

# Official Report

*PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF THE FIRST SESSION (2012-2014) OF THE TENTH PARLIAMENT OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE REPUBLIC OF GUYANA HELD IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN*

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71<sup>ST</sup> Sitting

Monday, 24<sup>TH</sup> March, 2014

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*The Assembly convened at 2.29 p.m.*

*Prayers*

*[Mr. Speaker in the Chair]*

## **ANNOUNCEMENTS BY THE SPEAKER**

### **Death of Mrs. Deborah J. Backer**

**Mr. Speaker:** Hon. Members, it is with very deep regret and sorrow that I wish to formally inform you of the passing of Mrs. Deborah Jan Osman-Backer, former Deputy Speaker and Member of this august House, who passed on 21<sup>ST</sup> March, 2014 at her residence after a prolonged illness. At the time of her demise, Mrs. Backer was 54 years old.

Mrs. Backer first became a parliamentarian in the month of January of 1998, that being the Seventh Parliament of Guyana, following the Elections of 15<sup>th</sup> December, 1997. She was one of the 25 Members of the People's National Congress whose names were extracted from their list of candidates. Due to circumstances that were prevailing at the time, she did not, like the rest of us, take up her seat until 15<sup>th</sup> July, 1998. Mrs. Backer went on to serve as well in the Eighth Parliament from 4<sup>th</sup> May, 2001 until that Eighth Parliament was dissolved on 2<sup>nd</sup> May, 2006. She returned to the House as a Member again to serve in the Ninth Parliament serving from 28<sup>th</sup>

September, 2006 until that Parliament was dissolved on 27<sup>th</sup> September, 2011. Again, Mrs. Backer returned for this Tenth Parliament when it was first convened on 12<sup>th</sup> January, 2012 and, on that date, we would all recall, Mrs. Backer was elected as Deputy Speaker of this House.

She has acted in various capacities - at times as Opposition Chief Whip in the absence of Mr. Carberry in the Ninth and Eighth Parliaments. She was also a Member of numerous committees including the Committee of Privileges, the Committee on Appointments, the Parliamentary Management Committee and the Special Select Committee on Anti-Money Laundering and Countering the Financing of Terrorism Amendment Bill.

She has tabled, which is before us now, the Married Persons Property Amendment Bill, which we are led to believe will gain the support of Government as the Prime Minister had previously indicated. Only last Wednesday, Mrs. Backer wrote me indicating to me that the Hon. Member, Ms. Volda Lawrence, will take up the mantle of responsibility and pilot that Bill on her behalf. During her tenure as a Member, Mrs. Backer laid six motions in the National Assembly, some of which were endorsed by the House and some of which did not succeed.

She has, as we know, been a Member up until 7<sup>th</sup> February, 2014 when she tendered her resignation owing to ill health.

Recently, Mrs. Backer, along with some of our former colleagues who are present with us was honoured as being one of the outstanding female Members of Parliament for her long and distinguished service and so before I invite Members to stand in observance of one minute of silence, I would invite the Prime Minister or the Leader of the Opposition and/or Mr. Ramjattan, if you so desire, to give very brief comments.

**Leader of the Opposition [Brigadier (Ret'd) Granger]:** Thank you, Mr. Speaker. On behalf of A Partnership for National Unity (APNU) and the People's National Congress/Reform (PNC/R), I would like to thank you for your kind comments and this opportunity for us to pay tribute to Mrs. Backer.

She was a very dear friend, comrade and a member of our partnership on our front bench. She is going to be remembered for many things but I think it trivialises her legacy and her memory if we just look at the humorous side of her work.

She was a very serious parliamentarian and with 30 years experience as an attorney-at-law. She was devoted to certain principles and she was deeply concerned about interpersonal violence. She was deeply concerned about the rights of women and children. She was deeply concerned about the condition under which ordinary people lived and worked. Much of her work in the Blind Society in the Lion's Club was committed to giving people that good life in which she believed.

She acknowledged and was proud of her mixed heritage and felt that it was not a liability. It was an asset because it gave her insights into the thinking of different sections of the population and it made her a real citizen of Guyana.

She was also very committed to parliamentary work and she felt that whatever she did in the Seventh, Eighth, Ninth and Tenth Parliaments were for the greater good of our country and the citizens of this country.

I treasured her work, even though I was responsible for asking her to leave the comfort of being the shadow Minister for Public Security. She accepted the responsibility for Foreign Affairs. Although at first she said that she did not know much about it, she got stuck into it, read herself into the situation and I think she became very comfortable eventually and looked forward to having a long career.

She cherished the brief exposure between 2012 and 2014 as Deputy Speaker and I think you know very well that she took that very seriously.

Mr. Speaker, we have lost a great friend and parliamentarian and I would like to take this opportunity at this point in time to extend our condolences to her husband, Stephen Backer, and to her children Nigel, who is a Coast Guard Officer, and Natasha, who is an attorney-at-law. I understand how they feel at this point in time but I can assure them that we, in A Partnership for National Unity and the People's National Congress / Reform, feel a deep sense of loss as well. May her soul rest in peace.

**Mr. Ramjattan:** Hon. Speaker, Hon. Member Catherine Hughes will make a brief statement on the Alliance For Change's (AFC's) behalf.

**Mrs. Hughes:** The Alliance For Change is deeply and heavily saddened at the loss of Mrs. Deborah Jan Backer. Mrs. Backer has served Guyana long and way beyond the call of duty and it has been a shock for all of us in these halls and in this Chamber to know that she is not here to help us through the challenges that we face.

Much has been said about her over the last two or three days. I want to remind this Parliament and this House that recently on her motion on interpersonal violence, when Mrs. Backer, two nights before, called me up and said, “Cathy, I am waiting on the Government to respond. We have not had a response yet. I want us to do something about it”... I said, “You know, Debbie, when we come to meet in Parliament, let us have a little get together.” She initiated and she, myself and Ms. Teixeira sat down as Chief Whips and we were able to iron out what turned out to be miniscule differences. At the end of the 20-minute conversation, we were able to come to this House with agreement on something that is important and fundamental to the people of Guyana.

I want to raise that example so that people know that there was an aspect to Mrs. Backer that was about moving Guyana forward. It was about coming to positions of compromise. It was about being able to negotiate so that ordinary Guyanese would be able to benefit and be better served by this country.

On a personal note, I am really sad that we lost her. She was the one in here who would come over from her seat – luckily we sat so close to each other – and she would say to me, “Cathy, we are doing this because of that. This is how it works and we got to remember this and that.” On a personal note, I feel as though I have lost a mentor. This House has lost a great friend, a great person who was committed to Guyana, and I express my condolences to her family, to the APNU and the PNC/R and to all of us in this House. It will not be the same without her. Mrs. Backer was also a member of my church. She was a very staunch person when it came to her faith and she really believed that we would be able to do better in here. Again, I extend my condolences to everybody in this country.

**Prime Minister and Minister of Parliamentary Affairs [Mr. Hinds]:** Mr. Speaker and Hon. Members, the Government and the People’s Progressive Party/Civic (PPP/C) acknowledge the contributions of the late Mrs. Deborah Backer. She represented her cause and her party well. She

was a keen debater and known from this side for her ability to heckle and to put some of our Members off as they spoke. She was one of few female Deputy Speakers, maybe only one of two, the first one being Mrs. Janet Jagan, as was reported recently in a recent newspaper.

We, on the Government's side, join in extending condolences to her family and her party. Her death is a great loss to our Assembly and to our country.

Thank you.

**Mr. Speaker:** Hon. Members, for those who may not be aware, the funeral for Mrs. Backer will be held on Friday, 28<sup>th</sup> March, 2014 at 3 p.m. The funeral service will be at St. Andrew's Kirk.

I have made a proposal, as of this morning, to Members of the Parliamentary Management Committee for their blessing for the National Assembly to host a night of remembrance for Mrs. Backer, this notwithstanding the fact that she tendered her resignation. We believe her contribution outweighs that fact. It is proposed to be finalised that Wednesday evening we will have a night of remembrances here.

I am told that the APNU will be holding its night at the residence of Mrs. Backer on Thursday, 27<sup>th</sup> March, 2014. All Members are invited to that as well.

It is also my proposal that, and I have spoken to Mrs. Backer's husband this morning about it, we could have her brought to the place she loved so much, that is to the fore court for a brief period on Friday afternoon before she is taken over by some Members of this House, her casket could be bourn over for service to follow at 3 p.m.

As I indicated, these are proposals and I would expect that there would be no letter of hindrance to what I have proposed. We will also be having a book of condolences open on Wednesday for Mrs. Backer and I will do my best to liaise with the Clerk to have our flag be flown appropriately on Friday, 28<sup>th</sup> March, 2014.

### **Seminar on Minority Governance**

**Mr. Speaker:** I wish to announce that the National Assembly of the Parliament of Guyana in collaboration with the Commonwealth Parliamentary Association (CPA), the British Parliament branch that is, along with the British High Commission, United Nations Development

Programme (UNDP) and the Parliament of Scotland, proposes to hold a two-day seminar on the theme, “*Managing through Partnerships*” on 3<sup>rd</sup> and 4<sup>th</sup> April.

Attending are likely to be two Members of Parliament from Scotland who are coming to speak on their experiences on working in a minority Government construct along with Professor Robert Hazell of the University of London. Professor Hazell is considered the world’s leading authority on governance and more particularly on minority governance. We have been working assiduously to put together a programme and that seminar is scheduled for 3<sup>rd</sup> and 4<sup>th</sup> April, 2014, and due notice will be sent to every Member as to the activities that will follow.

### **Receipt of Revised Laws of Guyana**

**Mr. Speaker:** Members, I wish to note as well that we have received three volumes of the revised laws of Guyana in purple. We wish to thank the Attorney General and Minister of Legal Affairs for that gesture to the House.

### **Recognition of Birthdays**

**Mr. Speaker:** We recognise that in the month of March we had several birthdays. They were for Dr. Mahadeo, Mr. Jaipaul Sharma, Ms. Jennifer Wade and today, of course, Mrs. Valerie Garrido-Lowe.

Hon. Members, with that said and announcements being over, I wish to now invite you to join me in a minute silence in memory of the late great Mrs. Deborah Backer. Thank you.

*Minute of silence observed.*

**Mr. Speaker:** Thank you, Hon. Members. Please be seated.

*Members of the Alliance For Change withdrew from the Chamber.*

### **PRESENTATION OF PAPERS AND REPORTS**

The following Reports were laid:

1. Estimates of the Revenues and Expenditure of Guyana for the financial year 2014.  
[*Minister of Finance*]

2. The Protected Areas (Board of Trustees Additional Members) Regulations 2014 – No. 3 of 2014. [*Minister of Natural Resources and the Environment*]

**Minister of Finance [Dr. Singh]:** Permit me, Sir, before I proceed with the formal business of the day, to add my own words of condolence to those expressed earlier on the passing of former Deputy Speaker Mrs. Deborah Backer. I consider myself greatly privileged to have served alongside her and I say so deliberately notwithstanding that I spent all of my own parliamentary career sitting almost directly opposite her. I consider myself deeply privileged to have served alongside her in this honourable House. May I, Sir, associate myself with the condolences expressed earlier and avail myself of this opportunity to extend to her husband, Stephen, the rest of her family, her party, my colleagues, Members of this House, and the rest of the people of Guyana my own deep sympathies on her passing.

**Minister of Natural Resources and the Environment [Mr. R. Persaud]:** Mr. Speaker, I wish to endorse the statements of condolences.

**Mr. Speaker:** Thank you.

## **QUESTIONS ON NOTICE**

### **For Written Replies**

#### **CARIBBEAN AIRLINES – FLAGSHIP CARRIER STATUS**

**Mr. Greenidge:** On Wednesday, 15<sup>th</sup> January, 2014, Caribbean Airlines (CAL) BW 483 landed on time and was due to leave Piarco Airport at 8.30 p.m. as part of a feeder from Miami and Washington. On arrival at Piarco, the passengers going on to Georgetown were told to stay on board. After all the other passengers had disembarked, Georgetown bound passengers were told to leave the plane and to wait at the top of the stairs in the terminal. Once in the terminal they were immediately shepherded into the waiting area room, movement in which was very restricted for over an hour.

In view of the 1<sup>st</sup> January, 2013 announcement by Minister Benn to the effect that the CAL has been granted flagship carrier status for Guyana, would the Minister be good enough to indicate:

- (i) Whether the negotiation of this status for CAL involved any requirement by the Government of Guyana and a matching commitment from the CAL management to eliminate discriminatory treatment imposed on Guyana bound and departing passengers on this route, one of the airline's most lucrative routes?
- (ii) If so, what quality and range of services, including arrangements for the transfer and checking-in of transit passengers at Piarco, has the Government of Guyana required CAL to fulfil and over what period of time?
- (iii) Whether the Government has in place any mechanism for monitoring the quality of services provided to passengers since January, 2013? If so, what have been the findings up to the end of the last review period?
- (iv) What has been the direct financial recompense and non-financial benefits, if any, the Government of Guyana has received in return for this grant of the route rights or national carrier status to CAL?
- (v) How does this compare with what was received before 1<sup>st</sup> January, 2013?

**Minister of Public Works [Mr. Benn]:** In order to respond to the questions asked by Mr. Carl B. Greenidge, M.P. some background information is necessary, as set out below.

In May 2007, Caribbean Airlines Ltd. expressed an interest in operating direct services to New York and Toronto out of Georgetown. Due to the presence of other operators such as North American Airlines, TravelSpan GT Inc. and Constellation Tours offering direct services to North America specifically to New York (United States) and Toronto (Canada), the Government of Guyana did not approve Caribbean Airlines' request.

In December 2012, Caribbean Airlines once again renewed its request to operate direct services out of Guyana. Of course by this time the number of operators providing air services to North America had changed drastically with the exit of Delta Airlines and &jet making Caribbean Airlines the only airline providing air services to New York and Toronto.

Given the situation, the Government of Guyana met with the top officials of Caribbean Airlines and specifically addressed the following matters:

- The quality of services offered to Guyanese in general
- The price of tickets charged by Caribbean Airlines.
- The hassle Guyanese experienced when in-transiting in Trinidad at Piarco International Airport
- Provision of direct services out of Guyana

Following the meeting, the Government of Guyana, took a decision in the interest of the travelling public to grant Caribbean Airlines Ltd "flag carrier" status in the form of "route designation" to operate:

- Direct scheduled air services on the Georgetown-New York route.
- Direct scheduled air services on the Georgetown-Toronto route.

This decision by the Government eliminated the need for Guyanese to in-transit in Trinidad for travel to New York and Toronto. It would also facilitate more direct commerce and tourism opportunities between the United States, Canada and Guyana. This decision also meant less

(ii) The issue of customer service was raised with CAL and they had promised to improve their quality of services to Guyanese passengers. Since November 2013, United States bound passengers transiting Piarco Airport were allowed to remain onboard the aircraft providing it's the same equipment continuing the journey as opposed to coming off and being re-screened. This practice was as a result of the US Transportation Security Administration approving the Alternate Procedure for CAL in November 2013. Prior to this Passengers were escorted from the aircraft through Security Check Point and into the waiting Lounge.

(iii) The discussions held with CAL were done in good faith; there was no written commitment from both parties. CAL was the only operator providing air services to New York when the Government met with them.

(iv) There is no direct financial compensation for granting CAL the rights to operate direct services out of Guyana, however, there are numerous non-financial benefits as highlighted earlier such eliminating the hassle of transiting in Trinidad, convenience and time saving for travellers, more direct commerce and tourism opportunities between the United States, Canada and Guyana,

etc.

(v) The action of the US DOT to deny CAL the right to fly direct between Guyana and New York resulted in passengers still needing to go through Trinidad. Based on my comments for question (ii), there is improvement in the customer service to passengers travelling through Trinidad.

## **ELECTRICITY DISCOUNT FOR PENSIONERS**

**Mrs. Lawrence:** Could the Hon. Minister tell this House:

- (i) How many pensioners applied during 2013 for electricity discount?
- (ii) How many pensioners qualified and how many were disqualified?
- (iii) What were the major areas for disqualification?
- (iv) Could the Minister provide the number of recipients by region?

**Minister of Human Services and Social Security [Ms. Webster]:**

- (i) Seven thousand two hundred and eighty-three pensioners applied during the year 2013 for electricity subsidy.
- (ii) Of the 7,283 pensioners who applied, 7,026 were eligible, while 257 pensioners did not qualify to receive the electricity subsidy.
- (iii) The major areas for disqualification were:
  - (a) The name on the electricity account was notably different to the name on the pension book and the identification submitted. In such a case the pensioner was asked to support his/her application with an “Affidavit of Identity”.
  - (b) There were some instances where the electricity accounts were not active accounts, i.e. monthly bills were not being generated as a result of a termination of service.
  - (c) Pensioners not being account holders in Guyana Power and Light Inc. Metres

(iv) The number of recipients by region are listed below:

Region	Number of Pensioners
2	898
3	951
4	2,985
5	619
6	1,456
7	117

#### **FUNERAL ASSISTANCE**

**Mrs. Lawrence:** Could the Hon. Minister provide this House with the number of applicants for funeral assistance for 2013, and how many received 100% and how many received partial assistance?

**Ms. Webster:** There were 62 applicants for funeral assistance in the year 2013. Forty-seven applicants were assisted with the \$30,000 funeral grant, eight applicants received more than \$30,000 but not the entire amount of the sum requested, whilst seven applicants received 100% assistance.

#### **DRAINAGE WORKS DONE IN THE NORTH AND SOUTH OF GEORGETOWN DURING THE YEARS 2012 AND 2013**

**Mrs. Lawrence:** Could the Hon. Minister inform this House of the following:

- (i) What were the total amount expended for drainage works done in the North and South of Georgetown during the years 2012 and 2013, respectively, by the Drainage and Irrigation Authority?
- (ii) What were the main works done in both the South and North during 2012 and 2013?

- (iii) What was the cost for each project?

**Minister of Agriculture [Dr. Ramsammy]:**

- (i) A total of \$46,612,320 and \$41,770,320 was expected for the years of 2012 and 2013 respectively for the cleaning of internal community drains.
- (ii) The works entail cleaning of internal drains in 17 areas in 2012 and 2013. See appendix.
- (iii) See appendix.

**FAMILY COURT**

**Mrs. Lawrence:** Could the Hon. Minister inform this House what are the factors which have inhibited the Family Court from being operationalised in 2013, and whether the Guyanese people will benefit from its use in 2014?

**Attorney General and Minister of Legal Affairs [Mr. Nandlall]:** The major factors which inhibited the Family Court from coming into operation in 2013 were the difficulties encountered in acquiring specialised and custom-made furniture and furnishings for the Court. This process is now being concluded with the final set of furniture and furnishings being built presently.

This process will be concluded within three months from the date hereof. When this is completed the building will be handed over to the Judiciary that will determine when the court will come into operation.

It is the expectation of the Executive that the Court will come into operation as soon as possible and certainly during 2014.

**2013 BUDGET ESTIMATES**

**Mrs. Lawrence:** Could the Hon. Minister provide a list of persons and/organisations, amounts and projects for which monies were allocated for 2013 from budget estimates page 414, Line Item numbers 1900400 and 4400700, respectively?

**Dr. Singh:**

*See answer attached.*

## **UPGRADING OF THE LINDEN TO LETHEM ROAD**

### **Mr. Allicock:**

- (i) What is the current National Plan for upgrading of the Linden to Lethem road?
- (ii) Is there a proper road alignment based on the original trail through Frenchman, which is shorter and less challenging to maintain?
- (iii) Is there a plan to begin construction of proper steel and cement bridges before the rains in May, 2014?
- (iv) Is there a record with the estimated loss of lives, cargo and vehicles from 1992 to date, and if so, can this be shared?
- (v) What is the total cost of funds used on the Linden to Lethem road, bridges, culverts, etc., from 1992, to present?

### **Mr. Benn:**

- (i) The Ministry of Public Works annually maintains the Linden Lethem Roadway to ensure that it is safe for commuters to use throughout the year. Currently there are plans to Asphalt this road way. A feasibility study was done by SNC Lavalin which looked at the possibility of asphaltting this roadway and the benefits that would be derived from an improved road (data from studies are with the Ministry). The Ministry of Public Works is currently in consultation with the Government of Brazil reviewing the studies that were done to make a determination of how beneficial this road link would be for the two countries and the benefits it will derive for South America, Europe and the Caribbean.

The Government is reviewing two options:

- To have the road completed via a Private Public Partnership with the Government of Brazil or
  - Seek Funding from the IDB to have the road completed.
- (ii) The road alignment through Frenchman is indeed shorter but is not the best alignment for this

roadway. Section of this roadway is white sand that tends to get very swampy during heavy torrential rainfall and this would affect commuters during this period and defeats the purpose of an all weather road.

There is no proper road construction material within close proximity of the Frenchman section of the alignment. However there is the option of trucking the material into the area but from calculation It Is very uneconomical for such an operation. The current alignment being used the hauling distance has the advantage of the many lateritic pits along the route and the hailing distance is greatly reduced; this allows for regular maintenance at a much reduced cost.

- (iii) These alternatives are being looked at, some proposals were put forward in the studies and would be considered if found to be feasible. It should be noted that there are 66 bridges located on this roadway therefore the cost of replacing these bridges would be significant; especially since there is a shortage of aggregates and the increasing cost of construction materials. However, it must be noted that the Ministry will continue with maintenance of the bridges; there are no plans to do any reconstruction before May 2014.
- (iv) There are no records in respect of the items listed in the Ministry. However, between 2012 and 2013 there were serious accidents that resulted in 6 fatalities. There were other accidents during this period with 1 being serious and 2 resulted in damage only. The figures stated are those accidents that were reported and recorded.

The Ministry of Public Works has placed several traffic signs along the Linden Lethem road which will assist commuters using the roadway. Signs are placed at dangerous curves, approaches to bridges and other points along the road for safer use of the road.

- (v)

	Roads	Bridges
2008/2009	\$201 million	\$97 million

2010/2011	\$285 million	\$30 million
2012/2013	\$177 million	\$30.5 million
2014 current	\$250 million	\$65 million

## **TYPES OF INSECTICIDE AND FERTILISER USED IN THE NORTH RUPUNUNI**

### **Mr. Allicock:**

- (i) Can the Hon. Minister inform the National Assembly what type of insecticide and fertiliser was/is used on the Santa Fe Farm in the North Rupununi and has there been an environmental impact assessment?
- (ii) According to information, because of the soil type, triple use of fertiliser and insecticide which was used and which produces the same as the coastland. Can the Hon. Minister say whether this is true and would it not be a threat to the eco-system of the wetlands of the North Rupununi in the rainy season?

### **Minister of Agriculture [Dr. Ramsammy]:**

- (I) Santa Fe Farms engaged the Environmental Protection Agency from the onset. They complied with all requirements of the Environmental Protection Agency (EPA) and Santa Fe Farms were provided with an Environmental License to proceed with the farm.

Santa Fe Farms do not at this time use any herbicide.

Santa Fe Farms use the following chemicals for pest control: Karate =I 50ml/ha  
Pronto - 50g/ha

Rates for the use of the above chemicals are established by the relevant agencies and are standard across Guyana. Use of lower amounts will not result in the pest control that is necessary and can lead to dangerous resistance against the particular chemical. We do not recommend use below the recommended amounts.

Santa Fe Farms use the following fertilisers:

Urea = 2.4 bags/acre

6:25:25 = 4bags/acre

These rates are comparable to the range of rates use on coastal lands. Rates are dependent on soil tyre. The Ministry of Agriculture (MOA) has recommended that farmers test their soils and utilise rates in accordance with test results. The rates uses at Santa Fe are consistent with the results of soil testing.

We are unaware of rates utilised at Santa Fe that are outside of the recommended rates. We monitor use of fertilisers and our reports do not indicate abnormal use of fertilisers.

(ii) The MOA, through our agencies, such as the Pesticide and Toxic Chemical Board.

National Agricultural Research Extension Institute (NAREI) and Guyana Rice Development Board (GRDB) have been monitoring the developments at Santa Fe.

We are satisfied that Santa Fe Farms are in compliance with good agriculture practices. We will continue to rigidly monitor the practices at Santa Fe Farms.

We do not believe that the present practices in the use of fertilizers and chemicals for pest control represent a threat to the environment in Region 9.

The 6:25:25 refers to mixed fertilisers of Nitrogen, Phosphorus and Potassium. Some fanners on the coast prefer the use of single fertilisers, instead of mixed fertiliser blends. Mixed fertiliser blends have the advantage of slow release of nutrients to plants. Except for Nitrogen, the other nutrients are fixed in the soil and do not represent a threat.

Rice variety at Santa Fe is an upland variety. Like different varieties used on the coast, nutrient requirements vary. Thus, unlike chemicals used to control pests, rates of fertilisers used vary in range, depending on variety of rice used and on soil characteristics.

The Pesticide and Toxic Chemical Board, NAREI and GRUB monitor use of chemicals to ensure compliance with recommendations for fertilisers and pesticides. As far as we are aware, Santa Fe Farms are in compliance with these recommendations.

These chemicals do not persist in the environment. Guyana is a signatory of the Stockholm Convention and the Montreal Protocol which obligates Guyana to phase out Ozone Depleting Substances (ODS) and

Persistent Organic Pesticides (POP). These are approved chemicals and are not listed for phasing out by any of the global agreements Guyana has signed on to.

## **LICENSED FIREARM HOLDERS**

**Mrs. Marcello:**

- (i) Whereas Licensed Firearm Holders are having great difficulties in obtaining ammunition; and whereas they have been told that they cannot obtain this if their guns do not have ballistic marks; and whereas it is expensive and costs \$48,000 to travel to Georgetown to obtain ballistic marks. Can the Minister send a team to Region 8 once a year to help firearm holders obtain ballistic marks?
- (ii) Can selected Police Stations and or Outposts in Region 8 stock ammunition for sale to licensed holders of firearms?

**Minister of Home Affairs [Mr. Rohee]:** In the year 2005 a decision was taken to ensure that the weapons of all licensed firearms holders are test fired and the records kept of the relevant ballistic markings. This process is being done on a phased basis. That difficulties that may have been or are likely to be experienced by licensed firearm holders in remote areas are being addressed by the Ministry of Home Affairs in consultation with the Guyana Police Force.

In respect to the sale of ammunition to the respective licensed firearm holders, the Ministry of Home Affairs will initiate action to ensure that the Guyana Police Force implements a viable system where ammunition could be made available to licensed holders in Region 8 and other interior locations, taking into consideration also the security implications of the exercise.

Licensed firearm dealers are not located in those areas, hence the reason for some of the difficulties experienced by licensed firearm holders in acquiring ammunition.

## **LIST OF ENTITIES DESIGNATED AS EXTRA-BUDGETARY AGENCIES**

**Mr. Greenidge:** Could the Hon. Minister provide to the Assembly:-

- (i) A list of all the entities which have to date designated as Extra-Budgetary Agencies in keeping with the 2003 Fiscal Management and Accountability Act?

- (ii) Those entities which have had such status changed since they were first designated?

**Dr. Singh:** No entities have been so “designated”.

#### **STAFF EMPLOYED BY NICIL**

**Mr. Greenidge:** Could the Hon. Minister provide this House with:

- (i) The composition of the current Board of NICIL?
- (ii) A list of the staff currently employed by NICIL?
- (iii) The names, designations and employment experience immediately, prior to their joining the management of the entity, of the three (3) most senior staff members of NICIL?
- (iv) A copy of the advertisement of the vacancies for these positions?

**Dr. Singh:**

- (i) Dr. Ashni Singh - Chairman;  
Dr. Roger Luncheon - Director;  
Ms. Sonya Roopnauth - Director, \  
Mr. Nigel Dharmalall - Director,  
Mr. Winston Brassington - Director.
- (ii) Please see Appendix IV attached.
- (iii) *Winston A. M. Brassington*

Hiring and Experience History:

- Employed by the World Bank in November 1994 to serve as *Senior Financial Analyst* to the Privatisation Unit, Government of Guyana (position advertised publicly and funded via World Bank project loan to the GOG);

- Promoted to *Executive Secretary and Head (ag.)* (Privatisation Unit) in 1995 (position subsequently funded by IDB);
- Confirmed as *Executive Secretary & Head* of the Privatisation Unit around 1997.
- Assumed additional position of Executive Director of NICIL from start of 2002
- Have served as Head of Privatisation Unit and NICIL since 2002 to date;

Qualifications:

- *Bachelor of Science* Degree in Accounting (summa cum laude), Marywood University, Pennsylvania, USA;
- *Master of Business Administration* (Distinction), University of the West Indies;
- Completed US Certified Public Accounting (CPA) exams
- Certificate of participation (non-degree) from Harvard University (Kennedy School of Government) course on "*Infrastructure in a Market Economy*"
- Project Management Professional (PM?) Certification

1994—immediately prior to joining Privatisation Unit, served as Finance Controller for a private group of companies in Guyana involved in construction, furniture manufacturing, hotel ownership, and consulting.

(2) *Marcia Nadir-Sharma, Deputy Chief Executive Officer*

Hiring and Experience History:

- Employed February 2000 as Legal Officer of the Privatisation Unit following general application submission;
- Promoted in 2002 to Head of Project Co-ordination Department, PU/NICIL;
- Promoted in 2004 to Deputy Chief Executive Officer 86 Company Secretary (NICIL).

Qualifications:

- Bachelor's Degree in Law [Merit] (1996);
- Certificate of Legal Education (1998);
- Masters of Law Specialised in Commercial and Corporate Law (2012);

1 year private practice experience & 4 years on the job experience prior to assuming role in management of entity.

(3) *Punaram Chanderban, Chief Projects Finance Officer*

Hiring and Experience History:

- > Hired as Financial Analyst in January 2005 (position advertised publicly in 2004);
  - > Assumed Finance Controller role (renamed CFO) in April 2005 following departure of previous FC;

Qualifications: Possesses

- > Chartered Accountant (ACCA Affiliate);

Auditor at Ram & McCrae (2004); Demerara Bank (2000).

(iv) The appointment of the top three (3) senior positions was as a result of internal promotions.

### **RESIGNATION OF MR. MIKE BRASSINGTON AS CEO OF NICIL**

**Mr. Greenidge:** In March 2012, subsequent to the declaration of the 2011 General Elections results, Mr. Mike Brassington announced his resignation as CEO of NICIL. Will the Hon. Minister indicate Mr. Brassington's:

- Job description and Terms of Reference up to that time?
- What is his current position in the entity and his changed terms of reference?

**Dr. Singh:** I am advised that no person by the name of "Mike Brassington" is, or has ever been, employed at NICIL.

### **CONSTRUCTION OF ROAD TO AMAILA FALLS HYDRO PROJECT**

**Mr. Greenidge:** In 2009, NICIL awarded a contract for the construction of the road to Amaila Falls Hydro Project. Will the Hon. Minister indicate:

- (i) Who cleared the specifications for the road and the role of the Ministry of Works in the preparation of the tender documents for the tender and specs?
- (ii) The cost of the amendment of the specifications of the Amaila road contract, undertaken after the termination of the contract with Synergy?

**Dr. Singh:** No such contract was awarded in 2009. On 18<sup>th</sup> March, 2010, a contract agreement for the construction of the Amaila Falls Access Road and Transmission Line Clearing was entered in between Synergy Holdings Inc. and the Government of Guyana, represented by the Ministry of Public Works and the National Industrial and Commercial Investments Limited (NICIL).

- (i) The specifications were provided by Sithe Global and reviewed by NICIL and the Ministry of Public Works. Given that the contract was jointly executed by both NICIL and the Ministry of Public Works, the tender documents were jointly reviewed by the two contract parties in consultation with Sithe Global.

It should be noted that the tender was publicly advertised, and the specifications (based on a design-build type contract) were part of the tender package, and a pre-bid site visit was arranged. The tenders received were reviewed by a three-person evaluation team comprising of Mr. Walter Willis, Mr. Leon Goring and Mr. Gordon Gilkes, and the evaluation report was submitted ultimately to Cabinet for its no-objection.

During the course of construction in 2012, the scope was revised after taking account of third party inspections of the terrain, environmental consideration, maintenance requirements and the detailed negotiation ongoing with China Railway First Group.

- (ii) The cost of the amendment of the specifications of the Amaila Falls Access Road contract amounted to US\$1.9 million, taking the contract sum of Synergy Holdings Inc. to US\$17.3 million. This was the contract cost with Synergy Holdings Inc. when the contract was terminated. The current cost of construction of the Amaila Falls

Access Road, taking into account the separation of the project into lots and separate tendering, now amounts to US\$23.8 million, an increase of US\$6.5 million from the revised contract sum with Synergy Holdings Inc. The current costs include both changes in specifications and other changes in costs since 2010.

## **REPAIRS DONE TO TOYOTA LAND CRUISER PLL 6278**

### **Mrs. Garrido-Lowe:**

- (i) Can the Hon. Minister say how much money was spent in 2012, to repair Toyota Land Cruiser PLL 6278 in Region No. 8?
- (ii) Can the Hon. Minister say if the contract for the repair to the Land Cruiser was awarded by the Regional Tender Board of Region No. 8?
- (iii) Can the Hon. Minister say if the money for the repair to the vehicle was spent against Line Item 6264 of the Regional Budget 2012, for Region No. 8?

### **Minister in the Ministry of Local Government and Regional Development [Mr. Whittaker]:**

- (i) The following repairs were done to vehicle PLL 6278 in 2012. This vehicle was unserviceable at the time, the need for working vehicle to execute the mandate of the Region necessitated the repairs, which included:
  - (a) Complete change of all under carriage parts
  - (b) New bearings and bushings
  - (c) Electrical works
  - (d) Engine parts
  - (e) Servicing
  - (f) Alignment
  - (g) Breaks system

Date of Repair	Contractor	Vehicle	Costs
2012.12.17	G. Ramcharitar	PLL 6278	\$565,200
2012.11.07	M. Willie	PLL 6278	\$150,000
2012.01.20	G. Ramcharitar	PLL 6278	\$460,600
2012.05.21	G. Ramcharitar	PLL 6278	\$220,000

(ii) Yes.

(iii) Yes.

### **REPAIRS DONE TO TOYOTA LAND CRUISER PKK 2288**

#### **Mrs. Garrido-Lowe:**

- (i) Can the Hon. Minister say how much money was spent in 2012, to repair Toyota Land Cruiser PKK 2288 in Region No. 8?
- (ii) Can the Hon. Minister say if the contract for the repair to the Land Cruiser was awarded by the Regional Tender Board of Region No. 8?
- (iii) Can the Hon. Minister say if the money for the repair to the vehicle was spent against Line Item 6264 of the Regional Budget 2012, for Region No. 8?

#### **Mr. Whittaker:**

- (i) The following repairs were done to vehicle PKK 2288 in 2012. This vehicle was unserviceable at the time, the need for working vehicle to execute the mandate of the Region necessitated the repairs, which included:
  - (a) Complete change of all carriage parts
  - (b) Five new Mud Terrain Tyres
  - (c) New Shocks and Bushing
  - (d) Engine Parts

- (e) Servicing
- (f) Alignment
- (g) Breaks System
- (h) Replacement of Automatic Transmission

Date of Repair	Contractor	Vehicle	Costs
2012.07.17	Action Tyre	PKK 2288	\$1,409,382
2012.12.14	Action Tyre	PKK 2288	\$63,800
2012.12.28	Action Tyre	PKK 2288	\$498,000

(ii) Yes.

(iii) Yes.

**CONTRACTS AWARDED BY THE REGIONAL TENDER BOARD OF REGION NO. 8 FOR THE YEARS 2012 AND 2013**

**Mrs. Garrido-Lowe:** Can the Hon. Minister provide this House with a list of all contracts; including the dates awarded, monetary allocations and the name(s) of the contractor/company, awarded by the Regional Tender Board of Region No. 8 for the financial years 2012 and 2013?

*Answer attached.*

**NATIONAL OPHTHALMOLOGY HOSPITAL**

**Dr. Mahadeo:** Could the Hon. Minister say:

- (a) What kinds of services were offered over the years?
- (b) When was Laser Surgery started?
- (c) Is Retinal Surgery being done at the facility?
- (d) What number of persons had procedures done at the facility?

- (e) How many persons from out of Guyana accessed and received services at the facility?
- (f) How many Guyanese Ophthalmologists were trained over the last five (5) years?
- (g) How long will the Cuban Brigade continue to manage this facility?

**Minister of Health [Dr. Ramsarran]:**

**(a) (i) Surgical Procedure:**

- Cataract Surgery (Blumenthal Technique)
- Pterygium Surgery
- Minor Surgery
- Laser Treatment:

Posterior Bag Capsulotomy (Catarata laser) – a non-invasive laser procedure to eliminate the cloudiness that occasionally interferes with a patient's vision after cataract surgery.

Iridotomy (Glaucoma laser) – treatment for narrow angle glaucoma.

**(iii) Other services:**

- Intravitreal injection
- Refraction
- General ophthalmology consultation
- Internal medicine consultation
- Retina consultation
- Refractive surgery consultation
- Pre- and post-surgery consultation
- Ocular ultrasound

- Pachymetry (a visual field test that produces a map of your complete field of vision. This test helps to determine whether your vision has been affected by glaucoma.)
- Laboratory
- Pharmacy
- EKG

(b) 9<sup>th</sup> August, 2009.

(c) Retinal surgery is currently unavailable.

(d) Results obtained (July 2009 to December 2013)

- Number of cases seen – 124,454
- Total surgeries performed – 7,354
- Total cataract surgeries – 4,006
- Total Pterygium surgeries – 2,694
- Total laser – 654

(e)

Countries	No. of Patients
Trinidad and Tobago	7
St. Lucia	3
Cayman Islands	3
Suriname	12
Venezuela	10
Brazil	5

However, there is good reason to believe that scores of Guyanese residing in Suriname have already accessed services.

(f) Four.

(g) The Cuban Medical Brigade will continue to manage this facility until such time that our young Guyanese doctors take up post graduate studies and are qualified to serve. Ministry of Health is building the capacity with the training of Cuban-trained Guyanese Graduate doctors as Ophthalmologists. The Ministry of Health continues to train technical support staff such as Refractionist to complement the Specialists.

**Mr. Speaker:** Only the answer to question number nine has not been received. I am advised that that would be received very shortly.

## **MOTIONS RELATING TO THE BUSINESS OR SITTING OF THE ASSEMBLY AND MOVED BY A MINISTER**

### **SUSPENSION OF STANDING ORDERS NOS. 10(2) AND 38(9)(a)**

“BE IT RESOLVED:

That Standing Orders Nos. 10(2) and 38(9)(a) be suspended to enable the Minister of Finance to complete uninterrupted the reading of the Budget Speech for 2014 at the sitting of the National Assembly on Monday, 24<sup>th</sup> March, 2014.” [*Prime Minister and Minister of Parliamentary Affairs Mr. Hinds*]

**Mr. Hinds:** Mr. Speaker, I rise to move the following motion that Standing Orders Nos. 10(2) and 38(9)(a) be suspended to enable the Hon. Minister of Finance to complete uninterrupted the reading of the Budget Speech for 2014 at this Sitting of the National Assembly on Monday, 24<sup>th</sup> March, 2014.

*Question put and agreed to.*

*Standing Orders suspended.*

## **PUBLIC BUSINESS**

### **GOVERNMENT'S BUSINESS**

#### **MOTION**

#### **BUDGET FOR 2014**

**Mr. Speaker:** Hon. Members, we come to that time on our Order Paper when we have the item know as Budget for 2014. I invite the Hon. Minister of Finance to make his presentation.

#### **Introduction**

**Dr. Singh:** 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 2014 and, in so doing, I wish to indicate that pursuant to article 171, paragraph 2 of the Constitution, the Cabinet has recommended that the National Assembly proceeds upon this motion.

Mr. Speaker, even though we might, today, still be four short of 30 months into the current parliamentary term, this third Budget of the Tenth Parliament and the impending debate thereon inevitably offers some occasion for midterm introspection. In looking back at the first half of this term of office, it would take little effort to regurgitate the innumerable challenges of this unprecedented parliamentary configuration, styled by some 'a new dispensation'. Unavoidably, over the course of the imminent debate, the anatomy of these challenges will once again come under the microscope and will be dissected from every imaginable perspective.

Suffice it to say for now, our constitutional framework has been put to the test, the boundaries of parliamentary norms and traditions have been stretched, new judicial interpretations have had to be sought and obtained, and legislative decision making in support of national development has become considerably more complicated and significantly more protracted than ever before.

The headlines and conversations have been firmly seized and largely dominated by the more graphic parliamentary impasses, such as those on the Amaila Falls Hydropower Project (AFHP) and the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) (Amendment) Bills. These instances are merely illustrative of the gravely debilitating consequences of legislative stalemate.

Amidst all this and more, including persistently unhelpful external conditions, the task before this People's Progressive Party/Civic (PPP/C) Government has been to ensure that progress and development are not stymied or slowed in our country, a task to which we have remained resolutely faithful and at which we have still managed to accomplish much.

In the first two years of the current term, self-styled new dispensation notwithstanding, our Government has ensured the gains of our previous terms of office were extended on and built upon. Over the biennium, the Guyanese economy has continued to grow at an annual average of 5% at a time when growth in the Caribbean averaged 1.3%. Foreign direct investment (FDI) has totalled US\$507.7 million when FDI flows elsewhere have been contracting dramatically. Private sector credit has expanded by 34.6% cumulatively, and our external debt has declined from 46.7% to 41.9% of gross domestic product (GDP).

Over the same period, our Government has invested a total of \$89.8 billion in the education and health sectors, and a total of \$20.7 billion on our country's roads and bridges network. We have injected \$9.7 billion into the sugar industry, and spent a further \$6.2 billion subsidizing electricity in Linden and Kwakwani. We have increased old age pensions from \$7,500 to \$12,500 monthly. We have continued to pay water charges for old age pensioners and introduced an annual electricity subsidy of \$20,000 for the same target population. We have increased the income tax threshold from \$40,000 to \$50,000 monthly. We have introduced mortgage interest relief for first time homeowners, and we have reduced the personal income tax rate from 33 $\frac{1}{3}$ % to 30%. We have recruited over 290 new doctors, trained 6,465 teachers in information and communications technology, and distributed 10,286 new house lots.

Mr. Speaker, every day, chief executive officers of large companies, small business owners, and heads of households across our country grapple with the challenges of balancing amongst competing calls on finite resources. Worthwhile investment opportunities have to contest against each other for funding, consumption needs have to be prioritised, and savings have to be accumulated for unforeseen difficult circumstances. These choices are not drastically different at the national level.

As a country, we need to make the investments that are critical to raising quality of life for all our people. At the same time, we need to be constantly attentive to guarding the fiscal

sustainability that we have worked so hard to achieve and that could so easily be lost if the wrong choices are made today. We need to implement the catalytic and transformative projects that will see a truly modern Guyana emerge to take advantage of the opportunities of the future and realise our long term growth potential. At the same time, we need to address urgently the local nuisances that affect the day-to-day lives of our people. In all aspects of productive activity, we need to endeavour constantly to do more, and, at the same time, we need to endeavour constantly to do what we do better.

*2.59 p.m.*

Budget 2014 seeks to continue the work this Government has been doing to build a more modern and prosperous Guyana. It seeks to promote both the creation of employment and business opportunities and to better equip our citizens to avail themselves of those opportunities. It seeks to expand our physical infrastructure and improve linkages with our neighbours. It seeks to improve the quality of our social services and address the concerns of our citizens about the cleanliness of their physical surroundings. It seeks to further improve the competitiveness of our business environment and strengthen our institutions.

Mr. Speaker, we may attend Sitting after Sitting, and argue and compete in this National Assembly over matters that we regard as politically important in this seeming and terminable contest for political space. The bottom line is that the average Guyanese person should be able to engage in fulfilling economic activity either as an entrepreneur or in a job commensurate with the skills. He should be able to own his own home and realise that aspiration. He should have opportunities to raise the level of his professional and technical qualifications and be able to educate his children so that they can enjoy an even better quality of life than he would have. He should be able to access a decent public healthcare system and, importantly, he and his family should have good reason for being optimistic about the future and they should be motivated and incentivised for personal upliftment and upward mobility.

Ours is the obligation to ensure that these needs are met and that these aspirations are realised. In this August assembly, in all our deliberations and on every occasion we are required to make a decision or cast a vote we must constantly be mindful of this, and be guided always by the

answer to the question whether the choices we make will prove helpful or hindrance in meeting those very basic but eminently reasonable expectations of the Guyanese people.

Mr. Speaker, against this background, and continuing to be guided by the philosophy and principles outlined in our Manifesto and by the pillars identified in our first budget speech of the current term, our Government's commitment is to remain faithful to the task of ensuring steady and sustainable improvement of the quality of life enjoyed by the Guyanese people. Budget 2014 is therefore presented under the theme "*A Better Guyana for all Guyanese.*"

### **Global Economic Developments**

I will now review global economic developments. The global economy has finally started to display signs of recovery, lifting itself out of the harshest economic crisis in living memory, even if at a somewhat modest pace. Significant policy action and improved policy coherence are still needed if growth and job creation are to be accelerated.

Global output expanded largely on account of stronger demand in advanced economies and an associated export rebound in emerging economies. The world economy grew by 3% in 2013. The more advanced economies grew by 1.3%, with the United States economy leading this performance with growth of 1.9%, while the economies of Japan, United Kingdom and Canada each grew by 1.7%. In contrast, the economy of the euro area contracted by 0.4%. Emerging and developing economies grew more rapidly by 4.7%, with China maintaining its long trend of strong growth with 7.7 percent while India grew more moderately at 4.4%.

In 2014, the global economies projected to grow by 3.7 percent with 2.2% growth projected on advanced economies and 5.1% in emerging and developing economies. Growth in the US economy is projected at 2.8%, in the euro area at 1 % after two consecutive years of contraction, in China at 7.5% and in India at 5.4%.

Non-oil commodity prices declined generally in 2013, while oil prices recorded a modest increase. The latter peaked in September at US\$109 per barrel, and then declined later to end 2013 at US\$105 per barrel, 4.3% higher than at the end of 2012. The world market price for gold declined by 27.4% to US\$1,225 per ounce at the end of 2013, having fallen as far as US\$1,192 per ounce in June of last year, and having previously risen as US\$1,895 per ounce in September

2011. Aluminium prices ended the year at US\$1,740 per ton, 16.7% lower than the end of 2012. The world market price for sugar and rice declined by 14.5% and 20.9%, respectively, and that for wheat, decreased by 16.2%.

The economy of the Latin American and Caribbean region grew by 2.6% in 2013 and is projected to grow by 3.2% in 2014. The Brazilian economy grew by 2.4% in 2013 and is projected to grow by 2.6% next year. The Caribbean region recorded marginal growth of 1.3% in 2013 up from 1.2% the previous year, with commodity exporters still growing significantly more rapidly than tourism dependent economies, notwithstanding the moderation in commodity prices on the world market. In 2014 the outlook for the sub-region is still favourable with growth projected at 2.1%, and all Caribbean countries anticipate positive growth. Nevertheless Mr. Speaker several countries in the sub-region continue to grapple with the challenges of unsustainable debt burdens and scarce availability of financing for investment and development.

## **Domestic Macroeconomic Developments**

### **A. Real Gross Domestic Product**

Turning now to domestic macroeconomic developments; real Gross Domestic Product (GDP). Over the years, our Government has aimed at creating an environment where the private sector could invest in profitable enterprise, expand the production of goods and services, and create jobs. These efforts have resulted in a demonstrable more diversified productive base. It is this growing level of structural diversification, supported by our Government's attention to stable macroeconomic fundamentals and prudent public financial management, that has contributed to the economic resilience we have achieved and that has enabled us to withstand testing external and domestic shocks.

In 2013, the Guyanese economy recorded its 8<sup>th</sup> consecutive year of growth, with real GDP expanding by 5.2%. Non-sugar GDP grew even more rapidly by 6/3% reflecting the underlying strength of the other sectors of the economy.

It is of particular significance to note that the eight years from 2006 to 2013 represents the longest period of uninterrupted real economic growth in independent Guyana.

### **B. Sectoral Performance**

While the overall performance of the economy remained strong the sugar industry continued to struggle. Sugar production contracted by 14.4% in 2013 to 186,770 tons, extending further the industry's underperformance in recent years. The issues confronting the industry such as labour shortages and interruptions, irregular weather, and managerial capacity constraints are well known, and a more concerted effort is required to return the industry to a growth trajectory that will be consistent with viability and profitability.

The rice industry, on the other hand, had another favourable year with production of 535,439 tons in 2013, 26.9% over the previous year's output, and setting a new record for the highest ever annual production in the history of the industry. Ongoing investments in drainage and irrigation, increased acreage, and improved yields, together favour annual production of over 500,000 tons well into the medium term.

Production of other crops grew by 4.2%, while livestock production increased by 4.3%. The fisheries industry declined by 6.5%, due to some overfishing which resulted in a suspension of further industrial fishing licences and a reduction in the operational trawler fleet. The forestry industry grew by 5% a total production of 398,964 cubic metres.

The mining and quarrying industry recorded 8% growth over 2012. The gold industry in particular achieved total declarations of 481,087 ounces, 9.7% above the previous year, and a historic performance. Of particular note, last year's level of declarations represents the highest level of production in the history of the industry exceeding production levels even when Omai Gold Mines were at their peak. The fortunes of bauxite were somewhat more tempered; the industry registering an 11% decline in value added production. Diamond declarations increased by 56.9%, while stone production grew by 47.8%, the latter reflecting strong boom in construction activity across the country.

The manufacturing sector grew by 8%. This reflected growth in the manufacturing component of rice, aided by a 5.4% growth in other manufacturing, but offset partially by the decline in sugar manufacturing.

The service industries continue to record overall positive growth with 5.5% achieved at the end of 2013. This growth was led by the construction sector which recorded 22.6% growth as a result of vibrant expansion in private sector construction buoyed by the national housing drive and by

commercial construction as well as implementation of public sector construction projects. Information and communication grew by 5.9% reflecting continued growth in demand with increased availability of information technology products and services. Wholesale and retail trade declined by 0.9% consistent with reduction in imports of consumption intermediate and capital goods. Electricity and water output grew by 5.6%; transport and storage by 4%; finance and insurance by 11.2%; rental of dwellings by 5.6%, while other services declined by 3%. Public administration, education and health grew by 2.5%, 3.5% and 4% respectively, reflecting increased activity in the social sector.

### **C. Balance of Payments**

At the end of 2013 the balance of payments deficit was contained to US\$119.5 million. This outturn is attributed principally to current account developments including a decline in net current transfers coupled with higher service payments, along with a lower capital account surplus.

Export earnings contracted marginally by 2.8% to US\$1.4 billion mainly, due to a sharp decline in gold prices along with lower export volumes of sugar, bauxite and timber. Export earnings on sugar contracted by 13.6% to US\$114.2 million, due to an 18% decline in export volume, outweighing the 6.3% increase in prices. Rice export receipts expanded by 22% mainly on account of an 18.2% increase in export volume combined with a 3.4% increase in average export prices. Gold exports amounted to US\$648.5 million, a 9.5% decline compared to 2012. This was due to the sharp decline in averaged realised prices outweighing the 6% increase in export volume. In addition bauxite exports contracted to US\$134.6 million due to a 24.7% decline in export volume, outweighing the 18.6% increase in export prices. Timber exports declined by 1.4% to US\$38.5 million primarily as a result of lower export volume.

Merchandise exports declined by 7.5 percent to US\$1.8 billion. Across the categories, capital goods contracted by 9.7%, non-fuel intermediate goods by 3.3%, fuel and lubricants by 9.9% and consumption goods by 6.1%.

Net current transfers decreased by 15.7% to US\$353.2 million, due to lower receipts of worker remittances which declined by US\$141.1 million to US\$328.2 million. Net payment of services amounted to US\$37.1 million compared to US\$204.6 million due to a US\$107.1 million increase in non factor services.

The capital account recorded a lower surplus of US\$314.8 million compared to US\$418.3 million, attributed to some moderation in Foreign Direct Investment (FDI) concentrated mainly in the mining and quarry sectors. Total FDI amounted to US\$214 million compared to US\$293 million in the previous year.

Gross international reserves at the Bank of Guyana amounted to US\$767.9 million equivalent to 3.9 months of import cover at the end of 2013.

#### **D. Monetary Developments**

Monitory policy continues to focus on maintaining stable prices while promoting private sector credit. Net domestic credit by the banking system by the banking system is estimated to have expanded by 25.2% to \$123.9 billion in 2013.

Credit to the private sector expanded by 14.5% reflecting growth in all sectors.

The manufacturing, construction, engineering, personal and real estate sectors grew by 22%, 18/8%, 17.4% and 16.9% respectively. In addition, credit to mining and quarrying also grew by 13.9% followed by agriculture and rice milling which registered growth of 13.7% and 9.9% respectively.

#### **E. Prices and Income**

##### **a. Inflation Rate**

Domestic prices remained relatively flat throughout the year, aided by Government's continued financial support to the Guyana Power and Light Inc. (GPL) and other electricity suppliers, in order to contain electricity prices as well as close monitoring of fuel prices and taxes to dampen the pass through of imported price volatility. In addition, our continued emphasis on food production ensured an adequate supply of food commodities throughout the year and helped to moderate prices. Altogether these conditions resulted in consumer price index movement of 0.9% in 2013, the lowest rate of inflation in decades.

##### **b. Interest Rate**

During 2013, the weighted average lending rate of the commercial banks increased by 8 basis points to 11.16%. This reflected a marginal increase from 11.08% in 2012 but, notwithstanding this movement, private sector credit, as I just reported, continued to expand. The small savings rate declined by 36 basis points to 1.33% while the 91-day Treasury Bill rate remained stable at 1.45%.

c. Exchange Rate

Transactions on the domestic foreign exchange market contracted by 5.8% to US\$6.4 billion. Key exchange rates remained stable throughout the year, and at the end of the year the Guyana dollar was being traded against the US dollar at \$206.25 compared to \$204.5 a year ago.

d. Developments in Wages

Over the years our Government has ensured that public sector employees are granted steady increase in their wages and salaries despite prevailing physical constraints. In keeping with this commitment a 5% increase in salaries was granted to teachers in the public education system with effect from January, 2013, pursuant to the memorandum of understanding entered into between Government and the Guyana Teachers Union for the years from 2011 to 2015. Later in the year Government also granted a 5% across the board increase to all public servants and members of the disciplined services with effect from January, 2013, along with a 1 month's tax free basic salary incentive paid to members of the disciplined services in December, 2013.

In addition, during 2013 Government issued a new national minimum wage order, an initiative strongly supported by both the private sector and organised labour. This order introduced with effect from 1<sup>st</sup> July, 2013, and for the first time in our country's history a national minimum wage applicable to all sectors of the economy, public and private. Set at \$202 per hour, \$1,616 per day, \$8,080 per week or \$35,000 per month, this initiative would have benefitted an estimated 31,000 working persons. Prior to the promulgation of this order no national minimum wage was in force and only a small number, specific categories of employees, were the subject of sector specific minimum wage orders.

Furthermore, Government reduced the personal income tax rate from 33 1/3% to 30 percent in 2013, resulting in more than 184,000 tax payers benefiting from increased disposable incomes.

Together these initiatives contributed significantly to improving the wellbeing of the working people of Guyana.

## **F. Fiscal Position**

### **a. Non-Financial Public Sector**

The deficit of the non-financial public sector was contained to \$28.7 billion or 4.7% of GDP.

### **b. Central Government**

Total current revenue collections for 2013, net of inflows from the Guyana REDD + Investment Fund, popularly known as Guyana REDD+ Investment Fund (GRIF), amounted to \$135.7 billion, 4.8% over 2012, reflecting strong performance across several tax categories. Tax revenue collections which accounted for 93.3% of total revenue collections, net of GRIF inflows, amounted to \$126.5 billion, a 6.9% increase over 2012.

Internal revenue collections amounted to \$51.7 billion, an increase of 6.3% over 2012 collections. This is attributed to continued growth of the private sector as evidence by corporation tax collections increasing by 16.5% to \$21.6 billion, reflecting increasing in several sectors within this category, including financial, telecommunications and manufacturing. In addition net property tax collections from private sector companies increased by \$507.1 million or 29% as a result of significant arrears collected.

In contrast, personal income tax collections under the PAYE system contracted by \$955.8 million or 5.9%, and income tax on the self-employed declined by \$67.4 million or 2%, reflecting the reduction on the personal income tax rate from 33 1/3 to 30% with effect from January, 2013.

Customs and trade tax collections were \$13.2 billion, representing a 2.4% increase primarily attributed to increased collections of import duties.

Value Added Tax (VAT) collections totalled \$34.4 billion or 0.8% above 2012 collections. This was driven by a \$739.2 million or 3.8% increase in collections from VAT on imports. In contrast VAT on domestic supplies contracted by \$499.5 million or 3.4%. Excise tax collections

amounted to \$27.3 billion, 19.9% increase over 2012, primarily attributed to increased taxes collected on fuel which more than offset a reduction in taxes collected on motor vehicles.

With an increase of 7%, non interest current expenditure amounted to \$115.9 billion underlying this was a 106.6% increase in employment cost, 9.8 % increase in other goods and services and 1.3% increase in transfer payments. The increase in wages and salaries was due to the across the board 5% increase granted to all public servants, in addition to new recruitment as services expanded across the country in the Government sector. Increase in other goods and services was attributed to increased spending on social programmes, along with increased infrastructure maintenance. Increase in transfer payments was mainly on account of the increase granted to recipients of the old age pension, along with the introduction of the old age pensioner electricity assistance programme. Capital expenditure amounted to \$50.1 billion, an 11.2% decline mainly as a result of timing issues in execution of some projects.

c. Public Enterprises

Public enterprises recorded a deficit of \$1.6 billion compared to surplus of \$1.6 billion in 2012. This outturn is mainly attributed to the financial results of the operations of GuySuCo.

**G. Debt Management**

At the end of 2013 Guyana's total external debt stock stood at US\$1.2 billion a reduction of 8.3% from the previous year. This reduction was mainly the result of Government concluding two additional compensation agreements under the Petrocaribe arrangement which saw US\$281.1 million of oil debt effectively cancelled, equivalent to the value of rice and paddy exported by Guyana to Venezuela from July, 2011 to October, 2013. In addition, Guyana negotiated and concluded a debt relief agreement with Bulgaria which further reduced our debt by US\$2.9 million. Total external a debt service in 2013 amounted to US\$45.9 million or 7.9% more than in 2012, comprising principle repayments of US\$31.6 million and interest repayments of US\$14.3 million.

At the end of 2013, the total domestic debt stock amounted to \$98.8 billion, an increase of 5.7% over the previous year. This increase was largely due to the monetary operations of the Bank of Guyana. Noteworthy is the fact that the stock of Government debentures declined in 2013 by

20% or \$1 billion relative to the previous year following the payment the repayment of some debentures that matured during 2013.

Earlier this month, Government concluded negotiations and signed two further agreements that would reduce Guyana's outstanding external debt by a total of US\$91.3 million. The first was debt relief agreement that would write off 100% of Guyana's debt owed to the CARICOM Multilateral Clearing Facility, popularly called the CMCF. The amount of debt of debt outstanding in relation to the CMCF totalled US\$35.9 million. The second agreement was a further debt compensation agreement under the Petrocaribe arrangement that effectively cancelled US\$55.4 million of the oil debt owed to Venezuela equivalent to the value of rice and paddy shipped from October, 2013 to January, 2014.

*3.29 p.m.*

We will also continue to pursue debt relief from our non-Paris Club bilateral creditors, all with the aim of ensuring that we closely guard the very important achievement of debt sustainability into the medium term.

## **Sectoral Developments and the Agenda for 2014**

### **A. The Medium Term Outlook**

Mr. Speaker, I now turn to Sectoral Developments and the Agenda for 2014 – Medium Term Outlook. Our Government's vision is one where Guyana makes the leap from being a country of promise and potential, which it has been for a long time, to a country where that promise is fulfilled and that potential is realised. It is one where all Guyanese can live and work comfortably and harmoniously in pursuit of personal prosperity and the collective well-being. It is one where our country occupies a place of respectability in the global community of nations.

Progress in the realisation of this vision is already eminently visible everywhere. Our demonstrated track record of robust and sustained economic growth, the emergence of new technology based industries, the dramatically changing skyline of Georgetown and its environs, the mushrooming of entire new communities on previously unoccupied lands, the substantial plans made in achieving several targets within the Millennium Development Goal (MDG) framework and the global leadership Guyana now provides on issues like climate change, all

place us on a development trajectory that brings us even closer to the realisation of this most worthy vision.

The Guyana which we seek to build is one where the unique advantages of our geographic location and our historical and bilateral relationships, the vastness of our natural resources and the richness of our human resources are all harness in service to the national good that Guyana is one where we are better connected, infrastructurally, with our neighbours to realise more fully the benefits of integration and where, within our country our people are better connected across land, air and river to make our markets more efficient and to improve the ease with which our people with which our people can travel domestically. That Guyana is one where the domestic digital divide is eliminated, and where access to vast advantages of information and communications technology is universally enjoyed. That Guyana is one where our domestic energy requirements are met entirely by renewable sources and where we become an exporter of clean energy. That Guyana is one that is abundant in food supply, far exceeding our domestic requirements and making a tangible contribution to regional and global food security. That Guyana is one where every single Guyanese person has access to social services of a suitably high quality, and where our national health and education attainment indicators meet international standards. That Guyana is one where our physical environment is clean and habitable and where our surroundings are not despoiled of basic sanitation. That Guyana is one we would all be proud to call our home.

While we strive to achieve the lofty ideals which we hold dear for this better Guyana, we must pay equal heed to the details that often bedevil the achievement of the bigger goal. As a responsible Government, we make policy and allocate resources across all sectors to meet the national objectives, but Government policy and budgetary allocations alone will not take us to the desired destination. Of equal importance are the efforts of the teacher who ensures he or she is in the classroom on time and delivers the right material to ensure a well educated child, the efforts of the doctor and the nurse who are attentive to standards of quality care that will meet or exceed the patient's expectations, the efforts of the public servant who is focused on results and improving the way we deliver services across government, the efforts of the employee who goes the extra mile to be productive at work recognising, as he should, that the profitability of his

employer will determine the security of his job, the efforts of the citizen who takes care not to litter, but instead to maintain his or her surroundings.

Of equal importance, indeed, are the choices we make in this House recognising the paramountcy of our obligations to the people of Guyana, and being so guided in determining our support for the various initiatives intended to make Guyana a better place for all Guyanese, those initiatives around which Budget 2014 is built.

## **B. Low Carbon Development Strategy**

In the wake of the intensification of the adverse impacts of climate change, Government continues to forge ahead with our innovative climate resilient and low carbon approach to economic development backed by our unwavering commitment to good forest governance and stewardship.

Over the past year, our Government continued to work tirelessly at the multilateral level to establish a Reducing Emissions from Deforestation and Forest Degradation (REDD+) framework that sets the stage for future payments for forest conservation and sustainable forest management. To date, Guyana has earned three consecutive payments from Norway totalling US\$115 million within the framework of our Low Carbon Development Strategy (LCDS). In the last quarter of 2013, the annual third party audit of Guyana's performance under this partnership was completed, clearing the way for a fourth payment.

Mr. Speaker, 2013 was a notable year of progress for activities under the GRIF. A total of four GRIF projects, with a combined approximate value of US\$30 million, were in their implementation phases. Under the US\$7 million Institutional Strengthening project significant progress was made towards the development of Guyana's first national scale Monitoring, Reporting and Verification (MRV) System. Under the US\$6 million allocation to the Amerindian Development Fund (ADF), milestone disbursements were made to all 26 of the initial beneficiary communities for the implementation of their development plans in promoting sustainable village economies. Under the US\$5 million Micro and Small Enterprise Development project, applications for loans with reduced interest rates have already started to be processed for entrepreneurs with business ventures in low carbon sectors. Furthermore, in the

last quarter of 2013, the US\$10.7 million Amerindian Land Titling project was approved and commenced implementation.

In 2014, sums totalling US\$90.6 million have been allocated for continued implementation of the GRIF projects previously identified, along with new projects in the priority areas of adaptation, high potential low carbon sectors, hinterland development and low carbon infrastructure. Specific new interventions are expected to include ecotourism development, aquaculture development and rehabilitation works on the Cunha Canal. This second wave of projects will commence with a communication and outreach programme for the LCDS in the second quarter of this year, along with the development of a National Climate Resilience Strategy and Action Plan. In addition, a sum of US\$80 million is once again allocated to meet Guyana's equity contribution to Amaila Falls Hydro Power Project.

### **C. Transforming the Economy**

In 1993, some two decades ago, the traditional sectors of sugar, rice and bauxite accounted for 30.4% Guyana's GDP and 57.7% of our country's export earnings. Last year, these three sectors contributed 11% of GDP and 35.5% of export earnings.

Notwithstanding the evident progress made in diversification, itself a most commendable achievement, the sugar, rice and bauxite industries still provide direct employment to thousands across our country, support the livelihoods of tens of thousands more, and entire towns and communities depend on these industries as the main source of gainful economic activity. It remains within our grasp to harness the potential of these industries in an efficient manner to ensure that they make their optimal contribution to the economy of our country.

#### **a. Modernising the Traditional Sectors**

##### **(i) Sugar**

In 2013, sugar exports accounted for 8.3% of total exports valued at US\$112.2 million and the industry contributed 3.9% of our country's GDP. Approximately 18,000 families are directly dependent on the sugar industry for employment, making it still the largest employer of all industries in Guyana. In total, it is estimated that some 120,000 persons are directly or indirectly affected by the industry. The multiplier effects of the circulation of the incomes of these families

as they acquire goods and services contribute significantly to overall economic activity. In addition, through cogeneration in 2013, GuySuCo effectively supplied approximately 50% of electricity demand in the Berbice area. In short, the industry remains relevant to the health of the national economy.

GuySuCo must urgently increase production, lower cost of production, diversify target markets, and expand value added production in order to survive. At the same time, there remain some notable opportunities available to the industry to reverse its downward production trend. These opportunities include existing demand for approximately 70,000 tonnes of brown sugar within CARICOM which is currently being sourced extra-regionally, protection by a common external tariff within the region, the highest capacity in the region to produce sugar, capacity to process 50,000 tonnes of raw sugar annually for packaging, and existing market access to the European Union (EU) Sugar Regime until 2017 based on the recently reduced extension. In its plans to respond to these opportunities and to re-establish the vibrancy of the industry, GuySuCo undertook significant recent capital investments in field conversion and upgrade, agricultural management and factory modernisation. Going forward, GuySuCo aims to substantially advance the mechanisation process, increase yields through piloting the use of organic fertilisers, lower transportation and production cost, by improving access to sugarcane fields, create greater efficiency of the drainage and irrigation system, and establish a modern agricultural industrial complex at Enmore to produce direct consumption sugar. With a soon-to-be-appointed new board of directors and senior management, and the injection of more innovative thinking into both the strategic and operational challenges that continue to beset the industry, along with a more harmonised industrial relations climate, the emergence of a revitalised sugar industry is anticipated.

## ii. Rice

The excellent performance of the rice industry in recent years is a vindication of the substantial investments made by our Government in support of this sector. Investments in improved drainage and irrigation infrastructure, improved access to affordable fertiliser, ongoing attention to research and development to improve yields and facilitating access to the most favourable markets, have together served the industry well. Higher earnings as a result of continued high market prices have enabled ongoing recapitalisation in the industry over the last four years

valued at almost \$10 billion. In addition, the introduction of mechanisation in the planting process has helped to counter issues with labour supply.

The benefit of having attracted large scale investments into the sector also continue to abound. Work progressed on the US\$4 million Santa Fe project which saw the commencement of the construction of a silo and a rice mill on site. It is expected that during this year, rice cultivation will be increased to 2,000 acres in the area, and to approximately 5,000 acres in near term. The transformation that is taking place in the area is remarkable and the rice being produced is intended mainly to be exported to Brazil.

In the area of research, Guyana can now boast of having its first line of aromatic local rice variety with over 500 acres grown in 2013. It is anticipated that the expanded production of this variety will diversify our rice exports and reduce imports of similar types over the medium term.

Government recognises that despite the record production levels the sector is still grappling with the challenges of inadequate drying and storage facilities and need for greater value added production. In addition, the sector is vulnerable to some measure of geopolitical risk given our current export markets. Against this background, Government will continue to facilitate a suitable business environment to attract investments in the required areas, and mandate greater diversification of export markets to reduce the industry's existing vulnerability.

### iii. Bauxite

Despite the global markets being relatively unfavourable, turning to bauxite, our local bauxite companies continue to rise above the storm, with Bosai and Bauxite Company of Guyana Inc. (BCGI) investing sums exceeding US\$17.5 million in 2013. As in previous years, the fortunes of the two major bauxite companies continue to be mixed. Bosai's operations continue to be supported by relatively strong calcined bauxite prices of over US\$350 per tonne, while BCGI's operations continue to be challenged by costs that exceed prevailing market prices.

Increasing production and investments are nevertheless expected to continue with both Bosai and BCGI, and with a new transshipment port and dry docking facility soon to be constructed in Trinidad and Tobago, the future prospects seem brighter. BCGI is also expected to exceed investments of US\$20 million on the development of the Kurubuka deposit, which is expected to

commence during 2014. In the coming year, Bosai's projected investments will be substantially applied towards the conversion of heavy fuel oil to coal for the production of energy for their kiln which will promote energy efficiency.

iv. Gold

The gold mining sector has for another consecutive year played an important role in the domestic economy and as I have already reported, delivered record breaking production. The industry remained resilient to price shocks with growth only minimally affected as evidenced from the retention of jobs and the attendant multipliers in economic activity.

Despite the more cautious response by the global markets to the price shocks, the prospects for large scale mining in Guyana are still very real. Mr. Speaker, demonstrated investor confidence remained unshaken where large-scale projects for gold in Guyana are concerned. The Guyana Goldfields project at Aurora is advancing aggressively for late 2014 start up, which is earlier than originally projected and Troy Resources or Pharsalus in the Kaburi area is on stream for late 2014 start up, if not earlier. The ETK/Sandspring project at Toraparu is also poised for further developmental works geared to production starting up by 2015. Collectively these injections of Foreign Direct Investment (FDI) are anticipated to increase production significantly, along with industrial and commercial linkages, which together bode well for Guyana's economy on the whole.

b. New and Emerging Sectors

i. Information and Communication Technology

Mr. Speaker, our Government has long prioritised information and communication technology (ICT) as a strategic catalyst for accelerating economic and social development across Guyana. In keeping with our national ICT for Development (ICT4D) strategy drafted in 2006, and consistent with our manifesto promises to provide every family with access to ICT, expand infrastructure, attract and promote private investment in ICT enterprises, embed IT in the learning process in the school system, and develop online delivery of university courses, we have worked tirelessly to deliver these undertakings.

As we continue to implement the One Laptop Per Family (OLPF) initiative, 2013 saw an additional 9,052 laptops distributed to beneficiaries in Regions 4 and 5, resulting in a total of 35,884 laptops being distributed to date. Additionally, 3,494 recipients completed training in basic proficiency in the use of the computer. Hundreds of children can now do homework in the comfort of their own homes instead of having to go to an internet café or other public facility. Complementing this initiative are efforts to embed ICT into the learning process which have resulted in more than 90% of our secondary schools having functioning information technology (IT) labs. In 2013, \$2.1 billion was invested by the Government to implement the e-Government project.

In the area of legislative infrastructure, the Telecommunications Bill and Public Utilities Commission (Amendment) are currently under consideration by a Special Select Committee of this Honourable House. The passage of this suite of legislation will undoubtedly level the proverbial playing field for private sector entrants into the industry, increase competition, and lower of cost of related services to the end user.

Recognising the importance of ICT to our modernisation efforts, Government will continue to invest in the sector. The sum of \$1.1 billion is budgeted in 2014 for the completion of works under the e-Government project. The OLPF initiative will be re-launched and reinvigorated, and will benefit from a budgeted \$2 billion for the acquisition of a third batch of laptops. We anticipate in 2014, an estimated 17,948 laptops being distributed. Before the end of the year, 100% of our secondary schools will have functioning IT labs.

It is equally important to note that, as Government continues to invest in the sector, private sector investments are materialising in response, aiding in the transformation of the economy with the growth of the business process outsourcing (BPO) industry. This industry, which did not even exist a decade ago, now employs thousands of persons, making it the single fastest growing industry in terms of job creation over the past decade. Guyana is now recognised amongst the preferred destinations for investments in the business process outsourcing industry and new entrants are seeking to locate operations in Guyana while existing investors are seeking to expand their operations. During 2013, Qualfon commenced construction of a new facility in Guyana described as one of the largest contact centres in the world and which will see the creation of 6,000 new jobs for young Guyanese over the next five years. Our Government will

continue to create the appropriate environment to attract investments that increase employment and boost growth. In this regard, the BPO industry, as it is called, will be a key driver of job creation in the years immediately ahead.

## ii. Oil

Activity in the oil industry maintained a positive trajectory during 2013. Despite initial challenges, CGX Resources Inc. remained optimistic about the prospects within their offshore prospecting areas, while a similar state of determination was also evident with Repsol Exploracion Guyana S.A., they, together with partners Tullow Guyana B.V., plan an aggressive programme to unveil the geological complexities of the block. Both Esso and Shell have been preparing with surveys of their own and prior actions to be consistent with a favourable analysis for further defining exploration activity. Regrettably, Anadarko Guyana Co. was obstructed from conducting a geophysical survey in their Roraima Block within Guyana's maritime area by a Venezuelan Naval Frigate, an action which has curtailed that company's programme in the ultra deep offshore waters. Onshore activity along the coast has been limited, with one company conducting a geochemical survey in the Mahaica area, meanwhile another was reflecting on their options for their project in the Takutu Basin.

Expectations in the sector run high and in an effort to strengthen our national management capability, Government undertook to develop a policy which seeks to address such issues as licensing and contracting, fiscal framework, capacity building, transparency and accountability, environmental management and measurement indicators. This is intended to guide the creation of an institutional framework that will ensure greater predictability for all entrants into Guyana's upstream oil and gas sector.

## iii. Agricultural diversification

The challenge facing us and the world today is the creation of sustainable food production systems within the context of climate change. Our Government intends to remain focused and proactive in ensuring that all of the value chain actors, farmers, agro processors and exporters, capitalise on the many opportunities available in the sector and are equipped to confront the threats they might face.

In 2013, a total of \$2 billion was spent on agricultural diversification initiatives. Mr. Speaker, in 2014 a total of \$1.5 billion is budgeted to be spent on this sector. As part of our continued drive to increase large scale private investments in the sector a 10,000 acre Canje Basin investment will be added to the landscape joining the Santa Fe mega-farm investment. It is expected that potential crops under the Canje Basin project will include rubber, acacia, corn, soya, quinoa, and legumes with a focus on increasing exports to Trinidad and Tobago. We will also promote sustainable development of inland fisheries and aquaculture, and support fishermen in rebuilding cooperatives and in simplifying the licensing system for artisanal fishing. We will also establish, in 2014, a Guyana Agriculture Research Oversight Committee (GAROC) to implement our national agriculture research agenda.

Focus will be placed on enhancing milk production to reduce milk exports, along with promoting greater self sufficiency in the production of poultry and other meats. Emphasis is also being placed on expanding the range of crops to reduce importation with specific focus on carrots, garlic, cauliflower, broccoli, ginger and others, all with the aim of reducing imported volumes. Government will also work closely with supply chain agents to lower transportation and transaction costs and with farmers to ensure a constant supply of raw material. In addition, the resilience of the sector will be bolstered with the launch of the Agriculture Disaster Risk Management plan.

#### iv. Tourism

Tourism remains one the sectors in which Guyana has a strong comparative advantage given our vast and diverse endowment of nature, our geographical location, and the advantage of a large diasporic market. With these advantages in mind, Government continues to pursue initiatives to ensure the development of a vibrant and sustainable tourism industry.

In 2013, visitors' arrival totalled 200,122 reflecting a 13.3% increase over 2012, while hotel and hospitality facilities recorded an occupancy rate of approximately 76%, relatively unchanged from 2012. Also, during 2013, work commenced on the development of a hinterland tourism development plan and focus continued to be placed on community based tourism.

*3.59 p.m.*

Government continued to reach out to the international media through familiarisation trips and social media and attracting prominent film and television producers to our shores. These methods have proven to be most effective and a number of documentaries were filmed in 2013 to be aired in 2014.

In 2014, a number of related developments will see the foundation laid for accelerated growth in the industry. As a direct result of Government's ongoing efforts to increase airlift capacity and expand route options, two new Latin American airlines announced the introduction of flights to Guyana with effect from the current year. I would not want, Mr. Speaker, to quell my colleagues' enthusiasm and most justifiable that enthusiasm is. Referring to these two Latin American airlines, the first, the Venezuelan flag carrier, CONVIASA, commenced flights between Puerto Ordaz and Timehri in January, 2014. In addition, the Panamanian flag carrier, COPA, announced the introduction of flights between Panama City and Timehri from July, 2014. These two new services will dramatically improve the ease of travelling between Guyana and Latin America and beyond including, in particular, through connections with destinations such as on the United States west coast. These developments supplement the introduction, in July, 2013, by LIAT of a daily service between Barbados and Ogle, adding to that airport's growing operations as a regional hub. Other airlines already offering daily services to Suriname and express courier flights to Trinidad from that Ogle regional hub.

Also in 2014, Guyana's premium hotel room stock will be given a significant boost with the opening for commercial operation of the five-star Marriott Hotel. This 197 room full service hotel will include an entertainment complex along with conference and banqueting facilities and a promenade. The Marriott is the first major international brand to come to Guyana in over 40 years and in terms of range of hotel products and quality of service the Marriott brand will raise the bar in Guyana. It is expected that the facility will create direct employment for over 300 Guyanese and indirect business opportunities for a wide cross section of suppliers of goods and services. In addition to the Marriott, it is expected that one other major international brand is likely to announce shortly their intention to open operations in Guyana.

In addition, focus will continue to be on such areas as strengthening institutional capacity, marketing and product development. A number of policies will be developed in an effort to further advance the sector in a number of areas, including cross border travel, multi-destination

packaging, group travel and temporary importation of vehicles for recreational purposes such as safaris. Over the years, Guyana has continued to participate at European tradeshows which attract the highest numbers of nature and adventure travelers. In 2014 we will participate for the first time at trade shows in Latin America. Also among the objectives for this year is the completion of the Hinterland Tourism Development Plan and commencement of its phased implementation from September, 2014. With all these developments on the horizon, the tourism industry is poised to be another major driver of growth and job creation in our country, looking ahead.

v. Small Business

Turning to small businesses, small business development continues to be an important vehicle for advancing the economic viability of the individual and the economy as a whole. Government, recognising the challenges of financing and limited scale, will continue to provide tangible support to our small and medium sized enterprises to overcome these hurdles and accelerate their growth and ability to contribute to the development of the economy across all sectors.

Among the initiatives targeting Small and Medium Enterprises Development (SME) development, Government has sought to ensure greater access to affordable financing through three new facilities. The first is a Credit Guarantee Fund under which resources will be provided for up to 40% of the collateral requirement for any loan to a maximum of \$12 million. The second is a Low Carbon Grant Scheme that will provide a maximum of \$300,000 per applicant as a grant or partial grant to set up or expand businesses in a low carbon sector. This grant can be used for such things as equipment upgrade, technological innovations, legal and regulatory standards compliance, research and development and marketing. The third is an Interest Payment Support Facility to provide reductions on interest costs to existing loans. Beneficiaries under the Credit Guarantee Fund are eligible but a higher interest rate reduction determined by the Partner Financial Institutions (PFIs) will be granted to those businesses in the priority areas of the low carbon sector such as fruit and vegetable farming and processing, aquaculture, eco-tourism, sustainable forestry, wood processing, business process outsourcing and bio-ethanol production. Further, Government has negotiated special concessions for these financial institutions which will allow the SME beneficiaries to access financing at a maximum interest rate of 6% per annum. In 2013, a sum of \$360 million was expended in support of these three financing sources.

Over 30 loan applications are currently being assessed and processed and over 2,200 jobs are expected to be created and sustained. In 2014 the sum of \$212.6 million is allocated to continue these facilities.

Approximately 340 entrepreneurs benefitted from training and a further 1,000 persons will be trained in 2014 in business development and technical skills such as record keeping, market research, entrepreneurship, and other relevant areas.

The registration of existing SMEs in the national database is a crucial step for ensuring that the said SMEs are eligible for government financing and support. A management information system will be established and an additional 1,200 small businesses are expected to be added to national register thereby increasing the numbers of small businesses registered to 3,385.

In January 2014, the Board of the Linden Enterprise Network (LEN) was officially announced and installed to continue to offer the critical services previously provided by Linden Economic Advancement Programme (LEAP) and LEAF to Linden and indeed to the Region No.10 community. These services include business development, business incubation, training and technical assistance in entrepreneurial skills, product development, employment readiness, provision of business advisory services and a credit facility similar to the revolving fund concept under the LEAF. This programme specifically aims to generate long-term employment, encourage new business ventures and assist the Linden private sector to expand businesses opportunities through an inward investment policy. The initial start-up seed capital of \$50 million for the venture is already available and LEN will be fully operationalised this year.

Government's resolute commitment to female single parents and female headed households is demonstrated from its ongoing support to the Women of Worth (WoW) Programme, through which the beneficiaries are provided with access to credit at a rate of 6% per annum to start and grow their businesses. An additional 44 loans were issued in 2013 valued at \$9 million. However, the level of non-performing loans remains a matter of concern and in collaboration with the supporting bank an extended outreach and targeted training to delinquent customers has already begun.

#### **D. Physical Infrastructure for Transformation**

a. Roads and bridges

Government recognises that investment in physical infrastructure remains a critical prerequisite to accelerated economic development given the existing infrastructure gaps. Improved linkages with our neighbours, within our borders, between producers and consumers, across and within communities, all lend themselves to improved competitiveness and connectedness.

In 2013, Government invested \$11.3 billion to continue the construction, rehabilitation and upgrade of our roads bridges.

In 2014, an amount of \$13.7 billion is budgeted to improve our roads and bridges network. Of this sum \$12.9 billion will be spent on roads and \$844.2 million on bridges. The four-lane access road to the Cheddie Jagan international Airport (CJIA) and the East Bank Demerara four-lane highway are slated for completion this year and will alleviate much of the current traffic bottlenecks and improve safety. Works will commence on the West Coast Demerara Road and will improve pavement rehabilitation, pedestrian and cycle lanes in selected high traffic areas and street lighting. The widening of the East Coast Highway will continue and road reconstruction and the upgrading of Better Hope to Belfield will commence. Construction of the Parika/Ruby backdam will commence, thus opening up access to over 330 farming households and over 2,000 acres of mixed crop farming. Engineering designs for the Canal Polder Nos. 1 and 2 roads and feasibility studies and designs for the extension of the highway from Diamond to Timehri will be undertaken. On the East Bank Berbice, studies and designs will be completed and the complete reconstruction of 6 kilometres from Stanleytown to Everton and upgrade of 11.5 kilometres from Belle Vue to Light Town will commence.

Also in 2014, we will complete a financial feasibility study for the construction of a bypass road from Ogle to Eccles which will open new areas for development and investment and create a second route to reduce the congestion for the East Bank Demerara traffic. This will constitute the first phase in the development of an alternative route to the CJIA thereby linking our two international airports and opening up a new development corridor for the East Bank Demerara. An amount of \$7.7 billion is allocated for the improvement of rural, community and hinterland roads and for street lighting from Belle Vue to Patentia.

Negotiations have advanced substantially between the Brazilian and Guyanese technical working groups regarding the preparation of a design study for the construction of the Linden to Lethem road. The technical assessment for alternative transport options, including the cost benefit analysis of a rail link to ultimately connect with the deep water harbour and container port on the Berbice River will be completed. In addition, our Government has collaborated with the Surinamese Government for the construction of a fixed bridge over the Corentyne River. Resources are budgeted to upgrade the road link from Springlands to Moleson Creek and to prepare the bridge terminal facility. Further, the feasibility study for the new Demerara Bridge has been completed, and Government has invited expressions of interest for a public-private partnership for its construction and budgeted \$338 million for critical works to extend the life of the bridge in the mean while.

b. Air and river transport

Meeting the growing demand for reliable and efficient airlift and riverine transport services to enable safe, easy and cost effective movement of people and goods remains a priority for our Government.

A total of \$1.1 billion was expended on the expansion and modernisation of the CJIA in 2013. \$67.2 million was disbursed for the maintenance of hinterland airstrips while \$80 million was spent to procure an Automated Dependent Surveillance Broadcast System to bring the precision and reliability of satellite based surveillance to our national airspace.

In 2014, a total of \$6.6 billion has been budgeted for the CJIA. Additionally, \$231.1 million is allocated for the rehabilitation and maintenance of hinterland airstrips and a further \$773.9 million is budgeted for dredging equipment, ferry vessels, and spares and for the rehabilitation of stellings.

c. Sea and river defence

Rising sea levels continue to threaten our already vulnerable coastland. As we continue to utilise new and emerging technologies for the improvement and sustainability of the structural integrity of our sea and river defence infrastructures, we are simultaneously promoting experimental soft and hard interventions.

In 2013, the sum of \$1.7 billion was disbursed for the improvement of our sea and river defence infrastructure.

In 2014, the sum of \$1.9 billion is budgeted to ensure the further strengthening of this infrastructure. Critical works will be done in Regions 2 to 7. The mangrove restoration and replanting programme will continue with the planting of 50,000 mangrove seedlings, spartina grassing in selected areas, the construction of geotextile breakwater structures and the hydrological restoration of Wellington Park mangrove site.

Looking ahead, Government will invest more than US\$65 million over the next 5 years in infrastructural works and coastal zone management systems, which will benefit almost 90% of our population.

d. Drainage and Irrigation

Government continues to place added emphasis on the improvement of our drainage and irrigation systems in an effort to reduce the vulnerability of our coastal belt to annual flooding. In 2013, Government expended \$5.8 billion in this sector. In 2014, a total of \$6.9 billion is allocated for the completion of drainage and irrigation structures for the Northern Relief Channel Project, the completion of Hope/Douchfour Public Road Bridge, the construction of nine new drainage pump stations at Windsor Forest, Canal Polder, Pine Ground, No. 66 Village, Paradise, Gangaram, Eversham, No. 43 Village and Lima and the rehabilitation of intake structures and sluices at Ann's Grove, Hope, Annandale and Nancy. A new project is being designed with targeted interventions for drainage works to reduce potential future flooding particularly in connection to the East Demerara Water Conservancy.

e. Energy, Power Generation and Supply

Our Government remains unwavering in its commitment to ensuring that our people benefit from a more reliable, dependable and affordable supply of energy, and that our country successfully pursues the path of sustainable electricity generation from renewable resources for domestic consumption as well as for developing a regional market for energy.

In line with the latter objective, we are pursuing initiatives with both Caribbean and Brazilian private sector partners to harness our vast hydropower capabilities to becoming a supplier of

sustainable and renewable energy to our regional and hemispheric neighbours. To this end, an Memorandum of Understanding (MoU) establishing a Guyana-Brazil Joint Technical Group has been concluded which mandated the group to identify concrete actions and timelines for the construction of a hydroelectric plant in the Mazaruni and the transmission lines necessary to export electricity to Brazil and further afield.

In 2013, we had hoped to have been well underway to realising the Amaila Falls Hydro-power Project (AFHP) through which we would have become self sufficient in electricity generation from this renewable green technology. However, the expectations of our people for hydropower and lower cost energy have remained stymied. Notwithstanding exhaustive efforts by both Government and the internationally reputed private sector partner to keep Parliamentary Parties and other stakeholders informed, this House still failed to grant unanimous consent to the legislation prerequisite to a project so essential to realising a better Guyana. Nevertheless we remain resolute and have reengaged with existing partners with the continued aim of the anticipated transformation that will be ushered in by this project. In addition, in 2013, an amount of \$10.6 billion was invested in the energy sector.

In 2014, \$7.7 billion is allocated to this sector. In excess of \$200 million has been budgeted for the implementation of activities targeting improved management capacity and capabilities, operational efficiency and loss reduction. Also, four new substations will be completed at Liliendaal, Ruimveldt, Golden Grove and Columbia, the substation at Onverwagt will be upgraded, transmission lines will be installed from Columbia to Onverwagt and new fibre optic cables will be laid from Sophia to Garden of Eden. As it relates to interventions promoting loss reduction, the rehabilitation and reconfiguration of distribution networks will continue. The re-metering programme using smart meters, will continue utilising modern technology to combat the theft of electricity. These initiatives are critical for the efficiency of GPL and in ensuring that GPL is prepared to be a capable off-taker for the AFHP.

With respect to hinterland electrification, 2014 will see the completion of the distribution network in Matthew's Ridge, expansion of the network in Port Kaituma and the distribution of 540 solar home systems to 10 hinterland villages benefiting in excess of 3,000 hinterland residents. Further, residents will continue to receive training to operate and maintain these units. Government also remains committed to the micro-hydropower interventions in the Chiung River

at Kato and is currently reviewing the design and financing arrangements to make this project a reality. Additionally, in excess of \$200 million has been budgeted for the relocation of the power plant in Lethem and the upgrading of power supply in Culvert City, Mahdia and Linden.

Notably, in the area of energy efficiency, GPL's largest customer, Guyana Water Inc., will be investing approximately \$338 million in an effort to improve operational efficiency through more efficient electromechanical and energy management.

Further, the Guyana Energy Agency (GEA) continues its efforts in ensuring the efficient management of energy and encouraging the utilisation of renewable and sustainable energy sources

## **E. Investments in Our People**

### **a. Education**

The new Education Strategic Plan for 2014 to 2018 is currently being finalised and is anticipated to focus on improving literacy rates, early childhood development, teacher training, enrolment in single sciences, technical vocational educational programmes and more structured partnerships with private sector providers and parents. In 2013, \$28.5 billion was expended towards the final year of the last strategic plan. In 2014, the sum of \$32.3 billion has been allocated towards the implementation of the first year of our new Education Strategic Plan.

This year we have allocated \$2.9 billion towards the construction, rehabilitation, extension and maintenance of our educational facilities including a new and expanded Zeeburg Secondary School and the Kato Secondary Complex. Moreover, we will commence implementation of a US\$10 million Universal Secondary Education initiative, which will facilitate the construction of new schools and provision of materials for improved teaching techniques and technology assisted learning. Our teacher training college will continue to offer their existing programmes, as well as focus on the appraisal and development of their lecturers including having some teachers pursue postgraduate education. We will intensify our efforts to eliminate illiteracy. We will allocate resources in ICT to ensure that an additional 2,500 teachers are trained and, as I have already indicated, all of our secondary schools will be equipped with computer laboratories before the end of this year.

We recognise that equipping our young people with technical vocational education training (TVET) skills linked with entrepreneurship training is an assured option for enabling their own prosperity and this year we will expand opportunities to include occupational programmes to support the mining and hospitality industries.

Continued emphasis will also be placed on tertiary education with an allocation of \$1.4 billion towards the operation of both campuses of the University of Guyana, inclusive of \$450 million for our student loan programme. Later this year our students will have the option of online degree programmes for the first time ever as the result of an investment made last year. Also, through the University of Guyana Science and Technology Support initiative, 14 science and technology buildings will be rehabilitated and equipped and a feasibility study for the new Centre of Excellence for the Study of Biodiversity will commence. Further, 17 programmes have been identified for curriculum reform which will be designed and tested over a three-year period.

#### b. Health

Government recently launched the updated National Health Strategy, Health Vision 2020, for the period from 2013 to 2020. The strategy seeks to integrate the delivery of quality, effective and responsive health services and prevention measures to improve the nation's well-being. Government remains unwavering in our commitment to securing access for all to public healthcare services without suffering financial hardship.

The public healthcare system expended in excess of \$17.7 billion in 2013. In 2014, \$21.5 billion has been allocated towards the sector for the achievement of its strategic goals. Of this amount \$2.4 billion is budgeted for construction and upgrade of health care facilities countrywide including the Port Kaituma District Hospital, Linden Hospital Complex, Kwakwani Hospital the acute care facility at the National Psychiatric Hospital and the Georgetown School of Nursing. Also, \$910 million is allocated for the specialty hospital while \$382.7 million is allocated for the purchase of medical equipment. \$117 million is allocated for the purchase of 12 ambulances which represents a 40% increase in the national fleet.

In our efforts to continue both primary and specialised health training over \$428 million has been allocated to train 20 additional post-graduate residents and upgrade over 4000 providers.

4.29 p.m.

In keeping with Government's focus on maternal and child health, Government will continue to prioritise resource mobilisation for improving maternal health and efforts will be made to accelerate the achievement of this millennium development goal in collaboration with our developmental partners. As such, in 2014, the sum of \$50 million is allocated to commence the extension of the maternity facility at the Georgetown Public Hospital. This will ensure increased bed capacity while a further \$22.6 million is allocated for the establishment of maternity waiting homes in Lethem and Bartica to cater for antenatal high-risk mothers.

Recognising the growing incidence of personal and domestic violence, the provision of services in mental health will focus on the prevention and management of suicidal behaviours. In 2011, a cost of illness assessment for non-communicable diseases (NCDs) was conducted in Guyana and found the annual direct and indirect costs accruing from these NCDs amounted to over \$40 billion. A national commission is soon to be established to oversee the accelerated implementation of the national plans for prevention and control of NCDs and \$50 million has been allocated to launch a public education and outreach campaign.

#### c. Housing

Our vision for the housing sector is to further the realisation of better living conditions for Guyanese through the development of sustainable and viable communities and we will not stop until every Guyanese is able to have access to adequate and affordable shelter. To this end, continued attention will be placed on developing new housing schemes, consolidating existing schemes, increasing the provision of turnkey homes, expanding the construction of core houses, increasing access to affordable housing and financing for housing, integrating new housing areas with existing neighbourhood democratic councils, and increasing occupancy.

In 2013, a total of \$3.2 billion was spent in this sector for the conduct of eight One-Stop-Shop outreaches which contributed to 4, 417 lots being allocated and 5,326 titles processed. Several new housing schemes were developed or consolidated with existing ones benefiting over 30, 000 persons. Through the public-private turnkey housing initiative, more than 90 single flat concrete houses were constructed and under the Young Professional Housing Programme 55 homes were surpassing the 48 homes targeted. Under the Core House Pilot, 127 core houses were completed,

enabling an additional 580 persons to benefit from improved housing, while an additional 153 subsidies were disbursed under the coastal home improvement programme valued at \$30.6 million, resulting in improved living conditions for 627 persons. Another 130 hinterland home improvement subsidies valued \$107.2 million were also granted increasing access to affordable shelter by the most vulnerable communities.

In 2014, Government has allocated \$4.4 billion to the housing sector. We will allocate 5,900 house lots and process and distribute 4,100 land titles to new landowners. Housing scheme development will continue at Eccles, Diamond, Anna Catherina, Uitvlugt, Bath, and No. 77 Village, among others. In addition, through the continuation of the public-private turnkey initiative, another 100 houses will be constructed and an additional 50 police officers, nurses and teachers will be allocated land to construct their homes. The sector will also see the completion and distribution of another 176 core houses, distribution of another 134 coastal home improvement subsidies valued at \$26.8 million and an additional disbursement of 54 hinterland subsidies valued \$54 million, benefiting a total of 1,248 persons.

#### d. Water

Government's investments in the water sector seek to expand safe, adequate and affordable water coverage across the length and breadth of the country. As such, emphasis will be on the replacement of electro-mechanical equipment and infrastructure, continued construction of new water treatment facilities, the extension of the network and rolling out of the metering programme.

Over the past year, an amount of \$2.4 billion was expended in this sector of which \$649.1 million was spent to begin construction of two new water treatment plants, the installation of over 30 kilometres of transmission and distribution mains, and the upgrade of 1,500 service connections benefiting residents of Linden. Additionally, works continued on drilling of several wells including exploratory drilling at Mabaruma. Works also commenced on the installation of transmission and distribution mains in Regions 3, 5 and 6 and \$160 million was spent on the Hinterland Water Supply Programme which benefited over 15,000 persons.

In 2014, over \$2.5 billion is allocated to water. This will be spent on the drilling, construction and completion of wells in Cotton Tree, Hope, Mon Repos, Sparendam and Sophia, the

construction of water clarifier and filter at Bartica and Eccles, the construction of service connections in East Berbice and Linden, and the installation of transmission and distribution mains in areas such as Vergenoegen, Victoria, Crabwood Creek, Angoy's Avenue, and Bartica. Further, the two water treatment plants at Wisroc and Amelia's Ward will be completed, benefiting more than 30,000 residents in Region 10. Additionally, water supply improvement works will be done in hinterland communities in areas such as Santa Rosa, Arau, Taruka, Kanapang, Kathur, Aishalton and St. Ignatius, benefiting approximately 20,000 residents.

Furthermore, with electricity charges soaring to approximately 60 per cent of production costs, as I have already indicated, the Guyana Water Inc. (GWI) will be implementing initiatives aimed at reducing its electricity bill and to this end, it has already completed a comprehensive energy audit.

e. Sanitation

This Government remains committed to ensuring that a safe and efficient sanitation system is established for the management and disposal of municipal solid waste and sewage in order to protect the health and well-being of our citizens.

In 2013, a sum of \$546.5 million was expended towards the continued rehabilitation of the Georgetown sewer system, along with the rehabilitation of 24 pumping stations. We have developed a draft Solid Waste Management Act which seeks to establish a comprehensive legal and institutional framework to improve the conditions for waste management countrywide. We have established a National Solid Waste Management Division and we would develop solid waste management plans which will tackle the collection, transportation and disposal of solid waste.

In 2014, the sum of \$544.6 million is budgeted for the completion of the sewer system in central Georgetown, the sewer outfall in Georgetown and the sewerage pumping station at Tucville. The draft Solid Waste Management Bill, to which I just referred, is also being reviewed and is expected to be tabled in this honourable House later this year. A sum of \$1.1 billion is budgeted for the completion of civil works and for operational expenses at the Haags Bosch Sanitary Landfill which currently processes 320 tons of solid waste daily. In addition, we have commenced a pilot project on composting and a public awareness campaign on management and

disposal of solid waste. These issues strike at the core of our nation's health and our individual responsibility for keeping our environment clean.

f. Vulnerable Groups and Other Targeted Interventions

i. Children

Government's relentless efforts to ensure the wellbeing and safety of our children continue unabated.

Work was concluded on the development of the Childcare and Development Services Regulations which contain the requirements for residential care facilities. Efforts by the Childcare and Protection Agency (CPA) prevented 2,432 children from being separated from their families, while 519 children were removed from abusive situations and 205 placed in a family setting through the foster care programme.

In 2014, a sum of \$382.5 million has been allocated to consolidate efforts made toward the delivery of childcare and protection services. Approximately 300 day care facilities are expected to be assessed and the staff advised and trained on regulatory requirements for licensing. In addition training will be conducted in all regions to equip approximately 2,000 parents and primary care givers with skills and information to improve their parenting capacity. Increased emphasis will be placed on strengthening inter-agency collaboration, increasing support to families and raising awareness to prevent, detect and address instances of child abuse. One Stop Centres, which offer psychosocial support and video recording facilities, will be expanded. Efforts will continue to be directed at strengthening the skills and capacity of those children who are ready to be phased out of the formal care system and to live independently, through the operationalisation of the half-way home.

ii. Youth

Government continued to support the development of vulnerable youth across the country by empowering them with the skills and knowledge to improve their own livelihoods and contribute to our nation's development.

Over 2,300 young people benefited from training under the National Training Programme for Youth Employment (NTPYE), the Apprenticeship Programme, and the Youth Entrepreneurial Skills Training (YEST) programme along with other training programmes conducted by the Board of Industrial Training (BIT). Areas covered included carpentry, masonry, air conditioning and refrigeration, electrical installation, cosmetology, information technology and supervisory management. Over \$61 million was expended on equipping, maintaining and rehabilitating training centres nationwide and on advancing works at the juvenile correctional facility.

It is expected in 2014 that over 3,500 young people will benefit from continued training under programmes similar to those mentioned earlier. In addition, the commencement of a hinterland training programme under the BIT which is expected to target 150 persons and which, in fact, commenced in January in three communities in Region 9, Achiwuib, Kradanawa and Annai, in order to build capacity in carpentry and joinery and catering.

With respect to sports development, a sum of over \$1 billion was spent in 2013 to advance works on the athletic track at Leonora and the warm-up pool at the National Aquatic Centre along with developing and upgrading other sports facilities. In 2014, Government will continue to place focus on improving the quality of facilities available throughout the country, as well as offering quality programmes in the area of sports for both athletes and officials. To this end, a sum of over \$960 million has been allocated to the sector of which \$344 million is to be spent on continuing works at the Leonora athletic track and the warm-up pool and another \$300 million is expected to be spent on the grounds enhancement initiative which aims at upgrading selected sports grounds countrywide.

### iii. Single Parents

Single parents continued to benefit from a range of training programmes and initiatives delivered by this Government all with the aim of enhancing their skills set and employability.

Under the BIT's Single Parents Training Programme, 447 persons graduated with skills in areas of garment manufacturing, cosmetology and catering. Training also continued under the Guyana Women's Leadership Institute (GWLI) for 174 single parents, benefiting from programmes covering areas such as sewing, information technology and office procedures. In addition, under

the Women of Worth (WOW) initiative new loans were issued while particular emphasis was placed, as mentioned earlier, on reducing the default rates and reinvigorating the programme.

In 2014, our commitment to support the livelihoods of single parents nationwide will continue. A total of 770 single parents are targeted to benefit from Government training programmes covering a wide range of areas. In collaboration with the private sector, training will commence in basic entrepreneurship, networking, accounting, branding, promotion and advertising and packaging amongst others. This training is expected to strengthen capacity of the beneficiaries in managing and sustaining their business in order to further reduce the default rates of borrowers under the WOW initiative.

#### iv. Elderly

In 2013, Government sustained its commitment to the well-being of our senior citizens. A total number of 42,990 pensioners benefited from monthly old age pensions. Thirty patient care assistants were trained to provide adequate care to those persons living in geriatric institutions, especially the Palms Institution and Uncle Eddies' Home. The National Commission for the Elderly visited these facilities and reviewed their minimum standards, including in such areas as rights of the elderly, family care giving and quality of housing accommodation.

In 2014, focus will be placed on continuing the training for patient care assistants in both private and government-owned homes. Emphasis will also be placed on improving the standards of care being offered at the Palms Institution with the view of establishing best practices to be used by all private homes. Centres for the elderly will be established in various communities in order to ensure our senior citizens are engaged in activities that promote their physical and mental health.

#### v. Homeless

Government remains committed toward providing a sense of hope and belonging for the poor, vulnerable and disadvantaged members of society, including the homeless. In 2013, on average, 190 street dwellers benefited daily from services provided at the Night Shelter. In addition, the Hugo Chavez Centre for Rehabilitation and Reintegration was commissioned and will accommodate 100 males and 80 females and will provide services including training for its occupants in fulfilling its mandate to reintegrate the homeless into society.

## vi. Indigenous Communities

In a sustained effort to guarantee equal opportunities to Guyanese across the country, in 2013 Government continued to channel resources towards the development of Amerindian communities.

In 2013, a sum of \$77.9 million was spent to commence demarcation and extension activities in 8 villages while investigation activities continued in another 7 villages. Twenty-six community development plans were implemented with the aim of improving the socio-economic development within the priorities of identified communities. Over \$1 million was expended with the focus placed on supporting beekeeping, the marketing of crab wood oil products and on strengthening the fish ponds and pineapple production. Programmes aimed at reviving the Arawak language and at developing eco-tourism in 19 villages were also conducted.

Under the Hinterland Scholarship Programme \$74.6 million was spent to the benefit of 430 students. In addition, \$200 million was spent on the Youth Entrepreneurship and Apprenticeship Programme (YEAP) which was launched in Regions 1, 7, 8 and 9, and 198 persons were trained in basic computer skills and solar panel installation. Further, \$287.7 million was expended to procure solar systems for ITC hubs in the roll out of OLPF to Amerindian villages.

Mr. Speaker, 2014 will see continued government interventions to enhance the livelihoods and development of Amerindian communities countrywide. To this end, \$796 million has been allocated for the continuation of the YEAP, expanding to Regions 2, 3, 4, 5, 6 and 10. Under the OLPF initiative, work will continue on the construction of 100 hubs in 100 villages to the benefit of 57,000 persons, and one person from each village will be trained in basic computer skills and maintenance. In addition, over 470 students will benefit from the \$66.6 million allocated to the Hinterland Scholarship Programme.

## vii. Other Vulnerable Groups

Our Government remains committed to ensuring the well-being of all Guyanese. In 2013 efforts continued to be directed toward disadvantaged individuals through the public assistance programme and toward employment seekers through the Central Recruitment and Manpower Agency (CRMA). A sum of \$15.2 million was spent on an improved software which permits job

seekers and employers to upload their applications or vacancy requests to the website. In 2013, the website was used by job seekers and employers alike. A total of 3,189 persons were interviewed and 2,596 were employed. It is expected that over 3,000 individuals will gain employment in 2014 under the expanded efforts of this agency.

## **F. Enhancing Security and Justice**

### **a. Public safety and security**

In keeping with the vision of ensuring the safety, rights and dignity of all citizens are preserved within the context of being responsive to a dynamic environment, Government will continue to prioritise resource allocations to our security sector. We will emphasise the need for competent human capital and modern technology as we strengthen the capability of our institutions and communities in a professional and proactive approach with the aim of maintaining law and order in our society.

In supporting strategic planning and evidence-based interventions, technological advancement remains a priority. Towards this end, \$99 million was spent on the installation of IT equipment and software for the remote surveillance, the expansion of the Integrated Crime Information System (ICIS) to support the development of four additional modules in traffic, occurrence, digitising firearm licence and executive management interface. Citizen confidence in law enforcement is one indicator used to measure the effectiveness of security systems. Several initiatives were undertaken directly targeting the restoration of public confidence including administration of safe neighbourhood survey, the institutionalisation of online crime reporting including reports from persons who paid bribes across government agencies and the establishment of 10 Houses of Justice with 5 each in Regions 2 and 3.

With the view of improving the effectiveness of the sector and supporting the implementation of priority actions stemming from the strategic plans within the sector \$17.3 billion was expended in 2013. To this end, training remained a priority across the joint services and over \$230 million was expended targeting 81 police officers who benefited from overseas training in areas such as police procedures and operational issues, community oriented policing and leadership and computer skills, 12 coxswains were trained in command of territorial sea patrol boats, 60 firefighters underwent a training of trainers exercise in specialised rescue and municipal fire

fighting while the first batch of 8 recently graduated traffic wardens are now working in Georgetown, Linden, West Demerara, East Coast Demerara and Berbice.

In terms of infrastructure development and enhancement, over \$1 billion was expended in 2013 for the construction and rehabilitation of joint services buildings countrywide including the forensic laboratory, \$338.1 million on police stations and related facilities, \$261.1 million was expended to provide a more secure environment for prison officers and inmates and \$67 million was spent on the fire service training school at Leonora. A further \$1.2 billion was spent on the acquisition and maintenance of equipment to support the operations of the security sector while land and water transport fleet benefitted from investments totalling \$913.1 million. Finally, \$232 million was spent to support marine operations in order to strengthen its capacity to combat piracy and other crimes committed in our territorial sea and internal waterways.

In 2014, Government will continue to place substantial emphasis to ensure that strategic planning and evidence based interventions are made towards the maintenance of public order and safety throughout Guyana and to this end a total of \$19.5 billion is allocated to the sector. Training will be conducted for the Special Weapons And Tactics (SWAT) Unit and a sum of \$382.6 million has been allocated to train the joint services, while \$413 million is budgeted to train and equip community policing groups countrywide, all in an effort to restore safe neighbourhoods to our citizens. Training will also commence with staff at the forensic laboratory on chemical analysis, drugs analysis, toxicology and court room procedures. A sum of \$1.2 billion has been allocated for the completion of the forensic laboratory and the fire training school and the continuous upgrading of physical infrastructure across the joint services in locations throughout the country. A sum of \$1.1 billion has been allocated to support land, air and sea operations of the joint services while another \$1.1 billion is allocated to effectively equip our forces to serve and protect our citizens.

The National Drug Strategy Master Plan (NDSMP) 2014-2018 will be finalised to enhance Guyana's ability to combat drugs at the local, regional and international levels. In addition, a new National Action Plan 2014-2015 for trafficking in persons is currently being developed and will guide ongoing efforts by seeking to reduce vulnerability to the lure of traffickers, expanding sensitisation and awareness, broadening the involvement of civil society and strengthening law enforcement response.

b. Justice

Our Government continues to place the highest priority on ensuring that our citizens have access to the justice system and that the system is strong and effective.

In 2013, \$275.5 million was spent on infrastructure in the justice sector for the construction and upgrade of several facilities including the Mediation Centre in New Amsterdam and various Magistrates' Courts, along with rehabilitation of the High Court. Additionally, the Chambers of the Director of Public Prosecutions (DPP) in Georgetown and New Amsterdam were fully renovated thus expanding the residential presence and by extension effectiveness of the public prosecutorial function beyond Georgetown.

With regard to strengthening effectiveness of the justice system, both one Civil and three Criminal Justice Committees were established to review the functioning of the justice system, monitor and evaluate the performance of our courts, and make recommendations to improve their effectiveness in support with database to monitor court performance has been established. In addition, a Prosecutors Management Information System, which is expected to accelerate the processing of criminal depositions, was installed and is operational at the DPP's Chambers. Guyana's Law Reports for the period 1930 to 2007, and the revision of the Laws of Guyana up to 2010 were completed, and the latter is now available in print for the first time in 34 years. Reduction of backlogged cases continued apace, with an additional 1,000 cases being cleared out of the court system.

In 2014, a sum of \$1.8 billion has been budgeted to consolidate the advances already made within the justice sector. In accordance with the Law Revision Act, Cap. 2:02, the relevant law revision order was gazetted this year, bringing into effect the newly amended and consolidated Laws of Guyana to which I just I referred. Within the courts, a number of practice directions are being drafted to support the new Rules of the High Court Civil Procedure. These new rules will simplify the commencement of proceedings in court, allow citizens easier access to the court, and provide the mechanism for recourse to mediation to which the Government has already appropriately demonstrated its support by the enactment of alternative dispute resolution legislation.

The Civil and Criminal Justice, which I just mentioned, will intensify efforts toward monitoring and evaluating the performance of courts countrywide. In 2014 voice recording will be introduced for the first time in the Chief Justice's Court, the Commercial Court and the Court of Appeal. This initiative is expected to further reduce the time taken to record and process cases. Moreover, Government has also increased the number of Puisne Judges to 20 with a view to enhancing the system's capacity to discharge its important functions in a timely manner.

Investment in infrastructure will continue apace, with an amount of \$238.5 million allocated to fund the construction of a Land Court, a new Magistrates' Court at Sparendam, the completion of the No. 51 Village Court, the rehabilitation of court rooms at the High Court, and maintenance of facilities countrywide.

### **G. Foreign Relations**

The preservation of Guyana's sovereignty and territorial integrity remains central to the policies of our Government.

During the past year, we embarked on an expanded programme of cooperation with Brazil and continued to enjoy good relations with Suriname. As was mentioned earlier, following the detention of a research vessel by a Venezuelan naval freightage in Guyana's exclusive economic zone, the initiation of talks between the two countries was prompted and relations with Venezuela were kept at a satisfactory level.

Guyana's unwavering support for the efforts of the Caribbean integration process was demonstrated by our active engagement in strengthening the CARICOM Single Market and Economy (CSME) across all sectors. In 2013, work continued apace, under Guyana's coordination, on the revision of the existing Treaty establishing the Caribbean Community, to update the institutional arrangements and modernise the region's infrastructure.

Our focus in 2014 is to expand programmes of cooperation and to ensure that relations with our neighbouring countries as well as those in the wider hemisphere and in other regions are enhanced. Guyana will press ahead with deeper implementation of the CSME regimes. In this regard, it will be recalled that the Caribbean Skilled Nationals Act was amended and approved by this honourable House very recently. With the enactment of this Act a contingent right is

conferred upon the spouse of a person who holds a Skilled National Certificate, to enable that spouse to engage in gainful employment or other occupation, in Guyana, without having to obtain a work permit.

Guyana will also remain as a serious partner in CARICOM's negotiations with third countries, such as the current trade negotiations with Canada and continued implementation of the Economic Partnership Agreement with the European Union.

Our Government will embark on the next phase of the Guyana Diaspora Project to consolidate plans in response to the interest shown by several Guyanese overseas in contributing their skills and expertise in specific areas relevant of our national development.

## **H. Other Institutional Reforms**

### **a. Financial Sector Reform**

The stability and strength of our financial system are an indispensable prerequisite for the overall health and well-being of the economy. As a result, our Government has spared no effort to ensure that the required regulatory and supervisory capacity and capability are in place to safeguard the integrity of the system. In this regard, efforts need to be made constantly to preserve the robustness of the regulatory and supervisory system, and to promote growth of the sector and access to its services.

*4.59 p.m.*

Through the year, the banking sector remained strong, adequately capitalised, profitable and with high excess holdings of liquid assets. The strength of the deposit-taking sector as evidenced by its capital adequacy ratio remained high at 23 per cent, surpassing the minimum 8 per cent benchmark by 15 percentage point as at close of 2013. The commercial banking sector continued its aggressive branch expansion drive with the establishment of branches countrywide particularly in the interior locations of Guyana. New branches were opened at Lethem in Region 9 and Port Kaituma in Region 1, while another bank would soon be establishing its presence in Region 6 at Port Mourant. Work is also continuing apace in the capital city on the construction of two new head offices for two of the smaller banks.

Despite the significantly negative impact on the insurance industry's financial strength after the collapse of CLICO in 2008, the insurance industry has since rebounded successfully. The recovery of the industry was evident by the significant increases in assets, capital and net premiums from the amounts reported in 2008 when the CLICO crisis hit the industry. For the year ended 2013, the insurance sector was adequately capitalised in keeping with the requirements of the Insurance Act. Both the long-term and general insurance sectors had assets in excess of liabilities by 72.3 per cent and 103.8 per cent respectively. This was complimented by the sectors' ability to meet their expenses from growth in net premiums. As a result of the industry's 2013 performance, positive growth in assets, capital and net premiums are also projected for the year 2014.

Notwithstanding the underlying strength of the sector, the systemic failures by CLICO in Guyana and across the region have reinforced the need for enhanced regulation in the insurance sector. Drafting of the new Insurance Act and attendant regulations are currently being finalised and it is anticipated that this Act will be brought this House before the end of 2014.

The supervisory authority, the Bank of Guyana, in its ongoing efforts to foster more disclosure and transparency in the financial sector, commenced the publication of the cumulative financial prudential ratios for the licensed financial institutions and the industry on its website. This is in addition to the quarterly financial indicators that have been published over the years. In addition to further strengthen its supervisory function; the Bank of Guyana issued Supervision Guideline No. 13 (Anti-Money Laundering and Countering the Financing of Terrorism) to the licensed financial institutions during 2013. Drafting has also commenced on legislation for pensions to provide more effective supervision and regulation of pension schemes which will help to ensure the sustainability of the system.

A significant development within the financial sector was the licensing of the first credit bureau in Guyana. This milestone licence was issued to the Guyana subsidiary of an international company Creditinfo (Guyana) Incorporated in July 2013. All the commercial banks, two major utility companies and one microcredit provider have signed up to participate in the credit bureau. It is anticipated that the use of the credit reports generated by the bureau would contribute to significantly reducing the cost of borrowing while at the same time greatly increasing access to

credit by a larger segment of the population thereby promoting a more efficient and stable credit market.

As it relates to the US Foreign Account Tax Compliance Act (FATCA), our Government has indicated to the Government of that country our availability to commence negotiations on an Intergovernmental Agreement (IGA) for implementation. The Guyana Revenue Authority has been identified as the conduit of financial information between Guyana and their US counterpart the US Internal Revenue Service (IRS).

In the area of AMLCFT, as is well known now, Guyana responded to recommendations made by the Caribbean Financial Action Task Force (CFATF) by introducing into the National Assembly an Amendment Bill which will address more than 90 per cent of recommendations made by that body. These amendments were reviewed by CFATF and it was agreed that they would effectively address the recommendations made. Other non legislative recommendations have been addressed, such as the creation of a national oversight committee that will provide policy and guidance on money laundering and countering the financing of terrorism to the entire country. We have also initiated a mechanism that will work in conjunction with the Financial Intelligence Unit (FIU) and law enforcement agencies to investigate special financial crimes. The FIU is working with co-operatives, friendly societies and credit unions to oversee them in the fulfilling of their obligations as reporting entities as well as in conjunction with the supervisors of gold dealers, dealers in other precious metals and casinos to ensure their compliance as reporting entities. Meanwhile, efforts will continue to aim at persuading this honourable House to enact the required amendments that address the CFATF recommendations forthwith.

**b. Improving the Business Environment**

The creation of an environment conducive to the robust and sustained growth and development of our private sector remains a top priority for our Government. No matter how micro the enterprise or how large scale the investment, whether you are a national or non-national, locating in a rural or urban setting, creating employment for yourself or thousands, be reassured that you are all critical threads within our national economic fibre.

Throughout 2013, efforts to enhance the competitiveness of Guyana's economy to generate growth and prosperity through the creation of new jobs, the expansion of exports and the

injection of increased investment, continued unabated. Building on the historic National Competitiveness Summit of 2011, a National Economic Forum took place last August providing the opportunity for Government and representatives of different industries in the private sector to discuss major challenges as well as recommendations aimed at further improving Guyana's business environment. Work advanced on some of the actions identified in Guyana's Doing Business Action Plan – specifically, in relation to the indicator targeting the property registration process, activities related to the physical, legal and administrative separation of Deeds, Land and Company registries, etc. These included the passage of the Deeds and Commercial Registries Act of 2013 by this honourable House and the relocation of the Land Registry to more facilitating premises.

In 2013, the Guyana Revenue Authority (GRA) continued to be committed to delivering high quality services to its clients by consistently applying policies, regulations and practices. The Total Revenue Integrated Processing System (TRIPS) was reviewed and enhancements identified to improve technological capacity to reduce transaction time and costs. Capacity was also built at Integrated Tax Offices to provide a full-range of services in Parika, Lethem, Corriverton, New Amsterdam, Linden, Anna Regina and Bartica.

Work also continued to strengthen the technical capacity of the staff of the Competition and Consumer Affairs Commission (CCAC) with respect to consumer protection and competition related issues, forensic accounting and public procurement. Moreover, public relations activities were carried out with the aim of raising awareness on Guyana's Competition and Fair Trading Act (2006) and Consumer Affairs Act (2011), World Consumer Rights Day, the rights and responsibilities of both businesses and consumers in relation to the return of good and defective goods, and bid rigging in public procurement.

A diagnostic and readiness assessment was completed of the Single Window Automated Processing System (SWAPS) and stakeholder agencies were presented with revised business procedures, a draft Single Window Bill and technical recommendations were proposed for a Single Window Automated Processing System that would best suit Guyana's needs.

In 2014, progress will continue to be made on the implementation of selected activities under the revised Doing Business Action Plan. Specifically, it is expected that the processing time to start a

business will be reviewed with the aim of reducing it and the feasibility of introducing expedited one-day services will be assessed. Moreover, work will commence toward the introduction of electronic filing of cases at the Commercial Court with the view of improving Guyana's position with regard to the enforcing contracts, and a framework is expected to be introduced to allow insolvent companies to be able to reach agreements with their creditors out of court so as to avoid bankruptcy and improve Guyana's position with regard to the resolving insolvency indicator. In the context of registering property indicator, efforts which have recently commenced on the digitisation of deeds conveyance records will continue throughout 2014 with the aim of reducing the number of days it takes to produce the deed certificate.

With regard to customs and tax administration, in 2014, focus will be placed on consolidating efforts already made towards a more technologically-advanced system with the aim of further improving the quality of services offered to taxpayers and at the same time strengthening anti-corruption measures. Later this year taxpayers with internet connection will be able to access an electronic banking system to make payments of income, property and other taxes thus reducing transaction time and costs incurred while work is already ongoing to facilitate online filing of income taxes. Just recently the GRA has announced and launched automated drivers' licences with the view of encouraging the strengthening of controls, decreasing the risk of forgery, and expanding the use of technology in monitoring. Other means will be sought to simplify and streamline taxpayer interaction with the GRA.

Services for importers and exporters of goods will be enhanced given the recently operationalised second mobile scanner which will contribute to a reduction in processing time and processing and at the same time increase monitoring of goods entering and leaving our country. Transparency and accountability will also be strengthened with the introduction of a random selection of imported goods for examination and to increase surveillance and to minimise tax evasion and smuggling activities, several initiatives are being undertaken including the operationalisation of multi-purpose ports of entry in Eteringbang, Parika and Charity to intensify the presence enforcement of customs and tax laws both on land and at our borders.

All of these initiatives taken together serve to make the environment for doing business in Guyana more attractive to investors around the world.

c. Strengthening Public Administration

The need to deliver services in a more timely and effective manner to the people remains of paramount importance. The reforms that we undertake and systems strengthened aim to achieve greater value for money ever mindful that everyone, from the guard at the gate to the Chief Executive Officers (CEO) or Minister in the office or the field, is there only in service of the people. Strengthening interagency collaboration, providing information and services on government websites, improving processing times for service delivery and developing more client-friendly systems continued to engage the attention of officials across the public sector.

Emphasis continued to be placed on strengthening the capacity of the national monitoring and evaluation (M&E) systems through the development of monitoring indicators to track outputs and outcomes where practicable. We continued to train the technical cadre of the public service in key concepts of monitoring and evaluation with 70 trained in 2013, bringing the total exposed to date to 473 persons with another 250 slated to be trained this year. We conducted practical application of M&E techniques including the design and use of performance indicators in the work environment in several key programmes. Work intensified in the two pilot sectors of health and education and in 2014, an evaluation of the nurses training programme will be done in an effort to determine ways to improve student performance and achieve greater value for money given the significant expenditure outlay.

Support will be given to develop strategic plans for ministries and regions and for the first time regional action plans will be formulated to support the consistent roll out of the new five-year strategic plan for the education sector. Our internal audit capability continues to be strengthened with a high level oversight committee. In addition, work commenced on a payroll audit for health and education will be completed in the third quarter of 2014. In the area of public-private partnerships a White Paper to guide policy and modalities will be concluded while sensitisation sessions on issues related to discoveries of oil and gas will be conducted.

d. National Statistics

As I have indicated previous occasions, our Government is firmly committed to the continued strengthening of the national statistical system in support of stronger evidence-based policy decisions.

To this end, work continued on compiling the results of the 2012 National Census. Completion of the preliminary report was somewhat hampered by the physical challenges of access to households and enterprises, particularly in mining areas within Regions 1, 7 and 8 and for a final verification of data.

It is now anticipated that the preliminary report will be available by the end of the first half of 2014. Work will subsequently continue in 2014 on the processing and analysis of the data that would inform results in the main report. The latter report is expected to address such topics as the changing age structure of the population, the changing composition of our labour market and employment profiles, the ethnic, gender, religious, marital, educational, and quality of life profiles of our population, with specific attention to the issues relevant to our females and children, children population and fertility rates being among them, the size and other profiles of our elderly population, the incidence of disabilities in our population, to name just some of the anticipated analyses. The analysis would also include projections on our population size through to year 2050 based on current observed trends. Also during 2014, the bureau will undertake to train data collection officers within the hinterland regions to ensure more timely data gathering and more efficient logistics in those areas in the future.

e. Governance

Much has already been said on the travails of this Tenth Parliament. Suffice it to say that, for the first time in the history of independent Guyana, the judiciary has had to be approached on several occasions to interpret parliamentary action and constitutional provisions on matters before or emanating from the National Assembly.

As I have already alluded, Guyana has been challenged in passing a CFATF compliant Anti-Money Laundering and Countering the Financing of Terrorism (Amendment) Bill. In this regard, we present a unique circumstance to FATF in that the non enactment of the Bill emerging from its recommendations is not for want of executive effort. Civil society and communities have all called loudly in unison on this honourable House to enact the Bill so as to bring Guyana into compliance with the CFATF requirements. As I have indicated previously, we will continue to urge this honourable House to pass the Bill incorporating the amendments forthwith.

In keeping with its treaty obligations and in particular the Inter-American Convention against Corruption, Guyana just a week ago completed its Fourth Round Review before the Organisation of American States (OAS) Mechanism for the Implementation of the Convention Against Corruption (MESICIC). Guyana's report and the report of the MESICIC on its review of Guyana are now publicly available.

We have also continued to deepen the democratic engagement through the participation of our people in every sector. We have consulted extensively in areas such as the development of national housing policy, identifying bottlenecks and solutions to improving maternal health, on the effectiveness of student based assessments and technical and vocational education training (TVET) on bridging Guyana's mining sector with a low carbon development path to name just a few. We have created Houses of Justice, expanded the use of One-Stop-Shop modality for delivering greater access to services across several sectors including housing and human services.

## **Targets for 2014**

### **A. Real Gross Domestic Product**

The resilience of our economy has already been underscored by the achievement of eight consecutive years of real growth up to 2013. The Guyanese economy is now projected to expand once again by 5.6 per cent in 2014, with the non-sugar economy projected to grow by 5.2 per cent.

#### **a. Agriculture**

The sugar industry is projected to record an improvement of 15.6 per cent in output to 215,910 tons in 2014. As has previously been stated, the industry has played an important role in our national development and this Government will continue to provide support to transform the industry into a profitable one in the long term.

The rice industry is projected to grow by a moderate 1 per cent, with a production target of 540,793 tons, coming off the bumper crop of 2013.

Livestock continues to be a major contributor to overall agriculture and is targeted to grow by 3.3 per cent in 2014. In addition, the forestry sector is programmed to expand by 3.3 per cent, associated with improved monitoring and management practices. The fishing industry is projected to grow by 2.2 per cent.

b. Industry

Mining and quarrying is expected to return a moderate growth of 2.8 per cent with gold the dominant factor in this sector is targeted to produce 484,562 ounces, modest growth of 0.7 per cent, reflecting a somewhat conservative projection but also taking into account of recent volatility of world market prices. The bauxite industry is projected to expand by 11.5 per cent, mainly due to expanded production levels of metal grade bauxite

Manufacturing sector is projected to growth performance of 7.1 per cent aided by the anticipated recovery of the sugar industry.

c. Services

The services sector is projected to grow by 6 per cent in 2014. The construction sector, one of the major engines of growth in recent years, is expected to grow by 7.5 per cent. Rental of dwellings sector is projected to grow by 9 per cent, the wholesale and retail sector is projected to grow by 4.5 per cent, in line with the anticipated growth performances of key commodity and manufacturing sectors. Transportation and storage is projected to expand by 8.4 per cent, information and communications that sector is projected to grow by 4.2 per cent. The banking sector is expected to grow to sustain its double digit growth in recent years, and is expected to grow by 11.8 per cent in 2014. The electricity and water sector is projected to expand by 7.2 per cent, while education, health and other services are projected to grow by 4 per cent, 3.8 per cent and 7.6 per cent.

**B. Monetary Policy and Inflation**

The primary objective of monetary policy continues to be price stability. For the year 2014, an inflation rate of 5 per cent is targeted.

**C. Balance of Payments**

The overall balance of payments is estimated to record an overall deficit of US\$21.9 million in 2014, compared to a deficit of US\$119.5 million in 2013. This outturn is on account of a higher surplus of US\$426.2 million on the capital account, compared to US\$314.8 million in 2013, reflecting principally increase in Foreign Direct Investment (FDI) and anticipated official disbursements.

#### **D. Targets for the Non-Financial Public Sector**

##### **a. Central Government Operations**

Total Current revenue (Net of GRIF) is targeted to increase by 10.3 per cent to \$149.6 billion, with the Guyana Revenue Authority accounting for \$135.3 billion. This is driven by a projected 8 per cent increase in internal revenue collections to \$55.8 billion, due to anticipated strong private sector performance at the company and the self employed levels. The returns of value added and excise taxes are targeted to increase by 6.7 per cent to \$65.8 billion, associated with higher import levels. Non-tax revenue collections are projected to increase to \$14.4 billion, reflecting projected higher Bank of Guyana profits.

Total expenditure is projected to increase by 25.4 per cent to \$215.9 billion, mainly attributed to \$31 billion increase in capital expenditure due to acceleration of key infrastructural projects, including the CJIA modernisation project and the commencement of key targeted environmental enhancement and rural enterprise programmes. Non-interest current expenditure is budgeted to increase by 10.6 per cent to \$128.3 billion. This increase can be primarily attributed to continued investment in our social sectors.

The deficit of the central Government is programmed at 4.9 per cent of GDP in 2014, or \$32.4 billion.

The size of Budget 2014 is \$220 billion, needless to say this represents Guyana's largest budget ever.

##### **b. Summary Operations of the Public Enterprises**

I am happy to see that the announcement of the largest budget ever pleases my friend and colleagues on that side of the House.

The overall deficit of the public enterprises is targeted at \$2.1 billion, equivalent to 0.3 per cent of GDP. This outturn is attributed to a 6.8 per cent increase in expenditure to \$137.9 billion.

c. **Operations of the Non-Financial Public Sector**

The overall deficit of the non-financial public sector is programmed at \$34.6 billion or 5.2 per cent of GDP.

**Measures**

As I have previously indicated, this Government has elevated as a principal macroeconomic objective the achievement and preservation of fiscal and debt sustainability into the medium and long term. For this reason, our fiscal deficits including that for 2014, which I just announced, are contained to levels within a trajectory that would see Guyana meeting our financing needs of today without compromising our capacity to repay tomorrow.

Inevitably, a delicate balance involving difficult choices is required, to ensure that the investments needed to entrench accelerated economic growth and social development are made now, but also ensuring that they are made in a manner and at a pace closely aligned with the avoidance of penury and instead with the achievement of prosperity into the long term. With that constantly in mind, Budget 2014 includes the following measures.

**A. Sugar Industry**

Much has already been said and will undoubtedly continue to be said in the coming weeks about the challenges that bedevil the sugar industry. One thing is clear and should never be in doubt. Our Government's commitment to the long term viability and profitability of the sugar industry has been unswerving throughout the years, and this commitment has manifested itself not in void rhetoric but in tangible support.

If further evidence of our Government's commitment to sugar was ever needed and I doubt it ever was, Budget 2014 makes a provision for Government to transfer a further \$6 billion to GUYSUOCO to help the industry achieve the reversal of fortunes that it so badly needs. Without a doubt, a commensurate effort is required by all other stakeholders, including management and labour, to ensure that this long-standing bulwark of the Guyanese economy is restored to a

profitable operation. The provision of this very tangible support by Government to the sugar industry will benefit its 18,000 workers directly, including by helping to preserve their jobs, and a total of 120,000 persons directly and indirectly.

5.29 *p.m.*

## **B. Rice Industry**

In much the same manner as the sugar industry has served our country well, so too has the rice industry. Thanks to favourable market conditions, along with supportive and facilitative initiatives by Government, the industry has grown to a historic high. As is the case with any externally traded agricultural commodity, however, the industry's fortunes are affected by both weather conditions, which are increasingly unpredictable, and the vicissitudes of world market price volatility. It is, therefore, imperative that the industry be placed on a path that would sustain its strong performance even under the most testing conditions.

In order to ensure that our rice industry retains its competitive advantage, even in harsher market conditions, Budget 2014 makes a provision of \$500 million to be injected into the industry to support its efforts to increase competitiveness and resilience.

## **C. Other Agriculture**

Mr. Speaker, agriculture continues to be one of the sectors that offer brighter prospects for diversification of productive activity in Guyana. Whether it is other crops or livestock for meat production, the potential exists for Guyana to meet considerably more of our domestic food requirements from local production. In much the same manner, the potential exists for a much larger share of the Caribbean's food import bill to be met from our domestic production. To this end, an expanded effort will be launched by Government to promote increased and more diversified food production, including by the acquisition of planting material and breeding stock for distribution to farmers along with expanded extension services. For this purpose, a sum of \$200 million has been allocated.

## **D. Rural Enterprise Development**

There can be no doubt that over the years, our Government has invested tremendously in rural development, in particular in infrastructure such as roads, bridges, drainage and irrigation, and community market facilities. The result has been increased business opportunities and raised quality of life throughout our villages. In order to promote more sustainable progress in rural communities, however, it is important to encourage a deepening of entrepreneurial activity in these communities.

To this end, our Government intends to encourage and promote more aggressively the emergence of entrepreneurial ventures in rural communities with an emphasis on small businesses and labour intensive activities, the principal aim being creation of jobs for young people. A sum of \$1 billion has been provided in Budget 2014 to support this rural enterprise development and it is anticipated that thousands of persons will benefit, either through employment obtained or other linkages, from enterprise incubation grants or other facilities made available under this facility.

#### **E. Tourism Development**

I have already addressed the strong performance and bright prospects of our tourism and hospitality industry over recent years. Accommodation capacity has increased considerably and the calendar of events has expanded significantly. Tourist arrivals, as I have already reported, have also increased and important niche markets are emerging for our product. All indications are that this sector will be a key contributor to value added production as well as job creation in the near and medium term.

In an effort to improve the quality of the product we offer, and at the same time so as to ensure that our young people are better equipped to take advantage of the job opportunities that will abound, the growing demand for skilled labour in the sector will need to be addressed. To this end, this year, Government will commence making a US\$4 million investment in the establishment of a hospitality institute to ensure that we produce world class personnel for this important industry going forward.

#### **F. Port Georgetown**

The urgent need for capital dredging of the mouth of the Demerara River has been the subject of considerable attention from our Government, and from the private sector affected by its

implications for shipping access to the river channel. The depth of the channel basin has been reduced to an unsatisfactory level, which has resulted in limitations in the draft of vessels able to transit the route. The consequence has been reductions of the volume of cargo per vessel being moved and increased freight costs. Government will establish, this year, a special purpose entity to address this matter, and will work closely with the private sector during 2014 to attract the necessary financing for this endeavour to commence and be successfully executed. To support the preparatory work, Budget 2014 makes an allocation of \$100 million to advance the required technical and other assessments.

#### **G. Guyana Power and Light Inc.**

Fuel prices remain high and, as was indicated last year, GPL has faced considerable challenges meeting the cost of its operations without a tariff increase since 2007. In order to ensure that the company can meet its investment and operational obligations, Government has included an allocation of \$3.7 billion to support critical capital expenditure by the company, without which steeper tariffs would be unavoidable. This support will ultimately redound to the benefit of all 170,000 of GPL's customers and their families.

#### **H. Linden Electricity**

Mr. Speaker, no progress having yet been made on the matter of adjusting electricity tariffs in Linden, Budget 2014 allocates sums totalling \$3.2 billion to meet the cost of maintaining the electricity subsidy in Linden and Kwakwani so that 10,500 electricity customers in Region 10 can continue to benefit from rates that are highly subsidised. As indicated last year, this translates to a monthly benefit of over \$23,000 for each electricity customer in the beneficiary communities.

#### **I. Old Age Pensions**

Mr. Speaker, recent years have been marked by dramatic increases in the non-contributory old age pension paid to persons over the age of 65 years. This monthly cash supplement has been increased annually from \$3,500 in 2006 to \$12,500 last year. Budget 2014 provides for the old age pension to be increased by 5 percent with effect from 1<sup>st</sup> May, 2014 to \$13,125 monthly. This increase would result in a total of \$212.5 million in additional disposable income being

placed in the hands of 42,500 of our senior citizens, and will bring the total old age pension bill to \$6.6 million.

#### **J. Old Age Pensioner Electricity Assistance Programme**

In addition to the old age pension we pay every month to our senior citizens, Government also assists our old age pensioners to pay the water charges due to the Guyana Water Incorporated (GWI) at an annual cost in excess of \$200 million. Last year, we introduced an annual contribution of \$20,000 payable to every old age pensioner who is a customer of GPL, helping them to meet the electricity charges they incur with that company. I now wish to announce that with effect from 2014, the value of this Electricity Assistance Programme will be increased by 50% to \$30,000 per annum for each eligible old age pensioner beneficiary. This will result in an additional \$300 million of disposable income being placed in the hands of our most senior citizens.

#### **K. Hinterland Roads**

Access to our hinterland communities remains absolutely critical to the well-being of our more remote communities as well as to the economy of our country as a whole. The opportunities that arise from improved access to Brazil via the Linden to Lethem Road, the reduced costs associated with accessing hinterland villages when our interior roads are in passable condition, the economic advantages that arise when hinterland routes are open, all make a compelling case for investment in hinterland roads and all redound to the betterment of our hinterland communities. To meet this need, Budget 2014 provides an allocation of \$1 billion to be expended on rehabilitating critical interior arteries, including the Linden to Lethem road.

#### **L. Clean Up Campaign**

Mr. Speaker, there can be no doubt in the minds of any observer that the city of Georgetown and, indeed, many other places in Guyana have a serious sanitation problem. Piles of garbage and litter abound. The national public health hazard that this presents, especially in the face of emerging diseases, can no longer be ignored. Notwithstanding the statutory responsibility of the local government bodies for maintaining the environment in our communities and neighbourhoods, it is visibly evident that they have failed in the discharge of this basic duty.

Government can no longer stand by in hope, waiting in vain for comatose local government bodies to address this problem.

In an attempt to address this issue, Government will spearhead an effort that will result in the capital city, all other towns and rural villages by implementing a “Clean up My Community” action plan that will address the collection and removal of garbage as well as the reporting of residents who irresponsibly dispose of their garbage. Citizens, businesses and institutions will be tasked with ensuring that their garbage is properly discarded in appropriate receptacles. Efforts will be made to enlist the support of the private sector and other institutions to assume greater involvement in helping to maintain the environment in which they operate. While the support and involvement of businesses and households alike will be required to ensure the success of this initiative, Government will allocate the sum of \$1 billion to this “Clean up My Country” initiative, of which the sum of \$500 million will be dedicated to immediate efforts in the capital city.

#### **M. Education Grants**

Government has already made significant investments in the education sector, seeking to ensure universal access and to raise both quality of delivery and attainment rates. The result has been the achievement of universal primary education and significant progress towards achieving universal secondary education. Supportive programmes have included the National School Feeding Programme and the National School Uniform Programme, both of which have helped to lift attendance rates and, in particular in the case of the former, raise classroom attentiveness and participation.

In an effort to provide additional support to parents with school age children, Government will provide, this year, a cash grant to the parents of every child attending a nursery, primary or secondary school in the public education system in the amount of \$10,000 per child for the year. This grant can be used to meet such costs as transportation and will provide added impetus to raising enrolment and attendance rates, in addition to having the effect of increasing the disposable incomes of the parents of school age children. This initiative will benefit the families of the 188,406 students of the public nursery, primary, and secondary school system, and will place in the hands of these parents \$2 billion of additional disposable income.

It is important to note that notwithstanding the introduction of these measures, along with all of the other expenditure plans announced, Budget 2014 is fully financed and introduces no new taxes.

## **Conclusion**

Mr. Speaker, as you might shortly discover, the front cover of the printed version of this year's Budget Speech bears a number of quotations alluding to the natural beauty, vast wealth and evident potential of Guyana, from a number of prominent contemporary sources. One of my favourite external references to Guyana of all time is, however, much older and much more preeminent than any of these, if I may say so.

More than four centuries ago, the inestimable William Shakespeare lyricised metaphoric designs to plunder, in his words, "Guiana, all gold and bounty". Since the days of the great Bard of Avon to now, successive generations have sung and celebrated the wealth and promise of this land that today is ours. Four hundred years later, those of us who live here today have within our grasp whether to be just the latest generation to laud the potential of Guyana or whether to be the generation that realises and harvests that potential.

We can philosophise and intellectualise endlessly, but there is good reason for scepticism whether the philosophy alone can bring us the prosperity that we have sought for so long. What matters now and, equally, what will ultimately matter, are the practical things we do today to contribute to making our country a better place, and we are not short of examples of what such things would be.

They include ensuring that the climate and environmental services provided by our standing forests are adequately remunerated by the global consuming community. This would generate revenue for our country and preserve our endowment of nature. They include attracting the inflows of private capital to make Guyana self sufficient in clean energy and to make Guyana an exporter of renewable energy. This would reduce the cost and improve the reliability of power and earn inflows from energy exports. They include producing more food for domestic consumption and for export to the Caribbean, creating growth opportunities for our agricultural sector. They include making Guyana a major exporter of services in the global business process outsourcing industry, creating technology based jobs for our young people. They include making

Guyana a destination of first choice by the global tourist looking for forest and nature adventure, thereby creating business opportunities in our hospitality sector. They include ensuring that every single young Guyanese is sufficiently well educated and equipped with the skills required to enter and succeed in the world of work, thereby earning an income for themselves and contributing to the national productive effort. They include ensuring that every citizen has access to a safe and clean environment, thereby contributing to their own wellness and well-being.

Mr. Speaker, these are the things that matter to our fellow citizens individually and to our country as a whole. These are the things Budget 2014 is all about.

To be fair, it would be an easy and, perhaps, understandable mistake to underestimate how some of these things impact on our lives. To the farmer of cash crops in Black Bush Polder who wonders why hydropower should matter to him, I would say that cheaper and more reliable power would make it more feasible for agro-processing businesses to operate in Guyana, and would therefore create markets for the fruits and vegetables he cultivates.

To the housewife and mother in Den Amstel who wonders how our Information Communication Technology (ICT) strategy is relevant to her, I would say that every ICT job that is created is an employment and income opportunity for her children when they leave school and are looking for work.

To the Toshao in Muritaro who wonders what attracting foreign direct investment to Guyana would do for him and his village, I would say that every additional dollar of revenue earned by our country as a result of every investment attracted by our country makes us better able to improve the school, health hut, and other social infrastructure in his village.

To the taxi driver from Charlestown who wonders how investment in the gold industry will benefit him, I would say that every dollar of earnings generated by that industry will be used to buy goods and services multiplied many times over in the economy and will generate greater demand for services like his.

Mr. Speaker, every day, each and every single one of us has an opportunity to make Guyana a better place for ourselves and for our countrymen. Whether we teach a child to read or we repair an engine, whether we treat a patient or saw some timber, whether we pan some gold or cut some

cane, whether we paint a fence or sew some trousers, whether we bake some bread or sell an insurance policy, whether we create a job or open a business, whether we build a bridge or carve a sculpture, we are producing and we are earning, and the more of it we do and the more efficiently we do it, the more prosperous we will be and so too will our country. As I have said on several other occasions, none of us enjoys the luxury of being a passive onlooker at the determination of either our own fortunes or that of our country. Instead, we are involved, and the tasks of improving our own lives and making Guyana a better place are no less in our own hands than in anyone else's.

Mr. Speaker, this is what Budget 2014 is all about, creating a better Guyana, a Guyana of greater opportunity, for all Guyanese. It might be somewhat ironic for me to say it at this hour, but had brevity not been a paramount consideration, the theme of this year's Budget could equally have been, "*By all Guyanese, a Better Guyana for all Guyanese.*"

Mr. Speaker, the privilege is now mine on behalf of this People's Progressive Party/Civic (PPP/C) Government to commend Budget 2014 to the National Assembly of Guyana. I thank you very much. [*Applause*]

**Mr. Speaker:** Thank you, Hon. Minister, for your presentation. For those who are interested in the details, the presentation lasted two hours, fifty-seven minutes and fifty-three seconds. That concludes our business for today.

Before we adjourn, I wish to formally propose the motion for consideration by the House, the date to be determined and announced. Members are reminded that all documents – Budget Presentation and Estimates of Expenditure – are immediately outside of the Chamber to be uplifted.

I would like to mention as well, as I inadvertently omitted to do so, that our Member, Ms. Shadick, lost her brother, in fact, only a few days ago. I did express sympathy on behalf of the National Assembly and all Members to her last week. Again, Hon. Member, we express our sincerest sympathies to you on the passage of your brother who, from all accounts, was a beloved person because everyone who I met spoke highly of him.

I also omitted, on a lighter note, to recognise that three other Members had their birthdays in March, the first being the Hon. Member, Mr. Greenidge, on 3<sup>rd</sup> March, and Hon. Ministers Rohee and Ramsaran on 16<sup>th</sup> March.

Hon. Members, I am taking the opportunity as well to congratulate our Member, Hon. Minister Pauline Sukhai, who was awarded the Order of Congolese Merit in recognition for work in indigenous development and her contribution to the international forum for Indigenous Peoples of Central Africa. On behalf of the Assembly, we congratulate you. *[Applause]*

Members, we have been graced this afternoon with the presence of three distinguished, beautiful ladies – two former Members of Parliament (MPs), Mrs. Philomena Sahoye-Shury and her sidekick and trusted friend, Ms. Shirley Edwards, and, of course, the Resident Representative of the United Nations Development Programme (UNDP), Ms. Khadija Musa. Thank you for sitting through and sharing the afternoon with us.

I invite the Prime Minister to move the adjournment motion.

## **ADJOURNMENT**

**Mr. Hinds:** I propose that we adjourn until Monday, 31<sup>st</sup> March, 2014 to begin the debate on Budget 2014.

**Mr. Speaker:** Hon. Members, we stand adjourned to 31<sup>st</sup> March, 2014. It has been the custom for us to meet at 1.00 p.m. unless otherwise advised, we will meet at 1.00 p.m. or at an hour to be...

**Ms. Ally:** Cde Speaker, I think that on this occasion, A Partnership for National Unity (APNU) would prefer to have the debate on the Budget for the entire seven days period and for it to start at 2.00 p.m. instead of 1.00 p.m. We would not like to have the session start at 1.00 p.m., as we did last year.

**Mr. Speaker:** Thank you. I will take your intervention as a formal motion which I will put to the House. Hon. Members, the motion is that we commence at 2.00 p.m. rather than what has become the customary 1.00 p.m. on 31<sup>st</sup> March, 2014.

*Question put, and agreed to.*

*Motion carried.*

**Mr. Speaker:** We stand adjourned to 2.00 p.m. on 31<sup>st</sup> March, 2014.

*Adjourned accordingly at 5.57 p.m.*