



CALENDAR OF KEY ECONOMIC EVENTS

December 2006

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

DECEMBER

Hailing a U.S.-government funded project which is working with farmers to export 80,000 pounds of pepper and 23 containers of squash and pumpkins monthly, President Bharrat Jagdeo said his government wants an agriculture diversification strategy that meets the needs of farmers. Such a strategy, he said, must also create opportunities for the people in the vast hinterland who still grapple with poverty.

Local aquaculture farms, such as Von Better Aquaculture Enterprise and East Coast Aquaculture, have been ramping up operations and production facilities as they work towards next year's target of having tilapia ready for export to the United States. That's the word from the National Aquaculture Association of Guyana (NAAG) which is being supported by the United States Agency for International Development (USAID)/Guyana Trade and Investment Support (GTIS). The

association said its overall objective is to increase tilapia production to begin exporting in the first half of 2007.

Guyana is likely to sell chicken, beef to T&T soon. A team of experts from the Animal Health Unit of the Ministry of Agriculture in Trinidad and Tobago is expected here early January 2007 to inspect poultry facilities to certify the export of chicken and beef there. Trinidad and Tobago Government last week announced its willingness to import chicken from Guyana and Minister of Agriculture, Mr. Robert Persaud was informed of the team's intended visit and expressed Guyana's preparedness for the inspection.

Six per cent pay rise for Disciplined Forces. Head of the Presidential Secretariat and Cabinet Secretary, Dr. Roger Luncheon has announced that members of the Disciplined Forces, in the Police, Army, Fire and Prison services, will receive a six per cent pay increase retroactive to January 1, 2006.

The implementation of the Value Added Tax (VAT) will improve the economic and social sectors in Guyana while broadening and modernizing the tax system. VAT is not a new tax but will replace eight taxes that Guyanese consumers pay. The taxes that VAT will replace are Consumption Tax, Hotel Accommodation Tax, Telephone Tax, Purchase Tax, Service Tax, Premium Tax, Travel Voucher Tax and Entertainment Tax. Additionally, a number of items will be zero-rated which means these items will attract zero per cent VAT with effect from January 1, 2007. These include basic food commodities - bread, rice, milk, sugar, onions - and educational services and materials; water and sewerage services, and locally produced building materials. Under VAT a significant amount of consumer goods and services will become cheaper because they will be taxed at a rate of 16 per cent in comparison to what currently obtains an average of 30 per cent Consumption Tax.

SIMAP \$25M roads commissioned in Region Four. New roads at Hope Enmore and Melanie, on East Coast Demerara, were commissioned for use Wednesday. The roadways were built through projects executed by the Social Impact Amelioration Programme (SIMAP). This year, the government allocated \$1.2 billion for more SIMAP undertakings in the education, water, drainage and irrigation, transportation (roads) and health sectors.

IDB debt relief resolution endorsed. President Bharrat Jagdeo says that during the Cochabamba Summit in Bolivia over the weekend, he was able

to secure an endorsement of the South American Community of Nations (SACN) of a debt relief resolution. He said they resolution petitions for 100 per cent relief of Guyana's stock of debt, with December 2004 as the cut off point, and to take effect from January 1, 2007. Guyana's debt to the IDB amounts to about US\$ 400M.

US\$5M sports complex for Essequibo. MINISTER of Culture, Youth and Sport, Dr. Frank Anthony announced that the government will construct a US\$5M multi-purpose sports complex in Region Two (Pomeroon/Supenaam).

He said consultations are to begin with the residents, early next year, on what indoor games and facilities they would need as the project will be a big boost to sports in the region.

\$250M Xmas bonus for Disciplined Forces. COMMANDER in Chief of the Armed Forces President Bharrat Jagdeo yesterday announced a \$250M Christmas bonus for the Army and other Disciplined Forces but forewarned that any bonus next year will be based strictly on performance. The Christmas bonus is in addition to the six per cent increase in salaries, retroactive to January 1, 2006, for the Army and the other Disciplined Forces that has already been announced by the government.

Omai bauxite sale not 'done deal' Primer Minister Samuel Hinds, who has responsibility for the mining sector, yesterday said the reported selling by Iamgold of its 70% share of Omai Bauxite Mining Inc. (OBMI) is "not a done deal." Canadian miner

Iamgold Corp. said it will sell the bauxite assets here that it inherited from its acquisition of Cambior Inc. to China's Bosai Minerals Group for about US\$46M. The effective date of the transaction, which includes US\$18M in debt, will be Dec. 31, Iamgold said. The company said it will receive about US\$28M in cash after privately held Bosai Minerals completes a confirmatory review of the aluminum ore assets.

President reports: Economy has done well. Guyana's economy has performed "exceedingly well" this year with a significantly higher growth in real Gross Domestic Product (GDP) than originally forecast and a reduction in the inflation rate, according to President Bharrat Jagdeo. "Things went well, the real GDP growth is significantly higher than what we had forecasted, we have seen an increase in exports and an increase in central government revenue and a significant buildup of reserves – net foreign currency holdings in the central bank from last year to this year," the Guyanese Head of State proudly declared. With regards to the inflation rate, the President said "we were targeting somewhere around 5% which is excellent especially coming down from last year and this is a big achievement in light of what is happening around the world."

President pleased with IDB debt write-off lobby. President Bharrat Jagdeo has again lauded the committed lobbying efforts during the big battle this year for Guyana and some other countries to secure a 100% debt write-off from the

Inter-American Development Bank (IDB) effective from January 1, 2007.

Guyana scores with international birders. Seven international birding tour operators who were here recently plan to start selling Guyana as an ideal destination for bird watching, tour organizers said. The tour operators and two media representatives from the United Kingdom visited several locations in Guyana from November 12-26 as part of the birding tourism programme that is a joint partnership between the Guyana Tourism Authority (GTA) and the United States Agency for International Development (USAID)/Guyana Trade and Investment Support (GTIS) project. After spending nine days birding throughout Guyana, including stops at Georgetown's Botanical Gardens, the Shanklands, Baganara and Arrowpoint resorts, Kaieteur Falls, Surama Village, Iwokrama, Wowetta Village, Rock View Lodge, and Karanambu Ranch, the nine visitors concluded that Guyana is a fantastic wilderness.

More land leased in Region Nine for logging. The scope for agriculture in Rupununi, within Region Nine (Upper Takutu/Upper Essequibo) will be further expanded following the handing over of 15,000 acres of land for logging. Head of Guyana Forestry Commission, Mr. James Singh, officiated at the presentation of the permits, on behalf of the government.

Big EU boost for rice sector. The local rice industry has received a boost with the launching of a European Union (EU) one million Euros (G\$250M) funded research and extension

programme to improve its competitiveness in the face of the dismantling of preferential markets under an increasingly liberalized global trading. The programme is part of a 12.7M Euros support scheme to bolster the competitiveness of the local rice sector. Under the Cotonou agreement between the rice exporting nations within the African, Caribbean and Pacific (ACP) grouping and the EU in 2000, the latter pledged 24M Euros to provide operational, institutional and technical support to enhance the competitiveness of the rice industries of these countries.

Better, more seed paddy expected from EU scheme. The quality and volume of seed paddy is expected to be significantly higher with the implementation of a one million Euro (G\$250M) European Union (EU) funded research and extension programme. Under the project, he said, some 150 rice farmers from across the rice growing regions will be identified, trained and contracted to cultivate 1,006 hectares (2,500 acres) of seed paddy per crop, producing 75,000 bags which will satisfy 30% of the national demand.

GRDB reports increased rice production. Major investments by the government, aimed at confronting challenges facing the rice industry are proving successful and production has exceeded the projected target of 297,000 tonnes, by 7,000 tonnes, this year.

Parties agree on sugar workers pay hike. The Guyana Sugar Corporation (GUYSUCO) and the Guyana

Agriculture and General Workers Union (GAWU) signed on to an agreement that will give sugar workers a 5.5 per cent increase in wages and salaries for this year, the corporation reported. This came after a round of negotiations on a pay increase between the parties reached a deadlock and Chief Labour Officer, Mr. Mohamed Akeel, was called in to arbitrate.

GAWU, after meeting its members, settled for the 5.5 per cent increase, the sugar corporation said. GUYSUCO quoted its Chief Executive Officer, Mr. Nick Jackson, as saying that if the corporation continued to pay increases of five per cent every year, its wage bill would move from \$15B to \$20B. Sugar workers went on strike for a total of five days over the wages dispute. GUSUCO, in a press release yesterday, said losses from the strike action amounted to more than \$600M.

*Bureau of Statistics
National Accounts Department
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