations to address comprehensive education in schools. Another initiative that will help to reduce unplanned pregnancy is the expansion of the contraceptive programme, which will benefit from an allocation of \$154 million this year. In support of adolescent health, *Budget 2022* also provides an amount of \$50 million for the advancement of the programme led by the distinguished leadership of the Office of Her Excellency, the First Lady, on the promotion of menstrual hygiene. This programme will benefit over 30,000 adolescent girls.

Drugs and Medical Supplies

This Government intends to eliminate incidences of drug shortages by 2023. To that end, *Budget 2022* provides a total of \$17.9 billion to procure drugs and supplies for this sector. Importantly though, our Government has mandated urgent reforms in the supply chain management system across the sector including data driven and technology based solutions for quantification and monitoring of both inventory, and need and use, and implementation of strengthened technology based procurement systems.

5.43 p.m.

b. Education

I turn now to the education sector, a sector, considering where Guyana is in its development trajectory ensuring that we have an education system that delivers a modern, model, and adaptive learning experience to all Guyanese, in the first instance, of school going age... then, of course, to address issues of lifelong learning, ensuring that we have a system that will equip young and not so young Guyanese persons with the tools and skills that are needed to meet the needs of the Guyanese economy of tomorrow. Improved access, quality, and relevance are essential to raising Guyana’s human capital to the levels needed to advance and sustain the imminent transformative economic and social development.

Strategic Planning

In 2021, we launched the new Education Strategic Plan for the period 2021 to 2025, presenting a vision for the sector, aimed at providing opportunities for equitable access to quality education and lifelong learning for all. We will be articulating plans regarding curriculum reform, expansion of teacher training, constructing new schools and establishing robust systems to take advantage of the finite window to educate each generation. Consistent with this vision, an amount totalling \$74.4 billion has been budgeted for the education sector.

Improving School Building Infrastructure

In 2021, \$5.4 billion was spent on the construction, extension, rehabilitation, and maintenance of education facilities. In 2022, we have allocated a further \$6.6 billion towards the construction, rehabilitation, extension and the maintenance of our education facilitates. This includes the commencement of construction of Prospect Secondary, and reconstruction of North Ruimveldt and North West Secondary schools, both destroyed by fire. Additionally, nursery schools at Hydronie, Haslington and a number of other locations are slated for construction. In addition to that, the Kato and the Linden Technical Institute dormitories will both be completed.

Improving Access through Cash Transfers

It is well known that the cash grant to children of school age and parents of school going children, was callously discontinued during the 2015 to 2020 period. We re-introduced that cash grant in 2021 as a result of which 174,000 public school children received cash grants totalling \$3.3 billion. We further extended that programme to include students attending private students, and another 15,000 students attending private schools benefitted to a total amount of \$284.8 billion.

School Feeding to Support Access and Student Performance in Nursery and Primary

I wish to address the matter of school feeding to support access and student performance. To address the nutritional intake of our children and improve their attentiveness, we will restructure and expand the national school feeding programme. This will result in the breakfast, juice and biscuit and hot meals programs being implemented in 902 coastal, hinterland, and riverine nursery and primary schools. The sum of \$2 billion has been allocated to implement this school feeding initiative in 2022 and it will benefit a total of 85,773 students.

Incorporating Information and Communication Technology in the Education Sector

The pandemic illustrated to us the importance on urgency of accelerated implementation of digital solutions in all that we do. In response, we will be equipping 300 primary school teachers and 125 secondary school teachers with laptops and computing devices. Approximately 11,000 tablets and flash drives loaded with teaching materials will be provided to students at these levels, while the number of smart classrooms, we recall those smart classrooms, will be expanded. This initiative is budgeted at a total cost of \$295.7 million. In addition, for the purposes of strengthening school management and monitoring, for the first time, over 260 school will be monitored using the Education Management Information System (EMIS), which will allow enhanced monitoring and management and supervision of performance.

Textbooks and Science Kits

Still in 2022 and the subject of textbooks, a sum of \$1.2 billion is earmarked to procure textbooks. In addition, over \$20 million is budgeted to purchase 2,000 micro-science kits for an additional 100 primary schools which will allow for 100% primary coverage.

Reforming Teacher Training

In 2021, the Cyril Potter College of Education (CPCE) recorded its largest enrolment of over 3,000 students. This was facilitated through a new blended approach of online and in-person delivery of teacher training, at a cost of \$556 million. The initiative served to advance Government's objective of improving the quantity and quality of trained teachers in our schools. An additional 511 trained teachers were added to the sector in the 2021-2022 academic year. Of particular note, the January, 2022 graduating class of 843 trained teachers was the largest in the history of the Cyril Potter College of Education. It stands testimony to this Government's commitment to reforming and expanding teacher training. That represents another 843 young Guyanese persons who are now, today, trained teachers. Student to teacher ratios will be brought down to no more than 15 to 1 at the nursery level and 20 to 1 at the primary and secondary levels, to allow each child adequate and individual teacher interaction.

Tertiary Education

The University of Guyana (UG) will be allocated \$3.5 billion towards the operation of its campuses and expansion of its course offerings for online and in-person classes to its 11,000 students.

Additionally, to ensure even wider access to tertiary education, the GOAL programme, as I mentioned earlier, offered, as we all know by now, 6,000 online scholarships in line with and in keeping with His Excellency's mandate to rapidly accelerate the development of our human capital. This exceeded our initial target of 4,500 as a result of the overwhelming response by the public to this initiative. In 2022, an amount of \$1.3 billion is budgeted to meet the cost of another 4,500 scholarships as well as 2,726 continuing students.

Technical and Vocational Training

I turn to the extremely important topic of technical and vocational training, technical training in particular. Given what was said earlier and what has been said elsewhere outside of Parliament, including by His Excellency the President, Vice-President and others, the question of ensuring that the Guyanese work force is equipped with the skills that are needed for the direction in which the economy is going and at the same time, ensuring that we have an adequate supply of skilled labour...Creating jobs for people, equipping them with skills, but also ensuring on the demand side, on the recruiting side, that there is a sufficient market pool of skills from which to recruit. This is essential to achieving our local content objectives.

On that note, I would say the following, that our rapid development trajectory requires a skilled qualified and innovative work force. We have identified human capital development, through technical and vocational skills, as one of the most critical inputs if our development objectives are to be met. In this regard, we will partner with the private sector to provide relevant training immediately, even as we streamline the national skills training programs that exist across agencies to ensure that they are coordinated and fit for purpose. In the latter regard, the various technical and vocational training programmes that we have across the country and institutions that we have across the country must be tailored to be responsive to the labour market needs of the sectors across the economy, today and tomorrow. In this regard, we plan to undertake, early, an analysis of institutions offering skills training with the aim of streamlining them and modernising their curriculum to make them more relevant to contemporary needs so that they are able to offer training to young and not so young Guyanese persons in areas that would immediately make them attractively marketable to the labour market, to the job market of today and tomorrow.

Importantly, we will be partnering...indeed, a flagship initiative will be a partnership with the private sector to establish a Guyana technical training college, with its campus at Port Mourant, incorporating the world famous, Guyana Sugar Corporation (GuySuCo) Port Mourant Technical Training School.

5.58 p.m.

That new and enhanced facility will include a dedicated institute established for the purposes of training persons for the oil and gas sector. That facility will also have dedicated capabilities aimed at training persons for work in the tourism and hospitality sector. An initial \$260 million is budgeted to commence work at this location in 2022.

As a matter of the highest urgency, in order to ensure that we have a pool of Guyanese persons equipped to take up jobs in the oil and gas industry, our Government, led by His Excellency the President and the Vice-President, had an engagement with the sector so that we can have a better understanding of what highest priority needs of the sector are, what are the skills it needs and in what numbers. An inventory of the skills needs of the sector was compiled. We will be proceeding to train persons and get them certified with exactly those skills so that they could commence work immediately.

Budget 2022 allocates a sum of \$420.5 million to train and certify 1,000 persons in a wide range of areas, including welding, which is perhaps the area with the greatest need. We would be training the largest numbers of welders amongst the different skill sets. There are other skill sets too – stevedores, heavy vehicle operators, and many others. That is 1000 Guyanese persons who will be trained, this year, so that they could enter employment with the oil and gas sector.

Of course, following the review of the various institutions to which I alluded, all of our various technical institutes and the Board of Industrial Training (BIT) will be offering significantly scaled-up training programmes, literally for 1000s of Guyanese persons, with modern and upgraded curriculums. We anticipate that in 2022 alone, across the entire spectrum of technical training facilities and training programmes, almost 10,000 persons being trained in one area or another.

c. Housing

I turn now to housing. This People's Progressive Party/Civic Government gave its commitment to ensure that affordable housing is available to the people of Guyana. We are committed to meeting that promise. Immediately upon resuming Office, we restarted the Government housing programme, established several new housing schemes, distributed house lots and issued land titles, in some cases to persons who had been waiting for the entire five years.

We are well on track to achieving our target of providing 50,000 house lots by 2025. Since we took Office in August, a total of 10,063 house lots were allocated to persons. Our commitment is not only to distribute house lots but also to ensure that those persons become homeowners by constructing their homes. In 2021, largely as a result of the various policies that we put in place, including our innovative low-income housing programme, we partnered with the commercial banks and effectively subsidised the commercial banks offering a lower interest rate to first-time homeowners and raised the ceiling on loans that may be given by the New Building Society (NBS)...

Those policies and, of course, the distribution of the lots *et cetera*, led to a \$5 billion increase in real estate loans issued by commercial banks in 2021. That is another \$5 billion dollars that was lent to persons to build their own homes. That is \$5 billion injected into the economy in the construction sector on the residential end. We expect this number to grow even further. Over and beyond that, we are also constructing homes for low-income households. We are constructing core homes and granting home improvement subsidies. In 2021, we granted 228 home improvement subsidies to a value of \$114 million. We expect to grant 1,000 home improvement subsidies in 2022.

In 2021, an amount of \$18.7 billion was expended to continue the consolidation works in 11 housing areas, including Great Diamond, Prospect and Cummings Lodge. These have substantially progressed.

In 2022, we have allocated \$12.4 billion for the housing sector to continue infrastructure works in housing areas, which include the upgrading of 45.5 km of roads in 31 existing housing areas across Regions 1, 2, 3, 4, 5, 6, 9 and 10, amongst other works.

d. Water and Sanitation

If I may turn now to water and sanitation, here again, we are committed to expanding potable water coverage and improving water supply nationwide. To guide these efforts, the Guyana Water Incorporated (GWI) commenced the implementation of its new strategic plan for the period 2021-2025. This plan targets improved access to water, enhancing the quality of service and reducing non-revenue water. I am pleased to announce that *Budget 2022* provides \$4.9 billion to continue to improve the water sector.

Access to Potable Water

The distribution of clean water to unserved and underserved communities is a priority for this Government. In this regard, the newly drilled Lusignan well now provides improved water pressure to over 4,000 residents between Good Hope and Annandale. Approximately 4,752 residents of Wakenaan will now have access to an improved water pressure supply. The drilling of new wells located at Chesney and Parika will be completed during 2022. Further, to increase coverage and provide first-time access to potable water, several projects were completed in areas, including Nismes, Stanleytown, Patentia, Hydrone and Parika Backdam, Relief and Yarrowkabra.

In 2022, amounts totalling \$394.5 million are budgeted under the Hinterland Water Supply Programme which will make provision for new water supply systems to be installed at Phillipai, Isseneru, Warwatta and Tasserene other areas. It is estimated that 70% of the hinterland communities will have access to potable water by the end of 2022 compared to 56% currently.

Water Quality and Service

In 2021 – on water quality and service – a provision of \$47 million was provided for the expansion of water treatment plants at Covent Garden, Grove, Friendship and Vergenoegen. The expansion of the Sophia and Eccles water treatment plants is expected to be completed in the first quarter of 2022.

Given the interventions that are planned for 2022, we expect that potable water coverage for the coastland will increase from 96% to 98%.

Reducing Non-Revenue Water.

In 2021, 15,340 water metres were established to new and existing service connections, with another 20,000 metres planned for installation in 2022. This, we expect, will reduce water losses from 67% to 64% by the end of the year. In addition, we have upgraded transmission lines between Shelterbelt and Lamaha Street, including the transfer of 284 service connections from the old network to the new network. Furthermore, the old existing cast iron transmission main will be replaced with new high-density pipes between Shelterbelt and Water Street to benefit approximately 100,000 persons.

Sanitation

The management of solid waste across the regions has posed several difficult challenges in terms of disposal. This Government remains steadfast in its commitment to ensure that every citizen's health and wellbeing are safeguarded in a clean environment.

Whereas, in 2021, an amount of \$1.1 billion was expended to improve solid waste management, including work done at Haags Bosch and other locations. In 2022, we have allocated \$1.4 billion to improve sanitary and environmental conditions through infrastructural development across the country. This includes the design and construction of a gas management system and storm water ponds at Haags Bosch. Other activities include construction and upgrading of access roads for landfill sites at Blaumont, Belle Vue, Rose Hall, and Line Path, amongst other places. Additionally, works will be undertaken for preparation of new dumpsites at East Canje and Blaumont where the disposal of solid waste is a major issue for residents.

Culture and Arts

This Government is committed to building a more inclusive society in which our diversity is celebrated, and our people coexist in harmony. His Excellency has entreated all of us to embrace the concept of 'One Guyana', and this Budget charges us to embark on the journey of building that 'One Guyana'. His Excellency has also passionately stated that the development of culture requires a bottom-up approach of community engagement.

Last year, over 200 artistes, including singers, dancers, poets and musicians, benefited from 16 virtual events, including the 'One Guyana' Concert, the Independence, and Christmas Concert as well as the Guyana Talent Search which were aimed at developing and showcasing the Guyanese

creative prowess. This year, \$157.7 million is budgeted for the hosting of these event, including, the Guyana Cultural Festival.

6.13 p.m.

In order to improve the showcasing of our country's arts and entertainment, Government is examining various options to expand our support to our young and emerging artistes. The expansion and strengthening of the arts programmes in schools and integrating an expanded community model is expected to benefit our young people across the school system.

In 2022, we have budgeted \$1.3 billion to directly support culture and arts in Guyana, including an amount of \$100 million to establish a fund dedicated to promoting culture and the arts.

f. Sports

The sports programme aims to ensure that all Guyanese are provided with opportunities to participate in sporting activities. Last year, 25 community grounds across Regions 1, 2, 3, 4, 5, 6, 7 and 10 were upgraded and preparatory works have begun for the construction of the multi-purpose sports facilities at Regions 2, 6 and 10.

Mr. Speaker, \$1.4 billion is budgeted in 2022 for sports infrastructure and development, including for the completion of the synthetic tracks in Regions 6 and 10; the multi-purpose sports facilities; the erection of stands at the National Track and Field Centre; rehabilitation of works at the National Stadium to support the Cricket Academy; construction of pavilions at Region 6 and 10; and the procurement of sports gears. Of this amount, \$250 million is also budgeted for the continued improvement of the community grounds. Aside from this, the sum of \$45.8 million is allocated for maintenance works to sports facilities such as the McKenzie Sports Club, Kwakwani Recreational Centre, National Aquatic Centre and Colgrain Pool. Overall, *Budget 2022* allocates the sum of \$2.2 billion for the continued development of the sports.

g. Youth

Amounts totalling \$841.3 million have been allocated specifically for youth-focused programmes. In this regard, the training programmes offered by various entities within the purview of the Ministry of Culture, Youth and Sport will be reviewed in accordance with all of the other technical

and vocational courses that are being offered as part of that whole of the system approach to technical training. That review, as I indicated earlier, will happen very shortly.

h. Senior Citizens

Our senior citizens are an extremely valuable institutional resource to our society and must be afforded the opportunity for a good quality of life – safe, secure, good quality health care and opportunities for social engagements. We continue to take active steps to support our senior citizens as the pandemic evolves and we have prioritised their access to vaccines and booster shots across the system.

In 2021, the old age pension (OAP) was increased from \$20,500 to \$25,000 monthly, and a one-off cash grant of 25,000 paid in October last year. Thus, in 2021, Government would have expended almost \$20 billion in direct cash transfers to our senior citizens. In 2022, our Government will keep our promise of further improving disposal incomes of senior citizens.

In addition to the old age pension and the one-off cash grant, a total of 27000 pensions receives water subsidies and 49,966 households, including pensioners, benefitted from electricity credits. In addition to giving greater support to care homes, the wellness of senior citizens across our country will benefit from major improvements in the health care and related infrastructure; improved transport networks and expanded food security programmes across the country. Together, these will result in safer mobility for our senior citizens and improved access to and affordability of food supplies. These will all redound to improved management of chronic diseases which continue to be priorities.

i. Women and Gender

Our rich Guyanese diversity is enhanced by the fact that approximately 50% of our population are women and girls. Empowerment of women is therefore an imperative to achieving sustainable development, as has been recognised by this Government in our manifesto.

The representation of women across all spheres of society is something that this Administration strongly supports. One needs only to look within this very House, where 35% of our MPs are women, a number to which many countries still aspire. The development of women cannot

be viewed in isolation, but as part of the substantial investments being undertaken across both social and economic sectors. In addition to the numerous expenditure outlays designed to benefit women, this Government is committed to gender equality not just superficially but meaningfully.

As Guyana seeks to realise gender equality and empower all women and girls, gender mainstreaming and gender disaggregated data are critical to designing targeted programmes. To this end, the resuscitation of the Inter-Ministerial Gender Focal Point Committee, the establishment of the Regional Gender Affairs Committees and the strengthening the National Men's Forum, since Government assumed Office, are pivotal steps in this regard.

One area where our Government would like to see improvement is the level of female labour force participation. To this end, our Government continues to provide as well as encourage investments that generate job creation opportunities for women. One such example is in the business process outsourcing (BPO) sector where an estimated 75% of employees are women and, as stated earlier, we continue very aggressively to advocate the further growth and expansion of this sector with the anticipation that even more jobs would be created. In 2021, our Government championed women entrepreneurs to lead, innovate and flourish in a programme entitled ‘WE LIFT’ which was launched early last year. A mini expo was organised to give women entrepreneurs exposure. The event benefitted over 75 women-owned businesses, which were given marketing support tools, including an app, in an effort to promote and expand their businesses. In 2022, similar expos will be held in at least two other regions.

The Women’s Innovation and Investment Network (WIIN) Programme was launched to provide women with training to increase their entrepreneurial skills and sensitisation on critical issues, ranging from the legislation on women’s rights to social issues, including domestic violence and abuse. In 2022, WIIN will be expanded, targeting even more women, and offering additional and advanced courses in several areas.

j. Persons with Disabilities

Here again, our Government is concerned about the well-being of persons living with disabilities and is making a conscious effort to bring social services to all eligible persons. In this regard, the National Commission on Disability commenced a survey to record all persons living with

disabilities. In 2021, persons living with disabilities received training, psychosocial support and public assistance.

In 2022, our Government will be collaborating with the Ptolemy Reid Rehabilitation Centre to develop a national classroom for autistic children. In addition, the civil works will continue on the Centre for Disability and the construction of a new care centre at Mahaica Hospital for children living with disabilities will commence. Additionally, two wheelchair buses will be purchased to aid in the transport of residents from the Mahaica Hospital and Training Complex.

To ensure that persons with disabilities achieve their full potential, we must begin care and support from early childhood. Currently, there are approximately 500 children enrolled in our special education needs (SEN) schools, and we will continue conducting assessments to identify other children through the education system who might need special education needs services. Our Government will continue to work to destigmatise special education needs and encourage our parents and children to access these services.

Further, we have worked to ensure improved pedagogy in the area of special education needs and to this end, over 2,200 teachers have been trained to provide appropriate instruction. Additionally, over 100 teachers are enrolled in higher education training via the GOAL programme. Their upskilling will surely serve to improve the learning outcomes of our SEN programme to the benefit of our children.

k. Victims of Domestic Violence

Abuse of any form is unacceptable within our society and is a social issue that cannot be ignored. Our Government continues to pursue initiatives to prevent domestic violence. In this regard, the Inter-Ministry Gender Focal Point Committee (IMC) was reconstituted, as I mentioned earlier.

6.28 p.m.

In addition, domestic violence training is now part of the curriculum of the police training college and the Guyana Police Force has established domestic violence units and special rooms at identified police stations to receive reports in more suitable environments.

In 2022, an amount of \$19.7 million is earmarked for the rehabilitation and extension of domestic violence shelters at Whim and Onderneeming, which will continue to provide services for victims of sexual and domestic violence. Support to victims now also includes expanded legal aid services for which an amount of \$114.9 million has been allocated.

1. Amerindian and Hinterland Development

In pursuit of the Government's commitment to ensure that all the people of Guyana participate fully in the economic transformation that is currently unfolding in our country, we are mindful of the unique challenges faced by our Amerindian brothers and sisters, particularly those residing in remote communities. We are committed to ensuring that Amerindian and hinterland villages are economically empowered, first and foremost through the land titling programme, which languished over the last five years, or over the five years from 2015 to 2020, rather, and secondly, through development of the Amerindian village economy. We are also committed to ensuring that all of the country's best educational and training opportunities are as available to our hinterland brothers and sisters as they are to those on the coast. We are committed to ensuring that the quality of social services delivered to all villages is improved markedly.

In 2021, a total of five demarcations were completed. The Certificates of Titles for these demarcations are currently being issued, and our Amerindian brothers and sisters who reside within Capoey Village would have been the first of these five villages to receive their Certificate of Title. In 2022, the Government will continue to support the rights of our Indigenous peoples by accelerating the land titling programme at a cost of \$561.6 million allocated in this Budget to achieve a target of 20 Certificates of Title.

In supporting sustainable livelihoods of hinterland communities, in 2021, this Government expended \$673 million for tractors, implements and economic projects aimed at enhancing the development of agriculture, tourism, women, and youth. This saw 112 tractors and trailers, along with implements, distributed to Amerindian communities to help promote village agriculture as well as for use in transport. In 2022, a further sum of \$411.2 million will result in 71 additional communities benefitting similarly, bringing the total number of communities to 183 since this Government took Office. Additionally, and importantly, as mentioned earlier, to improve connectivity, a sum of \$3.4 billion is budgeted for the hinterland roads programme.

In 2021, \$666.5 million was expended on stipends to engage 2,000 Community Service Organisations (CSOs). It would be recalled that these 2,000 CSOs were sombrely terminated immediately upon the APNU/AFC assuming Office in 2015. They were sent home. We committed then that, immediately on returning to Office, we will resume this programme and bring, once again, 2,000 young Amerindian Guyanese persons back into the work force. We did it; we delivered on that commitment. We also trained the CSOs. A further sum of \$115.6 million was spent towards the training of 420 CSOs in areas such as: information and communications technology (ICT), tractor driving, licensing, maintenance, solar panel installation and maintenance, equipping them with skills that are relevant and that will be of value, both to their own personal upliftment and also value within the village economy.

In 2022, I am pleased to announce that the number of CSOs will be increased to 2,500, creating an additional 500 jobs for young Amerindian persons, and a sum of \$60 million will be spent on training 650 of these CSOs to serve in these 220 communities in a variety of areas: tourism and hospitality, development of business plans, food safety pre-requisites, good manufacturing practices, and the list goes on.

Needless to say, along with other students countrywide, 31,295 hinterland students are expected to benefit this year from the ‘Because We Care’ cash grant, which we resumed. Additionally, to improve access to education and skills, a sum of \$93.3 million is budgeted towards the Hinterland Scholarship Programme, where 805 students are expected to benefit. In total, \$3.1 billion is allocated for core Amerindian development programmes. This, along with key investments across every sector, will set the stage for rapid improvement in wellbeing in our Amerindian and hinterland villages.

F. Improved Governance and Institutional Reforms

a. Governance

The governance architecture of this Government, and the commitment and conviction of this Government, are based firmly on inclusivity, participation, transparency and accountability, and the rule of law. It is grounded in the concept and policy thrust of ‘One Guyana’. The consultations on the new and expanded LCDS 2030 is but an example of the operationalising of this ‘One Guyana’ adopting an inclusive approach to decision making.

A major development that will occur in 2022 will be the establishment and operationalising of the One Guyana Commission. It will be recalled that His Excellency the President, at his inaugural address at the opening of this National Assembly, last February I believe it was, spoke of the intention to bring a law to introduce the One Guyana Commission with specified objectives to be headed by no lesser person than the Hon. Prime Minister. It is our intention to establish that One Guyana Commission, and to start its extremely important work in pursuit of its extremely important mission. It is our intention to have that work start in 2022. All of these guide the Government's approach to everything.

The anti-corruption framework of Guyana is based on commitments to our treaty obligations made to the Inter-American Convention Against Corruption (IACAC) and the United Nations Convention against Corruption (UNODC). Our challenges are like many other small developing countries. They are related to factors of human, financial and technical resources. For this reason, capacity building will be prioritised to strengthen the implementation of our anti-corruption programme and policies. Furthermore, progress has been made in relation to the reconstituting of key governance institutions: the Ethnic Relations Commission (ERC), the Police Service Commission (PSC), and the Public Procurement Commission (PPC). We hope that, by the end of the Budget process, we will get back to normal parliamentary meetings and sittings, and that these items on the agenda will be moved through quickly so that these important constitutional bodies can be in place as required by the supreme law of our land.

We hear, from time to time, much about exclusion and discrimination by many on the other side of the House. However, this Government's track record of ensuring a wide consultative process is one of our strong points, unlike our Friends on the opposite side of the House. We remain committed to inclusion and participation of our citizens in the areas of government policy and legislative reform. Inclusive governance is also demonstrated by the fact that our programmes are accessible to all, for example, our Coronavirus disease (COVID-19) relief programme, our support cash grant programme, our Guyana Online Academy of Learning (GOAL) scholarships, our youth programmes, and our housing drives, among many others. These demonstrate to the people our commitment to make sure those who need help are not blocked nor stymied in accessing Government programmes. We will continue with public education and engagement initiatives to improve stakeholder awareness, inclusion, and participation.

The philosophical framework of this Government is that good governance is critical to ensuring equity in the development process. Nowhere is this expressed more elegantly and, indeed, eloquently than by His Excellency the President when he said that we must strive and ensure that we avoid becoming a rich country of poor people. It is for that reason that I began my presentation by saying that we are committed to national unity and national prosperity.

b. Justice Sector Strengthening

Turning to justice sector reform, the Government recognises that the stability and strength of the justice sector are paramount to public trust and to investor confidence. We have always supported, and will continue to support, the implementation of reforms in order to enhance and modernise our judicial system, while, at the same time, maintaining the highest respect for their constitutional independence. Our Government has allocated \$4.7 billion, in 2022, to build on the important work and advancement of the justice sector in Guyana.

In 2021, \$879 million was expended on the completion and construction of courts and living quarters countrywide, which will result in Bartica and Mahdia becoming operational this year. In 2022, \$1.3 billion will be expended to support the judiciary to improve access to justice, especially in previously underserved areas. To this end, Port Kaituma, Mabaruma, and Vigilance Magistrate's Courts will be completed in 2022, while two additional magistrate courts and living courts along the East Bank of Demerara, in Timehri and Friendship, will be advanced.

6.43 p.m.

These investments will increase the number of courts across the country to 46 from 41 in 2019 and will result in more timely delivery and improved access to the justice system, and, of course, reduce costs to citizens and improve convenience.

A further \$250 million has been allocated to improve the other aspects of the criminal justice system. To this end, the University of Guyana's Prosecutorial Programme will commence this year, catering for 25 students, initially, for a duration of 13 weeks, which will increase our number of trained prosecutors. Further, judicial policies aimed at reducing over-reliance on imprisonment are being developed to increase the use of alternative sentencing in the justice system. To complement these initiatives, a Management Information System for the Ministry of Legal Affairs

(Restorative Justice), the Ministry of Human Services (the Probation Department), the Guyana Police Force, and the Director of Public Prosecutions will become operational this year, ensuring a coordinated approach to the effective management of cases.

H. Public Safety and Security

Our law enforcement agencies will continue to work to preserve public trust and uphold the rule of law. Initiatives such as strengthening community engagements and partnerships, increasing and improving the deployment of resources in all Police Regional Divisions, enhanced leadership, professional development, and heightened crime-fighting capabilities are all critical elements of our strategy. Concomitantly, technology will be developed and applied to buttress intelligence-gathering and information sharing to improve diagnostic competencies by law enforcement agencies. To support these initiatives, a sum of \$47.9 billion has been allocated, in 2022, towards ensuring the restoration and preservation of law and order at all levels of our society.

a. Guyana Police Force

In 2022, \$4.9 billion has been allocated to strengthen the assets of the force. In this regard, works will commence on a multi-storey building to consolidate the operations of the Brickdam Police Station which was gutted by fire in October 2021 and for which \$400 million is allocated. Additionally, the role of ICT in our security and crime fighting capabilities cannot be overemphasised.

In this regard, \$2.5 billion has been allocated to expand the Safe City Programme beyond the boundaries of Georgetown. This programme will see the entire country being connected to CCTV cameras monitored centrally as well as at regional command centres to be established across the country. Moreover, satellite phones and body cameras will be acquired to boost operational efficiency across all Regional Divisions.

To support the efforts of the Guyana Police Force (GPF), in 2021 we promised to resuscitate community policing groups, nationally. At the end of 2021, 176 of those groups were active and we are targeting to resuscitate another 175 in 2022. To this end, we have allocated \$99 million to support these groups which have proven to be effective across many rural and hinterland communities.

Training is also a key strategic imperative of the Guyana Police Force. To this end, a sum of \$120 million is budgeted, in 2022, towards the training of ranks while additional ranks will be added to ensure greater coverage across communities. Training in the areas of crime and traffic management will continue to be facilitated, both locally and in partnership with international institutions.

b. Guyana Prison Service

Transforming the penal institution into a correctional facility that reforms the mindsets of inmates to benefit all of society post-incarceration is a core objective. During 2021, over \$2 billion was expended mainly to complete the first block of the Mazuruni prison and to commence construction of three prison blocks at Lusignan.

In 2022, a further \$2.3 billion is budgeted towards enhancing prison infrastructure. Works will continue on the Lusignan Prison which will be transformed into a modern facility to house both male and female prisoners. It will include a vocational school, an infirmary annex, prison headquarters and command centre. Additionally, works will be conducted at the Mazaruni Prison on a second prison block. We will also invest in the training of 1,400 inmates in areas such as anger management, literacy and numeracy, tailoring, amongst others, at a budgeted sum of \$88.9 million.

c. Guyana Fire Service

In 2021, the operational capabilities of the fire service were severely challenged. Our Government reviewed the situation and took concerted action to identify interventions to arrest this challenge. In 2021, over \$150 million was allocated for installation of 139 new fire hydrants in housing areas and for repairs to 51 fire hydrants. I am pleased, Sir, to announce that *Budget 2022* provides an additional \$100 million for additional installations in order to ensure adequate water supplies in the event of a fire.

To augment the capability of the fire service, especially at time when our landscape is changing towards modern high-rise buildings, \$255 million will be invested to procure a hydraulic platform to bolster our firefighting capabilities. Additionally, water bowsers, ambulances and an all-terrain fire-fighting vehicle will all be procured in 2022.

F. Improved Governance and Institutional Reforms

c. Strengthening Local Government

The Local Democratic Organs (LDOs) have a legacy of weak institutional and technical capacity and poor accountability. Despite this, our Government remains firmly of the view that these organs have an important role to play in local governance and local service delivery. We remain committed to supporting these organs in building capacity to perform their constitutional roles. We aim to further strengthen the institutional and human resource capacity of the LDOs to ensure accountability and better management of resources, improve sanitary and environmental conditions, and help promote infrastructural development at the local level.

In 2022, an amount of \$714 million has been allocated to finance grants to Local Democratic Organs to help maintain infrastructure and improve services. Additionally, work will continue on the Parika and Mon Repos markets to provide a safe, secure and conducive environment for vendors and customers, as well as on the iconic Georgetown City Hall, at a total cost of \$666.8 million. Furthermore, a scaled-up community infrastructure improvement project will be launched in 2022 at a cost of \$5 billion to improve the sanitary and environmental conditions as well as to improve community aesthetics within the jurisdiction areas within these Local Democratic Organs (LDOs) within villages.

d. Public Administration and Public Financial Management

i. Revenue Management

To promote voluntary compliance, the Guyana Revenue Authority (GRA) is currently revolutionising its business processes, utilising information and communications technology (ICT) and public awareness in our goal to create a modern and efficient tax administration agency. Key activities will include implementation of Phase 2 of the Revenue Management Software (Optimal) in 2022, along with other activities to promote voluntary compliance. These will include the adoption of the Harmonised System (HS) 2022, which will replace HS 2017, to update the Customs laws and regulations to facilitate harmonisation with regional and international classifications systems. Efforts to implement digitised versions of the certificates of origin will also be explored. Full implementation of the Single Window Automated System (SWAPS), to which I alluded earlier, reducing bureaucracy and red tape and improving the ease of doing business are all initiatives that will be pursued.

In addition to these initiatives, strong emphasis will be placed on building institutional capacity, in particular, to effectively discharge and execute the authority's youth responsibilities in the oil and gas sector, as well as in the new and emerging sectors in the changing structure of the Guyanese economy. To this end, to meet the cost of investing in its capabilities and to finance the cost of its operations, a sum on \$8.9 billion is allocated to the Guyana Revenue Authority.

ii. Payment Systems

In 2021, given our Government's commitment to mobilise digital solutions as far as possible in all Government services, we made, in 2021, significant progress in modernising Guyana's Payment System infrastructure. The Real Time Gross Settlement (RTGS) and the Central Securities Depository (CSD) Systems were fully integrated with the Automated Clearing House (ACH). The new system went live during the first quarter and has already facilitated over 413,000 transactions to date, including, Sir, I am pleased to report, the payment of all government salaries and pensions except for persons living in remote hinterland communities.

In 2022, we will engage our financial systems providers to further integrate our systems in central government with the National Payment System (NPS). This will enhance the processing of all payments electronically thus reducing the printing and handling of cheques. When fully operationalised, all Government payments as well as business to business payments through the banking system will be instantaneous and the security of financial transactions will be substantially improved.

iii. National Insurance Scheme

The National Insurance Scheme is an extremely important national institution which has served Guyana well, but which is in need of serious reform, both from the administrative and policy standpoints.

6.58 p.m.

Administratively, the Scheme has a longstanding reputation for inefficiency and is a major source of frustration to its contributors and pensioners alike. This Government, immediately upon assuming Office, committed to confront this problem. We appointed a new Board of Directors at

the end of 2020 and mandated that Board to address the longstanding administrative problems, and much has been achieved since.

The Scheme has rolled out innovative and easy to use technology-based solutions, such as a *Whatsapp* based online call-in-function which is extremely popular, particularly amongst overseas based pensioners. This allows online submission of life certificates and other transactions. We also conducted a series of outreaches throughout the country, listening to and addressing public concerns. Ten such outreaches were conducted, and 1,606 persons seen. The outreaches proved to be extremely effective in addressing public complaints, and almost 75% of the matters raised have since been resolved.

At the same time, it is well known that the Scheme faces serious challenges regarding its long-term viability. Its last actuarial valuation was done in 2016 and indicated the deficiency of the fund. Preliminary work has begun to analyse the various recommendations made on the Scheme over the years with a view to identifying and implementing lasting reforms to the institution.

iv. Procurement

Last year, I conveyed our Government's commitment to restoring a public procurement system that was systematically dismantled by the APNU/AFC when they were in Government. Since we resumed Office, our Government has worked tirelessly to restore credibility, confidence, accountability, and transparency in public procurement.

To this end, we have remodelled, modernised, and created a more user-friendly National Procurement and Tender Administration Board (NPTAB) website. We have uploaded the records of all tender openings and all contracts awarded at the NPTAB level. We have instituted a public, virtual tender opening process twice weekly, whereby bidders are provided visual, voice and text communication at the opening process, from the comfort of their homes. We have issued revised and updated new standard bidding documents for goods, works and services, including security services. We have completed the design and development of the bidders register and we are planning to roll this out in the first quarter of 2022. We have compiled a comprehensive training manual for procuring entities, including ministerial and regional boards, and the list goes on.

Going forward, in 2022, we intend to continue to adhere to the strictest principles of transparency and good governance in public procurement, and to build on all of the gains that we have already made, and to which I just alluded. We will also focus, heavily, on capacity building and training, not just within NPTAB but within ministries and amongst ministerial and regional tender boards. We will operationalise, in 2022, the bidders register, as I mentioned earlier, on which works to develop is considerably advanced.

Finally, action has already been taken with a view to seeking parliamentary approval for the appointment of the members of the Public Procurement Commission.

v. Data Systems Strengthening

Our Government recognises the immense value – immeasurable value indeed – and importance of quality, timely and reliable data, to inform and drive policy and decision making at all levels. In 2022, we will continue to strengthen the Bureau of Statistics and the National Statistical System to improve cooperation, coordination and streamlining of data capture, sharing, processing, analysis and reporting across the various statistical offices of Government.

The 2022 is a significant year for statistics in Guyana and the Caribbean, as it marks the conduct of the 2020 round of the Population and Housing Census. Census 2022 will establish baseline data sets that inform and guide policy at all levels. For the first time, the national census will use Geographic Information Systems (GIS) to improve mapping. The resultant Census data would strengthen evidence-based development planning, and support policies and programmes in all areas, as well as the monitoring and updating of the Sustainable Development Goals (SDG's).

G. Foreign Relations and the Diaspora

a. Foreign Relations

The Government's main foreign policy objectives continue to be the preservation of Guyana's sovereignty and territorial integrity; advancing bilateral relations and conducting economic diplomacy through the promotion of trade and investments; projecting a positive image of Guyana through sensitisation and awareness of policies and programmes being undertaken by the Government; maintaining a proactive role in international affairs; and harnessing, in a structured

manner, the skills, expertise and other resources of the Guyanese Diaspora who contribute so immensely to our country's development.

In 2022, our Government will continue to pursue a robust foreign policy guided by the main thrust of our domestic agenda. The preservation of our sovereignty and territorial integrity will remain paramount. In this regard, our particular focus would be the completion of the memorial on the merits of our case in the controversy with Venezuela which, by Order of the International Court of Justice (ICJ), must be submitted to the Court by 8th March, 2022.

We will also focus on deepening relations with Member States of the Caribbean Community (CARICOM). We will continue, in 2022, to give priority to expanding trade, maintaining our commitments to CARICOM and accessing new markets ensuring that external trade negotiations redound to the benefit of the country and the people. We will also continue to engage traditional partners and also seek to foster the development of new strategic alliances. In this regard, our diplomatic mission will be opened in the United Arab Emirates during the year, and we will also be taking advantage of the CARICOM diplomatic mission in Kenya to have representation in that office.

b. The Diaspora

The contribution which our Diaspora could make to national development is not to be underestimated, especially at this point in our country's economy history. In concretising our Diaspora strategy, we will be implementing initiatives that would facilitate better coordination, ensuring the involvement of individuals and associations from the Diaspora, cater to specific needs of areas that would meet our development goals and also benefit all stakeholders.

In 2021, the first virtual Diaspora Conference was successfully hosted with over 500 persons from 77 countries in attendance. Subsequent to this, a strong foundation was laid in Guyana to allow for greater ease and facilitation of Diaspora initiatives. Recognising the value the Diaspora brings to our developmental efforts, amongst the plethora of strategies and plans to be implemented in 2022 are the development of the Diaspora database, including the expert database, and the launching of the Diaspora website, which would not only become a platform to provide valuable information to the Diaspora on every sector relevant to their needs and interests, but will integrate the global Guyanese Diaspora, connecting them to every Ministry, agency, sub-agency, foreign mission,

private sector and others. The Diaspora will also see more of the Government as a rigorous global outreach programme is planned for 2022.

Targets for 2022

A. Real Gross Domestic Product

Real gross domestic product (GDP) is projected to grow by 47.5%, a rate of growth which no other country in the world is currently projected to achieve in 2022. This reflects the coming into operation of the second Floating Production Storage and Offloading (FPSO) vessel, the Liza Unity, which would significantly ramp up oil production. The non-oil economy is also expected to continue registering very strong growth, currently projected at 7.7 % this year, driven mainly by rebounds in rice and gold, and continued expansion in construction activity and wholesale and retail trade and repairs.

a. Agriculture, Forestry and Fishing

The agriculture, forestry and fishing sector is expected to expand by 8.9% this year, driven by growth across all sectors. The sugar growing subsector is projected to grow by 11.8%, as GuySuCo would begin to recover from the onslaught of the 2021 floods, with the aim of producing almost 65,000 tonnes of sugar.

The rice growing subsector is forecasted to expand by 25.1% in 2022, a reversal of the 20.5% decline observed last year, largely on account of replanting efforts as well as the introduction of new high-yielding varieties.

Like rice, the other crops subsector is expected to recover in 2022 and grow by 2.5%. The livestock subsector will continue to expand, with a rapid growth rate of 13.6% projected for 2022. Despite the challenges they face, forestry and fishing are also projected to grow by 13.5% and 5.8%, respectively, reflecting, of course, a number of the initiatives to which I would have alluded earlier.

Higher forestry output will partly meet the demand for timber products from public and private construction activity, which is also expected to grow very rapid.

b. Extractive Industries

The mining and quarrying sector is forecasted to grow by 86%. Underlying that, of course, is petroleum, the oil and gas sector.

Petroleum is expected from both Liza Destiny and Liza Unity FPSO vessels. The rate of production for 2022 is expected to be approximately 257,000 barrels per day (bpd) on average. As such, the subsector is projected to grow by 96.7% in 2022. Additionally, a turnaround is anticipated for the gold mining subsector, which is projected to grow by 12.2% in 2022 on account of higher expected declarations of, at least, one operator, and the small and medium scale miners.

The bauxite subsector, like many other productive subsectors, faced tremendous interruptions in 2021. It is anticipated to recover in 2022 and is now projected to grow by 25.4%, with output expected from both large operators.

7.13 p.m.

Additionally, the other mining and quarrying subsector, which includes sand, stone, and diamonds, is also projected to grow in 2022 conservatively by 8.4%, driven mainly by the intensified Public Sector Investment Programme (PSIP) and large private infrastructure projects expected to take off later this year.

c. Manufacturing

Manufacturing is expected to register an improved performance in all its sub-categories. Sugar, rice and other manufacturing are expected to expand by 11.8 %, 28.6 % and 8.5 5%, respectively. Growth in value-added from sugar and rice manufacturing reflect, of course, developments in cultivation and harvesting. In the case of other manufacturing, we can expect further expansion in the manufacturing of non-metallic products like construction blocks, chemical products, as well as in the manufacturing of fabricated metal products.

d. Construction

In construction, our Government, is committed to filling the substantial infrastructural gaps that exist across our country as is reflected by the aggressive infrastructure agenda that I would have outlined earlier in this presentation. As a result, we project 10.5% growth in the construction sector

on top of the growth observed in the sector last year. Underlying that growth of course is also the very strong construction boom taking place in the private sector.

e. Services

In services, after facing significant challenges in 2020, many of the services industries began their recovery in 2021, on account of the phased reopening of our economy and other measures put in place by this Government to boost economic activity. In 2022, all of the services industries are projected to expand. Notably, significant increases are forecasted for wholesale and retail trade and repairs, transport and storage, financial and insurance activities, administrative and support services, and real estate activities.

B. Monetary Policy and Inflation

In 2022, monetary policy will continue to be focused on price and exchange rate stability, alongside the objective of growing credit to the private sector. This year, inflation is forecasted to be 4.1 %, driven largely by continued but gradually moderating imported price pressure.

C. Balance of Payments

The overall balance of payments is expected to register a surplus of US\$403.4 million, largely attributed to projected improvement in the current account.

The current account is expected to record a surplus of US\$2,441.4 million, mainly on account of higher projected export earnings. Export receipts are forecasted to increase by 79.1 % to US\$7,792.8 million, reflecting higher anticipated export earnings from all commodities. In particular, crude oil exports are projected to increase by 107.7 to US\$6,180.6 million, amid the commencement of production from Liza Unity. Non-oil exports are forecasted to increase by 17.1 % to US\$1,612.1 million. At the same time, imports are expected to fall by 31.1 % to US\$2,957.1 million, as no floating production storage and offloading (FPSO) is projected to be imported this year.

The capital account is forecasted to record a deficit of US\$2 billion, reflecting the operator's share of oil production applied to cost recovery, as well as a moderation of foreign direct investment (FDI) inflows also as a result of no new FPSO being imported this year.

D. Targets for the Non-Financial Public Sector

a. Central Government Operations

Total Central Government current revenue (net of GRIF inflows and Natural Resource Fund (NRF) withdrawal) is projected to increase by 13.4 % to \$301.3 billion, within which tax collections will account for an estimated \$286.8 billion, reflecting the strong continued investment and growth in the economy.

Total expenditure of the Central Government is forecasted at \$530 billion, 36.8 % above 2021 expenditure. This is driven predominantly by the strong emphasis of *Budget 2022* on public investment. The PSIP is projected to grow by 108.7 % to \$217.8 billion. Meanwhile, non-interest current expenditure is projected at \$302.2 billion, 9.9 % above the previous year.

As indicated earlier, *Budget 2022* is the first budget ever to benefit from withdrawals from the NRF, following the historic passage of the Natural Resource Fund (NRF) Act last December. This Act, as I mentioned earlier today, addressed the most offensive deficiencies of the predecessor's NRF Act. Pursuant to the provisions to the newly enhanced legal framework set out in the new NRF Act, *Budget 2022* projects a withdrawal from the NRF and transfer to the Consolidated Fund of \$126.7 billion. It would be noted that corresponds with the closing balance on the fund as stipulated by Schedule I to the new NRF Act. This ensures that the accelerated development agenda outlined in this *Budget*, the critical investments proposed, as well as the measures still to be announced, can be financed without excessive borrowing and without the introduction of any new taxes.

Against this background, the overall deficit of the Central Government is projected at 7 % of Gross Domestic Product (GDP).

Budget 2022 is 44.3 % larger than *Budget 2021* and 36.6 % above total expenditure last year, and amounts to \$552.9 billion, undoubtedly the largest *Budget* ever. And, as indicated earlier, it is fully financed with no new taxes.

b. Summary Operations of the Public Enterprises

Turning to the public enterprises, receipts from the non-financial public enterprises are expected to grow by 8.6 % to reach \$152.4 billion. Their operating cost are projected to increase by \$11.7 billion, primarily at Guyana Power and Light, Inc (GPL), due to continued high anticipated oil prices.

c. Operations of the Non-Financial Public Sector

Regarding the operations of the non-financial public sector, a deficit of \$100.3 billion or 8% of GDP is projected to the non-financial public sector in 2022.

E. Natural Resource Fund

Returning to the Natural Resource Fund. Having addressed the withdrawals from the Natural Resource Fund above, I will now address the projected inflows for 2022. With two FPSO vessels expected to be in operation this year, it is anticipated that there will be 94 lifts from the Stabroek Block, 13 of which will be Government lifts. From this, it is estimated that deposits into the NRF for 2022 will total US\$957.6 million, comprising some US\$857.1 million earned from the Government lifts of profit oil, and an additional US\$100.5 million from royalties.

Measures

I now turn to budget measures. In addition to the wide range of public investment projects and initiatives announced earlier, all of which will stimulate economic activity, create jobs, and thereby generate incomes, *Budget 2022* also proposes additional specific measures aimed at providing support to both households and businesses with the same objectives of job creation and income generation and, ultimately, improving wellbeing.

a. Improving Business Competitiveness, Promoting Local Content, and Job Creation

Firstly, we wish to announce a range of measures that address questions related to improving business competitiveness, promoting local content and job creation.

i. Parity in Tax Treatment for Local Content

When we were considering the Local Content Act, one of the recurring issues that arose was the question of ensuring that Guyanese businesses are not in a disadvantageous position relative to

their international counterparts in competing for contracts with the oil and gas sector. This could arise, for example, where the oil and gas sector is procuring a service and the international companies are tendering to supply that service and they enjoy a particular tax treatment on the importation of their capital equipment to provide that service that the Guyanese companies might not enjoy, just to give an example.

In the interest of ensuring that Guyanese businesses can compete successfully under the new local content framework, our Government will take steps wherever practicable to minimise disparities arising from the tax system that will cause disadvantage to Guyanese businesses against their international counterparts. This will help improve the competitiveness of Guyanese companies, it will help secure business opportunities for them, and it will thereby create jobs for Guyanese nationals.

ii. Supporting Renewal of the Industrial and Commercial Transport Fleet

Secondly still, but still within the objective of improving business competitiveness and promoting local content and job creation. Supporting Renewal of the Industrial and Commercial Transport Fleet - in this era of mass movement of goods and intensive logistics operations, which are all critical to the oil and gas sector, as well as the ongoing construction boom, the transportation fleet has become an essential part of business capital stock.

In this regard, we would like to enable Guyanese businesses to be able to renew and expand their transport fleets and, additionally, to do so by acquiring, newer, safer, and more efficient vehicles.

To this end, we will be implementing the following measures:

- (a) In relation to importation of new motor trucks of any tonnage for transport of goods, and I should add that new for the purposes of this paragraph, refers to vehicles less than four years old. In relation to importation of new motor trucks, that is to say trucks below four years old of any tonnage for transport of goods, we will remove the 10% Excise Tax as well as the 14 % VAT that currently applies;
- (b) In relation to importation of new haulers for pulling containers or similar vehicles for pulling, we will remove the VAT of 14% that currently applies on those vehicles.

(c) In relation to importation of new double cab pickups below 2000 cc, we will remove the currently applicable 10 % Excise Tax altogether, while for new double cab pickups between 2000 and 3000 cc, we will reduce the Excise Tax from 110 % to 75%; and,

(d) In relation to importation of new single cab pickups below 3000 cc, we will remove the currently applicable 10 % Excise Tax altogether.

iii. Reducing the Cost of Cranes, Safety Equipment, and Oil Spill Equipment

Still on the same category of improving competitiveness and promoting local content, reducing the cost of cranes, safety equipment, and oil spill equipment. We will remove the 14% VAT on cranes, safety equipment and oil response equipment, all as part of ensuring that as many Guyanese companies as possible, can equip themselves accordingly given the requirements of the oil and gas sector today.

7.28 p.m.

iv. Advance Tax on Resident Contractors

Additionally, it would be recalled that we had given a commitment to reverse the punitive taxes that were implemented by the APNU/AFC once we returned to Office. One such tax that was implemented was a 2% Withholding Tax on resident contractors. This tax very severely affected the liquidity of resident contractors and, therefore, undermined their competitiveness. It also proved challenging to administer, with very uneven compliance, particularly outside the central Government. I am pleased to announce that we will remove this 2% withholding tax on resident contractors. This will immediately improve liquidity and liquidity management by those contractors.

Together, these measures will cost an estimated \$2 billion and will make an important difference in ensuring the competitiveness of Guyanese businesses, and, therefore, help to create jobs for the Guyanese people.

b. Easing the Cost of Living

i. Farmers' Markets

I turn now to the second broad category of measures. Here I address measures to ease the cost of living. First, the introduction of farmers' markets. As already discussed, we recognise the fact that there has been some upward movement in the prices at the marketplace for a number of food items. But, we also observe that the extent of the upward price movement at the marketplace is not reflected in similar price movement at the farm gate. Indeed, market prices have increased much more steeply than farm gate prices. This, of course, reflects a number of factors, including transportation cost and multiple layers of handling and reselling from farm to final retail.

In the interest of reducing inefficiencies in this process, we will be arranging monthly farmers markets at locations to be specified in East Berbice, East Coast Demerara, Georgetown, East Bank Demerara, and West Coast Demerara in the first instance, with the possibility of extending to other locations depending on the initial experience. This will help our farmers find ready markets for their produce and it will help consumers benefit from the price advantage of buying directly from the farmer.

ii. Extending the Freight Cost Adjustment

Secondly, under the same category – Extending the Freight Cost Adjustment. In August 2021, it would be recalled that His Excellency the President had announced an adjustment to the freight cost component in the Cost Insurance and Freight (CIF) value used for calculating of import taxes and in so doing, roll back freight costs to pre-pandemic levels for the purposes of determining the CIF value of items imported into Guyana. This measure was initially due to expire on 31st January, 2021. I am pleased to announce now that we will be extending the application of this adjustment until 31st December, 2022. This measure alone is expected to cost in the order of \$6 billion.

iii. Reducing the Cost of Fuel

It is well known that this Government established a mechanism whereby the excise tax on fuel is lowered when the world market price for fuel increases. As previously mentioned, we used this mechanism twice in 2021 to lower the excise tax rate on gasoline and diesel from 50% to 35% in the first instance and then from 35% to 20%. Despite this, the world market price continues to increase and remain high. I am pleased to announce that, utilising the same well-established mechanism, our Government will be lowering the excise tax rate, immediately, on gasoline and diesel from 20% to 10%.

iv. Other Cost of Living Measures

Still on the subject of cost of living measures, our Government regards the issue of cost of living as a matter of pressing concern. As already discussed, it is the direct result of global factors such as the COVID-19 and the attendant disruption to the supply chain, as well as domestic factors such as the flood which caused a temporary disruption to production. We have already implemented a number of measures to try to mitigate the effect of these shocks. Given the complexity of the factors driving price increases and the limited policy instruments available to mitigate these increases, we intend to engage in further consultations with the communities most affected both on the coast and in the hinterland on possible interventions to help ease the impact on the most vulnerable in society. To this end and in order to meet the cost of the interventions to be implemented after we would have conducted these consultations, *Budget 2022* allocates a sum of \$5 billion to address this question of cost of living.

c. Supporting the Vulnerable

i. Support to Dialysis Patients

Much has already been said about the public investments being made to improve the quality of the public healthcare system as well as to incentivise private investment in health care. Even as these investments are being advanced, this country currently has a number of persons undergoing treatment for life-threatening conditions. A prime example is the number of persons currently receiving dialysis treatment, many of whom are young people still in the prime of their lives but oftentimes struggling to meet the cost of their dialysis treatment. In response to this, we will introduce a Dialysis Support Programme under which we will finance, for each dialysis patient in Guyana, dialysis treatment worth up to \$600,000 per annum.

ii. Public Assistance

Our Government's Public Assistance Programme provides important income support for those in the most distressed of circumstances. This year, we will be increasing the monthly Public Assistance payment from \$12,000 to \$14,000, benefiting 18,000 persons and providing an additional \$432 million in disposable income to these individuals.

iii. Support to the Elderly

We remain committed to ensuring that those who have served their country over the years and are now advanced in their years are able to enjoy a dignified existence. In this regard, it will be recalled that we increased the Old Age Pension last year, in 2021, from \$20,500 to \$25,000. This year, we will be increasing the Old Age Pension further from \$25,000 to \$28,000. This will place an additional \$2.3 billion of disposable income in the hands of our 65,000 old age pensioners.

d. Increasing Disposable Income

i. Uniform Grants for School Children

Somewhat on the related subject of increasing disposable income, the uniform grants for school children. Recognising that there is no greater investment that can be made than investing in our young people, our Government has historically placed the highest importance on supporting parents in ensuring their children can attend school. One such measure that we had introduced is the annual Uniform Grant given to the parents of each school child. I am pleased to announce that we will increase that grant this year from \$4,000 to \$5,000 per child. This will place an additional \$200 million of disposable income in the homes of those children.

ii. Because We Care Cash Grants

Relatedly and in addition, turning to the ‘Because We Care’ cash grants. It would be recalled that we had also introduced a ‘Because We Care’ cash grant. A cash grant that is described as ‘Because We Care’. A grant in addition to the Uniform Grant. On top of that, a grant to parents of children attending school to meet other expenses associated with their children’s attendance at school. It would be recalled that this grant was unconscionably, as I mentioned earlier, discontinued by the APNU/AFC when they assumed Office in 2015, taking that grant away from the parents of every single child going to school in Guyana. I am told that the removal of that grant was to finance increased dietary expenditure. While in Opposition, we committed that, immediately on returning to Office, we would restore that grant and we did so. Another promise delivered. We also said that we will increase that grant and we did so, increasing it to \$15,000 in *Budget 2021*. I am now pleased to announce that we will increase that grant further from \$15,000 per child to \$25,000 per child. This will place in the homes of those 200,000 children going to school in public – I hasten to add now for the avoidance of doubt – and in private schools... This will place in the hands of those parents, a total of \$2 billion.

iii. Incentivising Saving in the Banking System

Still on the subject of increasing disposable income, we would like to incentivise saving in the banking system. Encouraging persons as they get jobs. As outlined earlier, many of the Government programmes that create an opportunity for persons to get jobs, the thousands of jobs will be created, as an increasing number of persons get jobs including young professionals, they start to earn an income and they start to accumulate some savings. Those who already have jobs may advance themselves professionally, increase their incomes and improve their circumstances. We would like to encourage and incentivise an accumulation of savings at the household level. In that regard, it would be recalled that a withholding tax is currently charged on interest income earned on deposits in the banking system. In order to alleviate the impact of this withholding tax on individuals with modest deposits – individuals, not businesses or companies – and to encourage them to go to the banking system and to save, we are proposing to remove the withholding tax from individuals whose total interest income does not exceed \$10,000 per annum.

iv. Reducing the Cost of Life and Medical Insurance

Similarly, on the same note, as more of our Guyanese brothers and sisters enter the world of work and as more of our Guyanese brothers and sisters start earning an increased income, and as their disposable incomes begin to rise, they become better able to make provision for unforeseen or adverse circumstances. Some of the typical instruments that households would use for that purpose would include insurance.

7.43 p.m.

Taking out an insurance policy to ensure that if one is the sole breadwinner and a calamity was to befall him/her, his/her surviving relatives would not be left in poverty and penury. Taking out medical insurance, so that in the event one faces a catastrophic medical condition, one would not find his or herself out of pocket, completely bankrupt and unable to finance the cost of your medical treatment. As more and more Guyanese families get jobs, increase their income and find themselves in a circumstance where they could deploy this tool of life and medical insurance, to manage risk within their own home and ensure that their relatives are not left in poverty or they are not left in poverty in the event of their demise or in the event of a calamitous medical situation, they take out insurance.

We want to make taking out that insurance more affordable. We would like to encourage as many of them to take out insurance because it enables individuals and their loved ones to be better able to cope with these adverse circumstances whenever, sadly and tragically, they occur. To this end, we are proposing to allow taxpayers a deduction from their chargeable income for premiums paid for life and medical insurance up to a maximum of 10% of their income or \$30,000 monthly whichever is lower.

This deduction will reduce the amount of taxable income and, ultimately, the tax payable by the taxpayer, while at the same time securing assurance and set to rest the concerns of many citizens on their long-term health care needs and the needs of their family in the unfortunate circumstance that I outlined.

v. Personal Income Tax

Along with all the other measures proposed to increase disposable incomes, our Government would also like to provide additional relief to taxpayers. In this regard, we are proposing to increase the monthly income tax threshold from \$65,000 to \$75,000 monthly. This releases immediately into the hands of current taxpayers, a total of \$1.3 billion of additional disposal income. If I might add a final category of measures. The first is in relation of the low-income mortgage ceiling.

e. Other Measures

i. Increase in the Low-Income Mortgage Loan Ceiling

I have already spoken about the impact that reintroducing and reinvigorating this Low-Income Mortgage Programme has had on both the access to finance and the cost to finance and the level of credit for the purposes of homeownership in the banking system. It would be recalled that when we assumed Office or since we assumed Office rather, we announced two increases in the ceiling on low-income loans. The first was done in *Emergency Budget 2020* when we increased the ceiling from \$8 million to \$10 million. The second was done in *Budget 2021* when we increased the ceiling from \$10 million to \$12 million. I wish to announce a further increase in the ceiling from \$12 million to \$15 million. This will make housing loans from commercial banks more affordable to borrowers within that range and will help to encourage the thousands of persons who will be getting a house lot over the course of the coming years or who have already obtained a house lot

since we resume our Government Housing Programme to be able to go to the bank and obtain financing. The next, still under what I would describe as ‘other measures’.

ii. Stamp Duty on Retail Transactions

It has been a longstanding irritant to the business community and the consuming public of the requirement to affix revenue stamps on receipts issued for retail transactions, and compliance levels are very uneven. We are proposing to abolish this requirement, specifically as it relates to retail transactions only.

iii. Remigrants

I have already spoken of how much this Government values the potential contribution of the Diaspora and that, given the opportunities that now exist in Guyana, there is an increased likelihood of remigration by overseas-based Guyanese. In this regard, yet another one of the punitive tax changes made by our predecessors in Office was to alter the entitlements of our remigrating diaspora, particularly, in relation to the importation of a vehicle when they return. In this regard, we propose to revert to the more flexible arrangement that existed prior to 2015.

Together though, it is estimated, conservatively, that these measures will place more than \$25 billion in the hands of Guyanese businesses and individuals, but at the same time, it will help ease considerable hardship in the case of those measures that addressed hardship. These measures will also, simultaneously, help to stimulate thousands of jobs, particularly, those that relate to improving competitiveness and promoting the competitiveness of Guyanese businesses within the local content framework.

Conclusion

It is on that note that I come to my conclusion. Although this is the third, not the first or second, budget of this People’s Progressive Party/Civic Government since we resumed Office, *Budget 2022* is indeed a historic budget. It sets us resolutely on the path to realising the bright future we have long awaited. It launches some of the most transformative projects in our country’s history. Projects whose realisation would be critical to resolving the bugbears and bottlenecks that we have long faced: whether it be adequate and affordable electricity, a transport network that is responsive to both productive opportunities and changing patterns of urbanisation, whether it be improved

medical services for our people, whether it be providing opportunities for young people to obtain training that is relevant to the job market, or whether it is an investment in promoting the arts and the culture. It would be recalled that an announcement was made earlier regarding the allocation of \$100 million to establish the National Endowment Fund for arts and promote the arts and culture, whether it be an investment in the strengthening of the institutions of state, like the judiciary or whether it be strengthening the security sector to ensure our citizens are safer. In every respect, if one were to peruse every sector within *Budget 2022*, one will see that this Budget heralds a dramatic change in trajectory for us because this is the budget... I suppose that it could be said that, in some respects, notwithstanding that *Budget 2020* was, of course, an emergency budget and *Budget 2021* was the Budget in which we outlined our medium-term plans.

I believe it would be fair to say that *Budget 2022* could well be regarded as the Budget that truly launched the transformation of Guyana, the building of the modern Guyana. I rather suspect that when the history of our country, during this period, shall have been written, future generations will consider that 2022 was the year in which Guyana's great transformation began; whether it be the Gas-to-Shore Project, the Amaila's Falls Hydropower Project or the modern new hospitals that are being built, the highways and bridges or power plants, I rather suspect that 2022 shall be remembered as the year in which this great transformation begun. I suppose I would say, I would put it differently, that if this era is a special era in Guyana's history, and I believed we all agreed that this era is a special era in Guyana's history, then 2022 must be a special year within that era. Indeed, I consider it a singular privilege to have been able to represent this historic Budget on behalf of this People's Progressive Party/Civic Government.

I would not want to leave the podium without the following observations: my fervent hope is that this Budget is judged on its merits, what it would be doing for the people of Guyana. I have no doubt that it will be judged in that manner by the people of Guyana, but my fervent hope is that it is judged in this House, particularly, by our Colleagues on that side of the House. I trust that they see this Budget on its merits because I do believe that given its historic and transformative nature, *Budget 2022* deserves the unanimous approbation of this honourable House.

I will conclude by acknowledging the very hard work done by my Cabinet Colleagues under, of course, the leadership of His Excellency the President. A tremendous amount of work was done in all the sectors and, of course, the dozens of civil servants who contributed to the compilation of

this Budget, especially that they did this while working with a very severely constrained environment given that COVID-19 is still with us. And, of course, as I always do, if you would permit me that small prejudice, I saved the last word for my own team at the Ministry of Finance, without whose tremendous work, preparation of this historic Budget, would not have been possible, and whose contribution will be equally invaluable in the execution of this historic Budget in the months and years ahead.

As I said a few minutes ago, on behalf of this People's Progressive Party/Civic Government, the honour is mine to commend to this House *Budget 2022*. Thank you, very much. [Applause]

Mr. Speaker: Thank you, Hon. Senior Minister in the Office of the President with Responsibility for Finance for taking us through that five hours and 15 minutes of your presentation.

ADJOURNMENT

BE IT RESOLVED:

"That this National Assembly stands adjourned to 10.00 a.m. on Monday, 31st January, 2022.

[Minister of Parliamentary Affairs and Governance and Government Chief Whip]

Ms. Teixeira: Mr. Speaker, I move the adjournment of the Assembly to Monday, 31st January, 2022, at 10.00 a.m. for us to commence the debate on this outstanding *Budget 2022*. Thank you, Sir.

Motion put and agreed to.

Mr. Speaker: Hon. Members, the Assembly stands adjourned until 31st January, 2022.

Adjourned accordingly at 7.57 p.m.