

**The REMERGENCE OF A STRONG PRIVATE SECTOR  
IN GUYANA**

1. Members of the Head Table
2. Honorable Ministers and Representatives of Government of Guyana
3. Members of diplomatic community
4. Sectoral members and staff of the PSC and other Secretariats
5. Corporate members of the Private Sector Commission.
6. Other members of the business community and members of civil society organisations.
7. Members of the Media
8. Special Invitees

A very good afternoon to all of you and let me thank you for attending this Public Session of 19<sup>th</sup> Annual General Meeting of the Private Sector Commission of Guyana.

I want to begin my presentation this afternoon by letting you know that the theme for this AGM today is “The Re-emergence of the Private Sector in Guyana.”

I also want to tell you, especially my business colleagues, potential entrepreneurs and investor that the private sector of Guyana has undeniably re-emerged in a sustained way and it is up to us as a country to maintain all of its essential ingredients intact in order to keep it dynamic and nurtured into the future.”

## PSC 19th AGM 2011-Address

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In my presentation to you today, I want to present the progress we have made in positioning Guyana's private sector to a current place where it is confident in the prospects for business and is well poised for more rapid growth. I also want to ruminate on critical actions and behavioral changes that all stakeholders in Guyana can undertake, to make sure that the momentum behind this re-emergence of private business accelerates, and becomes a "big push" forward.

Given recent trends, the private sector is on the cusp of a take-off to fulfill its true potential as the engine of growth in Guyana's economy. The policy changes in Guyana over the years have been focused and targeted to facilitate this current and unprecedented level of confidence that the private sector has in exploiting business opportunities in Guyana.

The private sector has re-emerged from its relative lack of importance in the economy of the past and is now definitively established as the true engine of growth in Guyana. With increasing levels of local and foreign investment it is also growing exponentially and has increasingly assumed a dominant position in the economy. This growth and dominance of the is evidenced by the dramatic increase in income taxes paid by companies over the years. In the year 2000, for example, income taxes paid by companies amounted to some G\$8.3 billion. By fiscal year 2010 this amount had grown to G\$21.4 billion, a 159 % increase.

Friends/Colleagues, as Guyanese we have a tendency to underestimate our blessings. We must not underestimate the progress we have made over the last years and more recently in advancing the regulatory and incentive

framework for business to grow in Guyana. We must not forget the hard work that all of us as stakeholders expended in the process. We did so, because we understood that this framework was and remains the premise for business to flourish. It is important to dismiss the assertion of some cynics that all that has happened for business in Guyana is the enactment of new laws.

Colleagues, it is well established economic fact that for private business to flourish, investors must feel that their investment is well protected by law, and that the rules of the game are clear and well defined.

It has been just over twenty years since the country moved towards market-oriented policies which have spurred the growth of the private sector and moved the economy from one dominated by state-owned enterprises to one in which the majority of investments are made using private capital. The government's commitment to the private sector's role in the economy is evidenced by the number of state-owned enterprises which have been sold to private investors and to the increasing willingness of the government to engage the private sector in policy formulation and implementation.

Over the recent years the partnership between the Government of Guyana, the Private Sector, and Civil Society has delivered the previously missing links in the regulatory and business environment that would make both foreign and local investment have security that private investment is welcome and well protected in Guyana.

The issues of macroeconomic stability and political stability are in some senses inextricably linked since the macro-economic framework is managed

## PSC 19th AGM 2011-Address

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by the government of the day and political stability is in large part a consequence in how we as a democratic society choose our government.

In this regard the PSC has worked hard to engage the contenders for political office and to contribute to issues of governance, security, and stability. As the election nears (and I do not mean the PSC election later this evening) we invited the three declared presidential candidates to make presentations to us outlining their policy positions, we expect that as these evolve we will see their full positions in the campaign manifestos and we hope that through the interactions they had with us they will each seek to present a clear vision for development that supports the efforts for sustained private sector growth.

The private sector also engaged with various stakeholders to determine how we could better contribute to political stability we are concerned that political instability around our elections is bad for business in the short term as many shut their doors and is also bad for business in the long term as it affects our image and credibility as a destination for investment. In this I wish to emphasise that our goal is not just to keep businessmen's doors open at any cost but rather to ensure that we conduct our political process with maturity securing all interests at every level. We are working with stakeholders and donor agencies to make even greater contributions in this area over the remaining period between now and the next general election

The role of the Private Sector Commission has been expanded since 2006 when the Commission entered into a partnership with the government to implement the National Competitiveness Strategy. This partnership has led to the formation

of several Public-Private Dialogue bodies on which the Private Sector Commission participates as equal partners of the government in prescribing measures to improve the competitiveness of the economy. The measures are all geared at facilitating and enhancing the role of the private sector in the economy of the country. While the private sector has grown rapidly and now dominates the economy there is much room for its further growth and the National Competitiveness Strategy provides the medium through which the sector can further catalyze the growth of the economy.

This partnership has produced results at the regulatory framework and on macroeconomic policies.

### POWERPOINT SLIDES

Firstly, in 2003, following concerns by all of us in the business community that the **playing field was not level for incentives**, and that there was not a legal framework clearly outlining what **level and type of incentives were** allotted to different **industries and sectors**, the **Fiscal Amendments Act was passed**. This provided a lot more predictability and fairer rules of the game for all businesses.

Secondly, **in 2004, the Investment Act was passed**. The private sector had expended years of discussions with the Government of Guyana in the early 2000's, for this Act to provide legal protection for investment, both local and foreign, to guarantee the right to divest land, and for among other things proper repatriations of dividends. The enactment of this Act was an important milestone and commitment to private business by the State.

**Third goal of new regulation was to simply the complex tax regime** that business faced in Guyana. The business community and international development community up to the early 2000's had concerns that the general tax regime government business was too complex.

We had concerns about the consumption tax, that it was too cumbersome and archaic. We also had concerns that corporation taxes were too high. We wanted greater simplicity and predictability, and more competitive tax rates.

The introduction of VAT brought greater simplicity in sales tax. Recently, in Budget 201,1 after tireless ground work and persistent advocacy by the Private Sector Commission, corporate taxes were reduced : from 35 to 30% for non-commercial companies, and for commercial companies from 45% to 40%.

Friends, let us also recognize that the business community presently enjoys one key foundation of private sector development, that is macro-economic stability. All development agencies recognize that stability in exchange rates and inflation provides a solid premise for business to forecast prices and returns in the future. As you know, Guyana has continued to receive commendation from the IMF for prudent macro-economic policies. Over 1999 to 2010 inflation has averaged 6% and the exchange rate has remained broadly stable. It is important for us to note that these congratulations are based on the fact that macro-economic stability is a key foundation of business confidence in an economy. For these prudent policies, we commend the Government of Guyana.

## PSC 19th AGM 2011-Address

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To embrace these regulatory frameworks and to protect businesses and consumers, the Fair Trading Act has been enacted and assents by the President and has been implemented. Also the Consumers Protection Bill is in the reviewing process which will align it to Regional and International Standards. In addition, the first draft of the regulations of the Credit Bureau was completed. Drafts of two guidelines, one on licences and one on inspection, fees and cost was completed. The guidelines on credit reporting are presently being drafted. Training on the awareness of the Credit Bureau Act was held on March 2, 2011. There is also a draft E-Transactions in place and will soon be submitted for consultations from all major stakeholders.

### **THE PARTNERSHIP WITH GOVERNMENT AND NCS**

We also want to commend the Government of Guyana for remaining committed to the partnership with the Private sector throughout these years. This partnership grew stronger with the hosting of the May 2006 Presidential Summit on Private Sector Development. We have had several more of these summits since then, with another expected in June 2011.

The National Competitiveness Strategy which is an outcome of the May 2006 Summit, has outlined a strategy for diversifying Guyana's economy. New sectors that have been identified to complement the existing sectors are tourism, agro-processing, information technology, to name the most important. These new sectors are skill intensive, they require more technical competence than the old pillars of our economy, and they require foreign partnerships to access and penetrate overseas markets.

Now let's look at some of the important private investments that have occurred over the last few years.

We need to remind ourselves that the range of investors with growing faith and presence in Guyana, include conglomerates from China, Russia, Canada, Jamaica-Digicel, The United States of America, Mexico and others.

Some of the key investments in Guyana over the last years are as follows:

### **(POWERPOINT SLIDES)**

#### **In Telecommunications**

- Investment by Digicel in of approx. US\$60M to start in 2007.
- An Additional Investment of US\$60 M in Fibre Optic Cable and other infrastructure to provide DSL services in 2010 by GTT
- Investment in eight (8) call centres which are now providing 3,000 jobs

#### **Investment in Gold and Mining**

- Cambior Investment of initial US\$253 in OMAI Gold Mines in 1994.
- In February 2007, China's Bosai Minerals Group acquired the 70% share in the Linden bauxite operations that were previously held by Canadian based IAMGOLD, with an *initial* investment of US\$46M.

## PSC 19th AGM 2011-Address

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- The Russian aluminium giant RUSAL, acquired a 90% stake in the Berbice operations with an *initial* investment of US\$20M.
- Guyana Goldfields Inc Plans to surpass OMAI's gold investment. As you know the price of gold has increased almost 6- fold from 2001 to now **(US\$265 to US\$1,535)**. Guyana stands to benefit from this windfall.
- Manganese Reunion, a huge Canadian mining company, has also currently making important investments in manganese in the Matthews Ridge area.

### **Investment in Energy and Infrastructure**

- There is also vigorous investment taking place with the CGX, Exxon Mobile, Repsol and Takutu Oil, which are expected to begin drilling in 2011.
- Investors are Making Plans to Invest in Ethanol in Guyana
- Investment in Hydropower is underway.
- The Berbice Bridge Inc.
- The Ogle Airport has been a tremendous example of Government working with the Private Sector for the national benefit. This venture together with Private capital is transforming the mining, tourism and agricultural sectors.

### **GOINVEST Investment Activity in 2010**

- The year 2010 was historic for the Guyana Office for Investment (Go-Invest).
- For the first time in the history of Guyana, the entity facilitated over 300 investment agreements.
- A total of 228 companies, both foreign and local, were given concessions

As you have seen, investors from all the major developed countries continue to show interest in business opportunities in Guyana at an increasing rate. Surely, the hard work that we undertook over the years in improving the business environment has created this renewed interest in Guyana as an investment destination.

### **Overall Growth of the Economy [POWERPOINT SLIDES]**

With the continuous growth in private investments complementing those in the public sector, Guyana's economy remained on a steady growth path, even during the recent global recession.

- Average growth between **2006-2010 was 3.9%**
- Average growth **1999 to 2010** was 1.7%.
- Over the last 5- year period the highest sectoral growth rates were experienced in **mining and quarry (11%)** and **services (20%)**. A boom in construction, in telecommunications and information, wholesaling and retailing, electricity and water, education were some of the sectors accounting for this growth in services.

- There has also been an almost 20% increase in **rice production** since 2006.
- Other sectors showing positive trends in the 5- year period are **poultry, fish, and shrimp.**

### The Year 2010 – What it meant for the Guyana Private Sector

The year 2010 was a year of triumph for most businesses as their profits grew and investments expanded. It was also a year of achievement for the economy as Gross Domestic Product grew by 3.6% even in the face of lingering recessionary trends in the global economy and despite the fact that sugar production was below expectations. High prices for rice and the dynamism of the gold mining sector coupled with the sustained growth in the construction sector kept the economy on even keel.

It was the fifth consecutive year of real growth for the economy. With the exception of the mining sector, all the productive sectors registered real growth with the construction sector reaching a growth rate of 10.8%, the highest in recent years, as the construction boom continued. There are also signs that the economy has been diversifying and is less reliant on traditional sources of economic output.

Exports also increased by 16.1% to US\$892 million in 2010, a phenomenon that was attributable to both increased volume and favourable prices for most exports except sugar. The export price of sugar fell by 22.2% and volume was down, due primarily to unfavourable weather and industrial unrest. A more detailed review of the economy is available later in this report.

## PSC 19th AGM 2011-Address

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Another achievement of 2010 has been the development of a Corporate Governance Code which was originally prepared by a consultant engaged by the government and which was refined and adapted by a Corporate Governance Committee headed by our Treasurer and Head of the PSC Finance and Economics Sub-Committee, Mr. Chandradat Chintamani. This Committee also benefitted from the input of the President of the Institute of Chartered Accountants of Guyana and also from the Institute of Internal Auditors – Guyana Chapter who have all worked in developing this Code and making it applicable to Guyanese companies. The Code has since been ratified by the Commission’s Council and we would urge all businesses to adopt it so that the governance of our local companies can be further enhanced and lifted to the level of that of international companies. The adoption of this Code can also enhance the operation of companies which depend on the input of outside investors.

Our Sub-Committees have also worked tirelessly and my gratitude is extended to the busy executives who make up these Sub-Committees. Their efforts include meeting with the parliamentary political parties and GECOM to determine their plans for the elections and to ensure that the national elections will be smoothly and professionally run and free of untoward incidents. Attempts were also made to resolve any problems that the political parties were facing. The PSC also met with several Trade Unions during the year to listen to their plights and to determine what interventions could be made. These included the Bauxite Union to address the present impasse between it and Rusal. The Governance and Security Sub-Committee also engaged in collaboration with the Guyana Police Force and the Guyana Telephone and Telegraph Company to resolve problems with the 911 system.

## PSC 19th AGM 2011-Address

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Meetings were held with both parties and physical inspections of the system were performed. The intention of the interventions was to ensure that the system was functioning efficiently and effectively. The PSC was also instrumental in the successful resolving of a garbage crisis that threatened residents and businesses in the city and its environs. Meetings were held with the Mayor and Councillors of the city and with the relevant subject Minister, as well as with the disposal companies, and a solution to the impasse was brokered.

During 2010 the PSC forged important linkages with our private sector counterparts in other countries, most notable among these being the Brazilian Service of Support for Micro and Small Enterprise (SEBRAE) with which a Memorandum of Agreement for Bilateral Cooperation was signed. SEBRAE also hosted an Entrepreneurship Fair at which eleven Guyanese companies exhibited and which was facilitated by the PSC in collaboration with Go Invest. The Fair was designed to promote investment and trade and to formulate avenues for strengthening trade relations between the two neighbouring countries. It was attended by over a hundred Guyanese participants, inclusive of PSC/GOINVEST sponsored students and faculty members from the University of Guyana. The Brazilian private sector is as anxious as the local private sector to ensure that a paved road between Lethem and Linden is constructed to facilitate trade and tourism between the two countries now that the Takatu Bridge has been built. In March 2010, a team of Brazilian Businesses facilitated by SEBRAE visited Guyana for a week to strengthen the relationship. They came through the Lethem- Linden Road. A seminar was facilitated by GOINVEST and the PSC at the Guyana International Conference Centre at Liliendaal and presentations were made by the Brazilians and

## PSC 19th AGM 2011-Address

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Guyanese Businesses. A Partial Scope Agreement is in existence that governs trade in goods between the countries. It was recently expanded by sixty more products which can be exported from Guyana to Brazil. The PSC also met and held talks with visiting delegations from Kuwait and Korea and methods of expanding trade between these countries and Guyana were discussed.

One of the most important roles of the private sector is to spur job creation and the Commission engages the University of Guyana and the Technical and Vocational Education Council in endeavors to ensure that the skills being imparted are those that are required by business. The Commission is also planning to undertake a national study to determine the skills that are most needed in the economy. Our youth are the future of the nation and it is imperative that all the stakeholders collaborate to ensure that their inherent potential is developed and that they are able to form symbiotic relationships with industry. Youths must however leave the institutions of learning believing in the concepts of humility and industriousness, the journey has just begun.

All these achievements that I mentioned which are only the major one could not have been achieved without the cooperation and the funding from the Canadian International Development Agency (CIDA). CIDA has been supporting the work of the PSC since 2002 when we were blessed with a grant of CDN\$ 476,000. Today, I must state that this fund has served its purpose and has been properly and justifiably spent. Because of the results the PSC delivered, we should be eligible for additional assistance. I must thank Mr. Raymond Drouin and Mr. Anand Hiralall from CIDA for their cooperation and support.

**CRITICAL POLICY AND INSTITUTIONAL CHANGES THAT ARE NOW  
NEEDED FOR HIGHER PRIVATE INVESTMENT**

Colleagues, I have taken time to commend all of us on the progress we have made to date. There is now more work that has to be done to create the next level of reforms that are required to create a “big push” in private investment, that would grow the economy at higher rates.

Based on my years of experience in the private sector, as a leader in the GMSA and at the Private Sector Commission, coupled with my conversations at various local and international events and forum, and my knowledge of the process of development worldwide, the following are the additional areas where we need to make reforms.

Some of these additional changes require even harder work, and political and institutional will than we have had in the past. They require more deliberate action, more selflessness, and greater nationalism on the part of all stakeholders-, the private sector, the Government, political parties and civil society.

I spoke before of investment in new sectors that must occur, for those sectors to experience their potential and for that growth to feed into higher growth in the economy as a whole. **Many of these new sectors depend on some factors and critical inputs that are in many ways different from the Needs Of The Traditional Sector.**

**The First Change Required To Accelerate Private Business Is The Political Culture Of Guyana.** Higher investment in all sectors and more-so in

these new sectors require a changed and more beautiful political landscape. As you all know, perceived political and ethnic schisms in this country have been the concerns of foreign investors for some time. To put it in technical language, this political environment gives Guyana “a high country risk rating.” It is true that there has been less social unrest, due to politics in Guyana over the last few years. Indeed, the PSC has served as key peacemaker over the years in the improved position we now have, where there are no street protests and violence in Guyana at elections time. Yet, there is still a perception overseas among would-be investors that the politics of Guyana is one to worry about. Already we are seeing signs that our political hopefuls are having cocktails together these are important snapshots to guide supporters forward.

This high country risk that Guyana presents when compared with other business destinations, begs of all politicians to be far more nationalistic and more magnanimous in political life. The big push in private sector development is depending on this more enabling and facilitating political behavior. All political parties have a responsibility to the further growth and development of business in Guyana and to the creation of jobs and incomes for our young people, and those already in the labour force.

**The second issue still affecting investment is crime.** The reality or perception of crime in Guyana is a reality every day a new business is being robbed. This fact influences investment in all sectors but moreover influences the growth potential of the tourism industry, which is an industry with very high growth -potential, given Guyana’s now well recognized status as one of the world’s top five wildlife destinations. But this is not limited in effects to

tourism there are cases where shops and supermarkets are closing because of criminals targeting businesses. The loss of distribution capacity is affecting local manufacturers.

**The third set of reforms still needed for this big push are those related to institutions that are key to competitiveness.** This process has started through the work of the National Competitiveness Strategy, but it needs to gain momentum, so that we can meet the needs of job creation and further reduce poverty through more rapid growth of new industries. Our country is only as strong as the economic and social institutions that we possess

**There is broad agreement that we need to address the following with more vigor and urgency.**

**Higher education:** the upgrading and transformation of the University so that it can provide the skills needed for new industries. Let us take the politics out of UG (and my comments are not targeted to the PPP alone) and pursue a rational and responsible path to reform in a more rapid manner. New industries require new skills in strategy, management, technical support; information technology, research and marketing, science and technology and most of all Human Resources development. We do not even have an accounting degree at the university.

We are very hopeful that the US \$10m under the World Bank programme will begin to contribute to the rehab of the University this year. Hardened positions at the level of the University Council and those of management must be changed to reflect a new attitude of putting the University of Guyana first.

All the institutions involved in doing business in Guyana require continued **reform. Key on the list are the following:**

**Deeds Registry:** Important work has started at the Registry to make it more independent, the registry is now computerized and a new Board is in place....we need to complete those reforms so that starting and closing business in Guyana can be done as perfect as in a developed country. The administration of the Companies Act which is an important tool of Corporate Governance is essential to the business community.

**Guyana Revenue Authority:** The reforms to process customs documents and to establish the single window must be pursued and completed. We have no doubt that this will continue but at the moment we have a huge problem. I met with Khurshid who sent me a letter promising early reforms in our in our export trade procedures and a system of a recognized commercial operator that exists in other countries.

**Civil Service:** Friends in East Asian success evaluations, the role of an independent and professional civil service has been considered a key aspect of making and implementing rational, growth -oriented policies. We ought to study these examples to see which of these models is relevant to Guyana, and act as soon as ever. We want to see massive improvements in the Public driven by further reforms and higher standards.

**Transforming Industrial and Labour Relations from an Adversarial to a Consensus-based Model:**

Given the continuing adversarial nature and practice of industrial relations by the parties, the compelling challenge and responsibility of the Department of

Labour (and the relevant government agencies), the social partners and civil society, are **to transform the industrial relations climate from an adversarial model to a consensus-based model through sustained social dialogue, tripartism, and partnerships which can lead to national social accords.**

As a member of the International Labour Organization (ILO), we support *ILO's Declaration on Fundamental Principles and Rights at Work*, which was adopted by the International Labour Conference in 1998. The declaration marked a re-commitment and a re-affirmation of the obligations of member states to respect, realize and promote in good faith the principles concerning:

- the right of freedom of association and effective recognition of the right to collective bargaining;
- the elimination of all forms of forced or compulsory labour;
- the effective abolition of child labour; and
- the elimination of discrimination in respect of employment and occupation.

These guiding principles and rights exert enormous influence in the conduct of industrial relations in globally.

The climate of labour and industrial relations in any country has a direct impact on its economic and social development, which requires a conducive environment in which labour relations can be conducted in an orderly and responsible manner. This means that industrial relations must be conducted within the norms of applicable International Labour Standards, relevant

labour legislation, and agreed, established procedures at the enterprise and national levels. This also requires suitable institutional and procedural arrangements, along with adequate resources to enable the system of industrial relations to function effectively the right to bargain collectively as defined in ILO Conventions No. 98 and No. 151 raised several questions in connection with the attitude of public authorities. For example, an administrative direction whereby the conclusion of an agreement is subject to prior approval of a government authority, or modifying conditions agreed and written in collective labour agreements or preventing negotiations of such conditions as may be considered desirable, constitute infringements of the right to bargain collectively. Restrictive measures, rendering it extremely difficult for wages to be settled freely through collective bargaining, can be justified on the grounds of exceptional circumstances of a serious economic nature. However, this could be justified only for a limited period and kept to a minimum

The consensus-based mechanisms beyond the conciliation and mediation process are still to be widely promoted and institutionalized or incorporated into law. The systems accommodate and provide the avenues for effective dialogues, which can lead to national consensus.

However, under the current system, there are still compelling challenges, which require the governments and other actors in the labour relations systems to:

- Proactively and strategically utilize the national labour policies, institutions, mechanisms, means and procedures available in a timely manner;

- consolidate, revise, rationalize and incorporate the fundamental principles and rights enshrined in international labour standards into a comprehensive national labour code to facilitate the effective conduct of labour relations;
- empower and strengthen the capability of the Labour Ministry and the Department of Labour, and the trade union and employers' organizations to enable the personnel of these institutions to maximize the use of the consensus-based methods of good faith negotiations, and effective conciliation/mediation with its inherent problem-solving approaches; and
- equip labour administration to foster an active advisory outreach service, aimed at a reduction of conflict through preventive strategies, and development of partnerships at the enterprise, industry, and national levels. In particular, the Ministries and Departments of Labour should be: - provided with the requisite high-level specialist skills to enable research and their participation in national planning, enterprise development, investment initiatives, and a competitive economy within the context of fundamental principles and rights at work, which are essential for *decent work*.

**Enhanced Trade Facilitation:** To meet the demand of the growing private sector especially in the context of competitiveness that is derived out of globalization and international trade, and to maintain a proper supply chain management system, the GRA need to re-think their position as a trade regulator to one of a trade facilitator.

### **Partnerships with Development Community**

The Private Sector Commission has continued to enjoy strong and vibrant endorsements from the development community.

After 10 years of support, CIDA continues to support the Technical Services Unit at PSC, and remains a faithful partner to the process of improving Guyana's business environment. Without a doubt, Canada, sees the true potential of business in Guyana and continues to put resources behind this push for a modernized business environment in Guyana.

The Commonwealth Secretariat has recently sponsored a series of visits to Singapore to observe the business environment.

The PSC has also in the past received tangible support from USAID, ACP-EU, DFID, UNDP.

We have a floating funding document to enhance our work and contact was made with CDE, Compete Caribbean and Caribbean Export Development Agency.

### **Linkages For Business Development**

Over the last year, the PSC clinched some important business linkages with regional and international business institutions:

A Memorandum of Understanding was signed between the SEBRAE- (Brazilian Services of Support for Micro and Small Business Enterprises)- a subsidiary of National Private Sector Organisation of Brazil, the Private Sector Commission of Guyana, the Georgetown Chamber of Commerce and Industry, and the

## PSC 19th AGM 2011-Address

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Rupununi Chamber of Commerce and Industry. The overall intention is to leverage this partnership to gain greater access to Brazilian markets. It provides for provision of Brazilian expertise to:

- establish and manage free zones in Guyana
- assist in marketing Guyana's products in Brazil
- train Guyanese businessmen to do business with Brazilian counterparts
- facilitate the participation of Brazilian businesses in Guyana's Private Sector events, and exchange language training.

Qualfon is now recruiting 25 persons for a fortune 500 company's contract from this initiative.

Guyana's private sector is fully involved in the regional business in CARICOM. Yours truly, the Chairman of the PSC, am also the Vice President of the Caribbean Association of Industry and Commerce. The CAIC is the recognized voice of the Caribbean private sector at regional and international meetings on economic, social and environmental policy. But the future of CAIC is doubtful as crisis after crisis hits the organization as it tries to become the secretariat of the CBC or the soon to be formed Caribbean Business Council which will become the official voice at the CARICOM heads and COTED. The path to do this is winding and ill defined. All of this occurred because one company used the CAIC to forward its singular cause with Caribbean Governments. Let this be a lesson for us when we hold membership in a business association it is to represent all of our constituents.

### Services Development

In the area of development of the services sector, PSC member, Guyana Manufacturing and Services Association continues to be at the forefront of pushing for development of this sector, which has shown high-growth potential over the last 5 years. GMSA participated in EU/PROINVEST sponsored workshop in Barbados “Capacity Building Program for Caribbean Coalition of Services Industries”. This workshop has assisted the GMSA to comprehend the emerging role of the services sector in CARICOM. The PSC has built on the findings of this workshop and has already received tangible signal that it will attract funding for a project that gives the services sector a meaningful boost.

### Small Business Development

PSC is also committed to small business development. It is taking the position of big brother in holding the hands of small business to help them cluster together. In the near future, PSC in collaboration with its member GMSA will be working closely with several promising small business clusters to help them grow in the liberalised and hostile trade environment we face.

We see great growth- potential **in fashion, in craft, in other small enterprises.** The PSC believes that small business will play a key role in job creation in the future to help the small man realize his ambitions. We will be providing leadership in lobbying for all supporting inputs for small business and in sourcing project funding.

### **Infrastructure Development**

Infrastructure is critical for trade and export competitiveness. It is one of the areas that have a very high cost for development and a very low and slow rate of return for investment but at the same time, it is the most critical enabling factor for competitiveness. What I am talking about here is adequate access roads to terminals, ports, warehouses, factories, etc.

We all know the history of how our ports evolved and what we will be advocating for is continued and substantial investment in infrastructure. The performance of other sectors of the economy is heavily dependent on this enabler.

### **Training and Development**

The private sector at the same time is working towards strengthen their capacity by accessing training from developed countries. To this end, in January and May 2011, four persons participated in three (3) study missions in Singapore, hosted by the Commonwealth and Ministry of Foreign Affairs Singapore. The participants were exposed to training in “The Role of Small and Medium Enterprises in the Private Sector, Business Incubators and Export Competitiveness. These participants are planning to do a public workshop on the lessons learnt and what can easily apply to Guyana.

### **The Media**

At this point I must mention the media, press freedom and the free flow of information is as important today as if ever was, if not more so. While it has been argued that there is a lot of freedom in Guyana, the media remains one area where we are well below global standards in democracies. This is of

## PSC 19th AGM 2011-Address

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concern to us because growth in press would help to cement our democratic credentials and also provide opportunities for more private sector investment and development. We therefore urge that the parliament makes the freedom of information act and broadcast legislation as urgent tasks for democracy and development. We also wish to encourage that the participants work to reduce the obstacles to access faced by the media and to see real democracy in the radio spectrum.

### **CLOSING**

Friends, as I have noted progress over the last decade has been marked. The partnership between the Government, the Private Sector and Civil Society built the regulatory framework for private business and investment to re-emerge to even greater confidence. Guyana's new position in the international community has enhanced its stature through programs such as the LCDS-Low Carbon Development Strategy. The economy has experienced growth when the rest of the world declined in the recent recession, and the country continues to experience macro-economic stability. There are great business opportunities in tourism, in services in agro-processing, information technology.

But we need as an integral part of development create and have ready bankable business projects. To do this we may want to create a few Business Development companies in Guyana.

We see massive new investments taking place in mining, telecommunications, and services. But we still need a bigger push in investment rates. These are

dependent on reducing and mitigating the comparatively **high country risk** perceived for Guyana due to politics and perceptions of crime.

As I have noted, the private sector is seeking this new enabling political climate, of greater respect, dialogue, and inclusiveness to push forward to higher levels of investment.