GUYANA:
THE START OF A NEW ERA

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Guyana is one of the world’s true green gems. It has preserved much of its original environment and a unique level of biodiversity. 75% of its land area is covered in virgin rain forest. With a population of less than 800,000 and a land area larger than England and Scotland combined, Guyana is one of the least populated countries on earth.

Agriculture and the mining of minerals, such as gold, bauxite, and diamonds, have long dominated the economy. But Guyana’s new government, under President David Granger, is now working on the country’s economic transformation. The government places great emphasis on education, infrastructure development, and job creation as factors for more inclusive growth. “Our top priority is human development,” says President Granger. “We want an educated population that can make use of our abundant resources.”

With support from the United Nations Environment Programme, the government has set out a development strategy, known as the Green State Development Strategy (GSDS), that promotes a fundamental reorientation and diversification of Guyana’s economy as part of a green economy. “We are looking at green energy, protected areas, biodiversity, preservation of our rain forests, ecotourism, and eco-education services,” says President Granger.

The GSDS aims to make Guyana a “green state” success story that might inspire others to follow its example. As Prime Minister Moses Nagamootoo explains, “We orientate our national policy towards a green economy because we have the potential for renewable energy to drive the local economy. While remaining the world’s green lungs, we will have cheap energy to drive agro-processing and industrial development and, in the process, create value and jobs for our people.”

The government plans to turn Guyana into a more diversified and more resilient economy. Revenue from the exploitation of oil and gas reserves that were discovered off Guyana’s coast will help bankroll this process. When oil production starts in 2020, Guyana will be able to export nearly all of it. “Guyana’s development will not depend on oil and gas production, but will accelerate owing to the exploitation of hydrocarbons,” explains Joseph Harmon, Minister of State at the Ministry of the Presidency. As President Granger puts it, “We will be walking on two legs. We will have a petroleum economy and a green economy, walking side by side, neither contradicting nor dominating one another.”
Guyana Invites Investment

Guyana’s strategic location and English-speaking workforce are major assets to the country’s growth objectives. Situated in South America’s North-East, Guyana offers natural access to the markets of North America, the Caribbean, and South America. And for Brazil, the continent’s major trading power, Guyana represents the most direct connection to the Caribbean. Being the only English-speaking country in South America also counts as an advantage for international companies seeking access to the continent.

“European and American companies actually see Guyana as a hub, as a gateway to South America,” says Joseph Harmon, Minister of State at the Ministry of the Presidency. “Amazon.com, for example, makes its shipments first to Guyana, using it as a hub for various destinations in South America.”

Despite these assets, Guyana has had difficulties attracting private-sector investment. The inflow of FDI has declined sharply in recent years. In 2016, FDI fell to a low of $58 million, compared to $121 million in 2015 and $255 million in 2014.

In 2015, the Ministry of Business launched a five-year Strategic Action Plan to reverse this trend. “Our strategic plan is to increase investments, improve the business environment, increase the exports of value-added products, and create better opportunities for small businesses,” says Dominic Gaskin, Minister of Business. Since then, Guyana has advanced 16 positions on the World Bank’s Ease of Doing Business ranking.

The discovery of oil resources has significantly raised Guyana’s attraction as an investment destination, but other sectors also offer abundant opportunities. “We have identified tourism, forestry products, and agro-processing as priority sectors that we want to promote and tie to our investment strategy,” says Gaskin. “It is imperative that we diversify our range of exports. We need to ensure that sectors with a potential for value-added goods are given the best possible opportunities to develop.”

In agriculture, Guyana has tremendous potential and could turn into the bread basket of the Caribbean. “We have huge areas of land for agricultural production. With the food that we produce here in Guyana we can feed the entire region,” says Harmon.

Economic Integration is the Way Forward

Guyana is decidedly outward-looking and enjoys friendly relations with all global and regional powers, including the United States, China, Russia, and Brazil. The country maintains close links with several international bodies. It is a member of the Commonwealth and of the World Trade Organization (WTO), as well as a founding member of both the African, Caribbean and Pacific (ACP) Group and the Caribbean Community (CARICOM). The very headquarters of CARICOM are based in the country’s capital, Georgetown. President Granger says that “Guyana is fully engaged as a partner in regional and international organizations. The future is bright in terms of our international relations.”

A protracted border dispute with neighboring Venezuela, which may negatively sway some investors, is likely to be resolved at an international level. Despite several tribunals having settled the argument in Guyana’s favor, most notably the 1899 Arbitral Award in Paris, which Guyana stands by and Venezuela has declared null and void, Venezuela has extended its claims to the country’s maritime space, following Guyana’s oil discoveries. “While this issue remains to be settled, we understand that it may be a consideration for investors,” says Granger. “But we believe we have law and justice on our side. We work within the UN process and expect to bring the territorial controversy to a peaceful and successful conclusion.”

What concerns Guyana more are evolving trade relations with the European Union (EU), one of the world’s largest trading blocs, and the UK’s decision to exit the EU. Carl B. Greenidge, Vice-President and Minister of Foreign Affairs, explains, “As members of the ACP Group, we are currently looking at a new agreement with the EU. At the same time, the UK Brexit decision has economic implications for us. The UK is a major market for us in terms of sugar and bauxite and if tariffs change, this will have an impact on the quantities that we can export.”

As a result, Guyana will seek to strengthen relations with other EU markets, as Dominic Gaskin, Minister of Business, explains. “The EU market is very attractive. We have an Economic Partnership Agreement that allows a favorable entry of several products from our CARICOM region into the EU and we are not taking full advantage of it. As we are trying to develop our value-added industries, this is the direction that I would like us to take.”
Natural Resources Power the Country

Guyana’s rich natural resources have long been the driving force behind the country’s development. Mining, agriculture, and forestry have grown into major industries, due to Guyana’s large areas of fertile land, rare and valuable timber, and important mineral deposits, including gold, bauxite, and diamonds, among others.

With the discovery of oil and gas, but also with greater government support for renewable energies, more natural resources are now being put into the country’s service. The country’s rapidly evolving energy sector adds an entirely new dimension to Guyana’s economy.

Oil Becomes a Game Changer

Oil giants such as Shell, Total, and Mobil have been exploring for oil in Guyana since the 1940s. But the 2015 discovery of high-quality, oil-bearing off-shore sandstone reservoirs immediately drew international attention. Exploration company Exxon Mobil announced the find as one of the largest oil discoveries of the past decade. The total recoverable amount of oil could be worth more than $200 billion at today’s market prices.

In June 2017, Exxon Mobil took the final investment decision for the first phase of development that will eventually produce approximately 450 million barrels of oil. Production is expected to begin by 2020, just five years after discovery.

For Guyana, oil production is a novelty. The government must quickly get up to speed and put in place the necessary legal and regulatory framework to facilitate the process. “Over the next three years we are working to bring ourselves up to the capacity to ensure that we can participate meaningfully in the production,” says Raphael Trotman, Minister of Natural Resources. “We are working very closely with several development partners, including the United Nations Development Programme and the U.S., Mexican, and Canadian governments.”

The government has proposed the construction of a $500-million processing facility and oil-services base, as well as a gas power plant and connecting pipelines. “The trajectory is for expanded oil production and that requires significant onshore facilities that have the capacity to provide all the support that an offshore oil and gas industry would need,” says Dominic Gaskin, Minister of Business.

Guyana’s economy stands to benefit enormously from these developments, in terms of job creation and long-term development. About a hundred local companies already provide a range of services, including in engineering, security, transportation, catering, and administration, and more services will be required in the future. A recently established business development center will assist small- and medium-sized Guyanese businesses in building their capacity and improving their competitiveness in a range of sectors that serve the oil, gas and other industries.

Most of the produced oil will be destined for export, providing Guyana, still one of the poorest countries in South America, with a significant new source of income. The government intends to maximize the value of future revenues for society by introducing careful controls on the use of these resources. “We recognize there is a tremendous potential for damage, as we have seen in other countries. A sovereign wealth fund will be the main means by which we ensure that we do not squander what we have, and that other important aspects or pillars of our economy do not suffer,” explains Trotman.

“It is important that savings from the sovereign wealth fund will ensure protection of the environment and biodiversity, and provide benefits for citizens.”

Raphael Trotman, Minister of Natural Resources

Renewable Energy in Full Stream by 2025

Parallel to the exploitation of hydrocarbon reserves, the government is planning a radical change in the choice of sources of energy. Under the Green State Development Strategy, the government foresees replacing all other sources of energy with renewables by 2025, with hydrocarbons playing only a transitional role. “We have been advised that there is a substantial amount of natural gas available to us and we are discussing how that gas can be used as an interim measure to transition us into 100% renewable energy,” explains Trotman.

As the ‘land of many rivers’, Guyana has an enormous potential for hydro power. “We have 72 potential sites for hydro power that could cover more than our present and future needs and we are currently exploring our options,” says Trotman. “We are also working with the Inter-American Development Bank (IDB) on the Arco Norte project to provide power to an entire region. The idea is to build a 4,000-megawatt dam in Guyana and then export this power.”

Opportunities also exist for solar and wind power and the government has begun exploring these options in a bid to meet its target for 2025.
The Essequibo River flows north through Guyana over a length of more than 1,000 kilometers, dividing the country into roughly two halves. Yet, there is not a single bridge crossing the river along its course. This is emblematic of the lack of infrastructure that has slowed the country’s economic development.

The government is now investing heavily in the nation’s infrastructure, through the construction of bridges, road networks, airport infrastructure, sea defenses and renewable energy sources. “We allocate funds for infrastructure development not only to overcome obstacles in our development but to also act as a catalyst for this very development,” says David Patterson, Minister of Public Infrastructure. “We have to increase connectivity between the hinterland and the coastland and to implement projects in key areas that will complement our development goals.”

One important investment is the $150 million upgrade and extension of the Cheddi Jagan International Airport, scheduled for completion by April 2018. When completed, its runway will be one of the longest in the Caribbean, able to accommodate large transatlantic aircrafts. “Our objective is to create an air transport hub for passengers and cargo between North and South America,” says Patterson. “We have commenced discussions with the biggest airlines in the U.S. for air cargo and passengers.”

The government considers building a second international airport on the border with Brazil, anticipating increased trade with its powerful neighbor. For the same reason, the government is investing in another landmark project, the construction of a 455km road corridor linking the northern part of Brazil with Guyana. “This is our silk road,” says Patterson. “For northern Brazil, the Linden-Lethem road link will be the most viable route to reaching the Atlantic Ocean. We estimate that between 35,000 and 60,000 containers annually will travel along this road.”

The first construction phase, including 122.5km of road and a bridge across the Essequibo River, is funded by the government of the United Kingdom. As Patterson explains, “Physical work is expected to start within 2018 and to be completed by 2020. For the remaining 330km, we are currently reviewing all options, including private partnerships, arrangements for toll roads and concessions, including special economic zones, to name a few.” The road will eventually connect with a future deepwater port that will complete the transport link for northern Brazil and promote Guyana’s ambitions as a transshipment hub.

In addition to the Linden-Lethem road, the government plans the construction of 600km of new roads by 2025, providing transport connections to villages on the east bank of the Essequibo River. “The project has great economic potential. It will replace river transportation and will give access to two to three million acres of land. All designs are complete and we are seeking interested partners to implement the work,” says Patterson.

For the private sector, these developments represent a huge opportunity. As Patterson explains, “The government has neither the capacity nor the technical skills to manage all these projects. We would like the private sector to perform all the implementation work related to new roads, new airports, and the deepwater port.”
Patterson concludes that the impact will be significant. “At the end of the process, by 2030, we expect our country to be uniquely positioned, fully powered, fully linked and serving as a hub for our South American partners.”

**GPL: Meeting the Demand for Energy**

Investments in the energy sector are partly driven by the government’s goal to offset all energy needs with renewable sources by 2025. “This year the government spent about $6 million on hydro and solar projects and is expected to continue to do so each year until 2025,” says Patterson.

State-owned Guyana Power and Light Inc. (GPL), the main supplier of electricity in Guyana, welcomes the uptake of renewable energy. “We fully support the use of renewable energy,” confirms Renford Homer, CEO of GPL. “In addition to obvious environmental benefits, we expect that using a mix of energy sources will reduce our production costs and create financial benefits for GPL and ultimately our customer.”

GPL plays a pivotal role in Guyana’s economy. Homer explains, “In 2001, we had approximately 120,000 customers. Today we are close to 186,000 customers and expect to see our customer base grow by 3-4% annually. We anticipate accelerated growth after our country realizes commercial production of oil. Our challenge at this point is to maintain adequate, reliable generation capacity to meet current and projected demand while continuing to improve the quality of our supply.”

GPL is pushing to install more capacity and to make services more reliable. “Over the years we have significantly reduced outages. But as people become more dependent on electricity, we have to enhance our utility to a level where we can guarantee 100% supply 24/7,” says Homer. The company intends to execute the second phase of its Infrastructure Development program that would include construction of an additional four sub-stations. “The expectation is to improve reliability in our service and reduce our technical losses,” says Homer.

GPL also intends to continue to extend its network into unserved communities in the counties of Demerara, Berbice, and Essequibo. “Our objective is to extend our network and deliver electricity services, wherever it is economically feasible,” says Homer. GPL also anticipates fresh demand from foreign investors. As Homer explains, “We can potentially see the emerging oil and gas sector attracting foreign companies to Guyana. There is a tremendous possibility for GPL to be a major player in the provision of electric services. This underscores our efforts to transition into a utility that can deliver a product and service that meets and exceeds customers’ expectations.”

**A Boost for the Shipping Industry**

Despite Guyana’s Atlantic Ocean coast and a network of rivers, the country has not fully exploited its opportunities in shipping. Relatively shallow waters still limit the size of vessels that can use the country’s seaports, inland river transport and ferry services.

As Patterson explains, the government is now preparing an upgrade of the country’s port facilities. “As part of our mid-term planning we project the establishment of a deepwater port to cater to imports and exports in our growing economy. We will begin the site selection process next year.” Improvements have also begun in the country’s rivers and Patterson says that the shipping fleet is also now under review. “We have an aging fleet of cargo vessels that are on average 40 years old. We have started a process of renovation, bringing in newer vessels and retiring the aged stock.”

**GNIC: A Tradition in Shipping Services**

Companies in the sector are prepared to seize the opportunities following such an upgrade as well as from oil and gas production. Clinton Williams, CEO of the Guyana National Industrial Company Inc. (GNIC), a joint venture between Laparkan Holdings Limited and National Engineering Co., confirms this. “We see opportunities coming from four sectors: in agro-processing and more generally agriculture, in the transportation of goods, in mining and quarrying, and of course, in the oil and gas sector,” says Williams,
adding, “Our emphasis continues to be on maritime services, transportation and equipment, marine type vessels, and inland transportation.”

GNIC currently operates the country’s largest wharfing and industrial facilities and is strategically located in Georgetown, Guyana’s capital on the Demerara River, approximately 1.2km from the Atlantic Ocean. The company, which has been described as a mini industrial conglomerate, is involved in every type of port operation, ship building and repairs, and equipment rental, as well as engineering design, construction and project management.

“The oil and gas sectors offer tremendous opportunities that will allow us to develop our infrastructure and our capability in shipyard and engineering services,” says Williams. “We are already engaging with some of Exxon’s subcontractors to land some of the pipes that will be used for the subsea operations, take them to a site for fabrication works, and bring them back here ready for installation. We are now in the process of negotiating how we can best do this. We have to consider road infrastructure, lifting equipment, lifting expertise and construction.”

GNIC has begun upgrading its wharf and port facilities by expanding its existing wharf, converting it into a more solid cement structure, and installing new storage facilities. They also foresee a role in development projects that aim at creating better infrastructure for shipping. “Dredging and development of the deep-sea port are naturally high on our agenda. These are opportunities that we need to pursue and that will result in our facilities being able to receive larger vessels,” says Williams. “We act as agents for Jan De Nul, a large dredging company operating from Belgium. They will be able to assist us in addressing the challenge of shallow drafts.”

“We have also been working as contractors with shipping lines, including Tropical Shipping, Intermarine, and Caribbean Line, to discharge and unload cargo. We want to expand our relationships and invest in our facilities to become more efficient,” says Williams.

GNIC is confident about its role in the wider economy. As Williams points out, “The ability to respond to market demand and to move products to market has been our strength for years.”

**VEIRA: Professionalism is the Word**

E.C. Vieira Investments Ltd is another local business that stands to benefit from greater demand for shipping. The company started as a shrimp trawling business in 1981, but has since developed into a mature organization offering ship repair services.

As Edmond Vieira, Managing Director of E.C. Vieira Investments, explains, “For the last 25 years we have been in the service and repair business, offering dry docking of vessels and barge building. We perform a large number of repairs in the Caribbean area on vessels weighing up to 2,000 tons light ship displacement. For the past 10 years we have remained about the same size, yet we have increased efficiency. Now with the government’s potentially greater financial capability due to oil on stream, we expect they will upgrade their fleet and carry larger budgets for the maintenance of the marine sector.”

E.C. Vieira Investments is a natural partner for the growing number of international companies operating in Guyana and the region. “We employ the largest number of steel workers in Guyana. We have over 100 skilled welders, burners and fabricators and can deploy over 50 welders under production at any time,” says Vieira. “We also have the capability to lift the largest vessels in Guyana.”

“We have done a lot of jobs for international customers and for us this has raised the bar a little higher than if we just worked for local businesses. We have worked with the Dutch company Boskalis, one of the world’s larger dredging companies, for now more than 25 years. We also work with Danish dredging company Rohde Nielsen and we have completed several projects for British tug and barge company JP Knight.”

Apart from providing ship repairs, Vieira is keen to explore other opportunities. “We also want to diversify and maybe expand into land preparation for storage, rentals, warehousing, providing office space and the introduction of heavy lift capabilities.”
The construction and housing sectors have consistently out-performed other sections of the economy. Both are essential for Guyana’s social and economic development. Courtney Benn, CEO of Courtney Benn Contracting Services Ltd. (CBCSL), one of the country’s most renowned civil works construction companies, explains, “The construction sector in Guyana is limited but competitive and its development leads to the expansion of the country. The creation of road networks, for example, enables development and expansion to far-off communities resulting in population shifts away from the coastal regions. Once you have an expanded development base, it presents the opportunity for business and residential housing.”

The government’s ambitious development plan and the impending onset of oil production come as a boost to the industry. “With the emergence of the oil and gas sector, Guyana is set to experience an oil revenue boom in 2020 and beyond,” says Benn. CBCSL is responsible for several flagship developments, including Guyana’s first 8-door sluice, the Doppler Radar Tower, the University of Guyana Berbice Campus in Tain, Guyana’s first forensic laboratory, the reconstruction of Broad Street, and the construction of floating stations for the Guyana Defense Force and the Guyana Police Force.

“For us, the oil and gas sectors represent a rather exciting opportunity, where we hope to showcase our leadership qualities in the construction industry,” explains Benn. “There will be opportunities for the fabrication of tanks, the installation of pipelines and a range of civil and mechanical works that we are capable of delivering.”

A range of new technical and mechanical jobs will be required relating to oil and gas production, pushing companies to prepare in time. For Benn, “Our growth strategy over the next 5-6 years involves increased staff training and improvements in equipment capacity. Some of our strongest segments of operations are in shipbuilding, ship repairs, and steel fabrication. But in some areas of general construction we certainly aim to strengthen our capacities.”

Like other companies in the country’s construction sector, CBCSL must deal with fluctuating costs and the occasional materials shortage in Guyana, as well as a lack of skilled and trained personnel. But Benn says, “CBCSL has been able to distinguish itself by employing the best workers ranging from engineers to skilled tradesman. We strive to uphold our own standards to strengthen our reputation as a trusted household name.”

Construction on the Rise

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Opportunities Abound

As part of its Green State Development Strategy, the government is making an aggressive push for the development of high value-added industries.

The focus is placed on higher value in agriculture, forestry, mineral processing, eco-tourism, and the fish industry. Agriculture and agricultural processing represent some of most promising sectors in Guyana’s diversification strategy.

“Guyana is endowed with an abundance of agricultural sources.” says Noel Holder, Minister of Agriculture, emphasizing that Guyana has “highly fertile soil in the coastal areas, currently used for rice and sugar cane production, while Guyana’s extensive savannahs translate to untapped opportunities for dairy, beef, mutton, cashews, legumes, soybeans and numerous other products. Moreover, Guyana is also open to foreign investors interested in developing niche markets, such as aromatic rice and medicinal crops which can lead to high-value commodities.”

Nand Persaud: At the Forefront of Development

Nand Persaud & Company Ltd. is a perfect example of a company seizing its opportunities in Guyana. What started as a small rice milling company has developed into a company with diversified interests and control over 60% of the rice market in Guyana. Early in the process, Nand Persaud recognized the need for higher value-added goods. As Ragindra Persaud, CEO of Nand Persaud & Company Ltd., explains, “We started selling bulk rice, but this did not make us competitive. So, in 2000 we launched the Karibee rice brand, which is now sold in most CARICOM countries, the U.S., Europe, and we are just getting started in Cuba.”

“We are pushing the potential for value-added products, more than anyone else,” says Persaud. “For example, we feel that we can sell a lot of aromatic rice. There is demand. It is not a big market, but it is a niche market with very high margins. We are also looking at organic rice and at the same time trying to make it profitable for farmers.”

Rice is not the only commodity that Nand Persaud is working on. “We are also looking to invest in the sugar sector,” explains Persaud. “The government wants to privatize part of a sector that so far has been 100% state owned. We think this offers great opportunities. Demerara sugar is known world-wide and if we can brand it properly, then we can change the dynamics of the entire sugar sector in Guyana.”

Nand Persaud has also developed opportunities beyond the food sector. “One of the areas into which we diversified is business process outsourcing (BPO); we operate call centers. We are also active in the manufacturing of plastic materials and in packaging. We are now getting into renewable energy and are looking for more projects in that area,” says Persaud.

ANSA McAL: Leaders in Distribution

ANSA McAL Trading Ltd. (AMTL) represents another success story. One of the largest distribution companies in Guyana, it operates as a subsidiary of the ANSA McAL Group, which has its roots in Trinidad and Tobago and has grown to become one of the biggest companies in the region, comprising over 50 companies in Guyana, Grenada, Barbados, St. Kitts and Nevis, and the United States.

In Guyana, ANSA McAL services approximately 95% of Guyana’s population with a total of more than 3000 SKUs of products across four major divisions, including pharmaceuticals, construction, consumer products, and beverages. This includes household names such as Carib, Heineken, and Pringles.

“Over the last 25 years, ANSA McAL in Guyana has experienced rapid growth and development in all areas of its business and has become an integral player in the economic activities of the
country which has helped shape and enhance the way Guyana does business,” says Troy Cadogan, Managing Director of ANSA McAL (AMTL). “In more than 25 years of operations in Guyana, AMTL has contributed more than $250 million to the country’s coffers and over $10 million towards a corporate social responsibility program with investments in sport, culture, communities, and other social programs.”

In many ways, AMTL epitomizes the ideal of regional integration, by offering regional and international products to the Guyanese market and utilizing a Guyanese workforce. Today it employs more than 200 people and indirectly provides work to large numbers of promoters, brand representatives and entertainers.

Despite some market difficulties, AMTL continues to find opportunities in Guyana. “The country’s socio-economic environment, the legal business framework, and an unreliable power supply continue to be challenges for the development of a truly competitive business environment,” says Cadogan, but adds, “Guyana has always been ready for new investment opportunities and this continues to be the situation even after 50 years of being an independent nation. Our Group is committed to diversifying its portfolio in Guyana and this is demonstrated through investments in the media, retail, services and automotive industries, creating even more employment for Guyanese.”

**Banking on Growth**

Guyana’s banking sector is relatively small, but it currently enjoys healthy liquidity and strong capital adequacy and it is on a growth trajectory. Over the past decade, the sector has shown unprecedented growth, resulting in an asset base of $1.9 billion and total lending of $874 million, representing a 130% and 220% growth respectively.

The six banks active in the sector are no longer government-owned and are quite diverse with respect to type, structure and ownership. Republic Bank is the largest domestic private bank, with a 180-year history and is presently a subsidiary of the Republic Financial Holdings Ltd. Group, which has a strong presence in the region. The Canadian Scotiabank and the Indian Bank of Baroda are two international banks, while the remaining three banks are for the most part owned by local Guyanese conglomerates.

The system navigated through the global economic crisis smoothly “due to the simplicity of the products and services offered and a very strong, solid asset base in the country,” Richard Sammy, Managing Director of Republic Bank (Guyana) Ltd. and current Chairman of the Guyana Association of Bankers, explains.

Republic Bank, the leading bank in the country with a market share of 30% by assets, is complementing the government’s effort by directing resources to improve the bank’s technology infrastructure to accommodate increased network activity and meet customer’s growing need for seamless electronic and online services. “Looking forward to the next 3-5 years, our focus will be on operational efficiency, technology and integration,” says Sammy.

With a view of supporting greater social inclusion, Guyana’s banks are working towards addressing the limited reach of financial services in under-served, hinterland regions of Guyana, partly by developing alternative channels, such as mobile banking, and partly by enhancing their digital capabilities. As Sammy explains, “The time is fast approaching in Guyana where technology will no longer be viewed as an option but as a pre-requisite for doing business.”

Introduction of this new “digital era” will benefit both the banks in terms of cost and efficiency and the citizens. At the same time, improving the quality of financial services across the country will foster the development of communities and sectors and drive a diversified growth for the economy.
Following his successful election in 2015, President Granger quickly gave his full support to the telecommunications sector. Guyana’s very first Ministry for Telecommunications was established in January 2016 and a new Telecommunications Act was adopted in July 2016. The legislation foresees further liberalization of the market and the establishment of a telecommunications agency in a regulatory function, with the intent of encouraging growth and helping to bridge the digital divide.

Catherine Hughes, Minister of Public Telecommunications, explains, “We had to open up the market because we needed more players who were prepared to go into the underserved areas of Guyana. We think there are good business opportunities. The country’s particular topography means that we have many areas with no connectivity, which has a direct impact on development, on telecommunications, and on the provision of government services.” Guyana currently has a mobile penetration rate of about 85% and a landline penetration rate of about 36%.

GTT, the dominant player in the market, offers expanded landline and mobile services and internet data packages. “Like any telecommunications company, GTT has transformed itself from voice communication to data communication,” says Justin Nedd, CEO of GTT. “The landing of a sea cable connection in 2010 was a milestone for Guyana. We have seen more than 10% growth in broadband connections over the last four years. And the speed of broadband has increased over the same period; we have moved from 1 Mbps broadband connection to 10 Mbps connection and are now pushing residential 50 Mbps connection. The acceleration and the growth of ICT and broadband in Guyana has been driven by GTT’s presence in the market.”

The stability of service means that many business process outsourcing (BPO) companies have begun establishing operations in Guyana, including international players, such as Qualfon and Teleperformance. Nedd explains, “The ICT sector is seeing significant growth and we should expect even greater adaptation of ICT following a recent move to 4G and eventually the extension to 5G, which we expect in the next five years. We increasingly see young people and entrepreneurs leveraging ICT to break the barriers that have existed for traditional businesses. The local ICT sector demonstrates that we can operate on a global scale. Many Guyanese, returning from their studies abroad, bring the necessary skills to help the ICT sector evolve.”

GTT’s future growth is tightly linked with the country’s development. As Nedd explains, there is still room for improvement. “In some areas, our regulatory framework must still catch up with the demands of customers. In rural areas, connectivity is still not good, and the government has a key role to play in the expansion of broadband in those areas.” But ultimately Nedd is optimistic about the company’s prospects. “If the country does well, so does GTT. We grow side-by-side. As more foreign direct investment flows into Guyana, the demand for GTT and others in the market is to provide better services. This has a positive influence on the company.”
Better Education Through Better Connectivity

Providing better education remains an essential development goal for Guyana and critical to supporting the country’s sustained growth. The government has made it a priority to deliver quality education across all levels. For 2017, it has allocated more than $200 million, or 17.2% of its budget to education. “Education is the key factor for the human resources we need in order to develop the country. We are placing emphasis on education at all three levels: primary, secondary, and tertiary,” says President Granger.

The provision of equal education across all parts of Guyana is made difficult by the fact that some communities exist in remote and hard-to-access areas. The government has decided to make better use of modern technologies to overcome these difficulties. Catherine Hughes, Minister of Public Telecommunications, explains, “Since 2016, we have focused on increasing our connectivity. We use our own fiber-optic network to provide free internet access to secondary schools and vocational and technical institutions across the country. And in some bigger schools we budget for e-class rooms, allowing students in remote areas to participate virtually in classes in other parts of the country. We have also given laptops to all school teachers in Guyana, complete with curricula and teaching material, to give them the opportunity to prepare their lessons.”

At the same time, the creation of so-called ICT Hubs in poor, remote, and hinterland communities helps bridge the country’s digital divide. Thirty-nine such hubs have been established since 2016 and 100 more are planned, offering ICT access, eServices, and digital learning. “We provide free internet access to these hubs, which provide an opportunity for online learning. We are developing an ICT-ready environment and population,” says Hughes.

Tourism Taking a Leap

Guyana has thus far not relied on tourism for economic growth, given its abundant natural resources and strength in agriculture. But despite being a late starter amongst Caribbean tourism destinations, it is attractive both to investors and international travelers. So far this has translated into the tourism industry contributing 9% of GDP.

The government finalized the long-awaited National Tourism Policy in 2017 which aims to market the product "Guyana – South America Undiscovered". With a highly ambitious marketing program that includes rebranding, repositioning and renewal of destination, Guyana aims to “bring more visitors to Guyana and enhance the impact of the industry on the Guyanese economy and, in particular, the impact of nature-based tourism on hinterland economies and livelihoods,” explains Donald Sinclair, Director General of the Department of Tourism in the Ministry of Business.

Prior initiatives have created the necessary conditions for this effort, such as the establishment of the Guyana Tourism Authority, a 46% increase in budgetary allocations for tourism, and a greater visibility of Guyana at international trade fairs and other tourism events. This also resulted in a 14% increase in tourist visits in 2016, compared to the previous year.

Guyana’s irresistible combination of breathtaking natural beauty, pristine Amazonian rain forests, immense waterfalls - Kaieteur Falls is one of the world’s most powerful and the tallest single-drop waterfall -, amazing wildlife, and a vibrant indigenous culture all make for an ideal tourism destination. Better coordination between the industry and national decision-makers will now allow Guyana to take its rightful place in global tourism.

Its differentiated eco-tourism product offering of rainforests, nature, and adventure distinguishes it from its Caribbean island neighbors which promote a sun and beach vacation. This is why Guyana will market and promote itself as a nature and adventure destination that offers unique cultural experiences, which resonates with the vision of being recognized internationally as a leading green destination by the year 2025.

“The National Tourism Policy will align the development of Guyana’s tourism industry with the vision, goals and objectives of the Green State Development Strategy and will ensure that the anticipated increased visitor arrivals deliver maximum benefits to the citizens of Guyana,” states Sinclair.

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“We will be walking on two legs. We will have a petroleum economy and a green economy, walking side by side, neither contradicting nor dominating one another.”
David A. Granger, President of the Cooperative Republic of Guyana

“We orientate our national policy towards a green economy because we have the potential for renewable energy to drive the local economy. While remaining the world’s green lungs, we will have cheap energy to drive agro-processing and industrial development and, in the process, create value and jobs for our people.”
Moses Nagamootoo, Prime Minister and First Vice-President

“As members of the ACP Group, we are currently looking at a new agreement with the EU.”
Carl B. Greenidge, Vice-President and Minister of Foreign Affairs

“European and American companies see Guyana as a hub, as a gateway to South America.”
Joseph Harmon, Minister of State at the Ministry of the Presidency

“We allocate funds for infrastructure development not only to overcome obstacles in our development, but to also act as a catalyst for this very development.”
David Patterson, Minister of Public Infrastructure

“Our strategic plan is to increase investments, improve the business environment, increase the exports of value-added products, and create better opportunities for small businesses.”
Dominic Gaskin, Minister of Business

“It is important that savings from the sovereign wealth fund will ensure protection of the environment and biodiversity, and provide benefits for citizens.”
Raphael Trotman, Minister of Natural Resources

“We are developing an ICT-ready environment and population.”
Catherine Hughes, Minister of Public Telecommunications

“Guyana is open to foreign investors interested in developing niche markets, such as aromatic rice and medicinal crops which can lead to high-value commodities.”
Noel Holder, Minister of Agriculture

“The National Tourism Policy will align the development of Guyana’s tourism industry with the vision, goals and objectives of the Green State Development Strategy and will ensure that the anticipated increased visitor arrivals deliver maximum benefits to the citizens of Guyana.”
Donald Sinclair, Director General, Department of Tourism - Ministry of Business
“We anticipate accelerated growth after our country realizes commercial production of oil. Our challenge at this point is to maintain adequate, reliable generation capacity to meet current and projected demand while continuing to improve the quality of our supply.”
Renford Homer, CEO of Guyana Power and Light Inc. (GPL)

“For us, the oil and gas sectors represent a rather exciting opportunity, where we hope to showcase our leadership qualities in the construction industry.”
Courtney Benn, CEO of Courtney Benn Contracting Services Ltd. (CBCSL)

“If the country does well, so does GTT. We grow side-by-side. As more foreign direct investment flows into Guyana, the demand for GTT and others in the market is to provide better services. This has a positive influence on the company.”
Justin Nedd, CEO of GTT

“The oil and gas sectors offer tremendous opportunities that will allow us to develop our infrastructure and our capability in shipyard and engineering services.”
Clinton Williams, CEO of Guyana National Industrial Company Inc. (GNIC)

“Now with the government’s potentially greater financial capability due to oil on stream, we expect they will upgrade their fleet and carry larger budgets for the maintenance of the marine sector.”
Edmond Vieira, Managing Director of E.C. Vieira Investments

“We are pushing the potential for value-added products, more than anyone else.”
Ragindra Persaud, CEO of Nand Persaud & Company Ltd.

“Guyana has always been ready for new investment opportunities and this continues to be the situation even after 50 years of being an independent nation. Our Group is committed to diversifying its portfolio in Guyana.”
Troy Cadogan, Managing Director of ANSA McAL Trading Ltd (AMTL)

“Looking forward to the next 3-5 years, our focus will be on operational efficiency, technology and integration.”
Richard Sammy, Managing Director of Republic Bank (Guyana) Ltd.
GUYANA
THE START OF A NEW ERA

Published in
FOREIGN AFFAIRS JANUARY - FEBRUARY 2018

www.foreignaffairs.com/guyana2018