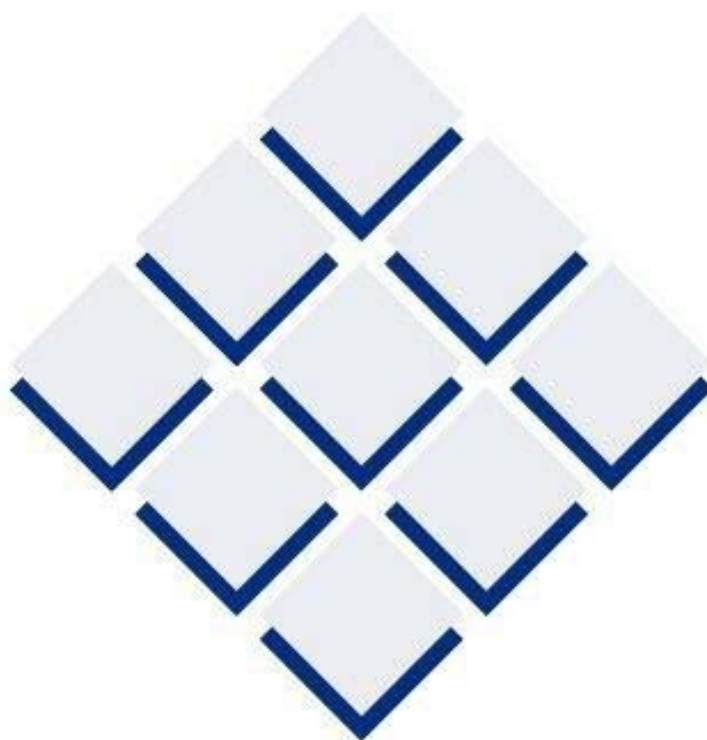


Private Sector Commission

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*Recent Growth Trends in the
Guyana Economy*

Recent Growth Trends in the Guyana Economy

The Guyana Economy registered a 4.7% increase in real GDP in 2006. This is a significant departure from the low or negative growth in the economy in recent years.

Some caution should however be exercised in the interpretation of this relatively high growth as a signal that the economy has completely overcome the difficulties which have plagued the productive sectors.

The real growth rate measures the percentage increase in value of economic activity, adjusted for inflation, within the country for a given period. In the case of Guyana, the value of recent output is adjusted to 1988 prices for purposes of comparison.

The growth rate for a given year, since it is a percentage increase, is dependent upon the performance of the economy in the previous year. In the Guyana economy, the relatively high growth rate recorded in 2006 was influenced in part by a comparison with the low output of 2005 which was caused by the devastating floods.

The 2005 floods also impacted upon the 2006 growth rate since there was a large increase in spending to replace capital stock destroyed in 2005.

The level of total output of the Guyana economy in 2006 was, however, the highest it has registered thus far and, at G\$5.73bn in constant 1988 prices, was 2.6% higher than the last high point of G\$5.59bn that was recorded in 2004.

Nominal Gross Domestic Product

The nominal gross output of Guyana's economy, i. e. output at current prices with no adjustment for inflation, reached G\$151.2bn in 2006, 9.7% higher than in 2005. (Table 1)

An analysis of the nominal gross domestic product for 2006 by the expenditure method shows that consumption expenditure (inclusive of expenditure on imports) declined marginally to G\$161bn from G\$165.4bn in 2005. The 2005 total, boosted by spending on flood relief efforts and replacement of consumer goods had represented a 34.6% increase over 2004.

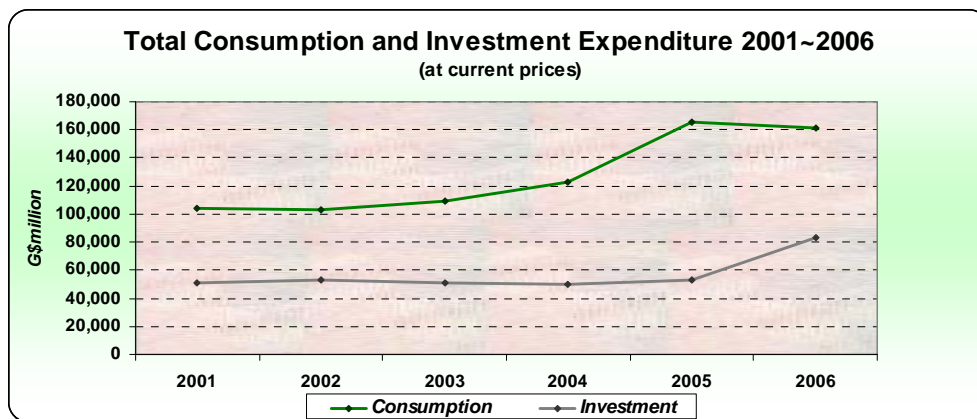


Figure 1

A phenomenal increase is shown in investment expenditure at current prices, however. Investment spending increased by 54.4% to G\$82.8bn in 2006 from G\$53.3bn in 2005. (Table 2)

Of this amount, private fixed investment expenditure increased by 30.7% to G\$41bn while public investment spending increased by 90.6% to G\$41.8bn from a 2005 total of G\$21.9bn.

Total domestic final expenditure on both private and public consumption and investment for 2006, inclusive of exports, amounted to G\$243.8bn, up 11.5% from the previous year and 41% higher than in 2004.

Of this sum net imports, i.e. the excess of expenditure on imports over exports, increased by 25.2% in 2006 to G\$72.3bn. This represented an improvement in the rate of increase over 2005 when net imports, at G\$57.8bn, were 152.8% higher than the 2004 total of G\$22.8bn. (Table 2)

Real Gross Domestic Product

Real gross domestic product, i.e. GDP at constant 1988 prices, increased by 4.7% in 2006. This was the first time since 1999 that the economy registered a growth rate above 2% and compares favourably with the negative growth experienced in 2005.

Sectors which showed the highest increase over 2005 were rice, engineering and construction, forestry, distribution and rental of dwellings. (Table 3)

The economy has been experiencing a boom in construction with the sector recording 9.5% growth in 2005 and peaking at 12% in 2006 but other productive sectors have been slow to recover.

Agriculture, Forestry and Fishing

Agriculture, forestry and fishing together constituted the largest share of gross domestic product in 2006 at 32% of the value of all output.

The sector showed an overall 5.5% increase in output over 2005 with rice output up by 12.4%, forestry up by 11% and sugar and other crops up by 5.5% and 7% respectively.

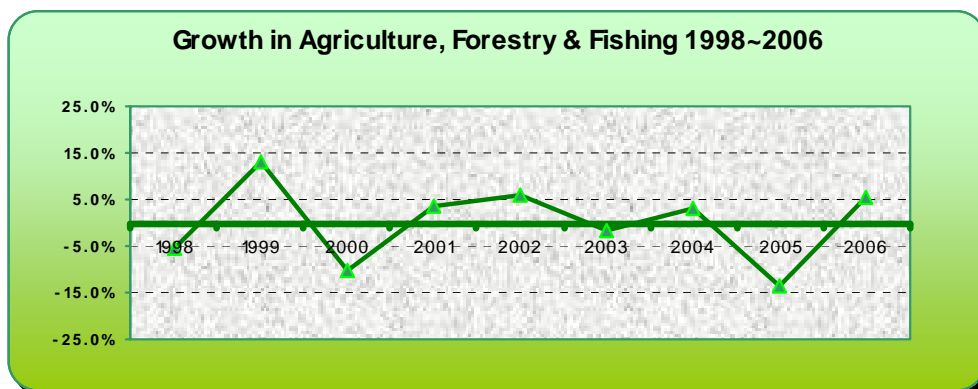


Figure 2

These increases are, however, only in comparison with the low 2005 output. With the exception of forestry and other crops output of the sector in 2006 was still well below 2003 levels. (Table 3) This is of significance given the dominance of the sector in the economy.

Mining and Quarrying

The mining and quarrying sector continued to decline at an accelerated rate in 2006 with output down by 22.4% compared with a 17.7% decline in 2005 and a 6.6% decline in 2004.

Overall, output in the sector in 2006 was 40.4% below the 2003 level.

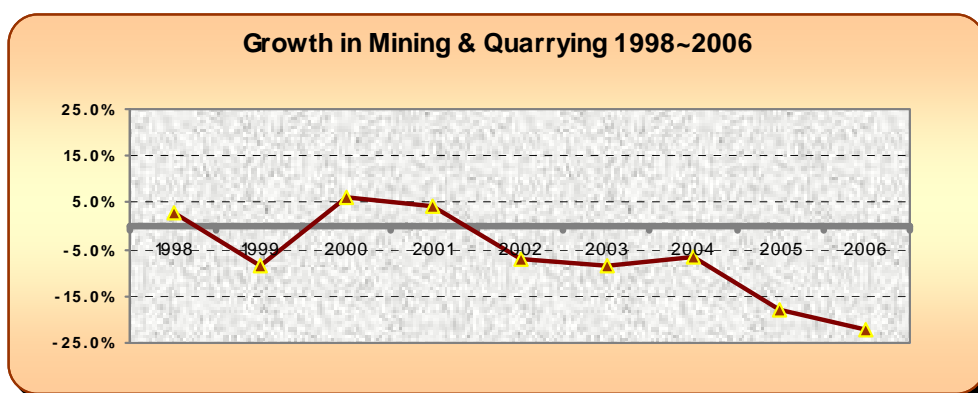


Figure 3

Manufacturing

The manufacturing sector which accounted for 6% of GDP in 2006 registered 4% growth for the year. The sector had grown by 12% in 2005 and total output in the sector in 2006 was overall 16.5% higher than the 2003 level, indicating a gradual recovery from the negative growth experienced in previous years.



Figure 4

Engineering and Construction

The engineering and construction sector which increased in importance to the economy to 10% of GDP in 2006 recorded a high growth rate for the fourth consecutive year, growing by 12% in 2006.

The value of output in the sector in 2006 was 27.5% above the 2003 level.

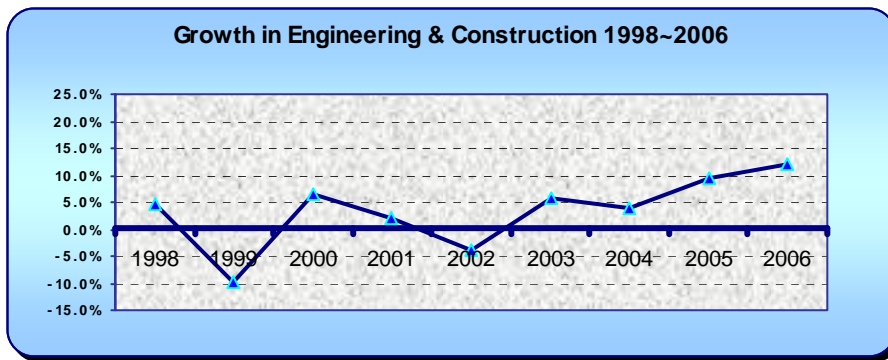


Figure 5

Distribution

The distribution sector grew at a rapid rate in 2005 and 2006, fuelled in part by the construction boom but also reflecting higher consumption levels.

In 2006 distribution accounted for 9% of GDP, overtaking productive sectors such as manufacturing and mining and quarrying.

Growth in the sector was up 10% in 2006 and 15% in 2005, compared with 2% in 2004. The value of economic activity in the sector in 2006 was 29% higher in real terms than that of 2003.

Transport and Communication

The transport and communication sector accounted for 12% of GDP in 2006 having recorded 10% growth over 2005 when a high growth rate of 9.5% was registered.

The increased value of economic activities in the sector was partially due to increased investment in cellular communication facilities.

Overall, the sector's value in 2006 was 24.7% higher than it was in 2003.

Financial Services

The share of financial services in total GDP grew to 6% in 2006. Output in the sector grew by 8% in 2006 exceeding the 2005 growth of 6.5%. This compares favourably with growth rates of 15 in 2004 and 1.1% in 2003.

The value of the sector's contribution to GDP was 16.2% higher in 2006 than the 2003 level.

Rental of Dwellings

The total value of rented dwelling in 2006 was up 10% in real terms. This, along with a 5.5% increase in 2005, represents a significant departure from the moderate increases of the preceding years and was primarily accounted for by higher prices rather than increases in existing stock.

Other Services

The value of other services increased by 8% in 2006. This followed a 7% increase in 2005 and shows an accelerated rate of growth in a sector which has grown moderately but steadily over the last decade.

Government

The government sector accounted for 13% of GDP in 2006. Growth in the sector which remained moderate at 2% followed on a similar 2% increase in 2005 and a 1.1% growth in 2004.

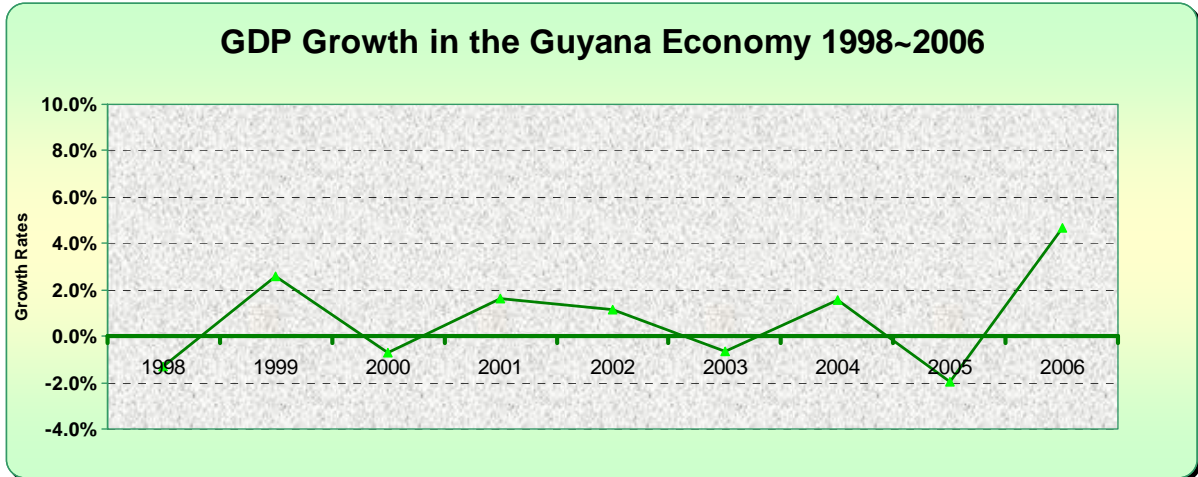


Figure 6

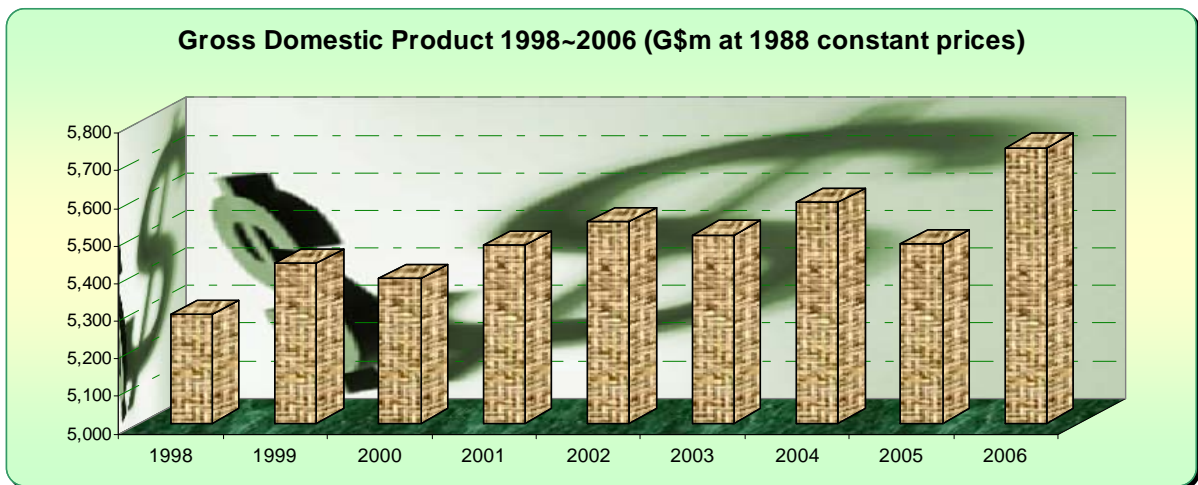


Figure 7

Table 1

Gross Domestic Product by Expenditure - Nominal*

<i>G\$million</i>	2001	2002	2003	Actual 2004	Revised 2005	Revised 2006
Total Domestic Final Expenditure	155,887	155,928	160,017	172,878	218,690	243,787
Total Consumption	104,512	103,263	109,543	122,832	165,380	160,969
Private Consumption	74,008	70,287	71,615	85,100	121,006	116,685
Public Consumption	30,505	32,976	37,928	37,732	44,374	44,284
Total Investment	51,375	52,666	50,473	50,045	53,310	82,818
Private Fixed Investment	33,205	32,375	31,080	30,458	31,372	41,012
Public Investment	18,170	20,291	19,393	19,587	21,938	41,806
Net Imports of Goods & Non-Factor Services	32,094	27,965	24,277	22,840	57,750	72,298
Net Factor Income Paid Abroad	9,612	10,485	8,325	6,320	4,088	8,792
Indirect Taxes Net of Subsidies+VAT	21,185	20,685	20,803	25,824	27,240	29,084
GDP at Current Factor Cost	112,219	117,762	123,262	130,534	137,788	151,198

Total Consumption and Investment Expenditure 2001~2006 (at current prices)

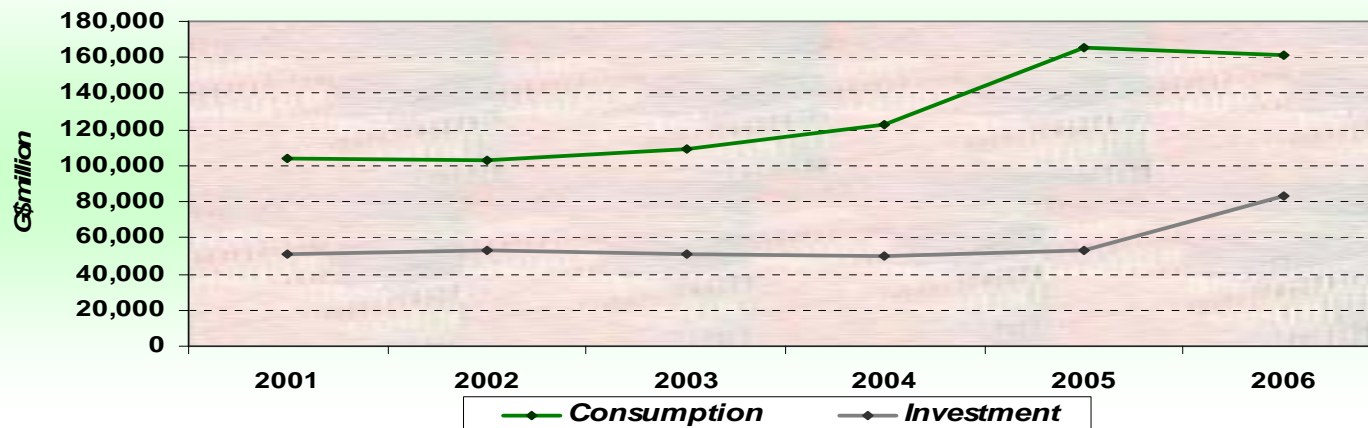


Table 2

Gross Domestic Product at Current Factor Cost - Nominal*

G\$million	(3 year change)		Revised 2006	Revised 2005	Actual 2004	2003	2002	2001
	% change 2003 to 2006	% change 2005~2006						
Agriculture, Forestry & Fishing	18.9%	10.6%	46,092	41,666	40,864	38,749	36,298	34,007
Sugar-cane	10.8%	21.9%	14,591	11,966	14,318	13,167	11,191	8,740
Rice Paddy	15.0%	11.4%	7,344	6,595	6,079	6,388	6,319	6,682
Livestock	18.6%	0.9%	3,533	3,502	3,224	2,979	2,754	2,546
Other Crops	27.1%	8.1%	6,881	6,367	5,860	5,415	5,971	5,825
Fishing	21.0%	0.3%	10,154	10,126	8,812	8,389	7,768	7,780
Forestry	48.9%	15.4%	3,590	3,110	2,571	2,411	2,295	2,433
Mining & Quarrying	-11.3%	0.7%	14,133	14,031	15,786	15,930	17,671	17,603
Bauxite	70.2%	-9.2%	3,115	3,430	1,814	1,830	2,739	3,443
Other	-21.9%	3.9%	11,018	10,601	13,972	14,100	14,932	14,160
Manufacturing	7.2%	9.2%	12,211	11,178	12,577	11,388	10,411	9,264
Sugar	11.1%	23.7%	5,866	4,741	5,756	5,281	4,211	3,289
Rice	-60.7%	-36.1%	878	1,373	2,711	2,233	2,246	2,375
Other	41.1%	8.0%	5,467	5,064	4,111	3,874	3,953	3,599
Engineering & Construction	56.1%	15.4%	9,677	8,388	6,840	6,199	5,580	5,589
Services	35.5%	10.5%	69,085	62,524	54,466	50,995	47,803	45,757
Distribution	59.3%	13.3%	7,961	7,026	5,407	4,996	5,024	4,927
Transport & Communications	49.9%	13.3%	17,237	15,213	12,630	11,502	10,432	9,599
Rental of Dwellings	42.3%	13.3%	7,239	6,389	5,506	5,087	4,704	4,567
Financial Services	38.4%	11.2%	6,088	5,473	4,715	4,400	4,149	4,049
Government	19.9%	7.1%	27,341	25,528	23,836	22,809	21,451	20,636
Other	46.3%	11.2%	3,219	2,894	2,372	2,201	2,043	1,979
TOTAL	22.7%	9.7%	151,198	137,788	130,533	123,261	117,762	112,219

Source: Bureau of Statistics

*i.e. GDP at current prices - dollar values, not adjusted for inflation

Table 3

REAL GROSS DOMESTIC PRODUCT

GDP at Constant 1988 Prices - by industrial origin

G\$million	(3-year Absolute Change) (2006 Growth)		(2005 Growth)		(2004 Growth)		(2003 Growth)		(2002 Growth)		2002	2001
	% change	% change	Revised	% change	% change	% change	% change	% change				
	2003~2006	2005~2006	2006	2004~2005	2005	2003~2004	2004	2002~2003	2003	2001~2002		
Sector*												
Distribution	29.0%	10.0%	531.5	15.0%	483.2	2.0%	420.2	-2.6%	411.9	-0.9%	423	427
Engineering & Construction	27.5%	12.0%	597.3	9.5%	533.3	4.0%	487.0	5.7%	468.3	-3.9%	443	461
Transport & Communication	24.7%	10.0%	692.2	9.5%	629.3	3.5%	574.7	5.0%	555.2	4.5%	529	506
Forestry	20.5%	11.0%	220.7	8.0%	198.8	0.5%	184.1	1.8%	183.2	-7.7%	180	195
Rental of Dwellings	18.4%	10.0%	114.2	5.5%	103.9	2.0%	98.4	2.7%	96.5	0.0%	94	94
Other Services	17.4%	8.0%	246.2	7.0%	228.0	1.6%	213.0	2.8%	209.7	0.0%	204	204
Manufacturing	16.5%	4.0%	360.2	12.0%	346.3	0.0%	309.2	-2.1%	309.2	2.3%	316	309
Financial Services	16.2%	8.0%	340.5	6.5%	315.3	1.0%	296.0	1.1%	293.1	-1.0%	290	293
Other Agriculture	5.9%	7.0%	308.1	-3.0%	288.0	2.0%	296.9	2.1%	291.1	1.4%	285	281
Government	5.2%	2.0%	721.8	2.0%	707.6	1.1%	693.8	0.6%	686.2	-1.0%	682	689
Fishing	-3.0%	-4.5%	153.9	2.6%	161.2	-1.0%	157.1	-0.2%	158.7	-3.6%	159	165
Livestock	-4.0%	-3.0%	125.2	-3.0%	129.0	2.0%	133.0	4.3%	130.4	5.0%	125	119
Rice	-13.5%	12.4%	188.9	-16.1%	168.1	-8.3%	200.3	23.4%	218.4	-11.1%	177	199
Sugar	-14.2%	5.5%	802.4	-24.4%	760.6	7.6%	1,005.6	-8.7%	934.7	16.4%	1,024	880
Mining & Quarrying	-40.4%	-22.4%	330.6	-17.7%	426.0	-6.6%	517.6	-8.7%	554.2	-6.9%	607	652
TOTAL	4.2%	4.7%	5,733.7	-1.9%	5,478.5	1.6%	5,587.0	-0.6%	5,500.8	1.1%	5,536	5,474

Source: Bureau of Statistics

*Data sorted by sectors recording highest real growth over 3 year period to 2006

Table 3a

REAL GROSS DOMESTIC PRODUCT
GDP at Constant 1988 Prices - by industrial origin - grouped sectors

G\$million	(3-year Absolute Change)		(2006 Growth)		(2005 Growth)		(2004 Growth)		(2003 Growth)		(2002 Growth)	
	% change		% change		% change		% change		% change		% change	
	2003~2006	2005~2006	Revised 2006	2004~2005	2005	2003~2004	2004	2002~2003	2003	2001~2002	2002	2001
Sector												
Agriculture, Forestry & Fishing	-6.1%	5.5%	1799	-13.7%	1706	3.2%	1977	-1.7%	1916	6.0%	1950	1839
Mining and Quarrying	-40.4%	-22.4%	331	-17.7%	426	-6.6%	518	-8.7%	554	-6.9%	607	652
Manufacturing	16.5%	4.0%	360	12.0%	346	0.0%	309	-2.1%	309	2.3%	316	309
Construction	27.5%	12.0%	597	9.5%	533	4.0%	487	5.7%	468	-3.9%	443	461
Distribution	29.0%	10.0%	532	15.0%	483	2.0%	420	-2.6%	412	-0.9%	423	427
Transport & Communication	24.7%	10.0%	692	9.5%	629	3.5%	575	5.0%	555	4.5%	529	506
Financial Services	16.2%	8.0%	340	6.5%	315	1.0%	296	1.1%	293	-1.0%	290	293
Rental of Dwellings	18.4%	10.0%	114	5.5%	104	2.0%	98	2.7%	97	0.0%	94	94
Other Services	17.4%	8.0%	246	7.0%	228	1.6%	213	2.8%	210	0.0%	204	204
Government	5.2%	2.0%	722	2.0%	708	1.1%	694	0.6%	686	-1.0%	682	689
TOTAL	4.2%	4.7%	5,734	-1.9%	5,478	1.6%	5,587	-0.6%	5,501	1.1%	5,536	5,474

Source: Bureau of Statistics

Table 3b

REAL GROSS DOMESTIC PRODUCT
GDP at Constant 1988 Prices - by industrial origin - grouped sectors

G\$million	(2001 Growth)	(2000 Growth)	(1999 Growth)	(1998 Growth)	(1997 Growth)		
	% change	% change	% change	% change	% change		
	2000~2001	2001 1999~2000	2000 1998~1999	1999 1997~1998	1998 1996~1997	1997 1996	1995
Sector							
Agriculture, Forestry & Fishing	3.7%	1839 -10.2%	1,773 13.3%	1,974 -5.3%	1,742 30.3%	1,840 1,513	1,412
Mining and Quarrying	4.2%	652 5.9%	626 -8.4%	591 2.7%	645 32.5%	628 546	474
Manufacturing	0.0%	309 -11.7%	309 6.7%	350 -10.6%	328 -37.0%	367 616	583
Construction	2.0%	461 6.6%	452 -10.0%	424 4.7%	471 28.9%	450 398	349
Distribution	0.5%	427 5.2%	425 -8.0%	404 5.3%	439 10.9%	417 395	376
Transport & Communication	5.4%	506 7.1%	480 2.1%	448 -3.1%	439 20.8%	453 416	375
Financial Services	-5.2%	293 3.0%	309 2.0%	300 3.2%	294 14.5%	285 273	249
Rental of Dwellings	2.2%	94 5.7%	92 -6.5%	87 5.7%	93 14.3%	88 82	77
Other Services	3.0%	204 3.7%	198 1.6%	191 3.9%	188 13.1%	181 172	160
Government	-4.6%	689 9.9%	722 1.1%	657 -0.2%	650 4.8%	651 633	621
TOTAL	1.6%	5,474 -0.7%	5,386 2.6%	5,426 -1.3%	5,289 14.6%	5,360 5,044	4,676

Source: Bureau of Statistics

Table 4

Real Economic Growth Rates 1998~2006

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Sector									
Agriculture, Forestry & Fishing	-5.3%	13.3%	-10.2%	3.7%	6.0%	-1.7%	3.2%	-13.7%	5.5%
Mining and Quarrying	2.7%	-8.4%	5.9%	4.2%	-6.9%	-8.7%	-6.6%	-17.7%	-22.4%
Manufacturing	-10.6%	6.7%	-11.7%	0.0%	2.3%	-2.1%	0.0%	12.0%	4.0%
Construction	4.7%	-10.0%	6.6%	2.0%	-3.9%	5.7%	4.0%	9.5%	12.0%
Distribution	5.3%	-8.0%	5.2%	0.5%	-0.9%	-2.6%	2.0%	15.0%	10.0%
Transport & Communication	-3.1%	2.1%	7.1%	5.4%	4.5%	5.0%	3.5%	9.5%	10.0%
Financial Services	3.2%	2.0%	3.0%	-5.2%	-1.0%	1.1%	1.0%	6.5%	8.0%
Rental of Dwellings	5.7%	-6.5%	5.7%	2.2%	0.0%	2.7%	2.0%	5.5%	10.0%
Other Services	3.9%	1.6%	3.7%	3.0%	0.0%	2.8%	1.6%	7.0%	8.0%
Government	-0.2%	1.1%	9.9%	-4.6%	-1.0%	0.6%	1.1%	2.0%	2.0%
TOTAL	-1.3%	2.6%	-0.7%	1.6%	1.1%	-0.6%	1.6%	-1.9%	4.7%
Actual GDP at Constant 1988 Prices (G\$m)	5,289	5,426	5,386	5,474	5,536	5,501	5,587	5,478	5,734

Sectoral Contribution to Gross Domestic Product 2006

