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## SUMMARY

1. Guyana is a relatively small economy traditionally based on mining of gold and bauxite, and exportation of sugar and rice. Furthermore, Guyana is now also an exporter of crude oil, the result of successive major offshore discoveries beginning in 2015. In 2020, oil exports swung Guyana's trade balance into surplus and thereby mitigated the otherwise significant negative effects of the COVID-19 pandemic on the domestic economy. GDP per capita has been rising steadily and reached nearly USD 6,900 in 2020.

2. The general recent economic performance was in line with past trends from 2016 to 2019, when real GDP expanded at annual rates ranging from 3.7% to 5.4%. Data on unemployment are sketchy, but the Bank of Guyana (BOG) indicates an unemployment rate of around 12%. Monetary policy is formulated and implemented by the BOG. The objective of monetary policy is to achieve sustained non-inflationary growth and a stable national currency (Guyana dollar (GYD)). The policy appears to have been successful on both fronts during the review period. Annual inflation was negative in 2015, and then picked up to stabilize around 1.5%, before declining again in 2020. The exchange rate of the Guyana dollar moved from GYD 206.50 to GYD 208.50 per US dollar in June 2018 and has remained stable since then.

3. A Natural Resource Fund has been set up to protect Guyana's future fiscal policies from the fluctuations of world oil prices. The stock of government debt, including guaranteed debt, totalled USD 2.6 billion at the end of 2020. Although Guyana's debt to GDP ratio (47.4%) may not seem very high by international standards, Guyana's vulnerability has been illustrated by debt relief provided by lenders in the past.

4. Other countries in the Americas dominate Guyana's foreign trade, taking 62% of its exports and supplying 70% of its imports in 2020. All crude oil is exported, as Guyana lacks domestic refining capacity. Petroleum product imports are largely sourced from the United States, Trinidad and Tobago, and Suriname. The European Union is an important market for Guyanese sugar under the EU/ACP Sugar Protocol, and the European Union is also an important purchaser of rice.

5. The merchandise trade balance recorded a surplus of USD 434 million in 2020 compared with a deficit of USD 315 million in 2015. Guyana is a net importer of services. Its growing deficit in services trade since 2018 is mainly traced to the development of the petroleum sector. The current account accordingly remained in deficit also in 2020 but continued to be covered by significant foreign investments offshore. Guyana's diaspora of nearly 500,000 people is also a reliable source of remittances.

6. Guyana is an original Member of the WTO and provides at least MFN treatment to all trading partners. On 1 October 2016, Guyana established its mission to the WTO in Geneva. Various notifications were submitted to the WTO during the review period, mainly relating to regional trade agreements and technical barriers to trade. Notifications concerning, *inter alia*, customs valuation, import licensing, sanitary and phytosanitary measures, state trading, and agriculture remain overdue.

7. Guyana's trade policy is formulated by the Ministry of Foreign Affairs and International Cooperation, and is coordinated within the Caribbean Community (CARICOM). During the review period, Guyana signed and ratified the Caribbean Forum (CARIFORUM) Economic Partnership Agreement with the United Kingdom on 22 March 2019 as a roll-over agreement from the European Union Economic Partnership Agreement with the CARIFORUM, after the United Kingdom left the European Union.

8. There have been no major changes in the legal framework for business and investment in Guyana since its last Review in 2015. The Government intends to encourage inward foreign direct investment (FDI). National treatment is applied to all economic activities except for certain mining operations. Incentives for FDI include income tax holidays, and tariff and value added tax (VAT) exemptions.

9. ASYCUDA World, a fully automated customs management system, has been Guyana's integrated platform for electronic clearance of goods since January 2019. A Trusted Trader programme, backed by post-clearance audit and risk management, allows qualified participants

faster customs clearance with fewer documentation requirements upfront. Guyana ratified the WTO Agreement on Trade Facilitation in 2015, and has notified its Category A, B, and C commitments.

10. Guyana has bound all tariff lines with ceiling bindings for agricultural goods (at 100%) and non-agricultural goods (at 50%), with a different rate for jewellery (at 70%). Similarly, it has bound "other duties and charges", mostly at 40% on agricultural goods and 30% for other items. For applied MFN rates, Guyana follows the Common External Tariff of the Caribbean Community, resulting in a simple average tariff of 12.6% in 2020 (22.9% for agriculture and 10.6% for other goods). Imports from other CARICOM countries that meet the rules of origin criteria are admitted duty-free, and extensive duty-free or preferential tariff treatment is accorded to imports from Costa Rica, Colombia, the Dominican Republic, Cuba, the European Union, the United Kingdom, and Brazil under regional or bilateral trade and economic agreements.

11. Guyana levies VAT at a standard rate of 14% on most goods and services, as well as excise taxes on alcoholic beverages, tobacco products, petroleum products, and motor vehicles. In addition, beverages sold in non-returnable containers attract an environmental levy of GYD 10 per unit. Numerous changes in the zero-rated and VAT exempt items were carried out during the review period. Some of these changes eliminated differential treatment between domestically produced goods and imports, but a few new cases may have emerged (such as bedsheets and pillowcases). As before, Guyana charges export duties, at a general rate of 1.5% on "non-manufactured" goods, but with many exemptions.

12. Concerning prohibitions, restrictions, and licensing of imports (and exports), Guyana's regime has essentially remained unchanged since the last Review. Some long-standing import prohibitions remain in place as SPS measures. The authorities maintain that restrictions, applied in accordance with the Customs Act or other legislation, are required to safeguard public health, security, and morality, or for the enforcement of international obligations undertaken by Guyana. Import licences are issued free of charge by the Ministry of Tourism, Industry and Commerce, provided prior endorsement has been obtained from other agencies for the imports (or exports) in question.

13. A National Entrepreneurship and Innovation Council is under establishment. Support to entrepreneurs has been provided under the Micro and Small Enterprise Development Programme, the Green Business Technology Fund, and an emergency Small Business COVID-19 Relief Programme administered by the Small Business Bureau.

14. In the TBT area, a National Quality Policy has been launched to modernize the institutional framework, improve laboratory facilities and equipment, and implement a national export and investment policy. Guyana has about 600 approved standards, of which 371 are considered international, 43 are CARICOM standards, and the remainder nationally developed standards or adaptations of other national standards. More than 50 technical regulations are currently in force.

15. The financial performance of public enterprises is uneven in Guyana. The National Industrial and Commercial Investments Limited (NICIL) was set up in 1990 to manage state ownership in the economy. However, NICIL has not presented audited accounts, nor annual reports, since 2013. Major state-owned enterprises include the Guyana Sugar Corporation (GuySuCo), Guyana Power and Light (GPL) Inc., and the Guyana Gold Board. GuySuCo received GYD 12 billion in 2015 and GYD 11 billion in 2016 to stay afloat, and GPL has not been able to cover higher fuel prices with hikes in its tariffs.

16. Government procurement is governed by the Procurement Act 2003, the Procurement Regulations 2004, and the Small Business Act 2004, together with various manuals and guides. The National Procurement and Tender Administration Board is the lead agency for public procurement. The value thresholds for ministerial- and regional-level procurement were adjusted upwards during the review period. There were no changes to laws and regulations relating to copyright or industrial property during the review period.

17. Guyana's main agricultural products are sugar and rice. Sugar farming is dominated by GuySuCo. Rice production is carried out by private producers, the vast majority of whom are small-scale farmers. Guyana also produces a wide variety of "non-traditional" agricultural products (e.g. fruits and vegetables) and continues to seek to expand their export. Regarding incentives for

the sector, there exist tax concessions in agro- and cold-storage capacities, and waivers of import duty and VAT on agro-processing equipment and motor vehicles used within the industry, especially for the transport of goods. There are also incentives for key feed stock inputs (e.g. corn and soybeans) and concessions for large-scale livestock farming. The main legislation regulating the fisheries sector remains unchanged. Under the National Log Export Policy, 3<sup>rd</sup> Phase (2020-2025), issued on 12 October 2020, an export levy is to be imposed on specific logs; all prices of exports are to be verified by the authorities.

18. Mining and quarrying accounted for 27.1% of GDP in 2020, up from 9.3% in 2015, reflecting the discovery of offshore petroleum wells and subsequent commencement of petroleum production in 2020. Crude production totalled 27 million barrels in 2020; most of this was exported, resulting in the sector's rapid growth. There has been little change to the legislation governing the sector. Guyana remains almost entirely dependent on imported fuel oil for electricity generation; 95% of electricity is generated by diesel and heavy fuel oil, and 5% by co-generation using bagasse. No electricity is currently generated from hydroelectric power. Electricity tariffs were modified during the review period.

19. In 2020, manufacturing (including food processing) accounted for 4.2% of GDP and 10.2% of employment. Guyana is a net importer of manufactured goods. The main manufacturing products include traditional agricultural products such as rice and sugar, forest products, and minerals (bauxite, gold, and diamonds), as well as basic consumer items, food and beverages, and pharmaceuticals. The main policy focus regarding manufacturing includes the development of industrial estates.

20. Services accounted for 38.9% of GDP in 2020, down from 44.1% in 2015. The main subsectors are government services, real estate, distribution, finance and insurance activities, transport and storage, education, and information and communication. During the review period, regulatory changes were introduced, notably in financial services, telecommunications, and air transport. Guyana adopted various laws including the Deposit Insurance Act 2018, which established a deposit insurance scheme covering all eligible depositors up to the maximum limit of GYD 2 million. Other main regulatory changes included the adoption of the Financial Institutions (Amendment) Act 2018, the Insurance Act 2016, and the Insurance (Amendment) Act 2018. On 5 October 2020, the monopoly on landline services and the international gateway was removed, with the granting of a telecommunications licence to two companies to provide, *inter alia*, fixed services. In the air transport sector, the Civil Aviation Act 2018 was adopted, and several bilateral air services agreements between Guyana and its trading partners were signed.