



CALENDAR OF KEY ECONOMIC EVENTS

February, 2007

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

FEBRUARY

A new well and a multi-million dollar water treatment plant are to be sited at Cotton Tree, West Coast Berbice, resulting in a significant increase in the availability and quality of potable supplies also to several villages from Shieldstown to Inverness, West Bank Berbice, in Region Five (Mahaica/Berbice).

The Latin American Fund for Irrigated Rice (FLAR) scheme, to introduce an internationally accepted six-point system of rice cultivation, is now being demonstrated to farmers in Region Five (Mahaica/Berbice). With the objective of increasing yields per acre, the strategy emphasizes timely planting, treatment of seeds before they are planted, use of correct seed rates, early weed control, proper plant nutrition and stringent water management.

Cabinet, at its meeting at the Office of the President, gave the 'green light' for the awarding of about \$380M in contracts spanning several fields including Agriculture, Housing and Water, Home Affairs and Public Works.

Rice farmers on the Essequibo Coast are taking advantage of the current dry weather to harvest paddy from their fields. Officials said harvesting is in full swing but some fields that were sown late are still in various stages of growth on the 32,500 acres planted. Meanwhile, the Regional Drainage and Irrigation Department is grading and preparing dams along which the grains have to be transported to mills.

The New Guyana Marketing Corporation has urged farmers of Region Two (Pomeroon/Supenaam) to form a Farmers Association to increase the production of non-traditional agriculture produce.

President Bharrat Jagdeo visited the National Agriculture Research Institute (NARI) at Mon Repos on the East Coast Demerara. Noting that the annual budget to NARI is some \$200M, he urged officials at the institute to develop a plan to move from mere experimenting to facilitating expanded agriculture commercialism.

The expansion of aquaculture will be given special focus this year by the administration as it has been recognized as a sector with tremendous growth potential. Consequently, it has been targeted for development under the government's National Competitiveness Strategy (NCS), resulting in the formation of the National Aquaculture Association of Guyana (NAAG). The plan seeks to realize the establishment of ponds across 9,000 hectares by 2015, to produce \$63 billion sales, \$56 billion from export earnings and creating an estimated 3,000 jobs.

Several major initiatives will be undertaken this year to boost research capacity in support of agricultural development locally. The execution will be by the National Agricultural Research Institute (NARI) which is mandated to increase productivity and improve the quality of crops and livestock for domestic use and export.

The production of Bull-Nose peppers in Guyana is set to skyrocket after 30,000 pepper plants are handed over next week to 20 farmers from Parika in Region Three (West

Demerara/Essequibo Islands). The handing over Monday is part of the first phase of a non-traditional agricultural diversification project that is a partnership between the Ministry of Agriculture, the National Agriculture Research Institute (NARI), the Poor Rural Communities Support Services Project (PRCSSP), the Guyana Marketing Corporation (GMC), and the United States Agency for International Development (USAID)/Guyana Trade and Investment Support (GTIS) project.

The Guyana Rice Development Board (GRDB) is checking rice mills in Regions Four (Demerara/Mahaica) and Five (Mahaica/Berbice) in relation to the requirements of the recently amended Rice Factories Act. Export licenses are to be renewed next month and the general aim is to ensure that millers are complying with the physical requirements of the Act as well as those stipulated in relation to payments for paddy bought from farmers.

Guyana Stockfeeds Limited has begun shipping parboiled rice to Holland under the brand name of Angel Parboiled. Initially, the company will be exporting five containers which amount to some 500 tonnes, but there is a demand for some 2,000 tonnes per month. However, because of a shortage of paddy, this demand cannot be met at present. Currently, the volume of exports would see Guyana earning about US\$800,000 per month. In

addition, over 300 persons are indirectly employed as a result of the new market, apart from some 50 directly employed in the operations.

The management of the Mahaica/Mahaicony/Abary Agricultural Development Authority (MMA/ADA) yesterday refuted allegations that it was unresponsive to an irrigation crisis threatening rice cultivations in the Abary/Berbice area

Prolonged dry weather is causing concern among rice farmers in the Mahaicony area. Farmers say semi-drought like conditions in recent weeks have caused a severe drop in the level of the Mahaicony River with the result that they are currently unable to access badly needed irrigation water for their crops.

A top official with the Skeldon Sugar Modernization Project (SSMP) has painted a futuristic picture of the technologically advanced equipment which will be in use when the G\$22 billion project is completed early next year. Mr. Paul Hough, of Booker Tate Limited United Kingdom, Project Director, said mechanization of harvesting and complete automation of the sugar production process are two main elements of the leap of sugar production at Skeldon into the 21st century. In the project, cultivation at Skeldon will be increased three-fold, moving from 5,000 hectares to 15,000 hectares, and there will be increased sugar production from forty thousand

tonnes to one hundred and fifteen thousand tonnes per year.

Digicel Chief Executive Officer, Mr. Tim Bahrani, says he would like to inform the international business community that “Guyana is a country that is open to business”, and the mega-launch here of the giant telecommunications company is testimony to this favourable investment. “Fifty Digicel stores opened their doors (Wednesday) morning to what can only be described as a simply amazing welcome from the people of Guyana,” Bahrani said. “Digicel has committed US\$60M in building a state of the art network in Guyana (and) we have partnered with world leading GSM provider, Erickson, to bring coverage to areas in Guyana that have never had it before.”

President Bharrat Jagdeo lauded the entrance into the Guyanese market by Digicel, saying this has effectively introduced much-needed competition in the sector, something his government has been vigorously pushing for over the past few years.

The stage is set for endorsement at next week's Inter-Sessional Meeting of Caribbean Community leaders of the framework of a "single development vision" for the implementation process of the CARICOM Single Market and Economy (CSME) from January 1, 2009. The philosophical concepts, strategies and implementation schedules are outlined in a

comprehensive report by the Jamaica-born economist, Dr. Norman Girvan of the University of the West Indies on "Towards a Single Economy and a Single Development Vision".

Region Six (East Berbice/Corentyne), will receive additional resources to boost its infrastructure, especially roads, in anticipation of the Berbice River Bridge construction. Minister of Agriculture, Mr. Robert Persaud outlined the region's major development plans for the year and said more than \$700M will be spent to upgrade and construct roads in New Amsterdam, upgrade others in Rose Hall and Corriverton and continue rehabilitation of the Corentyne Highway from New Amsterdam to Moleson Creek, under an \$8.2 billion project.

The head of the Presidential Secretariat Dr. Roger Luncheon said the government would be contributing \$10.8M to support this year's Mash activities in all 10 administrative regions, cultural ministries and departments.

A US\$25.5M five-year Health Sector Programme (HSP), co-financed by the Government of Guyana and the Inter-American Development Bank, was launched at the Georgetown Club.

Works to facilitate the installation of about 50 traffic lights under a US\$2.1M government project are progressing in several areas of Georgetown.

The current and capital estimates of this year's \$100 billion national budget were approved in the National Assembly after three days of deliberations. The US\$25M Justice Sector Reform programme is expected to advance interaction among judicial institutions at the coordination and operational levels, enhance the investment climate through improved governance and reduce the backlog of court cases.

The \$100B budget will see heavy spending in the education, health and security sectors, and significant sums have been allocated to sea defence and drainage and irrigation as the government sees the agricultural sector, with activities concentrated on the vulnerable coastal belt, as a continued stronghold to national development.

A Chinese company announced that it plans to inject some US\$100M in projects here, primarily in the production of value added forestry products. President of Bai Shan Lin, Chu Wenzhe, announced that he intends to inject US\$100M into value added production at two locations - Linden and Georgetown in Region Four (Demerara/Mahaica). According to Mr. Wenzhe, to date some US\$10M in various kinds of logging equipment from China and other countries has been imported for felling and timber processing, while another US\$5.1M has been received to facilitate the project. And by the end of June, he said, another US\$7M in machinery and equipment is

scheduled to arrive. When operations peak, Bai Shan Lin's production capacity would reach 300,000 to 500,000 cubic meters of processed timber annually, making it the largest producer of such products in Guyana, Wenze said. In addition, he indicated that about 800 to 1,000 Guyanese will be employed as his company intends to employ a workforce comprising 80% Guyanese and the remaining 20% will be mainly Chinese technical staff. Profits from its operations will be used to expand into other ventures and businesses here, he said.

Guyana's policy with respect to the export of logs, which has recently become contentious, is expected to be defined shortly following a public consultation with officials and other stakeholders in the forestry industry.

President Bharrat Jagdeo announced that the Guyana Government and the Russian giant aluminum company, RUSAL, have entered into a Letter of Intent (LoI) for that company to pursue the development of a hydro power plant, an alumina refinery and an aluminum smelter in Guyana. If found feasible, these projects could start, based on the Letter of Intent, before the end of 2011.

Chairman of Region 10 (Upper Demerara/Berbice), Mr. Mortimer Mingo and Chairman of the Interim Management Committee (IMC) for Linden, Mr. Orrin Gordon have both expressed satisfaction with recent

developments in the bauxite operations in the town.

An agreement between the government and Citizens Bank Inc. has concluded bringing an amicable closure to the bauxite bonds issue which was pending for years, the Finance Ministry reported. Citizens Bank is the current registered holder of 18 government bonds denominated in both US dollars and Euros, with a current face value of US\$21M and Euros 3.9M. The ministry said the government has offered to make an immediate cash payment of US\$5M and for the remaining balance, issue a three-year debenture denominated in Guyana dollars with a variable interest rate equal to the average one-year Treasury Bills rate, and this has been accepted by the parties concerned.

Top executives of CGX Energy Incorporated and Repsol YPF oil companies met President Bharrat Jagdeo. With an award in the arbitration between Guyana and Suriname over the maritime boundary of the two countries to be announced shortly by the Hamburg-based United Nations International Arbitral Tribunal on the Law of the Sea, discussions are being held with oil stakeholders on resumption of exploration activities.

An amicable and honourable solution has been reached with regard to the government's concerns about the sale by Canadian mining company IAMGOLD of its majority shares in

Omai Bauxite Mining Inc (OBMI) to Bosai Minerals Group Company Limited of China (BOSAI), the major stakeholders announced in a joint statement.

OMAI Bauxite Mining Incorporated (OBMI) is expected to proceed with the construction of an alumina plant to ensure the acquisition of a mining license for Block 37, within the existing mine field at Linden.

Republic Bank is set to establish a new state of the art branch at Camp and Robb Streets in Georgetown through the injection of some \$1.3 billion -- an indication of its intention to remain in Guyana.

As part of its commitment to the five-year 'Country Programme of Cooperation', the United Nations Children's Fund (UNICEF) signed its second annual work programme with the government, which outlined the various activities to be undertaken in Guyana during this year. Activities to be undertaken under the multi-million-dollar programme include setting up a 'Children's Budget' in collaboration with the Ministry of Finance; the development of a National Child Protection Strategy in collaboration with the Ministry of Labour, Human Services and Social Security; and its continued assistance to efforts by the Health Ministry in achieving universal access to the prevention of mother-to-child transmission of HIV.

A *US\$18M loan agreement* was signed at the Ministry of Finance between the Ministry of Local Government and Regional Development and the Inter-American Development Bank (IDB) for the construction and operation of a sanitary landfill facility at Haags Bosch on the East Bank Demerara.

The Ministry of Tourism, Industry and Commerce will be moving forward this year with plans to, among other ventures, establish a Small Business Bureau (SBB).

Seven guides from international tourism operators, a representative from the UK birding media, and the co-founder of the British Bird watching Fair are here on a product familiarization tour, called a FAM trip by the industry. Organizers said it is the third FAM trip to bring international tour operators and media to Guyana to sample and evaluate the country's birding experience as a part of the Guyana Tourism Authority (GTA), United States Agency for International Development (USAID)/Guyana Trade and Investment Support (GTIS) birding tourism programme.

*Bureau of Statistics
National Accounts Department
Georgetown, Guyana.
February, 2007.*