

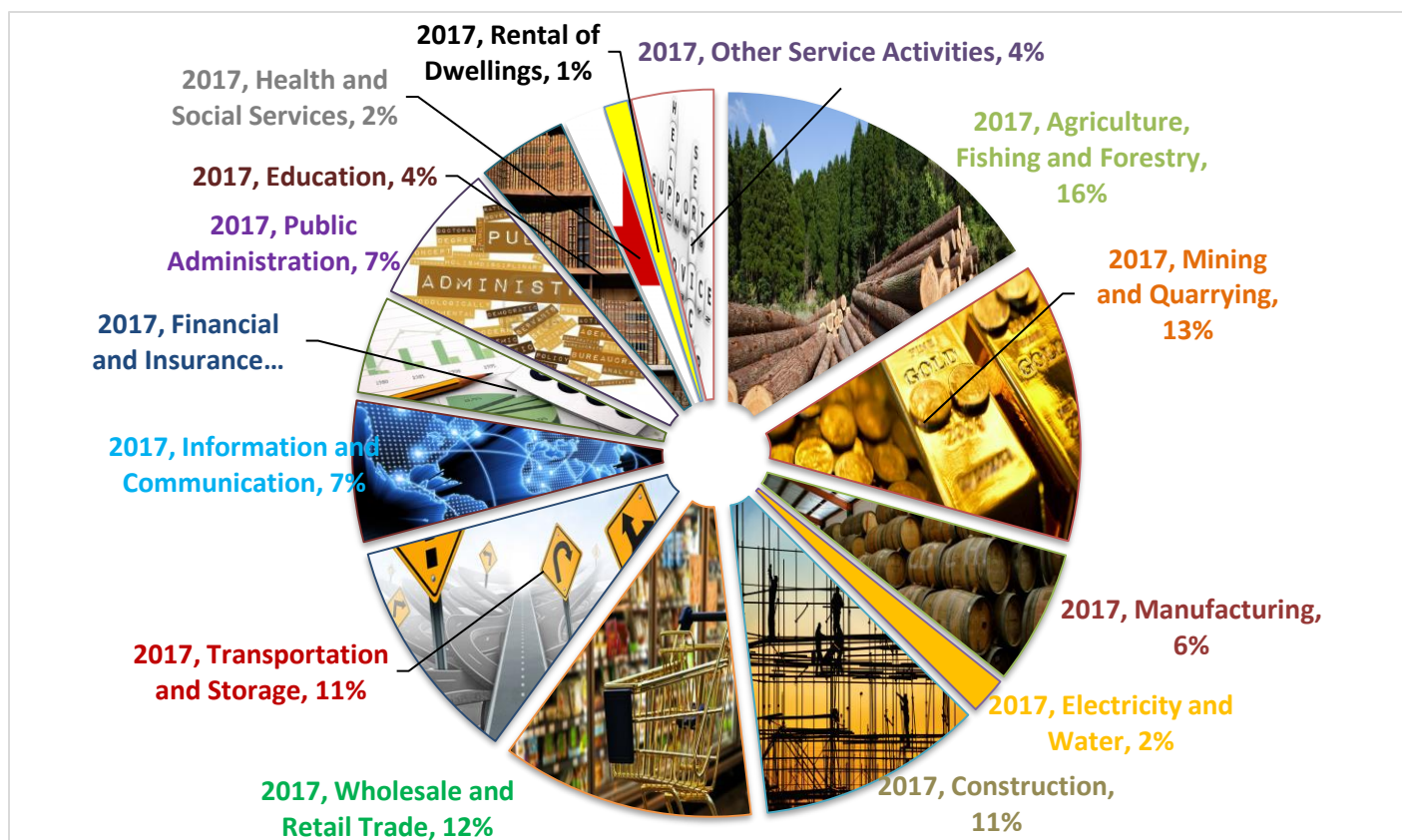
A REVIEW OF THE REAL SECTOR OF GUYANA'S ECONOMY 2017

Guyana's economy grew by 2.1% in 2017 relative to its 3.3% growth performance in 2016; representing continuity of the positive trend in economic growth of the country over the last ten years. Guyana's growth performance in 2017 was below the estimated Global Growth rate of 3.7%, however, Guyana outperformed the neighbouring Latin American and Caribbean (LAC) countries, who collectively estimated a 1.3% growth rate.

It should be noted that a growth rate of 3.8% was targeted according to Budget 2017, but was subsequently revised downwards to

3.1% at Mid-Year 2017 then to 2.9% in the Third Quarter of 2017. Given the performance in the last quarter of 2017, Guyana attained a lesser than expected growth rate of 2.1%; this underachievement can be attributed to industrial problems and weak performances in key sectors such as Sugar, Livestock and Mining & Quarrying.

The Chart below depicts the Sectoral Contributions to the Total Gross Domestic Product of Guyana in 2017, while the following table and graph highlights the economic performance relative to the last few years.



SECTORAL CONTRIBUTION TO GROSS DOMESTIC PRODUCT 2017

Real Gross Domestic Product (RGDP)

GDP at Constant 2006 Prices - By Industrial Origin (GYD\$ Million)

<u>Sector Contributions</u>	2017 Growth		2016 Growth		Growth	
	2016~2017	2017	2015~2016	2016	2014~2015	2015
Agriculture, Fishing and Forestry	0.4%	67,408.4	-10.2%	67,140.5	2.4%	74,771.5
Mining and Quarrying	-8.8%	55,798.3	45.4%	61,207.8	9.0%	42,107.0
Manufacturing	4.0%	26,972.3	-9.3%	25,932.8	5.3%	28,576.4
Electricity and Water	4.5%	7,314.2	4.5%	6,999.3	5.2%	6,701.0
Construction	11.4%	44,704.4	6.3%	40,147.1	-10.0%	37,750.2
Services	3.6%	218,189.0	0.7%	210,596.7	4.9%	209,059.4
<i>Wholesale and Retail Trade</i>	8.7%	50,374.9	-1.8%	46,336.7	-0.6%	47,181.3
<i>Transportation and Storage</i>	3.9%	45,335.8	1.1%	43,652.8	13.6%	43,160.0
<i>Information and Communication</i>	2.3%	28,081.6	1.2%	27,450.3	5.5%	27,124.8
<i>Financial and Insurance Activities</i>	-2.0%	19,320.9	2.5%	19,722.1	7.5%	19,247.9

Note: As customary, the Annual Report of the Private Sector Commission consists of an Economic Review of the respective year with incites on the Real, External, Monetary and Fiscal Sectors but due to the unavailability of data, only the Real Sector Review was done.

Public Administration	1.3%	28,239.6	0.0%	27,877.2	2.5%	27,868.1
Education	2.0%	17,896.2	1.5%	17,545.3	3.8%	17,279.2
Health and Social Services	2.5%	7,779.4	1.1%	7,589.6	3.7%	7,509.3
Rental of Dwellings	4.0%	4,777.2	1.2%	4,593.5	2.5%	4,536.8
Other Service Activities	3.5%	16,383.3	5.7%	15,829.2	1.7%	14,975.6
Adjustment for FISIM		-13,663.7		-13,824.7		-13,354.0
TOTAL VALUE ADDED AT BASIC PRICES		406,723.0		398,199.4		385,316.1
Taxes on Products net of subsidies		45,098.2		44,055.0		55,652.9
Gross Domestic Product at Purchaser Prices		451,821.2		442,254.4		440,969.0
Overall Growth Rate (%)	2.1%		3.3%		3.1%	
Non-Sugar Growth Rate (%)	3%		4.4%		3.0%	

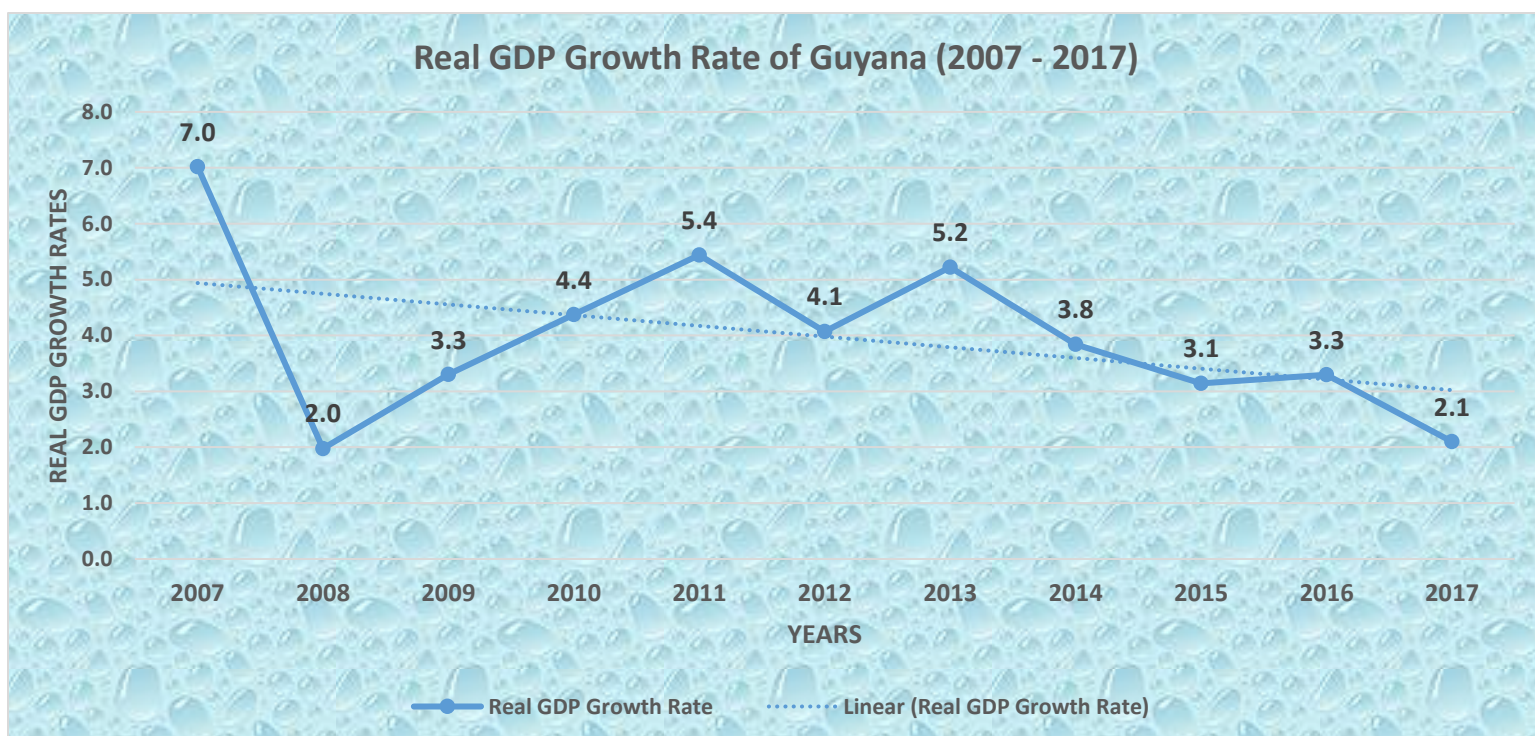
Source: Bureau of Statistics

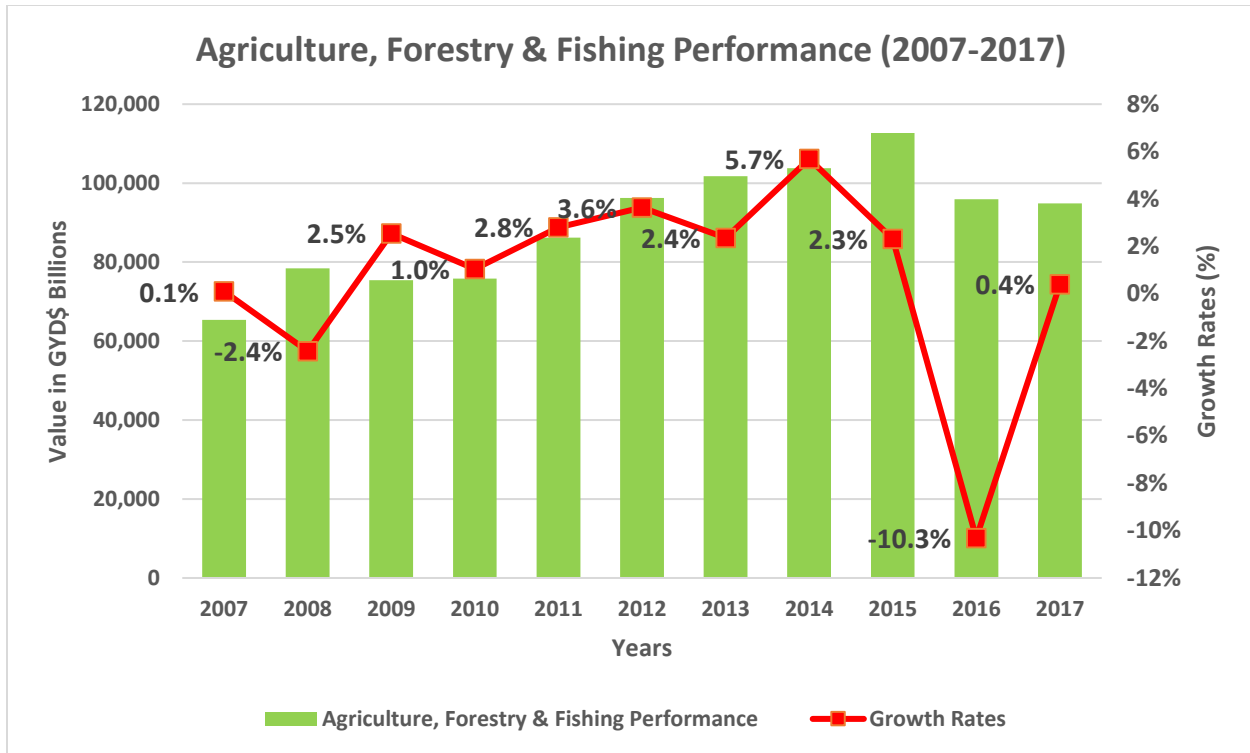
REAL SECTOR

AGRICULTURE, FORESTRY & FISHING SECTOR

The Agriculture, Forestry & Fishing Sector grew by 0.4% during 2017 in comparison to -10.3% in 2016. This growth can be attributed to the significant recovery in the Rice sub-sector and growth in the Forestry, Fishing and Other Crops sub-sectors. However, even though the sector improved marginally from the previous year, the Sugar and Livestock sub-sectors continued to decline.

The graph below summarizes the Agriculture, Forestry & Fishing Sector performance from 2007 to 2017, displaying the value contribution in GYD\$ Billions along with the annual growth rates.





Source: Bureau of Statistics

Note: Values are in Current Prices (GYD\$ Billions) while Growth Rates (%) show change in Constant/Real GDP (2006 Prices)

According to the graph above, Agriculture, Forestry & Fishing generally has been growing positively during the earlier part of the last decade. In 2014, the sector recorded the highest growth of 5.7%, however, during 2016, the sector contracted dramatically by 10.3%, where there were industrial constraints and restructuring in sub-sectors.

This sector remains very critical to Guyana, accounting for 16% of Guyana's Gross Domestic Product; while contributing massively to employment and a value of GYD \$ 94.9 Billion, to our economy in 2017.

AGRICULTURE

SUGAR

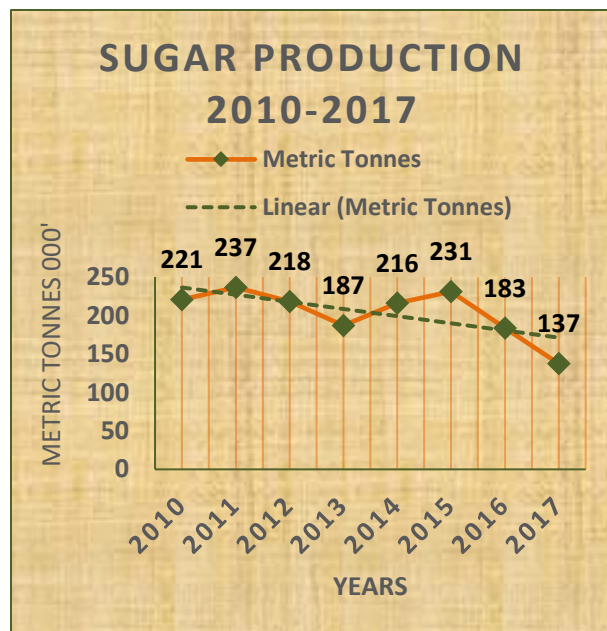
In 2017, sugar production declined to 137,307 metric tonnes from 183,491 metric tonnes for the same period in 2016. This decline represented a 25.2% contraction in the sugar industry which was deemed as a result of the Government's actions to review various estates,

closure and the pursuit to privatize the industry. Sugar accounted for 2% of Guyana's GDP with a value contribution of GYD\$ 8.08 Billion during the year 2017 in comparison to 2.7% in 2016 with a value contribution of GYD\$ 10.8 Billion.

The graph below shows sugar production for the last seven years.

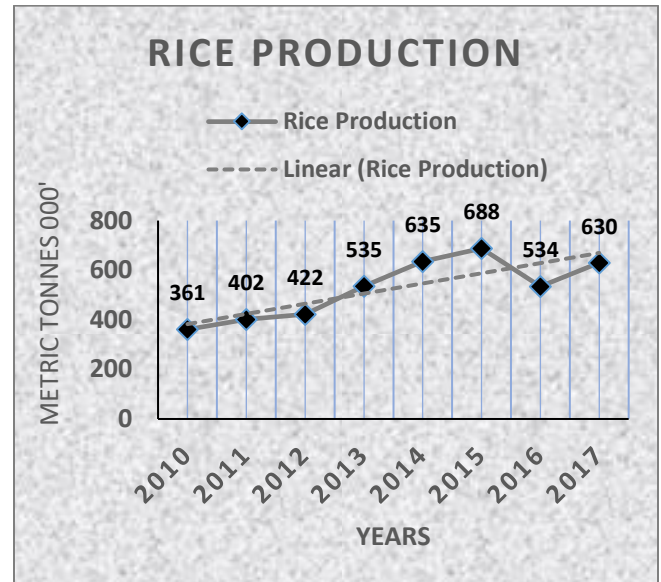
RICE

Having witnessed a drastic decline by 22.3% in 2016, the Rice sub-sector recovered in 2017 with a growth rate of 17.9%. This recovery was justified by the fact that new rice markets were secured in Cuba and progress with an arrangement to ship rice to Mexico. Rice production increased in 2017 to 630,104 metric tonnes surpassing the 534,450 metric tonnes recorded during 2016. The Rice Sector accounted for 3.4% of Guyana's GDP during 2017 with a value contribution of GYD\$ 13.9 Billion, while its share in Guyana's GDP during



the same period for 2016 was 3% with a value contribution of GYD\$ 11.8 Billion.

The graph below depicts Rice production during the first half of the years 2010 to 2017.

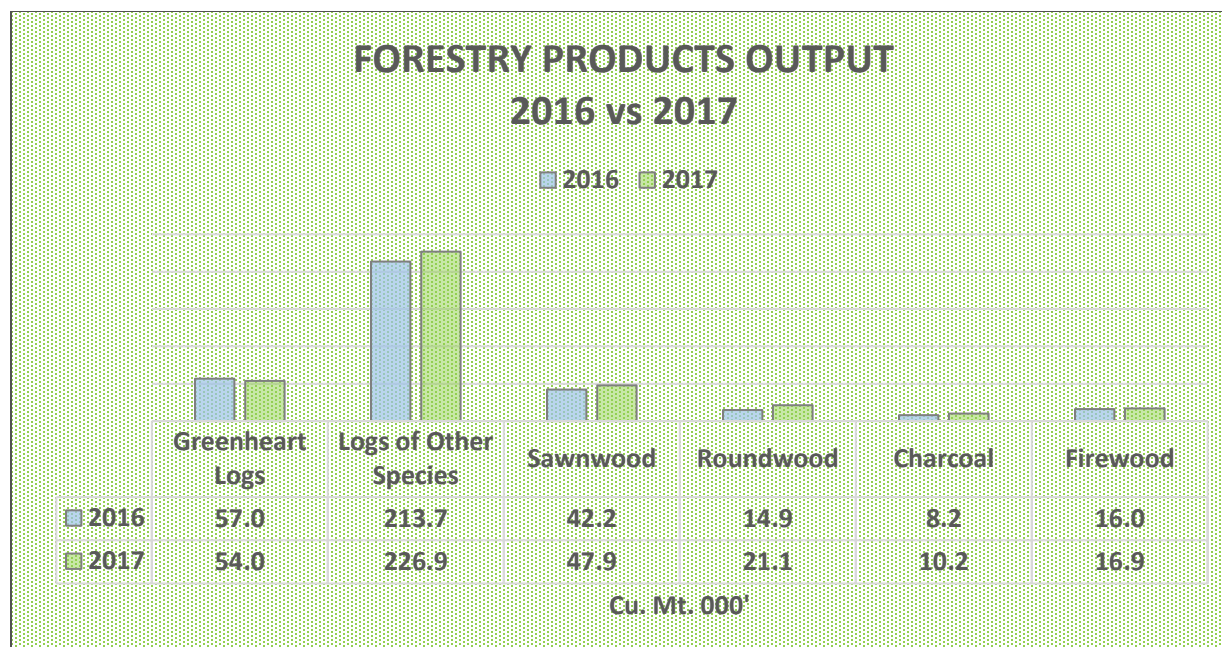


FORESTRY

The Forestry sub-sector improved by 9.1% during the 2017 following the 27.3% decline in 2016.

Production of Greenheart Logs and Plywood decreased while Sawnwood, Roundwood and Charcoal output increased. The Forestry sector performance has been declining over the last few years; this can be ascribed to greater market conditions and sector review within Guyana.

According to the statistics provided in the representation below, Greenheart Logs output declined by 5.2% and Plywood production declined by 40.2%; while Sawnwood, Roundwood and Charcoal output increased by 13.5%, 41.5% and 25.5% respectively during the same period.



FISHING, LIVESTOCK & OTHER CROPS

The Fishing sub-sector increased marginally by 1% during 2017 following a significant 18.1% growth in 2016. Although Fish output declined by 7.5% to 18,777 tonnes in 2017 from 20,296 tonnes in 2016, the seafood sector was buoyed by increased output of shrimps by 13%. Prawns and Small Shrimps catches grew by 45% and 12.3% respectively during the year. The Fishing sector contributed 2% to Guyana's GDP in 2017 with a value contribution of GYD\$ 11,434 Million.

On the other hand, output in the Livestock sub-sector continued to decline by a solid 2.8% during 2017 in comparison to the -5.7% in 2016. This production slump was as a result of unfavourable weather conditions – heavy rainfall severely affecting production.

However, the Livestock sector remains vital to Guyana as the industry accounts for 2.5% of GDP in 2017 with a value contribution of GYD\$ 18,842 Million.

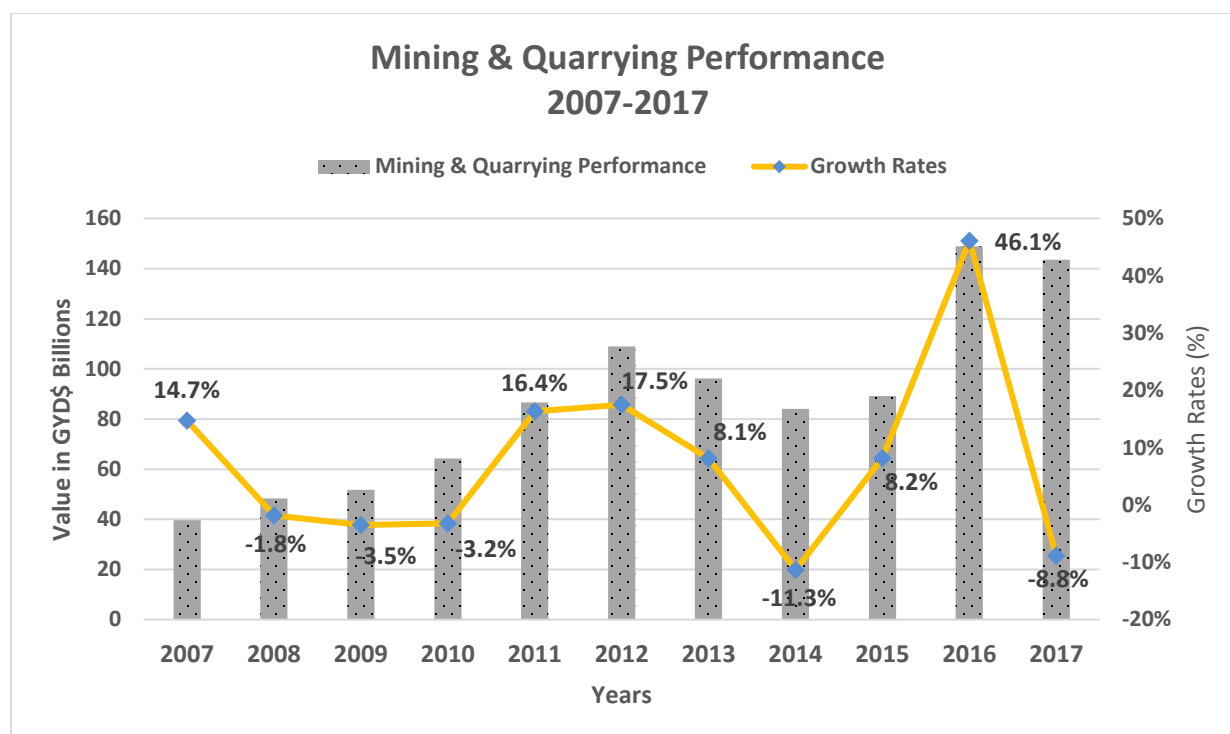
The Other Crops sub-sector improved by 2.1% from 2016 to 2017 while maintaining its share in Guyana's GDP at 4.7% with a value contribution of GYD \$ 15,922 Million.

AGRICULTURE, FORESTRY & FISHING				
<u>Products</u>	<u>Measurement</u>	<u>2016</u>	<u>2017</u>	<u>Percent Change % 2016-2017</u>
Sugar	<i>Tonne</i>	183,491.4	137,307.4	-25.2%
Rice	<i>Tonne</i>	534,766.0	630,104.3	17.8%
Forestry: Total	<i>Cu M</i>	329,286.0	349,894.0	6.3%
Total Logs	<i>Cu M</i>	270,654.9	280,888.8	3.8%
<i>Greenheart Logs</i>	<i>Cu M</i>	56,972.4	53,988.4	-5.2%
<i>Logs of Other Species</i>	<i>Cu M</i>	213,682.7	226,900.2	6.2%

Sawnwood	<i>Cu M</i>	42,232.0	47,935.3	13.5%
Roundwood	<i>Cu M</i>	14,894.2	21,069.9	41.5%
Charcoal	<i>Cu M</i>	8,151.7	10,226.9	25.5%
Firewood	<i>Cu M</i>	15,985.9	16,923.3	5.9%
Plywood	<i>Cu M</i>	13,137.0	7,853.6	-40.2%
Fish	<i>Tonne</i>	20,296.0	18,777.0	-7.5%
Total Shrimp	<i>Tonne</i>	20,715.0	23,399.0	13.0%
	<i>Prawns</i>	411.0	596.0	45.0%
	<i>Small Shrimp</i>	20,304.0	22,803.0	12.3%

MINING & QUARRYING SECTOR

During 2016, the Mining and Quarrying Sector grew dramatically by 46.1%, largely driven by Gold output which increased by 58%. However, in 2017, the Mining and Quarrying Sector contracted by 8.8% as Gold output especially declined by 8.3%. The graph below depicts the Mining and Quarrying Sector performances from 2010 to 2017.



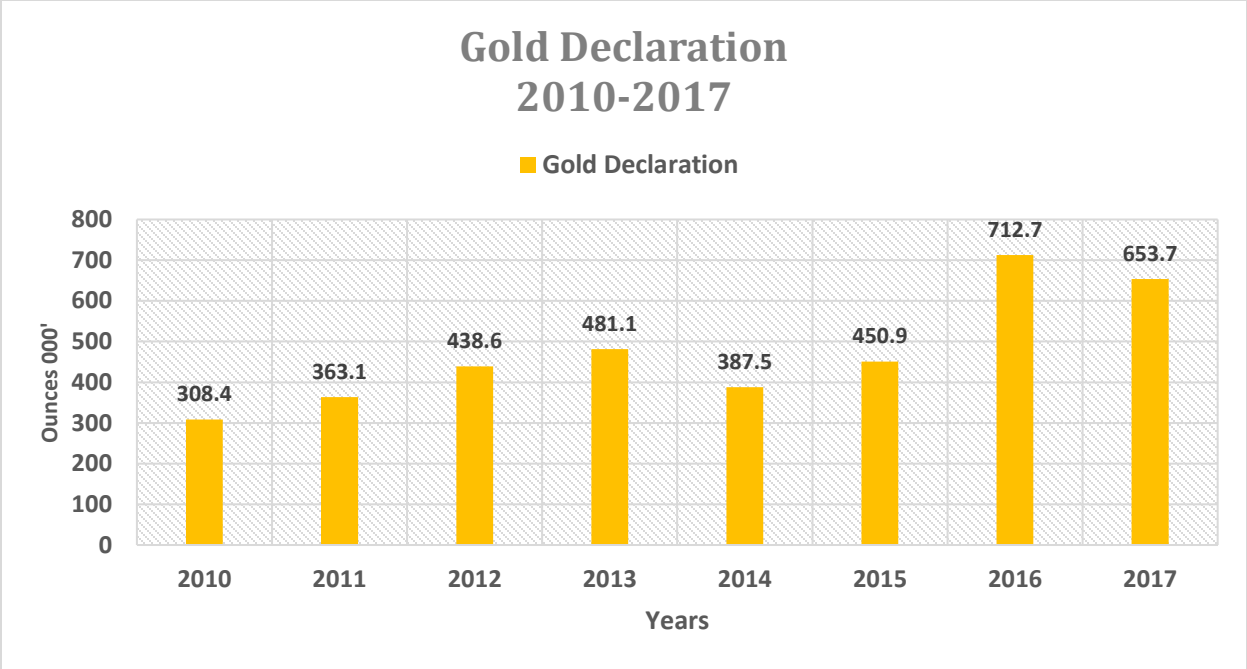
Source: Bureau of Statistics

Note: Values are in Current Prices (GYD\$ Billions) while Growth Rates (%) show change in Constant/Real GDP (2006 Prices)

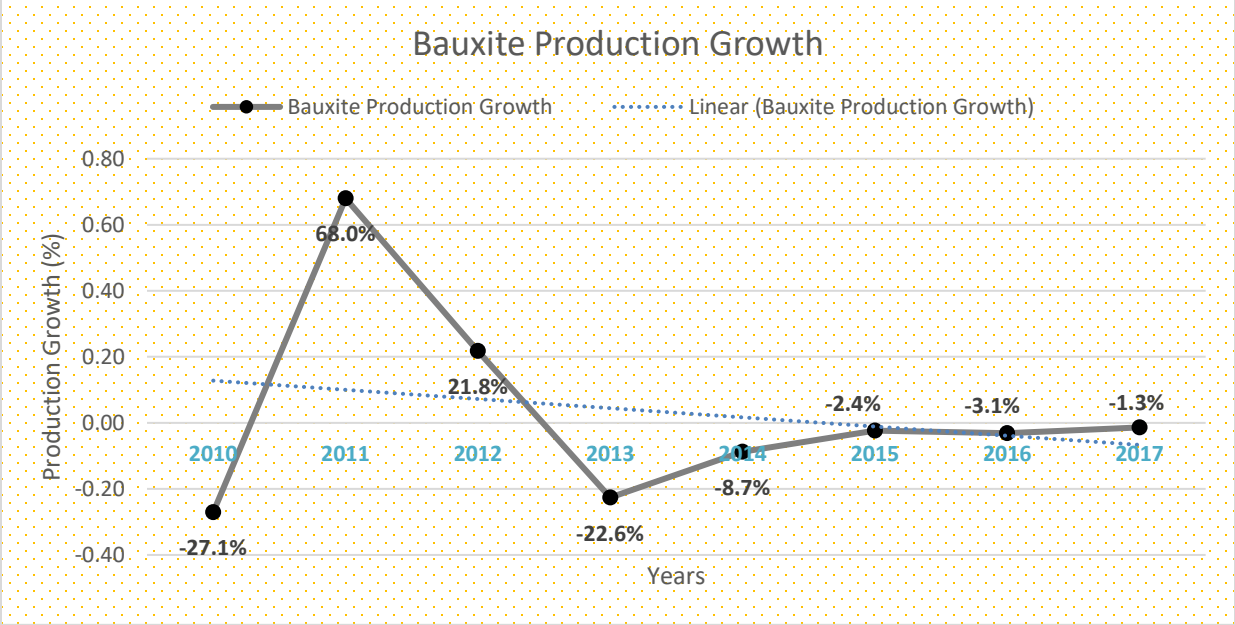
With reference to the graph above, 2016 was definitely a land mark year for the Mining & Quarrying Sector as the sector recorded the largest growth rate during the period. However, 2017, notably all sub-sectors contracted which included Bauxite, Gold and Diamond outputs.

Total Diamond declaration decreased by 62.7% from 139,889.6 metric carats during 2016 to 52,161 metric carats at the end of 2017. However, Crushed Stone output increased in 2017 by 11% as output was recorded at 453,136 tonnes relative 408,405 in the previous year.

MINING & QUARRYING				
<u>Products</u>	<u>Measurement</u>	<u>2016</u>	<u>2017</u>	<u>Percent Change % 2016-2017</u>
Total Bauxite	<i>Tonne</i>	1,479,090.4	1,459,222.8	-1.3%
Total Raw Gold declared	<i>Troy Oz</i>	712,706.4	653,674.0	-8.3%
Diamonds declared	<i>M/Carats</i>	139,889.6	52,161.1	-62.7%
Sand declared	<i>Tonne</i>	1,687,657.9	1,182,853.8	-29.9%
Crushed stone declared	<i>Tonne</i>	408,405.2	453,136.6	11.0%



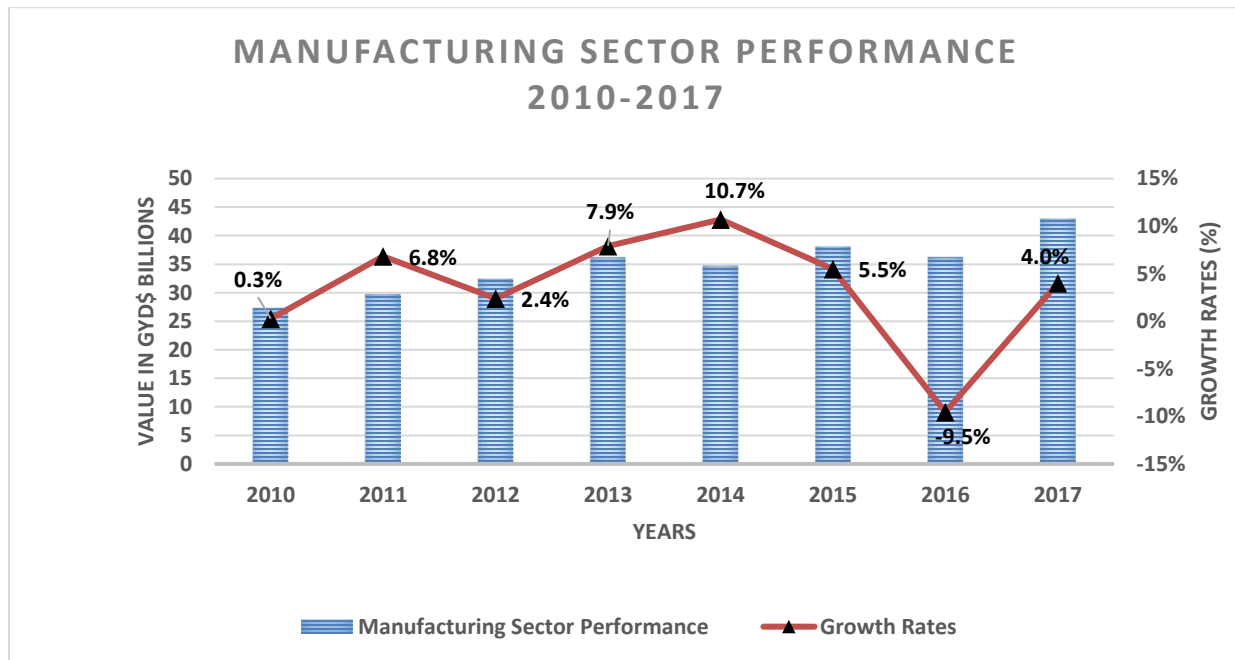
The graph above depicts Gold production since 2010. According to the depiction, Gold output declined from 712.7 troy ounces at end 2016 to 653.7 troy ounces as at end 2017. This 8.3% contraction was justified due to adverse weather conditions and falling gold prices. It should be noted however, that as at December, 2017, Gold still accounts for 16% of Guyana’s GDP (GYD\$ 120,146 Million).



The Bauxite Industry recorded a negative growth of 0.1% during 2017. Bauxite production fell from 1,479,090 metric tonnes during 2016 to 1,459,222 metric tonnes during the same period of 2017, a decline by 1.3%. The graph above details Bauxite Production Growth from 2010 to 2017 highlighting a negative linear production growth during the period. As at December, 2017, the bauxite industry accounted for 1% (GYD\$ 7,414 Million) of Guyana’s GDP.

MANUFACTURING SECTOR

The Manufacturing Sector improved significantly during 2017, growing by 4% compared to the 9.5% negative growth of the previous year. The chart below displays the annual growth rates of the Manufacturing Sector from 2010 to 2017 along with the sector's contribution to Guyana's GDP for the corresponding years.



Source: Bureau of Statistics

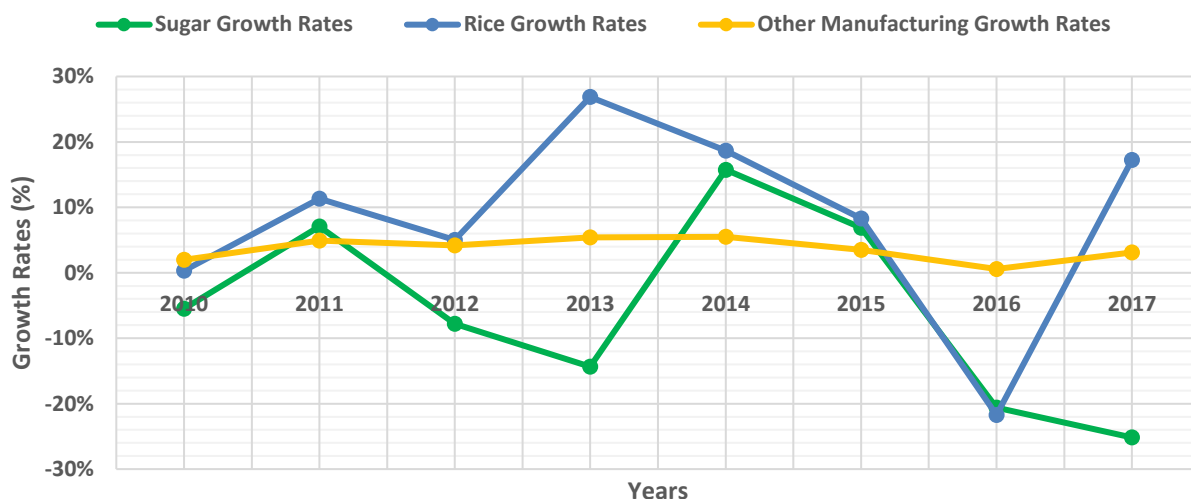
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The Manufacturing Sector as at December 2016 accounted for 5% (GYD\$ 36,200 Million) of Guyana's GDP while, as at December 2017, the sector accounted for 5.7% (GYD\$ 42,922 Million) of Guyana's GDP.

The main sub-sectors in the Manufacturing Sector include rice milling, value added in the sugar industry and light manufacturing. The chart on the following page exhibits the performances of these three sub-sectors over the last seven years with regards to the respective growth rates.

It is quite apparent that much of the sector's growth was ascribed to the huge recovery in Rice milling activities which grew by 17.3% during 2017 in comparison to 2016. On the other hand, manufacturing in the sugar industry declined significantly in 2017 by 25.2%. Other manufacturing or light manufacturing grew by 3.1% as at December 2017 with the sector contributing heavily towards Guyana's GDP adding 3% (GYD\$ 22,420 Million) while Rice and Sugar contributed 2.3% (GYD\$ 17,366 Million) and 0.4% (GYD\$ 3,135 Million) respectively during 2017.

Growth Rates of Sub-Sectors in Manufacturing 2010-2017

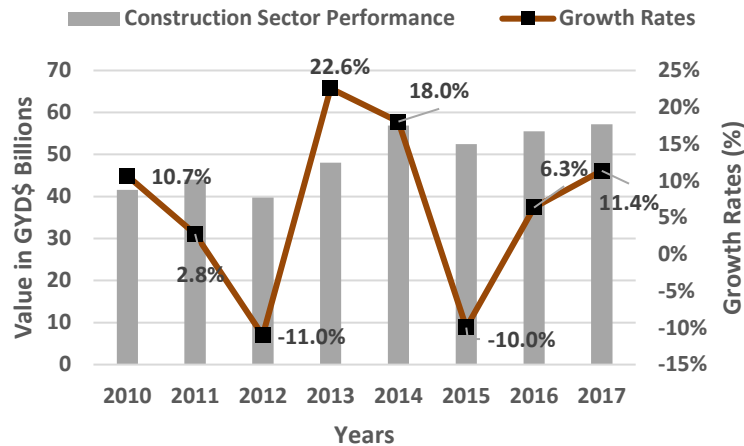


MANUFACTURING- PHARMACEUTICALS, INDUSTRIAL & EDIBLE GOODS

<u>Products</u>	<u>Measurement</u>	<u>2016</u>	<u>2017</u>	<u>Percent Change % 2016-2017</u>
<i>Source: Bureau of Statistics</i>				
<u>Pharmaceuticals</u>				
Total Liquids	litre	480,852.4	1,043,494.6	117%
Tablets	000	37,402.0	258,824.5	592%
Total Ointments	Kg.	6,351.1	6,264.3	-1%
<u>Industrial Goods</u>				
Stockfeed	tonne	40,683.8	47,471.1	17%
Detergent	Kg.	1,143,222.2	1,081,530.0	-5%
Paints	Litre	2,666,471.4	2,801,656.7	5%
Putty	Kg.	1,474,694.2	1,594,455.1	8%
Oxygen	Litre	492,182,691.0	409,374,105.0	-17%
Acetylene	Litre	31,608,170.0	84,971,039.0	169%
<u>Beverages</u>				
Bottled Rum	000 Litres	4,881.1	5,088.8	4%
Malta	Litre	557,568.0	543,813.6	-2%
Wine	Cases	314,436.7	295,102.3	-6%
Shandy	Cases	98,388.0	94,774.0	-4%
Vita Malt	Cases	145,149.0	156,054.0	8%
Beer + Stout	000 Litres	20,624.4	21,171.7	3%
Total Aerated	000 Litres	53,852.7	56,039.5	4%
Mineral/Distilled Water	000 Litres	25,536.1	27,913.4	9%
<u>Edible Items</u>				
Baking Fat / Lard	Kg.	206,130.0	256,483.0	24%
Ghee	Kg.	172,735.0	144,473.0	-16%
Ice cream	Litres	1,867,263.6	1,835,087.3	-2%
Frostee Pop (Novelty)	Litres	140,279.3	171,297.6	22%
Biscuits	'000 Kg.	1,192.2	1,128.9	-5%
Cereal	Kg.	153,284.0	152,122.5	-1%
Flour	Tonne	33,563.9	34,216.6	2%
Wheat Middling / Bran	Tonne	10,346.9	10,994.4	6%

CONSTRUCTION SECTOR

CONSTRUCTION SECTOR PERFORMANCE 2010-2017



The Construction Sector witnessed an 11.4% growth in 2017, in contrast to 6.3% in 2016. This performance in the Construction Sector can be ascribed to the increased activities in the housing sector and the great improvement in the last quarter of the Public Sector Investment Programme. The sector has contributed significantly to Guyana's GDP also, accounting for 7.6% (GYD\$ 57,163 Million) during 2017.

The graph to the left shows the Construction Sector's annual growth rates from 2010 to 2017 along with value contribution to Guyana's GDP for the respective periods.

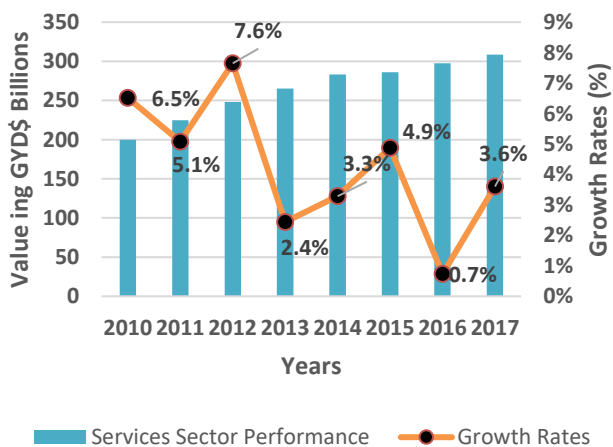
Source: Bureau of Statistics

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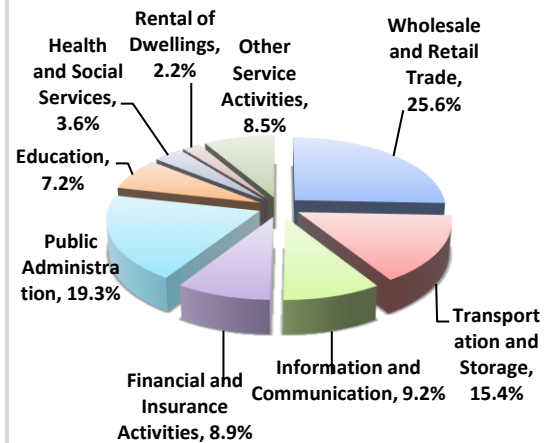
SERVICES SECTOR

The Services Sector over the years has been contributing significantly to Guyana's GDP. During 2017, the Services Sector (excluding Electricity & Water) accounted for 41.2% of Guyana's GDP which translates to GYD\$ 308,455 Million. During the said period, the Services Sector grew by 3.6% in comparison to the similar period in 2016. The chart below presents the annual performance of the Services Sector over the last seven years. With reference to the chart, it is quite evident that the Services Sector has been contributing increasingly to Guyana's GDP over the years.

Services Sector Performance 2010-2017

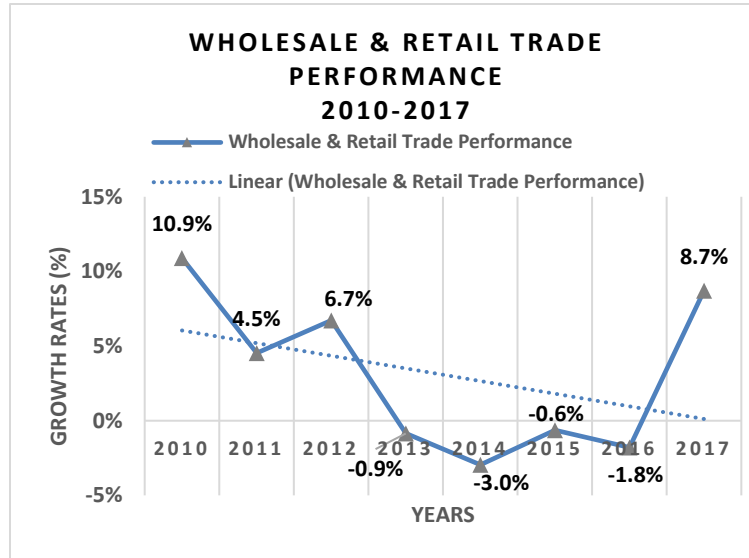


Contributions to the Services Sector 2017



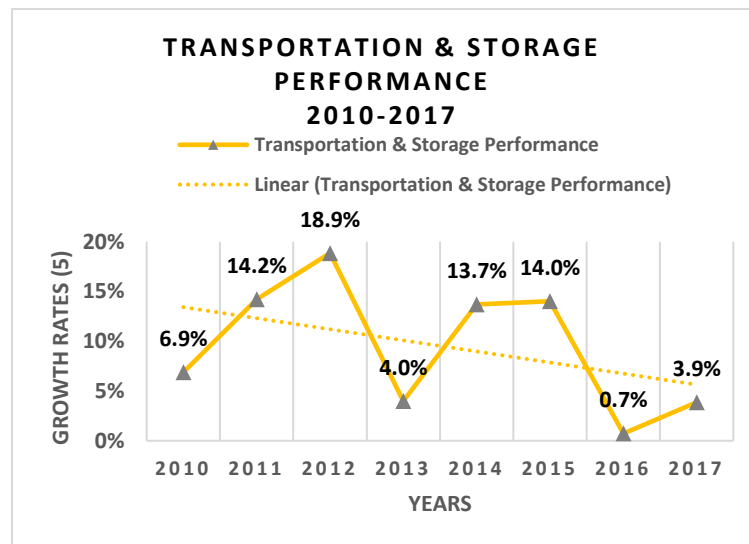
Wholesale and Retail Trade according to the pie chart above accounted for 25.6% of the Services Sector in Guyana during 2017. This sub-sector contributed 10.56% (GYD\$ 79,104 Million) to Guyana's GDP while growing by 8.7% compared to the decline of 1.8% during the previous year.

The Line Chart to the right displays Wholesale and Retail Trade annual growth rates during the past seven years signifying a downward linear trend.



In addition to Wholesale and Retail Trade, the Transportation and Storage sub-sector occupied a large percentage (15.4%) of the Services Sector. With respect to the sub-sector's value contribution of Transportation & Storage accounted for 6.3% (GYD\$ 47,427 Million) of Guyana's GDP during 2017. The sector grew by 3.9% in 2017 which showed an improvement over the previous year's growth which was recorded at 0.7%.

The Line Chart to the right displays Transportation & Storage growth rates during the past seven years demonstrating a constant linear trend in the sub-sector's growth for the respective period.



Financial and Insurance Activities during 2010 to 2016 witnessed solid positive growth. However, in the year of 2017, the sub-sector contracted by 2.08% ending the positive growth streak. The Financial and Insurance sector accounted for 3.7% (GYD\$ 27,465 million) of Guyana's GDP in 2017 and occupied a 3.7% share in the total value of the Services Sector.

The line chart to the right displays the sub-sector's annual growth rates since 2010.

