SUMMARY

1. During the period under review, Guyana continued its efforts to liberalize and facilitate trade. These included: starting the operation of risk management in customs procedures; eliminating some export duties on non-manufactured goods; and concluding negotiations of new or revised (and more liberal) bilateral air services agreements with several trading partners. Guyana also lowered the corporation tax rate and adopted new laws concerning sanitary and phytosanitary (SPS) measures during the review period.

2. Since its previous Review in 2009, Guyana's economic performance has improved, supported in particular by foreign direct investment and the expansion of private sector credit. GDP growth has been robust; real GDP is expected to have expanded by 5.6% in 2014. Guyana's per capita GDP is estimated at close to US$4,000 in 2014, up from around US$2,360 in 2009. Inflation has become milder over the past years.

3. The current focus of Guyana's monetary policy is to attain price stability and provide adequate level of liquidity for credit expansion and economic growth. The benchmark 91-day Treasury Bill discount rate came down to around 1.6% in 2014 from around 4.2% in 2009.

4. Guyana's public finances improved during the first half of 2014 due to increased central government current revenue and lower capital expenditure, and the overall balance recorded a surplus. Public debt stood at around 56% of GDP in the first half of 2014, down from around 67% in 2009. Financial performances of public enterprises have been mixed during the review period; they deteriorated during the first half of 2014, after two consecutive years of surpluses.

5. The economy largely depends on the exports of some primary commodities including sugar, gold, bauxite, shrimp, timber, and rice. During the review period, Guyana's current account deficit worsened; in 2014, the deficit was estimated to have reached around 15% of GDP. This was mostly due to a large deficit in merchandise trade. The services account deficit slightly decreased during the review period; it was estimated to have amounted to around 5.6% of GDP, in 2014. Transfers, particularly remittances by Guyanese workers abroad, remained an important positive contribution to the current account.

6. Sustaining economic growth requires that Guyana continues to apply prudent macroeconomic policies, strengthens governance, and implements structural reforms, in particular, in the areas of electricity and transport.

7. The Government intends to encourage inward foreign direct investment. National treatment is applied to all economic activities except for certain mining operations. During the review period, the Government took actions to improve the business environment such as lowering the corporation tax rates, restructuring property registration fees and establishing a credit report system. Incentives for FDI include income tax holidays, and tariff and value-added tax (VAT) exemptions.

8. Guyana is an original Member of the WTO and provides at least MFN treatment to all trading partners. It did not participate in the GATS extended negotiations on financial services or telecommunications. Guyana considers the multilateral trading system as the best safeguard for the interests of small developing economies, and advocates that the development needs of small economies, particularly special and differential treatment, should be maintained and strengthened.

9. Guyana continues to implement its National Trade Strategy, finalized in 2003, whose focus is to enhance market access for Guyanese exports. Guyana's trade policy is formulated by the Ministry of Foreign Affairs, and is coordinated within the Caribbean Community (CARICOM). During the period under review, no new regional trade agreements (RTAs) involving Guyana and its trading partners were concluded; RTA negotiations between the CARICOM and Canada are on-going.

10. Guyana's tariff structure is relatively simple: all tariff rates are *ad valorem*, and no tariff rate quotas are in place. All tariff lines are bound. The simple average applied MFN rate in 2014 was 12.1%, while the average bound rate was 58.3% in the same year. Applied MFN tariffs ranged from zero to 100%. 9.5% of tariff lines are duty free. The largest proportion of tariff lines (52.2%)

was subject to a tariff rate greater than zero but lower than 5%, while 18.7% of lines were subject to tariff rates between 15% and 20%. The simple average applied MFN tariff for WTO non-agricultural products (10%) was considerably lower than that for WTO agricultural products (22.7%) in 2014.

11. The VAT and the excise tax are applied to certain goods, domestically-produced or imported; for some goods, zero-rated VATs are applied to some domestically-produced goods but not to imports. In 2013, tariffs and other taxes collected from imports accounted for 45.2% of Guyana's total tax revenue. Duties on non-manufactured goods exported to the EU and the Dominican Republic were eliminated in 2012.

12. Guyana continued to streamline customs procedures and implement trade-facilitation measures during the review period. Since Customs started its operation of risk management in 2009, physical inspections have no longer been required for each consignment of imports and exports (except for export to the United States and the United Kingdom), and the length of time required for customs procedures has been reduced. In April 2015, Guyana established a national committee to coordinate the implementation of the WTO Agreement on Trade Facilitation. Guyana has not yet submitted its Category A notification under the Agreement.

13. Guyana maintains import prohibitions/restrictions for the reasons of, *inter alia,* public health, public safety, and international obligations. Products subject to import prohibitions/restrictions are listed in the Customs Act as well as in other laws. Guyana operates an import licensing system on a number of products. Among these products, rice, sugar, and arms and ammunition are subject to non-automatic licensing requirements. Goods originating from other CARICOM members are not subject to the import licensing requirements.

14. Guyana Sugar Corporation (GuySuCo) and the Guyana Gold Board are statutory state-trading entities for sugar and gold, respectively. Imports and exports of sugar (except imports of refined sugar) are exclusively reserved for GuySuCo; imports of refined sugar by other companies are subject to non-automatic licensing. Private persons/companies may obtain authorizations to sell or export gold.

15. In 2011, Guyana adopted new SPS laws. In the same year, it appointed the National Agricultural Research and Extension Institute as the national enquiry point in the WTO for SPS issues. Under the new law, imports of animals and animal products are no longer required to be sourced from prescribed countries, but may originate from any territories that are diseases-free determined by the World Organization for Animal Health (OIE).

16. As at end-March 2015, there were 531 Guyanese national standards. The authorities state that around 80% of Guyanese standards are aligned with international standards. In 2014, there were 22 technical regulations in force, most of which were on labeling requirements.

17. Guyana's government procurement regime remained largely unchanged during the review period; the National Procurement and Tender Administration Board remains responsible for public procurement in Guyana. The Competition and Consumer Affairs Commission was restructured and became operational in 2011 to enforce Guyana's competition policies. The authorities indicate that technical assistance is needed in both areas for further improvement of the system.

18. Most of Guyana's intellectual property laws date back to the period before 1966. With a view to speeding up the process and clearing the backlog, Guyana established in May 2014 a new commercial registry to handle administration of intellectual properties. Under the Economic Partnership Agreement between the CARIFORUM (CARICOM plus the Dominican Republic) and the European Union, Guyana is committed to adequately implementing its international obligations related to intellectual property.

19. Guyana's main agricultural products are sugar and rice. Sugar farming is dominated by the 100% 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 (e.g. fruits and vegetables). Against the background of changes started in 2006 in the sugar import regime of the EU, Guyana's main market for sugar, Guyana’s sugar industry has been making efforts to reduce production costs and diversify products.

Government support to agriculture mainly takes the form of extension services to farmers and various tax exemptions; provisions of grants and concessionary loans are generally limited, except to the rice industry. A revised National Log Policy, introduced in 2012, for 2012-2014 raised the commission rates levied on exports of certain species of log.

20. Mining and quarrying accounted for 18.0% of GDP in 2013, up from 14.2% in 2009; since the previous review of Guyana, there has been little change to the legislation governing the sector. Guyana remains almost entirely dependent on its imports of fuel oil for electricity generation: 95% of electricity is generated by diesel and heavy fuel oil, and 5% by co-generation using bagasse. No electricity is currently generated from hydroelectric power. The authorities maintain their commitment to the Amaila Falls Hydro-electric Project (AFHP) and expect financing of the project to be settled in 2015. In 2013, manufacturing (including food processing) accounted for 6.7% to GDP. Guyana relies heavily on imports of manufactured goods.

21. Services accounted for 60.4% of Guyana's GDP in 2013. The main subsectors identified in the national economic statistics are distribution, transport and communications, engineering and construction, and government services. During the review period, regulatory changes were introduced notably in financial services and air transport. In 2010, Guyana adopted the Credit Reporting Act to establish a credit reporting system; in 2014 negotiations of bilateral air services agreements between Guyana and several of its trading partners were finalized. The Government has recently been trying to renegotiate the license accorded to the *de facto* monopoly supplier of fixed telephony.