

Trade Policy Review Body

TRADE POLICY REVIEW

Report by the Secretariat

GUYANA

This report, prepared for the second Trade Policy Review of Guyana, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Guyana on its trade policies and practices.

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Document WT/TPR/G/218 contains the policy statement submitted by Guyana.

Note: This report is subject to restricted circulation and press embargo until the end of the first session of the meeting of the Trade Policy Review Body on Guyana.

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SUMMARY OBSERVATIONS

1. Guyana's improved economic performance since its last Review in 2003 came hand-in-hand with high prices for its main export products and significant reform efforts in various areas including the tax and investment regimes, competition policy and government procurement. Nevertheless, Guyana's per capita income remains low by regional standards and additional reforms are needed to promote investment and thus development. Such reforms should include the expansion of the country's economic infrastructure, particularly in the transport and energy sectors, as well as the further strengthening of governance and the regulatory environment. The latter requires improvements to, among others, customs procedures, SPS regime, fiscal incentives, and the protection of intellectual property rights. Technical assistance will continue to be instrumental to implement effectively these changes and to allow Guyana to participate more fully in the multilateral trading system.

(1) ECONOMIC ENVIRONMENT

2. Guyana's economy expanded at an annual average real rate of 2.8% during 2003-08. However, its per capita GDP remains at just under US\$1,600, and living standards are the second lowest in CARICOM. The production of sugar and rice, as well as mining continue to be Guyana's main economic activities, generating almost a quarter of its GDP. Public finances have improved but the overall budget still posts substantial deficits. Hence, envisaged fiscal consolidation along with the continuation of debt relief are crucial for Guyana's long-term debt sustainability. A cautious monetary policy has kept inflation under control.

3. Guyana's integration in the world economy has deepened in recent years, with the trade to GDP ratio growing to reach 170% in 2007. Exports are still concentrated on a few primary products, notably gold, sugar, bauxite, and rice. Imports are of great importance to supply the domestic market, and

are equivalent to approximately 100% of GDP. Persistent deficits in the merchandise trade balance and the current account of the balance of payments implies the economy is highly dependent on transfers from abroad, which makes Guyana more vulnerable to the current financial crisis. Although the United States' share in Guyana's total merchandise trade fell significantly, it continues to be Guyana's main trading partner, followed by Trinidad and Tobago. Imports from Asia have increased significantly.

(2) TRADE AND INVESTMENT POLICY FRAMEWORK

4. Since Guyana's last Review there have been no major changes to the various agencies involved in trade policy formulation and implementation. Guyana still faces significant challenges in participating in the WTO, as a result of its non-resident status, and a number of notifications to the WTO are outstanding. Guyana has never invoked the dispute settlement provisions of the GATT or WTO, nor have any complaints been brought against it in these fora. Preferences and special and differential treatment are among Guyana's key priorities in the DDA negotiations. Assistance to develop Guyana's economic infrastructure, in particular its transport infrastructure has been identified as the main target for aid for trade support.

5. Guyana's trade policy *vis-à-vis* third countries is largely defined within the context of its membership in CARICOM, and its free-trade agreements with third countries. Over the period under review, the most significant developments have been the creation of the CARICOM Single Market and Economy and the signature of the Economic Partnership Agreement (EPA) between the EC and CARIFORUM. The EPA is a wide-ranging asymmetrically reciprocal agreement replacing the non-reciprocal preference scheme previously granted by the EC.

6. Guyana considers foreign investment to be crucial to the development and diversification of its economy. Accordingly,

Guyana enacted an Investment Act in 2004 to provide for more transparency and legal predictability in its investment regime. This Act gives MFN and national treatment to investors in all sectors with the caveat that the Minister of Finance may exclude sectors from private investment subject to affirmative resolution of the National Assembly; however, this has not yet happened in practice. There is also a national treatment exception in the area of mining.

(3) MARKET ACCESS FOR GOODS

7. Customs clearance still involves numerous steps and typically takes between five and seven days, which suggests that there is large scope for improving customs procedures. The transaction value is used as the basis for customs valuation for around 70% of import transactions.

8. Guyana applies the CARICOM Common External Tariff, with exceptions. Guyana only uses *ad valorem* tariffs and does not apply tariff quotas. The overall simple average applied MFN tariff in 2008 was 12.0%, marginally down from 2003. Agricultural products attract a significantly higher average tariff (22.5%), than non-agricultural products (10%). Guyana would increase the predictability of its tariff regime by reducing its bound tariffs, which average 58.2%.

9. One of the most significant developments over the period under review, has been a major reform of Guyana's taxation system. A value added tax (VAT) was introduced in 2007 at a general rate of 16%, replacing six taxes previously levied. Some locally produced goods, but not the equivalent imported products, are zero-rated under the VAT, as are certain imports of raw materials that are incorporated into products subsequently exported. At the same time, excise taxes were introduced on a few products. Guyana continues to levy an environmental tax on non-returnable beverage containers, which it applies only on imports.

10. Import licensing requirements apply to a large number of extra-CARICOM imported products; non-automatic licensing applies to rice and sugar. Guyana does not have domestic legislation with respect to anti-dumping and countervailing measures or safeguards. Neither has Guyana ever adopted any contingency measures.

11. There appear to be only a handful of technical regulations in force in Guyana. At the time of its last Review, Guyana had not made any notifications to the WTO, however since then it has notified 20 technical regulations.

12. Greater transparency in Guyana's SPS regime would be of benefit both to Guyana and its trading partners. Guyana has not notified any SPS measures to the WTO. Most SPS measures are contained in regulations that are largely inaccessible; moreover, many predate the creation of the WTO and have not been revised. Legislative reform efforts are under way, but this is an area in which the authorities indicated that greater technical assistance is needed, given human resource constraints.

(4) EXPORT MEASURES

13. Concerns have been expressed by the authorities themselves that export procedures are too cumbersome. Licences must be obtained to export a wide range of products and all exports must be examined prior to shipping, with the aim of preventing narcotics trafficking. While Guyana may apply an export tax at a general rate of 1.5%, the rationale for collecting this tax is questionable in view of the limited revenue collected due to a wide range of exemptions.

14. A variety of fiscal measures are in place to assist exporters, including an allowance involving deductions from income tax conditional on the export of non-traditional products. There is no government institution in Guyana providing export finance, insurance services or export guarantees.

(5) OTHER MEASURES AFFECTING TRADE

15. Since 2005, measures have been taken to improve Guyana's business environment and reduce unnecessary red tape to start a business, but challenges remain.

16. In 2006, Guyana adopted a competition law that represents a potentially important step towards enhancing competition, particularly given the oligopolistic nature of some sectors in the economy. However, the full implementation of the law remains a challenge, including making the Competition Commission operational.

17. Two state-owned companies have exclusive rights to import and export sugar and gold, respectively. Guyana has not submitted any notification regarding state trading enterprises within the meaning of Article XVII of the GATT 1994.

18. The Government of Guyana provides very little assistance to businesses through concessional loans and grants. Support mainly takes the form of fiscal incentives granted under various laws to a relatively large number of activities. The Minister has discretion, subject to the specific provisions of the law, to grant corporate income tax holidays to a wide range of sectors. Because of this, and given Guyana's fragile fiscal situation, it would be important to estimate the revenue forgone and publish these estimates.

19. A new Procurement Act and implementing regulations have been adopted. The Act covers procurement at the national, ministerial, government agency, and regional levels, but not that of public corporations and other state bodies. It contains mandatory open tendering and various provisions for transparency and accountability in procurement processes, which represents an improvement over the previous legislation. Preferences are granted to domestic goods and supplies and to small businesses.

20. At Guyana's previous Review in 2003 WTO Members urged Guyana to amend its intellectual property legislation, most of which dates back to the colonial period, in order to implement the provisions of the TRIPS Agreement. The only development to date has been the adoption of a new law on geographical indications. The authorities indicated that Guyana is committed to uphold its international commitments pertaining to intellectual property rights. Reform efforts may be given additional impetus by EPA commitments.

(6) SECTORAL POLICIES

21. The agriculture sector plays important economic and social roles, contributing almost half of Guyana's merchandise exports. Agricultural production and exports are dominated by sugar, almost all of which is exported to the EC, and to a lesser extent, rice. In view of the major changes affecting the EC's import regime for sugar, the Guyanese sugar industry is making significant efforts to reduce production costs and diversify. Government support to the agriculture sector mainly takes the form of extension services to farmers and various tax exemptions. Guyana is also seeking to expand its exports of non-traditional agricultural products, including fruits, vegetables, and beef.

22. Guyana's other main export industries are: mining, mainly of gold and bauxite (which accounts for one third of Guyana's merchandise exports), fresh and processed fish (7.3%), and timber (4.9%). Efforts are also being made to diversify the fishing and forestry sectors, through the development of aquaculture and wood processing industries, respectively.

23. A state-owned company has a monopoly on electricity transmission and distribution in Guyana, and is the largest power generator. Electricity production in Guyana is costly and unreliable, and highly reliant on imported fuel. There is no commercial production of petroleum in Guyana. However, there is potential for

Guyana to develop hydroelectric generation, and start producing crude petroleum in the foreseeable future.

24. Although sectoral assistance to manufacturing appears limited in absolute terms, effective protection may be significant due to the availability of import duty exemptions for inputs. Despite this, the manufacturing sector remains small and largely focussed on the processing of primary products.

25. The services sector's contribution to GDP has increased significantly during the period under review, reaching 57% in 2008. There have been no significant changes to the legal and regulatory frameworks for the telecommunications, financial, maritime, and air transport services sectors. While Guyana's specific commitments under the GATS cover only 18 of the 160 services subsectors, in most cases the commitments it has taken are subject to only a few limitations.

26. Foreign financial institutions wishing to establish themselves in Guyana receive national treatment. All insurance companies must register with the insurance authority, while banking and other financial institutions must obtain a licence from the Bank of Guyana. The banking system appears sound and the authorities are taking steps to further strengthen supervision and improve financial intermediation. In the context of the global financial crisis, the issuance of new banking licences was temporarily suspended. Guyana's GATS commitments are extensive both in relation to banking and insurance.

27. Guyana's telecommunication sector is characterized by a *de jure* monopoly in fixed

telephony and a *de facto* duopoly in mobile telephony. Within this market structure, foreign investors receive national treatment. The regulatory framework governing the sector remains incomplete, which has hindered the development of the sector and of other telecom-dependant businesses. Acknowledging this problem, the Government is taking steps to issue new legislation before the end of 2009.

28. In air transport, national carriers currently serve only domestic routes, hence only foreign airlines provide air transport services to and from the country. Guyana's air services agreements, however, are few in number and relatively restrictive in nature, with the exception of the more recent agreement with Canada. Guyana's only international airport is owned by the Government and managed by a statutory corporation. All ground-handling is undertaken by private operators.

29. With respect to maritime transport, cabotage is restricted to Guyanese registered ships. While port capacity appears to be adequate, insufficient investment in a number of areas may have a knock-on effect on Guyana's trade.

30. There is no overarching legislation regulating professional services, and only some professions are regulated by law, including lawyers and chartered accountants, but not architects and engineers. In order for foreign lawyers to practice in Guyana, reciprocal treatment of Guyanese lawyers is required.

I. ECONOMIC ENVIRONMENT

(1) OVERVIEW

1. Since its last Review in 2003, Guyana has improved its economic performance, with GDP recording particularly robust growth during 2006-08, when it expanded at an average real rate of 4.5%. This reflects a favourable external environment, particularly high prices for Guyana's main exports and abundant financing capital, as well as sound macroeconomic policies. Monetary policy has been conducted in a cautious manner and has been successful in keeping inflation in check. Public finances have improved, as witnessed by growing primary surpluses and a reduced public debt, although the overall budget still posts substantial deficits despite sizable external grants. Notwithstanding the progress made, Guyana's per capita GDP remains at only US\$1,563, and living standards are the second lowest in CARICOM.¹ Thus, sustaining economic growth remains vital, and requires continued prudent macroeconomic policies and strengthened governance.

2. Guyana integration in the world economy has deepened in recent years, with the trade to GDP ratio growing to reach 170% in 2007. Although domestic production has diversified to some extent, exports are still concentrated on a few primary products, notably gold, sugar, bauxite, and rice. Imports are of great importance to supply the domestic market, and are equivalent to approximately 100% of GDP. Merchandise imports far exceed exports, which generates persistent deficits in the current account of the balance of payments. Thus, the economy is highly dependent on transfers (official grants and remittances) from abroad to finance domestic consumption. Although the U.S. share in Guyana's total merchandise trade fell significantly, it continues to be Guyana's main trading partner, followed by Trinidad and Tobago; another notable change is the rise of imports from Asia.

(2) STRUCTURE OF THE ECONOMY, OUTPUT, AND EMPLOYMENT

3. In terms of contribution to GDP, the most important sector in Guyana is the agriculture, forestry and fishing sector, followed by government services, transport and communications, and mining and quarrying. (Table I.1). In nominal terms, the contribution of the primary sector has decreased by 8 percentage points since Guyana's last Review, mainly due to a reduction in the contribution of sugar cane (see below). The mining sector involves primarily the production of bauxite, diamonds, and gold (Chapter IV(3)); gold is Guyana's most valuable merchandise export (section (6) below).

4. The share of manufacturing in GDP decreased by 28% between 2003 and 2008, largely due to a reduction of around one fifth in the volume of refined sugar produced, which in turn is the result of a decline in sugar prices for exports to the EC (Chapter IV(2)(i)). The weight of the services sector (including construction) has continued to increase, and was around 57% of GDP in 2008; all services subsectors contributed to this increase, particularly distribution, and transport and communications.

5. Three activities have traditionally dominated Guyana's economy: sugar, rice, and mining. These industries generated 62% of Guyana's exports in 2007 (latest year available)²; however, their contribution to GDP fell from 34.9% in 2003 to 23.8% in 2008. Economic diversification is a key element in the Government's development strategy. The Government considers this essential for future growth, and it has listed the following sectors as key diversification opportunities: non-traditional agriculture (e.g. fruits and livestock); fisheries; manufacturing; tourism; and information

¹ UNDP online information. Viewed at: http://hdrstats.undp.org/2008/countries/country_fact_sheets/cty_fs_GUY.html.

² These calculations include production and exports of manufactured sugar and rice.

technology.³ For the latter three sectors, the Government has been implementing specific policies to accelerate their development; the non-traditional agriculture sector has already shown substantial progress and is expected to further develop via private entrepreneurship (see Chapter IV).

Table I.1
Basic economic indicators, 2003-08

	2003	2004	2005	2006	2007	2008 ^a
Gross domestic product (GDP)						
Current GDP (G\$ million) ^b	144,064	156,358	165,028	180,282	217,552	236,059
Current GDP (US\$ million) ^b	741.6	782.8	824.1	896.9	1,069.1	1,197.2
Nominal GDP per capita (US\$) ^c	984	1,035	1,086	1,178	1,400	1,563
Sectoral structure of GDP^d						
Primary sector	44.3	43.3	40.4	39.9	38.5	36.3
Agriculture, forestry and fishing	31.4	31.2	30.2	30.2	27.3	24.9
Sugar cane	10.7	11.0	8.7	9.5	6.6	5.0
Rice paddy	5.2	4.7	4.8	4.8	4.2	4.2
Livestock and other crops	6.8	7.0	7.2	6.9	7.3	7.4
Forestry	2.0	1.9	2.2	2.4	2.1	1.7
Fishing	6.8	6.8	7.4	6.6	7.0	6.5
Mining and quarrying	12.9	12.1	10.2	9.7	11.2	11.4
Bauxite	1.5	1.4	2.5	2.3	3.1	2.7
Other	11.4	10.7	7.7	7.4	8.1	8.7
Manufacturing	9.2	9.6	8.1	8.7	7.6	6.7
Sugar	4.3	4.4	3.4	3.9	2.6	2.0
Rice	1.8	2.1	0.9	1.2	1.2	1.2
Other	3.1	3.1	3.8	3.6	3.8	3.4
Services	46.4	46.9	51.4	51.3	54.0	57.1
Engineering and construction	5.0	5.2	6.1	6.4	6.8	6.9
Distribution	4.1	4.2	5.1	5.2	5.8	6.1
Transport and communications	9.3	9.7	11.0	11.3	12.8	13.2
Rental of dwellings	4.1	4.1	4.6	4.8	5.0	4.9
Financial services	3.6	3.6	4.0	3.9	4.3	4.5
Government	18.5	18.3	18.5	17.6	17.0	19.2
Other	1.8	1.8	2.1	2.1	2.3	2.3
Total valued added	100.0	100.0	100.0	100.0	100.0	100.0
Memorandum item						
Population (estimated, end of the year)	753,772	756,349	758,925	761,510	763,719	766,183

a Preliminary figures.

b Figures at current market prices.

c Calculations derived from GDP figures at market prices and population estimates (based on the 2002 census).

d As a percentage of total value added at basic prices.

Source: WTO Secretariat, based upon information from Guyana's Bureau of Statistics and Bank of Guyana.

6. Between 2003 and 2005, GDP growth was slow and erratic, with real GDP contracting by 1.9% in 2005 largely due to the effects of heavy floods (Table I.2). However, during 2006-08, the economy grew at an average real rate of 4.5%, which is considerably higher than the 2.8% average for the entire review period (2003-08). Expansion in GDP was driven by contributions from most sectors in the economy, with the exception of agriculture and manufacturing; the fastest growing sectors were bauxite production, distribution services, and telecommunications. GDP per capita (in current U.S. dollars) increased by 59% between 2003 and 2008, but at US\$1,563 in 2008 it remains one of the lowest in the CARICOM.

³ Ministry of Tourism, Industry and Commerce (2005).

7. Economic performance has been boosted by favourable external conditions, characterized by high international commodities' prices and abundant financing capital, as well as restored confidence in Guyana's institutions owing to sounder macroeconomic policies. Continuing the process of restoring such confidence is crucial for Guyana because in the past its political and economic institutions undermined long-term economic performance.⁴ Throughout the late 1990s, crime and social and political tensions contributed to the significant emigration of skilled workers (see below) and the decrease in foreign investment in Guyana.⁵ Thus, it is essential to strengthen public institutions and consolidate recent improvements in political and social stability (see Chapter II(2)(i)).

Table I.2
Composition of GDP growth by expenditure, 2003-08

	2003	2004	2005	2006	2007	2008 ^a
Real annual GDP growth rate (%)	1.1	1.6	-1.9	5.1	5.4	3.1
Nominal GDP, composition (%)						
Total consumption	76.0	78.5	100.3	89.5	102.4	112.7
Private consumption	49.7	54.4	73.4	65.3	77.9	87.1
Public consumption	26.3	24.1	26.9	24.2	24.5	25.6
Gross capital formation	35.0	32.0	32.3	45.2	39.9	39.7
Private gross fixed capital formation	21.6	19.5	19.0	22.4	20.5	21.9
Public gross capital formation	13.5	12.5	13.3	22.8	19.5	17.7
Net imports of goods and services	11.1	10.6	32.7	34.7	42.4	52.4

a Preliminary figures.

Source: WTO Secretariat, based on information from Guyana Bureau of Statistics.

8. From an expenditure standpoint, GDP growth was driven primarily by private consumption, which, in nominal terms, grew faster than public consumption or investment in general (Table I.2). In 2008, total consumption exceeded 100% of GDP; this is because Guyana consumes more than it produces and is, therefore, dependent on foreign savings. For this reason, domestic demand, in particular private consumption, could be weakened if the pace of disbursements from multilateral and bilateral creditors slowed down as a result of the world financial crisis being experienced in early 2009.

9. Over 2003-08, the participation of gross capital formation in the economy increased slightly as areas such as road transportation, defence against flooding, agricultural irrigation, and schools received additional public investment.⁶ However, more investment is needed in other sectors such as electricity where prices appear high (see Chapter IV(4)). Much of the required additional investment may have to be generated by the private sector, given the public sector's tight budget (see section (4) below).

10. Guyana continues to rely heavily on trade, with imports and exports representing some 170% of GDP in 2007 (latest year available). Foreign savings have helped to finance the continuous expansion of net imports of goods and services, which as a percentage of GDP grew from 11% to 52% between 2003 and 2008. In October 2003, the Government finalized the drafting of Guyana's National Trade Strategy, which stresses the importance of trade to the economy and the need to respond to the challenges of globalization (see Chapter II(2)).

⁴ IMF (2007a).

⁵ IMF (2007b)

⁶ Bank of Guyana (2007).

11. Unemployment is not measured systematically in Guyana, and private-sector information on employment is poor.⁷ The latest available unemployment figures were collected during a population census in 2002.⁸ According to these figures, the participation rate of the working age population in the labour force was 56%, of which 88% had jobs, that is, the unemployment rate was 12% in 2002. Unemployment levels are higher among women and younger age-groups of the population. Over the review period, the public sector's share of total employment continued to decrease, as the Government laid off some 10% of its workforce. However, the public sector remains the largest single employer in the economy with 27,187 employees in 2007, followed by state-owned GUYSUCO, which employs 19,018 people (Chapter IV(2)(i)).⁹ There is a significant informal sector, believed to be equivalent in size to 30% of formal economic activity.¹⁰

12. As mentioned in its previous Review, since the 1970s Guyana has been undergoing a net emigration of nationals.¹¹ During 2003-06, the country lost on average some 9,900 people per year.¹² Anecdotal information suggests that the majority of the emigrants have a relatively high level of education, which implies a loss of relatively highly productive workers and of investments in public education. On the other hand, Guyanese communities overseas make important contributions to the domestic economy through remittances.¹³ According to balance-of-payments data, which tends to underestimate these transfers, remittances amounted to US\$278.5 million in 2007 (equivalent to some 26% of GDP) and US\$145.0 million in the first half of 2008.¹⁴

13. According to the United Nations Development Programme (UNDP), Guyana has maintained over the years a steady progress towards its Millennium Development Goals (MDGs), though the pace of progress may be insufficient to achieve some of the targets for 2015. The likelihood of Guyana meeting its MDGs depends mainly on the sustainability of economic growth and its effects on household disposable income, and on fiscal revenue available for public expenditure in social programmes.¹⁵ According to the authorities, a major constraint towards the achievement of its MDGs is the slow or non-disbursement of aid commitments.

(3) MONETARY AND EXCHANGE RATE POLICIES

14. The Bank of Guyana is responsible for the conduct of monetary policy. The main objectives set out in the Bank of Guyana Act of 1998, as amended, are: "fostering domestic price stability through the promotion of stable credit and exchange rate conditions, as well as sound financial intermediation conducive to the growth of the economy".

15. The main monetary policy instrument used by the Bank of Guyana is open market operations, i.e. the management of the money supply by the Central Bank's purchase and sale of securities in the financial market. A Committee meets weekly to set weekly targets based on the current and expected performance of inflation and the exchange rate, along with the Government's financing requirements. However, the Bank of Guyana does not have an inflation-targeting regime in place, nor does it issue

⁷ Bank of Guyana (2007).

⁸ Guyana's Bureau of Statistics online information. Viewed at: <http://www.statisticsguyana.gov.gy/census.html>.

⁹ Bank of Guyana (2007).

¹⁰ EIU (2007).

¹¹ WTO (2003).

¹² Guyana Bureau of Statistics online information. Viewed at: <http://www.statisticsguyana.gov.gy/pubs.html>.

¹³ IMF (2005).

¹⁴ Bank of Guyana (2007) and (2008).

¹⁵ UNDP online information. Viewed at: http://www.undp.org/poverty_reduction.html.

its own securities, it only coordinates the issuance of government treasury bills (for 91, 182, and 364 days) via open market auctions. The weighted average discount rate determined in the auctions of 91 day treasury bills is the market's short-term reference interest rate.¹⁶

16. All deposit-taking financial institutions operating in Guyana are subject to a reserve requirement ratio of 12% applicable to all liabilities, which represents the minimum balance these institutions are required to maintain with the Central Bank (see Chapter IV(7)(ii)). The Bank of Guyana has the authority to alter these reserve requirements as part of its monetary policy. Although its utilization as such has been limited (the ratio has not been altered since 1999), the authorities considered it to be a useful instrument to achieve the long-term objectives of monetary policy, as it links the Bank of Guyana's balance sheet with the balance sheet of the banking system.¹⁷

Table I.3
Main monetary indicators (end of period), 2003-08

	2003	2004	2005	2006	2007	2008
Monetary and credit aggregates (growth rates)						
M1	16.8	12.4	9.3	27.0	12.8	12.5
M2	8.3	7.8	8.3	15.9	13.6	12.7
Credit to the private sector	-17.2	-0.4	8.4	17.9	18.7	21.8
Nominal interest rates						
Treasury Bill discount rate (91 days)	3.40	3.79	3.74	4.16	3.90	4.19
Treasury Bill discount rate (364 days)	4.01	4.13	4.21	4.24	4.35	4.81
Prime lending rate ^a	16.69	15.65	15.24	14.47	13.89	13.91
Inflation^b						
Consumer price index (CPI)	5.0	5.5	7.9	4.5	14.1	6.4
Exchange rate						
Nominal exchange rate (G\$/US\$)	194.25	199.75	200.25	201.00	203.50	205.25
Real effective exchange rate (index 2000=100) ^c	95.7	92.3	98.7	96.1

.. Not available.

a Represents lending rates of commercial banks weighted by the amount of loans issued at the corresponding rate.

b Corresponds to Georgetown's urban consumer price index.

c IMF staff estimates, based on CPI statistics; an increase represents an appreciation.

Source: WTO Secretariat, based on information from Guyana's Bureau of Statistics, Bank of Guyana; and IMF.

17. The urban Consumer Price Index (CPI) for Georgetown, Guyana's main measure of inflation, peaked in 2005 and 2007 but remained low throughout most of the period under review (Table I.3). In 2005, the CPI rose due to heavy floods that affected the supply of foodstuffs; in 2007, the main factors driving up inflation were one-off costs arising from the implementation of the VAT and the rise of international commodity prices, particularly fuel.¹⁸

¹⁶ Bank of Guyana online information. Viewed at: <http://www.bankofguyana.org.gy/Monetarypolicy.htm>.

¹⁷ Bank of Guyana online information. Viewed at: <http://www.bankofguyana.org.gy/Monetarypolicy.htm>.

¹⁸ Bank of Guyana (2007).

18. Nominal interest rates remained within a narrow band during 2003-08, with the 91-day Treasury Bill discount rate hovering around 4% (Table I.3). Real short- and long-term (364 days) deposit rates were negative or close to zero throughout the entire period. Increased liquidity in the financial system has allowed for the reduction in the spread between lending and borrowing rates, but it remains high at around 10 percentage points (June 2008). The reduction of the interest rate spread has been accompanied by an increase in the credit to the private sector, which reached 37.8% of the GDP in December 2008.

19. The Bank of Guyana Act of 1998 states that: "the rate of exchange of the Guyana dollar in all currencies shall be determined on the basis of prevailing market conditions". At the same time, the Act grants the Bank of Guyana the authority to intervene in the foreign exchange rate market to minimize volatility and maintain price stability. In practice, over 2003-08, the nominal exchange rate with the U.S. dollar did not vary more than 2% within any given 12-month period. The IMF has classified Guyana's *de facto* exchange rate regime as a "conventional fixed peg arrangement" that uses the U.S. dollar as the exchange rate anchor.¹⁹

20. In order to participate in the exchange rate market, private persons may apply for a *cambio* dealer licence with the Ministry of Finance; this licence must be renewed annually.

21. Since 2003, the Guyanese dollar has depreciated steadily against the U.S. dollar in nominal terms, by an average of 1.1% per year. To the contrary, the real effective exchange rate appreciated slightly during 2003-06 (latest year available), most probably as a result of higher inflation in Guyana. There is no evidence to suggest that the Guyanese dollar is significantly overvalued.

(4) FISCAL POLICY

22. The Ministry of Finance is responsible for preparing the annual budget and for administering grants and loans received through different debt relief initiatives. In general, public finances have improved due to growing central government primary surpluses and external transfers, although the overall budget still posts substantial deficits (Table I.4).

Table I.4
Fiscal accounts of the Central Government, FY2003-08
(Percentage of current GDP)

	2003	2004	2005	2006	2007	2008 ^a
Total revenue	37.3	39.5	41.3	44.3	42.0	42.1
Current revenue	31.5	33.0	34.0	34.6	36.9	34.9
Tax revenue	28.8	30.8	32.1	32.4	35.5	33.5
Income tax	13.4	13.7	14.4	14.9	13.6	13.3
Property taxes	0.6	0.5	0.5	0.5	0.4	0.5
Consumption taxes ^b	10.6	12.5	12.9	12.9	0.7	n.a.
Value-added tax (VAT)	n.a.	n.a.	n.a.	n.a.	9.8	10.2
Excise tax	n.a.	n.a.	n.a.	n.a.	7.1	5.6
Import duties	2.3	2.4	2.2	2.3	2.8	2.8
Other taxes and licences	1.9	1.7	2.0	1.8	1.1	1.0
Non-tax revenue	2.8	2.2	1.9	2.2	1.4	1.4
Rents and royalties	0.7	0.6	0.3	0.1	0.1	0.0
Dividends from public enterprises	0.3	0.4	0.7	0.6	0.1	0.2
Other	1.8	1.1	0.9	1.5	1.2	1.2
Capital revenue	5.8	6.5	7.3	9.7	5.1	7.2
HIPC debt relief ^c	4.0	3.8	3.3	3.4	1.7	1.2
Other grants	1.8	2.7	4.0	6.3	3.5	5.8

Table I.4 (cont'd)

¹⁹ IMF online information. Viewed at: <http://www.imf.org/external/np/mfd/er/2008/eng/0408.htm>.

	2003	2004	2005	2006	2007	2008 ^a
Total expenditure	44.4	44.3	53.9	56.3	52.2	48.5
Current expenditure	28.4	27.1	30.0	30.6	29.7	30.4
Personal emoluments	11.3	11.1	11.2	11.1	10.1	10.1
Pensions	2.3	2.4	2.3	2.7	2.8	3.0
Other goods and services	10.1	8.2	10.5	10.9	9.4	10.3
Transfers ^d	4.7	5.4	6.0	5.9	7.4	6.9
Interest payments	4.1	2.9	2.6	2.5	2.8	2.8
Domestic	2.1	2.0	1.8	1.4	1.4	2.0
External	2.0	0.9	0.8	1.1	1.4	0.8
Capital expenditure	12.0	14.3	21.3	23.2	19.7	15.4
Current (primary) deficit/surplus	3.1	5.9	4.0	4.0	7.2	4.5
Overall balance before grants^e	-12.9	-11.3	-19.9	-21.7	-15.3	-13.6
Overall balance after grants^e	-7.1	-4.8	-12.6	-12.0	-10.2	-6.4
Memorandum item						
Public enterprises overall balance before taxes ^f	2.0	2.9	1.2	2.8	0.4	-1.1
Central government total external debt	161.7	151.8	147.4	116.3	67.2	69.6
Central government total debt	205.2	193.9	188.4	157.5	99.6	101.4
Central government total debt (US\$ million)	1,521.7	1,518.3	1,552.9	1,412.9	1,064.8	1,199.5

.. Not available.

n.a. Not applicable.

a Preliminary figures.

b The consumption tax was gradually substituted by the VAT as from January of 2007.

c Heavily Indebted Poor Countries debt relief programme coordinated by the IMF, World Bank, and IADB.

d Includes transfers to educational grants, scholarships, to local authorities, and contributions to local and international organizations.

e Includes both HIPC debt relief and other external grants.

f Represents the overall balance of all publicly owned non-financial enterprises, including capital expenditures but excluding transfers and taxes paid to central government.

Source: WTO Secretariat, based on data from Bank of Guyana.

23. The Central Government's overall accounts had started to improve in 2002, mainly as a result of higher tax receipts, particularly income tax, and controlled current expenditure. However, the higher current expenditure required to cope with the effects of floods in 2005, together with higher capital expenditure on infrastructure projects, led to the deterioration of the Central Government's overall fiscal balance in 2005 and 2006. In 2007, this situation was reverted as tax receipts rose significantly with the introduction of the VAT and excise tax, while total expenditure grew at slower pace than GDP. In 2008, the current surplus fell by 37.5% in terms of GDP, mainly due to measures to mitigate higher fuel prices, including electricity subsidies and lower fuel excise taxes, but by early 2009 these measures had been eliminated. External official transfers in the form of grants (including debt-relief initiatives) as well as loans (including PetroCaribe's disbursements²⁰) have also played an important role in improving public finances in Guyana by providing up to 20% of the Central Government's total revenue.

24. The authorities foresee a gradual reduction in the overall fiscal balance (after grants) to some 3.5% of GDP by 2012. In order to achieve this fiscal goal, the authorities committed to maintain spending discipline, strengthen efforts to reduce evasion and improve tax administration, reduce public investment once major projects are completed, and improve the operational surplus of public owned enterprises. Long-term debt sustainability will largely depend on the implementation of the envisaged fiscal consolidation and the continuation of debt relief.

²⁰ PetroCaribe is an alliance between Venezuela and 14 Caribbean countries to purchase oil from Venezuela under preferential payment conditions.

25. A number of fiscal reforms would seem necessary to support fiscal consolidation. In particular, in the context of an IADB-financed competitiveness programme, a comprehensive tax study will be carried out to assess the rationale behind the current tax structure and recommend formulas to, *inter alia*, reduce and unify the corporate income tax, import duties, and tax incentives, and to reduce or eliminate export taxes in a way that boosts investment and does not unduly compromise government revenues.²¹

26. Public enterprises had a positive impact in the public sector's fiscal balance during 2003-06, and, consequently, they helped finance the central government deficit. However, this situation changed in 2007-08 due to higher capital expenditure, particularly to finance the modernization of GUYSUICO's sugar plants (Chapter IV(2)(i)). In 2008, public enterprises made a negative contribution to public finances equivalent to 1.1% of GDP.

27. During the review period, the stock of external public and publicly guaranteed debt decreased significantly, to about 70%, which brought total central government debt to around 101% of GDP in December 2008. Over the same period, external debt interest payment with respect to GDP also fell significantly. These reductions are almost entirely attributed to debt relief under the Multilateral Debt Relief Initiative (MDRI), the Enhanced Highly Indebted Poor Countries (HIPC) Initiative, and other grants delivered by multilateral creditors. In that respect, Guyana met the necessary criteria and qualified for irrevocable debt relief under the HIPC Initiative. According to the latest Debt Sustainability Analysis carried out by the IMF and the World Bank in February 2009, Guyana's risk of debt distress could increase if non-debt-creating flows and real GDP do not grow as projected.²² Nevertheless, Guyana's risk of debt distress was classified as moderate, which is an important improvement with respect to previous years.

(5) BALANCE OF PAYMENTS

28. As in the previous review period (1997-2002), the current account of the balance of payments recorded sizable deficits during 2003-08. This was mostly due to large deficits in merchandise trade balance (Table I.5). Despite the higher international prices of the main commodities exported by Guyana, imports grew at a faster pace than exports; as a result, the current account deficit worsened, reaching a peak of 28% of GDP in 2007.

29. The traditional deficit in the services account increased during the review period, mainly as a result of higher imports of non-factor services. The tourism services account was also in deficit; the authorities acknowledge that more investment in infrastructure (e.g. transport) could help Guyana exploit its tourism potential and reverse this deficit.²³ Debt service payments decreased due to debt relief initiatives. Transfers, particularly remittances by Guyanese workers abroad, grew sixfold between 2003 and June 2008 making an important positive contribution to the current account.

30. Since 2005, large capital transfers, including MDRI relief (see above), have underpinned surpluses in the capital account, which have been more than sufficient to cover the deficits in the current account. As a result, international reserves have increased, to reach US\$355.9 million in December 2008, equivalent to 3.3 months of merchandise imports. Debt relief inflows were crucial to finance the current account, and permitted an increase in the foreign assets position of the Bank of Guyana.

²¹ IADB online information. Viewed at: <http://www.iadb.org/projects/project.cfm?id=GY-L1006&lang=en>.

²² IMF (2009).

²³ Ministry of Tourism, Industry and Commerce (2005).

31. Medium and long-term private capital inflows expanded at an average annual rate of 45% during 2003-08. Inflows of foreign direct investment (FDI) were directed mainly into telecommunications, mining, and forestry. In 2007, the capital account registered a high outflow of short-term capital that reflects commercial banks' accumulation of foreign assets.²⁴ According to UNCTAD's FDI performance index, Guyana ranked 11th during 2005-07, with FDI performance above its potential.²⁵ Nevertheless, as mentioned in Chapter IV, investment levels appear to be insufficient in a number of sectors, particularly those related to infrastructure.

Table I.5
Balance of payments, 2003-08
(US\$ million)

	2003	2004	2005	2006	2007	2008 ^a
I. Current account	-82.6	-69.8	-157.6	-250.3	-189.1	-299.1
A. Merchandise trade balance	-58.9	-57.8	-232.75	-299.8	-365.1	-501.8
Exports (f.o.b.)	512.8	589.0	550.9	585.1	698.0	798.4
Imports (c.i.f.) ^b	571.7	646.8	783.7	885.0	1,063.1	1,300.2
B. Services trade balance	-70.5	-86.0	-92.0	-166.8	-110.8	-126.1
Non-factor services (net)	-15.3	-46.7	-53.0	-97.8	-99.6	-111.3
Factor services (net)	-55.2	-39.3	-39.0	-69.0	-11.2	-14.8
C. Unilateral transfers	46.8	74.0	167.2	216.3	286.8	328.8
II. Capital and financial account	58.6	38.9	178.8	268.6	168.7	305.7
A. Capital transfer ^c	43.8	45.9	52.1	315.6	414.1	38.7
B. Medium and long-term capital	42.1	-1.4	143.5	-42.9	-150.4	272.8
Public sector (net)	16.0	-31.4	66.7	-145.3	-260.7	93.7
Non-financial public sector (net)	16.0	14.1	66.7	71.8	-260.7	93.7
Other (net)	0.0	-45.5	0.0	-217.1	0.0	0.0
Private sector (net) ^d	26.1	30.0	76.8	102.4	110.3	179.1
C. Short term capital	-27.3	-5.6	-16.8	-4.1	-95.0	-5.8
III. Errors and omissions	15.1	-12.2	-13.1	24.6	19.1	0.4
IV. Exceptional financing	9.7	11.6	15.8	18.1	38.7	37.8
Debt relief	9.7	11.6	0.0	0.0	7.5	4.7
Debt stock restructuring	0.0	0.0	1.8	1.7	2.0	-0.6
Debt forgiveness	0.0	0.0	14.0	16.4	29.2	33.7
V. Change in net foreign assets of BoG^e	-0.8	31.5	-23.9	-61.0	-37.3	-44.8
Memorandum item						
Current account/GDP (%)	11.1	8.9	19.1	27.9	17.7	24.9

a Preliminary figures.

b The IMF balance-of-payments guidelines recommend the use of f.o.b. figures for both exports and imports. The Guyanese authorities noted that work is ongoing to produce f.o.b. import figures for balance-of-payments purposes.

c Includes Multilateral Debt Relief Initiative transfers.

d Includes inflows of foreign direct investment.

e A negative change corresponds to an increase in international reserves of the Bank of Guyana.

Source: WTO Secretariat, based on information from Bank of Guyana.

²⁴ Bank of Guyana (2007).

²⁵ The FDI performance index is the ratio of a country's share in global FDI inflows to its share in global GDP. This ranking reflects Guyana's attractiveness as an investment destination, but it is also due in part to Guyana's still modest GDP, relative to which FDI inflows appear sizeable. In absolute value terms, GDP and FDI inflows in Guyana were, respectively, the lowest and second lowest in South America during 2005-07.

(6) DEVELOPMENTS IN MERCHANDISE TRADE

32. According to information from the United Nations Comtrade database (Tables AI.1 through AI.4), Guyana's total trade (imports plus exports and re-exports) increased at a nominal average annual rate of 15% over 2003-07; as a proportion of GDP, total trade increased from 139% to 170%. Exports represented on average 43% of total trade, while re-exports represented on average 2% of total exports or US\$12 million.

(a) Composition of trade

33. In value terms, exports increased by about 66% between 2003 and 2007, to reach US\$785 million (Table AI.1). Guyana has historically been a large exporter of commodities such as sugar, rice, and mineral products. In 2007, exports of primary products were US\$484 million, a 74% increase over the 2003 level. Agricultural exports grew in value terms but their share of total exports decreased by 5 percentage points. Exports of mining products grew by 120% over the period, reflecting strong demand from other emerging markets and higher world prices of metals. Exports of manufactured goods (including diamonds) totalled US\$142 million.

34. Over 2003-07, Guyana's export structure remained highly concentrated in a handful of commodities, namely, gold, bauxite, sugar, and rice. Among those, notable changes were the decreased importance of exports of sugars and frozen crustaceans (mainly shrimps), which were displaced by gold and bauxite as Guyana's first and fourth export products, respectively.

35. The value of imports reached US\$1,029 million in 2007, or 85% higher than in 2003 (Table AI.2). Although imports of manufactures increased faster than imports of primary products during the period (with annual average growth of 92% and 75%, respectively), the composition of imports remained essentially unchanged. Manufactures remained the largest importing sector, accounting for 61.0% of total imports in 2007. Machinery and transport equipment's share of imports grew by some 22.7%, remaining the most important single import category with 28.1% of total imports. The share of primary products decreased by 2 percentage points over the period, to 39.0% in 2007; on average, fuels accounted for 27% of total imports, and comprised the second largest import category. The share of agricultural imports declined by almost 2 percentage points over the period, to 14.3% in 2007.

(b) Direction of trade

36. The direction of Guyana's merchandise trade changed during 2003-07 relative to the previous review period (1998-2002). Particularly apparent was the reduction of the United States' share in Guyana's total trade, from 26.3% in 2003 to 20.5% in 2007, although Guyana's exports to the United States grew in value terms. As a group, the European Communities (EC25) remained Guyana's second main trading partner, accounting for 19.4% of total trade in 2007. CARICOM Member countries' share of Guyana's total trade remained constant at around 25%.

37. In 2007, Canada was the main export market for Guyanese products with 21.6% of total exports, followed by the United Kingdom and the United States (Table AI.3). Although exports to both the United States and the EC grew in value terms, their share in total exports declined by some 5 percentage points, reflecting the phasing out of preferential access to Guyanese agricultural products, particularly rice and sugar (Chapter IV(2)(i)). Exports to Asia, particularly to China and East Asia²⁶, were three times higher in 2007 than in 2003, partly reflecting higher economic growth in this part of the world. The shares of total exports to the Netherlands, Suriname, and Ukraine (aluminium ores in the case of the latter) also registered significant increases during the review period.

38. Guyanese imports from the United States grew in value but lost market share, while those from Asia increased significantly in both dimensions (Table AI.4). However, the United States along with Trinidad and Tobago, remained Guyana's main suppliers in 2007, each with 25.1% of total imports. Imports from China grew almost fivefold in value terms between 2003 and 2007, accounting for 8.5% of total imports in 2007. Imports from Canada and India also gained market share during the period.

(7) OUTLOOK

39. The Ministry of Finance expected real GDP growth to slow to about 4.7% in 2009 largely due to lower output from the commodities exports; it also expected easing food and oil prices to keep inflation below 5.2% in 2009. The deficit in the current account of the balance of payments was expected to recede as a result of lower imports. However, the capital account is projected to decline 10.1% based on projected lower levels of FDI and capital transfers, which will eventually cause a reduction in Guyana's international reserves if debt relief inflows do not increase as projected. The central government's fiscal position is expected to deteriorate slightly in 2009, but the overall fiscal balance target of 3.5% of GDP for 2012 is not expected to be affected.²⁷

²⁶ Chinese Taipei, Singapore, Hong Kong China, Thailand, Malaysia, and Korea.

²⁷ Information provided by the Guyanese authorities.

II. TRADE POLICY REGIME: FRAMEWORK AND OBJECTIVES

(1) OVERVIEW

1. There have been only a few changes to Guyana's constitutional and legal framework since its last Review in 2003: Guyana's constitution has been amended; a Commercial Court has been established, and Guyana has accepted the Caribbean Court of Justice as its final court of appeal. There have been no major changes to the various agencies involved in trade policy formulation and implementation. The National Trade Strategy still reflects the specific trade issues and challenges that Guyana faces; in 2005, a broader report on Enhancing National Competitiveness was formulated, which contains trade policy recommendations as well as recommendations in other policy areas. Both of these reports stress the importance of enhancing Guyana's exports, particularly of value-added products.

2. In 2004, Guyana enacted an Investment Act to encourage foreign investment and to provide for more transparency and legal predictability in its regime. This Act gives MFN and national treatment to investors in all sectors. There are, however, national treatment exceptions in mining. Moreover, the Minister of Finance may exclude sectors from investment subject to an affirmative resolution of the National Assembly.

3. As at the time of Guyana's previous review, Guyana faces significant challenges in participating in the WTO, as a result of its non-resident status: a number of notifications are outstanding. Preferences and special and differential treatment are among Guyana's key priorities in the DDA negotiations. Guyana's trade policy *vis-à-vis* third countries is largely defined within the context of its membership in CARICOM, and particularly CARICOM's free-trade agreements with third countries. Since 2003, CARICOM has concluded a free-trade agreement with Costa Rica. A very significant development has also been the signature of the Economic Partnership Agreement (EPA) between the EC and CARIFORUM in October 2008. This is a wide-ranging asymmetrically reciprocal agreement, which replaces the non-reciprocal preference scheme previously granted under the Lomé and Cotonou Conventions. Work is ongoing both at the regional level and in Guyana to prioritize the country's aid for trade needs.

(2) TRADE POLICY FORMULATION AND IMPLEMENTATION

(i) Institutional framework

4. Guyana became independent within the British Commonwealth in May 1966 and was declared a Cooperative Republic in February 1970. The Constitution of the Co-operative Republic of Guyana (Act No. 2 of 1980), as amended, is the supreme law of Guyana and as stipulated in Article 8 any laws inconsistent with it are void. The Constitution was amended twice in 2003 and once in 2006.¹

5. As set out in the Constitution, the President of Guyana is the Head of State, the supreme executive authority, and the Commander-in-Chief of the armed forces.² The designated candidate of the political party obtaining the largest percentage of the popular vote at the general election is

¹ The Constitution of Guyana. Viewed at: <http://www.parliament.gov.gy>. This incorporates the amendments made in 2003. Where Constitutional provisions (including amendments) are relevant to trade and investment in Guyana, they are mentioned in the relevant chapters of this Report. The only change introduced by the Constitution (Amendment) Act (No. 24 of 2006), was to extend the time within which elections must be held, from 3 months after every dissolution of Parliament to 4 months.

² Article 89 of the Constitution.

automatically appointed as President, and may serve up to two terms, each of a maximum of five years.³ The President may appoint to Cabinet a Prime Minister, Vice-Presidents and Ministers. The Prime Minister must be a member of the National Assembly, and all but a maximum of four ministers must be elected members of the National Assembly. The President has the authority to prorogue or dissolve the National Assembly⁴, and elections must be held within four months. The last general election was held in August 2006.

6. The National Assembly is a unicameral legislature consisting of 65 members elected by proportional representation. Elections are held within no more than five years from the date when the Assembly first meets.⁵ The National Assembly's main function is to pass bills and constitutional amendments. Chapter X of The National Assembly's Standing Orders sets out the required steps for the passage of legislation.⁶ Bills may be tabled by the Government or Private Members, however those relating to financial matters require the recommendation or consent of the Cabinet.⁷ There are three readings of the bill in the National Assembly and during this process, the bill may be referred to a Select Committee.

7. Most matters in the National Assembly are determined by majority vote. Guyana operates under a "dualist" system of international law by which international agreements take legal effect through the enactment of implementing legislation. This requires a majority vote in the National Assembly. International agreements that have not been incorporated into domestic law cannot be invoked before the courts and have no direct effect under Guyanese law.

8. Bills passed by the National Assembly require the President's assent (signature) to become a statute law. If the President withholds assent, the bill must be returned to the Speaker with a message stating the reasons. If two thirds of the Assembly vote to return the bill to the President, assent must be given within 21 days, unless the President dissolves the Assembly before that time.⁸

9. Guyana's judicial system consists at the lower level of 51 magistrates courts. A Land Court handles all claims relating to land registration and ownership and a Commercial Court, established in 2006, deals with commercial claims. Both of these are divisions of the High Court (below). As set out in the Constitution, the Supreme Court of Judicature comprises a Court of Appeal and a High Court. The High Court sitting as a Full Court⁹, may hear appeals against judgements made by a single judge of the High Court and may also hear appeals against magistrates' decisions. The Court of Appeal has authority to hear and determine appeals from the High Court, except in the few cases when the decision of the High Court is final.¹⁰ Since its inauguration in April 2005 further appeals from the Court of Appeal may be made to the Caribbean Court of Justice (CCJ), which has become Guyana's final court of appeal.¹¹

³ Article 90 of the Constitution.

⁴ Article 70 of the Constitution.

⁵ Article 70 of the Constitution.

⁶ Standing Orders of the National Assembly of Guyana. Viewed at: <http://www.parliament.gov.gy/Newstandingorders.pdf>.

⁷ Article 171 of the constitution and paragraph 53 of the Standing Orders.

⁸ Article 170 of the Constitution.

⁹ The Full Court is a division of the High Court, and must generally consist of all, but otherwise not less than two, judges of the High Court.

¹⁰ The Schedule to the High Court Act, sets out the instances in which the decision of the High Court is final. Viewed at: www.gina.gov.gy/gina_pub/laws/Laws/cap203.pdf.

¹¹ Caribbean Court of Justice online information. Viewed at: http://www.caribbeancourtofjustice.org/annual_report/ar0506.pdf. Guyana's acceptance of the CCJ as its final court of appeal is implemented into

10. Guyana's judicial system has been described as often slow and inefficient. It has been reported that the shortcomings of the legal system have caused delays in the realization of collateral and hindered the investigation, prosecution, and speedy resolution of commercial disputes.¹² In December 2007, there was a backlog of 14,504 cases at the level of the Magistrates Courts and 21,366 at the High Court level. The Commercial Court was established to ameliorate this problem. In 2007, 1,040 cases were filed before the Commercial Court, and 506 concluded, and in 2008, 1,030 cases were filed and 644 concluded.¹³

11. The Constitution also provides for the establishment of an Ombudsman office, which is responsible for investigating allegations of injustice caused by administrative fault. This includes actions taken by government departments or authorities and their officers as well by as the President and Ministers. The post of Ombudsman has been vacant since 2005.

12. Guyana's institutional framework has been affected by political instability in previous years. As noted by the IMF, since the late 1990s, organized crime and ethnically based social and political tensions have contributed to undermining Guyana's development: emigration of skilled workers was significant at the end of the 1990s as was the decrease in foreign investment. It has been suggested that revitalizing private investment in Guyana is crucial for restoring sustained growth. This, however, requires improvements in the investment climate, which are in turn linked to political stability.¹⁴ There are signs that the political situation in Guyana is improving: while elections in 1997 and 2001 were marked by violence and unrest, the 2006 election results were not.¹⁵

(ii) Trade policy formulation, implementation, and objectives

13. Overall responsibility for trade policy formulation at the multilateral, regional, and bilateral levels rests with the Ministry of Foreign Affairs, Foreign Trade and International Cooperation. It is charged with identifying opportunities for developing new markets for existing and new goods and services, and mobilizing resources through technical cooperation with bilateral and institutional donors.¹⁶

14. As at the time of Guyana's previous review, inter-institutional coordination between ministries on trade policy issues is undertaken by the National Advisory Committee on External Negotiations (NACEN), chaired by the Minister of Foreign Affairs, Foreign Trade and International Cooperation, and coordinated by a high-level ministry official. The NACEN also advises the Government and helps it to prepare for and participate in trade negotiations, including through input into the Caribbean Regional Negotiating Machinery (CRNM). It brings together representatives from the public and private sectors, labour, and academia. The day-to-day work of ensuring all relevant ministries, NGOs, and private-sector groupings have a voice in the pursuit of trade policy objectives is undertaken by a National Trade Negotiations Committee (N-TNC), and its respective technical

domestic law through the Act to Implement the Agreement Establishing the Caribbean Court of Justice and to Provide for Other Related Matters.

¹² IADB Country Strategy with Guyana November 2002. Viewed at: http://www.iadb.org/countries/strategy.cfm?id_country=GY&lang=en.

¹³ Filed cases are newly filed cases plus those bought over from the previous year.

¹⁴ IMF (2007b).

¹⁵ As reported by the Commonwealth Observer Group to the elections: "So far as violence and possible instability was concerned, there was no violent or other major disruption of the election arrangements, and there was no violence in the immediate aftermath of the results. The front page of the *Guyana Chronicle* of 29 August said it all: 'peaceful poll surprise'. The media continued to behave in a responsible manner and the political parties showed the necessary leadership." Viewed at: http://www.thecommonwealth.org/Shared_ASP_Files/UploadedFiles/0AD0B937-FD40-456B-8495-EDB265E8E806_GuyanaCogReport.pdf.

¹⁶ MOFTIC online information. Viewed at: <http://www.moftic.gov.gy>.

working groups. A range of other bodies have jurisdiction over issues that affect trade policy (see Chapters III and IV).

15. During the review period, two documents were issued that highlight some of the key trade policy challenges that Guyana faces in the context of a broader objective of enhancing the competitiveness of the economy. The National Trade Strategy, produced in 2003, deals specifically with trade policy concerns; the Enhancing National Competitiveness reports issued in 2005 jointly by the Government of Guyana and the Private Sector Commission is much more wide-ranging and deals with trade policy along with other policy challenges. Both reports acknowledge, either explicitly or implicitly, that trade policy has a part to play in a coordinated national effort to improve the country's competitive position.

16. Guyana's National Trade Strategy, finalized in October 2003, identifies both general and specific trade-policy objectives, as well as resources to be employed in pursuit of these goals. It proposes that Guyana's overriding trade policy priority should be to enhance market access for Guyanese exports. In so doing Guyana should continue to advocate: special and differential treatment, benefits similar to those accorded to LDCs, and the maintenance and extension of preferences in trade negotiations. It acknowledges however, that, realistically, there may be limitations to this approach. According to the Strategy, the most frequently identified sectors of export interest to Guyana have been: agri-processing (especially juices, purees, pulps, jams, and jellies), garments and leather products, forestry and wood products, and crafts and jewellery, as well as tourism services (including hotels, restaurants, resorts etc) and information and communications technology, including call centres.

17. The National Trade Strategy identifies Guyana's ability to defend its trade interests as an important goal: the cost of undertaking anti-dumping investigations and using the WTO's Dispute Settlement Mechanism may be prohibitive, but consideration should be given to other options including pursuing complaints at the WTO as part of a coalition or using the good offices of the Director-General. In addition, measures to address injurious import competition could include raising applied tariffs and imposing temporary restrictions on imports under GATT Article XIX. The Strategy also touches upon the need to tighten up internal coordination on trade policy issues and to devote more resources to strengthening the Ministry's analytical capacity and its human resources in order to participate in trade negotiations (see below).

18. The Government's 2005 report on Enhancing National Competitiveness¹⁷, builds on certain goals contained within the National Development Strategy.¹⁸ Its rationale is that Guyana is too heavily reliant on the production and export of a few virtually unprocessed commodities, and diversification needs to be encouraged. The overall thrust of the report is that economic growth should be fuelled by exporting higher-value-added goods and services to world markets, and an action plan sets out policy measures in a variety of areas to achieve this. The report notes that Guyana's trade policy stance is too reactive to developments, largely stemming from resource constraints. Building up Guyana's capacity to defend its national interests must be a strategic priority, and an assessment should be made of whether the various recommendations made in the National Trade Strategy have been implemented, together with an identification of policy measures and associated investments to ensure implementation.

¹⁷ Report on Enhancing National Competitiveness. Viewed at: <http://www.mintic.gov.gy/documents/EnhancingCompetitivenessFinalDraft.pdf>.

¹⁸ National Development Strategy online information. Viewed at: <http://www.ndsguyana.org/document.asp>.

19. As at the time of its previous Review, Guyana faces significant institutional resource constraints: within the Ministry there are nine professional staff permanently assigned to trade-related functions including new responsibilities arising from the EC-CARIFORUM EPA; and information technology limitations are also an impediment. Guyana does not have a permanent mission in Geneva: it is represented in the WTO on a selective basis from Georgetown, and by its Ministry of Foreign Affairs mission in Brussels. Guyana's non-resident status continues to constrain its ability to monitor and participate fully in WTO negotiations and related activities.

(3) FOREIGN INVESTMENT REGIME

20. Overall responsibility for investment policy in Guyana rests with the Office of the President. Promotion of foreign and local investment is undertaken by The Guyana Office for Investment (GO-Invest), a semi-autonomous body under the Office of the President. GO-Invest also advises the Government on the formulation and implementation of national investment policies. Within GO-Invest, the Investment Facilitation and Promotion Division is the primary contact for investors, and assists them in various aspects of starting up operations, including liaising with government agencies to obtain the required authorizations and licences.¹⁹

21. Foreign direct investment into Guyana is actively encouraged and seen by the Government as critical to its economic development. Numerous incentives are offered to investors and recent initiatives have been taken to expand their scope (see Chapter III(4)(iv)). The authorities indicate that investments are not routinely screened by the Government.

22. Various laws are of relevance to foreign investors. Article 142 of the Constitution states that no property of any description shall be compulsorily taken possession of, and no interest in or right over property of any description shall be compulsorily acquired, except by or under the authority of written law and where provision applying to that taking of possession or acquisition is made by a written law requiring the prompt payment of adequate compensation. Under the Status of Aliens Act, foreign and domestic investors have the same rights to purchase and lease land. In addition, in 2004, the Government enacted an Investment Act with the intention of improving the investment climate. Prior to the adoption of this Act, there had been no specific investment legislation. The Act is intended to attract and facilitate investment, *inter alia*, through: providing a more predictable, stable, and transparent legal regime for investment and streamlined procedures.

23. The Investment Act specifies that there should be no discrimination between private foreign and domestic investors nor among foreign investors from different countries. The Act defines both domestic and foreign investors and clarifies the rights of foreign investors under this legislation. The only exception to the general non-discrimination principle is in the mining sector, where investment in small and medium-sized operations is restricted unless a partnership with a domestic partner exists. The Investment Act also states that all fields of lawful economic activity are open to all investors. However, the Minister of Finance may exclude sectors from investment subject to affirmative resolution of the National Assembly. The authorities indicate that sectors would only be excluded in exceptional circumstances, and no distinction would be made between foreign and local investors. There have been no such exclusions during the period under review.

24. The Investment Act specifies the different forms under which investment enterprises may be established (see Chapter III(4)(i)). Enterprises may be wholly owned by foreign investors, and unrestricted repatriation of profits is allowed after tax obligations have been met, both for companies and net earnings of foreign personnel working in Guyana. Echoing the Constitutional provisions on the protection of property (above), the Act limits the circumstances under which the Government may

¹⁹ GO-Invest online information. Viewed at: <http://www.goinvest.gov.gy/goinvest.html>.

compulsorily acquire any investment enterprise or the assets of an investor: legal procedures must be followed and adequate compensation paid. The authorities confirm that no foreign investment enterprises or their assets have been taken over by the Government since 2003.

25. The Investment Act provides a number of avenues for resolution of disputes among investors, or between investors and the Government. These are: arbitration under the Arbitration Act²⁰; resolution before the competent courts; adoption of procedures provided for in the articles of association or other constituent document of the investment enterprise; or resolution of the dispute by the International Centre for the Settlement of Investment Disputes (ICSID).

26. Under the General Agreement on Trade in Services (GATS) Guyana has scheduled no limitations to foreign investment with respect to both market access and national treatment for a number of services activities, including certain professional services, banking and insurance services, tourism and travel-related services, and transport services (Chapter IV(1)).

27. Some of the FTAs signed between CARICOM and third countries contain provisions on the promotion and protection of investment (Table AII.1). In addition, the EPA signed between the EC and CARIFORUM in October 2008 contains substantial commitments on the liberalization of investment, for commercial presence in services and non-services sectors. General provisions on investment are set out in Title II of the EPA. The coverage of the agreement extends to commercial presence in all economic activities, with a few exceptions.²¹ Commercial presence is defined to include juridical persons²² as well as branches and representative offices. MFN treatment applies. In addition, there are rules prohibiting bribery and corruption as well as on environmental and labour standards in relation to investment. Annex IV(E) to the EPA includes the reservations Guyana has taken with respect to measures that do not conform to the general provisions in Title II for investment in non-services-sector activities (agriculture, hunting, and forestry; fishing; mining and quarrying; manufacturing; and production, transmission, and distribution on own account of electricity, gas, steam, and hot water). Guyana has reserved the right to adopt or maintain measures on investment in the fishing sector. With respect to mining, the right to minerals on all lands is reserved for the State, and there are restrictions on issuing permits to persons for small- and medium-scale mining operations. It has reserved the right to adopt restrictions on small-scale investment in the manufacture of wood and wood products as well as the manufacture of furniture.

28. The list of specific commitments in services under the EPA undertaken by Guyana, and other CARIFORUM countries, are set out in Annex IV(F) to the Agreement. These are scheduled on a positive list approach, and Guyana's commitments under the EPA are much more extensive than those taken in the WTO. The EPA mandates the parties to review investment flows and the legal framework and environment within three years of the date of entry into force of the Agreement and to enter into further negotiations on investment within five years.

29. Guyana has concluded bilateral investment promotion agreements with China, Cuba, Germany, the United Kingdom, Northern Ireland, and Indonesia. Double taxation treaties are in force with Canada, CARICOM, and the United Kingdom. Other double taxation agreements are under negotiation with India, Kuwait, and the Seychelles. The CARICOM-Dominican Republic Free Trade

²⁰ Arbitration Act. Viewed at: http://www.gina.gov.gy/gina_pub/laws/Laws/cap703.pdf.

²¹ These exceptions are: mining, manufacturing and processing of nuclear materials; production of or trade in arms, munitions, and war material; audio-visual services; national maritime cabotage; and national and international air transport services, and certain services directly related to the exercise of traffic rights.

²² The definition of a juridical person in the agreement is: any legal entity duly constituted or otherwise organized under applicable law, whether for profit or otherwise, and whether privately owned or governmentally owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association.

Agreement provides for the negotiation of a double taxation agreement, but there have been no developments in this regard (March 2009).

30. The authorities indicate that their main challenge is to attract greater diversity in foreign direct investment, not just in the traditional sectors, such as forestry and mining, but also in other areas such as agriculture and information and communications technology.

(4) INTERNATIONAL RELATIONS

(i) World Trade Organization

31. Prior to independence Guyana had applied GATT *de facto* as a member of the metropolitan territory of the United Kingdom. Guyana acceded to the GATT as a contracting party under the terms of Article XXVI:5(c) in 1966 following independence.²³ Guyana is an original Member of the WTO and grants at least MFN treatment to all its trading partners.²⁴ Guyana did not participate in the GATS extended negotiations on financial services or telecommunications.

32. Guyana has notified several of its laws and other measures under the various WTO Agreements. However, there are a number of notifications pending. (Table AII.2).

33. Guyana's participation in the WTO and the DDA negotiations is limited, largely as a result of its non-resident status. This notwithstanding, Guyana has submitted an initial conditional offer in the services negotiations; however, at end 2008, it had not submitted a revised offer.²⁵ Guyana has also put forward communications, together with other countries, on fisheries subsidies in the rules negotiations as well as on agriculture (see Chapter IV(2)).

34. According to Guyana's Minister of Foreign Trade and International Cooperation at the Hong Kong Ministerial Conference in 2005, Guyana's priorities in the negotiations are: the special safeguard mechanism and special products; longstanding preferences and preference erosion; special and differential treatment; and aid for trade.²⁶

35. Guyana has never invoked the dispute settlement provisions of the GATT or WTO, nor have any complaints been brought against it in these fora. However, Guyana reserved its rights to participate as third party in three cases relating to European Community export subsidies on sugar.²⁷

(ii) Regional and bilateral agreements

36. Guyana attaches great importance to its participation in regional trade agreements as a vehicle to enhance its integration in the world economy. Guyana largely formulates and implements its trade policy within the context of its participation in the Caribbean Community (CARICOM). Through its CARICOM membership, Guyana has six preferential trade agreements in force, with an equal number of trading partners (counting the EC as one); it also has two bilateral partial scope agreements, with Brazil and Venezuela (Table AII.2). Since 2003, Guyana, together with its CARICOM partners, has signed two new agreements, with Costa Rica and the European Communities. The authorities

²³ GATT document L/7203.

²⁴ WTO document WT/TPR/S/122, 1 October 2003.

²⁵ For further information see WTO online information: http://www.wto.org/english/tratop_e/serv_e/s_negs_e.htm.

²⁶ WTO document WT/MIN(05)/ST/25, 14 December 2005.

²⁷ The complainants were Australia (DS265); Brazil (DS266); and Thailand (DS283).

indicate that they are looking to take greater advantage of the opportunities provided by these agreements to increase and diversify their exports.

(a) CARICOM

37. Guyana is an original member of the Caribbean Community and Common Market (CARICOM), and has ratified the Revised Treaty (see Table AII.2). Guyana, Barbados, Jamaica, Suriname, and Trinidad and Tobago have the status of "more developed countries" (MDCs) within the group. CARICOM has a common external tariff, albeit containing flexibility for individual country exceptions (Chapter III(2)(iv)).

38. The Conference of Heads of Government is CARICOM's highest decision-making body and final authority. A number of ministerial councils deal with policy in different areas. The Council for Trade and Economic Development (COTED), representing membership of trade and development ministers from all member states, is responsible for the promotion of trade and economic development in CARICOM. Since 1997, CARICOM has worked through the Caribbean Regional Negotiating Machinery (CRNM) to coordinate information and strategy in external trade negotiations, including in the WTO.

39. There have been a number of developments at the CARICOM level since 2003. In 2005, CARICOM governments inaugurated the Caribbean Court of Justice (CCJ). Its mandate is to interpret the provisions of the Revised Treaty, as well as act as a final court of appeal for those CARICOM states that choose to use it for this function, which Guyana has done. CCJ rules have been developed and the first session took place in August 2005.²⁸ CARICOM has also deepened trade-related cooperation at a technical level: the CARICOM Regional Organization for Standards and Quality (CROSQ) was established in 2005, and Guyana has implemented it into domestic law.²⁹ In January 2006, the CARICOM Single Market and Economy (CSME) was established. CARICOM members also established in January 2008 a Community Competition Commission. Ongoing issues being considered at the CARICOM level include work on: the harmonization of incentives; regulations to facilitate the provision of professional services within the grouping; updating of the CARICOM Multilateral Air Services Agreement (CARICOM MASA) to make it compatible with the Revised Treaty; harmonization of customs legislation; the establishment of a regional oversight body for food safety (funding permitting); model anti-dumping legislation; and a government procurement agreement.

(b) Other preferential agreements and arrangements

40. The major development over the review period was the signature of the Economic Partnership Agreement (EPA) between CARIFORUM and the EC (Table AII.1). The CARIFORUM-EC EPA, is an asymmetrically reciprocal agreement, and replaces the preferential ACP-EC Cotonou Partnership Agreement. For a time it was uncertain whether Guyana would sign the agreement since it had wanted the EPA to cover only goods.³⁰ Guyana however decided to sign the EPA on 20 October 2008, five days after the signing ceremony involving all other CARICOM countries except Haiti.

²⁸ CCJ (2006).

²⁹ CARICOM Regional Organisation for Standards and Quality Act, No. 13 of 2005.

³⁰ ICTSD online information. Viewed at: <http://ictsd.net/i/news/tni/30721/>.

41. The authorities note that an expansion of the CARICOM-Venezuela Agreement is under discussion. Initial consultations at the technical working group level have been held with respect to a free-trade agreement with Canada.³¹ Guyana and Argentina signed a Trade and Economic Cooperation Agreement in February 2006, however, this does not involve tariff reductions.

42. Guyana benefits from the U.S. Caribbean Basin Initiative (CBI), and is eligible to receive enhanced benefits introduced by the Caribbean Basin Trade Partnership Act (CBTPA)³²; the Canadian Programs for Commonwealth Caribbean Trade, Investment and Industrial Cooperation (CARIBCAN)³³; and is a beneficiary of the Generalized System of Preferences (GSP) schemes of Australia, Canada, the European Communities, Japan, New Zealand, Norway, Russia, Switzerland, and the United States.

(iii) Aid for Trade

43. The authorities indicate that a key priority for aid for trade support is to help develop Guyana's economic infrastructure, particularly the improvement of transport infrastructure to connect local communities as well as facilitating links with other countries in the region. They note that support is needed at the enterprise and producer levels to enhance export production capabilities and competitiveness in commodities, manufactures, and services sectors with a strong national potential, including diversification into alternative and dynamic exports and entry into new markets. The authorities see aid for trade as one important way to counterbalance the negative effects of a changing trading environment as well as to allow it to make full use of opportunities arising out of the DDA. They note that it is crucial that aid for trade resources are provided in addition to existing aid programmes, are flexible enough to fit into the needs of recipient countries and are synchronized with similar arrangements to avoid duplication or additional burdens in terms of accounting, monitoring, and evaluation.

44. Guyana has made it clear that aid for trade is one of its priority areas within the DDA negotiations, as explicitly stated at the Hong Kong Ministerial Conference in 2005.³⁴ In 2006, Guyana together with a number of other delegations submitted a communication to the Aid for Trade Task Force, advocating the extension of Aid for Trade to target IDA-only eligible as well as LDCs, with separate institutional arrangements to look after the respective concerns of each group.³⁵

45. Information on the WTO/OECD Database indicates that over the period 2002-05, Guyana received on average US\$35.6 million annually in assistance. Most was targeted at building economic infrastructure (mainly transport and storage but also energy supply and generation). Support has also been provided to building productive capacity in agriculture, business support services and institutions; banking and financial services; and forestry.

³¹ CRNM Press Release. Viewed at: http://www.crn.org/documents/press_releases_2008/pr0815_TWG_Convenes_to_discuss_CARICOM-CANADA_Neg.pdf.

³² The CBTPA accorded the same preferential and quota treatment granted to certain textile and apparel articles imported into the United States from NAFTA countries, subject to conditions being met. It has been extended until 2010.

³³ The CARIBCAN waiver was extended by WTO Members in December 2006, until 2011. WTO document WT/L/677, 19 December 2006.

³⁴ WTO document WT/MIN(05)/ST/25, 14 December 2005.

³⁵ WTO document WT/AFT/W/20, 21 June 2006.

46. Some work on aid for trade has been undertaken at the regional level, both in the context of the EPA negotiations with the EC and the DDA, including the development of a Caribbean Roadmap for Aid for Trade as well as a 2006 regional study on Aid for Trade by the Caribbean Regional Negotiating Machinery (CRNM).³⁶

³⁶ Parsan (2006).

III. TRADE POLICIES AND PRACTICES BY MEASURE

(1) MEASURES DIRECTLY AFFECTING IMPORTS

(i) Procedures

1. The Guyana Revenue Authority (GRA) is responsible for administering customs procedures in Guyana. All importers must be registered and obtain a tax identification number (TIN) from the Guyana Revenue Authority's Customs and Trade Administration department. Importers may import individually or through a custom's broker. The following documents are always required when imports are presented at Customs: the customs declaration; invoice; bill of lading; packing list, and certificate of origin. Other documents such as import licences, permits, sanitary certificates, and certificates of title and registration (in the case of motor cars) may be required depending on the good imported.

2. There are several steps involved in the import process and these have not changed since Guyana's previous review (Box III.1).¹ As of December 2007, these procedures were not applied to imports of personal and household effects or non-commercial items of a c.i.f. value of between US\$200 and US\$500. For these low-value imports a simplified system involving the submission of a Simplified Customs Declaration (SCD) was introduced.² A Permit for Immediate Delivery Form may be obtained to expedite the speedy clearance of imports of perishable goods, upon payment of a financial bond.

3. Guyana installed the Total Revenue Integrated Processing System for customs management in January 2007, replacing Asycuda Version 2. The authorities expect the new system to expedite customs processing, *inter alia*, through its enhanced capability to detect false declarations, and thereby also expedite the processing of valid ones.³ The new system incorporates the necessary technology for the GRA to receive customs declarations electronically in advance of importation, however, this had not yet been operationalized (March 2009).

4. As reported by the authorities, customs clearance typically takes five to seven days. They note that on a regular basis import documents are not properly completed, thus causing delays. They also report that efforts are being made to reduce clearance times through internal reorganization and training.

5. Disputes regarding the rate or amount of duty payable on imports may be submitted to the Customs Tariff Tribunal. As at September 2007, the latest date for which information was available, five cases had been brought to the Tribunal: two cases were withdrawn by the appellant, in one case, the Tribunal decided in favour of the appellant, and in another case, in favour of the GRA; the fifth case was still pending.⁴ Importers dissatisfied with the Tribunal's decision may appeal to the Full Court of the High Court whose decision is final.

¹ WTO (2002), Box III.1.

² The Simplified Customs Declaration was introduced by Regulation No. 20 of 2007, made under the Customs Act (Cap. 82:01). See also Guyana Revenue Authority online information. Viewed at: <http://www.revenuegy.org/pressr/customsDeclaration.php>.

³ Guyana Revenue Authority online information. Viewed at: <http://www.revenuegy.org/pressr/customsecurity.php>.

⁴ Guyana Revenue Authority online information. Viewed at: <http://www.revenuegy.org/pressr/customtribunal.php>.

6. Guyana has notified the WTO that it does not have any laws or regulations on preshipment inspection.⁵ Guyana is a member of the World Customs Organization.

Box III.1

1. Obtain a Customs registration number and, if required, an import licence.
2. To clear imported goods, a broker or the importer (if it is acting on its own behalf) must complete form C72 in quadruplicate and submit it to Customs, along with the original supplier invoice, bill of lading, and insurance form (if insured).
3. This file of forms is routed to the Classification section where the accuracy of the classification of goods in the documents is verified.
4. The file is then delivered to the computer/processing section, where it is checked for completeness and accuracy and the data is entered. If everything is in order, an Assessment Notice indicating the amount of taxes to pay is issued to the broker and Custom's cashier, along with the C72 form.
 - (a) For commercial goods, except duty-free items, if a customs officer believes the invoice value is not correct or the importer has a history of under-invoicing, the file may be routed to the valuation section. Here, the file is reviewed for accuracy and if the officer feels that the invoice is undervalued, the values may be increased for tax-computation purposes.
 - (b) If revalued, the file is returned to the broker, who makes the necessary recalculations on form C72 and resubmits it. The file then goes to the computer/processing section again for entry and the issuance of an Assessment Notice. This retracing of steps may add another one to two days to the clearance process.
5. The broker takes the notice to the cashier and pays the indicated amount, receiving a copy of the C72 form as a receipt. Twice a day, the original, paid-for C72s are picked up from the cashier and delivered to the Quality Review section at Customs House.
6. There is post-audit verification in some cases.
7. If everything is in order, the file is delivered to the wharf or other point of entry; this takes another half-day. A broker takes the approved forms to the point of entry where it is matched with the original delivered from the inspection unit. The goods are then located and a physical inspection occurs. This inspection is usually based on a sampling, unless some discrepancies are found, in which case, all goods may be inspected. Deliveries are made two to three times a day from the Quality Review section to the wharf or other point of entry.
8. After the inspection, the broker takes the bill of lading to the port agent, who provides a cart note for permission to take the goods out.
9. The broker takes the goods.

Source: WTO document WT/TPR/S/122.

(ii) Customs valuation

7. Guyana has not submitted its legislation under Article 22 of the Agreement, nor has it replied to the Checklist of Issues. Guyana has reserved its right to use certain special and differential treatment provisions of the Customs Valuation Agreement, as set out in Annex III(3) and (4) to the Agreement.⁶

8. Customs valuation rules are included in Article 23 and Schedule V of the Customs Act (Cap.2:01). The Act specifies that the transaction value, plus costs of transport, loading and handing

⁵ WTO document G/PSI/N/1/Add.10, 19 July 2004.

⁶ WTO document WT/LET/226, 12 June 1998; see also G/VAL/2/Rev.24, 27 April 2007.

and insurance, should be the customs value of imported goods. The authorities indicate that this is used in around 71% of cases, which would appear to reflect significant problems with under-invoicing. In cases of doubt, the GRA may require further information, and may use other methods of valuation, in the order prescribed by the WTO Agreement on Customs Valuation. Where the Commissioner-General of the GRA determines that the transaction value may not be used, importers may request a written explanation of the grounds for such a decision. The importer may make representations to the Commissioner-General on the matter, which must be taken into account. Goods subject to investigations are deposited in a state warehouse and may not be delivered to the importer until freight, landing, and storage charges have been paid.⁷

9. The Customs Act prohibits the use of minimum prices for customs valuation, as well as the other prohibitions listed in Article 7 of the Customs Valuation Agreement. Guyana applies the Committee on Customs Valuation Decision on the "treatment of Interest Charges in the Customs Value of Imported Goods".

10. Importers are required to pay the customs duty determined by the GRA in order to clear goods through customs. Importers who wish to dispute customs value decisions may appeal to the Customs Tariff Tribunal.

11. The authorities note that the new Total Revenue Integrated Processing System has a built in risk profiling system to identify potentially fraudulent invoices. At the time of Guyana's previous review, the authorities had reported that large amounts of revenue were lost through various malpractices by importers, including false documentation, under-invoicing and under-valuation of imports, and collusion.⁸ Items routinely under-invoiced included motor vehicles, clothing, and food.

12. A table of exchange rates, approved by the Minister of Finance, is submitted to the Commissioner-General of the GRA on a monthly basis for customs valuation purposes.

(iii) Rules of origin

13. Guyana has notified the WTO that does not apply non-preferential rules of origin on goods, and that preferential rules of origin are applied to imports from CARICOM, as well as to imports from third countries with which CARICOM has a free-trade agreement (Table III.1).⁹

Table III.1
Rules of origin maintained under CARICOM rules

Agreement/country	Rules
CARICOM	Article 84 of the Revised Treaty deals with rules of origin. Goods must have been wholly obtained or produced within CARICOM (intra-CARICOM cumulation applies). Goods produced within CARICOM from materials imported from third countries must have been substantially transformed: this may be specifically defined for each tariff heading as set out Schedule I of the Revised Treaty, otherwise it is achieved by a change of tariff heading. Guyana has incorporated CARICOM rules of origin into domestic law, in the Fourth Schedule to the Customs Act, Cap. 82:01.
CARICOM-Colombia	Rules of origin on imports into Guyana (as a CARICOM MDC) from Colombia only apply to a limited number of goods listed in the Agreement. Rules of origin on imports are set out in Article 9 of the Agreement. Substantial transformation is generally determined by a change in tariff classification. Cumulation among parties applies.

Table III.1 (cont'd)

⁷ Customs Act, Cap. 82:01, Sections 84 and 90.

⁸ WTO document WT/TPR/S/122, 1 October 2003.

⁹ WTO document G/RO/N/42, 10 December 2003.

Agreement/country	Rules
CARICOM-Costa Rica	Rules of origin are set out in Chapter IV to the Agreement. Goods must have been wholly obtained or produced within one or both of the parties (cumulation applies). Otherwise, non-originating materials used in the production of a good must have either undergone a change in tariff classification or confirm to specific requirements, both of which are set out in Annex IV:03. Goods are considered as originating if the value of all non-originating materials does not exceed 7% of the transaction value of the good on an f.o.b. basis. With respect to textiles and clothing, the de minimis threshold for non-originating yarns and fibres is 10% of the total weight of the material.
CARICOM-Cuba	Rules of origin on imports into Guyana (as a CARICOM MDC) from Cuba only apply to the specific goods listed in Annex II-IV to the Agreement. Rules of origin are set out in Annex VI to the Agreement. Goods must be wholly obtained or produced in the territories of the parties (cumulation among parties applies). Otherwise, products, which incorporate parts from third countries must undergo a change in tariff classification, and value of materials used from third countries must not exceed 50% of the f.o.b. price of the goods.
CARICOM-Dominican Republic	Rules of origin are set out in Appendix I to Annex I of the Agreement. Goods must be wholly obtained or produced in the territories of the parties (cumulation among parties applies). Otherwise, products that incorporate parts from third countries (which account for over 7% of the transaction value) must in most cases undergo a change in tariff classification. For chemicals, plastics, and some fertilizers, the criterion for substantial transformation is that a chemical reaction or purification must have taken place. Origin is determined in some specific cases by regional-value content as specified in an attachment to Appendix 1. There are also some instances where rules of origin criteria have yet to be developed.
CARIFORUM-EC	Rules of origin are set out in Article 10 to the Agreement and Protocol I. Products must have been wholly obtained within the parties or have undergone sufficient working/processing as set out in Annex II to Protocol I. Cumulation among the parties applies and, under certain conditions, may also include ACP states and the EC's overseas countries and territories (OCT's). At the request of the CARIFORUM states, and under certain conditions, CARIFORUM origin may also be conferred on goods incorporating materials from certain neighbouring countries without sufficient working/processing being required. These countries are: Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Venezuela. Goods are considered as originating if the value of all non-originating materials does not exceed 15% of the ex-works price of the product.

Source: For the online sources of the CARICOM's preferential tariff agreements see Table AII.1.

(iv) Tariffs

14. Guyana applies the CARICOM Common External Tariff, with exceptions. Guyana uses only *ad valorem* tariffs and does not apply tariff quotas. The overall simple average applied MFN tariff in 2008 was 12.0%, marginally down from 2003 (12.1%). The tariff is significantly higher for agricultural products at 22.5%, compared with 10.0% for non-agricultural products. The whole tariff is bound at an overall average of 58.2%; there are 16 tariff lines where applied rates are higher than bound rates. By reducing bound tariffs, Guyana would increase the predictability of its tariff regime.

15. Guyana grants at least MFN treatment to all its trading partners, and applies the CARICOM Common External Tariff (CET) on imports from non-CARICOM members with exceptions. Under the CET there is a tariff ceiling of 20% for non-exempt industrial goods and 40% for non-exempt agricultural goods. Exceptions to the CET are included in List A (items in respect of which member states wish to encourage national production) and List C (items for which minimum rates have been agreed, but can be increased up to the CET levels by members).

16. Guyana's tariff schedule for 2008 is based on the Harmonized Commodity Description and Coding System 2007. The 2008 tariff contains 6,308 lines at the ten-digit level (Table III.2). Guyana applies only *ad valorem* duties, with rates ranging from duty free to 100% (the latter is applied to 39 lines). The tariff comprises 15 rates, the most frequent of which is 5% (applied to 3,308 tariff lines or 52.4% of the number of tariff lines). The second most important rate is 20%, applied to 18.6% of total tariff lines, followed by duty-free rates (accounting for 9.4% of tariff lines). The share of duty-free lines increased considerably between 2002 and 2008, from 5.4% to 9.4%; the share of the 40% duty rate increased from 6.0% to 6.7% during the same period.

Table III.2
Structure of the tariff schedule, 2002 and 2008
(Per cent)

	2002	2008
1. Total number of tariff lines	6,397	6,308
2. Non- <i>ad valorem</i> tariffs (% of all tariff lines)	0.0	0.0
3. Non- <i>ad valorem</i> with no AVEs (% of all tariff lines)	0.0	0.0
4. Tariff quotas (% of all tariff lines)	0.0	0.0
5. Duty-free tariff lines (% of all tariff lines)	5.4	9.4
6. Dutiable lines tariff average rate (%)	12.8	13.3
7. Domestic tariff "peaks" (% of all tariff lines) ^a	8.3	8.8
8. International tariff "peaks" (% of all tariff lines) ^b	28.7	28.7
9. Bound tariff lines (% of all tariff lines)	100.0	100.0

a Domestic tariff peaks are defined as those exceeding three times the overall average applied rate.
b International tariff peaks are defined as those exceeding 15%.

Source: WTO Secretariat calculations, based on data provided by the authorities of Guyana.

17. The overall simple average applied MFN tariff in 2008 was 12.0%, down from 12.1% in 2003. The tariff is significantly higher for agricultural products at 22.5% (WTO definition) than for non-agricultural products at 10.0% (Table III.3). Highest tariff duties apply to tobacco (average tariff of 71.5%), beverages (40.6%), animals and products thereof (28.5%), and fruits and vegetables (25.3%). In non-agricultural products, fish and fishery products are subject to an average tariff of 28.8%. Tariff lines subject to the highest rate of 100% are meat and edible offal, food preparations, beverages, and tobacco. Other miscellaneous edible preparations are subject to a 75% rate, while a 70% duty applies to arms and ammunition.

18. Guyana's unprocessed products are subject to the highest protection (average of 18.9%) followed by fully-processed products (13.5%), and semi-processed goods (6.2%).

Table III.3
Summary analysis of the MFN tariff, 2008

Description	MFN			Coefficient of variation (CV)	Final bound average (%)
	No. of lines	Average (%)	Range (%)		
All products	6,308	12.0	0-100	1.1	58.2
HS 01-24	1,124	24.6	0 - 100	0.9	92.3
HS 25-97	5,184	9.3	0 - 70	1.0	50.8
By WTO category					
WTO Agriculture	1,027	22.5	0 - 100	1.0	100.0
- Animals and products thereof	149	28.5	0 - 100	0.7	100.0
- Dairy products	24	12.9	0 - 40	1.0	100.0
- Coffee and tea, cocoa, sugar, etc.	173	19.7	0 - 100	0.8	100.0
- Cut flowers, plants	48	12.3	0 - 40	1.2	100.0
- Fruit and vegetables	258	25.3	0 - 40	0.6	100.0
- Grains	29	16.0	0 - 40	0.8	100.0
- Oil seeds, fats and oils and their products	94	17.7	0 - 40	1.0	100.0
- Beverages and spirits	108	40.6	5 - 100	0.9	100.0
- Tobacco	10	71.5	5 - 100	0.6	100.0
- Other agricultural products n.e.s.	134	6.0	0 - 40	1.1	100.0

Table III.3 (cont'd)

Description	MFN			Coefficient of variation (CV)	Final bound average (%)
	No. of lines	Average (%)	Range (%)		
WTO Non-agriculture (incl. petroleum)	5,281	10.0	0 - 70	1.0	50.1
- WTO Non-agriculture (excl. petroleum)	5,255	10.0	0 - 70	1.0	50.1
- Fish and fishery products	175	28.8	0 - 40	0.6	50.6
- Mineral products, precious stones and precious metals	395	11.9	0 - 60	1.2	50.4
- Metals	723	6.9	0 - 20	0.7	50.0
- Chemicals and photographic supplies	1,007	7.4	0 - 40	0.7	50.1
- Leather, rubber, footwear, and travel goods	180	9.9	0 - 30	0.7	50.0
- Wood, pulp, paper, and furniture	330	10.0	0 - 20	0.7	50.0
- Textile and clothing	915	11.3	0 - 30	0.7	50.0
- Transport equipment	187	10.0	0 - 45	1.2	50.0
- Non-electric machinery	587	4.7	0 - 30	1.3	50.0
- Electric machinery	271	10.0	0 - 45	0.8	50.0
- Non-agriculture articles n.e.s.	485	15.4	0 - 70	0.9	50.0
- Petroleum	26	9.8	0 - 25	0.9	50.0
By ISIC sector^a					
Agriculture and fisheries	411	23.1	0 - 50	0.8	88.8
Mining	107	7.7	0 - 50	1.4	50.0
Manufacturing	5,789	11.3	0 - 100	1.1	56.2
By HS section					
01 Live animals & products	330	28.2	0 - 100	0.7	77.3
02 Vegetable products	382	20.9	0 - 40	0.8	100.0
03 Fats & oils	53	27.0	5 - 40	0.6	97.2
04 Prepared food, etc.	359	25.0	0 - 100	1.1	97.2
05 Minerals	187	7.2	0 - 25	0.8	50.0
06 Chemical & products	938	7.0	0 - 40	0.8	52.1
07 Plastics & rubber	245	8.7	0 - 30	0.7	50.0
08 Hides & skins	80	10.5	5 - 20	0.7	58.8
09 Wood & articles	134	10.7	0 - 20	0.5	50.0
10 Pulp, paper, etc.	172	8.1	0 - 20	0.8	50.0
11 Textile & articles	902	11.0	0 - 20	0.7	51.4
12 Footwear, headgear	60	16.1	0 - 20	0.4	50.0
13 Articles of stone	186	10.3	0 - 25	0.7	50.0
14 Precious stones, etc.	62	29.9	0 - 60	0.8	52.3
15 Base metals & products	715	7.3	0 - 20	0.7	50.0
16 Machinery	877	6.6	0 - 45	1.2	50.0
17 Transport equipment	198	10.0	0 - 45	1.2	50.0
18 Precision equipment	229	13.7	0 - 50	1.1	50.0
19 Arms and ammunition	24	40.2	0 - 70	0.7	50.0
20 Miscellaneous manufactures	167	15.0	0 - 20	0.4	50.0
21 Works of art, etc.	8	20.0	20 - 20	0.0	50.0
By stage of processing					
First stage of processing	818	18.9	0 - 50	0.9	76.2
Semi-processed products	1,851	6.2	0 - 40	0.7	52.2
Fully-processed products	3,639	13.5	0 - 100	1.1	57.2

a ISIC (Rev.2) classification, excluding electricity (1 line).

Source: WTO Secretariat estimates, based on data provided by the authorities of Guyana.

(a) Tariff bindings

19. The whole tariff is bound at an overall average of 58.2% at the ten-digit level. Bound tariffs are divided into four rates ranging from 50% to 100%. The most frequent rate is 50% accounting for some 83% of the total number of tariff lines. There are 16 tariff lines relating to jewellery and arms and ammunition (at the ten-digit level), where applied rates are higher than bound rates (Table III.4). The authorities noted that the importation and licensing of arms and ammunition is controlled for reasons of national security and as such the tariff does not perform a revenue or market access function.

Table III.4
Tariff lines where MFN rates exceed WTO bound rates

HS code	Description	MFN rate	Bound rate
7114110000	Articles of silver, whether or not plated or clad	60	50
7114190000	Articles of other precious metals, whether or not plated	60	50
7114200000	Articles of base metal clad with precious metal	60	50
7116100000	Articles of natural or cultured pearls	60	50
7116200000	Articles of precious or semi precious stones	60	50
9302000000	Revolvers and pistols, other than those of heading 93.03 or 9304.00.00.	70	50
9303100000	Muzzle-loading firearms	70	50
9303200000	Other sporting, hunting or target-shooting shotguns	70	50
9303300000	Other sporting, hunting or target-shooting rifles	70	50
9303909000	Other firearms	70	50
9304000000	Other arms (for example, spring, air or gas guns and pistols, truncheons), excluding those of heading 9307.00.00.	70	50
9305100000	Parts and accessories of revolvers or pistols	70	50
9305210000	Shotgun barrels	70	50
9305290000	Other parts of shotguns or rifles	70	50
9305910000	Parts of military weapons of heading 93.01	70	50
9305990000	Other parts of military weapons	70	50

Source: WTO Secretariat calculations, based on data provided by the authorities of Guyana.

(b) Tariff concessions and preferences

20. Guyana does not have any duty-free zones. It offers tariff concessions to importers in a number of approved manufacturing and agricultural activities as well as for approved purposes. Partial duty exemptions are set out in Part III(A) of the First Schedule to the Customs Act, and full exemptions in Part III (B).

21. Guyana grants preferential tariff treatment to Brazil under a bilateral partial scope agreement as well as to the EC, under the EC-CARIFORUM Economic Partnership Agreement; and to Colombia, Costa Rica, Cuba, the Dominican Republic, and Venezuela through CARICOM's agreements with these countries (Table AII.1).¹⁰

(v) Other charges affecting imports

22. During the period under review, Guyana has undertaken a major reform of its taxation system. A value-added tax was introduced in 2007 at a general rate of 16%, replacing six taxes previously levied. Some locally produced goods, but not the equivalent imported products, are zero-

¹⁰ Guyana also has a bilateral partial scope agreement with Venezuela, however this has largely been superseded by the CARICOM-Venezuela FTA.

rated under the VAT, as are certain imports of raw materials that are incorporated into products subsequently exported. At the same time, excise taxes were introduced on a few products. Guyana continues to levy an environmental tax on non-returnable beverage containers, which it applies only on imports.

(a) VAT

23. Guyana adopted a VAT Act in 2005; the new tax, which entered into effect on 1 January 2007, replaced the consumption tax, service tax, hotel accommodation tax, entertainment tax, purchase tax and telephone tax.¹¹

24. Businesses producing taxable supplies of goods and services (at the standard and/or zero rate) of G\$10 million or more over a 12-month period must be VAT-registered. The VAT is levied on goods and services at a general rate of 16%¹², which applies equally to imports and domestically produced goods and services. VAT on merchandise imports is applied on the c.i.f. customs value plus the sum of import duties and any other taxes and charges.¹³ In 2007, VAT collected represented 27.6% of total tax revenue.

25. A relatively large number of goods are zero rated under the VAT. These are set out in Schedule I to the VAT Act, most recently revised in March 2008. Zero-rated products include some locally produced products, but not their imported equivalents, namely: jams, jellies, and peanut butter; fresh chilled or frozen pork, beef, shrimp, mutton, fish, and salted fish (not canned); peanuts and cashew nuts; bed sheets, pillow cases, towels, rags, curtains, handkerchiefs, rugs, mats, table covers, shelf covers, blankets, and ribbons; sand, stone, lumber, or similar materials of a type and quality used for construction, but not including items containing imported materials except concrete blocks and plywood; and garments. The authorities indicate that this is a continuation of a policy of favouring local manufacturers previously provided by a waiver to the consumption tax. They also note that the amount of revenue forgone is likely to be minimal; precise figures are not available. In addition, imports of raw materials are zero rated if they are used in the production of goods subsequently exported by a taxable person who exports at least 50% of all its products.

26. Certain supplies are VAT-exempt, including locally mined raw gold and diamonds (Table III.5).

(b) Excise tax

27. Guyana also enacted excise tax legislation in 2005¹⁴, and introduced excise taxes on 1 January 2007. Goods subject to the excise tax and the applicable rates are set out in regulations made by the Minister of Finance, which are subject to negative resolution of the National Assembly. Excise tax rates are currently levied as at March 2009 on: alcoholic beverages (at a rate of 40%); tobacco products (100%); petroleum products: gasoline (50%), diesel oil (50%), and gas oil (3%), and motor vehicles (rates vary widely according to the age, engine capacity, type, and usage of the vehicle).¹⁵

¹¹ The VAT Act 2005. Viewed at: <http://www.revenuegy.org/publications/vat%20act.pdf>.

¹² The VAT rate is set in the Regulations made under the VAT Act 2005, No. 10 of 2005. Viewed at: <http://www.revenuegy.org/publications/VAT%20Regulations.swf>.

¹³ The VAT Act, Part IV, Section 20 (1).

¹⁴ Excise Tax Act, No. 11 of 2005. Viewed at: http://www.revenuegy.org/GRADocs/excise_tax_act_part1.pdf; and http://www.revenuegy.org/GRADocs/excise_tax_act_part2.pdf.

¹⁵ Excise Tax Regulations 2005 (as amended in 2006 and 2008). Viewed at: http://www.revenuegy.org/GRADocs/Excise_regulations.pdf.

Table III.5
VAT rates, 2008

	Rate applied	Applied to
Standard rate	16%	Supply of goods and services, purchased for domestic consumption.
Zero rate ^a	0%	Certain: essential food items; essential consumable items; essential domestic items; agriculture-related items; health and medical services/supplies; computers and computer accessories; construction industry products; imports of motor vehicles; sports gear and sports equipment; transportation and travel items; exports of goods and services; goods and services used by the state; specific imports; and, items related to investment and local manufacturing.
Exempt supplies ^b	n.a.	financial services; international transport services; kerosene oil; liquid propane gas; gasoline; diesel; residential accommodation; leasehold land for residential accommodation; certain supplies supplied by the State, a local authority or a charity; goods and services by budget agencies listed in the Fiscal Management and Accountability Act (2003) and state agencies performing regulatory functions by statute; supply of locally mined raw gold or diamonds.

n.a. Note applicable.

a For the full list see the revised list of zero-rated items, effective March 2008. Viewed at: <http://www.revenuegy.org/GRADocs/Zero-Rated%20Items%20Revised.pdf>.

b For full list of exempt supplies, see Schedule II of the VAT Act.

Source: Guyana Revenue Authority online information. Viewed at: <http://www.revenuegy.org/vat/>.

28. Excise tax on domestically produced goods is levied on the value of the goods (deducting the VAT).¹⁶ It is levied on the c.i.f. value of imports plus any other taxes and fees (other than the VAT). Excise taxes may be waived by the Commissioner-General of the GRA if items imported are for temporary use; in such circumstances, goods must be exported within three months and a deposit left with the Commissioner-General. Excise taxes are not levied on exported goods.

(c) Environmental tax

29. Under the Customs Act, a G\$10 environmental tax is levied on every unit of non-returnable metal, plastic, glass or cardboard container of any alcoholic or non-alcoholic beverage imported into Guyana. The tax is paid to the GRA at the time of payment of customs duties.¹⁷ This fee is not levied on domestically produced equivalents. The authorities note that importers may have these charges refunded if containers are collected and exported. They also note that both the environmental tax and the refund system are under review at the national and CARICOM levels.

(vi) Import prohibitions, restrictions, and licensing

30. Automatic import licensing requirements apply to a large number of extra-CARICOM imports; non-automatic licensing applies to rice and sugar.

(a) Import prohibitions and restrictions

31. As set out in the Customs Act (Second Schedule, parts 1 and 2), import prohibitions and restrictions are applied to a number of items (Table III.6). Since Guyana's previous review, some import restrictions have become prohibitions (prepared opium; shaving brushes from Japan; fictitious stamps; and goods without the required indications (trade mark and country of origin)), and some import restrictions have been added (tobacco extracts and certain vehicles). The authorities note that

¹⁶ GRA online information. Viewed at: <http://www.revenuegy.org/publications/A%20guide%20to%20Guyana's%20Excise%20Tax%20legislation.pdf>.

¹⁷ Customs Act, Part II, Section 7A. Viewed at: <http://www.revenuegy.org/publications/customs%20act.swf>.

the prohibition on shaving brushes from Japan had been a public health issue due to past cases of lockjaw, and that this prohibition is being brought to the attention of the administration for possible review.

Table III.6
Prohibited and restricted imports, 2009

Product	Reason for restriction
1. Import prohibitions	
Counterfeit and substandard coins	Public order
Food unfit for human consumption	Public health
Indecent printed articles	Public morality
Infected cattle, sheep or other animals, or their carcasses, hides, skins, horns, hoofs, and other parts	To prevent the introduction or spread of any communicable disease
Matches containing white and yellow phosphorous	Technical regulation (due to health problems)
Goods that, if sold, would be liable to forfeiture under the Merchandise Marks Act, and goods manufactured outside Guyana that do not carry an indication of the country in which they were made (unless deemed otherwise by the Commissioner General of the GRA)	Trade Marks legislation
Prepared opium and pipes	Public health
Shaving brushes manufactured in or exported from Japan	Technical regulation (due to past cases of lockjaw)
Fictitious stamps and any die, plate, instrument or materials capable of making any such stamps	Public order
Goods the importation of which is prohibited by any other Law of Guyana	n.a.
2. Restricted imports	
Arms and ammunition, except with the written permission of the Commissioner of Police	Public safety
Cocaine, heroin, cannabis, cannabis inca, choras, and preparations thereof, except under licence of the Chief Medical Officer	Public health
Imitation banknotes, unless with the approval of the Commissioner-General	Public order
Spirits and wine, unless in aircraft or in ships of 27.3 tonnes burden at least, and in casks or other vessels of 41 litres at least, or in glass or stone bottles packed in cases, or in demijohn, each case of demijohn containing not less than 41 litres	Prevention of smuggling
Tobacco, cigars, cigarillos or cigarettes unless in aircraft or in ships of 90.1 tonne burden at least and in whole and complete packages each containing not less than 9.1 kg. net weight	Prevention of smuggling
Tobacco extracts, essences or other concentrations of tobacco, or any admixture thereof, tobacco stalks and tobacco stalk flour except under such conditions as the Commissioner-General with approval of the Minister may allow	Prevention of smuggling
Goods the importation of which is regulated by any other law of Guyana	n.a.
Exotic fish, except with licence by the Chief Agricultural Officer	Sanitary reasons (to protect local fish from imported diseases)
Cinematographic films, unless the Minister responsible for public order and morality issues to the importer a certificate of importation	Public order and morality
Printed matter considered by the Minister responsible for public safety and order, to be prejudicial to the defence of Guyana, public safety or public order	Public safety and order
Certain vehicles imported by a Guyanese citizen returning home or a person importing or receiving the vehicle as a gift from overseas. Importers may not sell, dispose of or transfer the vehicle within three years of the date of importation. Certain conditions are also attached to gifts.	Tax exemptions

n.a. Not applicable.

Source: Customs (Amendment) Act No. 27, 2006; and WTO document WT/TPR/S/122, 1 October 2003.

(b) Import licensing

32. Guyana requires import licences for a number of products. The import licensing system is regulated mainly by the Trade Act (Cap. 91:01) amended by Ministerial Orders No. 34 of 1993 and

No. 4 of 1996, and was notified to the WTO in 2002.¹⁸ Guyana's last notification of its replies to the questionnaire on import licensing procedures was in 2003.¹⁹

33. Guyana's licensing system is regulated and may be amended only by authority of a Ministerial Order issued for that purpose under the Trade Act. The licensing system applies to goods from all countries except CARICOM members, whose exports to Guyana are exempt from licensing requirements. The Third Schedule of the Trade Act establishes the list of goods subject to import licensing. At the time of Guyana's previous Review, the licensing system was being reviewed and this was expected to result in the elimination of a number of products from the list. However, no changes were made.

34. Applications for import licences must be submitted to the Licensing Section of the Ministry of Tourism, Industry and Commerce, and are granted within two working days. For most products, endorsement must first be obtained from another government agency prior to submission to the Licensing Section (Table III.7). The authorities report that in 2008 a total of 2,995 import and export licences were processed within 48 hours by the Licensing Section, of which 2,945 were approved.²⁰ The authorities note that automatic licensing is maintained for statistical purposes and non-automatic licensing for the purposes provided for in the Agreement on Import Licensing Procedures.²¹

35. In March 2008, the Government removed the non-automatic licensing requirement on imports of flour, which had been linked to the P.L. 480 Food for Progress Agreement with the United States, (now terminated)²²; licences are still required, but these are now granted automatically.

Table III.7
Products subject to import licensing requirements, 2009

Product (tariff heading No.)	Responsible agency	Instrument (automatic/non-automatic)
Meat products (02.01, 02.02, 02.03, 02.04, 02.06, 02.07, 02.08)	Ministry of Agriculture and Ministry of Health (Veterinary Public Health Unit)	Endorsement (automatic)
Live plants and flowers; fresh and dried fruit (06.01, 06.02, 06.03, 06.05, 08.01.10, 08.03, 08.04, 08.05, 08.06, 08.07, 08.08, 08.10)	Ministry of Agriculture (Plant Quarantine Section)	Endorsement (automatic)
Rice: (10.06)	Guyana Rice Development Board	Endorsement (non-automatic)
Wheat or meslin flour (11.01)	Ministry of Agriculture and Ministry of Health (Government Analyst Department)	Endorsement (automatic)
Cane or beet sugar, sucrose in solid form (17.01)	Government Analyst Department and Guyana Sugar Corporation	Endorsement (A letter stating that there is no objection to the importation of sugar). (non-automatic)

Table III.7 (cont'd)

¹⁸ WTO document G/LIC/N/1/GUY/1, 10 April 2002.

¹⁹ WTO document G/LIC/N/3/GUY/2, 28 October 2003. The only change vis-à-vis the previous notification in 2002, is that it is specified that licences for frozen meat products are issued for one month and are valid for only one shipment; and licences for arms and ammunition are valid until the end of the calendar year. As, with the previous notification, almost all other licences are valid six months from the date of issue.

²⁰ Ministry of Tourism Industry and Commerce (undated). Viewed at: http://www.mintic.gov.gy/documents/2005_achievements_of_MinTIC.pdf.

²¹ WTO document G/LIC/N/3/GUY/2, 28 October 2003.

²² GINA online information. Viewed at: <http://www.gina.gov.gy/archive/daily/b080328.html>. Under the PL 480 Agreement, the United States provided structural assistance to Guyana in the form of wheat at a concessionary price. The wheat was sold to local mills and the proceeds were retained by the Government and used to improve the agriculture sector. See also GINA online information. Viewed at: <http://www.gina.gov.gy/archive/daily/b040623.html#s3>.

Product (tariff heading No.)	Responsible agency	Instrument (automatic/non-automatic)
Petroleum oils, other than crude (27.10)	Guyana Energy Authority	Endorsement (automatic)
Flourine, chlorine, bromine and iodine; hydrogen chloride, chlorosulphuric acid, sulphuric acid, nitric acid and other inorganic acids (28.01, 28.06-11)	Office of the Commissioner of Police and Government Analyst Department	Endorsement (automatic)
Organs, blood, medicaments and other pharmaceuticals (30.01-6)	Government Analyst Department	Endorsement and permit (automatic)
Fertilizers (31.01-310.05, 38.08)	Ministry of Agriculture and Government Analyst Department	Endorsement (automatic)
Perfumes, toiletries, soap, etc. (33.03-07, 34.02)	Government Analyst Department	Endorsement (automatic)
Cinematographic film (37.06)	Ministry of Culture, Youth and Sport (Office of the Permanent Secretary)	Endorsement (automatic)
Transmission apparatus, radios, etc. (85.25-85.27)	National Frequency Management Unit	Endorsement (automatic)
Aircraft and space craft (88.02)	Civil Aviation Department	Endorsement (automatic)
Arms and ammunition (93.01-93.07)	The Office of the Commissioner of Police and Ministry of Home Affairs	Letter of permission to import (non-automatic)
Fats and oils (Ex. 15.01-22)	Government Analyst Department	Endorsement (automatic)

Note: For full list of individual products subject to import licensing requirements, see WTO document WT/TPR/122, 1 October 2003, Table AIII.2, or WTO document G/LIC/N/3/GUY/2, 28 October 2003.

Source: WTO document G/LIC/N/3/GUY/2, 28 October 2003; WTO document WT/TPR/S/122, 1 October 2003; Ministry of Tourism, Industry and Commerce online information. Viewed at: <http://www.mintic.gov.gy/licences.html>; GO-Invest online information. Viewed at: http://www.goinvest.gov.gy/regulatory_environment.

(vii) Contingency measures

36. Guyana does not have domestic legislation with respect to anti-dumping and countervailing measures or safeguards. Neither has Guyana ever adopted any contingency measures.

37. Guyana has not notified to the WTO any legislation to implement the WTO Agreement on Anti-Dumping Practices (ADP), the WTO Agreement on Subsidies and Countervailing Measures (SCM), or the WTO Agreement on Safeguards, nor has it submitted biannual reports to the WTO Committees on dumping or on subsidies. The country's domestic legislation does not provide for any such actions.

38. The Revised Treaty of Chaguramas allows CARICOM members to take anti-dumping action against imports from other members. Guyana has not taken any such anti-dumping actions over the review period. The Revised Treaty also has provisions on subsidies, but since Guyana does not have domestic legislation in place (as required by the Treaty), it may not take action against subsidized imports from another CARICOM Member.²³ Article 74 of the Revised Treaty specifies that members shall harmonize their laws and administrative practices with respect to dumping and subsidies and countervailing measures. A first draft model Anti-Dumping law has been prepared at the CARICOM level, (early 2009).

²³ Rules on anti-dumping are set out in Part Five of the Revised Treaty, and rules on action against subsidized imports in Part Three. Viewed at: <http://www.caricomlaw.org/doc.php?id=131>. These disciplines were amended by Protocol VIII to the Revised Treaty. Viewed at: <http://www.sice.oas.org/trade/ccme/protoc8d.asp#cont>.

39. CARICOM's preferential trade agreements with third countries generally provide for recourse to WTO disciplines on anti-dumping and countervailing measures. Some of Guyana's preferential trade agreements (both bilateral and through CARICOM) contain special safeguard measures (Table AII.1). Guyana has not taken any safeguard measures since 2003.

(viii) Technical regulations and standards

40. Guyana makes minimal use of technical regulations, altogether there are 20 in force all of which have been notified to the WTO. This represents an improvement compared with the situation at the time of Guyana's previous review when no notifications had been made.

41. The authorities indicate that the Guyana National Bureau of Standards (GNBS), has sole responsibility for developing national standards in Guyana, and coordinates inputs from various stakeholders in this regard. Where other agencies have standard-setting responsibilities, they must obtain GNBS approval. Cabinet approval is required for national standards to become technical regulations (referred to as "compulsory standards" in Guyana's legislation).

42. All technical regulations have been notified to the WTO by the GNBS. However, Guyana has not notified to the WTO its measures to ensure the implementation and administration of the TBT Agreement, nor has it notified its enquiry point.

43. Guyana does not have any agreements with third countries concerning technical regulations, standards, or conformity assessment procedures, with the exception of CROSQ (section (b) below).

(a) Standards

44. As at March 2009, Guyana had 434 voluntary standards in place, up from 235 in 2003. Standards are formulated in a GNBS technical committee with the input of stakeholders.²⁴ As noted by the authorities, a "committee draft" is finalized and there follows a three-month period for public consultations and comments, with proposed standards being made available on the GNBS website. In the absence of comments, the committee draft is forwarded to the National Standards Council (GNBS's decision-making body) for approval. If comments are received, then the draft is sent back to the technical committee for review. In July 1997 GNBS accepted the Code of Good Practice for the Preparation, Adoption and Application of Standards.

45. Article 30 of the Investment Act requires investors to comply with the standards of the Guyana National Bureau of Standards Act with respect to the importation of products and investment equipment and in their outputs. The authorities confirm that only compliance with technical regulations is compulsory; standards may be adopted on a voluntary basis.

(b) Technical regulations

46. A GNBS technical committee may recommend to the Minister of Tourism, Industry and Commerce that standards become technical regulations. The authorities indicate that all proposed technical regulations, including those deemed not to affect trade or that are based on international standards, are notified to the WTO. Cabinet approval is required for standards to be declared as compulsory and technical regulations are published in the *Official Gazette*.

²⁴ As noted by the authorities, a stakeholder is any organization that has or may have a vested interest in the standard under development and there are no restrictions as to who is a stakeholder.

47. All but one of Guyana's technical regulations are national standards that have been made mandatory; one, relating to rice (specification, sampling, tests and analysis) has been adopted from CROSQ processes (see below). Guyana has 20 technical regulations in force, all of which were notified to the WTO during the period under review.²⁵ Most represent technical regulations that have been operational for some time, hence in the respective notifications Members were not provided an opportunity to comment before their entry into force. Guyana's three most recent notifications have provided a two month comment period. Twelve technical regulations relate to the labelling of commodities²⁶; others regulate new pneumatic tyres for highway commercial vehicles and passenger vehicles, and the grading, sampling, and determination of the quality of rice. The Regulations (No. 10, 1977) under the Food and Drugs Act contain labelling standards for certain products (see section (ix) below). The authorities indicate that Guyana's technical regulations set minimum standards, and products that meet these or higher requirements.

48. The authorities note that verification of a product's compliance with technical regulations, is undertaken mainly through inspections, particularly for labelling requirements. With respect to imports, a documentary check is coordinated by the Guyana Revenue Authority, and for domestically produced products, inspections are undertaken by standards inspectors. A National Committee on Conformity Assessment, established in 2002, comprises inspection, certification, and testing agencies that meet on a quarterly basis. The Committee reviews and may make recommendations on agencies' conformity assessment activities. In some cases, where facilities are not available domestically, testing is undertaken overseas.

49. The National Standards Council may request importers to provide a certificate of examination and compliance with technical regulations issued by a laboratory in the country where the commodity is manufactured. In such circumstances, the GNBS will be in direct contact with the laboratory. The authorities indicate that there have been some instances when certificates have been rejected; for example when the certificate provided has not been in English and in cases of non-compliance with the technical regulation.

50. In 2002 CARICOM governments signed an Agreement Establishing the CARICOM Regional Organization for Standards and Quality (CROSQ)²⁷; the CROSQ became operational in 2003. In 2005, Guyana enacted the CARICOM Regional Organisation for Standards and Quality Act to give the agreement the force of law in Guyana. The CROSQ succeeds the Caribbean Common Market Standards Council. It is, *inter alia*, mandated to establish and harmonize standards and technical regulations within CARICOM, and to promote the mutual recognition of conformity assessment procedures covering goods and services produced or provided in CARICOM as well as the accreditation and certification system based on internationally accepted criteria. CARICOM Members may propose community standards and technical regulations. These are drafted by special committees within the CROSQ, and forwarded to the Council of the CROSQ for adoption. Participation in committee work is open to all interested parties. The Council comprises the executive heads of the respective national standards bodies. Standards and technical regulations adopted by the CROSQ are then recommended to COTED for approval; thereafter CARICOM governments may

²⁵ See WTO documents G/TBT/N/GUY/1 to 20 (11 November 2003 to 27 October 2007).

²⁶ These commodities are: pre-packaged goods; cigarettes; footwear; furniture; animal feed; household electrical appliances; cosmetics; pre-packaged foods; brewery products; textiles; and garments. In addition there is a technical regulation on general principles for labelling.

²⁷ Agreement Establishing the Caricom Regional Organisation for Standards and Quality. Viewed at: <http://www.sice.oas.org/trade/ccme/crosq.asp>.

adopt the necessary legal and administrative arrangements to give effect to COTED decisions within their jurisdictions.²⁸

51. The authorities indicated their interest in receiving technical and financial assistance in order to develop their capacity in the technical regulations and standards area, which in their view is important for the development of Guyana's economy.

(ix) Sanitary and phytosanitary measures

52. Greater transparency in Guyana's SPS regime would be of benefit both to Guyana and its trading partners. Guyana has not notified any SPS measures to the WTO. Most SPS measures are contained in the implementing regulations of relevant acts, which are largely inaccessible; many SPS measures pre-date the creation of the WTO and have not been revised, and there is no procedure for removing measures that are no longer relevant. In addition, regulations are mainly available only in hard copy form in Guyana. Greater transparency in this area would benefit both Guyana and its trading partners, however, the authorities require greater technical assistance given human resource constraints. The authorities indicated that legislative reform efforts are under way in the context of the IDB-funded Agricultural Diversification Programme (Chapter IV(2)), and that it is currently their practice to follow international standards in the preparation of SPS measures. The authorities indicated that greater technical assistance is needed, given human resource constraints.

53. The Plant Health Services Unit (phytosanitary measures), and the Animal Health Services Unit (sanitary measures), both of which fall under the Ministry of Agriculture, are responsible for liaising with the respective international standards setting organizations in the formulation of SPS measures. The Ministry of Health has responsibility for issues relating to human health. Guyana is a member of the Codex Alimentarius Commission, the Office International des Epizooties, and the International Plant Protection Convention.

54. Guyana's appointed national notification authority is the Plant Health Services, within the Ministry of Agriculture, and its enquiry points are the Plant Health Services and the Chief Crops and Livestock Officer (Plant and Animal Health Services), both within the Ministry of Agriculture.²⁹ Guyana has not provided responses to the Questionnaire on the Operation of SPS Enquiry Points and National Notification Authorities.

55. The authorities note that Guyana has protocol agreements with Barbados, St. Lucia, and Antigua and Barbuda to allow for trade in fresh fruit and vegetables under stated conditions. Similar agreements are being developed with Grenada and Trinidad and Tobago. In addition, it has a protocol agreement with Grenada with respect to trade in beef.

56. According to the authorities, risk assessments are always undertaken by the Ministry of Agriculture, before imports of new commodities or from new sources, and follow guidance given by international standard setting bodies. The authorities noted that around six risk assessments have been conducted since 2003. Commenting on the low number of risk assessments, they noted that Guyana is self-sufficient in most commodities and that imported items generally come from countries with which Guyana has had long-standing trade ties.

57. Guyana main SPS-related laws are: the Animals Movement and Disease Prevention Act (No. 14, 2003); the Food and Drugs Act (Cap. 34:03), and the Plant Protection Act (Cap. 68:03). In addition, the main law that governs import licensing is the Trade Act (see section (vi) above).

²⁸ CROSQ online information. Viewed at: <http://www.crosq.org>.

²⁹ WTO document G/SPS/ENQ/24, 1 October 2008.

58. Under the Animals Movement and Disease Prevention Act animals, animal products, and animal parts may only be imported into Guyana from prescribed countries.³⁰ The Minister of Agriculture has the authority to change this list. The WTO Secretariat had no access to the list of countries. An import permit must be obtained from the Veterinary Authority, and the relevant agency in the exporting country is required to issue a certificate specifying the country of origin, species, product, and specification. However, the Veterinary Authority, retains the right to prohibit all imports of animals, animal products, and parts as well as fittings³¹, in order to prevent the introduction or spread of disease, even if these comply with all the prescribed regulations. The Minister of Agriculture has the authority to make regulations, *inter alia*, to prohibit, restrict or regulate the import of animals into Guyana.

59. The Food and Drugs Act specifies that no food, drug, cosmetic or medical or veterinary device may be imported into Guyana unless it wholly conforms to the law of the country in which it was produced, and imports must be accompanied by a certificate stating this. The Act also specifies that standards, where prescribed, must be met. These standards are set out in the Regulations made under the Food and Drugs Act, No. 10 of 1977. The Regulations require licences to be obtained from the Minister of Health for the importation of drugs.

60. With respect to new drugs imported for the first time, detailed information is required as well as certification of compliance from one or more of the health authorities of Australia, Canada, the United Kingdom or the United States, or from another government department which, in the view of the Minister, has adequate facilities for the testing of new drugs.

61. Under the Plant Protection Act, the Minister is authorized to make regulations, *inter alia*, to prohibit, restrict or regulate the importation of plants, vegetables, and animals likely to cause infection or believed to be inimical to the growth of plants; to restrict the importation of plants to specific ports; and to require plants to be accompanied by a plant certificate issued by an authorized person.

62. Assessment of conformity with SPS measures is the responsibility of the Plant Health Services Unit and the Animal Health Services Unit within the Ministry of Agriculture. The authorities indicated that no fees are charged. Official sanitary certificates are required.

63. The authorities indicate that there are no legal provisions in place with respect to GMOs or hormone-fed animals. However, consideration is being given at the CARICOM level to developing a draft framework on GMOs.

64. Inspections are generally undertaken at the border prior to imported products entering the domestic market. Under the Food and Drugs Act, inspectors have the right to examine any food, drugs, cosmetics or devices imported into Guyana, and may request samples to be submitted to an analyst for examination. Where samples are taken, the respective product may not be delivered to the

³⁰ As set out in the Act, "animal" is defined as any non-human mammal, bird, fish, reptile, amphibian, crustacean or insect. "Animal parts" are the bones and bone meal, untanned hides and skins, hooves, horns, claws, hairbristles, wool, feathers, offal, blood or meat scraps of an animal or any other part of an animal other than the meat or offal for human or animal consumption that has been separated from the carcass. "Animal product" means the carcass of an animal, animal manure, any animal produce, and any product of animal origin for human or animal consumption or for agricultural, reproductive, industrial, domestic, cosmetic or pharmaceutical use.

³¹ "Fittings" are any facilities or materials used for housing, restraining, holding or confining any animal, or brushes, cloths, buckets or other articles that have been brought into contact with any animal, or fodder, drinking water or bedding used by, or that has been brought into contact with, any animal, and includes the transportation and processing of the foregoing.

importer until the analyst has completed the report.³² The Plant Protection Act authorizes the Minister to order the inspection of plants prior to their import.

(2) MEASURES DIRECTLY AFFECTING EXPORTS

65. Concerns have been expressed by the authorities themselves that export procedures are too cumbersome. Licences must be obtained to export a wide range of products and all exports must be examined prior to shipping with the aim of preventing narcotics trafficking. While Guyana applies an export tax at a general rate of 1.5%, the rationale for collecting this tax is questionable in view of the limited revenue collected due to a wide range of exemptions. On the other hand, a variety of fiscal measures are in place to assist exporters, including an export allowance involving deductions from income tax for exporters of non-traditional products. There is no government institution in Guyana providing export finance and insurance services or export guarantees.

(i) Procedures

66. There have been no changes to Guyana's export procedures over the review period. All exporters must be registered with the Guyana Revenue Authority. Export declarations must be submitted to the Guyana Revenue Authority prior to export, and all exported products must be examined before shipping. The authorities note that this is to prevent the export of narcotics. Most exports are inspected at the time containers are loaded, rather than at the exporters' premises. No inspection fees are charged, but any transportation costs incurred by the customs officer in undertaking the inspection must be borne by the exporter.

67. The New Guyana Marketing Corporation has a one-stop brokerage desk to prepare export documents for exporters of non-traditional agricultural products. The Report on Enhancing National Competitiveness found that "a myriad of bureaucratic procedures continue to afflict exporters resulting in delays and wastage of management time".³³ However, fuller details on the types of procedures that were causing these delays were not provided.

(ii) Export duties

68. Export duties apply to all exported products, apart from "manufactured goods" and exempted items (see below). Unless otherwise specified, a general rate of 1.5% is applied. Legislation leaves "manufactured goods" undefined for this purpose. Export duties are applied on the f.o.b. value of exports; rates are set out in the Customs Act (Table III.8).

69. Since 2003 the only change to the items subject to export duties is the removal of shrimp; however, as noted in Guyana's previous review, this was, in practice waived by the Ministry of Finance at the time.

70. A wide range of articles are exempt from export duties and they are listed in the Customs Act, First Schedule Part IV. They are: raw gold; cut or uncut and polished stones; agricultural products and their by-products (excluding cane sugar and molasses); forest products including timber and lumber (other than greenheart timber and lumber); goods entered for re-exportation or exported on drawback, when exported; bone fide samples of produce or manufacture of Guyana; goods ordinarily liable to export duty not exceeding G\$2, and intended for exhibition purposes only; articles of household furniture not intended for sale or exchange; alumina; manganese; goods exported from

³² Food and Drugs Act, Article 22.

³³ Ministry of Tourism, Industry and Commerce (2005).

Guyana to other CARICOM states; fish (including shark fins but excluding aquarium fish); and shrimp.

Table III.8
Export duties, 2009

Items	Unit	Rate
Precious stones, other than cut and polished stones	Per metric carat	G\$3.00
Bauxite, calcined	Per tonne	G\$0.45
Bauxite, other	Per tonne	G\$0.45
Unrefined cane sugar (tariff heading 17.01)	Per tonne	G\$1.00
Greenheart, round piling and hewn	Per m ³	G\$0.29
Greenheart, sawn	Per m ³	G\$5.09
Aquarium fish		5%
Molasses	Per 100 litre	G\$1.00
Manufactured articles, not otherwise specified		Free
All other articles, not otherwise specified.		1.5%

Source: Customs (Amendment) Act, No. 27, 2006 (not available online).

71. Export duties on unrefined sugar cane are levied under the Customs Act (Table III.8). An additional export duty on sugar manufactured in Guyana was removed in 2003.³⁴

72. Under the Revised Treaty of Chaguramas, all exports to other CARICOM countries are exempt from export taxes.³⁵ Thus, the export taxes described above are not levied on exports to other CARICOM countries. Under the EC-CARIFORUM Economic Partnership Agreement (see Chapter II), Guyana is committed to eliminating its duties on export to the EC within three years (i.e. by 2011).³⁶

73. Under the Export and Import (Special Provisions) Act, export and import duties can be required in specified foreign currencies under certain circumstances. The authorities indicate that no revenues have been collected in foreign currency. Revenue accruing to the Government from export taxes in 2008 was G\$8.6 million³⁷

(iii) Export prohibitions, restrictions, and licensing

74. The list of items subject to export licensing under the Trade Act has not changed since Guyana's previous review. It comprises: poultry feed; rice bran; rice chips, rice dust, rice stock feed; wheat bran; wheat middlings, and wheat screenings (to safeguard supplies for the domestic livestock industry); wheat flour (automatic licence); cane sugar in solid form (to safeguard supplies and quality for preferential markets); fertilizers (to safeguard supplies procured under donor assisted arrangements); hides and skins; feathers, bird skins with feathers; prepared feathers, ornamental feathers, and other feather articles (environmental safeguards for wildlife); gold; jewellery of precious metal or rolled precious metal (monitoring of extractive sector and revenue purposes); arms and ammunition (national security); scrap metal; articles made out of base metals; boilers, machinery, and mechanical appliances (provisions of the Metal Dealers Act to safeguard the property

³⁴ The legal basis for the export duty on sugar was the Sugar Levy Act Cap. 83:01. This was repealed by the Sugar Levy (Repeal) Act, No. 11 of 2003.

³⁵ Revised Treaty of Chaguramas, Article 88. Viewed at: <http://www.caricomlaw.org/doc.php?id=131>.

³⁶ Economic Partnership Agreement, Article 14, and Annex I. Viewed at: <http://www.crnm.org>.

³⁷ Export tax revenue figures for the rest of the review period are: G\$8.7 million (2007); G\$7.1 million (2006); G\$6.8 million (2005); G\$13.1 million (2004); and G\$11.7 million (2003).

of the business community against theft and vandalism for illegal export); certain vehicles and their parts; aircraft and their parts; aircraft launching gear; and ships and boats (safeguard against illegal acquisition). Licences are required for exports to both CARICOM and non-CARICOM destinations.

75. A licence is also required for the export of balata (rubber and rubber-like substances). The authorities state that the purpose of this requirement is to help prevent fraudulent dealings, and protect the resources of the indigenous communities from where the product is mainly sourced. Licences set out the quantity of balata that the licensee may export, and licence holders are required to keep a record of quantities exported and related information. Licences are issued by the Guyana Forestry Commission.³⁸

76. Under the Rice Development Board Act, the Rice Development Board has the authority to issue export licences for exports of padi, rice, and other rice products. The authorities indicate that the main reason for this requirement is to ensure quality is maintained for export markets. Other considerations are to collect data, and to ensure that domestic demand is met. Licensees must obtain the Board's approval before entering into a contract to export rice, and must adhere to any terms and conditions set by the Board. Fees are charged for export licences, in 2006 (the latest year for which information is available) and these amounted to G\$900.³⁹

77. As set out in the Guyana Timber Export Act, written approval of the Guyana Forestry Commission must be obtained in order to export timber.⁴⁰ As confirmed by the authorities, export restrictions on wheat-related products were removed in April 2008.

78. State-owned companies are involved in the export of sugar and gold (section (4)(iii)).

(iv) Duty and tax concessions, including subsidies

79. Guyana's per capita GNI remained below US\$1,000 at constant 1990 dollar levels for three consecutive years during 2004-06, thus it remains on the list of countries in Annex VII(b) to the SCM Agreement, which are exempt from the prohibition on export subsidies.⁴¹ Guyana notified the WTO that during the calendar years 2003 and 2004 no agricultural export subsidies were in operation.⁴²

80. As at the time of Guyana's previous review, an export allowance granted for non-traditional exports outside of CARICOM, permits exporters to deduct a certain percentage of their export profits from income tax.⁴³ To qualify, at least 10% of sales must be exported and the amount that may be deducted increases with the proportion of export sales to total sales (Table III.9). The deductible profit refers only to profits accruing from exports, rather than from total profits. In 2007, a total of six entities benefited from this export allowance. The total value of their exports was G\$297,245,815, however data on the revenue foregone to the Government was not available.

81. Imports of raw materials are zero-rated under the VAT if they are used in the production of goods that are subsequently exported by a taxable person who exports at least 50% of all its products (Chapter II(2)(v)).

³⁸ Balata Act Cap. 69:07. Viewed at <http://www.caricomlaw.org/doc.php?id=2112>.

³⁹ Guyana Rice Development Board Act, Cap. 72:01 (Articles 40 and 41). Viewed at: <http://www.caricomlaw.org/doc.php?id=2126>.

⁴⁰ Guyana Timber Export Act, Cap. 67:03. Viewed at: <http://www.caricomlaw.org/doc.php?id=2096>.

⁴¹ WTO document G/SCM/110/Add.5, 26 August 2008.

⁴² WTO document G/AG/N/GUY/13, 27 May 2005.

⁴³ Income Tax Act Cap. 81:01, Article 28. Viewed at: <http://www.caricomlaw.org/doc.php?id=2165>.

Table III.9
Export allowances, 2009

Per cent of export sales to total sales	Per cent of export profit deductible from income tax
10%-20%	25%
20%-30%	35%
30%-40%	45%
40%-50%	55%
50%-60%	65%
Above 60%	75%

Source: GO-Invest (2007).

82. At the time of Guyana's previous Review, the Government was considering establishing free zones. While none has yet been established, the Government is looking into the possibility of establishing a free zone in the Letham area, on the border with Brazil.

83. Other incentives provided by the Government may also, indirectly, assist industries involved in exporting (Chapter III(4)(iv)).

(v) Export finance, insurance, and promotion

84. There is no government institution in Guyana providing export finance, insurance services or export guarantees. Exporters in some of the traditional sectors have their own financing mechanisms (Chapter IV). For other sectors, export finance is available from private banks, which according to the authorities are cautious about taking risks in this regard. Financing is also available from the Institute of Private Enterprise Development, a private-sector organization.

85. GO-Invest has primary responsibility for export-promotion in Guyana. Its activities include: providing exporters with information on trade opportunities in overseas markets; helping exporters promote their products in national and international trade missions and exhibitions; collaborating with export organizations to help address trade problems; recommending measures to the Government to stimulate export trade; advising the Government on the formulation and implementation of national export policies; and collaborating with donors to identify and address the needs of private-sector firms in priority areas.⁴⁴ The authorities indicate that they are working on developing an online service to provide information on trends and prices for exports. GO-Invest has six professional staff (with four more to be hired in 2009) and a budget of G\$64 million.

86. Sector-specific export promotion activities are also undertaken by the New Guyana Marketing Corporation (New GMC) for non-traditional agricultural products, and the Forest Products Development and Marketing Council for forest products. Both provide services such as trade missions, market intelligence, advice on market opportunities, and other export-related services, such as assistance with labelling and packaging.⁴⁵ The New GMC has six professional officers and a budget of G\$47 million. The Guyana Rice Development Board and the Guyana Gold Board are also involved in marketing activities.

87. At the CARICOM level, export promotion and development activities are undertaken by the Caribbean Export Development Agency (Caribbean Export).⁴⁶ This agency has been helping Guyana

⁴⁴ GO-Invest (2007).

⁴⁵ GO-Invest (2007).

⁴⁶ Caribbean Export Development Agency online information. Viewed at: <http://www.carib-export.com>. See also the Direct Assistance Grant Scheme. Viewed at: <http://www.carib-export.com/section.php?Sec=22>.

to discover markets for its products, and provides financial assistance in the form of grants for marketing promotion. Guyana also obtains information and analysis from the ITC,

(3) MEASURES AFFECTING PRODUCTION AND TRADE

(i) Legal framework for business

88. There has been no significant change to Guyana's legal framework for business since its last Review. Measures have been taken to improve the country's business environment but challenges remain.

89. The Investment Act of 2004 specifies that business enterprises must be established in accordance with the Companies Act of 1991, the Partnership Act (Cap 89:02), the Business Name (Registration) Act (Cap 90:05), or the Cooperative Societies Act (Cap 88:01). These legal texts allow business ownership to take the form of a registered business name enterprise (sole proprietorship); a partnership of any kind; an incorporated company; or a cooperative society.

90. There are no regulations governing the proportion of ownership by partners or joint ventures in a partnership.⁴⁷ A private incorporated company must have at least one and no more than 20 shareholders.⁴⁸ There are no minimum capital requirements for the establishment of any type of company, and a company's capital structure may comprise more than one class of shares. There are no restrictions on the nationality of shareholders. Irrespective of the business form, any type of enterprise may be wholly owned by foreign or domestic investors (Chapter II(3)).

91. In 2008, Guyana ranked 105th out of 181 economies analysed in the World Bank's ease of doing business index.⁴⁹ The World Bank has noted that in order to start a private limited liability company (i.e. private incorporated company) in Guyana an investor must go through eight procedures that on average take a total of 40 days to complete and cost some 68% of Guyana's per capita GNI.⁵⁰ According to the authorities, the World Bank study does not take into account recent reforms (see below), which have reduced both the cost and the time required to establish a company.

92. All companies must register with Guyana's Registrar of Companies. Registration fees are lower for companies incorporated in Guyana than those incorporated abroad. A company incorporated in Guyana previously paid a share capital fee of G\$25,000 (US\$125) if its share capital was below G\$500,000, or 6% if it was greater than G\$500,000. In July 2008, however, the Government amended the Regulations of the Companies Act to set a share capital flat fee of G\$60,000 (US\$300) for all companies incorporated in Guyana.⁵¹ On the other hand, in order to register a company incorporated abroad, an investor must pay a share capital fee of G\$80,000 (US\$400) if its capital is below G\$1 million, G\$150,000 if between G\$1 million and G\$3 million, and G\$300,000 (US\$1,500) if greater than G\$3 million.⁵² Once registered, companies incorporated abroad need to obtain a licence to hold state land.

93. The Guyana Office for Investment (GO-Invest) is the primary contact for domestic and foreign investors (Chapter II(3)). In 2005, the Government's report on Enhancing National Competitiveness concluded that procedures governing enterprise registration are often inefficient,

⁴⁷ Go-Invest online information. Viewed at: http://www.goinvest.gov.gy/investment_guide.html.

⁴⁸ Companies Act of 1991.

⁴⁹ World Bank (2008).

⁵⁰ World Bank (2008).

⁵¹ Information provided by the Guyanese authorities.

⁵² Go-Invest online information. Viewed at: <http://www.goinvest.gov.gy/incorporation.html>.

leading to long delays and waste of management time, and, therefore, unnecessary red tape should be eliminated. The report also suggested that Go-Invest should function as a one-stop shop for investment, rather than being the first stage in a potentially long list of Ministries and agencies that the investor has to deal with.⁵³ In the context of this Review, the authorities note that progress has been made since 2005, and that as of 2009 Go-Invest is operating as a one-stop shop according to UNIDO's definition.⁵⁴

94. Guyana's main laws on corporate taxation are the Tax Act of 1939 (Cap. 80:1), the Income Tax Act of 1929 (Cap. 81:01), the Corporation Tax Act of 1970 (Cap. 81:03), and the Value Added Tax Act of 2005, all of which have been amended frequently. Corporate tax rates are set at 45% on chargeable profits for commercial companies and 35% for non-commercial companies. A commercial company is defined as one that derives at least 75% of its gross income from trading goods it does not manufacture; it includes commission agencies, telecommunication companies, businesses that are licensed or authorized to carry on banking business, and certain insurance businesses. Sole proprietorships and partnerships are subject to the tax rate of 33.3% applicable to individuals. Corporate income taxes provided 21.3% of government revenue in 2007 (see Chapter I(4)).⁵⁵

95. Companies are also subject to a capital gains tax of 20% over net capital gains, a withholding tax of 20% on dividends and interest paid to non-residents, and a property tax levied at different rates depending on the value of the property. In 2005, the National Assembly passed a bill introducing a new value-added tax (see section (2)(v) above).

(ii) Competition policy and price controls

96. In 2006, Guyana adopted a competition law that represents a potentially important step towards enhancing competition, particularly given the oligopolistic nature of some sectors in the economy. However, the full implementation of the law remains a challenge, including making the Competition Commission operational.

97. Guyana's main competition policy legislation, the Competition and Fair Trading Act, was introduced in 2006. The Act sets up the Competition Commission (Commission) as a body corporate under the Ministry of Tourism, Commerce and Industry. It has responsibility for, *inter alia*, maintaining and encouraging competition, prohibiting anti-competitive business conduct, and promoting the welfare of consumers. The Commission will consist of between three and five Commissioners appointed by the Minister of Tourism, Commerce and Industry. It will receive funds from the national budget, but it may also charge fees for the provision of advisory services and impose fixed penalties for offences under the Act. The Commissioners have been appointed but the Commission is not yet operational (early 2009).

98. All persons and businesses conducting business in Guyana are subject to the Act. When the Act is applied to public utilities, the Commission must consult the Public Utilities Commission before exercising its powers.⁵⁶ The Act prohibits the operation of cartels or agreements to fix prices, limit

⁵³ Ministry of Tourism, Industry and Commerce (2005).

⁵⁴ UNIDO defines a "one stop shop" as a public agency that combines scattered national and international information on how to start up a business into one focal point, and that addresses a large variety of enquiries in an efficient manner, making it a cost-effective service for a small-medium enterprise (SME). UNIDO online information. Viewed at: http://www.unido.org/fileadmin/import/18759_0389257_capacity_building.pdf.

⁵⁵ Information provided by the Guyanese authorities.

⁵⁶ Article 4 (2) of the Competition and Fair Trading Act of 2006.

production, or divide up markets in a manner likely to distort competition. However, an agreement is not considered an anti-competitive practice if the Commission deems that it contributes to the improvement of production or distribution of goods or the promotion of technical or economic progress, while allowing consumers a fair share of the resulting benefit. For example, the authorities note that a cartel set up by small enterprises to bulk buy imports and benefit from economies of scale would not be considered illegal.

99. The Act also contains provisions to prevent the abuse of a dominant market position, which is defined as a position where a firm has more than 40% of the market, and is powerful enough to operate in the market without constraints from its competitors. The existence of a dominant position in a market is not in itself illegal, only its abuse. Moreover, as with anti-competitive practices, an enterprise is not deemed to be abusing its dominant position if its behaviour improves general economic conditions and allows consumers a fair share of the benefits. The Act does not contain provisions with respect to merger control. Therefore, companies operating in Guyana are not required to notify the Commission either before or after a merger or acquisition has taken place.

100. The Commission has substantive powers, both investigative and punitive. It may self-initiate an investigation, which may include search of premises, apprehension of documents, and summoning of witnesses. It may order the termination of an agreement or of conduct considered to be anti-competitive and may declare certain business activities illegal. According to the Act, an enterprise that fails to terminate the anti-competitive agreement or practice within the period agreed with the Commission is liable to a fine of G\$50 million (some US\$250,000) and to imprisonment for one year. Any enterprise that is aggrieved by a finding of the Commission may, within 15 days after the date of that finding, appeal to a Judge in Chambers.

101. The Commission must cooperate with the Community Competition Commission, established by CARICOM in January 2008, as well as with competition authorities of other CARICOM member countries. Protocol VIII of the CARICOM Treaty provides the rules and standards by which enterprises must do business in the Caribbean Single Market Economy in order to ensure competition, and protect consumer welfare. Exchange of information and enforcement cooperation also applies under the EPA signed with the EC (see Chapter II(4)(ii)). Furthermore, under this agreement, signatories were allowed to maintain public or private monopolies according to their respective laws.⁵⁷

102. There are no formal studies on the level of competition in Guyana's domestic markets for goods and services. However, the small size of its economy and the different *de jure* monopolies in existence, for example in the sugar and telecom sectors, suggest that competition is limited in various sectors.

103. The authorities confirm that, in general, price controls are not applied in Guyana. Prices for telecommunication services are still regulated by the Public Utilities Commission, while those of water and electricity are regulated by the companies themselves (Chapter IV(4), (7), and (7)(iii)).

(iii) State trading, state-owned enterprises, and privatization

104. Guyana has not submitted any notifications regarding state trading enterprises within the meaning of Article XVII of the GATT 1994.

⁵⁷ Article 129 of the EPA between CARIFORUM and the EC.

105. The state-owned Guyana Sugar Corporation (GUYSUCO) is the only company permanently authorized to import and export sugar. All other companies may import sugar only under a non-automatic licence (Chapter IV(2)(i)).

106. The Guyana Gold Board, a state-owned company, controls the commercialization and import and export of gold in Guyana.⁵⁸ Notwithstanding, private persons or companies may apply to the Guyana Gold Board to obtain an authorization to sell or export gold.

107. The National Industrial and Commercial Investments Limited (NICIL), incorporated as a Private Limited Company in Guyana, acts as subscriber and manager of the Government's shares, stocks, debentures of any company, cooperative societies or other body corporate. It also manages government-owned real estate properties, including their acquisition, disposal or rental. The main objectives of NICIL are the unified and systematic management of the Government's shareholdings, and to minimize conflict of interests within the Government.⁵⁹

108. Guyana underwent a significant privatization process during the 1990s, where the State divested its holdings in many enterprises in the banking, telecommunications, agriculture, and manufacturing sectors. However, the pace of the privatization process was reduced during the review period. Since 2003, the State has transferred to private hands the control over: Guyana National Co-operative Bank, which now trades as Republic Bank; and National Edible Oil Company, acquired by a producer of bio-diesel made from palm oil. Furthermore, the State reduced its participation in two of Guyana's leading bauxite mining companies, the Aroaima Mining Company and Linmine Bauxite (Chapter IV(3)).⁶⁰

(iv) Incentives and other government assistance

109. Incentives in Guyana largely take the form of fiscal incentives granted under various laws to a relatively large number of activities. The Minister has discretion, subject to the specific provisions of the law, to grant corporate income tax holidays to a wide range of sectors. Because of this, and given Guyana's fragile fiscal situation, it would be useful to estimate the revenue forgone and publish these estimates. Government provision of financial assistance to companies in the form of concessionary loans and grants is limited.

(a) Fiscal incentives

110. All fiscal incentives are set out in law and are covered by a number of Acts (Table III.10). Incentives linked to exports are described in sections (3)(ii) and (iv) above. Guyana has not made any notifications to the WTO under Article XVI:1 of the GATT 1994 or Article 25 of the SCM Agreement. Locals and foreigners are treated alike with respect to fiscal incentives provided.

111. Since Guyana's previous review, the main changes to its fiscal incentives regime have stemmed from the introduction of the Fiscal Enactments (Amendment) Acts of 2003 and 2008, the Small Business Act in 2004, and VAT and Excise Tax Acts, and the simultaneous repeal of the consumption tax and six other taxes in 2007. The authorities note that a review of Guyana's tax system is under discussion and this may have an impact on fiscal concessions granted.

112. In 2003, Ministerial discretion to grant fiscal remissions was curtailed by the Fiscal Enactments (Amendment) Act (No. 2, 2003): This, amongst other things, amended the Financial

⁵⁸ Guyana Gold Board Act of 1981 (Cap. 66:01).

⁵⁹ Privatisation Unit online information. Viewed at: <http://www.privatisation.gov.gy/nicil.html>.

⁶⁰ Information provided by the Guyanese authorities.

Administration and Audit Act, and required that all incentives must be set out in law, and that Ministers may only grant incentives where they are empowered to do so under the relevant legislation.

113. The 2003 Act, also set limitations on the conditions under which Ministers could grant tax holidays under the Income Tax (In Aid of Industry) Act: corporation tax holidays could only be granted when an activity created new employment in certain regions and represented a new economic activity in specific fields.⁶¹ Exemptions were available for a maximum of five years for non-traditional agri-processing and for up to ten years for other new economic activities. The regime with respect to tax holidays, however, was further changed with the Fiscal Enactments (Amendment) Act (2008), which expanded the regions and activities eligible for tax holidays and allows the Minister to provide incentives to other regions and other fields, subject to negative resolution of the National Assembly (Table III.10). The authorities highlight that this represents an inclusion of other potential key sectors that were excluded from the previous legislation. It also represents a relaxation of the stronger disciplines introduced in 2003.

114. Information on tax holidays granted is not publicly available. The authorities indicate, however that Guyana does publish in a local newspaper figures on revenues forgone as a result of exemptions from customs duties, excise taxes, and the VAT. They note that total revenue forgone as a result of fiscal incentives was G\$24.8 billion (or some 10% of GDP) in 2007.

Table III.10
Laws providing for fiscal incentives, 2009

Act	Incentives provided	Conditions applied
Customs Act	Exemptions from export duty, which is levied at 1.5%. For list of exempted items see Chapter III(3)(iv). Tariff concessions are offered to importers in a number of approved manufacturing and agricultural activities as well as for approved purposes. Partial duty exemptions are set out in Part III(A) of the First Schedule to the Customs Act, and full exemptions in Part III (B).	None
Industries Aid and Encouragement Act	Importation of the following goods free of customs duties and taxes: machinery and appliances; launches, tugs, barges, and pontoons; vehicles for transporting materials within factories, mills or mines; building materials for mills, factories, store houses, hotels, and houses for employees; and furniture for hotels.	Items must be used for either the establishment of a new industry or developing and existing one. A licence must be obtained from the Minister of Finance.
Income Tax Act	Export allowance: exporters may deduct a certain percentage of their export profits from income tax (see Chapter III(3)(iv)).	Applies only to non-traditional exports, and only exports outside of CARICOM. To qualify, at least 10% of sales must be exported.

Table III.10 (cont'd)

⁶¹ Qualifying regions specified in the Fiscal Enactments (Amendment) Act (No. 2, 2003) are: Region 1 (Barima-Waini); Region 8 (Cuyuni-Mazaruni); Region 9 (Upper Takatu-Upper Essequibo); Region 10 (Upper Demerara-Upper Berbice). Qualifying new economic activities are: non-traditional agri-processing (excluding sugar refining, rice milling and chicken farming); information and communications technology (excluding retail and distribution); petroleum exploration, extraction, or refining; tourist hotels or eco-hotels.

Act	Incentives provided	Conditions applied
The Income Tax (In Aid of Industry) Act	Income tax allowances for capital expenditure on the construction of: industrial buildings and structures; machinery or plant; the purchase of patent rights; construction of workers' residences; as well as capital expenditure related to the working of a mine or source of mineral deposits, whereby the expenditure would have little value when the source is no longer worked. Allowance for non-capital expenditure on scientific research. Tax holidays (see changes introduced by the Fiscal Enactment (Amendment) Act, No.13, 2008.	The Act applies only to: sugar manufacturing and refining; rum distilling; mining (other than gold and diamonds); manufacture, refining and processing of oil and other minerals; manufacture of various goods; breweries; sawmills; logging; hotels of a certain size; dairy husbandry; rice milling; canning; production of electric power; shipbuilding and repair; foundries, machine shops and woodworking shops; transportation undertakings; dock undertakings; and drying and processing of lumber.
VAT Act	Certain goods and services are zero-rated or exempt under the VAT, which is levied at a standard rate of 16% or exempt (for a list of these items see Table III.5, Chapter III(2)(v)(a)).	No conditions listed
The Small Business Act	Small businesses are eligible for every applicable fiscal incentive under the law.	No conditions specified
Fiscal Enactment (Amendment) Act (2003)	Amends the provisions on tax holidays in the Income Tax (In Aid of Industry) Act, later amended by the Fiscal Enactment (Amendment) Act of 2008. Amends the Financial Administration and Audit Act, to provide tax and import duty exemptions to goods imported in relation to a public works project funded by grants or loans supplied by an international agency.	No conditions specified
Fiscal Enactment (Amendment) Act (2008)	Amended the Income Tax (In Aid of Industry) Act to provide exemptions to corporation tax for new economic activities of a developmental or risk-bearing nature. Tax exemptions are available for up to 5 years or 10 years depending on the activity.	The activity must create new employment in one of the following regions: Regions 1, 7, 8, 9, 10, or other regions as the Minister may specify by order, subject to negative resolution by the National Assembly. The activity must create new employment in any of the following fields: non-traditional agricultural development and agri-processing, including aquaculture and production of biofuels; information and communications technology, not including retail and distribution; petroleum exploration, extraction, and refining; tourist facilities; value-added wood processing; biotechnology; development and manufacturing of new pharmaceutical products, chemical compounds, and the processing of raw materials to produce injectables; infrastructure development including the production of electricity using renewable sources of energy; such other fields as the Minister may, by order specify, subject to negative resolution of the National Assembly.

a A small business must satisfy two of the following conditions: employ not more than 25 persons; have gross annual revenues of not more than G\$60 million; and have total business assets of not more than G\$20 million.

Source: Customs Act Cap 82:01, VAT Act No. 10, 2005 and Income Tax (In Aid of Industry) Act Cap: 81:02. Viewed at <http://www.revenuegy.org/laws.php>; Income Tax Act Cap. 81:01. Viewed at: <http://www.caricomlaw.org/doc.php?id=2165>; Industry Aid and Encouragement Act, Cap. 59:01. Viewed at: <http://caricomlaw.org/doc.php?id=2226>; and Small Business Act, No. 2 of 2004. Viewed at: http://mantic.gov.gy/documents/Small_Business_Act_2004.pdf.

(b) Industrial estates

115. Guyana has two government-managed industrial estates: Eccles and Coldingen. It leases space to companies for 99 years at a concessionary rate of G\$1 per square foot. According to the

authorities, an additional estate, the Berbice-Belvedere Estate is scheduled to be opened soon, and there are a number of commercial proposals to develop another estate by the Brazilian border (the Letham estate).

116. The authorities report that in early 2009 all plots at Eccles have been allocated but only 78% of the occupants have fully developed their plots. There is 75% occupancy of the Coldingen Estate, mainly consisting of manufacturing companies. The authorities note that many of these companies did not exist prior to the establishment of the industrial estates.

(c) Grants and loans

117. As at March 2009, the only concessional financing scheme offered by the Government, together with the EC, is the Linden Economic Advancement Programme (LEAP). According to the authorities, its objective is to foster entrepreneurship and the expansion of the local private sector. Information was not provided regarding the type of financing provided (i.e. grants or concessional loans). The Small Business Act provides for the establishment of a Small Business Development Fund, *inter alia* to offer financing to small businesses. The authorities note that, while not operational yet, financing will take the form of concessional loans.

(v) Government procurement

118. Since Guyana's previous Review, a new Procurement Act and implementing regulations have been adopted. The Act covers procurement at the national, ministerial, government agency, and regional levels, but not that of public corporations and other state bodies. The new Act contains mandatory open tendering and various provisions for transparency and accountability in procurement processes, which represents an improvement over the previous legislation. However, a national commission has identified a number of areas where transparency in procurement could still be improved. Preferences are granted to domestic goods and supplies and to small businesses.

119. Guyana is not a signatory to the WTO Plurilateral Agreement on Government Procurement, it is not negotiating accession to this Agreement, nor is it an observer.

120. Guyana's main laws governing government procurement are the Procurement Act (No. 8, 2003) and the Public Procurement Commission Tribunal Act (No. 8, 2004). Regulations under the Procurement Act were adopted in 2004, with an amendment in the same year.⁶² In addition, there are procurement provisions in the Small Business Act (No. 2, 2004). No official figures are available on the Government's annual expenditures on procurement.

121. An amendment to Guyana's constitution in 2001, provided for the establishment of a Public Procurement Commission as one of a number of Service Commissions.⁶³ In early 2009, the establishment of the Public Procurement Commission was being considered by a Parliamentary sub-committee.

122. The Minister of Finance has overall responsibility for procurement in Guyana. A National Procurement and Tender Administration (NPTA), managed by a National Procurement and Tender Board (National Board) is the central agency for tenders over a certain threshold (see below), and, pending the establishment of a Public Procurement Commission which will take on these functions, it is also responsible for: making regulations to carry out the provisions of the Procurement Act;

⁶² Procurement Act, No. 8 of 2003; Regulations No. 9 of 2004 and No. 10 of 2004. Viewed at: <http://nptaguyana.org/procurement>.

⁶³ Constitution of Guyana (Article 212W). Viewed at: <http://www.parliament.gov.gy>.

documentary requirements; organizing training seminars; reporting to the Minister with respect to the effectiveness of procurement processes and recommending any changes to procurement legislation; reviewing decisions of procuring entities, upon request; and adjudicating debarment proceedings. The formation of the National Procurement Commission is being addressed by a Parliamentary sub-committee. Other procuring entities include regional, district, ministerial, departmental, and agency tender boards.

123. The stated objectives of Guyana's procurement regime as set out in the Procurement Act are to: maximize economy and efficiency in procurement; foster and encourage participation in procurement proceedings by suppliers and contractors, regardless of nationality, to promote trade; promote competition among suppliers and contractors and their fair and equitable treatment; promote the integrity of, and fairness and public confidence in, the procurement process; and achieve transparency in procurement procedures.

124. The Procurement Act governs purchasing by the National Board, by ministries and agencies, and at the regional level, but it does not cover that of public corporations and other state bodies, unless they are provided with funding from the Treasury for a specific procurement. The National Board, is responsible for tenders over specified thresholds, otherwise procurement may be undertaken by the other procuring entities (Table III.11).

Table III.11
Tender award thresholds, 2009

Type of board	Type of contract	Contract value (G\$ million)
National Board	All types	All contracts exceeding the maximums for other boards
Regional	Goods and services (other than consulting)	0.25 – 6.0
	Construction	0.6 – 9.0
	Consulting services	0.4 – 0.5
Ministerial/departmental/agency	Goods and services (other than consulting)	0.25 – 0.6
	Construction	0.6 – 1.0
	Consulting services	0.4 – 0.5
Ministry of Public Works and Communications	Goods and services (other than consulting)	1.0 – 4.0
	Construction	1.0 – 8.0
	Consulting services	1.0 – 3.0
Ministry of Agriculture	Goods and services (other than consulting)	1.0 – 4.0
	Construction	1.0 – 8.0
	Consulting services	1.0 – 3.0

Source: Regulations No. 9, 2004 made under the Procurement Act. Viewed at: <http://nptaguyana.org/wp-content/uploads/2007/08/Regulations%20made%20under%20the%20Procurement%20Act%202003.pdf>.

125. There are provisions in the Small Business Act and the Procurement Act that favour domestic tenderers. Under the Small Business Act, the Government must use its best endeavours to meet at least 20% of its procurement requirements of goods and services from small businesses.⁶⁴ Procurement must be at competitive prices and in accordance with the provisions of the Procurement Act and regulations in force. Competitive prices are not defined in the Act. The Small Business Council is required to prepare annually a small business procurement programme as well as a report

⁶⁴ Under the Act, a small business must satisfy two of the following conditions: employ not more than 25 persons; have gross annual revenues of not more than G\$60 million; and have total business assets of not more than G\$20 million. In order to become an approved small business under the Act, application must be made to the Small Business Council, and Ministerial approval is required.

on the status of procurement by the Government from small businesses. No further information was available from the authorities as to whether these provisions have yet been implemented.

126. Under the Procurement Act, procuring entities may grant a margin of preference of up to 10% to tenders submitted by domestic contractors or for the benefit of tenders for domestically produced goods. In such circumstances, the contract must be awarded to the lowest evaluated tender (either the domestic tenderer taking into account the 10% margin of preference or the foreign tenderer). Aside from this domestic margin of preference the Act states that procuring entities may not establish criteria, requirements or procedures regarding the qualification of suppliers or contractors that discriminate against or among them, including on the basis of nationality.⁶⁵ Procurement through community participation (Table III.12) would also favour local suppliers and contractors.

127. Invitations to pre-qualify must be published in national newspapers and posted in public places; they are also advertised in the international media if they involve international competitive bidding. Any pre-qualification process must allow sufficient time for suppliers and contractors to prepare and submit their applications, taking into account the procuring entity's needs. The length of time considered to be "sufficient" is not defined. Project information must be provided and any decision about the adequacy of qualifications must be based on criteria set out in the prequalification documents.⁶⁶

128. Public tendering is mandatory except in certain circumstances when other methods may be used (Table III.12). There are separate rules for the procurement of consulting services. No statistics were available regarding the use of each procurement method. The authorities indicate that tender awards are based on the criteria in the bid document, and are not necessarily based on the lowest price.

Table III.12
Permissible forms of tendering, 2009

Form of tendering	Usage
Public tendering	Mandatory except in certain circumstances. Procedures for open tendering are set out in Part V of the Procurement Act: Invitations to tender must be published in newspapers and public places, and two-stage tendering involving a prequalification process is permitted.
Restricted tendering	May be used when the goods, construction or services, due to being complex or specialized, are available only from a limited number of contractors or suppliers and if the estimated cost is below the following thresholds: G\$1 million for contracts for goods and services (other than consulting services) and G\$5 million for construction contracts. Only suppliers invited by the procuring entity may submit tenders. Otherwise, all other steps and requirements applicable to open tendering must be complied with.
Request for quotations	Estimated value of procurement contract must not exceed G\$800,000. Quotations must be obtained from at least three qualified suppliers/contractors. Procuring entity must publish the price of its most recent procurement at least once a quarter in a national newspaper. Contract must be awarded to the supplier or contractor submitting the lowest-priced quotation.
Single source procurement	May only be used when: goods or construction are available only from a particular supplier/contractor; services because of complex nature are available from one source; there is an urgent need for procurement; when a procurement has been made from a supplier and additional supplies are required; or for reasons of national defence or national security.
Procurement through community participation	Where procurement is conducted in poor remote communities, and the Act's competitive procedures are not feasible, goods, works and services below G\$1.5 million may be procured either in accordance with procedures that promote efficiency through participation of community organizations or through a single source procurement from direct contracting of suppliers or contractors located near the community.

Source: Procurement Act (2003).

⁶⁵ Qualification requirements for suppliers and contractors are set out in the Procurement Act, Article 5.

⁶⁶ Pre-qualification proceedings are set out in the Procurement Act, Article 6.

129. Only a limited number of procurement opportunities are currently posted on the NPTA website (as at March 2009). The authorities indicate that steps will be taken shortly to have all such opportunities posted online. Where only national tenderers are expected to be interested in procurement opportunities, invitations to tender or to prequalify must be published in a national newspaper and posted in public places; where foreign tenderers are expected to be interested, publication must also be in at least one newspaper of wide international circulation. Notices of contract awards must be published within seven days of the award of contract⁶⁷, and the authorities note that these are published on the NPTA website.⁶⁸ Details of contract awards of over G\$200,000 must be sent to the NPTA for publication on its website.

130. Bidders whose tender or proposal has been rejected may submit a written protest to the procuring entity concerning pre-qualification or tendering proceedings or procurement methods if procurement proceedings had not led to a contract award, otherwise the bidder may request a review by the National Board (pending the creation of the Public Procurement Commission, which will take on this responsibility). Reviews are undertaken by a Bid Protest Committee, which is required to make every effort to reach its award decision within 20 working days from receipt of the complaint.⁶⁹ According to the authorities, all protests involving contracts for which the National Tender Board has had jurisdiction have been resolved without having to invoke the bid protest mechanism.⁷⁰

131. Under the Act, appeals against decisions by the Public Procurement Commission may be made to the Public Procurement Commission Tribunal within 30 days of receipt of the decision by the appellant or the date on which the appellant otherwise came to know of the decision. The Tribunal may announce its decision as soon as practicable after the hearing. The Tribunal is not currently operational since the Public Procurement Commission has not been established (March 2009).

132. The Cabinet has the right to object to the award of a procurement contract of over G\$15 million if it deems that the procuring entity did not comply with procurement procedures. The authorities note that, notwithstanding the provisions of the Procurement Act, complaints against Cabinet decisions are entertained.

133. A report by the Ethnic Relations Commission of Guyana in 2007 identified five key areas where transparency in procurement could be improved. Firstly, it notes that the Procurement Act contains no express power to award contracts, hence there is no check on whether decisions are being made with adequate statutory authority or against interference by an authorized decision-maker. Secondly, the Government's influence in the Bid Protest Committee is overwhelming, and the rules for complaint and appeal are inconsistent between the Act and its implementing regulations. Thirdly, no rules and guidelines have been published as provided for in the regulations, hence procurement managers have wide discretion at the technical level of documentation. Fourthly, the report expresses concerns about the operation of the NPTA pending the establishment of the Public Procurement Commission. Finally, anti-corruption measures could be strengthened. The report identifies a full list of findings and proposals for action.⁷¹ The authorities were of the view, however, that the concerns in this report were largely unfounded.

⁶⁷ Procurement Act, Article 11(1).

⁶⁸ NPTA online information. Viewed at: <http://www.nptaguyana.org>.

⁶⁹ The Regulations made under the Procurement Act No. 9 of 2004, set out in more detail administrative review processes.

⁷⁰ Where the protest involves contracts funded by international funding agencies, the bid protest mechanism of these institutions takes precedence over that contained in the Procurement Act.

⁷¹ Ethnic Relations Commission (2007).

134. The EC-CARIFORUM Economic Partnership Agreement (EPA), to which Guyana is signatory contains provisions on government procurement, set out in Chapter 3 of the Agreement.⁷² The Agreement applies to procurements by listed entities: in Guyana's case this includes seven national ministries and the Office of the Prime Minister.⁷³ Transparency obligations apply to procurement by these entities above certain thresholds (SDR 155,000 for procurement of goods and services and SDR 6,500,000 for works).⁷⁴ However, market access by one party to the EPA to procurement opportunities in another party is not automatic: the EPA leaves it open to individual party to determine to whom it will grant permission to participate in the procurement process (so-called "eligible suppliers").⁷⁵ Eligible suppliers must be treated equally in accordance with the principle of effective competition.

135. The Revised Treaty of Chaguramas commits CARICOM Members to elaborate a protocol on government procurement. The authorities indicate that a draft has been exclusively discussed and is expected to be finalized during the latter half of 2009. The FTAs between CARICOM and Costa Rica and CARICOM and the Dominican Republic hold open the possibility for the parties to negotiate a future agreement on government procurement, however, no concrete steps have been taken in this regard.

(vi) Intellectual property rights

(a) Overview

136. Most of Guyana's intellectual property laws date back to the colonial period and were notified to the WTO in September 2002.⁷⁶ Over the review period legislative reform has been limited; the only concrete development being the adoption of a new law on geographical indications in 2005 (not yet notified to the WTO). At the TPRB meeting to review Guyana's trade policies in 2003 some Members urged Guyana to enhance IPR protection and implement the provisions of the TRIPS.⁷⁷ Guyana's commitment under the EC-CARIFORUM Economic Partnership Agreement to provide effective protection and enforcement of IP rights may provide additional impetus for further reform efforts.

137. In 2006, Guyana's exports of IPR-intensive goods amounted to US\$26.4 million, representing 4.7% of total exports. The respective value of imports for the same year was US\$79.6 million, or 8.9% total imports.⁷⁸

⁷² EPA Agreement: Viewed at: http://new.cnm.org/index.php?option=com_docman&task=cat_view&gid=119&Itemid=95.

⁷³ These Ministries are set out in Annex 6 to the EPA. They are the ministries of: Health; Finance; Home Affairs; Agriculture; Public Works and Communications; and Education.

⁷⁴ Thresholds are set out in Annex VI. Chapter 3, Article 168 sets out the EPA's transparency requirements. These include requirements to publish specified information, to provide online access to tendering opportunities, and obligations with respect to tender documentation.

⁷⁵ An "eligible supplier" is "a supplier who is allowed to participate in the public procurement opportunities of a Party or Signatory CARIFORUM State, in accordance with domestic law and without prejudice to the provisions of this Chapter" (Article 166).

⁷⁶ WTO document IP/N/1/GUY/1, 4 December 2002.

⁷⁷ WTO document WT/TPR/M/122, 10 December 2003. WTO document WT/TPR/M/122/Add.2, 12 February, 2004.

⁷⁸ For these purposes, IPR-intensive goods include the goods listed in Attachment A of the Ministerial Declaration on Trade in Information Technology Products (WTO document WT/MIN(96)/16), with no adjustment for partial sub-headings (HS8524.31 and 8524.91 excluded); HS30 (pharmaceutical products); HS22 (beverages, spirits and vinegar, excluding HS2209 (vinegar); HS49 (books and other printed media);

138. The Deeds Registry under the Ministry of Legal Affairs has responsibility for the implementation of Guyana's intellectual property legislation, for processing applications, and for other administrative work related to intellectual property protection.⁷⁹

139. At the time of Guyana's previous Trade Policy Review various efforts were under way to reform Guyana's intellectual property rights regime, however, there has been limited progress to date (early 2009). A Copyright Bill, which was at a draft stage in 2003, has not yet been enacted. In addition, financing and technical support from the IADB, which had been provided to strengthen the legal and institutional framework for intellectual and other property rights did not achieve a number of its intended objectives by the project's conclusion in 2006. These objectives included the enactment of new legislation, computerization and staffing of the Deeds Registry, and a reduction in the times associated with IPR registration.⁸⁰ As noted by the authorities, assistance from WIPO has been provided to automate Guyana's intellectual property system; this has been completed, and the intention is to set up online access.

140. Guyana has been a member of WIPO since 1994. There have been no changes in its adherence to WIPO treaties, since its last review: it is signatory to the Convention Establishing the World Intellectual Property Organization; the Paris Convention for the Protection of Industrial Property, Stockholm Text (1883), and the Berne Convention for the Protection of Literary and Artistic Works, Paris Text (1886).⁸¹ It is not a contracting party to any other WIPO-administered instruments. However, under the EC-CARIFORUM EPA, Guyana, along with other CARIFORUM countries, has agreed to "endeavour to accede" to a number of such treaties.⁸² It has agreed to "endeavour to apply" WIPO Joint Recommendations on certain topics.

141. Under the Revised Treaty of Chaguramas, the CARICOM Council for Trade and Economic Development is charged with protecting intellectual property rights, *inter alia*, by establishing a regional administration for all IPRs except copyright.⁸³ The Treaty also calls for member states to harmonize their IP laws and administrative practices.⁸⁴ No information was available with respect to progress in this regard.

142. There are also provisions on intellectual property rights in a number of free-trade agreements to which Guyana is a signatory. An agreement on IPRs has been incorporated into the CARICOM-

3706 (motion picture films); HS3705 (other developed films), and HS8524 (records, CDs, software and other recorded media).

⁷⁹ GO-Invest online information. Viewed at: http://www.goinvest.gov.gy/regulatory_environment.html.

⁸⁰ IADB online information. Viewed at: <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=1044457>.

⁸¹ WIPO online information. Viewed at: http://www.wipo.int/treaties/en/SearchForm.jsp?search_what=C.

⁸² The WIPO treaties to which Guyana should accede as a result of its EPA commitments are: the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (1961); the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (1989) and the revised Trademark Law Treaty (2006); revised Trademark Law Treaty (2006); the Hague Agreement for the International Registration of Industrial Designs (1999); the Patent Cooperation Treaty (1970, last modified in 1984); the Budapest Treaty on the International Recognition of the Deposit of Micro-organisms for the Purposes of Patent Procedure (1977, amended in 1980); the Patent Law Treaty (Geneva, 2000); the International Convention for the Protection of New Varieties of Plants (1991).

⁸³ COTED's responsibilities with respect to intellectual property rights protection are set out in Article 66 of the Revised Treaty.

⁸⁴ Revised Treaty of Chaguramas, Article 74.

Cuba Agreement, and one is envisaged in the CARICOM-Dominican Republic Agreement (Table AII.1).

143. Under the EC-CARIFORUM Economic Partnership Agreement (EPA)⁸⁵, all parties agreed to adequately implement their obligations under IP agreements to which they are signatories, including the WTO TRIPS Agreement. The EPA contains various substantive provisions with respect to the various forms of property rights, as well as enforcement obligations. Guyana and the other CARIFORUM countries have until 1 January 2014 to implement their commitments under the EPA. According to the authorities, no work is yet under way in this regard.

(b) Legislation and selected issues

144. Guyana has laws on trade marks, patents and industrial designs, copyrights, and geographical indications. With the exception of the geographical indications, all other legislation on intellectual property rights is long-standing and pre-dates Guyana's independence from the United Kingdom. Guyana does not have specific laws on new plant varieties, layout-designs of integrated circuits, or undisclosed information (Table III.13). Between January 2003 and March 2009, 3,680 trade marks, 138 patents, and 23 industrial designs were registered.

Table III.13
Summary of the protection of intellectual property rights, 2009

Main legislation	Duration	Coverage
Trade Marks Trade Marks Act, 1956 (Cap. 90:01)	7 years renewable	Trade marks registered in Guyana may be subject to conditions or limitations entered on the register. Recognition of trade marks granted in the U.K.; protection may be withdrawn after five consecutive years of non-use; protection is granted for goods but not services. Under the Geographical Indications Act (below) the Registrar may refuse or invalidate the registration of a trade mark that includes a misleading geographical indication.
Patents and Industrial Designs Patents and Designs Act, 1938	Patents: 16 years from the date on which a complete specification has been filed. Extensions of 5 years may be granted (10 years in exceptional circumstances) Industrial designs: copyright granted for five years from the date of registration, renewable for up to two five-year periods	Patents: Patents are available for all categories of products providing they satisfy the definition of invention: "any manner of new manufacture the subject of letters patent and grant of privilege" Patent-holders in the United Kingdom may apply within three years from the date of issue of the patent to have it registered in Guyana. Provisions on compulsory licensing. Industrial designs: legislation does not protect rightholders of a design against imports of articles bearing embodied or copied design. Provisions on compulsory licensing.
Copyright The United Kingdom Copyright Act 1956 with modifications introduced by the Copyrights (British Guiana) Order 1966 No. 79 ^a	50 years from end of calendar year published, for sound recordings; cinematography; television broadcasts; sound broadcasts; and literary, dramatic and musical works 25 years for published editions of work	Protection in Guyana is afforded to works originating in parties to international copyright conventions, to works produced by certain international organizations, and to lawfully authorized broadcasts originating in other Commonwealth countries.

Table III.13 (cont'd)

⁸⁵ See Chapter 2, Section 2, Articles 139 to 164 of the EPA. Viewed at: <http://www.crn.org>.

Main legislation	Duration	Coverage
Geographical Indications Geographical Indications Act No. 15 of 2005	Indefinite	Indications that identify goods as originating in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristic of the goods is essentially attributable to its geographical origin. No registration required. Protection is not granted to GIs that do not correspond to the definition of a GI under the Act; are contrary to public order or morality; or cease to be protected or fall into disuse in their country of origin.
New plant varieties	No protection	
Layout-designs of integrated circuits	No protection	
Undisclosed information	No protection	

a The authorities indicated that this law is not being implemented.

Source: Trade Marks Act. Viewed at <http://www.caricomlaw.org/doc.php?id=2197>; Patents and Industrial Designs Act. Viewed at: <http://www.caricomlaw.org/doc.php?id=2198>; Copyrights (British Guiana) Order; and Geographical Indications Act No. 15 of 2005.

145. The authorities indicate that Guyana remains committed to honour and uphold its international commitments pertaining to intellectual property rights, to revise and update existing laws, and where necessary to enact new laws, especially in areas where currently there is no legislation. The authorities further note that this determination is reflected in the enactment of the Geographical Indications Act, Guyana's active participation in the development of a patent system for the Caribbean region, and the preparation of a WTO-compliant Copyrights Bill.

146. The different laws governing intellectual property contain provisions for persons to pursue proceedings before the High Court for civil remedies to be applied in the enforcement of intellectual property protection. Under the Geographical Indications Act (Article 7) and the Patents and Industrial Designs Act (Articles 39 and 74), civil remedies available to rights-holders include the award of damages and injunctions.

(c) Selected issues

147. As noted in Guyana's previous Review, compulsory licensing is allowed for patents and industrial designs, if there has been an abuse of monopoly rights or for state purposes. With respect to the former, the Act allows any person to present a claim to the Registry, at least three years after the granting of the patent or copyright for an industrial design, alleging that there has been an abuse of monopoly rights. Such abuse may take the form of: the patent not being worked commercially in Guyana; commercial use of the patent being prevented by the importation of the patented article by the patentee; trade activities being hindered as a result of refusal to grant a licence on the patented product; any trade or industry in Guyana being harmed by the terms of the patent; or the trade of any materials used in the patented good being unfairly prejudiced by the existence of the patent. Compulsory licensing may occur for state use of the patent in cases of war, or if any government agency had already been using the patented goods before the patent was granted. Compulsory licensees are expressly prohibited from importing into Guyana goods that would be an infringement of the patent if made by persons other than the patentee or those claiming under him. Guyana has not made any notifications in relation to the General Council Decision on the implementation of paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health.

148. Although there are no provisions in Guyana's legislation that would prevent parallel imports, it would appear in practice that their use is limited.

IV. TRADE POLICIES BY SECTOR

(1) AGRICULTURE, FISHERIES AND FORESTRY

(i) Agriculture

1. The agriculture sector plays important economic and social roles in Guyana, contributing almost half of its merchandise exports. Agricultural production and exports are dominated by sugar and to a lesser extent, rice. In view of the major changes affecting the EC import regime, Guyana's main market for sugar, the Guyanese sugar industry is making significant efforts to reduce production costs and diversify. Guyana is also seeking to expand its exports of non-traditional agricultural products. Government support to the agriculture sector mainly takes the form of extension services to farmers and various tax exemptions, with limited provision of grants and concessionary loans, except to the rice industry.

(a) Features

2. Guyana's society and economy relies heavily on agriculture: in 2008, agriculture contributed 16.6% to GDP. Data on employment in the sector were not available, however the authorities report that in 2007, 19,018 people were employed by the Guyana Sugar Corporation (GUYSUCO), the largest employer in the agriculture sector.

3. Agricultural production in Guyana is dominated by sugar and rice. While sugar farming is dominated by the state-owned Guyana Sugar Corporation, 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 mainly comprising fruits and vegetables. Over the review period, agricultural production has been affected by adverse weather conditions: severe flooding in early 2005 caused estimated damage of G\$93.4 billion to the sector.¹

Table IV.1
Agricultural production, 2004-07

Product	2004	2005	2006	2007
Sugar (tons)	325,300	246,100	259,500	266,500
Rice (tons)	325,600	273,300	306,800	298,100
Non-traditional agricultural products (tonnes)	100,739	104,599	104,187	84,526
Poultry (kg)	24,300,000	22,700,000	20,700,000	25,200,000
Eggs (number)	21,500,000	24,100,000	5,400,000	9,800,000
Edible oil (litres)	1,000,000	600,000	1,400,000	0.0
Milk (gallons)	6,000,000	5,100,000	6,200,000	7,000,000
Beef (tonnes)	2,200	2,100	2,200	1,800
Pork (tonnes)	450	380	390	400

Source: Information provided by the authorities.

4. In 2007, the value of Guyana's imports of food was just over US\$143 million, representing 13.9% of total imports; the main food imports were milk, wheat, non-alcoholic beverages, and bread and baked goods (Table AI.2). A number of agricultural products are subject to import licensing (Chapter III(2)(vi)).

5. Agricultural exports, particularly exports of food are of great importance to Guyana's economy. Guyana is a net food exporter. In 2007, the value of Guyana's food exports was just over

¹ ECLAC estimates as reported in Bank of Guyana (2006).

US\$338 million, representing 43.1% of total exports (Table AI.1). Guyana's main export is raw sugar (19.2% of total exports in 2007). 90% of sugar produced in Guyana is exported, mainly to the U.K.² Guyana's sugar exports have benefited from guaranteed access to the EC market, but this is being phased out (see below), and from a smaller U.S. preferential quota. Guyana's second largest export is rice (9.4% of total exports in 2007), and over 70% of production is exported.³

6. The most significant development during the period under review has been a major change to the EC's import regime for sugar. Since the 1970s Guyana has benefited from preferential access to the EC market under the terms of the Sugar Protocol: the EC guaranteed to buy 159,410 tonnes of sugar (white sugar equivalent) from Guyana at a fixed price. From 1993/94 to 2006 this fixed price was €523.7 per tonne for raw sugar. In 2006, the European Commission started to implement phased reductions on quota import prices. To a lesser extent, preferential access has also been granted, since 1995, under the EC Special Preferential Sugar Agreement (SPS), and under the Complementary Quantity in 2006 after the SPS arrangement was terminated.

7. Both the Sugar Protocol and Agreement are being phased out in the context of the CARIFORUM-EC Economic Partnership Agreements (EPAs) concluded in December 2007 (see Chapter II(4)(ii)). As set out in the EPA, the Sugar Protocol will be terminated on 30 September 2009. All sugar exports from CARIFORUM states will enter the EC duty free and quota free by 2012, subject to a special safeguard clause. As an interim step, for the marketing year 2008/9, the EC has committed to open an additional tariff rate quota at zero duty for 60,000 tonnes of sugar originating in the CARIFORUM states, half of which is reserved for the Dominican Republic.

8. In the face of these changes, Guyana is taking steps to restructure the sugar industry to become more competitive by lowering costs, increasing production, and adding value to core as well as diversified products. Its main initiative is the Skeldon Modernisation Project launched in 2005. This has involved replacing the sugar factory at Skeldon with a new facility with the capacity to manufacture more sugar at a lower cost. The project should also be able to provide 8 MW of power to the national grid annually.⁴ Construction of the new factory has been completed, and functional tests are being undertaken with commissioning expected before mid year 2009. It should have the capacity to process 1.2 million tonnes of cane annually into more than 160,000 tonnes of sugar. Estimates of the reduction in cost of producing sugar as a result of the new factory were not available.

9. The Government has set a target for sugar production of 400,000 tonnes by 2013. In order to boost sugar production, lands are being prepared to facilitate mechanical harvesting, a packaging facility is being established⁵, and there has been investment in infrastructure to encourage cane farming by independent producers.

10. The Guyana Sugar Corporation has also, been diversifying into higher value-added branded (Demerara Gold, Demerara Brown); and has been successful in penetrating the Caribbean market.⁶

11. According to the Guyana Rice Development Board, the average export price for Guyanese rice ranged from G\$42,226.8 per tonne in 2003 to G\$56,379.2 in 2007, which is similar to the world market price for rice. Guyana benefits from preferential access for its rice exports: in 2007, 50% of rice was exported to CARICOM countries (particularly Jamaica and Trinidad and Tobago) and 34%

² In 2007, 77.9% of Guyana's sugar exports were to the EC (70.8% to the U.K.), and nearly 20% to other CARICOM countries. Exports of sugar to the U.S. are much less significant, at 3.6% in 2007.

³ Statistics provided by the Guyana Rice Development Board and Guyana Sugar Corporation.

⁴ ECLAC (2008).

⁵ Bank of Guyana (2007).

⁶ ECLAC (2008).

to the EC under preferential conditions. The authorities note that access to preferential markets remains important for Guyanese rice producers, and that they seek the removal of subsidies in other countries. Efforts have also been under way to bolster rice production: including through water works and improved research and development services; seed paddy plants have also been constructed to enhance output.⁷ In addition, the authorities note that there has been investment in improving irrigation systems, which had fallen into disrepair, through funding by external donors. The Rice Factories Act has been amended to help farmers who are experiencing problems to receive payments for their crop on time from millers.⁸ A levy of US\$4 per tonne for whole grain rice and US\$2 per tonne for rice by-products is applied to both exports and domestic sales. This finances the activities of the Guyana Rice Development Board.

12. With respect to developments in the non-traditional sector, Guyana has signed protocols for the export of various fruits and vegetables from certified farms to St. Lucia, Barbados, and Antigua and Barbuda. The authorities note that there has been an annual growth of around 10-12% in exports of non-traditional products, with emphasis being placed on targeting production to meet demand. The products being focused on as having greatest export potential are: pineapples, peppers, pumpkins, plantains, cassava, spices, and beef. Attention is also being given to improving management of the sector. Altogether nearly 80 non-traditional commodities are exported from Guyana. Over the review period, there has been a notable increase in exports of dried coconut, copra, palm hearts, mangoes, pumpkins, and watermelons.⁹

(b) Institutional framework and policy measures

13. There is no overarching law governing the agriculture sector but several laws that pertain to the sector. The Ministry of Agriculture is responsible for policy formulation, monitoring, and implementation as well as some training and technical assistance activities. In addition, a new National Drainage and Irrigation Authority started operations in 2006, replacing the National Drainage and Irrigation Board. Numerous other bodies are active in the sector (Table AIV.1).

14. The authorities' agricultural policy objectives are: to facilitate the development of agriculture and fisheries in Guyana, thereby contributing to the enhancement of rural life; sustained improvement of incomes of producers and other participants in the agricultural production and marketing chain; and maintenance of a sound physical and institutional environment for present and future production activities.

15. In the DDA negotiations on agriculture Guyana's priorities include the incorporation of provisions on special products and a special safeguard mechanism for developing countries into any new agreement. It has expressed its concern about preference erosion and, together with a number of other developing countries, supported a proposal that highly indebted countries should be exempt from tariff reductions.¹⁰

16. Guyana's average applied tariff on agricultural products was 22.5% (WTO definition) in 2008 (Table III.3). All tariffs on agricultural products are *ad valorem*, and applied rates range from zero to

⁷ Bank of Guyana (2007).

⁸ Bank of Guyana (2006).

⁹ According to data provided by the authorities, exports of dry coconut increased from 5.01 tonnes in 2003 to 258.04 tonnes in 2007; copra (218.13 tonnes in 2003, to 2,677.20 in 2007); palm hearts (1,507.03 tonnes in 2003 to 1976.72 in 2007); mango (185.19 tonnes in 2003 to 259.08 in 2007); hot pepper (30.80 tonnes in 2003 to 59.44 in 2007); pumpkin (114.18 tonnes in 2003 to 514.93 in 2007); and watermelon (151.81 tonnes in 2003 to 316.29 in 2007).

¹⁰ WTO documents WT/MIN(05)/ST/25, 14 December 2005; and TN/AG/GEN/5, 29 July 2003.

100%; the products attracting applied tariff rates of 100% are meat and edible offal as well as various alcoholic beverages, cigars, and tobacco. The average bound tariff on agricultural products, at 100%, was significantly higher than the applied rate.

17. Under the Customs Act, export duties are levied on unrefined cane sugar at a rate of G\$1 per tonne and on molasses at G\$1 per 100 litres (Chapter III(3)(ii)). Under the Sugar Industry Special Funds Act exporters are required to pay Customs G\$514.50 for every ton of sugar manufactured in Guyana and exported outside CARICOM: 97.2% of the funds obtained from this levy go to the Sugar Industry Labour Welfare Fund, 2.3% to the Sugar Industry Rehabilitation Fund; and 0.5% to the Sugar Industry Price Stabilisation Fund.¹¹ An additional sugar levy on sugar was removed in 2003.¹²

18. Guyana has notified the WTO that it did not provide export subsidies for the years 2003 and 2004.¹³ Guyana's most recent notification on domestic support covers the years 2003 and 2004. In 2004 all support notified fell under the Green Box and totalled G\$2,656,125.¹⁴

19. A range of tax exemptions are available to farmers under the VAT and Customs Acts (Table IV.2). Information was not available on revenue forgone as a result of these incentives.

Table IV.2
Tax exemptions for agriculture

Legislation	Exemptions
VAT Act	Zero rating of various essential food items: sugar, milk, certain fresh fruits and vegetables, oats, eggs, chicken, locally produced pork, beef, shrimp, mutton, fish, and locally produced peanuts and cashew nuts Zero rating of certain agricultural inputs: fertilizers; pesticides; fungicide, herbicide, and weedicide for agriculture purposes; vegetable seeds; machinery, equipment or components used in the generation of renewable energy in the agriculture sector using agricultural by-products; paddy; hatching eggs; animal medication; harrows, cultivators, scarifiers, ploughs, weeders, and hoes; machinery used for preparing animal feeding stuffs; approved prepared animal feed; and approved veterinary drugs
Customs Act	Exemption of certain agricultural inputs from customs duties: agricultural hand tools and spare parts for agricultural machinery and appliances; fertilizers, manures, insecticides, fungicides, herbicides, and inoculants; approved motor vehicles for farm use or the transportation of agricultural products; equipment and materials for beekeeping Exemptions for agriculture products from the general export tax rate of 1.5%, except for unrefined sugar cane and molasses

Sources: GRA online information. Viewed at: <http://www.revenuegy.org/GRADocs/Zero-Rated%20Items%20Revised.pdf>; and Customs (Amendment) Act 2006 (not available online).

20. Other government support takes the form of providing agricultural inputs such as machinery, seed, and fertilizers; government support to agriculture through loans and grants is not available. Over the review period a G\$1 billion (about US\$5 million) financial facility was established by the Government and funded by the EC to provide credit to rice stakeholders at 6-11% interest; support to help Guyana diversify its exports has been extended by the IADB.¹⁵ Assistance is being provided by the International Fund for Agricultural Development to help develop rural farming communities.¹⁶

¹¹ Sugar Industry Special Funds Act, Cap 69:03. Viewed at: <http://www.caricomlaw.org/doc.php?id=2108>.

¹² The Sugar Levy Act Cap. 83:01 (<http://www.caricomlaw.org/doc.php?id=2179>) was repealed by the Sugar Levy (Repeal) Act, No. 11 of 2003 (not available online).

¹³ WTO document G/AG/N/GUY/13, 27 May, 2005.

¹⁴ WTO document G/AG/N/GUY/14, 24 June 2005.

¹⁵ IADB online information. Viewed at: <http://www.iadb.org/news/detail.cfm?language=English&id=4189>

¹⁶ IFAD Press Release No. IFAD/36/08. Viewed at: <http://www.ifad.org/media/press/2008/36.htm>.

21. According to the authorities, the Government also assists farmers by acquiring improved breeding stock and distributing it to farmers; it provides enhanced extension services to facilitate the transfer of technology, as well as seed and planting material at competitive prices.

(ii) Fisheries

22. Fishing and related processing activities make a significant contribution to foreign earnings, accounting for 7.3% of Guyana's merchandise exports. An increased focus is being placed on developing a viable aquaculture industry in Guyana.

23. In 2008, fishing contributed 6.5% to GDP. While Guyana's fish catch has fluctuated slightly over the review period, the catch of small shrimp declined in 2007 (Table IV.3). Guyana's main exports are frozen crustaceans and fresh or chilled fish, which together accounted for 7.3% of Guyana's total exports, at a value of some US\$57.3 million. Most fish products are exported to the United States (some 55% in 2007).¹⁷ In 2004, one company (Noble House Seafoods) received formal certification from the EC to export fish products to Europe.

Table IV.3
Fisheries production, 2004-07
(Tonnes)

Product	2004	2005	2006	2007
Fish	28,527	30,300	25,674	27,500
Prawns	1,293	1,000	1,500	657
Small shrimp	17,312	17,117	17,222	14,931

Source: Information provided by the authorities.

24. Guyana, together with a number of other developing countries, has submitted proposals to the Negotiating Group on Rules regarding WTO fisheries subsidies disciplines. Their position is that certain categories of economic activity in the fisheries sector should be excluded from any disciplines on fisheries subsidies as applied to small vulnerable coastal states: access fees and development assistance; fiscal incentives provided for the development of their fisheries; and assistance to artisanal or small-scale fisheries.¹⁸ Guyana is also one of a number of Members that have made a proposal to the Negotiating Group on Rules on special and differential treatment in the fisheries subsidies negotiations.¹⁹

25. The Ministry of Agriculture is responsible for the formulation and implementation of fisheries policy in Guyana, following the merger of the Ministry of Agriculture and the Ministry of Fisheries, Crops and Livestock. A Fisheries Advisory Committee comprising representatives from the public and private sectors was reinstated in 2007 to advise the Minister on all fisheries issues.

26. The main legislation regulating the sector is the Fisheries Act No. 12 of 2002. There have been no changes to this law during the period under review. The Act provides for the registry of fishing boats with the Chief Agricultural Officer, the inspection of vessels and the licensing of fishing

¹⁷ In 2007, Guyana's main export markets for fish and crustaceans were: United States (54.6 of total exports); Jamaica (18.9%); Belgium (7.5%); Trinidad and Tobago (5.8%); Hong Kong, China (3%); and Barbados (2.5%).

¹⁸ The proposals are in WTO documents TN/RL/W/136, 14 July 2003; and TN/RL/GEN/57/Rev.2, 13 September 2005; Other Members that have signed onto one or both of these proposals are: Antigua and Barbuda; Barbados; Belize; Dominican Republic; Fiji; Jamaica; the Maldives; Papua New Guinea; Solomon Islands; St. Kitts and Nevis; St. Lucia; and Trinidad and Tobago.

¹⁹ WTO document TN/RL/W/210/Rev.2, 22 June 2007.

operations, both domestic and foreign. Foreigners may obtain a licence to engage in fishing if they set up a local company, or if they engage in test fishing. There have been no changes to the Maritime Boundaries Act Cap. 100:01, of 1977, which establishes a territorial sea and a fishery zone that extends 200 miles out from the baseline of the territorial sea.²⁰

27. Guyana's average applied tariff on fish and fishery products was 28.8% in 2008 (WTO definition), with tariffs ranging from zero to 40%. Guyana's average bound tariff on these products was 50.6%. Fish and fish products are subject to a general export tax rate of 1.5% under the Customs Act, however, in practice this tax is levied only on fish glue and fish eggs.

28. Guyana grants tax exemptions to assist the industry. Certain fishing inputs are zero-rated under the VAT Act: ice for fishing purposes; fishing nets; and fish hooks, sheet lead, fishing floats, cotton, and Styrofoam for use in the fishing industry. In addition, under the Customs (Amendment) Act, fishing boats, spare parts and equipment for fishing boats, and fishing equipment for use in the fishing industry are exempt from customs duties. There is no Government assistance to the fishing industry in the form of grants and loans.

29. Efforts have been made to develop the aquaculture industry in Guyana with the encouragement of the Government. National Aquaculture Association of Guyana (NAAG) was formed in 2006 as a forum for public and private stakeholders to steer the direction of the industry, to facilitate donor financing, and provide extension services to its members. In addition the Ministry of Agriculture has been involved in developing infrastructure for the industry. The authorities indicate that there are no limitations to foreign investment in aquaculture. The first commercial quantities of aquaculture exports to the United States were in 2007.²¹

(iii) Forestry

30. Exports of unprocessed forest products account for around 4.9% of total merchandise exports. A policy adopted in 2009 seeks to encourage the export of high quality processed wood, by imposing an increased rate of commission on the export of certain species of log. New legislation to govern the sector has been approved by the National Assembly and awaits the President's assent.

31. The contribution of forestry to Guyana's GDP in 2008 was 1.7%; in 2007, just over 27,000 people were employed in the sector.²² Three quarters of Guyana is covered by forest, and there are over 1,000 tree varieties.²³ Guyana has a total state-owned forest area of 13.6 million hectares, of which 5.6 million hectares has been allocated for commercial purposes. State-owned forest is divided up into several classes, according to use potential. Around 4.8 million hectares of forest land are not state-owned, these are owned mainly by Amerindian communities.

32. Tariff barriers to imports of forestry products are low: the applied rate is 5% on all tariff lines. Guyana's average bound rate is 86.7%, with rates ranging from 50% to 100%. In practice, imports are virtually non-existent.

²⁰ The provisions of the Maritime Boundaries Act are summarized in WTO (2003). For the full text of the Act, see CARICOM online information. Viewed at: <http://www.caricomlaw.org/doc.php?id=2250>.

²¹ National Aquaculture Association of Guyana (2008).

²² GFC online information. Viewed at: <http://www.forestry.gov.gy/Downloads/Fact%20Sheet%202007.pdf>.

²³ GO-Invest (2007).

33. Forest product exports accounted for around 4.9% of total merchandise exports in 2007, with a value of US\$38.5 million (Table AI.1).²⁴ Under the provisions of the Guyana Timber Export Act and the Timber Marketing Act, all exporters of timber must be registered²⁵, be in possession of an export certificate, and comply with certain grading and preservation requirements.²⁶ The Guyana Forestry Commission (GFC) may also recommend to producers programmes for regulating or prohibiting timber exports. There are no price controls in place.

34. A new log export policy, introduced on 1 January 2009, will increase the commission rates levied on certain species of log, annually, over a three-year period. These rates range from 7% of the f.o.b. export value in 2009, to between 10% and 12% in 2011. The authorities note that these measures are designed to encourage the export of high quality processed wood, and are distinct from royalty payments.²⁷ Export duties are levied on greenheart (round piling and hewn) at G\$0.29 per m³ and greenheart (sawn) at G\$5.09 per m³. Other forest products are exempt from the general export duty rate of 1.5% (Chapter III(3)(ii)). The Forest Products Development Marketing Council, established in 2005, is an advisory body within the Guyana Forestry Commission with the objective of promoting the export of forest products.

35. The Ministry of Agriculture has overall responsibility for forestry in Guyana, and the sector remains regulated by the GFC. The Forests Act of 1953 (Cap. 67:01), as amended, governs state-owned forests.

36. Under current legislation, there are no restrictions on who may lease forests, however only citizens of Guyana may be granted exploratory permits as individuals, but such permits may be obtained by either domestic or foreign corporations.²⁸ The removal of forest produce is subject to royalty payments. State concessions to be allocated are advertised; in the granting of awards, levels of investment and local employment are taken into consideration. The authorities indicated that up to end 2008, foreign investment in the forestry sector totalled US\$160.3 million, and was mainly from Asia and the Caribbean, particularly Trinidad and Tobago.

37. A new Guyana Forestry Commission Bill was approved by the National Assembly in 2007 and is awaiting Presidential assent (early 2009). This Bill has provisions on the operation of the GFC and on administrative aspects of forestry management.²⁹ A new Forests Bill, approved by the National Assembly in 2009, and also awaiting Presidential assent, would result in the repeal of an array of legislation covering the sector.³⁰ This Bill does not contain citizenship requirements for obtaining any of the permits granted under the Act; an export certificate is required before forest

²⁴ According to other data collected by the GFC, the total value of exports of forest products (including logs, roundwood, splitwood, plywood, and value-added products) was US\$61.5 million in 2007.

²⁵ Under the Act, timber is defined to include: logs, tiles, poles, sawn lumber, hewn and sawn squares, and other wood products prescribed by the Minister.

²⁶ Timber Marketing Act, Cap. 67:04.

²⁷ GFC online information. Viewed at: <http://www.forestry.gov.gy/Downloads/Log%20Export%20Policy.pdf>.

²⁸ As defined in the Forests Act, an exploratory permit is a permit for operations in connection with exploration for the purposes of discovering and evaluating forest produce and includes forest inventories, social and environmental impact assessments, and topographic surveys.

²⁹ Guyana Forestry Commission Bill. Viewed at: <http://www.forestry.gov.gy/Downloads/Final%20GFC%20Bill%20-%20Nov%202006.pdf>.

³⁰ The Forests Bill, if enacted, would result in the repeal of: Balata Act (Cap. 69:07); Forests Act (Cap. 67:01); Forest (Miscellaneous Provisions) Act 1982 (No.4 of 1982); Forests (Exploratory Permits)(Amendment) Act (No. 15 of 1997); Guyana Timber Export Board Act (Cap. 67:03); Guyana Timber Export (Amendment) Act (No. 26 of 1973); Guyana Timber Export Board (Transfer of Functions) Act (No. 14 1981); and the Timber Marketing Act 1973 (Cap. 67:04).

produce may be exported. Under the Bill, the authorities may determine a true market value for forest products, below which produce may not be exported.

(2) MINING

38. Benefiting from strong world demand, the value of Guyana's mineral production expanded considerably during the review period; exports doubled in nominal terms, contributing one third of Guyana's merchandise exports in 2007. Mining companies are eligible for certain specific incentives.

39. Mining accounted for 11.4% of GDP in 2008, down from 12.9% in 2003 (Table I.1). In 2007, exports of mining products accounted for 33% of the value of Guyana's total exports: with gold accounting for 20.2% and bauxite 12.2% (Table AI.1). Exports increased sharply in 2007, resulting from increased production volumes as well as prices. Guyana's imports of mining products (excluding fuel) are negligible.³¹

40. The Guyana Geology and Mines Commission estimates that over 12,000 Guyanese are employed in the sector, the vast majority in small- and medium-scale gold and diamond mining (over 11,000 employees). The bauxite industry employs around 1,000 people, and around 250 people are employed in the quarrying subsector. The mining industry has spill-over effects on employment in service industries incidental to mineral extraction, on local businesses producing mining equipment, and on the jewellery and construction industries.

41. Gold is the dominant commodity in terms of value of mineral production (assisted by rising market prices), followed by bauxite and then diamonds. Production volumes of gold and bauxite have fluctuated over the review period, while diamond production has shown a declining trend (Table IV.4). In addition, Guyana's mineral resources include industrial minerals (mainly kaolin and manganese, but also silica sand, kyanite, feldspar, mica, ilmenite, columbite-tantalite, and soapstone.); base metals (copper, lead, zinc, molybdenite, tungsten, and nickel); ferrous metals (iron as magnetite and laterite); energy materials (uranium); and semi-precious stones (amethyst, green quartz, black pearl, agate, and jasper).

Table IV.4
Mining production, 2003-07

	2003	2004	2005	2006	2007
Gold (ounces)	376,440	358,428	262,528	205,970	246,200
Bauxite (tonnes)	1,882,000	1,506,000	1,648,000	1,574,000	2,239,000
Diamond (carats)	412,537	444,940	356,950	340,944	268,925

Source: Guyana Geology and Mines Commission.

42. According to the authorities, the small and medium-sized mining operations³² have seen their share of total production value double over the review period, from 31.7% to 64.3%; the share of large-scale mining operations (with areas between 500 and 12,800 hectares) shrank from 65.5% to 31.8%, as a result of the closure of the Omai Gold mine in 2005. No figures were available on investment in the mining sector.

³¹ Total imports of mining products, excluding fuel, represented 0.6% of the value of total imports in 2007 (see Table AI.2).

³² Small operations are those up to 27 acres or one mile of navigable river; medium-scale prospecting and mining permits cover between 150 and 1,200 acres each.

43. The authorities note that bauxite sales earned US\$101.5 million in 2007, the fourth highest contribution to Guyana's export earnings. At the time of Guyana's last Review the Government fully owned two of the three active bauxite mining companies, and it had a 50% share in another. Since 2003, the Government has substantially reduced its stake in the bauxite industry. There are currently two large-scale bauxite mining companies active in Guyana, both are private companies, with majority private, foreign ownership: Omai Bauxite Mining Inc. (OBMI), with 70% ownership by Bosai Minerals (of China) and 30% by the Government of Guyana; and the Bauxite Company of Guyana Inc. (BCGI), a joint venture between RUSAL (a Russian company) which owns 90%, and the Government of Guyana, which maintains a 10% stake.

44. Infrastructural investments are being considered by both of these companies.³³ High transportation costs, related to the inability of large vessels to access Guyana's ports, have been identified as being of particular concern for the bauxite industry (Chapter IV(7)(v)).

45. With respect to gold, the main development over the review period was the closure of the Omai Gold Mine in 2005, Guyana's only large-scale mining operation 95% owned by Cambior (a Canadian company) and 5% owned by the Guyanese Government. This mine had accounted for most of Guyana's gold production. All remaining gold mining companies are either small or medium-sized operations, involving investment from Brazil, Canada, and the United States, or are Guyanese joint ventures with companies from these countries. The Government does not have a share in any of these companies. Gold may only be exported by licensed dealers and the Guyana Gold Board.³⁴

46. There have been no changes to the institutional framework governing the mining sector since Guyana's previous review: the Prime Minister holds the portfolio of mines and minerals and has responsibility for policy formulation and implementation. The sector is regulated by the Guyana Geology and Mines Commission (GGMC). The GGMC issues prospecting permits and quarry licences and is responsible for enforcing the conditions of licences, permits, and concessions granted, as well as collecting associated fees.

47. The Mining Act remains the principle regulating statute and there have been no amendments to the Act since 2003. This legislation vests ownership of all mineral rights with the State.³⁵ Under the Act, small and medium-scale operations are restricted to Guyanese citizens, although joint-ventures with foreign companies are permitted. Foreign companies may be granted prospecting, mining, and quarry licences for large-scale operations. Permission may be granted for reconnaissance surveys over larger areas. Arrangements for large-scale operations are formalized and subject to more specific requirements.³⁶

48. Under the Amerindian Act (2006), mining on Amerindian lands is subject to the consent of the respective Amerindian community occupying the land. The Act explicitly states that under any agreements reached, the miner must offer employment to residents at market rates³⁷; employment of non-residents is not allowed, unless residents with the required skills are not available.³⁸

³³ *Stabroek News* online information. Viewed at: <http://www.stabroeknews.com/2007/news/local/02/14/linden-bauxite-deal-blessed/>.

³⁴ The Guyana Gold Board Act (1981). Viewed at: <http://www.caricomlaw.org/doc.php?id=2093>.

³⁵ Article 6 of the Mining Act.

³⁶ WTO (2003).

³⁷ Under the Act, a resident is defined as an individual "(a) who is an Amerindian who was born in, lives in or has his principal place of residence within the village... or (b) who lives within the Village and is recognized as a resident by the membership rules of that village".

³⁸ Amerindian Act, No. 6 of 2006, Part V.

49. Prospecting licences are for three years, and Ministerial approval is required; they may be renewed twice for a period of one year each. Ministerial approval is also required for permission to undertake reconnaissance surveys. Applications for mining licences are made to the GGMC, which has the authority to grant or refuse licences as well as to attach any conditions. Mining licences are generally granted for 20 years, with unlimited renewals for seven years at a time.

50. Royalty payments for gold vary between 3% or 5% of gross proceeds depending on the world price of gold³⁹; for diamonds the payment for small and medium-scale mining is 3% of gross proceeds; for bauxite and non-precious metals the payment is 1.5% of either gross revenues or ex-factory production costs, whichever is greater. The royalty payments are G\$15 per tonne extracted for quarry materials (sand, loam, laterite, and clay) and G\$25 per tonne extracted for stone. Royalty rates are not set out in any regulation, but are decided by the Government. In 2007, royalty payments to the Government amounted to nearly G\$1.6 billion from gold mining enterprises and just over G\$142 million from diamond mining enterprises.

51. Export duties on all mining products are levied at the general rate of 1.5%.⁴⁰ In addition to general incentives offered (Chapter III(4)(iv)) various sector-specific fiscal incentives are available to the mining industry. For large-scale mining of gold and precious metals, diamonds and precious stones, the excise tax on fuel is reduced to 10%; equipment, process materials and spares used for mining and quarrying-related activities are exempt from customs duties, VAT, and excise taxes. All-terrain vehicles are also exempt from customs duties and excise taxes, and are zero-rated under the VAT provided certain conditions are met. There are also VAT and excise tax exemptions for outboard engines for up to 75HP. For small-scale mining operations, there are VAT and excise tax exemptions for all-terrain vehicles, pumps, matting, dredge flexes, and expanding metal. The withholding tax is also waived. The authorities indicate that there are no financing mechanisms available specifically to the mining industry.

(3) ENERGY

52. A state-owned company has a monopoly on electricity transmission and distribution in Guyana, and is the largest power generator. Electricity production in Guyana is costly and unreliable, and highly reliant on imported fuel. There is no commercial production of petroleum in Guyana. However, there is considerable potential for Guyana to increase hydroelectric generation, and start producing crude petroleum in the foreseeable future.

(a) Electricity

53. Guyana's estimated installed power capacity is 322 MW.⁴¹ Around 83% of the installed capacity is thermoelectric and 17% is from bagasse-based co-generation. No electricity is currently generated from hydroelectric power. Guyana does not import or export electricity, although the authorities indicate that there have been discussions on importing electricity from Venezuela via Guyana's border with Brazil at Lethem. In 2008, Guyana generated approximately 823 GWh of electricity, of which 69% came from the Guyana Power and Light, Inc. (GPL). From 1999 to 2003, GPL was owned 50% by the Government and 50% by a private foreign shareholder, and operated under a foreign management contract. Due, however, to management problems and an inability to

³⁹ The royalty on gold is levied on a sliding scale: 5% when the world price of gold is above US\$285/ounce; 4% when the world price is between US\$260-US\$285/ounce; and 3% when the world price falls below US\$260/ounce.

⁴⁰ An export tax of G\$0.45 on bauxite is not levied in practice.

⁴¹ This includes GPL, Bosai, Aroaima, Kwakwani, Guysuco, Ituni, Lethem, Mahdia, Port Kaituma, Mabaruma, Matthews Ridge and other self-generators.

reduce the company's losses, the private shareholder sold its share in the company back to the Government in early 2003; since then, GPL has been fully state-owned.⁴² The Government does not have plans to re-privatize GPL; private participation, however, is being encouraged in areas such as independent power production, infrastructural works, and maintenance and operation of the network.

54. The average price of electricity is some G\$64.48 per kWh (around US\$0.322) (early 2009); the average price is G\$56.40 per kWh for residential customers, and G\$71.15 per kWh for industrial users. It has been observed that electricity production in Guyana is costly, inefficient, and unreliable.⁴³ The authorities indicated that this was due to dependence on imported fossil fuels. Total losses (both commercial and technical) affect around 34% of distributed power, and scheduled black-outs are frequent. Thus, much of the private sector relies on its own generators.

55. Among the challenges faced by GPL is its heavy reliance on imported fossil fuel for electricity generation, which exposes Guyana to changes in international oil prices. In 2008, the Government provided GPL around G\$3.3 billion of financial assistance to avoid increasing consumer rates while coping with a significant revenue shortfall. The authorities indicate that this assistance was aimed at cushioning the effect of high oil prices.

56. Efforts to diversify sources of electricity generation are under way: a number of hydroelectric feasibility studies have been undertaken; one concrete outcome was the signature of an MOU in May 2006 for Synergy Holdings to develop a 100 MW hydroplant in 2013 to supply power to the national grid. Investigations into potential hydro-power sites in Guyana suggest that there is up to 4,500 MW of electricity generation potential from hydro-power resources within the country. The authorities commented, however, that most of the potential hydro-power plant sites are a long way away from the coastal area where most of the population lives, hence transmission costs may make such projects economically unfeasible. Construction of a sugar factory capable of supplying 8 MW of electricity to the national grid is being completed (early 2009) (Chapter IV(2)). Details of a power purchase agreement have been discussed and a stability study is to be completed with respect to a 13.5 MW wind farm.

57. Regulatory and policy-making responsibility for the electricity sector is under the Office of the Prime Minister: this includes granting licences, approving development and expansion plans, and approving operating standards for the principle electricity supplier. The Public Utilities Commission is charged with monitoring and enforcing licensees' commitments, as well as approving tariffs charged by public suppliers. The Guyana Energy Agency advises the Office of the Prime Minister on whether expansion plans are consistent with national energy policy.⁴⁴ A Power Sector Policy is being implemented to address developments in the power sector.

58. The main law governing the electricity sector is the Electricity Sector Reform Act, Cap. 57:01, of 1991. This Act, *inter alia*, sets out the conditions under which licences may be granted for the generation and provision of electricity (including thermal generation, and renewable sources). All electricity suppliers must be licensed, with the exception of suppliers authorized prior to the Act or exempt by order from the Minister.⁴⁵ In addition, individuals and businesses owning generating equipment and supplying only themselves do not require a licence. Licensing requirements for the generation and supply of hydro-electric power are set out in the Hydroelectric Power Act, Cap. 56:03.

⁴² Government of Guyana (2007) contains background information on the partial privatization of the electricity sector in 1999.

⁴³ IMF (2007b).

⁴⁴ For a summary of Guyana's 1994 energy policy, see Government of Guyana online information. Viewed at: <http://www.electricity.gov.gy/policies.php?id=energy2.txt>. This policy has not been superseded.

⁴⁵ Electricity Sector Reform Act, Cap. 57:01, Section 4.

This Act vests the State with ownership of all water power that can be used to generate electricity, as well as essential related land. Licences under the Act to use water to generate electricity are granted by the President, and they may set out the price at which electricity may be sold, subject to review every five years. Licences may be granted for an initial period of up to 50 years, and may be renewed for an additional period of up to 50 years. According to the authorities, a review of the legal and regulatory environment under which GPL operates is ongoing.

59. On 1 October 1999, GPL was granted a 25 year licence⁴⁶, giving it a monopoly over electricity transmission and distribution in the country. GPL also had an exclusive right to generate electricity until October 2004, however, this is now non-exclusive; competitive generation by independent power producers is being actively encouraged by the Government. Under the Electricity Sector Reform Act, licences may be granted to other suppliers if GPL declines to supply certain areas: as at March 2009, there were an additional five licensees mainly supplying specific industries and outlying areas. In addition, exemptions from licensing requirements are permitted under the Act and have been extended to Roraima Trust and Investment Inc, the Guyana Telephone and Telegraph Company, Inc., and the Guyana Sugar Corporation, Inc.⁴⁷

60. Electricity supplied by Guyana Power and Light is zero-rated for VAT, as is machinery or equipment for generating electricity from non-traditional sources for household purposes.

(b) Petroleum

61. There has never been any commercial production of oil in Guyana but recent work suggests that there are significant production prospects. Concessions have been granted to six companies for exploration but not for extraction (as at March 2009). Petroleum has been discovered at the Takutu Basin inland in the Rupununi District; and exploration activities have been undertaken at the offshore Guyana Basin and the onshore coastal section of the Guyana Basin.

62. Since there is currently no production, Guyana is entirely dependent on imports for its oil supply. In 2007, Guyana's imports of petroleum-based fuels amounted to 24% of the value of total imports (Table AI.2.). Guyana does not have its own oil refinery. Licences to import petroleum and petroleum products are issued by the GEA. Imports are marked by the GEA to identify that they have been imported legitimately, and a marking fee of G\$0.60 per litre must be paid by the importer. The GEA must also be advised of the arrival and movement of all imported petroleum products.⁴⁸

63. Guyana signed the Petrocaribe Energy Co-operation agreement in September 2008. In the same year, just over 1.4 million barrels were imported. Under the agreement, Guyana benefits from long-term financing based on a sliding-scale formula; as the price of petroleum products varies from US\$15 to US\$150 per barrel, Guyana pays between 100% and 30% of the value of the shipment in cash, and the remainder is converted into financing at an interest rate of between 1% and 2% over a 17- to 25-year period.

64. There have been no changes to the main laws governing petroleum production during the period under review. The Petroleum (Production) Act, Cap. 65:05 vests the State with ownership of

⁴⁶ Government of Guyana online information. Viewed at: http://www.electricity.gov.gy/gpl_licence.pdf.

⁴⁷ For a list and further information on other licensed operators, as well as exempt providers, see Government of Guyana online information. Viewed at: <http://www.electricity.gov.gy/licence.php?id=operators.txt>.

⁴⁸ These provisions are set out in the Guyana Energy Agency (Amendment) Act, No. 3 of 2004.

petroleum. The Petroleum (Exploration and Production) Act No. 3 of 1986, Cap. 65:10, and implementing regulations address issues related to prospecting for and production of petroleum.

65. A licence is required to engage in petroleum exploration. Petroleum prospecting licences are granted for an initial period of four years. Licences may be renewed twice, each for a period of three years. Petroleum production licences are for 20 years; Licences are renewable for periods of 10 years. As noted in Guyana's previous Review, licences may not be granted to individuals unless they are citizens of Guyana, but may be granted to foreign or domestic corporations. Decisions to grant licences for the production of petroleum take into account several factors, including the applicant's proposals for the employment and training of citizens of Guyana, and proposals with respect to the procurement of goods and services obtainable within Guyana.⁴⁹

(4) MANUFACTURING

66. Although sector assistance to manufacturing appears limited in absolute terms, some activities potentially receive significant effective protection due to the availability of import duty exemptions for inputs. Despite this, the manufacturing sector remains small and largely focussed on the processing of primary products.

67. In 2008, manufacturing including food processing contributed 6.7% to GDP (Table I.1). Guyana is a net importer of manufactured goods (SITC). In 2007, Guyana's imports of manufactured products accounted for 61% of the value of total imports (amounting to some US\$628 million). Guyana's main imports were machinery and transport equipment: principally non-electrical machinery, office machines and telecommunications equipment and automotive products (Table AI.2). In the same year, Guyana's exports of manufactured products accounted for 18.1% of the value of total exports (some US\$142 million): the main items were semi-manufactured products (mainly unmounted diamonds) which accounted for 8.8% of the value of total exports.

68. The manufacturing sector has largely been focussed on processing traditional agricultural products such as rice and sugar, forest products, and minerals, as well as the production of basic consumer items, beverages, and pharmaceutical products for local consumption. There has, however, also been a recent drive to develop export-orientated manufacturing industries, taking advantage of preferential access to third markets. New areas include: garment and apparel manufacturing; value-added forest products; agri-processing; packaging, leather crafts; ceramics; and construction materials.⁵⁰

69. The Industry Department of the Ministry for Tourism, Industry and Commerce is responsible for promoting industrial development and the management of industrial estates with the overall aim of encouraging investment in manufacturing. The Guyana Manufacturing and Services Association, a private organization, provides policy advocacy, marketing, and technical assistance to manufacturing firms.

70. The average applied MFN tariff rate for the manufacturing sector, defined in accordance with the International Standard Industrial Classification, was 11.3%, just under the average protection afforded to the economy as a whole (see Table III.3) Under the Customs and Excise Act, manufacturing inputs that undergo a substantial transformation or change in their essential character are exempt from import tariffs. Guyana offers tariff concessions on inputs used in a number of approved manufacturing activities (see Chapter III(2)(iv)(b)).

⁴⁹ WTO document WT/TPR/S/122, 1 October 2003.

⁵⁰ Go-Invest online information. Viewed at: <http://www.goinvest.gov.gy/manufacturing.html>.

71. To assist the development of the manufacturing sector, the Government offers various specific tax incentives for the production and export of manufactured goods (Table IV.5), in addition to horizontal incentives offered (Chapter III(4)(iv)).

Table IV.5
Fiscal incentives to manufacturing industries, 2009

Legislation	Incentives offered
Customs Act	Exemption from customs duties for materials used to manufacture spirits, beer, cider, and wine; and materials not obtainable or manufactured in Guyana considered to be raw materials and packaging materials for use in the manufacture of goods by manufacturers and small businesses Exemption from general export duty rate of 1.5%
VAT Act	Zero-rating of specifically locally produced manufactured goods: jams, jellies and peanut butter; bed sheets, pillow cases, towels, rags, curtains, handkerchiefs, rugs, mats, table covers, shelf covers, blankets and ribbons; and locally produced garments Zero-rating of a large variety other manufactured goods (both imported and domestically produced) Zero-rating of raw materials to be used in the production of goods subsequently exported, provided the taxable person exports 50% of production

Source: Customs Act Cap. 82:01 and VAT Act No. 10, 2005. Viewed at: <http://www.revenuegy.org/laws.php>.

(7) SERVICES

(i) Main features

72. Services (not including engineering and construction) accounted for 50.2% of Guyana's GDP in 2008. The main subsectors identified in the national economic statistics are government services, followed by transport and communication, then distribution, followed by rental of dwellings (Table I.1). The authorities note that statistics on services trade in Guyana are limited and do not fully reflect trade flows, and that assistance is being provided by Inter-American Development Bank to develop a services trade database to remedy the situation. This project is expected to commence in 2009. A recent report estimates that there are around 1,094 companies in the services sector, employing around 23,711 people.⁵¹ There have been no significant changes to the legal and regulatory frameworks for telecommunications, financial, maritime, and air transport services.

73. While Guyana specific commitments under the GATS cover only 18 of the 160 services subsectors or five of the 12 broad areas defined in the Services Sectoral Classification List: business, communication, financial, tourism, and transport services (Table IV.6), in most cases the commitments it has taken are subject to only a few limitations.

74. In its horizontal commitments, Guyana left the movement of natural persons (mode 4) unbound except for market access with respect to measures relating to senior management personnel and technical experts not available in the local labour market, and for national treatment to those categories of natural persons. No list of MFN exemptions was presented. Guyana has submitted an initial conditional offer in the services negotiations, covering business services, distribution services, and transport services.⁵²

75. Provisions for the liberalization of services within the CARICOM are contained in Chapter 3 of the Revised Treaty of Chaguaramas.⁵³ Members undertook to notify the Council for Trade and

⁵¹ Government of Guyana / USAID (2007).

⁵² For further information see WTO online information: http://www.wto.org/english/tratop_e/serv_e/s_negs_e.htm; and Government of Guyana / USAID (2007).

⁵³ Revised Treaty of Chaguaramas. Viewed at: http://www.caricom.org/jsp/community/revised_treaty-text.pdf. See also: http://www.caricom.org/jsp/single_market/services.jsp?menu=csme.

Economic Development (COTED) of existing restrictions to services in all four modes of supply, to abolish discriminatory restrictions on the provision of services in respect of CARICOM nationals, and not to introduce any new services restrictions. In the context of this review, the Guyanese authorities noted that those restrictions were largely historical, and that in practice Guyana maintained virtually no restrictions on the provision of services by CARICOM nationals.

Table IV.6
Summary of Guyana's specific commitments in individual service sectors, 2009

Mode of supply	Market Access				National Treatment			
	1	2	3	4	1	2	3	4
Cross border								
Consumption abroad								
Commercial presence								
Presence of natural persons								
Commitments (■ no limitations (none); ▣ partial commitment; □ no commitments (unbound); – not in the Schedule)								
1. Business services								
A. Professional services								
a. Legal services	■	■	■	□	■	■	■	□
b. Accounting, auditing, and book-keeping services	■	■	■	□	■	■	■	□
d, e. Engineering and architectural services	■	■	■	□	■	■	■	□
h. Medical and dental services	■	■	■	□	■	■	■	□
2. Communications services								
Value-added services								
j. On-line information and data base retrieval	■	■	▣	□	■	■	■	□
3. Construction services	-	-	-	-	-	-	-	-
4. Distribution services	-	-	-	-	-	-	-	-
5. Education services	-	-	-	-	-	-	-	-
6. Services related to the environment	-	-	-	-	-	-	-	-
7. Financial services								
B. Banking and other financial services (excl. insurance)								
a. Acceptance of deposits and other repayable funds from the public	■	■	■	□	■	■	■	□
b. Lending of all types, incl. <i>inter alia</i> consumer credit, mortgage credit, factoring and financing of commercial transactions	■	■	■	□	■	■	▣	□
A. Insurance services								
I. Direct insurance								
a. Life, accident, and health insurance services	■	■	■	□	■	■	■	□
b. Non-life insurance services	■	■	■	□	■	■	■	□
d. Services auxiliary to insurance (including broking and agency services)	■	■	■	□	■	■	■	□
8. Social and health services	-	-	-	-	-	-	-	-
9. Tourism and travel related services								
A. Hotels and restaurants	□	■	■	□	□	■	■	□
B. Travel agencies and tour operators services	■	■	■	□	■	■	■	□
10. Recreational, cultural and sports services	-	-	-	-	-	-	-	-
11. Transport services								
C. Air transport services								
a. Aircraft repair and maintenance services	■	■	□	□	■	■	□	□
c. Computer reservation system	■	■	■	□	■	■	■	□
F. Road transport services								
a. Passenger transportation	■	■	■	□	■	■	■	□
b. Freight transportation	■	■	■	□	■	■	■	□
e. Supporting services for road transport services	■	■	■	□	■	■	■	□
12. Other services	-	-	-	-	-	-	-	-

Source: WTO document GATS/SC/37, 15 April 1994; and WTO Services Database; and WTO document MTN.GNS/W/120, 10 July 1991 (Services Sectoral Classification List).

76. The Caribbean Community (Movement of Factors) Act, No. 7 of 2006, gives nationals of CARICOM member states the right to provide services in Guyana without discrimination on the grounds of nationality.

77. Incremental steps have also been taken towards the stated goal of free movement of CARICOM nationals (Chapter 3, Article 45 of the Revised Treaty), and this may encourage intra-CARICOM trade in services through the presence of natural persons (mode 4). Nine groups of persons are currently permitted to work and reside in any of the CSME member states without a work permit: university graduates, media workers, sports persons, artists, musicians, qualified artisans, non-graduate qualified teachers, and nurses, and holders of associate degrees and their equivalents.⁵⁴ The Caribbean Community (Free Entry of Skilled Nationals) Act, implements these requirements in Guyana with respect to skilled nationals who are holders of university degrees⁵⁵, and an order made under the Immigration Act (No. 17 of 2003) implements this requirement with respect to some of the other categories of skilled nationals, but only from certain CARICOM countries.

78. There are various provisions on services in the CARICOM free-trade agreements with third parties (Chapter II, Table AII.2).⁵⁶

(ii) Financial services

79. Since Guyana's last Review, there has been no significant change to the regulatory framework or the structure of its financial sector. Foreign financial institutions wishing to establish themselves in Guyana receive national treatment. All insurance companies must register with the insurance authority, while banking and other financial institutions must obtain a licence from the Bank of Guyana. The banking system appears sound and the authorities are taking steps to further strengthen supervision and improve financial intermediation. In the context of the global financial crisis, the authorities have temporarily suspended the issuance of new banking licences. Guyana's GATS commitments are extensive both in relation to banking and insurance.

(a) Market structure and performance

80. In December 2008, the financial sector's total assets were equivalent to 158% of Guyana's GDP; 63% were held by commercial banks, 26% by non-bank financial intermediaries, and 11% by insurance companies.⁵⁷ The sector contributed 4.5% to Guyana's GDP in 2008.⁵⁸ In 2008, there were approximately 32 bank branches per million inhabitants and a credit to deposit ratio of 46%; both of which are low compared with other countries in the region.⁵⁹ Interest rate spreads remained high

⁵⁴ WTO document WT/TPR/S/203/Rev.1, 16 December 2008; and CARICOM online information. Viewed at: http://www.caricom.org/jsp/single_market/skill.jsp?menu=csme; and http://www.caricom.org/jsp/single_market/csme_implementation.jsp?menu=csme.

⁵⁵ Caribbean Community (Free Entry of Skilled Nationals) Act, Cap. 93:02. Viewed at: <http://www.caricomlaw.org/doc.php?id=2225>.

⁵⁶ For more information on the treatment of professional services in the EC CARIFORUM EPA see: CRNM (2008).

⁵⁷ Bank of Guyana (2008).

⁵⁸ Guyana Bureau of Statistics online information. Viewed at: <http://www.statisticsguyana.gov.gy/pubs.html#statsbull>.

⁵⁹ WTO Secretariat based information provided by the Guyanese authorities.

throughout 2003-08, at around 12 percentage points.⁶⁰ In 2008, total gross insurance premiums were equivalent to 8.6% of GDP.⁶¹

81. In 2008, Guyana's financial system comprised mainly six commercial banks, fourteen insurance companies, three finance companies, three microfinance institutions, three trust companies, two asset management companies, one merchant bank and one building society. Three of the commercial banks are controlled by Guyanese investors and the other three by foreign banks; there were neither mergers nor acquisitions among banks during the period under review. The State no longer takes part in the banking sector, as it sold all of its participation during the last review period (1997-2003). The three largest banks hold about three fourths of the banking system assets.⁶²

82. The soundness of Guyana's banking system appears to have strengthened, mainly, as a result of a significant decrease in the share of non-performing loans to total loans. Prudential requirements appear to be largely compliant with international standards, but further regulatory reforms may be necessary to continue strengthening supervision. Among others, there seems to be a need to step up supervision of credit standards and loan portfolio classification. In this respect, in December 2008 Guyana started a financial sector reform programme supported through a loan from the Inter-American Development Bank (IADB).⁶³ The programme's main objective is to improve access for firms and individuals to financial services via an increase of transparency and an improvement in supervision.

(b) Regulatory framework

Banking

83. Guyana's GATS commitments cover: the acceptance of deposits and other repayable funds from the public; and lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction.⁶⁴ In both of these subsectors, with one exception, Guyana made full commitments in modes 1, 2 and 3, thus undertaking not to impose market access limitations or national treatment restrictions; the exception concerns national treatment in mode 3 for "lending of all types", where Guyana stipulated that loans to non-residents require the approval of the Bank of Guyana. These commitments are undertaken in accordance with the Understanding on Commitments on Financial Services.

84. The Ministry of Finance is responsible for defining banking sector policy. Under the Bank of Guyana Act of 1998 and the Financial Institutions Act of 1995, the Bank of Guyana has statutory responsibility for issuing banking regulations and authorizing and supervising all licensed financial institutions in Guyana. An important exception is the New Building Society (NBS), established under the New Building Society Act of 1940 (Cap 36:21), which is not supervised by the Bank of Guyana or by any other governmental body. The authorities note, however, that the National Assembly is analysing a proposal to bring the NBS under the Bank of Guyana's supervision; this proposal is expected to be sent to the National Assembly before the end of 2009.

⁶⁰ The interest rate spread has been calculated using commercial banks' prime lending rate and 3-months deposit rate.

⁶¹ Commissioner of Insurance online information. Viewed at: <http://www.insurance.gov.gy/insurance.html>.

⁶² Information provided by the Guyanese authorities.

⁶³ IADB online information. Viewed at: <http://www.iadb.org/projects/Project.cfm?project=GY-L1016&Language=English>.

⁶⁴ WTO document GATS/SC/37, 15 April 1994.

85. Article 38 of the Revised CARICOM Treaty calls for the removal of all discriminatory restrictions on financial services among CARICOM Member countries. The authorities note that this issue is being discussed by CARICOM's Council for Finance and Planning.

86. There were no significant changes to the legal framework governing banking services in Guyana during the period under review. The Financial Institutions Act of 1995, together with the Bank of Guyana's regulations, form the supervisory guidelines for financial institutions. The Act was amended in 2004 to include new provisions regarding directors, officers, and temporary state control of financial institutions.

87. The Financial Institutions Act states that any company that seeks to provide financial services in Guyana must obtain a licence from the Bank of Guyana. The Act distinguishes between licences to conduct "banking business" or "financial business". The former category of licence allows for the acceptance of demand deposits and their use to extend credit, while the latter does not. A holder of a "banking business" licence (a bank) may also conduct any "financial business" subject to the provisions of the Act. The application form requires information regarding, *inter alia*, the applicant (name, address, nationality, etc), the proposed activity, and the company's articles of incorporation; the form must be accompanied by an application fee of G\$25,000 (some US\$125). The Bank of Guyana must act upon any application within 120 days of its acceptance, or within 180 days in the case of a foreign company. The authorities indicate that the Bank of Guyana temporarily suspended the granting of new banking licences in late 2008, to both domestic and foreign investors, in order to evaluate the impact of the current international financial crisis.

88. Every licensed financial institution (LFI) requires an authorization from the Bank of Guyana to open a new place of business in Guyana, for which it must pay a fee of G\$500,000 (some US\$2,500) or G\$250,000, depending on the location. The minimum paid-up capital required of a LFI that accepts any type of deposit, whether incorporated in Guyana or abroad, is G\$250 million (some US\$1.25 million). However, the Parent Company of a foreign branch or subsidiary must have paid-up capital of at least G\$2.5 billion (some US\$12.5 million) in its home country. LFIs of any kind are not allowed to grant loans, advances, financial guarantees, or other extensions of credit and other liabilities in excess of 25% of their capital base to a single individual or 40% for a single borrower group with inter-dependent incomes.

89. No shareholder is permitted to hold more than 25% of the shares of any LFI (including via merger or acquisition) unless authorized by the Bank of Guyana; the only exception is a capital expansion of the LFI in which the shareholder already had ownership control. As defined in the Act the shareholder must be a person "fit and proper" to conduct financial business in Guyana; there are no nationality requirements. After obtaining the appropriate licence (see above), a foreign bank may establish a branch or a subsidiary, but not a representative office; a foreign subsidiary must be incorporated in Guyana.

90. In general, a LFI that accepts deposits may not engage, directly or indirectly, in wholesale or retail trade, including foreign trade. Additionally, it may not own shares of a single commercial company in excess of 25% of its own capital base.

91. Domestic banks, corporations or individuals are free to make deposits with foreign banks located abroad, but they must obtain permission from the Ministry of Finance before borrowing in foreign currency from foreign banks located abroad. Only authorized *cambio* dealers and exporters may maintain and operate a foreign currency account in a bank in Guyana.⁶⁵ In the case of exporters,

⁶⁵ Foreign Exchange (Miscellaneous Provisions) Act of 1996 (Cap. 86:01).

prior approval is required from the Ministry of Finance; applications are generally granted to exporters who require imported inputs for production, or that have external loan obligations.

92. There is no bank deposit insurance scheme in Guyana.

Insurance

93. Guyana's GATS commitments on insurance are particularly broad, covering all insurance services except for reinsurance and retrocession.⁶⁶ In all the subsectors covered, Guyana made full commitments in modes 1, 2 and 3, which engage Guyana not to impose market access limitations or national treatment restrictions under any of these three modes of supply. These commitments are undertaken in accordance with the Understanding on Commitments on Financial Services.

94. The Insurance Act No. 20 of 1998 and its regulations form the legal framework that governs insurance services. The Office of the Commissioner of Insurance (OCI) regulates and supervises the industry. The Act requires all insurance companies, brokers, and agents to be registered with the OCI if they intend to provide insurance services in Guyana, including the provision of cross-border supply of insurance services to Guyanese residents. The Commissioner is appointed by the Minister of Finance, to whom the Commissioner must report directly. As allowed by the Act, the OCI has delegated to the Insurance Association of Guyana the evaluation of applications of insurance agents.

95. Only companies or associations of underwriters may carry on insurance business in Guyana. Also, only companies or partnerships may act as brokers; no controller, officer or employee of an insurance company may apply for registration as a broker. Any company, including foreign companies, may apply for registration with the OCI. The application form must be accompanied by an application fee of G\$250,000 (some US\$1,250).

96. The registration takes the form of a certificate, which specifies the class of insurance business the company may undertake. According to the Insurance Act, there are two main groups of classes: long-term insurance business and general insurance business.⁶⁷ A company may register under any number of classes, but are required to keep separate accounts for each class of insurance activities in which they engage.

97. Companies applying for registration are required to deposit: G\$5 million (some US\$25,000) per class of business in the case of a long-term insurance business; or 20% of the net premium income of the insurer during the financial year preceding the deposit, or G\$5 million if greater, in the case of any class of general insurance business. In 2008, there were four life insurers, nine general insurers, and one company offering both types of insurance.⁶⁸

⁶⁶ WTO document GATS/SC/37, 15 April 1994.

⁶⁷ Long-term insurance business classes are: general life, health, and pensions. General insurance business classes are: accident and liability, auto, marine and aviation, and fire.

⁶⁸ Information provided by the Guyanese authorities.

98. The OCI may prohibit a registered company from writing new policies in any class of insurance business if it is in the interest of the policy-holders or prospective policy-holders to do so. The company must receive prior notification and may appeal the decision. Disputes and complaints are handled by the Insurance Arbitration Board, which comprises a representative from the OCI, a representative of the Insurance Association of Guyana, and a representative of the insurance brokers. Decisions of the Board may be appealed to the High Court.⁶⁹

99. There is no specific legislation concerning the provision of insurance services offered by reinsurers.

100. The OCI is committed to adopting the principles of the International Association of Insurance Supervisors (IAIS), and, as a recent member of the Caribbean Association of Insurance Regulators, is committed to ensuring regulatory harmonization within the CARICOM.⁷⁰

(iii) Telecommunications

101. Guyana's telecommunication sector is characterized by a *de jure* monopoly in fixed telephony and a *de facto* duopoly in mobile telephony. There are no national treatment limitations for the participation of foreign investors. The regulatory framework governing the sector remains incomplete, and this affects the development of the sector and of other telecom-dependant businesses. Acknowledging the importance of addressing this problem, the Government is taking steps to issue new legislation by mid 2009.

(a) Main features

102. In 2008, the communication (including telecommunication) and transport sectors together contributed 13.2% to Guyana's GDP.⁷¹ In 2006 (latest year available), investment in public telecommunications reached US\$48.9 million, the majority in mobile telephony.⁷²

103. Between 2003 and 2008, the number of fixed telephone lines grew at an average annual rate of 11.2%, reaching a teledensity rate of approximately 18%.⁷³ Over the same period, the number of mobile subscriptions increased at an average annual rate of 44%, reaching a penetration rate of approximately 69 subscriptions per 100 inhabitants. The vast majority of mobile subscribers are under a pre-paid billing regime. In 2005, penetration rates for internet subscribers and internet users were estimated at 6.4% and 18.1%, respectively.⁷⁴ Broadband internet service was estimated to cover just under 1% of the population in 2008, which represents a relatively slow and limited adoption of this technology.⁷⁵

104. Guyana's principal telecommunications operator, Guyana Telephone and Telegraph Co. Ltd. (GT&T), is controlled by Atlantic Tele-Network Inc. (ATN), a private company based in the United States. ATN owns 80% of GT&T's shares, while the remaining 20% is still owned by the Government of Guyana. GT&T has *de jure* monopoly (see below) over fixed telephony and international voice and data transmissions. However, there is significant contention in relation to the parameters of the GT&T licence and it is not clear whether the licence is limited in terms of service

⁶⁹ WTO (2003).

⁷⁰ OCI online information. Viewed at: <http://www.insurance.gov.gy/laws.html>.

⁷¹ Bank of Guyana (2008).

⁷² Information provided by the Guyanese authorities.

⁷³ Braithwaite (2007); and information provided by the Guyanese authorities.

⁷⁴ ITU (2007) and (2008).

⁷⁵ Information provided by the Guyanese authorities.

provided via technology that was available in 1990 when the licence was granted. GT&T has lost its market leadership in mobile telephony to Digicel, a mobile operator with presence in most of the Caribbean and Central America that acquired Cel*Star Guyana Inc. in 2006; Digicel had a 53% market share in December 2008. The Government issued two other licences for the provision of mobile telecom services but, during the review period, one was cancelled as the provider didn't start operations and the other was not renewed since the service was not functioning properly.

105. The National Information and Communication Technology for Development Strategy of 2006 proposes to encourage the establishment of new internet-enabled businesses, such as data warehousing, data entry and processing, software development, and call centres. It also recommends the introduction of competition at all levels within the sector.⁷⁶ Another Government Report notes the potential of Guyana's information and communications technology (ICT) sector, but points out that this will only develop when the costs of international telecom services are reduced and the regulatory framework for data transmission is free of ambiguities.⁷⁷ The authorities note that in order to take advantage of Guyana's affordable labour costs and linguistic, cultural, and time-zone affinities with major markets in North America, the Government is committed to fully liberalize the sector and negotiate a new non-exclusive licence for GT&T.

(b) Regulatory framework

106. Guyana's GATS Schedule of Commitments includes only one communications subsector, "online information and data base retrieval".⁷⁸ Guyana made full commitments for modes 1, 2 and 3, with the exception of commercial presence under market access, where Guyana specified that public telecommunication transport networks and services were being provided by a monopoly supplier operating under a 20-year licence with an option to renew for a further 20-year period. Guyana did not participate in the extended negotiations on basic telecommunications nor has it adopted the WTO telecommunications reference paper.

107. The Public Utilities Commission (PUC) is responsible for regulating most public utilities, including telecom operators with respect to tariffs, interconnection, expansion programmes, and to the quality of service offered. The post of Director of Telecommunications, created by the Telecommunications Act of 1990, was filled in November 2007 with a mandate to advise the Minister on the grant of licences, to advise the Minister on sector policy development and regulate certain technical aspects of the operations of licensees. However, as at early 2009, the Director had no staff or other facilities to ensure the full discharge of its functions. As stated in Guyana's last Review, there are concerns regarding the overlap of regulatory powers between the Director and the PUC, but the two entities have collaborated on the basis of practice and precedent in areas such as consumer complaints. Numbering and spectrum management are the responsibility of the National Frequency Management Unit (NFMU).⁷⁹ The interaction between the Public Utilities Commission and the newly established Competition Commission has not yet been defined.

108. The Post and Telegraph Act of 1894 (Cap. 47:01) governs telegraphic communication and certain issues related to the construction of public communications networks. The Telecommunications Act of 1990, as amended, establishes the regulation of telecommunication services and broadcasting transmitted via cable.⁸⁰ The latter authorizes the Director of Telecommunications to develop and adopt a telecommunications code. In this respect, the authorities

⁷⁶ Government of Guyana online information. Viewed at: <http://www.ict4d.gov.gy/>.

⁷⁷ Ministry of Tourism, Industry and Commerce (2005).

⁷⁸ WTO document GATS/SC/37, 15 April 1994.

⁷⁹ NFMU online information. Viewed at: <http://www.nfmu.gov.gy/index.htm>.

⁸⁰ Other broadcasting services are governed by the Post and Telegraph Act of 1894 (Cap. 47:01).

note that the Government is drafting a new legislative, regulatory, and licensing regime, which includes provisions, *inter alia*, on pricing, competitive safeguards, interconnection, and universal services. The authorities expected that the drafting of the new regime to be completed by mid 2009.

109. Under the Telecommunications Act of 1990, every company is required to obtain a licence before providing any telecom or cable programming services; a licence to use the radio-electric spectrum is also required. The Act does not distinguish between domestic and foreign applicants. The duration and the details of each licence are determined on a case-by-case basis. GT&T, for example, was granted an exclusive licence with respect to the provision of public fixed telephony and all international voice transmission services for a period of 20 years ending in 2010. During the review period, four internet access providers have been able to provide services via satellite, by holding only a spectrum licence, a situation that the authorities are seeking to correct by adopting new legislation.

110. Under its licence, GT&T is responsible for ensuring universal fixed telephony services in Guyana, but it systematically missed its universal service targets during the review period. The PUC has the authority to impose fines in this respect, but none was applied during 2003-08.

111. Telecom operators are obliged to submit their end-user rates for approval by the PUC. During the review period, the PUC received complaints from both mobile operators regarding promotional rates practiced by the opponent. Matters concerning GT&T's institution of per-second billing for international calls are pending before the PUC. The Telecommunications Act does not have provisions on the interconnection of public telecom services. Nevertheless, GT&T's licence requires it to negotiate with other providers on interconnection, and the PUC under the PUC Act may determine the terms and conditions of interconnection.

112. Guyana's legislation does not require the unbundling of the local loop, but the authorities indicated that it will most probably be a requirement under the new legislation. The current legislation allows the resale (i.e. non-facilities-based supply) of all types of telecom services, except for voice services over fixed lines, which is prohibited by GT&T's licence. Resellers do not require a licence but are subject to regulation by the PUC under the PUC Act. Guyana also allows the provision of international call-back services.⁸¹

113. The provision of voice over internet protocol (VoIP) is not regulated in Guyana, but the new regulation may include some provisions in this respect.

(iv) Air transport

114. Air transport is under the responsibility of the Minister of Transport and Hydraulics in the Ministry of Public Works and Communications. The Guyana Civil Aviation Authority (GCAA) has responsibility for aviation regulation, air transport management, air navigation services, and safety. At the regional level, air transport safety and security is provided by the Caribbean Aviation Safety and Security Oversight System (CASSOS), which replaced the more informal Regional Aviation Safety Oversight System (RASOS) in 2009. CASSOS's functions are to assist CARICOM state parties to be compliant with ICAO standards and practices, and facilitate and promote the harmonization of civil aviation regulations, standards, practices and procedures. The intention is that

⁸¹ Information provided by the Guyanese authorities.

it should serve as a platform for creating a regional civil aviation organization, replacing the separate civil aviation directorates.⁸²

115. The main law governing the air transport sector is the Civil Aviation Act (2000) and there have been no changes to this Act over the review period. The Act gives the GCAA responsibility for regulating the sector.⁸³ The authorities note that the Civil Aviation Act is being reviewed, and the GCAA is expected to be given stronger authority.

116. The Government of Guyana does not have a stake in any national airline. There are five domestic carriers⁸⁴, all of which serve only domestic routes, thus only foreign-owned carriers operate international and regional flights. The authorities indicate that while this does not present any serious concerns, ticket prices are high due to limited competition among international carriers. While Guyana's laws do not restrict cabotage to domestically licenced carriers, cabotage is not permitted in any of the bilateral air services agreements to which Guyana is a party.

117. As noted in a Guyana transport sector study, Guyana's air transport capacity and infrastructure could be improved to help trade. The study notes that among the constraints to business are: limited air cargo space; inadequate in-transit arrangements; delayed or cancelled flights; and expensive air freight. It is noted that there are only two cargo carriers (Laparkan and Amerijet), and the remaining cargo space requirement is reliant on availability in passenger aircraft. The absence of cold-storage facilities at the Cheddi Jagan International airport may also pose a problem for some exporters, given that cargo must be checked in at the airport eight hours before flight departure. Air transport is also seen as crucial in linking together parts of the country that are not accessible by road, particularly in the south of the country.⁸⁵

118. Guyana made GATS commitments in two subsectors related to air transport services. For aircraft repair and maintenance services, Guyana bound, without limitations, market access and national treatment for modes 1 and 2 (which would allow Guyanese airplanes to be repaired abroad), but left modes 3 and 4 unbound. For computer reservation system services, Guyana made full commitments in modes 1, 2, and 3. The authorities report that there are no restrictions on selling or marketing by airlines.

Bilateral air services agreements

119. Guyana has signed and ratified the CARICOM multilateral air services agreement (CARICOM MASA), which entered into force in November 1998.⁸⁶ This agreement confers third and fourth freedom route rights to airlines owned and operated by Caribbean nationals. Fifth freedom traffic rights as well as day tour and air taxi services may be negotiated on a bilateral basis.⁸⁷

⁸² CARICOM online information. Viewed at: http://www.caricom.org/jsp/pressreleases/pres45_09.jsp.

⁸³ Civil Aviation Act, Cap. 53:01. Viewed at: <http://www.caricomlaw.org/doc.php?id=2050>.

⁸⁴ The five licenced domestic carriers are: Trans Guyana, Roraima Airways, Jags Aviation, Air Services, and Wings. These companies operate small aircraft carrying up to 13 people. Laparkan Airways Guyana is the only domestic carrier that operates international cargo flights.

⁸⁵ Guyana Transport Sector Study, Working Paper No. 2 on Air Transport Infrastructure and Operations. Viewed at: <http://www.guyanatransportstudy.com/downloads/downloads.html>.

⁸⁶ CARICOM online information. Viewed at: http://www.caricom.org/jsp/secretariat/legal_instruments/agreement_multilateralairservices.jsp?menu=secretariat. CARICOM MASA has also been ratified by Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and Trinidad and Tobago.

⁸⁷ For International Civil Aviation Organization (ICAO) definitions of the third, fourth, and fifth freedom rights, see http://www.icao.int/icao/en/trivia/freedoms_air.htm.

CARICOM MASA stipulates that a member state shall not be required to grant cabotage rights to a CARICOM air carrier of another member state. CARICOM MASA is being reviewed with a view to replacing it with an agreement that conforms to the provisions of the Revised Treaty of Chaguaramas.

120. Based on a policy decision at CARICOM level, a first round of negotiations towards a plurilateral air service agreement was held with the United States in August 2004 at which a draft air services agreement text was initiated. There has not been a second round of negotiations.

121. Guyana has bilateral air services agreements with Brazil⁸⁸, Canada, Cuba, France, and the United States (the latter is governed by the Agreement of the British Overseas Territories and the United States). With the exception of the 2005 agreement with Canada, these agreements are relatively restrictive (Table IV.7): the more liberal elements are that they provide fifth freedom rights and some provide post-facto capacity determination (Bermuda II); however, they are restrictive with respect to ownership, tariffs, and designation.

Table IV.7
Key features of air services agreements, 2009

Partner/ Signature	5 th	7 th	Cabotage	Owner- ship	Tariffs	Capacity	Design- ation	Cooper- -ation	Exch. of stats
Brazil, 1974	Yes	No	No	Soec	Double approval	Pre- determina tion	Single	No	Yes
Canada, 2005	Yes	No	No	Soec	Double dis- approval	pre- determina tion	Multi	No	Yes
Cuba, 1973	Yes	No	No	Soec	Double approval	Bermuda II	Single	No	Yes
France, 1974	Yes	No	No	Soec	Double approval	Bermuda II	Single	No	Yes
United States, 1946/66	Yes	No	No	Soec	Double approval	Bermuda I	Multi	No	No

Note: Soec = Substantial ownership and effective control.

Source: Texts of the air services agreements provided by the authorities.

Airport management and ground-handling services

122. Guyana's main, and only international, airport is Cheddi Jagan International Airport, situated close to Georgetown. It is Guyana's main hub for passenger and cargo transportation, handling 429,438 passengers and 4,247 tonnes of cargo in 2008. The second largest airport is the Ogle Aerodrome, which currently provides only domestic flights for cargo and passengers; it handled 71,688 passengers and 3,992 tonnes of cargo in 2003. Preliminary work has been undertaken to develop the Ogle Aerodrome into a regional municipal airport, compliant with international standards. Guyana has 22 additional airstrips offering frequent scheduled services. These are used for tourism, aviation associated with gold mining, and to serve isolated communities. A further 73 airstrips have frequent non-scheduled services and are considered to be airports.⁸⁹

123. The Ministry of Public Works and Communications is responsible for operating national airports and airstrips with the exception of the Cheddi Jagan airport and the Ogle Aerodrome. The Cheddi Jagan airport is managed by the The Cheddi Jagan International Airport Corporation (CJIAC), a statutory corporation established in 2002; its Board of Directors reports to the Ministry of Public

⁸⁸ There has been a review of the Guyana-Brazil air services agreement, however final agreement on new rules have not been reached (as at March 2009).

⁸⁹ Guyana Transport Study. Viewed at: http://www.guyanatransportstudy.com/study_recommendations/air_transport_and_aviation.html.

Works and Communications. The intention is that it should be run along commercial lines and be self-financing. The Ogle Aerodrome was leased by the Government in 2001 to a private, wholly-owned Guyanese company, Ogle Airport Inc., for a period of 25 years, renewable upon request. Under the Civil Aviation Act the Minister is authorized to approve the establishment and operation of aerodromes by private persons.

124. As indicated by the authorities all ground-handling is undertaken by private operators, and there are no legal restrictions on the provision of ground-handling.

(v) Maritime transport

125. Domestic maritime transport (cabotage) is generally restricted to Guyanese citizens, residents, and companies. While the port capacity appears to be adequate, insufficient investment may have a knock-on effect on Guyana's trade.

126. There have been no changes to the institutions responsible for maritime policy in Guyana. The Minister of Transport and Hydraulics in the Ministry of Public Works and Communications has overall responsibility for the sector. The Maritime Administration Department (MARAD) is responsible for administering the provisions of the Shipping Act (below) and any other laws relating to maritime affairs. The Transport and Harbours Department (T&HD) is charged with control, improvement, and regulation of Guyana's harbours and their approaches, as well as maintaining a pilotage service.⁹⁰ There have been discussions about whether to create a Guyana Port Authority, with more administrative, organizational, and financial autonomy, but no concrete plans have been drawn up.⁹¹

127. Guyana has not made any GATS commitments on maritime transport services. Guyana participates in a number of maritime conferences administered by the International Maritime Organization.⁹²

128. The Guyana Shipping Act (1998) provides the legal framework for maritime services in Guyana, including registration and licensing of ships, flagging, the manning of ships, the welfare of seamen, navigation and safety, regulation of cargo, wrecks and salvage, and legal proceedings. The registration and licensing of ships in Guyana is limited to Guyanese citizens, residents, and companies established and with their principle place of business in Guyana, as well CARICOM citizens under certain conditions. The Minister may, by order, allow otherwise non-qualified persons to own a Guyanese ship, however, no such orders have yet been made.⁹³ There are no discriminatory restrictions on international passenger or freight transportation, nor are there any requirements in the Shipping Act that government cargos must be transported on domestically flagged ships. Guyana has 653 registered flagged vessels: 71 are over 500 gross tons (March 2009).

129. Trade between Guyana's ports and within waters under Guyana's jurisdiction is restricted to Guyana-registered ships. The cabotage restriction is subject to regulations, exemptions, or any bilateral or multilateral treaty or agreement, although the restriction has not been lifted under any of

⁹⁰ These responsibilities are set out in the Transport and Harbours Act, Cap. 49:04, Part I. Viewed at: <http://www.caricomlaw.org/doc.php?id=2032>.

⁹¹ Guyana Transport Sector, Working Paper 3 on Ports and River Transport Infrastructure & Operations. Viewed at: <http://www.guyanatransportstudy.com/downloads/downloads.html>.

⁹² IMO online information. Viewed at: http://www.imo.org/includes/blastDataOnly.asp/data_id%3D24741/status-x.xls.

⁹³ The cabotage and ownership provisions are set out in Part VI, section 11 and Part III, section 10 of the Shipping Act.

these circumstances. Guyana is obliged to extend cabotage rights to CARICOM citizens as a result of the Revised Treaty, however this requirement has not been implemented in practice. The authorities indicate that such concessions would only be given in emergency circumstances or in case of need.

Ports

130. Georgetown harbour is Guyana's main port; the land and berths are mostly privately owned. The Government owns two ports: Springlands and New Amsterdam, as well as port infrastructure at Vreed-en-hoop, the Guyana National Shipping Corporation Limited (GNSC), and the Transport and Harbours Department Goods Wharf. The port at Linden is privately owned and operated. Most cargo is transported in and out of Guyana through the Georgetown Port, with the exception of bauxite. Guyana's two international ports (Georgetown and the Transport and Harbours Department Goods Wharf) have both been certified as ISPS compliant.

131. The Transport and Harbours Act sets out the various shipping-related levies imposed; these include tonnage and light dues and shipping fees. The National Assembly may increase these fees, by resolution and the new rates must be published in the *Gazette*. Coasting vessels are exempt from the tonnage tax.⁹⁴ Pilotage fees are set by the Minister. Pilotage is not compulsory for vessels under 1,500 tons gross (1,250 tons gross for Guyana-registered coasting-trade vessels), provided the master of the vessel has the requisite certification.

132. A recent study suggests that there is no urgent need to increase the berthing capacity of Guyana's ports since use of existing capacity is relatively low. However, it identifies some areas where improvement and investment is needed at Georgetown Port. For example, the absence of regular maintenance-dredging prevents access by larger vessels, thereby preventing businesses from taking advantage of economies of scale in shipping. This is, apparently, a particular concern for the sugar and bauxite exporting industries. Port safety and security at Georgetown is also considered to be unsatisfactory in a number of respects, and there are additional concerns, *inter alia* relating to pollution, infrastructure, and cumbersome procedures, which delay customs clearance. In contrast, the same study observes that there are no particular problems with the ports at New Amsterdam and Linden, although silting in the Linden river needs to be addressed. It has also been suggested that there should be official monitoring of port performance and utilization indicators.⁹⁵

133. The Government's 2005 report on Enhancing National Competitiveness identifies the high cost of shipping and long transportation times among the core infrastructure-related supply-side impediments to competitiveness. It suggests that options and associated investments should be explored to develop deep sea port facilities, thereby allowing larger ships to dock, and to improve the efficiency of port handling facilities.⁹⁶

134. Maritime transport services provided uniquely by the Government are: pilotage (which is compulsory at the Georgetown Port); aids to navigation; dredging; and hydrographic services. All other port operations are undertaken by private operators. The authorities note that the prices of port services are not controlled

⁹⁴ The Transport and Harbours Act Cap. 49:04.

⁹⁵ Guyana Transport Sector Study, Working Paper 3 on Ports and River Transport Infrastructure & Operations. Viewed at: <http://www.guyanatrtransportstudy.com/downloads/downloads.html>.

⁹⁶ Ministry of Tourism, Industry and Commerce (2005).

(vi) **Professional services**

135. There is no overarching legislation regulating professional services, and only some professions are regulated by law; these include lawyers and chartered accountants, but not architects and engineers. In order for foreign lawyers to practice in Guyana, reciprocal treatment of Guyanese lawyers is required. Guyana has scheduled liberal commitments on four professional services subsectors for modes 1, 2, and 3.

136. Guyana has undertaken not to impose market access or national treatment limitations in its GATS commitments on legal services; account, auditing and book-keeping services; engineering and architectural services; and medical and dental services, for modes 1, 2, and 3. Mode 4 is left unbound, except as indicated in the horizontal section, where commitments are limited to market access and national treatment for senior managerial personnel and technical experts not available in the local labour market. The authorities indicate that this reflects the regime applied in practice.

137. Efforts are being made to facilitate the provision of professional services within CARICOM. As indicated by the CARICOM Secretariat, a Professionals Bill that has been drafted would establish a system to harmonize qualification, licensing, and regulatory requirements for a number of professions⁹⁷; a Council with authority to regulate professions is also envisaged.

138. As noted in a 2007 services sector study, many professional services in Guyana are unregulated. There have been attempts to table draft legislation, however, these have lacked political support.⁹⁸ Another study, focused on export opportunities for professional service providers in Guyana, observes that the lack of an acceptable level of internal regulations for key professions may hinder the opportunities for Guyana to negotiate mutual recognition agreements with professional organizations in markets of interest.⁹⁹

(a) **Legal services**

139. Admission to practice as attorneys-at-law, and their professional behaviour is regulated by the Legal Practitioners Act.¹⁰⁰ In order to practice law in Guyana, it is necessary to be a national of Guyana, obtain a special authorization, or to hold a Legal Education Certificate. A petition to be admitted to the bar must be made to the High Court. For foreign lawyers to practice in Guyana, the Minister of Legal Affairs must make an order to this effect, and reciprocal access by Guyanese lawyers to practice in the respective country is required. In such cases, foreign lawyers must either hold a Legal Education Certificate, or must have suitable qualifications and competence. No information was available regarding agreements made for such reciprocal treatment. If a person is refused admission to practice law, an appeal may be made to the Court of Appeal.

140. In Guyana's Schedule of Specific Commitments, under national treatment limitations for Mode 4, it is specified that non-CARICOM Commonwealth nationals are required to have their qualifications reviewed by the Council of Legal Education, and undergo a six-month period of training at one of the regional law schools. Non-Commonwealth nationals are required to have their qualifications reviewed by the Council of Legal Education to determine the amount of retraining they

⁹⁷ According to the authorities, the draft legislation relates to the following professional services: medical; nursing and midwifery; dentistry; architecture; engineering; legal; accounting; veterinary; surveying; pharmaceutical; consultancy; real estate; and allied medical.

⁹⁸ Government of Guyana / USAID report (2007).

⁹⁹ Commonwealth Secretariat, Export of Professional Services for Guyana (undated).

¹⁰⁰ CARICOM Law online information. <http://www.caricomlaw.org/docs/01%20-%20Legal%20Practitioners.pdf>.

would be required to undergo: generally total retraining is required.¹⁰¹ These requirements are still in force.

(b) Accountancy services

141. The accountancy profession is regulated by the Institute of Chartered Accountants Act, which establishes a Council of the Institute to undertake this work.

142. Membership of the Institute is open to Guyanese citizens. The Council also has the discretion to extend membership to persons who are members of an approved professional accountancy body.¹⁰² According to the authorities, new bodies are approved by Members of the Institute in general meetings after the Institute's Council makes a recommendation, and reciprocity is not a condition for approval.

143. Under the Companies Act, company auditors must be a member of the Institute of Chartered Accountants of Guyana, or be authorized by the Minister on the basis that they are suitably qualified and that they were in practice in Guyana as an auditor at the time of commencement of the Companies Act. Members of the Institute are not required to be resident in Guyana, or undertake a period of training or work in Guyana.

144. Under the Audit Act No. 5 of 2004, the Auditor-General may contract Chartered Accountants in Public Practice. In order to perform this work, accountants must obtain a practice certificate from the Council, which is available to members of the Institute of Chartered Accountants and members of approved bodies. Two-years work experience is also required.¹⁰³

(c) Architectural and engineering services

145. The engineering and architectural professions are not regulated by law in Guyana. However, electrical engineering is regulated by the Government Electrical Inspectorate, under the Ministry of Public works and Communication. The Association of Professional Engineers of Guyana and the Guyana Institute of Architects do not have the power to regulate the provision of services by foreign engineers or architects in Guyana, however they set criteria for membership of their respective bodies: engineers must have a bachelors or higher diploma in engineering and at least four-years post-qualification experience under a senior engineer or engineering company; architects must have a bachelors or higher diploma in architecture and at least five-years post-qualification experience under a senior architect. In addition, the Guyana Institute of Architects recognizes the professional qualifications of foreign architects as set out in a list generated by the Royal Institute of British

¹⁰¹ WTO document GATS/SC/37, 15 April 1994.

¹⁰² Approved bodies are: the Institute of Chartered Accountants in England and Wales; Institute of Chartered Accountants in Ireland; Institute of Chartered Accountants in Scotland; Canadian Institute of Chartered Accountants; Association of Chartered Certified Accountants U.K.; American Institute of Certified Public Accountants; and the Certified General Accountants of Canada.

¹⁰³ See Audit Act No. 5 of 2004. Viewed at: http://www.gecom.org.gy/pdf_laws/AUDIT%20ACT.pdf; and Institute of Chartered Accountants Act, Section 11.

Architects. Foreign architects and engineers are not obliged to become members of the respective associations. The authorities note that a number of architects and engineers provide their services under projects funded from abroad.

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APPENDIX TABLES

Table AI.1
Merchandise exports (including re-exports) by group of products, 2003-07
 (US\$ million and per cent)

Description	2003	2004	2005	2006	2007
Total	472	543	539	567	785
			(US\$ million)		
			(% of total)		
Total primary products	78.8	75.8	81.5	82.1	81.9
Agriculture	53.8	52.1	59.7	59.7	48.8
Food	50.6	46.7	53.3	51.0	43.1
0611 Sugars, beet/cane, raw, solid	26.4	20.5	28.6	22.9	19.2
0422 Rice, husked, not further prepared	7.5	9.0	8.4	8.4	9.4
0361 Crustaceans, frozen	7.4	6.5	7.4	6.7	4.8
1124 Spirits	1.9	2.4	2.1	4.0	3.3
0345 Fish fillets and fish meat, fresh or chilled	1.8	2.0	2.0	2.2	1.5
0341 Fish, fresh, chilled, whole	0.6	0.5	0.8	0.9	1.0
Agricultural raw material	3.2	5.4	6.4	8.7	5.7
2484 Wood of non-coniferous, sawn	1.9	3.0	3.3	6.9	3.8
2485 Wood, non-coniferous, continuously shaped	0.8	0.8	0.9	1.0	1.1
Mining	24.9	23.6	21.8	22.5	33.1
Ores and other minerals	24.9	23.6	21.8	22.4	33.0
9710 Gold, non-monetary (excl. gold ores and concentrates)	19.7	18.4	15.0	14.0	20.2
2851 Aluminium ores and concentrates	4.8	4.8	6.0	5.5	12.2
Non-ferrous metals	0.0	0.0	0.1	0.1	0.1
Fuels	0.0	0.0	0.0	0.0	0.0
Manufactures	21.2	24.2	17.0	17.2	18.1
Iron and steel	0.1	0.0	0.0	0.0	0.0
Chemicals	1.5	0.8	0.8	0.7	0.6
5429 Medicaments, n.e.s.	0.4	0.3	0.4	0.4	0.3
5541 Soap	0.1	0.1	0.1	0.1	0.1
Other semi-manufactures	11.3	20.5	11.4	11.6	8.8
6672 Diamonds (excl. industrial, sorted) not mounted	5.4	16.4	7.8	6.8	4.2
6349 Wood, simply shaped, n.e.s.	0.9	0.6	0.4	0.7	1.6
6421 Packing containers, of paper, paperboard	0.3	0.3	0.3	0.3	0.8
Machinery and transport equipment	3.6	0.2	2.1	2.4	2.7
Power generating machines	0.2	0.0	0.1	0.0	0.1
7165 Generating sets	0.1	0.0	0.0	0.0	0.1
Other non-electrical machinery	1.6	0.2	1.4	0.3	1.1
7372 Metal-rolling mills, rolls and other parts	0.1	0.0	0.0	0.1	0.4
Office machines & telecommunication equipment	0.1	0.0	0.0	0.1	1.1
7643 Radio or television transmission apparatus	0.0	0.0	0.0	0.0	0.6
7529 Data processing equipment, n.e.s.	0.0	0.0	0.0	0.0	0.2
Other electrical machines	0.0	0.0	0.0	0.0	0.1
7781 Batteries and electric accumulators, and parts	0.0	0.0	0.0	0.0	0.1
Automotive products	0.4	0.0	0.3	0.1	0.1
Other transport equipment	1.3	0.0	0.4	1.8	0.2
Textiles	0.1	0.0	0.1	0.1	0.0
Clothing	2.5	2.2	1.3	2.1	0.5
8459 Other garments knitted or crocheted	0.5	0.0	0.0	0.3	0.1
8414 Trousers, bib and brace overalls, breeches	0.4	1.0	0.7	0.7	0.1
8412 Suits and ensembles	0.0	0.1	0.0	0.0	0.1
Other consumer goods	2.0	0.3	1.1	0.3	5.4
8928 Printed matter, n.e.s.	1.7	0.0	0.6	0.0	5.0 ^a
8921 Printed books, pamphlets, maps, etc.	0.0	0.0	0.2	0.0	0.1
8215 Furniture, n.e.s., of wood	0.0	0.1	0.0	0.0	0.1
Other	0.1	0.1	1.5	0.7	0.0

a The authorities indicated that this figure probably represents an error.

Source: UNSD, Comtrade database (SITC Rev.3).

Table A1.2
Merchandise imports by group of products, 2003-07
(US\$ million and per cent)

Description	2003	2004	2005	2006	2007
Total	557	636	778	893	1,029
			(US\$ million)		
			(% of total)		
Total primary products	41.1	42.2	45.7	43.7	39.0
Agriculture	16.1	14.4	15.7	12.9	14.3
Food	15.6	14.1	15.1	12.7	13.9
0222 Milk concentrated or sweetened	2.5	2.4	3.2	1.8	1.5
0412 Other wheat (including spelt) and meslin, unmilled	1.4	0.7	1.4	0.9	1.4
1110 Non-alcoholic beverage, n.e.s.	1.0	1.0	1.0	0.8	1.0
0484 Bread, baked goods	0.9	0.7	0.7	0.7	0.7
0989 Food preparations, n.e.s.	0.7	0.5	0.5	0.4	0.6
Agricultural raw material	0.5	0.3	0.5	0.2	0.4
Mining	25.0	27.8	30.1	30.8	24.6
Ores and other minerals	0.2	0.1	0.2	0.2	0.3
Non-ferrous metals	0.3	0.3	0.5	0.2	0.3
6842 Aluminium and aluminium alloys, worked	0.3	0.2	0.4	0.2	0.2
Fuels	24.5	27.4	29.4	30.3	24.0
Manufactures	58.8	57.4	53.4	55.9	61.0
Iron and steel	3.0	3.5	3.2	2.6	3.5
6744 Flat-rolled iron/steel products, clad, etc., n.e.s., ≥600 mm	0.3	0.2	0.3	0.1	0.5
6761 Bars and rods, hot-rolled, irregularly wound, iron/steel	0.0	0.3	0.2	0.3	0.4
6732 Flat, hot-rolled products, iron/steel, not clad/plated/coated	0.0	0.0	0.0	0.0	0.4
Chemicals	11.3	10.7	10.6	10.2	9.8
5621 Mineral or chemical fertilizers, nitrogenous	1.3	1.4	0.8	1.5	1.5
5429 Medicaments, n.e.s.	1.3	0.8	2.0	1.8	1.1
5542 Surface-active agents (excl. soap)	1.0	1.0	0.8	0.8	0.8
Other semi-manufactures	10.6	10.4	8.9	8.2	10.7
6911 Iron or steel structures, tubes and the like, for use in structures	0.4	0.3	0.2	0.4	2.3
6612 Portland cement and similar hydraulic cements	1.7	1.8	1.1	1.5	1.2
6429 Articles of paper pulp, paper, etc., n.e.s.	0.8	0.7	0.7	0.6	0.8
Machinery and transport equipment	22.9	23.0	22.0	27.0	28.1
Power generating machines	1.5	0.7	0.6	1.4	1.1
7165 Generating sets	1.0	0.4	0.3	1.0	0.5
Other non-electrical machinery	8.4	10.4	9.8	11.4	9.0
7232 Mechanical shovels, etc., self-propelled	1.5	1.6	2.1	2.7	1.5
7272 Other food-processing machinery and parts	0.2	0.3	0.3	0.5	1.1
Agricultural machinery and tractors	0.7	0.8	1.3	0.6	0.7
Office machines & telecommunication equipment	2.6	2.0	2.0	3.5	6.0
7643 Radio or television transmission apparatus	0.2	0.1	0.0	0.1	1.5
7649 Parts and accessories for apparatus of division 76	0.8	0.3	0.8	1.3	0.6
Other electrical machines	2.1	2.1	2.6	2.8	3.1
7731 Insulated wire, cable etc.; optical fibre cables	0.5	0.4	0.7	1.2	0.6
Automotive products	5.0	5.1	5.1	5.7	6.0
7812 Motor vehicles for the transport of persons, n.e.s.	2.2	2.4	1.8	2.2	2.3
7821 Goods vehicles	1.0	1.1	1.3	1.8	2.1
7831 Public-transport type passenger motor vehicles	0.8	0.4	0.5	0.7	0.8
Other transport equipment	3.3	2.6	1.8	2.2	3.0
7935 Special purpose vessels; floating docks	0.0	0.0	0.0	0.0	0.7
Textiles	1.9	2.1	1.8	1.5	1.5
6534 Fabrics, woven, < 85% of synthetic fibres, not mixed with cotton	0.1	0.0	0.0	0.0	0.4
Clothing	1.3	0.7	0.6	0.7	0.9
Other consumer goods	7.7	6.9	6.4	5.9	6.6
8931 Plastics containers, stoppers, lids, etc.	1.6	1.4	1.7	1.6	1.5
8921 Printed books, pamphlets, maps, etc. (excl. ad. material)	1.7	1.5	1.0	0.9	0.7
Other	0.2	0.4	0.9	0.4	0.0
Gold	0.0	0.0	0.0	0.0	0.0

Source: UNSD, Comtrade database (SITC Rev.3).

Table AI.3
Merchandise exports (including re-exports) by trading partner, 2003-07
 (US\$ million and per cent)

Description	2003	2004	2005	2006	2007
Total	472	543	539	567	785
			(US\$ million)		
			(% of total)		
America	63.3	59.1	54.3	55.8	60.2
United States	19.9	16.4	15.5	15.5	14.4
Other America	43.4	42.7	38.8	40.4	45.8
Canada	20.0	18.7	16.0	18.0	21.6
Barbados	4.1	3.7	3.6	4.7	5.9
Trinidad and Tobago	6.0	6.9	5.5	6.2	5.2
Jamaica	5.6	6.0	6.8	4.8	3.9
Suriname	1.4	0.7	0.7	0.8	2.4
Netherlands Antilles	1.2	1.4	0.4	0.4	1.4
Haiti	0.5	0.7	0.7	0.8	0.8
Brazil	0.0	0.0	0.1	0.1	0.2
Europe	34.2	36.4	38.0	35.2	29.7
EC(25)	34.1	35.6	37.7	35.2	29.7
United Kingdom	22.3	11.9	19.6	20.4	15.9
Netherlands	3.3	2.4	4.6	6.3	5.6
Belgium	4.2	14.0	5.0	4.9	3.8
Portugal	2.0	3.9	5.6	1.8	1.6
France	0.7	1.0	0.9	0.9	1.4
EFTA	0.0	0.0	0.0	0.0	0.0
Other Europe	0.1	0.8	0.2	0.0	0.0
Bulgaria	0.1	0.8	0.2	0.0	0.0
Commonwealth of Independent States (CIS)	0.0	0.1	0.2	0.3	3.4
Ukraine	0.0	0.0	0.1	0.3	3.4
Africa	0.5	1.1	1.2	0.1	0.2
Gambia	0.0	0.0	0.0	0.0	0.1
Middle East	0.2	0.8	1.9	2.1	1.1
Israel	0.2	0.7	1.6	1.3	0.6
United Arab Emirates	0.0	0.0	0.2	0.8	0.5
Asia	1.7	2.5	4.4	6.4	5.4
China	0.1	0.2	0.9	2.4	1.3
Japan	0.1	0.0	0.3	0.7	0.6
Six East Asian Traders	0.5	1.0	1.5	1.2	2.4
Chinese Taipei	0.1	0.4	0.5	0.4	0.9
Singapore	0.0	0.0	0.1	0.1	0.9
Hong Kong, China	0.4	0.4	0.5	0.4	0.5
Thailand	0.0	0.0	0.2	0.1	0.0
Malaysia	0.0	0.0	0.0	0.0	0.0
Korea, Rep. of	0.0	0.1	0.2	0.2	0.0
Other Asia	1.0	1.2	1.7	2.1	1.0
India	0.7	0.4	1.0	1.7	0.7
Other	0.1	0.0	0.0	0.0	0.0
Memorandum:					
EC(15)	33.9	34.4	37.7	35.1	29.6

Source: UNSD, Comtrade database (SITC Rev.3).

Table AI.4
Merchandise imports by trading partner, 2003-07
(US\$ million and per cent)

Description	2003	2004	2005	2006	2007
Total	557	636	778	893	1,029
			(US\$ million)		
			(% of total)		
America	77.4	76.3	79.5	75.2	69.4
United States	31.8	29.9	31.1	27.2	25.1
Other America	45.6	46.5	48.4	48.0	44.3
Canada	1.4	1.6	1.9	2.1	3.5
Trinidad and Tobago	26.7	26.6	33.3	33.6	25.1
Netherlands Antilles	7.0	9.4	3.7	4.0	3.9
Venezuela	0.8	1.2	1.1	0.9	2.5
Brazil	1.3	1.5	1.6	1.7	1.4
Suriname	0.1	0.1	0.6	0.6	1.1
Dominican Rep.	0.2	0.3	0.2	0.4	0.9
Europe	12.2	8.8	8.8	10.1	11.5
EC(25)	11.9	8.6	8.3	9.8	11.3
United Kingdom	6.4	4.6	4.2	4.5	6.1
Netherlands	2.6	1.5	1.7	1.8	1.5
Sweden	0.1	0.1	0.1	0.1	1.1
Germany	0.9	0.7	0.3	1.1	1.0
Belgium	1.0	1.0	0.9	0.4	0.4
EFTA	0.2	0.1	0.1	0.1	0.1
Switzerland	0.0	0.0	0.1	0.0	0.1
Other Europe	0.1	0.1	0.4	0.2	0.2
Turkey	0.1	0.1	0.4	0.2	0.2
Commonwealth of Independent States (CIS)	0.1	0.1	0.0	0.1	0.1
Ukraine	0.0	0.0	0.0	0.0	0.1
Africa	0.3	0.3	0.2	0.1	0.2
Algeria	0.0	0.0	0.0	0.0	0.1
Middle East	0.0	0.0	0.1	0.2	0.2
Israel	0.0	0.0	0.0	0.1	0.2
Asia	10.0	14.3	11.4	14.4	18.5
China	3.4	3.9	4.1	5.1	8.5
Japan	3.7	6.2	3.0	3.5	3.9
Six East Asian Traders	1.0	1.7	1.6	3.3	2.5
Singapore	0.1	0.2	0.3	1.4	0.6
Malaysia	0.1	0.5	0.3	0.6	0.6
Hong Kong, China	0.1	0.2	0.4	0.4	0.5
Thailand	0.2	0.2	0.2	0.3	0.4
Korea, Rep. of	0.2	0.2	0.2	0.4	0.3
Chinese Taipei	0.3	0.3	0.2	0.2	0.2
Other Asia	1.9	2.5	2.7	2.4	3.5
India	0.6	1.2	1.5	1.3	1.5
New Zealand	0.8	1.1	1.0	0.8	0.8
Australia	0.3	0.1	0.1	0.2	0.6
Other	0.1	0.1	0.0	0.0	0.0
Memorandum:					
EC(15)	11.9	8.6	8.3	9.8	11.2

Source: UNSD, Comtrade database (SITC Rev.3).

Table AII.1
Guyana's preferential trade agreements, December 2008

Caribbean Community and Common Market (CARICOM) Single Market and Economy (CSME)	
Parties:	The founding members: Barbados, Guyana, Jamaica, and Trinidad and Tobago. Bahamas, Belize, Dominica, Grenada, Montserrat, St. Lucia, and St. Vincent and the Grenadines acceded in May 1974; Antigua and Barbuda and St. Kitts and Nevis in July 1974; Suriname in July 1995; and Haiti ratified the Treaty in 2004.
Date of signature/entry into force in Guyana:	Treaty of Chaguramas establishing CARICOM was signed 1973. The Treaty of Chaguramas was revised to create the CARICOM Single Market and Economy (CSME). Guyana signed the Revised Treaty in 2001. In 2006, Guyana enacted the Caribbean Community Act (No. 8) to give the Revised Treaty the force of domestic law.
Transition for full implementation:	The Single Market became operational in 2006; and the Single Economy is expected to be fully implemented by 2015.
Provisions:	Free movement of goods and services within CARICOM; common external tariff (with some exceptions); right of establishment; movement of capital and current transactions; movement of Community nationals; harmonization of laws in a number of areas (see Chapters III and IV).
Guyana's merchandise trade (2006):	Total trade with CARICOM partners: US\$436.4 million (Exports: S\$117.5 million, imports: US\$318.9 million).
Related WTO documents:	WT/REG155/1, 8 July 2003 (Revised Treaty); WT/REG155/2, 27 September 2004 (services regime of CSME); WT/REG155/3 (statistical data on services)
Relevant websites:	http://www.caricom.org ; http://www.caricomlaw.org/doc.php?id=131 (Revised Treaty)
CARICOM/CARIFORUM FREE TRADE AGREEMENTS	
CARICOM-Colombia	
Parties:	CARICOM members, Colombia
Date of signature/entry into force in Guyana:	1994 (revised 1998)/1995
Transition for full implementation:	Agreement providing for trade liberalization, initially one-way by Colombia to CARICOM, but with reciprocity by the CARICOM MDCs introduced in 1999. Annex I contains goods of CARICOM origin that enter Colombia duty free; Annex II contains the goods of Colombian origin that enter CARICOM MDCs duty free; Annex IV contains the goods of Colombian origin entering the CARICOM MDCs subject to a phased reduction of tariffs. These tariffs were eliminated through four equal annual reductions between 1998 and 2002.
Guyana's duty-free tariff lines:	100% duty free lines
Provisions concerning goods:	Duty-free imports from Colombia into Guyana mainly include certain: agricultural products, processed foods; leather and fabrics; minerals, chemicals and gemstones; pharmaceutical products; rubber products; manufactured goods made of metal.
Provision concerning services:	There are no services provisions in the agreement; extension of agreement to cover services is envisaged.
Other provisions:	Temporary bilateral safeguard measure. Dispute settlement provision (although disputes regarding anti-dumping to be taken to the WTO).
Guyana's merchandise trade with Colombia (2006):	Total trade with Colombia: US\$9.1 million (Exports: US\$0.4 million, imports: US\$8.7 million).
Related WTO documents:	None
Relevant websites:	http://ctrc.sice.oas.org/trade/caricome.asp
CARICOM-Costa Rica (CR)	
Parties:	CARICOM members, Costa Rica
Date of signature/entry into force in Guyana:	2004/2005
Transition for full implementation:	A few tariff lines were subject to a phased reduction between 2005 and 2008. For Guyana these included: ham; fish; cut flowers; wheat or meslin flour; make-up; hair, dental and shaving products; insecticides; organic solvents and thinners; paperboard; certain footwear; stoves; and lead-acid accumulators (Table D.1 of the FTA). Phased reductions have been completed.
Guyana's duty-free tariff lines:	100% duty free

Table AII.1 (cont'd)

Provisions concerning goods:	Reciprocal agreement in so far as CARICOM MDCs are concerned. Provides for free trade for a wide range of products, exclusive of sensitive products. A list of CARICOM-wide excluded products for which no concessions will be made includes a range of agricultural products, and a few manufactured goods (Table B1 of the FTA); Guyana applies the MFN tariff rate to certain fresh fruits and vegetables imported from Costa Rica during certain months (Table A.1 of the FTA). CARICOM products covered by the Oils and Fats Agreement are exempt from the FTA's scope. Some products exclusions are country-specific. In the case of Guyana this includes: cocoa powder; pasta; biscuits; ice cream; certain beverages; cigars; mosquito coils; leather handbags and wallets; mattress supports; and mattresses (Table D.1 of the FTA).
Provision concerning services:	Provisions on applications by nationals of the parties for licensing / certification (domestic regulation), and on the regulation of professional services. Review of need for further disciplines on services to be held within two years (Article IX.02 of FTA). The Joint Council has not met since implementation of the Agreement, thus there have been no discussions on this issue.
Other provisions:	SPS, TBT, and dispute settlement provisions. Disputes on anti-dumping to be taken to WTO. Provisions on investment admission, protection and promotion. Reviews within two years to consider need for disciplines on competition policy and government procurement and further disciplines on investment. These issues are will be addressed at the first meeting of the Joint Council.
Guyana's merchandise trade with CR (2006)	Total trade with Costa Rica: US\$3.4 million (Exports: US\$0 million, imports: US\$3.4 million).
Related WTO documents:	None
Relevant websites:	http://www.sice.oas.org/trade/crcrcom_e/crcrcomind_e.asp
CARICOM-Cuba	
Parties:	CARICOM members, Cuba
Date of signature/entry into force in Guyana:	2000 (implementing Protocol 2001, provisional application Protocol 2002) / 2004
Transition for full implementation:	Reciprocal agreement in so far as CARICOM MDCs are concerned. Elimination of tariffs on a list of products (Annex II of Protocol 1). Phased elimination of tariffs on a further list of products phased in from the MFN rate of duty to zero in four annual stages (Annex IV of Protocol 1). The phase-out process commenced in 2002 and was completed in 2005.
Guyana's duty-free tariff lines:	100% duty free
Provisions concerning goods:	Duty-free treatment of a list of products exported from Cuba. These include certain: agricultural items; processed foods; beverages, chemicals and minerals; construction materials; pharmaceutical products; health and beauty products; products made from leather, wood, plastic, metal and paper; textiles, garments and footwear; machinery; electrical equipment; vehicles; medical apparatus; furniture. (Annex II of Protocol 1) Phased reduction (over four years from MFN rate to zero) of certain: coffee; sausages; pasta; jams and jellies; soups; chemicals; paints and varnishes; products made out of plastic and paper; garments and footwear; furniture (Annex IV of Protocol 1) Seasonal tariffs applied to certain agricultural products listed in Annex V to the agreement. Goods shipped from free-trade zones are subject to MFN tariff.
Provision concerning services:	Provisions on tourism and transportation services. Exchange of information on services sector and provision for future negotiations on services, focusing on the following services sectors: tourism and travel, entertainment, financial, professional, construction and related engineering, computer, telecommunications and transport.
Other provisions:	Review of technical regulations; safeguard mechanism; recourse to WTO disciplines on anti-dumping and subsidies and countervailing measures. Dispute settlement. A protocol was signed in 2001 containing agreements on intellectual property rights and the reciprocal promotion and protection of investments.
Guyana's merchandise trade with Cuba (2006):	Total trade with Cuba: US\$0.5 million (Exports: US\$0.4 million, imports: US\$0.1 million)
Related WTO documents:	None
Relevant websites:	http://www.caricom.org/jsp/secretariat/legal_instruments/agreement_caricom_cuba_2000.pdf (Trade and Economic Cooperation Agreement between CARICOM and CUBA); http://www.caricom.org/jsp/secretariat/legal_instruments/partialscopeagreement_caricom_cuba.pdf (Protocol 1 to the Trade and Economic Cooperation Agreement)

Table AII.1 (cont'd)

CARICOM-Dominican Republic (DR)	
Parties:	CARICOM members, DR
Date of signature/entry into force in Guyana:	1998 (instrument of provisional application 2001)/2004
Guyana's duty-free tariff lines:	100% duty free
Provisions concerning goods:	Mutual granting of tariff concessions between CARICOM MDCs and the DR. All exports from DR receive immediate duty-free treatment except those subject to phased reductions (see above) and those listed as remaining subject to the MFN rate as listed in the revised Attachment II to the FTA. Attachment II includes certain: meat, fish, dairy products, vegetables, wheat flour, sugar, guava cheese, peanuts, fruit juices, pepper sauce, water, beer, tobacco, cement, paints and varnishes, beauty products, candles, disinfectant, organic composite solvents and thinners, bottles, various articles made of metal, and solar water heaters. In addition, Article III of the agreement specifies that seasonal tariffs may be applied to selected fresh fruit and vegetables as set out in Attachment V to the FTA.
Provision concerning services:	Provisions on applications by nationals of the parties for licensing / certification, (domestic regulation) and on the temporary entry of business persons. Provision made for future negotiations on services: negotiating group on services was established in August 2005, however there have been no concrete developments.
Other provisions:	Promotion and protection of investment, dispute settlement, bilateral safeguard, recourse to WTO disciplines on anti-dumping and subsidies and countervailing measures, customs cooperation, TBT, and SPS Provisions envisaging future mechanisms on competition policy and agreements on government procurement and intellectual property rights. Negotiating group on IPRs was established in August 2005, however there have been no further developments.
Guyana's merchandise trade with DR (2006):	Total trade with DR: US\$4.4 million (Exports: US\$1.1 million, imports: US\$3.3 million).
Related WTO documents:	None
Relevant websites:	http://www.caricom.org/jsp/secretariat/legal_instruments/agreement_caricom_dominicanrep.jsp?menu=secretariat#ANNEX%20I ; http://www.sice.oas.org/Trade/Ccdr/prot_e.asp Phased duty reductions (http://www.sice.oas.org/Trade/Ccdr/Attchmt_I_e.pdf) Tariff lines subject to MFN rate (http://www.sice.oas.org/Trade/Ccdr/Attchmt_II_e.pdf)
Economic Partnership Agreement (EPA) between CARIFORUM and the EC	
Parties:	CARIFORUM (CARICOM members and the Dominican Republic), European Communities (27)
Date of signature/entry into force in Guyana:	Signed 2008 / provisionally applied since 2007
Transition for full implementation:	The EC to offer immediate duty-free and quota-free market access to all CARIFORUM goods with the exception of rice and sugar, which will be implemented in 2010 and 2015 respectively, and products listed in HS Chapter 93 (arms and ammunition). By 2033, liberalization of 86.9% of imports from the EC will be fully liberalized. CARIFORUM countries to phase-in tariff reductions between 2011 and 2033.
Guyana's duty-free tariff lines:	51% duty free immediately, 35% phased out up to 25 years; 14% excluded.
Provisions concerning goods:	Certain sensitive products (mainly food items and processed food) imported from the EC into CARIFORUM countries will continue to attract tariffs, as these are set out in Annex III to the EPA.
Provision concerning services:	The EC to open up 90% of its services sectors, and CARIFORUM to open up 65%
Other provisions:	Investment; current payments and capital movement; innovation and intellectual property, public procurement, environment, social aspects and personal data protection; development cooperation; recourse to WTO dispute settlement provisions on safeguards, anti-dumping and countervailing measures (with the exception of a time-limited special safeguard mechanism); commitments to facilitate trade; TBT; SPS; dispute settlement.
Guyana's merchandise trade with the EC (2006):	Total trade with EC: US\$287.3 million (Exports: US\$199.6 million, imports: US\$87.7 million).
Related WTO documents:	None
Relevant websites:	http://www.crm.org (text of the Agreement)

Table AII.1 (cont'd)

CARICOM-Venezuela	
Parties:	CARICOM members, Venezuela
Date of signature/entry into force in Guyana:	1992 / 1993
Provisions concerning goods:	One-way preferences aimed at promoting CARICOM exports to Venezuela
Provision concerning services:	None; provision for future amendments to the agreement and for future negotiations on air and maritime transport
Other provisions:	Bilateral safeguard; recourse to WTO disciplines on anti-dumping and subsidies and countervailing measures; and dispute settlement.
Guyana's merchandise trade with Venezuela (2006):	Total trade with Venezuela: US\$8.8 million (Exports: US\$1.0 million, imports: US\$7.8 million)
Related WTO documents:	None
Relevant websites:	http://ctrc.sice.oas.org/trade/carivex.asp
BILATERAL AGREEMENTS	
Partial scope agreement, Guyana-Brazil	
Parties:	Guyana, Brazil.
Date of signature/entry into force in Guyana:	June 2001 / March 2004
Transition for full implementation:	None
Guyana's duty-free tariff lines:	82% duty free
Provisions concerning goods:	Tariff concessions granted by Guyana to Brazil are listed in Annex II to the agreement. Preferences range from duty-free treatment to a tariff reduction of 15% from the MFN rate
Provision concerning services:	None
Other provisions:	Safeguards, dispute settlement
Guyana's merchandise trade (2006):	Total trade with Brazil: US\$15.8 million (Exports: US\$0.3 million, imports: US\$15.5 million).
Related WTO documents:	Not notified to the WTO
Relevant websites:	http://www.moftic.gov.gy/trdagree.htm
Partial scope agreement, Guyana-Venezuela	
Parties:	Guyana, Venezuela
Date of signature/entry into force in Guyana:	1989/1991
Guyana's duty-free tariff lines:	Not available
Provisions concerning goods:	Tariff preferences granted by Venezuela on Guyanese exports with tariff cuts between 20% and 100%. The agreement has been largely superseded by the CARICOM/Venezuela Trade Agreement (above).
Provision concerning services:	None
Other provisions:	Bilateral safeguard
Guyana's merchandise trade (2007):	Total trade with Venezuela: US\$8.8 million (Exports: US\$1.0 million, imports: US\$7.8 million)
Related WTO documents:	None
Relevant websites:	http://www.moftic.gov.gy/trdagree.htm

Source: Relevant websites and information provided by the authorities.

Table AII.2
Selected notifications to the WTO, January 2003-December 2008

Legal provision	Description of requirement	Frequency	Document
General Agreement on Tariffs and Trade 1994			
Article XVII.4	Products traded by state-trading enterprises	Every three years (updating notifications in the two intervening years)	No notification made
Article XXIV.7	Customs unions and free-trade areas	Ad hoc	WT/REG155/3, 30 September 2004; WT/REG155/2, 27 September 2004; WT/REG155/1, 8 July 2003.
Understanding on the Interpretation of Art. XVII (State Trading)			
Article XVII:4(a)	Domestic support	Annual	No notification made
Agreement on Agriculture			
Articles 18.2 and 18.3	Domestic support	Annual and ad hoc	G/AG/N/GUY/14, 24 June 2005 (for years 2003 and 2004) G/AG/N/GUY/12, 11 March 2005 (for year 2002) G/AG/N/GUY/9, 4 June 2003 (for years 1999, 2000 and 2001).
Article 18.2	Export subsidies	Annual	G/AG/N/GUY/13, 27 May 2005 (for years 2003 and 2004) G/AG/N/GUY/11, 17 December 2003 (for 2002) G/AG/N/GUY/10, 4 June 2003 (for years 1999, 2000, 2001)
Agreement on the Application of Sanitary and Phytosanitary Measures			
Annex B, paragraph 3	Enquiry point	Once; then changes	G/SPS/ENQ/23, 27/03/2008
Annex B, paragraph 10	National notification authority	Once; then changes	G/SPS/NNA/13, 27/03/2008
Agreement on Technical Barriers to Trade			
Articles 2, 3, 5 and 7	Proposed and adopted technical regulations	Before or immediately after the measure is taken	G/TBT/N/GUY/1 to 17, 11/11/2003; G/TBT/N/GUY/18 to 19, 29/01/2004; and, G/TBT/N/GUY/20, 27/10/2005.
Article 10.1 and 10.3	Enquiry point	Once; then changes	No notification made
Article 15.2	Implementation and administration measures	Once; then changes	No notification made
Paragraph J of the Code of Good Practice for the Preparation, Adoption and Application of Standards	Work programme of bodies that have accepted the Code	Semi-annual	G/TBT/CS/2/Rev.14, 20 February 2008
Agreement on Trade-Related Investment Measures (TRIMs)			
Article 5.1	TRIMs that are not in conformity with the provisions of the Agreement	Once	No notification made
Article 6.2 and Decision of the TRIMs Committee of 30.9.96	Publications in which TRIMs may be found	Once, then changes	No notification made
Agreement on Implementation of Article VI of the GATT 1994 (Anti-Dumping)			
Article 16.4	Anti-dumping actions taken over the past six months	Biannual	No notification made
Article 16.5	Investigating authority	Once, then changes	No notification made
Article 18.5	Laws and regulations	Once, then changes	No notification made
Agreement on Implementation of Article VII of the GATT 1994 (Agreement on Customs Valuation)			
Article 22.2 and Decision of the Committee on Customs Valuation	Legislation	Once then changes	No notification made
Decision of the Committee on Customs Valuation (12.5.95)	Responses to the checklist of issues	Once	No notification made

Table AII.2 (cont'd)

Legal provision	Description of requirement	Frequency	Document
Agreement on Preshipment Inspection			
Article 5	Laws or regulation notified	Once, then changes	G/PSI/N/1/Add.10, 19 July 2004
Agreement on Rules of Origin			
Article 5.1	Rules, judicial decisions etc. relating to rules of origin	Due within 90 days of WTO entry into force	No notification made
Annex II	Preferential rules of origin	Once, then changes	Once, then changes
Agreement on Import Licensing Procedures			
Article 7.3	Questionnaire	Annual	G/LIC/N/3/GUY/2, 28 October 2003
Agreement on Subsidies and Countervailing Measures			
Article 25.1	Notification pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement	Annual	No notification made
Article 25.2	Subsidies	Full notifications every three years; annual updating	No notification made
Article 25.11	Countervailing duties applied over the past six months	Biannual	No notification made
Article 25.12	Investigating authority and domestic procedures governing investigations	Once	No notification made
Article 32.6	Laws and regulations	Once, then changes	No notification made
Agreement on Safeguards			
Article 12.6	Laws and regulations	Once, then changes	No notifications made
General Agreement on Trade in Services			
Article III.4 and IV.2	Enquiry and contact point	Once, then changes	S/ENQ/78/Rev.7, 20 January 2005
Article V.7(a)	Economic integration agreements	Once only	S/C/N/229, 19 February 2003
Article XXVIII(k)(ii)2	Treatment of permanent residents	Once only	No notification made
Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)			
Article 69	Contact points	Once, then changes	No notification made
Decision of the Council for TRIPS of 21 November 1995 (IP/C/5)	Checklist of issues on enforcement	Once, then changes	No notification made

Source: WTO Secretariat.

Table AIV.1
Main bodies active in the agricultural sector in Guyana

Body	Responsibilities/activities
National Agricultural Research Institute (NARI)	Semi-autonomous body for which the Minister of Agriculture has reporting responsibilities. Undertakes research and development in agriculture; provides agricultural services and maintains a library and documentation centre. An Agricultural Research Committee within NARI, advises the Minister of Agriculture on agricultural research policy issues.
Mahaica-Mahaicony-Abary Agricultural Development Authority	Semi-autonomous body for which the Minister of Agriculture has reporting responsibilities. Has responsibility for a range of activities related to the development of agriculture in the Mahaica/Mahaicony Abary area.
National Drainage and Irrigation Authority	Semi-autonomous body for which the Minister of Agriculture has reporting responsibilities. The Authority is responsible for operation and maintenance of drainage, irrigation and flood control infrastructure and services.
Guyana Sugar Corporation (GuySuCo)	State owned corporation for which the Minister of Agriculture has reporting responsibilities. It operates five sugar estates and eight factories. It is not the only producer of sugar in Guyana (private cane farmers produced about 20,000 tonnes of sugar cane in 2008). It is, however, the only company manufacturing sugar and permanently authorized to import and export sugar (all other companies may only import sugar under a non-automatic licence). GuySuCo and the two large beverage companies (DDL and Banks DIH) import refined sugar. GuySuCo supplies the imported refined sugar to small manufacturers.
Guyana Rice Development Board	Semi-autonomous body for which the Ministry of Agriculture has reporting responsibility. Objectives: development of the rice industry and promotion of rice exports; establishment of research facilities; and promotional and developmental activities. Grades and certifies rice and paddy, and issues rice milling and export licences.
National Cane Farming Committee (NCFC)	Established by Act Cap. 69:04. The NCFC brings together representatives of farmers' associations, government officials, the industry (GuySuCo) and a development organization. Its purpose is to, <i>inter alia</i> , devise programmes to promote and expand cane farming, advise the Minister, and administer the funds of the Cane Farmers Special Funds Act. The NCFC had been dormant for around a decade, but met again for the first time in 2008, due to increased demand for privately produced cane.
Guyana Rice Producer's Association (GRPA)	Established by Act Cap. 60:01, which establishes a body corporate comprising rice producers of Guyana. Its functions include protecting and promoting rice producers' interests, and making proposals to and advising the Minister.
National Dairy Development Programme (NDDP)	An agency within the Ministry of Agriculture. Its objectives are to facilitate increased milk and beef production and improve the facilities for collecting, processing, and distributing milk, as well as to achieve full self-sufficiency in milk and milk products. It undertakes training activities, runs an artificial insemination programme, establishes and manages pastures, undertakes product development and marketing, and milk quality testing.
New Guyana Marketing Corporation (NGMC)	Semi-autonomous body for which the Ministry of Agriculture has reporting responsibilities. Provides various services to the private sector for the export of non-traditional agricultural produce (mainly fruits and vegetables) including market research, technical assistance and training, export assistance and marketing services. It has established a Marketing Information Centre to provide information to stakeholders, it runs two packaging facilities, and acts as a one-stop brokerage desk for the exportation of fruit and vegetables. The NGMC no longer buys farmers' produce for domestic and export sale.

Sources: NARI (<http://www.sdn.org.gy/minagri/nari/generalinfo.htm>); Mahaica-Mahaicony-Abary Agricultural Development Authority Act (<http://www.caricomlaw.org/doc.php?id=2116>); GUYSUCO <http://www.guysuco.com/>; Guyana Rice Development Board (<http://grdb.gy>); National Cane Farming Committee Act, Cap. 69:04, (<http://www.caricomlaw.org/doc.php?id=2109>); The Rice Producer's Association Act, Cap. 69:01 (<http://www.caricomlaw.org/doc.php?id=2106>); NDDP (<http://www.agrinetguyana.org.gy/nddp/generalinfo.htm>); and NGMC (<http://www.newgmc.com>).