

## **Annex**

# **CALENDAR OF KEY ECONOMIC EVENTS**

## **October to December 2005**

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

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### **OCTOBER**

*The Guyana Rice Development Board (GRDB) and the Ministry of Agriculture are pushing the drive for high quality and high yielding rice varieties so that the industry can become more competitive in the face of eroding preferential markets. The objective is to increase yields from the current 3.5-4 tonnes of paddy per hectare to 6-8 tonnes per hectare to boost production and productivity and allow Guyana to become more competitive.*

*Several rice farmers in Region Five (Mahaica/Berbice) benefited enormously from field visits to experimental rice and rice/fish cultivation plots in West Berbice. They made the comments following a field day on the outcome of trials of five new varieties of rice plants and an integrated rice/fish pilot project at No. Six Village, West Coast Berbice.*

*Action and not talk is urgently needed to rescue the vital agriculture sector in the Caribbean, President Bharrat Jagdeo stressed that at the conference, themed as, 'Increasing investment flows for the development of rice and other agri-businesses of the Caribbean'. President Jagdeo pointed out that although the importance of agriculture to the region has long been recognized by CARICOM – it is even included in the community's founding Treaty of Chaguaramas – very little was*

*done to move the sector forward over the years. Thus, much more is needed on both the financial and administrative sides to achieve the goals of a productive and efficient agricultural sector in the Caribbean as a whole.*

*At the Fifth Caribbean Week of Agriculture (CWA) in St. Kitts and Nevis, Guyana's participation in the Agriculture and Trade Show was highly successful. Guyana's exhibits included both fresh local produce and processed products,*

and it is likely that this will open avenues for export to other Caribbean Community (CARICOM) member countries.

*A mixture of earthworms and manure* has been stirred to help farmers in rural communities produce more, compete better on the world market and lower production costs. The use of vermicompost as an organic fertilizer will alleviate the problems caused by chemical fertilizers, pesticides and farm machinery.

*A three-day agriculture financing encounter* at Le Meridien Pegasus Hotel in Georgetown ended on a successful note with participants resolving to, among other things, strengthen the relationship and create a network between the banking and agriculture sectors in the region. Moreover, venture capital and equity sharing were also highlighted as innovative and crucial ways of providing financing to further develop the sector.

*The green light has been given* to establish a Timber Marketing Council by the Guyana Forestry Commission (GFC). This initiative will propel the forestry sector. The role of the Marketing Council is to coordinate marketing activities, provide advice on the type of

wood in demand and to address and explore lesser used species.

*A new greenheart timber revetment* is under construction at Lima, Essequibo foreshore to protect the existing concrete groyne there from falling into the sea sluice channel. One of the main functions of the structure is to prevent sand from getting into the channel mouth. The total cost of the project is \$16M, which also includes the construction of a new bridge along Essequibo Coast highway.

*The Prime Minister commissioned* two photo-volt electrical generating units (solar panels) for Regions Seven (Cuyuni/Mazaruni) and Eight, (Potaro/Siparuni). The photo-volt units are part of Government's thrust to explore alternative energy sources, in light of surging international fuel prices. Among these is a wind farm at Good Hope on the East Coast Demerara, and a number of other options being considered, including hydropower, ethanol and bio-diesel.

*The Regional Development Fund (RDF)*, as outlined in the revised CARICOM Treaty, is intended to provide financial support for disadvantaged economies of the Community to help compensate for losses with the functioning of

the single market component of the CSME. Regrettably, for a variety of reasons, the region has failed to move the process forward to have the RDF in place to coincide with the proposed inauguration at the start of 2006 for the single market, knowing that 2008 is the target date for all member countries to be on board for the CSME. For Guyana, as well as the countries of the Organization of Eastern Caribbean States (OECS) and Suriname, being part of the Caribbean Single Market and Economy (CSME) without a Regional Development Fund (RDF) in place, as originally envisaged, is a difficult economic undertaking to put into practice.

*Capital works costing some \$154M in Region 5 (Mahaica/Berbice) are proceeding suitably. The ongoing projects include new community streets under the community streets programme (\$36M), other roads under the miscellaneous roads programme (\$30M), drainage and irrigation infrastructure (\$36M), bridges (\$10M) and construction of new health and education buildings (\$21M). Projects under health and education include completion of the Fort Wellington Hospital dental department started in 2004, completion of the Mahaicony*

*Hospital X-Ray Department, extension of the Zeeland Primary school Mahaicony to accommodate 200 more pupils, extension of Lachmansingh Primary school Bush Lot West Coast Berbice, also for 200 more pupils, and a variation to complete the upper flat of the Lachmansingh Primary school.*

*The Kaieteur National Park in Region Eight (Potaro/ Siparuni) will be boosted when a number of projects are completed. The facilities include a new souvenir shop, a boat house, a renovated airstrip and an administrative office.*

*This year, \$73.4M was allocated to Region Eight for various developmental projects, including the construction of heavy-duty bridges, primary schools at Paramakatoi and Kopinang and Teachers' Quarters at Kopinang and Tuseneng.*

*Under the developmental works programme as well, was the extension of health posts at Paramakatoi, Kopinang and Tumatumari and the construction of roads at Paramakatoi/ Karisparu and Waipa/Kaibarupai. Two tractors were also handed over to the Region this year.*

*Converting Durban Park and the Kitty Seawall* into showpiece recreational areas is part of the Georgetown Development Plan. Durban Park is to be developed for sports activities, including athletics and cycling. Moreover, lights have been erected along the western end of the seawall and efforts are being made to further develop the bandstand area with private sector participation

*The government has allocated \$30M* to install 100 culverts in South Ruimveldt Gardens to help ease flooding in that section of the city. Further, another \$20M will be allocated to several communities in Region Three, (Essequibo Islands/West Demerara) as the country continues to prepare for the rainy season due by the end of the year.

*Roads in several parts of the coast damaged* in the crippling January floods of 2005 will be repaired under a \$1.5B programme that also covers upgrading several towns and sections of Georgetown, Local Government and Regional Development. Thus, 100 damaged roads will be fixed under phase two of the Urban Development Programme (UDP) which also covers projects in Corriverton, New Amsterdam, Rose Hall, Linden, Anna Regina and Georgetown.

*The Social Impact Amelioration Programme (SIMAP)* has awarded a \$9.8M contract for a project extending potable water supply to villages aback of Burma, Mahaicony, East Coast Demerara. The network will be linked to an existing potable water distribution system north of the villages.

*Various parts of Berbice* will benefit from the government's Unserved Areas Electrification Programme (UAEP) later this year. The government paid Guyana Power and Light (GPL) \$1.2B or US\$6M to provide electricity to some 12,000 households this year. About 900 residences in Region Five (Mahaica/Berbice) and about 4,000 in Region Six (East Berbice/Corentyne) are expected to receive electricity under the UAEP.

*The tourism sector in Guyana* is merging together with the Inter-American Development Bank (IDB) and other Government agencies to develop a five-year strategic action plan for boosting the tourism industry. These include developing the "birding" and yachting industries in Guyana because of the many species of birds in Guyana.

*MICROFIN Caribbean Holdings*, a subsidiary of Development Finance Limited South America

(DFLSA) with headquarters in Trinidad and Tobago, is the most recent micro-financing institution on the Guyanese market. The institution will provide credit to micro, small and medium-sized enterprises, as it relates to financing for equipment and tools, raw materials and stock and the purchase of commercial vehicles.

*The Iwokrama Rainforest Centre* in Guyana has received a much needed \$22.8M boost from the British Government to develop and sustain its tourism potential at its field station located in the heart of Guyana's interior. Iwokrama's mission is to promote the conservation and sustainable and equitable use of tropical rain forests in a manner that leads to lasting ecological, economic, and social benefits to the people of Guyana and to the world in general, by undertaking research, training, and the development and dissemination of technologies.

*The Trinidad and Tobago Government* has written off US\$123.2M of Guyana's debt to that country. The two governments on October 6 last signed a bilateral rescheduling agreement to write-off US\$123,251,148.08 or G\$24.9 billion of Guyana's debt obligations to Trinidad and Tobago in accordance with the terms and conditions of the Paris

Club Agreed Minute of January 14, 2004.

*This bilateral rescheduling agreement*, which follows a similar agreement signed in October 1999, provides for a write-off of 70.08% of the relevant principal, including arrears up to December 1, 2003, and for the remainder of US\$52,620,924.26 to be rescheduled over 15 ½ years, at a market interest rate. In addition, the Government of Trinidad and Tobago has agreed to provide further debt relief to Guyana to assist in addressing the "formidable challenge of regenerating Guyana's social and economic infrastructure which was damaged by the flooding disaster early this year.

### **NOVEMBER**

*The National Agriculture and Research Institute (NARI)* is excited about the promise so far from tests on a local product that could replace imported pectin used to thicken jams and jellies. The locally made item could also find markets in the Caribbean if it could be manufactured commercially. Pectin is a water-soluble carbohydrate that occurs naturally in many ripe fruits and vegetables yielding a gelatin-like substance used to thicken jellies and jams.

*The British High Commission*, donated \$3M to the Small Business Development Finance (SBDF) trust to help small farmers. This will be used to support SBDF projects to help farmers increase their productivity, expand their business and for non-traditional agriculture production and processing.

*Moreover, Guyana will be receiving* a shipment of agriculture machinery and equipment valued at approximately four million Euros from the Government of Italy. The machinery and equipment are being provided as part of the loan agreement, and are expected to arrive by the end of the first quarter of 2006. The shipment will include machinery to assist in drainage and irrigation projects.

*The rice sector is in line for several enhancement projects* through the Agricultural Support Service Programme (ASSP) and the European Union fund, these includes a rice and seed training project that was cleared by the Inter-American Development Bank (IDB). The rice seed component includes the construction of a rice seed plant at No.56 Village, Corentyne, Region Six (East Berbice/Corentyne) valued at US\$478,000. It is expected to be operational by August next year. Additionally,

US\$360,000 is to be spent to upgrade the Burma Rice Research Station at Mahaicony in Region Five (Mahaica/Berbice). Meanwhile, the rice industry is also in line to benefit under a EU 10M euros fund, of which 3.5M will be spent on drainage and irrigation (D&I) in Region Two (Pomeroon/Supenaam), the agency said. It added that the other 6.5M euros will serve as a financial package for investment and credit to rice farmers.

*European Union* agriculture ministers struck a landmark deal to overhaul the bloc's subsidy-laden sugar policy, slashing prices by more than a third and offering generous payoffs to farmers willing to abandon beet growing. Their agreement means that the European Union will see its sugar production and exports fall sharply as its 40-year-old regime falls into line with a World Trade Organization (WTO) ruling that has branded most EU sugar exports as illegal.

*EU sugar policy* has survived virtually all attempts at reform since its birth in the late 1960s and is often attacked for harming Third World producers as it floods world markets with millions of tonnes of subsidized EU sugar and lowering prices.

*The Guyana Telephone & Telephone Company (GT&T)* has had to increase its marketing and sales expenditure by 18% in the third quarter or by US\$226,000 to combat "head on competition for GSM market share" with Cel Star. GT&T's wire line subscription grew by seven per cent from the end of 2004 to reach 111,215 but cellular subscribers increased by 45% to reach 219 329 from 150, 852 subscribers at the end of last year. However, subscribers with two handsets (TDMA and GSM) are located as two customers until their TDMA account becomes inactive and GT&T has over 75 000 GSM subscribers on its network.

*Omai Bauxite Mining Inc (OBMI)* expects to rake in US\$42M in revenues this year and has achieved commercial production of 27,100 tonnes of calcined bauxite in the month of October. This production compares with 14,200 tonnes per month for the first half of the year and 5,000 tonnes per month. Sales in the first nine months were US\$24.2M and Omai is expecting to have an operating cash flow in 2005 of US\$8M. The company's 70-30 joint venture between Cambior and the government of Guyana, expects to produce 217,000 tonnes of RASC bauxite in 2005 and

70,000 tonnes of chemical grade bauxite.

*There are major repairs set for Berbice*, which includes two key markets and a town hall in two Berbice municipalities. The jobs are to be done at Corriverton Market, Corentyne, at a cost of \$28,112,777 and New Amsterdam Market and Town Hall, on which the expenditure would be \$38,685,433. The funding will be provided under the Urban Development Programme (UDP).

*Several roads are also being upgraded* in New Amsterdam and these are being done under two multi-million dollar projects. Five miles of roads in Mara in Berbice are being repaired and four bridges constructed under a \$109M project. Another project in the region which costs \$191M covers repairs to deteriorated sections of the Black Bush Polder road and this is 40 per cent completed.

*The Ireng/Sawariwau Neighbourhood Democratic Council (NDC) in Region Nine (Upper Takutu/Upper Essequibo)* has completed its planned development projects for fiscal year 2005. Moreover, the people of Rupununi in Region Nine (Upper Takutu/Upper Essequibo) will benefit from better potable water supply when three additional wells

are drilled at Lethem and Culvert City. There are projects estimated to cost more than \$50M that have been earmarked for Port Kaituma and nearby satellite communities in Region One, (Barima/Waini).

*Further, the governments will spending \$110M* to develop the Dochfour/Hope housing scheme on the East Coast Demerara. This fund will be used to build roads in the relatively new housing scheme. Other works will include cleaning drains and providing water supply. Whilst, The residents of Sarah Village in West Mahaicony are to get potable water in their homes for the first time on completion of a \$17M project by the Social Impact Amelioration Project (SIMAP) early next year. Also, repairs Den Amstel Community Centre on West Coast Demerara, estimated to cost \$15.4M, have begun.

*The Government will fund* the construction of an \$8M nursery school at Port Kaituma, a \$12M extension of the primary school, and supply six computers for the secondary school at a cost of about \$3M and some \$1.2M in furniture.

*The Construction of a main access bridge* to the new Anna Regina housing scheme, on Essequibo Coast, has been completed with funding from the government. The

concrete and steel structure, cost \$8.9M, replaced an old one made of timber that had become very dangerous to cross.

*The Government, through the Poor Rural Communities Support Services Programme (PRCSSP)*, has spent \$132.3M to boost the agriculture sector in Region Two (Pomeroon/Supenaam) during 2004 and 2005. The aim is to alleviate poverty by constructing learning resource centres (LRCs), as well, in various communities.

*The establishment of a wind farm at Hope Beach on the East Coast Demerara* is a major step for Guyanese to develop wind energy. Thus, mobilization is expected to start next year on a 12 megawatt, 8,000 square metres wind farm at Hope Beach on the East Coast Demerara with a US\$15M investment by DELTA Caribbean N.V. - a wind energy company based in Curacao.

*Region 10 (Upper Demerara / Upper Berbice)* is poised to benefit from a projected \$15.6B in investments this year through projects set up by the Guyana Office for Investment (Go-Invest). The projects include ventures in the agriculture, processed and fresh foods, livestock, and telecommunications and mining sectors.

While the mining sector continues to dominate the region's economy with an estimated \$12B in investments from the Russian Aluminum Company (RUSAL) and the Omai Bauxite Company, significant investments are also projected in other sectors. The processed and fresh foods sector will benefit from a projected \$395M in investments from nine entities.

*A combination of local and foreign investments* in the forestry sector will result in about \$2.6B in projects from four entities. It is also important to note that a significant percentage of the investments are outside of the mining sector. This is part of the thrust to diversify the regions' economy, with less dependency on traditional sectors such as mining. While Region 10 has the second highest investments, Region 4 (Demerara/Mahaica) is benefiting from the highest with \$30.4B projected.

*The investments in Region Four* are from projects in eight key sectors. The tourism sector will benefit from the highest level of investment with more than \$13.4B. This is followed by the light manufacturing sector, with \$5.8B in investments. Other sectors to gain from major investments are information and communication

technology, processed and fresh foods, forestry, services, entertainment and financial services. Additionally, these investments will create employment for about 1,700 people, since a combination of local and foreign direct investment has contributed to these ventures.

*The Guyana Office for Investment (Go-Invest)* is projecting that more than 5,000 new jobs will be available through a combination of projects including investments by existing companies and a series of new business ventures. Hence, the ten administrative regions in the country are on the brink to benefit from a host of business ventures, spanning several key sectors, and many are in progress. These include investments in the forestry, mining, tourism, light manufacturing, financial, and processed and fresh foods sectors.

*Guyana is moving to set up an industrial estate in Lethem* as the forerunner to a free trade zone in the border region with Brazil in the push for closer integration with the rest of South America. Hence, the country's development is predicated on links with its South American neighbours and in this regard an industrial estate will be established at Lethem, eventually making it into a free trade zone.

*An employment agency has been set up to assist persons seeking jobs in the local economy. So far, persons seeking employment in the clerical, domestic, construction, nursing and teaching professions have contacted the agency. Employers seeking workers in similar professions and others such as drivers, handymen and pump attendants have contacted the agency.*

*A relatively new and exciting initiative to strengthen and drastically expand current linkages between the vital agriculture and tourism sectors was given a tremendous boost with the launching of an agro-tourism linkages project. The project is to strengthen tourism through developing linkages with the agricultural sector in the Caribbean and is the creation of the Inter-American Institute for Cooperation on Agriculture (IICA). Intended beneficiaries of the project include entrepreneurs and investors, agricultural producers and processors, rural communities, herbal medicinal and cosmetic processors and practitioners, hotels, restaurants and food service sectors, artisan and handicraft producers and service providers.*

## **DECEMBER**

*The revitalization of the pig industry in Guyana is high on Government's agenda to boost the diversification thrust, in keeping with the aim to ensure sustenance of the agriculture sector. This was emphasized during a National Forum on Revitalizing the Pig Industry organized by the Ministry of Agriculture, Fisheries, Other Crops and Livestock in collaboration with the Inter-American Institute for Cooperation on Agriculture (IICA). This is so, as the pig industry has the ability to generate income and create employment for more farmers, particularly in rural areas. Thus, 4,000 pig farmers stand to benefit from a programme aimed at increasing Guyana's ability to market pork, particularly in the Caribbean.*

*The construction of the modern Skeldon sugar complex is great news for the people of Berbice and a huge opportunity for the business community in the region. Moreover, earlier this year, an agreement was signed between China and Guyana for a US\$35M preferential loan from the Chinese Government to build the electricity cogeneration project of the Skeldon Estate modernization scheme. Thus, the production of sugar is expected to increase in*

2006 following the identification of markets for 450 000 tones of sugar.

*The government of Guyana* is exploring the possibility of refurbishing the traffic lights system in the city through the use of solar powered lights, with the help of an Indian company. An Indian company will conduct a survey of the non-working installations, and in the meantime, the government is exploring avenues for funding of the project.

*The Tourism sector in Guyana* continues to be the focus of attention for the government, and 2005 has seen some major developments in the sector. This is primarily the results of major efforts at promotion and product development that have produced elements of a recovery during the last quarter of 2005.

*As of June 30, 2005, the Insurance Premium* receipts of the five main insurance companies had grown from US\$77 million to US\$93 million (\$18.6 billion) as compared with 2000 where it was just US\$16 million (\$3 billion). The growth in insurance premium reflects 54% of insurance companies total liabilities, compared with 24% five years ago. Foreign liabilities of the sector including balances due to

foreign re-insurers grew by about US\$7 million over the last five years. Balances due in foreign liabilities as at June 2005 was US\$30 million, compared with US\$23 million in 2000. The insurance companies have strengthened their capital base over the review period to US\$27 million from US\$18 million, an increase of US\$9 million. This results in the industry being considered more financially efficient to honour their obligations from their reserves.

*The Bank of Baroda in India* plans to expand operations and is improving facilities aimed at making it the first choice bank for customers. The local branch will soon be benefiting from new and improved technology already implemented in India and other countries to help keep it abreast with the developing world. These include automatic teller machines (ATM), on-line services, mobile banking branches and 24 hour service. As part of its worldwide expansion plans, Bank of Baroda will soon be setting up a branch in Trinidad and Tobago which will increase trade, commerce and business activities between the Caribbean island and India.

*Cel Star Guyana* is to invest around US\$25m in the further enhancement of its cellular phone

service in Guyana next year. The company's projected 2006 investment in the improvement and expansion of its local service represents a roughly similar sum to that invested since it commenced operations in Guyana eleven months ago. Cel Star's infrastructural expansion priority in the new year will be the doubling of its existing forty-one service towers. In 2005 the company almost doubled the amount of its service platforms from twenty-three to the present number. This, 100% increase in the number of Service Platforms effectively means that the Company will be doubling the extent of its infrastructure in the local cellular phone industry.

*The Eccles Industrial site* on the East Bank Demerara continues with great advances and there was additional investment this year of G\$1B by investors. Thus, there are sixty – five (65) new expressions of interest for land at the site, especially from small manufacturers who are being forced out of residential areas.

*The local economy's* entry to the expanding carbon credits market when Guysuco's bagasse power generating project gets underway will see the World Bank purchasing US\$3.71M of Certified Emission Reductions (CERs) over

14 years. There is also an option for additional purchases and importantly, the power generated will displace 17.5 million litres per year of diesel valued at a minimum of US\$4.5M. The bagasse cogeneration project is part of a huge modernization scheme at Skeldon.

*The International Monetary Fund* approved a \$4.8 billion package to cancel the debts of 20 of the world's poorest countries early in 2006 under a plan launched in June by the Group of Eight major industrialized nations. The IMF's portion of the highly touted multilateral debt relief initiative will be funded in part by profits from 1999 off-market gold sales, as well as existing contributions by 43 countries to the IMF's lending facility for poor countries. The agreement will write off 100 per cent of debts to the fund at the end of 2004. No provision has been made for debt issued after Jan. 1, 2005. Among the countries to benefit from the IMF write-off are Benin, Bolivia, Burkina Faso, Zambia, Uganda, Cambodia, Tajikistan, Ethiopia, Ghana, Madagascar, Honduras, Guyana, Senegal, Nicaragua, Rwanda, Niger and Mali. The World Bank will announce a \$38 billion debt relief package, with the African Development Fund expected to follow.