



CALENDAR OF KEY ECONOMIC EVENTS

February 2008

This feature presents a summary of local events of economic interest covered in the Stabroek News and the Guyana Chronicle, with occasional articles from the Kaieteur News.

Agriculture

There is heightened interest in the use of science and technology as a cross-cutting tool to improve efficiency, quality and productivity of the agriculture sector.

The Minister of Agriculture, during the opening of the Science Fair at the University of Guyana (UG) Berbice Campus, noted that greater invention in science and technology is vital to a broad range of global development which includes agricultural advancement.

Reference was made to genetic improvements, better soil management, larger and faster equipment and new knowledge about animal nutrition, which have all contributed to increased food.

THE Caribbean Regional Committee of the International Union of Food (IUF) held a two-day meeting in Guyana, during which The Minister of Agriculture, in his feature address, emphasized the need for expansion of the agro-tourism industry, indicating the inclination of tourists to visit sugar estates and see field and factory operations.

He noted that a similarity exists in the rice industry which has the potential of catering for tourists at specific times, such as planting, harvesting and milling. He also pointed to the issue of health,

welfare and safety of agricultural workers, some three billion of whom are involved in production globally with the sector employing half of the world's labour force. He noted that the livelihood of all of those who are employed in the agriculture sector and small farmers is linked to that of those who consume food and, despite the value of annual global exports in agricultural products being above US\$600 billion, waged agricultural workers and small farmers register among the highest levels of poverty worldwide.

Mining

The Prime Minister has reported that 2007 was a very good year for mining in Guyana. Total investment in the sector was estimated at US\$100M, with in excess of 12,000 small claims and 4,000 medium scale permits issued, "The declared production of gold was 246,100 ounces and diamonds 286,925 carats, all from small and medium size operations," said the Prime Minister.

He also said the year 2007 saw an upsurge in prospecting, with 26 foreign companies actively exploring for minerals, among them Aranka Gold, Strata Gold Resources, Sacré Coeur Minerals, Gold Port Resources and BHP Billiton. An estimated 4.56 million ounces of gold (indicated and inferred)

was mined at Aurora along Cuyuni River, an area with a number of other prospects.

Government

Government is vigorously pursuing private sector investment in the alternative energy sector, specifically hydropower and bio fuels, said the Minister of Finance during the reading of the National Budget. He stated that the government is working with Synergy Holdings Inc, a strategic private partner, on the Amaila Falls Hydroelectric Project.

The Minister said that engineering, procurement and construction bids are expected to be solicited in the second quarter of this year with financial closure coming later in the year.

Synergy Holdings announced that it had entered the final stage of preparing bid documents for the project to allow it to solicit international engineering, procurement and construction bids. The company said at that time that the US\$371 million project had all the equity it needed and it was fully engineered and ready to go out for international bids and financial closing.

Government has budgeted US\$21.2M (\$4.2B) for the Guyana Power and Light (GPL) to increase the reliability and efficiency of its operations through better power generating capacity and an upgraded transmission and distribution network.

The Minister of Finance said that GPL will acquire an additional 20 megawatts of generating capacity utilising the more economical heavy fuel oil and upgrade the transmission line between Skeldon and the No. 53 Village power station to allow full utilisation of the new power generated by Guysuco.

The Minister said that the initiatives in the programme include the implementation of a new customer information system, the continuation of the meter replacement programme, and the introduction of new metering technology.

THE Caribbean Community (CARICOM) remains committed to completing by the end of 2008, the framework agreement for the phased inauguration of a Single Market and Economy (CSME) in 2015. However, there are troubling signs of a diminishing

of commitment to foreign policy coordination which is one of the four key pillars of the region's integration movement that is crucial for external economic relations and the general unity profile of CARICOM in the international community.

Government is examining the feasibility of developing Guyana as an offshore financial centre (OFC) and has sought the support and input of the Guyana Association of Bankers (GAB).

The concept was discussed by the Minister of Finance who chaired a meeting of senior government officials and representatives of the GAB. According the minister, the government intends to undertake an assessment of the institutional arrangements and legislation that would need to be in place in order for Guyana to serve as an OFC. This would involve a review of the existing and draft legislation, including the Anti-Money Laundering Bill currently before Parliament. A review of the experience of OFCs in the Caribbean and the relevant legislation in place in these jurisdictions would also be necessary.

He stated that in order for the assessment to be carried out effectively, collaboration between multiple government agencies - the Bank of Guyana, the Financial Intelligence Unit and the Guyana Office for Investment - and the close involvement of key stakeholders in the private sector is required.

Miscellaneous

The Executive Director of Conservation International (CI) Guyana, Dr. David Singh, said that sustainable management and development of the local forest can reduce carbon emissions and earn this country hefty sums on the trade market.

Through this mechanism, polluters can obtain credits for emissions by investing in low carbon projects across the world, he explained.

Singh noted that, before the recent 'Bali Conference on Climate Change' in Indonesia, there was little opportunity for countries with high forest cover and low threat of deforestation to participate in the emissions trade.

According to Singh, based on an estimation of the carbon stock in the Guiana's and by focusing on the creation and implementation of projects that maintain a high forest cover, the region stands to open up billions of dollars worth of carbon credits annually. He is optimistic that, within the context of the international agenda for negotiating terms in the carbon trade, Guyana has between 18 months and two years to take up this and other challenges.

The construction of a forensic laboratory and a fully functioning crime observatory to allow for data analysis and policy decision are among the many aspects to be addressed under the US\$22M Citizens' Security Programme that is part of government's security plan to fight criminal activities.

The rehabilitation of 12 police stations across the country, the provision of a pool of international experts to assist in the force's modernisation, and computer training for police ranks are also areas to be covered under this programme as government

continues to implement measures to boost crime fighting in the face of changing criminal activities.

Sugar

The four Guysuco estates in Berbice have been out of operation as the harvesting and burning of sugarcane have been adversely affected by the inclement weather. Private farmers have also lost their produce. The cane cannot be reaped in wet weather and because the estates' supply of cane has stopped, grinding has also stopped. Officials are hoping for a break in the weather soon, as the situation will affect the target production for the year.

*Bureau of Statistics
Georgetown, Guyana
February 2008.*