



CALENDAR OF KEY ECONOMIC EVENTS

August 2006

This feature presents a summary of local events of economic interest covered in the two daily newspapers, Stabroek News and the Guyana Chronicle.

AUGUST

The Ministry of Other Crops, Fisheries and Livestock has undertaken the distribution of seeds to several cash crop farmers in West Berbice who suffered losses during the floods of late 2005 and early 2006. Those who received free supplies were farmers between # 10 and Ithaca villages, mainly in the eastern end of West Berbice, who had not received any form of relief from flood related losses.

The Linden Economic Advancement Programme (LEAP) has contracted with the Region 10 Farmers' Association (RTFA) to produce and distribute its monthly agriculture newsletter and design and launch a website and posting of price data for September and December 2006.

The United States firm, Kellogg's, famous for its cereals and other food products, is funding a project designed

to boost agricultural production in three Amerindian communities in Region Two (Pomeroon/Supenaam).

Several Rice planters will in the near future start to reap the Autumn crop at Windsor Castle and other places on Essequibo Coast. Some 32,500 cultivated acres are expected to yield more than the one million bags target but reports said the farmers are not satisfied with the price millers are offering for their produce. The farmers said the \$1,400 per 110 pound-bag of grade 'A' paddy offer cannot compensate for their inputs of labour, fertilizer, insecticides and weedicides.

The United States has increased the sugar import quota from Guyana. On July 27, the U.S. Department of Agriculture set the FY (Financial Year) 2007 raw sugar Tariff Rate Quota (TRQ) at 1,343,992 metric tons raw value. On August 3, 2006, the U.S. Trade Representative (USTR) allocated this quota among certain countries based on historical trade with

the United States. For Guyana, the FY 2007 raw cane sugar TRQ is 15,380 metric tons raw value which amounts to a 10.2% increase above the initial FY 2006 TRQ allocation of 13,953 metric tons.

Demarara Distillers Limited (DDL), West Indies Rum Distillery Ltd (WIRD), and Diageo North America Inc have collaborated with the Jamaican Government to inject US\$5.3M into the newly restructured company, National Rums of Jamaica Ltd (NRJ). The three investors will each own 33.3 per cent of the shares. The new investment by DDL and the other partners, along with part funding from the European Union's \$70M Euro Development Programme for the Caribbean rum sector, will be used for a major modernization and expansion programme of the NRJ Group.

Several South Korean investors are interested in investing in Guyana's textiles, furniture, paper manufacturing and fisheries sectors and the two countries signed an agreement to promote and protect investments between them.

The contractors building the new state-of-the-art ophthalmology centre at Port Mourant, Corentyne, Berbice, are hopeful of meeting a November completion deadline. The facility under construction is another component of the Guyana/Cuba eye care initiative which seeks to provide for Guyanese, too. The \$140M edifice in the compound of Port Mourant Hospital will include a surgical unit that will cater for laser surgery and another for patient care and

consultancy services, both of which would be facilitated in a newly renovated section of the existing structure.

A New \$16.1M school building is to be erected at St Monica, an Amerindian community about 35 miles from Charity, along upper Pomeroon River. The project is being undertaken by the Government, through the Social Impact Amelioration Programme (SIMAP).

The Guyana Sugar Corporation (GUYSUCO) has announced that the foundations for the cane diffuser, the dewatering mills, as well as the two large concrete bases have been completed, and as such the infrastructural works at the Skeldon Sugar Modernization Project (SSMP) are moving apace.

The Resident Representative of the Inter-American Development Bank (IDB) has noted that the construction of the road from Mahaica to Rosignol on the East Demerara-West Berbice is part of a bigger effort to develop the transportation sector. Moreover, the contract for resurfacing the Demerara Harbour Bridge (DHB) has been signed and the contractor has begun procuring materials. Also, the construction of a modern hospital at Mabaruma in Region One (Barima/Waini) will start within the coming weeks.

The design and construction of the much-anticipated multi-billion-dollar Berbice River Bridge has finally commenced, the Berbice Bridge Company Inc (BBCI) has announced.

A total of US\$40M has been committed for the bridge project, including the bridge costs, financing related costs during construction and operating expenses during construction.

The major repairs to drainage pumps at Trafalgar, West Coast Berbice in Region Five (Mahaica/Berbice) are expected to cost approximately \$52M. Whilst, the residents of Region Two (Pomeroon/Supenaam) will see further development in the health sector this year, as several initiatives are ongoing to improve infrastructure and other facilities, according to the Regional Executive Officer (REO).

U-Mobile has launched two new lines of products; Conference Calling and International SMS. The company has also stated that Digicel has not been negotiating with U-Mobile for acquisition of the company. The fast-growing Digicel has announced its intention of entering the Guyana cellular service market with the signing of a Memorandum of Understanding MoU with the Guyana Government for granting a licence to operate a Global Systems Mobile (GSM) service.

The Guyana Telephone and Telegraph Company (GT&T) says the firm is improving various aspects of its service while introducing new ones. Among the new features to be introduced is the Cell on Wheels (COW); a mobile cell site that consists of a cellular antenna tower and electronic radio equipment on a truck or trailer, designed to be part of a cellular network.

The Inter-American Development Bank (IDB) has handed over a cheque for \$1.4M to Arts Forum Incorporated. The cheque is evidence of the bank's support for the activities of the foundation in promoting cultural development in Guyana.

The Guyana Revenue Authority (GRA) has noted that the Value Added Tax (VAT) to be implemented in 2007 is not intended to increase the cost of goods to consumers, but rather they will be better off under the VAT system. VAT will not necessarily give rise to an increase in the commodity prices of goods. VAT in some cases will reduce the price of goods significantly, while in a few cases it may give rise to some slight increase.

A draft proposal is being prepared for funding, of about Euros 20M under the 9th European Union Development Fund (EDF), to further strengthen the country's coastal shore zone. The feasibility study for this project has been completed and is being reviewed after which it will be submitted to the EU along with a financial plan.

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