U.S. Department of State
FY 2001 Country Commercial Guide: Guyana

The Country Commercial Guide for Guyana was prepared by U.S. Embassy Georgetown and released by the Bureau of Economic and Business in July 2000 for Fiscal Year 2001.

Chapter I: Executive Summary

This Country Commercial Guide (CCG) presents a comprehensive look at Guyana's commercial environment, using economic, political, and market analyses. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. Embassies through the combined efforts of several U.S. government agencies.

Guyana is a small, poor, heavily indebted country with a wealth of natural resources. In 1989, Guyana embarked upon a series of market-oriented reforms, which produced consistent economic growth from 1991 after years of economic decline. There was a resumption of foreign investment in the early 1990s that fueled growth for most of the decade.

In 1998-1999, Guyana was affected by three events that hindered its growth. First, the El Nino weather phenomenon resulted in severe drought during the early part of 1998. The agricultural sector, which is the primary pillar of Guyana's economy and its foreign exchange earnings, was negatively affected by the drought. Second, in mid-1999, Guyana witnessed a 57-day strike by civil service workers that negatively affected Guyana's economic growth. The strike shut down main ports in Guyana, and shipping companies reported that large amounts of revenue were lost because their operations were held at a virtual standstill. Many ships avoided Port Georgetown, and foreign buyers turned to other markets to fill their orders. Firms reported that accounts lost were difficult to regain. Many firms, especially shipping and trading companies, found it difficult to maintain their businesses. As a result, they had to temporarily retrench their workers and close down their offices. Approximately US$5.4M in uncollected tax revenue was lost through the civil service strike. The year's tax target of US$82M was badly affected by the strike. In May 1999, Guyana's economy suffered another setback due to the temporary decertification of Guyana's commercial shrimpers from exporting to their largest market, the U.S. Because of noncompliance with U.S. fishing regulations that ensure the protection of endangered species, Guyana's exporters were not allowed to export any shrimp to the U.S. The industry responded well, however, and reformed itself in a short time, earning recertification within one calendar month. Due to the ban, Guyana's foreign exchange earnings were affected; Guyanese shrimpers lost an estimated US$1M in exports, and many processing workers (mainly women) lost their jobs.

In 1999, the relative political calm was punctuated by street demonstrations and vandalism. With few exceptions, little damage was done to people or property. There was opposition to the privatization of the Guyana Electricity Corporation (GEC), but in the end, a deal was sealed between the foreign consortium and the Government of Guyana. The latter half of 1999 was free of any serious unrest. However, the underlying roots of political instability remained only partially addressed, and thus the potential exists for renewed conflict in the future. This uncertainty continues to discourage investment.

The U.S. Embassy views Guyana as a potentially profitable site for American investors, particularly in the areas of primary materials, agriculture and some consumer products. Guyana has a vast array of exotic and gourmet food products, which have been in high demand in the Caribbean, North America and European markets. Products such as jams, jellies, sauces, processed spices, and fruit puree blends show great potential for increased production and export. There are also opportunities for the use of rice to manufacture items such as breakfast cereals for export. Potential investors should proceed with caution and patience, however, and realize that Guyana's infrastructure and legal frameworks are still developing.

Guyana's natural resource base includes gold, diamonds, bauxite, timber, seafood, and rich agricultural land used to produce sugar and rice. These resources, combined with a relatively small population, offer potential for growth and prosperity. Guyana's capital improvement program to develop its long-neglected physical infrastructure provides opportunities for suppliers of related products and services. In addition, Guyana's high affinity for U.S. products represents a nascent market for U.S. consumer goods. Franchising is on the rise in Guyana and should be regarded as a promising growth area for U.S. brands, which generally enjoy strong recognition and appreciation among Guyanese consumers.

Guyana needs new investment--although the amount and pace of investment will depend greatly on the further elaboration of government policies toward foreign investment. In 1999, with a new president at its helm, the government began to aggressively pursue investment. The Guyana Export Promotion Council was dissolved and its functions are now performed by the Guyana Office for Investment under the authority of the Office of the President. The government's decision to merge these two agencies was done to better serve and facilitate potential investors. In May 2000, the government entered into a 99-year agreement with Beal Guyana Launch Services L.L.C. based in Texas, USA, to establish a commercial satellite launch site in the Waini area of Guyana's northwest region. This deal will represent the first major foreign investment in Guyana in the past eight years. An initial Beal investment is estimated at US$100M, and it is expected to yield 200 permanent jobs. It will put Guyana on the map internationally and is expected to bring international media attention and business travel.

As a result of a business summit called by President Jagdeo on October 11, 1999, the government and private sector committed themselves to an investment code by the end of November 1999. A USAID- funded consultant and a Guyanese lawyer are currently assisting representatives of the public and private sector in drafting an investment code, which will then be put to a private sector/government committee for consideration. Additionally, USAID is also lending support to the private sector through the Guyana Economic Opportunities (GEO) project to prepare a concept paper for the creation of a private sector development bank. The bauxite mines, Linmine and Bermine, are scheduled for privatization. So far, four firms have pre-qualified to bid for the Berbice Mining Company (Bermine). Among those is the world leader in the production of primary aluminum, Alcoa World Aluminum. Four companies have also qualified to bid for 60 percent of the Linden Mining Company (Linmine). However, to date, only one firm, Aroaima Bauxite Company, has bid for Bermine. There was no bid for Linmine.

As of March 2000, the Guyana dollar had depreciated by 17.6 percent from 1998-1999 levels and it is predicted to further decrease in value in 2001. The dollar is freely convertible, although foreign currency shortages frequently lead to long delays when attempting to convert large sums. The actual inflation rate for 1999 was 8.6 percent, compared to the target of 5.5 percent in 1999. The unexpected rise in inflation was attributed in some degree to the increase in the customs valuation rate, the depreciation of the Guyana dollar, the quarterly increases in electricity tariffs and the significant increases in fuel prices for the latter part of 1999. Tariff rates are relatively high, not so much to protect the small domestic manufacturing sector, but as an important source of government revenue. Nearly half of the government's revenue is derived from customs and excise receipts.

Guyana currently enjoys preferential terms of trade with several nations, including the U.S. and Canada, as well as with the European Union. Guyana enjoys preferential treatment of its imports to the U.S. under the Caribbean Basin Initiative (CBI). These preferential markets are under increasing pressure, and will require significant adjustments in the sugar and rice industries in the next few years. An enhanced CBI trade agreement passed in mid-2000 will continue to provide additional preferential tariff treatment to a wide range of imports from Guyana until 2008. The new enhanced CBI places Guyana on a level playing field with imports from Mexico under the North American Free Trade Agreement (NAFTA).

The potential for growth in Guyana is constrained by, among other factors, a deficient infrastructure, a dearth of skilled human resources as a result of years of heavy emigration, an ambiguous investment atmosphere, a heavy debt burden, and lack of available local capital. Progress has been made in addressing some of these problems, most notably the debt burden and the infrastructure deficiencies. The other areas continue to present real difficulties with little perceptible improvement.

Doing business in Guyana is challenging. Legislation and regulations are often antiquated and many laws are being rewritten, creating confusion and uncertainty in the short term. Bureaucratic procedures are cumbersome and time-consuming. Decision-making is centralized and businesspersons, both Guyanese and foreign, say it is often difficult to know who the decision-makers are on a given issue or what the rationale was for decisions made. One of the biggest obstacles in establishing a business is navigating land deeds and title registries. Getting clear title to land is one of the most frequent administrative difficulties for prospective businesses. Some of these problems may be mitigated with the enactment of the promised investment code.

Some segments of the government and private sector are making efforts to improve the business climate, but those who seek to tap into Guyana's vast potential should be prepared for bureaucratic and infrastructure challenges. We encourage U.S. firms contemplating any substantial new business presence in Guyana to consult with the Embassy's Commercial Information Center.

Please consult the U.S. Embassy Georgetown World Wide Web site for updates and other information of interest to the business community. The web address is www.usembguyana.com. You may also visit the American Embassy Business Facilitation Website at www.us-guyanabusinessctr.com. The Business Facilitation Website was launched in February 2000 to promote trade between the U.S. and Guyana, and to act as a one-stop shopping center for e-commerce, investment and business related information.

Country Commercial Guides are available on the U.S. National Trade Data Bank on CD-ROM or through the Internet. Please contact STAT-USA at 1-800-STAT-USA for more information. Country Commercial Guides can be accessed via the World Wide Web at: http://www.stat-usa.gov and http://www.state.gov. They can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS.

Chapter II: Economic Trends and Outlook

Major Trends and Outlook

The year 1999 has been difficult for Guyana's economy. Political unrest following the December 1997 elections sent shock waves through an already weakening economy. Since embarking on a series of market-oriented reforms in 1991, Guyana had experienced strong and consistent economic growth, but this progress stalled in 1998 and continued to languish throughout 1999. A slight increase in GDP was due nearly entirely to bumper commodity crop yields, including sugar and rice. Inflation spiked during 1999 (up 8.6 percent, as compared to the government's original projection of 5.5 percent), nearly doubling the rates experienced during the early 1990s. Guyana's inflation rate is particularly sensitive to fluctuation in the exchange rate since a high percentage of both inputs and finished goods are imported.

In 1999, Guyana's real Gross Domestic Product (GDP) grew by 3.0 percent compared to the target of 1.8 percent. This growth was due mainly to the performance of the agricultural sector, particularly the sugar and rice industries. Sugar production increased by 25.8 percent, the highest output since 1978. The rice industry produced 7.6 percent more than in 1998.

The CY2000 budget presentation, further laying out the government's economic program, contains several proposals intended to foster private sector development and stimulate the economy. These proposed measures include: tax breaks on new business investment, reform of property rights and the land title system, creation of a securities market, new insurance regulations, and concessions for the establishment of a "private sector development bank" to provide cheaper credit to Guyanese businesses. The proposed initiatives, which at this time remain loosely defined, will require legislation to be implemented.

Principal Growth Sectors

Weakness in world commodity markets in general and the widely predicted demise of preferential markets for sugar and rice will force considerable restructuring in Guyana's economy. Guyana Sugar Corporation (GUYSUCO), the state-owned sugar monopoly under the contract management of the British firm Booker-Tate, is in the process of modernizing and rationalizing its vast sugar estates to bring its average cost of production into a competitive range, creating opportunities for equipment suppliers in that sector. Guyana also shows potential for medium-term growth in the mining and forestry sectors. An unknown area of potential is the prospects of offshore oil in Guyana's Exclusive Economic Zone (EEZ), a possibility that is beginning to be explored by international firms. Four oil companies, Esso, CGX Energy, Maxus Guyana Limited, and Century (Guyana) Limited, are currently pursuing offshore exploration possibilities. However, ongoing maritime boundary disputes with Suriname and Venezuela have adversely affected prospects for realizing off-shore production. Land-based oil exploration is also being pursued, most recently by Hardman Resources M.L. This company is seeking a license for the Entire Takatu Basin in Southern Guyana, an area of 10,000 square kilometers.

Much needed infrastructure developments represent opportunities in all facets of public works, principally construction, water supply, communications expansion, and power generation and distribution. Multiple privatizations offer investment opportunities for American companies. Some small manufacturing enterprises are being created and many existing operations will be re-tooling. Areas such as primary materials, agriculture and some consumer products are poised to become growth industries. Local products such as jams, jellies, sauces, processed spices, and fruit puree blends show much potential for increased production and export. There are also opportunities for the use of rice to manufacture items such as breakfast cereals for export. Guyana's fledgling tourism industry is not very profitable, but it is now beginning to show potential for growth, especially in the area of nature/eco-tourism, which offers a distinctive product. American business also stands to benefit from rising consumerism in Guyana.

Government Role in the Economy

Guyana has undertaken an Economic Recovery Plan in accordance with IMF recommendations. A top priority for the government has been debt relief. The Paris Club and Heavily Indebted Poor Countries (HIPC) initiatives have reduced Guyana's overall debt burden. However, the size of Guyana's debt-service payments has not been reduced, as the country must compensate for previously missed installments. Guyana successfully negotiated more than US$256M in debt forgiveness in 1999. Guyana continues to make progress in its debt restructuring and structural adjustment efforts, which should strengthen Guyana's economy considerably in the medium term.

Several state-owned businesses have been offered for privatization and government calls for outside investment have become frequent. The government is still involved in approving various business ventures, frequently at the Cabinet level, because there is no clear investment code. The government and private sector are currently working with USAID on the development of an investment code, which is badly needed to facilitate investment and growth. Prospective investors often experience long negotiation periods and delayed decision-making in an ad hoc process with limited transparency.

Privatization

In October 1999, after a lengthy process, the government finally privatized the Guyana Electricity Corporation (GEC). Sold to a British/Irish consortium, the new entity is called Guyana Power & Light (GPL). A foreign consortium called Commonwealth Development Corporation /Electricity Supply Board International of Ireland (CDC/ESBI), with a US$23.45M offer, won the bid for take-over of the local electricity enterprise. Initial ownership of GPL will be a 50/50 stock appropriation between the government and the investor. After two years, a percentage of the common shares of GPL will be offered to the public and other private investors. Privatization was initially held up by the sudden slide in the Guyana dollar starting in early 1998, as well as political unrest in Guyana.

With the GEC deal completed, the government moved on privatizing the national airline, Guyana Airways Corporation (GAC). Aviation Investments, a local consortium led by the Aircraft Owners Association of Guyana (AOAG), won a bid for 51 percent ownership of the new company, GA 2000, while the government retained 49 percent. The government also approved a 60 percent bid from Queens Atlantic Investments for control of the Guyana Pharmaceutical Corporation (GPC). Other state firms still on the auction block include Guyana National Printers, Guyana Stores, and the bauxite mines, Linmine and Bermine. Four firms have pre-qualified to bid for the Berbice Mining Company (Bermine). Among them is the world leader in the production of primary aluminum, Alcoa World Alumina, whose profits exceeded US$1B last year. The firms are bidding for a 60 percent interest in Bermine. But, to date, only one bid has been received from Aroaima Bauxite Company for Bermine, and none for Linmine.

Guyana's previous privatization efforts have met with mixed results. A few offerings were less than successful. Some observers attribute this failure to lack of interest or available capital, but it may reflect discomfort with the composition of the offerings which often restricted investors' business options and required some level of government share-holding. Privatization is also difficult due to the convoluted legal structures and confused rights of property ownership resulting from antiquated record keeping and the legacy of nationalization. Union concerns also weigh heavily in privatizations. The government's mixing of social goals in what the business sector would view as purely economic decisions creates difficulties in securing qualified bidders. Negative government statements about privatization, particularly of the giant state monopoly GUYSUCO, create the image of a country that is reluctant to privatize. The admirable speed and resolve that the government brought to resurrecting the GEC privatization in the wake of an abrupt collapse in 1998 was a positive sign, however. The government's successes in privatizing the GEC, GAC, and GPC in 1999 bode well for the country, and may change the negative attitudes associated with privatization in Guyana.

Balance of Payments Situation

Like many developing countries, Guyana is heavily indebted. Reduction of the debt burden has been one of the present administration's top priorities. Over half of the annual budget goes to debt servicing, hindering public investment opportunities. In May 1999, the boards of the multilateral institutions met and approved Guyana's qualification for the HIPC initiative. As a result, Guyana qualified for debt relief of about US$256M in net present value (NPV) terms, or US$437M over 20 years. Subsequently, Guyana met with its Paris Club creditors in June 1999, and successfully negotiated the "Lyons Terms," which topped up the reduction granted under the "Naples Terms" to 80 percent. In qualifying for HIPC assistance, Guyana, for the first time, became eligible for a reduction of its multilateral debt. Also, a debt buy-back operation that was financed by the World Bank and Switzerland resulted in the reduction of the country's short-term commercial arrears, from US$54M to US$17M.

Infrastructure

Guyana's infrastructure is severely deteriorated. Water supply is erratic, and was made worse by El Nino-related drought conditions and subsequent flooding in the latter half of 1999. Roads are in disrepair, although the government is in the process of resurfacing many important arteries. Transportation outside of Georgetown and other large communities is also constrained by too few roads, leading to congestion and occasional bottlenecks that can bring traffic to a standstill. The sea wall that protects the low-lying, populous coastal region suffers breaches, especially during the rainy season from November to February as high tides and strong winds stir up strong waves. However, the government has worked diligently to locate breaches, and to respond quickly when problems arise. In 1999, the government allocated approximately 350 million Guyana dollars for ongoing sea projects and repairs. Work is being done on the Essequibo Coast, especially the Henrietta and Anna Regina areas where breaches occurred. Farming is hampered by a need for improved drainage and irrigation systems. Telecommunications service has been upgraded since the 1991 sale of the state phone system to a U.S. firm, with much of the capital now enjoying sophisticated service carried on digital equipment. Expansion of the network has been slower than expected, however. This may be due to the Public Utilities Commission's mandating much lower than expected subscriber rates, which have substantially constricted the telephone company's revenue stream. At the end of 1999, the Guyana Telephone & Telegraph Company (GT&T) and AT&T entered into an accounting rate dispute that led to the termination of the carrier agreement between the two parties. Termination of the agreement resulted after GT&T refused to accept lower accounting rates of US$0.23 from AT&T instead of the previous US$0.87 rate. As a result, GT&T has switched to MCI, another U.S. carrier. However, MCI is also coming under pressure from the FCC to follow AT&T and institute lower accounting rates with GT&T. GT&T continues to put up a fight, but no one is certain what will happen after January 2002, when the rates have to be slashed to US$0.23 as set by the Federal Communications Commission. The government of Guyana has entered into discussions to break the 25-year monopoly granted to GT&T and to open the telecommunications market. However, if the government starts negotiating a break in the monopoly license, GT&T's expansion program may have to be put on hold.

There are signs of progress, however. With assistance from donor agencies, the government has begun various infrastructure improvement projects. There are several road construction and revitalization projects in progress. Ferry facilities in some areas have been upgraded, and the government has announced plans to build a bridge over the Berbice River and a deep-water harbor in New Amsterdam, Berbice. The sea defenses in Guyana are being repaired and constructed to prevent further flooding, and to prepare the sea defenses to withstand future shocks. New drainage and irrigation systems are being built, and there are plans to build a road connecting Guyana to Brazil. GT&T has submitted plans for further expansion contingent upon approval of increases in publicly regulated rates. However, because international accounting rates are due to drop considerably in 2002, the phone company will need to find new sources of revenue to ensure its survival. To date, the company and the government have held negotiations but no agreement has been reached on the issue.

There have been purchases of new power generation equipment and the government's privatization of the electric company should lead to significantly improved power infrastructure. In order for Guyana Power & Light (GPL) to provide an acceptable return to investors, however, electricity rates will need to be raised further. Rate increases are always a difficult political move in Guyana.

Chapter III: Political Environment

Relations with the United States

Guyana enjoys satisfactory bilateral relations with the United States.

Political Issues Affecting Business Climate

Guyana's business environment has regressed since 1997, and caution is advised for potential investors until the political situation relaxes somewhat. Both the ruling and opposition parties publicly support foreign private investment. The current government supports the idea of joint ventures between government and private investors, reflecting a desire to maintain a government role in business activities. The national elections in 1997 became an important factor in business decisions made in 1997 and 1998. A period of social unrest and insecurity, which occasionally turned violent, followed the elections and caused severe losses for local businessmen. Political instability also indirectly contributed to the collapse of the first privatization attempt of the Guyana Electricity Corporation (GEC). In July 1999, the main opposition party once again opposed the legislation and privatization of GEC by another foreign firm due to the ruling party's refusal to release details of the GEC privatization deal. However, the government and the second investor stayed the course, the government passed the necessary legislation (the Electricity Sector Reform Bill of 1999) that was required for the transaction, and the electricity company was privatized in October 1999.

Protection of the environment has also become a political issue. Guyana is rich in gold, diamonds, timber, and bauxite. To date most foreign investment has been concentrated in the exploitation of these resources. The government, aided by the international donor community, is working to institutionalize environmental regulations and monitoring. There is considerable deliberation over Guyana's use of its natural resources to further its development and the best way to encourage sustainable use of its vast rain forests. To oversee the protection of these natural resources, the Environmental Protection Agency (EPA) officially opened operations on June 5, 1996. The Agency charge to develop regulations should have a marked impact on business in Guyana. Under the EPA legislation, business ventures that affect the environment must undertake an environmental impact assessment in order to gain the necessary EPA approval.

The Political System

Guyana gained independence from Britain on May 26, 1966. The National Assembly is a unicameral legislature consisting of 65 parliamentarians. From 1964-85, Forbes Burnham, as head of the People's National Congress (PNC), governed Guyana. Burnham nationalized many industries and financial institutions and aligned Guyana with East Bloc countries. The current head of the PNC, Desmond Hoyte, became president in 1985 following Burnham's death, serving until 1992. The People's Progressive Party (PPP), led by President Cheddi Jagan, won free and fair elections in 1992. Following Dr. Jagan's death in March 1997 and the brief presidency of Samuel Hinds, Janet Jagan, Dr. Jagan's American-born widow, became Guyana's sixth President in December 1997. In August 1999, due to illness, Janet Jagan stepped down and was succeeded by Minister of Finance Bharrat Jagdeo. President Jagdeo was sworn in on August 11, 1999, and became Guyana's youngest President at 35. Samuel Hinds, who is affiliated with the Civic component of the PPP/Civic coalition, serves as Prime Minister. In November 1999, Jagdeo appointed a new Minister of Trade, Tourism and Industry and a new Minister of Finance in the Office of the President. President Jagdeo retains the Minister of Finance portfolio in relation to External Financial Negotiations. The PNC remains the major opposition party, but 23 smaller parties are also vying for support. Of the smaller parties, only the Working People's Alliance (WPA) and The United Force (TUF) retained representation in Parliament.

Guyana is a racially diverse and mixed society, but political affiliation is largely (although not entirely) based on ethnic background. The country is populated primarily by Indo-Guyanese (of East Indian origin) and Afro-Guyanese (of African origin) along with Amerindians, and smaller numbers of Chinese, Portuguese and other Europeans. Indo-Guyanese predominantly support the PPP while Afro-Guyanese tend to support the PNC.

Under the constitution, elections are required every five years, but a CARICOM-brokered post-1997 election settlement plan specifies that new elections will take place 18 months after the completion of a constitutional reform process. Under the Herdmanston Accord, the next general election must be held under a new constitution and no later than January 17, 2001. The upcoming election should be Guyana's third free election since it gained independence in 1966.

Chapter IV: Marketing U.S. Products and Services

Guyana is the only English-speaking nation in South America. U.S. products benefit from an excellent reputation in Guyana. North American origin is widely advertised by Guyanese businesses as a mark of quality. Guyanese generally have a high degree of awareness of and appreciation for American brands. This preference may be attributed to two factors. First, television in Guyana is heavily dominated by U.S. programming. Guyanese television stations, which pirate most of their U.S. programming, often broadcast the American advertising along with the pirated programs. Second, the strong ties between Guyanese and their family members living in the United States reinforce popular familiarity with American products and services.

Distribution and Sales Channels

Due to the small size of the local market, most U.S. firms prefer to use a local agent or distributor. One prevalent problem in this area is rampant violation of the rights of exclusive distributors. A host of small Guyanese "traders" regularly travel abroad and purchase wholesale quantities of packaged consumer goods, often choosing seconds or nearly expired products from discount outlets. These products are most often sold through Guyana's extensive network of virtually unregulated small shops and street kiosks. This practice undercuts exclusive distribution rights that authorized distributors may have with the manufacturer. It also negatively affects the brand image of a product line when customers associate unauthorized expired products with the legitimate brand name. Unfortunately, there is no effective institutional recourse in place to protect the rights of authorized distributors. Nonetheless, many U.S. exporters of consumer products will find that an agent/distributor arrangement is the most convenient, practical, and cost-effective mechanism for sales in Guyana.

The U.S. Embassy's Commercial Office offers the Gold Key service which includes customized market and industry briefings prior to business meetings followed by debriefings with trade professionals to discuss the results of the meetings, and appropriate follow-up strategies. To find out more about this service, U.S. exporters should contact the Commercial Section, American Embassy Georgetown, Department of State, Washington, D.C. 20521-3170. Tel: 592-2-54900-9, fax: 592-2-58497, e-mail: cgeorge61@hotmail.com.

Agents and Distributors: Finding a Partner

The Commercial Office offers the Agent Distributor Service to export-ready American companies. The Agent Distributor Service is designed to assist United States exporters to find interested representatives for their products in Guyana. The Embassy's Commercial

Information Center contains lists of major agents and distributors in Guyana for U.S. firms seeking trade opportunities. The Economic and Commercial staff publishes a quarterly newsletter, distributed to over 50 local firms and made available at trade events, which lists U.S. firms seeking local agents and distributors. U.S. trade opportunities are also publicized in the bulletin "Commercial News USA" and disseminated to over 200 local firms. Other outreach programs include visiting the several Chambers of Commerce around Guyana, and organizing trade delegations from Guyana to attend United States trade shows.

Franchising

While not yet common, franchising shows signs of growth in Guyana. Early successes in the petroleum sector and fast food outlets such as KFC, Pizza Hut, and Subway are already encouraging additional entrants. The Embassy's Commercial Information Center frequently receives inquiries from local business people interested in American franchises. The high degree of brand recognition makes franchising a good possibility for successful introduction of U.S. products and services in Guyana. A negative consideration is the relative weakness of intellectual property protection, which makes the franchisee potentially vulnerable to infringement. To date, the Embassy has not observed any actual incidents of franchise or trademark infringement.

Direct Marketing

Direct marketing is not widely used in Guyana.

Joint Venture/Licensing

In some sectors, most notably mining, joint ventures with a Guyanese partner are common. Many of the government's "privatizations" also result in joint ventures, with the government retaining significant ownership. While some investors are uncomfortable with this arrangement, others welcome such a structure, taking the view that it makes the government more of an ally. Licensing requirements are currently being revised for timber and mining operations. Due to recent environmental protection legislation, applicants for new timber and mining concessions can expect delays while regulations are being developed. Most other business operations require registration and incorporation. Local attorneys can best advise on these requirements.

Establishing an Investment Office

In 1994, the government inaugurated the Guyana Office for Investment (Go-Invest). Go-Invest is intended to be a "one-stop" agency for foreign investors who wish to do business in Guyana, but due to lack of adequate authority, Go-Invest has not yet fulfilled its promise. The director is Mr. Deochand Narain, Tel. 592-2-70653, 50658 or 50659. In 1999, The Guyana Export Promotion Council was dissolved and its functions were merged with those of Go-Invest under the authority of the Office of the President. The government's decision to merge these two agencies was done to facilitate investment. Prospective investors should still be prepared to consult with several ministries and agencies when starting a business in Guyana.

Businesses establishing operations to be managed exclusively by local personnel should be careful to develop good accountability systems and select management staff with care. Businesses should also plan to provide significant training, as personnel experienced in American-style business operations are scarce. Although labor costs are quite low in Guyana, it is generally a good investment to pay slightly more than the prevailing wages to secure qualified staff and avoid high rates of employee turnover and absenteeism.

Guyana has a fairly high incidence of property crime, particularly in the capital city. U.S. businesses planning to establish a presence in Guyana should plan for adequate physical security at all business and residential facilities. Local security contractors are readily available, but of uneven quality.

Advertising and Trade Promotion

Most advertising is done in local newspapers and on local radio and television.

Major newspapers are:

Stabroek News (independent daily), Anand Persaud, editor
Tel: 57473, 74076, 68981

Guyana Chronicle (government-owned daily), Sharief Khan, editor-in-chief.
Tel: 63243/9, 75204

Mirror (People's Progressive Party newspaper, twice weekly), Bhoj Tharay, editor-in-chief.
Tel: 62471/3

New Nation (People's National Congress newspaper, weekly).
Tel: 57852, 67891

Catholic Standard (voice of the Catholic Church, weekly), Colin Smith, editor.
Tel: 61540

Guyana Review (independent monthly magazine), David Granger, editor-in-chief.
Tel: 63139

Radio: There are two radio stations in Guyana, both run by the state-owned Guyana Broadcasting Corporation, Mark Bhagwandin, editor-in-chief. Tel: 60544

Television:

STVS Channel 4, Tel: 02-70580

CNS Channel 6, Tel: 02-61834

WHRM Channel 7, Tel: 02-70018

RCA Channel 8, Tel: 071-4180

NBTV Channel 9, Tel: 02-69986

LRTVS Channel 10, Tel: 03-4445

GTV 11 (government owned), Tel: 02-71566/7

RBS Channel 13, Tel: 02-64311, 02-77111

HGP Channel 16, Tel: 020-3995

NTN Channel 18, Tel: 02-61279

VCT Channel 28, Tel: 02-57761

MBC Channel 42, Tel: 02-53986

MTV Channel 65, Tel: 02-58944

Selling to the Government

Government procurement is generally by public tender. A number of ministries, including Agriculture and Public Works, have established Project Execution Units (PEUs) to implement projects. Large projects are the jurisdiction of the Central Tender Board. For some projects, international donors' procurement procedures are used. Government tender offers are published in the newspapers and generally have short bidding periods, which often must be extended to give interested bidders enough time to put together tender packages. Proposals have been made to amend the current operations of the Central Tender Board, which would lead to more efficient and transparent procedures, but they have not been implemented.

Protecting Your Product from IPR Infringement

Guyana does not have a Bilateral Investment Treaty (BIT) or an Intellectual Property Rights Agreement (IPRA) with the U.S. BIT negotiations have been entered into but IPRA talks have not yet begun.

A new copyright law is currently being drafted. Until local statutes governing the protection of intellectual property are revised, enforcement of intellectual property rights will remain weak.

Need for Local Attorney

Although based on Anglo-Saxon jurisprudence, local business law differs somewhat from common practice in the U.S. The U.S. Embassy strongly recommends retaining a local attorney for all but the simplest transactions. Interested investors are advised to consult a local attorney (listings available at the Embassy's Commercial Information Center) before opening an office.

Chapter V: Leading Sectors for U.S. Exports and Investment

A. Best Prospects for Non-Agricultural Goods and Services

1. Electrical Power Systems (ELP)

In October 1999, the government privatized the Guyana Electricity Corporation (GEC), with operations of the GEC transferred to Guyana Power & Light (GPL). A foreign consortium called Commonwealth Development Corporation /Electricity Supply Board International of Ireland (CDC/ESBI) won the bid for takeover of the local electricity enterprise with a US$23.45M offer. The government of Guyana (GOG) and the investor each holds 50 percent of the common shares of GPL, with the foreign investor holding management control. Within the first two years, five percent of the common shares of GPL are expected to be offered under a "Private Placement" to private and public institutions in Guyana. In addition, within five years, a further 15 percent of the common shares of GPL are expected to be offered to the public in an initial public offering (IPO). By the end of the five years, GOG and the Investor would each hold approximately 40 percent of the common shares in GPL. "Private Placement" and IPO investors would hold approximately 20 percent. The privatization was held up by the sudden slide in the Guyana dollar starting in early 1998, as well as by political unrest in the country.

It is estimated that investment of US$154M is needed to bring GPL to adequate levels of operation. The generating equipment currently owned by GPL is outdated and fails frequently. There have been some purchases of power generation equipment in the past few years but the new investor will be required to upgrade capability further. Some estimates indicate that there is demand for as much as 125 megawatts of electricity, while only one third of that is currently available. Transmission and distribution systems are similarly inadequate. The Inter-American Development Bank (IADB) plans to finance a study of needed transmission and distribution systems investments.

Mining and timber operations, by virtue of their geographic isolation from the GPL grid, will continue to use generators to meet their expanding power needs, creating a steady market for the supply and servicing of these products.

2. Agricultural Machinery and Equipment (AGM)

Agriculture plays a major role in the Guyanese economy. Sugar and rice are two of the country's largest exports. Both commodities have enjoyed record growth in recent years as the industries are modernized. The sugar crops were especially strong in 1999. GUYSUCO, the state-owned sugar corporation, is managed under contract by the British firm Booker-Tate. GUYSUCO continues its multimillion-dollar capital investment program funded by the World Bank and the Inter-American Development Bank (IDB). The company plans to invest over US$100M retooling its factories over the next five years. Most of the factory equipment currently in use dates back to the 1920s and '30s; the boilers are from the 1950s. The new Skeldon Project, an integral part of the corporation's Strategic Plan involves the construction of a new factory and the expansion of the sugar cane cultivation area. The Skeldon Project should be completed by 2003, and it is expected to revitalize the industry by contributing to increased production and reduced costs. In 1999, GUYSUCO attained its highest sugar production in twenty-one years, with production well exceeding the projected target set by the company. Guyana's sugar industry faces a significant challenge in upgrading its competitiveness, as its current cost of production is significantly higher than the world market price. However, the corporation has managed to reduce its production cost by US$0.04 per pound.

In 1998-1999, the rice industry rebounded well from the El Nino-related drought conditions, which cut rice production in 1997-1998. In March 1999, Guyana was successful in selling its rice to Central America and Peru. Jamaica lifted its 25% surcharge on Guyana's rice, and Trinidad & Tobago resumed importing parboiled rice from Guyana. However, external factors have negatively impacted the industry. The Guyana rice market in Europe began to experience difficulty as defects in the existing quota system resulted in a fall of exports to the EU to just over half of 1998's amount. The Guyana Rice Millers & Exporters Development Association also fears that the Jamaican market, an important export destination, will be flooded as a result of problems in the EU market driving prices even lower. Excess rice supply and stiff price competition in Jamaica have pared profits in that market. Preferential trade agreements have come under pressure in this sector as well, further threatening rice prices. The government has proposed a rice board to regularize marketing. Still, only the most efficient growers, using modern technology and benefiting from economies of scale, will prosper in the long run. The 57-day public service strike in mid-1999 affected the cultivation of 12,000 acres of rice. Millers were not able to pay farmers all their moneys due to non-shipment of exports, preventing the farmers from planting the forecasted amount of acreage.

To encourage continued investment in the agricultural sector, the government has removed the consumption tax on a range of agricultural inputs, including drainage and irrigation equipment, fertilizer spreaders, and agricultural and horticultural implements. This should encourage continued demand for U.S. products.

3. Telecommunications Equipment (TEL)

The Guyana Telephone and Telegraph Company (GT&T), 80 percent owned by U.S.-based Atlantic Tele-Network (ATN), has a monopoly agreement for telephone service in Guyana (although it does not have a monopoly on wireless service). After disagreements with the government over contracts and rate increases, GT&T proposed an ambitious new expansion program in June 1996. However, this plan has been jeopardized by a regulatory climate that has significantly undercut company revenue. To date, GT&T and the government have failed to engage in serious negotiations regarding the future of the utility after January 1, 2002, when international accounting rates will be forcibly slashed. The current accounting rate for Guyana is more than US$0.80, the amount added to the per minute cost of long distance phone calls between North America and Guyana. Half that amount goes directly to GT&T, which depends on the revenue to offset the low rate it charges for local telephone service. When the 2002 change (mandated by the U.S. Federal Communications Commission) occurs and accounting rates are dropped to

US$0.23 per minute, the utility will have to find new sources of revenue. The government of Guyana has entered discussions with GT&T to break the 25-year monopoly granted to them and to open the telecommunications market to competition. However, if the government starts negotiating a break in the monopoly license, GT&T's expansion program will have to be put on hold. If the government does open the market, several firms (at least two of which are American owned) have expressed interest in establishing domestic and international cellular service in the country. One company has claimed to be ready to invest US$50 million, while another may invest up to US$33 million.

4. Mining Industry Equipment (MIN)

In 1998, the gold industry did fairly well, with gold declaration being the highest since the advent of the Guyana Gold Board. However, falling gold prices on the world market over the last two years have resulted in a shift in mining operations in the local gold mining industry as some companies moved from being producers to service providers to the mining industry. The industry is also affected by the reduction in the soft rock reserves from which the ore is obtained. The gold industry faced disaster when the International Monetary Fund (IMF) proposed to sell gold reserves on the open market to finance debt relief for Heavily Indebted Poor Countries (HIPC), thus flooding the market with gold and drastically lowering the price. Following an outcry from gold-producing nations, including numerous HIPC countries, the IMF reversed its position on selling its reserves.

In 1999, the gold industry was assisted to some degree by state policies intended to ease the industry's problems. In 1999, Omai Gold Mines Limited, a joint venture by two Canadian firms, Cambior and Golden Star, began to experience problems. In seeking to deleverage itself, Cambior, Inc., which holds 65 percent of Omai's stock, has been moving to sell assets, including the Omai gold mine. Cambior has since been faced with a hostile takeover bid from fellow Canadian miner Aur Resources, Inc. As a result of these troubles, Omai had laid off nearly ten percent of its workforce by the end of January 2000. However, seven overseas firms have already expressed interest in taking over Omai.

In July 1999, Roraima Gold and Newmont Overseas Exploration concluded a joint venture agreement. The latter company will expend a minimum of US$5M over the next six years to earn a vested 75 percent interest in the project. Another local company entered into an agreement with a Miami-based company called Pangea Resources Limited. Pangea invested about US$5M and plans to employ around 200 Guyanese.

The bauxite industry provides a market for U.S. mining equipment, although this industry has been struggling in recent years. For reasons of geography and geology, Guyana's costs of production of bauxite are relatively high, making profitable operations in the sector a challenging proposition. The government has announced plans to partially privatize the state-owned bauxite companies, Linmine and Bermine, likely through a joint venture mechanism with the government. If the sales are completed, the new owners will be faced with outdated, inefficient equipment and will need to upgrade. However, Bermine recently acquired an excavator, which is expected to considerably improve mining at Kwakwani. Despite problems facing the bauxite industry in Guyana, Bermine has moved from financial losses in 1994-1996 to a US$1.2M profit in 1998. Of the two bauxite mines to be privatized, Linmine should prove the harder sell. Grossly inefficient and overstaffed, the mine's output value remains debatable, while liability for the necessary eventual environmental cleanup has yet to be assigned.

5. Architectural, Construction and Engineering Services (ACE)

The Ministry of Public Works oversaw a significant portion of the capital expenditure in 1999. The government will continue to emphasize infrastructure development including ongoing sea defense repair, road projects, upgrading of Cheddi Jagan International Airport, stellings (the local term for ferry landings) and wharves, water supply improvements, and housing developments, although perhaps at a reduced rate. Most infrastructure projects are funded by international financial institutions such as the World Bank and the Inter-American Development Bank (IDB) at concessional interest rates.

6. Forestry and Woodworking Machinery (FOR)

Forestry products are a fast-growing sector of the Guyanese economy. Guyana has a variety of tropical hardwoods and softwoods that are currently being harvested and exported. In addition to numerous local operators, a large Malaysian firm, Barama, is now logging a four million acre concession and manufacturing plywood for export (mostly to the United States) from its factory in Georgetown. In 1999, Barama received approval for a US$40M expansion to construct a complex for wood processing. This expansion will result in Barama's investment in Guyana reaching US$135M and its staff level reaching 2,100. Another Malaysian firm, UNAMCO, was granted a concession for 350,000 acres of timberland and began construction of its facilities in 1997. Timber produced during the first half of 1999 showed a slight increase of three percent. However, despite this improvement, the industry still suffers inherent problems due to declining markets. As a result, sawmills continue to contract operations. The prolonged public service strike of 1999 also affected the sawmills, as they encountered difficulty in clearing imported inputs through the Customs and Excise Department.

New legislation governing the sustainable use of forestry resources was passed in mid-1996. The government has granted exploratory leases to several companies, which is expected to lead to sustainable exploitation of large tracts in the interior. Expansion of the logging sector has been temporarily interrupted by a moratorium on new logging permits, pending the completion of a British development project that is expected to significantly increase the Government of Guyana's capabilities to enforce sustainable forestry regulations. Once this project is complete, development of the sector should continue apace on an environmentally sound footing. Any expansion of logging will create a need for related machinery. The government may be willing to consider consumption tax concessions for the importation of environmentally friendly equipment.

There is also a growing furniture manufacturing sector. Several companies have entered the market recently, with some moving into export oriented production. The now defunct Guyana Export Promotion Council had identified furniture manufacturing as one of the promising new areas of growth in the nontraditional export sector. Many investors are encouraged to participate with existing operators in activities to produce not only furniture, but also plywood and veneers, parquet, floor tiles, and kiln drying and wood preservation activities. As more companies shift toward export production, they will need machinery to meet their goals. In 1999 and early 2000, environmental groups in the U.S. succeeded in severely limiting the amount of greenheart exported to the U.S. The sale of the tropical hardwood was banned in New York City in March 1999. This ban has seriously affected the Guyanese timber export industry.

7. Management Consulting Services (Environmental Engineering) (MCS)

With the passage of the Environmental Protection Act in April 1996, an entirely new market has been created. All new business ventures that will affect the environment will be required to conduct an environmental impact assessment. To meet this requirement, there will be a need for environmental consulting services capable of conducting impact assessments. Companies proposing new ventures will contract the assessments with a consultant chosen from a list of firms deemed acceptable to the government. There is currently little, if any, capability to provide this service in country.

8. Computers and Peripherals (CPT)

As Guyana's economy develops, businesses are taking steps to upgrade equipment and expand operations. Few operations were previously computerized primarily due to the relatively high cost of equipment and the unreliable power supply. A number of small computer distributors have opened shop and several businesses and government agencies are beginning to computerize. Importers are aided by exemptions from duty on computers. Guyanese consumers gained Internet access in 1997, and demand has quickly expanded to nearly the extent of currently available capacity. Many international aid programs include office automation as part of their institution-building efforts for both the government and nongovernmental organizations. Guyana was well prepared for the Y2K millennium bug. All banks, government agencies, and many private companies embarked on programs to ensure that their computers were compliant and fully ready for the year 2000. The government formed a National Y2K Committee to ensure that all computers at the agencies were compliant, and it contracted a team of Canadian consultants to assess the readiness of government agencies for the year 2000. A grant of US$100,000 from the World Bank was used to perform the assessment, compile the report, and to set up the national committee.

9. Used and Reconditioned Equipment (USD)

The used and reconditioned equipment sector has a well-established, significant presence in the Guyanese market. This is due partly to the low income levels prevalent in Guyana, and partly because the customs regime currently in place puts a high cost premium on new goods. Potential suppliers should be aware that most reconditioned items are now subject to inspection by the Standards Bureau before being cleared through Customs.

10. Automotive Parts (APS)

All vehicles in Guyana are imported and are subject to a high tax regime, which often increases the price of a vehicle to more than twice its original value. Since the cost of new vehicles is prohibitive for most people and labor costs for vehicle repair are relatively low, cars and trucks have a much longer useful life than in the United States. Vehicles driven in Guyana often get hard use, frequently for business purposes, over poor roads in harsh climatic conditions. The economic need for people to maintain their vehicles for long periods of time results in a brisk trade in spare parts, many of which are imported from the United States by dealers who travel to the U.S. personally to source the goods. As more people are able to purchase vehicles, the demand for spare parts will continue to increase.

11. Packaged and Processed Food Products (FOD)

As Guyana's standard of living has risen over the last decade, American and other imported foodstuffs have become widely available in the local market. The leading sub-sectors of American processed food exports to Guyana are poultry meat, processed fruits and vegetables, and fruit and vegetable juices. Also prevalent are snack foods, condiments, cheeses and deli products, and breakfast cereals.

Market Size

Imports from the U.S. (Millions $)

SECTOR	1997	1998	1999
Agricultural Equipment	14.9	13.7	18.0
Mining Equipment	4.7	7.1	6.2
Electrical Generation Equipment	4.7	4.1	4.5
Motor Vehicle Parts	N/A	N/A	N/A

The above statistics are unofficial estimates, and are the latest available.

B. Best Prospects for Agricultural Products

The market for agricultural products is limited by Guyana's population and income levels. Few fresh agricultural products are imported. Most processed foods are imported, often by traders who travel to Trinidad or Miami, bringing back suitcases full of processed food to sell to stall owners in markets and small grocery stores. There has been an increase in the importation of larger amounts of processed foods with the opening and expansion of a few grocery stores that specialize primarily in U.S. food products. Assuming this trend continues, there will be a need for distributors who can more efficiently import bulk quantities. However, excellent investment opportunities exist for the export of Guyana's fresh fruits, vegetables and processed foods such as jams, jellies, fruit puree blends, processed spices and sauces.

The government is also encouraging the development of aquaculture. With Guyana's vast expanses of swamplands, there is tremendous potential for the rearing of exotic species of fish such as hassar and tilapia, for the local and export market.

Guyana exports large quantities of rice and sugar and smaller quantities of seafood and other nontraditional agricultural products. Its major agricultural import is wheat. Much of the country's wheat needs are currently met by PL 480 Title I and/or Section 416(b) concessional programs administered by USAID. The wheat is sold for local currency, which is then used to fund development projects. The remainder of Guyana's wheat, worth some US$3M to US$4M a year, is purchased commercially.

Chapter VI: Trade Regulations and Standards

Tariff Regimes

Guyana continues to take steps to liberalize trade regimes; however, the current tariff and tax burden on imports is punishingly high. In 1999, in accordance with the Common External Tariff of the Caribbean Community (CARICOM), the external tariff was reduced from 25 percent to 20 percent. In addition to the tariff, most imports are subject to a consumption tax, which is determined on a product-specific basis.

The tariff system is based on the Customs Cooperation Council Nomenclature (CCCN) and tariffs are in accordance with the Common External Tariff of CARICOM. Duties are levied on an ad valorem basis. The consumption tax is levied on the total CIF (Cost, Insurance, and Freight) cost of the goods plus the import duty. In other words, the government levies taxes on the money that the importer pays the government in tariffs. To encourage development, the government has exempted certain capital goods from consumption taxes. The list of exceptions is available through local customs brokers or at the U.S. Embassy's Commercial Information Center. Other investors may apply to have exemptions granted for capital goods not specifically included on the list but such exceptions require the Minister of Finance's direct approval. Customs duties remain a primary source of government revenue.

All shipments are inspected, both imports and exports. Since the Customs Department (like many government agencies) is extremely understaffed, the mandatory inspection often results in extended waits on the wharf. There are special provisions for perishable goods.

Customs procedures present problems relating to inconsistent valuations of imports by customs officials and delays in customs clearance. Some businesses have alleged that customs officers may delay processing in hopes of attaining inducements to expedite clearances. The Embassy is not in a position to confirm or deny these allegations. Guyana's Customs and Excise Department has been subsumed into a new Revenue Authority, with technical advice and assistance from the international donor community. The new agency will feature a variety of civil service reforms and procedural changes, which may result in greater transparency and efficiency in the customs process. This long-awaited reorganization began in earnest in January 2000. However, the new organization's influence in reforming Guyana's customs systems remains to be seen. The

Revenue Authority had been opposed by labor groups and individual customs employees who brought suit to block it.

Customs Valuation

Customs valuation is based on invoice purchase price. Importers must provide Customs with one original and two copies of the commercial invoice and an original and one copy of the bill of lading. When requested, importers must also produce one original and three copies of the certificate of origin. A committee conducts valuations on a somewhat arbitrary basis and many exporters have complained about the ad hoc manner in which valuations are decided. In September 1999, the Customs valuation rate was adjusted to G$180 per US dollar from G$155. Since most customs duties are percentage based, this move immediately increased duties on most goods, which are normally valued in US dollar terms.

Import Licenses

There is limited use of import licenses for certain categories of goods, including firearms and pharmaceuticals.

Export Controls

There are restrictions on exporting wildlife, seafood, and gold. Export taxes range from 0.5 percent of value to 10 percent. All shipments are inspected prior to export. Often exporters are required to pay agents overtime for inspections in order to avoid lengthy delays. In some cases, on-site inspection is available.

Import/Export Documentation

In April 1996, Guyana introduced a computerized customs system, ASYCUDA. Local customs brokers are available to assist with document preparation. Many are still unfamiliar with the new system, sometimes making mistakes that cause lengthy delays.

Prohibited Imports

There are restrictions on importing firearms, pharmaceuticals, chemicals, wheat, and flour.

Standards, Labeling, and Marking Requirements

Labeling, marking, and other consumer protection requirements are extremely limited in Guyana. The National Bureau of Standards sets those that do exist.

Free Trade Zones

There are currently no free trade zones in Guyana although many proposals are under consideration and interest remains high.

Special Import Provisions

Goods are required to be cleared within 10 days. Goods not claimed within 30 days are forwarded to a government warehouse and sold at public auction after 90 days. Goods may be warehoused for three months upon deposit of 100 percent of the duty applicable to guarantee re-exportation.

Membership in Free Trade Agreements

Guyana is a member of CARICOM. Goods traded with fellow CARICOM countries are duty free as long as they satisfy origin rules criteria set out in the Treaty of Chaguaramas. Guyana is a signatory to the Summit of the Americas and is participating in talks regarding a Free Trade Area of the Americas. Guyana also enjoys preferential market access to the United States under the Caribbean Basin Initiative, to Canada under CaribCan, and to the European Union under a partnership agreement that provides continuation of Lome IV trade provisions until 2007. Guyana also has several nonreciprocal preferential agreements with Venezuela and Colombia.

Chapter VII: Investment Climate

Openness to Foreign Investment

The present administration recognizes the need for foreign investment to create jobs, enhance technical capabilities and generate goods for export. The shift from a mostly state-controlled economy to a primarily free market system began under former President Hoyte (1985-1992). In 1988, the government announced that it would permit foreign ownership of businesses operating in Guyana. Several large foreign investments were subsequently made, primarily in the mining and timber sectors.

After years of a state-dominated economy, however, the mechanisms for private investment, both domestic and foreign, are still evolving. Much crucial legislation is outdated and is currently being revised, including laws pertaining to resource use, mining, and the formation of private companies and capital markets. This circumstance, combined with a small developing country's concerns that it may be taken advantage of by sophisticated multinationals, has produced extreme caution in approving new investment. The current administration has demonstrated this discomfort through its stated preference for joint ventures between private investors and the government. While there is no "screening" of investment, the centralized process of decision-making and lack of transparency can result in delays and frustration for foreign investors.

Since mid-1993, Guyana has been considering a Bilateral Investment Treaty (BIT) with the U.S. Despite the delay in agreeing to formal investment rules, in practice, with very few minor exceptions, foreign and domestic investors are treated the same. Under the Hoyte government, some major foreign investors in export-oriented sectors were given preferential treatment in the form of tax holidays, duty-free status and other fiscal incentives. Investors who import certain capital goods are granted concessions on the local consumption tax. There are significant incentives available for investors willing to open businesses in the economically depressed area of Linden and its surrounding communities — the site of the ailing government-owned Linmine bauxite operations. Manufacturing and agricultural entities which choose to locate in Linden will receive consumption tax and duty-free concessions on all plant, machinery, equipment, and spare parts, and tax concessions for vehicles imported for business purposes.

In general, foreign investors are treated equitably in Guyana. One exception is the special approval required for local financing. Any foreign borrower applying for a loan of over G$2M must be granted permission by the Minister of Finance. This requirement reflects the government's stated preference for foreign investors to bring capital into the country. In most cases foreign investors prefer to seek credit abroad in any case, since interest rates in Guyana are quite high.

One negative aspect has been the experience of Guyana Telephone & Telegraph with rate regulations. The company has had an ongoing series of disputes with the Public Utilities Commission (PUC), many of which have appeared to be ideologically motivated. Although the company has had good success in eventually resolving many of these issues in the courts, the continual confrontations have been quite costly for the company. There is still no final agreement on rates, while the issues remain tied up in the courts. With international accounting rates due to drop in 2002, the resolution of telephone service-related issues is imperative to the future life of the utility.

The government has made good progress in recent years with privatization initiatives, and other state enterprises are slated to be sold. Foreign investors have equal access to privatization opportunities and, for some of the larger operations, foreign investment is openly preferred. Privatization is generally viewed favorably by those outside of government. Employees of state-owned firms are anxious that their jobs be protected, although the empirical evidence in the case of the phone company (privatized since 1992) has been that of increased employment opportunities.

Visa, residence, and work permit requirements do not pose undue burdens on foreign investors.

Most large-scale government projects are financed by international lending institutions, with the IDB as the largest donor. U.S. firms are generally given equal access to these projects. Unfortunately, the projects are very often too small in scale to interest U.S. bidders.

By and large, foreign investment is viewed favorably by nongovernmental groups. Most Guyanese recognize the significant contributions made by foreign firms to the Guyanese economy in terms of jobs, taxes, and social services. There is some concern that Guyana is not adequately equipped to monitor the environmental impact of operations by either domestic or foreign firms in the mining and timber sectors. Presently, most of these firms are self-monitoring with little government oversight, although Guyana's fledgling Environmental Protection Agency is building its capacity toward an appropriate level of regulation. Some Guyanese have also expressed the view that Guyana's resources should be reserved for Guyanese, but this does not seem to be a majority opinion.

Right to Private Ownership and Establishment

Foreign and domestic firms have the right to establish and own business enterprises and engage in all forms of remunerative activity. However, in some cases, licenses are required. Private entities may freely acquire and dispose of interests in business enterprises, although some newly privatized entities have limits on the number of shares that may be acquired by any one individual or entity (domestic or foreign). Similarly, the articles of association of some firms prohibit the issuance of more than a certain number of share transfer forms to any one individual or company in an effort to prevent attempts to gain control of such companies in the secondary market. In theory, the government can limit competition with state-owned companies by denying private firms the required licenses to operate. Investors should be aware that getting all the licenses required to operate in Guyana can be a time-consuming task.

The right of foreigners to own property or land in Guyana is specifically protected under the Constitution.

Protection of Property Rights

Guyana adopted British law on patents and copyrights upon independence. This outdated legislation is now being revised to conform to global norms. Guyana joined the World Intellectual Property Organization (WIPO) and acceded to the Bern and Paris Conventions in late 1994. WIPO officials visited Guyana in early 1995 and conducted a seminar on intellectual property rights. At present, there is no enforcement mechanism to protect intellectual property rights. Patent and trademark infringement is also common. Pirating of TV satellite signals is widespread and takes place with impunity. Guyana has not ratified an intellectual property rights agreement with the U.S., and negotiations are proceeding very slowly.

Performance Requirements/Incentives

While there is no set policy regarding performance requirements, they are, in some cases, written into contracts with foreign investors. Some contracts require a certain minimum level of investment, as in the case of the U.S.-owned telephone company. Investors are not required to source locally. They do not have to export a certain percentage of output. Foreign exchange is not rationed in proportion to exports. There are no national ownership or technology transfer requirements.

Transparency of the Regulatory System

Guyana has no antitrust legislation. Historical factors, Guyana's small population, and economies of scale have led many sectors to be dominated by one or two firms. Only two public utilities, the Guyana Telephone and Telegraph Corporation (GT&T) and Guyana Power and Light (GPL), are privately owned at this writing. Capital markets are still evolving and the allocation of investment takes place without any well-organized market. Bureaucratic procedures are cumbersome. Investors often receive conflicting messages from various officials and have difficulty determining where the authority for decision-making lies. In the current absence of adequate legislation, much decision-making is centralized and an extraordinary number of issues are resolved in Cabinet, a process that is not open to public scrutiny and which often results in long delays. Attempts at reform of bureaucratic procedures have not succeeded in limiting red tape.

Corruption

There are few instances of documented corruption in Guyana today; however, allegations of corruption are common. The government has recently acted to control this problem with legislation requiring public officials to disclose their assets prior to assuming office. Current tender procedures for many government contracts do not offer transparency, resulting in an environment with a high potential for corruption.

Offering or receiving a bribe is a criminal offense in Guyana, punishable by incarceration. The law is not applied extraterritorially. The government has periodically prosecuted officials for corruption, with mixed success.

The Commercial Section at the U.S. Embassy has received complaints from businesspeople that government officials have solicited bribes as a prerequisite for the granting of licenses and permits needed to operate their businesses.

Labor

Guyana has a plentiful supply of low-skilled labor. However, years of emigration have produced a severe shortage of skilled workers. Many U.S. businesses have experienced difficulty in finding and retaining skilled employees. Union representation and recognition battles are a major cause of labor strife. In recent years, no major company has successfully resisted the unionization of its work force, and the U.S. Embassy advises investors to plan for early and orderly unionization. Parliament passed the Trade Union Recognition Bill in 1997, and as a result all businesses operating in Guyana must recognize and collectively bargain with the trade union selected by a majority of its workers. Guyana adheres to the International Labor Organization (ILO) Convention protecting worker rights.

Efficient Capital Markets and Portfolio Investment

Until 1994, Guyana had only one private bank. Since then, through privatization of state-owned banks and the issuance of new licenses, Guyana's roster of private commercial banks has expanded to seven, with both foreign and domestic ownership. The introduction of private banks has provided much-needed competition and helped to bring down interest rates which are prohibitively high for many borrowers.

Notwithstanding this improvement, Guyana's banking system is still far from fully developed. Inefficiencies and delays periodically plague the foreign currency exchange market. Businesses report that currency shortages can result in significant delays in converting Guyana dollars to U.S. dollars at some banks. Since Guyana has yet to develop an effective inter-bank trading system, some banks may be short of foreign exchange while others have currency available.

While foreign investors have some access to local capital markets (in local currency only), the cost of capital in Guyana is not attractive. The Minister of Finance must give permission for a foreign investor to borrow over G$2M in Guyana (approximately US$11,100 at current exchange rates). There are efforts underway to establish a new merchant bank with the aid of an international financial institution, which should help to improve the situation by providing additional capital at attractive rates.

The government sells treasury bills at auction to finance the public debt, and other government-controlled rates move with the treasury bill rate. Private attempts at bond financing have not proven successful. One large Guyanese company offered a bond issue in early 1995 in an attempt to raise US$10M. The issue was not successful and no subsequent large bond offers have been made.

Equity financing is sometimes used by large and well-established companies. Offering shares is also the government's preferred privatization strategy, thereby bringing more stock onto the market. However, this method of raising capital is extremely limited due to the absence of an active secondary market. A call exchange existed at one time, but shares are generally not traded publicly and prices are not easily identified, limiting the ability to recognize capital gains. The government has announced plans to set up a securities exchange in the near future, but concrete plans are not yet available. While Guyana has no antitrust legislation, the government has intervened in share markets previously to prevent certain groups from gaining control of firms. Legislation was passed in 1996 to limit the ability of banks to expand and develop an oligarchy in the banking system. Privatization deals sometimes attempt to limit the number of shares purchased both in the initial offer and in the secondary market.

While data on state-owned banks are not readily available, most local private banks are judged to be sound and conservative in lending practices.

Regulations regarding mergers and acquisitions do not discriminate against foreigners.

Conversion and Transfer Policies

The Guyana dollar is fully convertible and there are no limits on inflows or outflows of funds, although there are spot shortages of foreign currency. The exchange rate fluctuated for a period of time in early 1999, at the end of which the Guyana dollar had lost nearly 17 percent of its value compared to the US dollar. There is no bar to the acquisition of foreign currency, although the government limits the percentage that a number of state-owned firms may keep for their own purchases. The government recently eased restrictions on the establishment of foreign currency bank accounts in Guyana, a step which has significantly simplified the process of moving money. Funds can now be wired in and out of the country electronically without having to go through cumbersome exchange procedures.

In practice, however, many large foreign investors in Guyana export primary products--timber, gold, or bauxite--the sale of which is handled by subsidiaries outside of Guyana who retain the hard currency earnings offshore. Their local entities are then advanced funds to cover operating expenses.

As of July 2000, the average exchange rate used by the Embassy is G$182 to the U.S. dollar. The exchange rate is commercially determined according to market demand. Political uncertainty and poor economic performance by the Guyanese economy have put pressure on the currency and eroded consumer and investor confidence. The government has intervened in support of the Guyana dollar with some success.

Expropriation and Compensation

There have not been any recent expropriation actions in Guyana. Under current policy, expropriation of property for public purposes occurs in conformity with the principles of international law, with due process, transparency, and adequate compensation.

Dispute Settlement

In July 2000, the government of Guyana settled a long-standing dispute with Green Mining, Inc., a U.S. company that did business with the now-defunct state-owned bauxite industry Guyana Mining Enterprise Ltd. (Guymine) in the 1980s and 1990s. The government dissolved Guymine in 1992, and assumed approximately US$30M in debts from Guymine's operations, including US$14M owed to Green Mining, Inc. The government provided for repayment through 12-year government bonds issued to Green and Guymine's other creditors. Green had objected to the bond payment mechanism and filed lawsuits against the government of Guyana in the Guyanese courts, challenging the constitutionality of the bonds. It also entered into arbitration before the International Chamber of Commerce against Guymine, the Bauxite Indutry Development Co. Ltd. (BIDCO), Linden Mining Enterprise Ltd. (Linmine) and Berbice Mining Enterprise Ltd. (Bermine). In 1996, the ICC arbitrators denied Green's claims against BIDCO, Linmine, Bermine, and Guymine, but the lawsuits against the government remained pending. In the resolution reached in July 2000, Green agreed to drop its lawsuits against the government of Guyana and accepted the bond payment mechanism, in exchange for the government's payment of accrued interest on the bonds. This settlement marked the resolution of all matters pending between Green and the government of Guyana.

The other main group of creditors whose claims have not been satisfied is those whose moneys were frozen in the External Payments Deposit Scheme (EPDS), an IMF-mandated mechanism put in place to conserve scarce foreign currency and shore up Guyana's balance-of-payments position following the 1991 devaluation of the Guyanese dollar. The government argues that it cannot afford to pay off creditors at the new exchange rate. The IMF, which is assisting the government in resolving the EPDS debts, has urged the government not to negotiate a separate settlement with any individual creditor out of the many involved in the EPDS. The government is currently in negotiations to settle these disputes.

In addition, the U.S. firm which owns 80 percent of the local telephone company is in dispute with the Public Utilities Commission (PUC) over the interpretation of a number of provisions in its purchase agreement. Areas of dispute include service and use rates and implementation of a previously agreed upon expansion plan. The Government of Guyana has also entered into discussions to break the 25-year monopoly granted to the Guyana Telephone & Telegraph Company (GT&T) and to open the telecommunications market. However, if the government starts negotiating a break in the monopoly license, GT&T's expansion program might have to be put on hold.

Guyana is a signatory to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States. International arbitration decisions are enforceable under Guyana's (then British Guiana) Arbitration Act of 1931. The country is also a member of the International Center for the Settlement of Investment Disputes (ICSID).

Political Violence

The political climate in Guyana, which had been stable since democratic elections in 1992, was disrupted by street demonstrations and rioting following the national elections of December 1997, and again in June 1998. Caribbean Community leaders' effective diplomatic initiatives successfully eased both major outbreaks of street violence. However, significant differences still remain unresolved between the two major political parties. A protracted civil service labor strike in 1999 led to some violence aimed at businesses, the majority of which were Indo-Guyanese-owned. There have been no recent incidents of violence directed toward foreigners or American-owned businesses.

Bilateral Investment Agreements

There has been discussion regarding a U.S.-Guyana Bilateral Investment Treaty since 1993. The initial round of negotiations took place in October 1995. At the end of 1999, there had not been any continuing negotiations. Guyana has similar treaties with Germany and the United Kingdom, both negotiated during the Hoyte Administration.

OPIC and Other Investment Insurance Programs

In July 2000, OPIC renewed its support for US investors in Guyana following the settlement of a long-standing dispute between an OPIC client, Green Mining, Inc., and Guyana. OPIC support for U.S. investments in Guyana had been withheld since mid-1992, and its restoration was linked to the settlement that was reached with Green Mining, Inc. This settlement marked the resolution of all matters pending between Green Mining and the Government of Guyana. OPIC will now start considering applications for new investment insurance or financing in Guyana. The EXIM Bank resumed limited coverage in Guyana, offering insurance and short-term loans for the private sector at the beginning of 1994.

Foreign Direct Investment Statistics

There was a surge in foreign direct investment from 1989 to 1991 fueling healthy growth figures in the early to mid-1990s. In recent years there have been some smaller scale investments but none of the desperately needed larger foreign investments have developed. The relative absence of new foreign investors may be due to a lack of clarity in Guyana's investment policy and the need for an investment code.

Following is a list of major foreign investors in alphabetical order with dates of agreements with the government in parentheses:

Aroaima Bauxite Company (1989) is a 50/50 joint venture between the U.S. firm Reynolds International and the Government of Guyana. Reynolds' total investment in Guyana is US$100M, including amounts it has invested in building a deep-water port facility at the mouth of the Berbice River.

Barama Timber Company (1991) is a South Korean/Malaysian joint venture that is logging a 4.4 million acre concession in the northwest region and exporting plywood manufactured at their Georgetown plant. Barama has invested US$88M in Guyana and has announced plans for a massive new infrastructure investment in the near future.

Beal Guyana Launch Services L.L.C (2000) is a Texas-based satellite-launching company which entered into a 99-year agreement with the government of Guyana to establish a space launch facility in the northwest region of Guyana. This deal will represent the first major foreign investment in Guyana in the past eight years. The company's projected investment is estimated at US$100M. Before the launch facility can become a reality, Beal will need to obtain U.S. government approval to export sensitive technology to Guyana.

Caribbean Resources Limited (1989) is a timber concern owned by the Trinidad-based Colonial Life Insurance Company (CLICO), which bought the assets of the state-owned Guyana Timbers. CRL's total investment in Guyana is US$15M.

Cummings Group (1997) now controls the Teperu/Itabu under the name Mazaruni Granite Company, which was previously Guyana Granite Products Ltd.

Demerara Timbers Limited (1991) is owned by a consortium of European banks which took over the assets of the original purchaser of the state-owned Demerara Woods. The firm's total investment in Guyana is US$20M.

The Guyana Power & Light (1999) is a 50/50 joint venture agreement between the government of Guyana and the Commonwealth Development Corporation and Electricity Supply Board International of Ireland (CDC/ESBI) consortium. CDC/ESBI will provide US$23.5M for its 50 percent equity in the new company.

The Guyana Telephone and Telegraph Company (GT&T) (1991) is 80 percent owned by the U.S. firm Atlantic Tele-Network (ATN) with the remaining shares held by the government. ATN has invested US$ 118M in Guyana.

Omai Gold Mines Limited (1991) is 95 percent owned by the Canadian firms Cambior and Golden Star, with the remaining five percent owned by the government. Omai's mine is the largest open-pit gold operation in South America. The company has invested US$243M in Guyana. Cambior's future involvement in Guyana remains in doubt as the company struggles with its own financial woes.

UNAMCO/Case Timbers (1997) is a Guyanese/Malaysian plywood venture. It has been granted timber concessions for 400,000 acres and has invested approximately US$49M for its operations.

Chapter VIII: Trade and Project Financing

The Banking System

There are now seven commercial banks in Guyana. The one remaining state-owned bank is Guyana National Co-Operative Bank (GNCB), which will be offered for privatization in 2001. There are three foreign-owned banks--the Bank of Nova Scotia (Canada), the Bank of Baroda (India), and the recently privatized National Bank of Industry and Commerce (NBIC), which was bought by Republic Bank of Trinidad.

There are three private Guyanese banks: Citizens Bank, the Guyana Bank for Trade and Industry (GBTI), a previously government-owned bank which was privatized in 1994, and Demerara Bank, which is partly U.S.-owned. Guyana's central bank is the Bank of Guyana. Both banks and private concerns called "cambios" run foreign exchange operations, although the latter deal strictly in cash notes.

Foreign Exchange Controls

There are no prohibitions on importing or exporting foreign currency beyond statutory declaration requirements. However, recently some companies have reported a persistent problem relating to delays in gaining access to foreign currency. Firms seeking to convert Guyana dollars to U.S. dollars may sometimes have to wait for some time for their local bank to make U.S. dollars available. These delays have been attributed to bank inefficiencies and an underdeveloped inter-bank trading system. Firms are advised to develop business relationships with several banks in order to maintain alternative avenues for currency exchange.

Financing Availability

Guyana has a small capital market, which is restricted by the Central Bank's liquidity requirements. In past years, banks have loaned very conservatively, preferring to invest in high yielding government treasury bills instead. The treasury bill rates have declined slightly and the introduction of new banks has led to some improvement in lending practices.

The Central Bank's preference for investors to bring capital resources into the country makes it even more difficult for foreign borrowers to obtain local financing. Any foreign investor seeking to borrow over G$2 M (approximately US$11,100) must obtain permission from the Minister of Finance. Exceptions are made for secured loans and projects funded by the international donor community.

Many Guyanese seek financing outside of the country due to prohibitively high local interest rates. Commercial lending rates are currently between 18 and 22 percent.

The projected opening of a merchant bank, partly financed with international development funds, may improve the availability of investment capital in Guyana.

How to Finance Exports/Methods of Payment

While some U.S. exporters offer credit terms, the U.S. Embassy recommends that exporters obtain payment in advance or an irrevocable letter of credit before shipment.

Export Financing and Insurance

Several of the private banks have recently launched export financing programs. Most of these operate by advancing a percentage of expected export revenue and require an irrevocable letter of credit or some other fairly secure instrument. In 1994, EXIM Bank resumed limited private sector coverage in Guyana. In August 2000, OPIC also resumed coverage to Guyana after settling a long-running dispute with the government. Puerto Rican 936 funds have been limited by the refusal of local banks to offer credit guarantees.

Project Financing

Most large projects are financed by international lending institutions. The Inter-American Development Bank (IDB) and the World Bank both have large development programs, primarily in infrastructure rehabilitation and expansion. The U.S., the U.K., Canada and the European Commission all have bilateral aid programs.

Banks with Correspondent U.S. Banking Arrangements

All commercial banks operating in Guyana offer correspondent U.S. banking.

Bank of Baroda, 10 Avenue of the Republic, Georgetown
Tel: 592-2-64005 through 64006

Bank of Nova Scotia, Regent and Hincks Streets, Georgetown
Tel: 592-2-62633, Fax: 592-2-57985

Citizens Bank, 201 Camp and Charlotte Streets, Georgetown
Tel: 592-2-61705, 61706, Fax: 592-2-61719

Demerara Bank, 230 Camp and South Streets, Georgetown
Tel: 592-2-50610 through 50619, Fax: 592-2-50601

Guyana Bank for Trade and Industry (GBTI), 47-48 Water Street, Georgetown
Tel: 592-2-68431 through 68439, Fax: 592-2-71612

Guyana National Co-Operative Bank, 1 Lombard and Cornhill Streets, Georgetown
Tel: 592-2-57810 through 57819

National Bank of Industry and Commerce, 38-40 Water Street, Georgetown
Tel: 592-2-64091 through 64095

Chapter IX: Business Travel

Travel Advisory and Visas

Business travelers are urged to consult the Department of State's Consular Information Sheet on Guyana for more detailed information and advice before traveling to Guyana.

Visas are not required for Americans who wish to visit Guyana for less than 90 days. Travelers need a valid passport and a return ticket or proof of sufficient funds for onward passage. Yellow fever immunization is required for travelers coming from most African and Latin American countries. Inoculation against typhoid and hepatitis is recommended for travelers who plan to spend more than a few days in the interior.

Security: Travelers should use caution to minimize risk of street crime. Foreign business travelers may be perceived as wealthy targets by the criminal element in Guyana. Maintaining awareness of your surroundings and using common sense precautions appropriate to visiting a strange city will do much to reduce the risk of becoming a victim. U.S. businesspersons desiring more detailed security information are welcome to contact the Embassy's Regional Security Office (RSO) for a security briefing.

Health: Medical care is inadequate in Guyana. Travelers requiring more than cursory medical care should seek help outside of Guyana. Malaria is endemic in many areas outside of Georgetown, and malaria suppressants should be taken on extended visits to the interior. Water is not potable, so all drinking water should be boiled or distilled. Bottled water is recommended and is available in shops and restaurants.

Food: There is a wide variety of tropical fruits and vegetables in Guyana. Chicken, beef and excellent seafood are available. Increasing numbers of U.S. food products are available on the local market. There are three American fast food franchises (KFC, Pizza Hut, and Subway) in Georgetown. There are several reasonable local restaurants.

There is an assortment of hotels of acceptable quality in Georgetown, with single room rates ranging from US$85 to US$145 per night plus 10 percent tax. Some frequently used hotels include:

Cara Lodge, Tel: 592-2-55301, Fax: 592-2-55310

Cara Suites, Tel: 592-2-61612

Le Meridien Pegasus, Tel: 592-2-52853, Fax: 592-2-60532

Hotel Tower, Tel: 592-2-72011, Fax: 592-2-56021

Main Street Plaza, Tel: 592-2-57775, Fax: 592-2-57666

Holidays

The U.S. Embassy is generally closed for all U.S. federal holidays and for all of the below-listed Guyanese holidays.

January 1 New Year's Day

February 23 Republic Anniversary

March 16 Eid-Ul-Azha

March 20 Phagwah

April 21 Good Friday

April 24 Easter Monday

May 1 Labor Day

May 26 Independence Day

June 15 Youm-Un-Nabi

August 1 Freedom Day

October 26 Deepavali

December 25 Christmas Day

December 26 Boxing Day

There are two Muslim holidays, Eid-Ul-Azah (approximately March 16) and Youm-Un-Nabi (approximately June 15), the exact dates of which are not determined until a few days in advance. The observation dates for some holidays may differ slightly based upon the day of the week on which they fall.

Working hours are Monday through Friday from 8:00 a.m. to 4:30 p.m. for most government offices. Business dress is relaxed befitting Guyana's tropical climate. Work attire usually consists of guayabera (shirtjac) or shirt and tie for men and light business suits for women.

The U.S. Embassy is open Monday through Friday from 7:00 a.m. to 3:30 p.m. After working hours, a duty officer is available in case of emergency. To contact the duty officer, telephone 592-2-54900.

English is the primary and official language of Guyana. Guyanese Creole, a dialect of English, is spoken in most parts of the country. Most Amerindians speak English, but in a few remote parts of the interior only Amerindian languages are spoken.

Business Infrastructure

Traffic moves on the left. In Georgetown, small inexpensive minibuses are the principal means of transport for most Guyanese. Minibuses are not recommended for business travelers, as they are generally overcrowded and tend to drive recklessly. Taxi service and auto rentals are widely available, including service to and from Cheddi Jagan International Airport - Timehri, which is 23 miles from Georgetown. The cost of taxi service from the airport to Georgetown is generally around US$20 and can be paid in U.S. dollars.

Telephone service is available in Georgetown and throughout the settled coastal areas, but generally not in the interior. Many firms operating in the remote interior locations access satellite telephone links or communicate by radio. Telegraph service is available to the U.S. International mail is generally adequate and reasonably timely for letter mail, but is not recommended for shipping packages or valuables, as these items may be prone to theft. Several express cargo services operate reliably in Guyana, including FedEx, United Parcel Service, DHL, and the local Laparkan Group.

Residential and business leases are relatively expensive due to a shortage of high quality housing and office space in Georgetown.

Appendix A: Country Data

Population: 700,000 (mid-year projection for 2000)

Population Growth Rate: -0.32 (1999)

Religions: Christian 50 percent, Hindu 33 percent, Muslim 9 percent, others 8 percent.

Government System: Parliamentary Democracy. Attained independence May 26, 1966.

Executive Branch: Executive President (Chief of State and Head of Government), who in turn appoints a Prime Minister and other ministers.

Legislative Branch: Unicameral National Assembly (53 elected directly by nationwide proportional representation, 12 elected indirectly through regional bodies).

Political parties and seats in Parliament as of February 1998:

People's Progressive Party (PPP) - 36, People's National Congress (PNC) - 25, Working People's Alliance (WPA) - 2, The United Force (TUF) - 2.

Languages: English (official and business). Many Guyanese speak a creolized dialect, which is derived mainly from English with some Hindi influence. In the interior, Amerindians speak several indigenous languages.

Work Week: Government Agencies Monday through Friday, Private Sector Monday through Saturday (to 12:30).

Appendix B: Domestic Economy (in millions of U.S. dollars except where noted)

	ACTUAL 1997	ACTUAL 1998	ACTUAL 1999
GDP Growth Rate (percent)	6.2	-1.3	3
GDP Per Capita (US $)	808.3	777.5	824
Government Expenditure (percent of GDP)	43.1	39.9	53.4
Inflation (percent)	4.1	5.5	8.6
Unemployment (percent)	11.7	N/A	11.9
For. Exchange Reserves (in mil. Of US$)	315	276	267
Average Exchange Rate (Guyana $ = 1 US$)	142	150.45	177.05
Ratio Debt Service to For. Exch. Income	22.1	22	13.4
US Economic Assistance (Mil. US$) [PL480 and Section 416 (b)]	16.7	8.5	10
US Economic Assistance (Mil. US$) (USAID/Bilateral Assistance)	2.8	2.9	2.9

Source: The Guyana Bureau of Statistics
Bank of Guyana Research Department; USAID

Appendix C: Trade (in millions of U.S. dollars except where noted)

	1997	1998	1999
Total Guyana Exports	594	547	525
Total Guyana Imports	642	601	550
U.S. Exports to Guyana	143	145	179
U.S. Imports from Guyana	112	135	107

Source: The Guyana Bureau of Statistics
Bank of Guyana Research Department;
U.S. Census Bureau Foreign Trade Statistics

Export Products

	1998	1998	1999	1999

	(Volume)	(Value, in mil. US $)	(Volume)	(Value, in mil. US $)
Sugar (thousands metric tons)	237	120	275	135
Gold (ounces)	438,000	127	392,000	109
Rice (thousands metric tons)	250	73	252	71
Bauxite (thousands metric tons)	2,346	78	2,390	74
Shrimp (thousands metric tons)	11.425	17	N/A	18
Timber (cubic cm)	162,000	31	166,000	37

Sources: The Guyana Bureau of Statistics
Bank of Guyana Research Department

Appendix D: U.S. and Country Contacts

U.S. Embassy, 100 Duke and Young Streets, Kingston, Georgetown,
Tel: (592)(2) 54900, Fax: (592)(2) 58497.

Ambassador: Vacant
Chargé d'Affaires: Andrew Parker
Chief, Political and Economic Section: Henry Bisharat
Economic/Commercial Officer: Benjamin Rockwell
Commercial Assistant: Trudy Wong-You
Consul: Paul Howard

Washington-based U.S. Government Country Contacts

U.S. Department of Commerce/Caribbean Basin Division

Michelle Brooks, Desk Officer for Guyana
14th Street & Constitution Avenue
Washington, D.C. 20230
Tel: 202-482-1658; Fax: 202-482-2218

U.S. Department of State

Sarah Otis, Desk Officer for Guyana
WHA/CAR
U.S. Department of State
2201 C Street, NW
Washington, D.C. 20520
Tel: 202-647-4757; Fax: 202-647-4477

Associations

Guyana Manufacturers' Association (GMA), 157 Waterloo Street, Georgetown, Tel: 592-2-74295.

Berbice Chamber of Commerce, PO Box 57, New Amsterdam, Berbice,
Tel: 592-03-2452 or 2875.

Consultative Association of Guyanese Industry (CAGI), 157 Waterloo Street, Georgetown, Tel: 592-2-64603, 57170, Fax: 592-2-70725.

Private Sector Commission, 157 Waterloo Street, Georgetown, Tel: 592-2-55339/50977, Fax: 592-2-50978.

Georgetown Chamber of Commerce and Industry, 156 Waterloo Street, Georgetown, Tel: 592-2-55846, Fax: 592-2-63519.

Berbice Chamber of Commerce and Industry, 3 Main Street, New Amsterdam, Berbice, Tel: 592-3-3324

Essequibo Chamber of Commerce and Industry, c/o Pomeroon Oil Mill, Pomeroon, Essequibo, Tel: 592-71-4180

Lethem Chamber of Commerce and Industry, Lethem, Rupununi, Tel: 592-72-2035

Linden Chamber of Commerce and Industry, 84 Riverside Drive, Watooka, Linden, Tel: 592-4-2901

Upper Correntyne Chamber of Commerce and Industry, Parasram Plaza, Corriverton, Berbice, Tel: 592-39-2340

Government Offices

Customs and Excise Department, 34 Main Street, Georgetown, Tel: 592-2-56932 through 56938, Fax: 592-2-70964.

Guyana Office for Investment (Go-Invest), 190 Camp Street, Georgetown, Tel: 592-2-70653.

Guyana Forestry Commission, 1 Water Street, Georgetown, Tel: 592-2- 72807.

Guyana Geology and Mines Commission, Upper Brickdam, Georgetown, Tel: 592-2-52862.

Ministry of Health and Labor, Homestretch Avenue, D'Urban Park, Georgetown, Tel: 592-2-64021/64022/64023.

Ministry of Human Services and Social Security, 1 Water and Cornhill Streets, Stabroek, Georgetown, Tel: 592-2-66115.

Ministry of Legal Affairs, 95 Carmichael Avenue, Georgetown, Tel: 592-2-62616 through 62618.

Ministry of Public Works, Oronapai Towers, Wight's Lane, Kingston, Georgetown, Tel: 592-2-71511 through 9.

Ministry of Trade, Tourism and Industry, 229 South Road, Lacytown, Georgetown, Tel: 592-2-63182, Fax: 592-2-54310.

Office of the President, Presidential Office Complex, Vlissengen and South Roads, Georgetown, Tel: 592-2-51330 through 51339, Fax: 592-2-63395.