

# BANK OF GUYANA

## Annual Report 2007





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# **BANK OF GUYANA**

## **STATEMENT OF PURPOSE**

The role of the Bank of Guyana is to act as the Central Bank for Guyana. Its primary purpose is to formulate and implement monetary policy so as to achieve and maintain price stability. The other major purpose is to foster a sound, progressive and efficient financial system. In the discharge of its functions, the Bank strives to:

- promote a sustained and non-inflationary growth of the economy;
- maintain the integrity and value of the Guyana dollar; and
- secure the credibility of the financial system, including payments arrangement, through supervision and oversight.

## **CORPORATE PHILOSOPHY**

The Bank's corporate philosophy in relation to its customers, staff and people of Guyana, is to adopt a consultative and a constructive approach, seek market-based solutions, generate greater awareness and understanding of issues directly related to the Bank's functions, maintain transparency and public accountability and provide the highest quality output possible.

**LETTER OF TRANSMITTAL**

*March 31, 2008*

*Honourable Dr. Ashni Kumar Singh, M.P.  
Minister of Finance  
Ministry of Finance  
Main Street  
GEORGETOWN*

*Dear Minister,*

*As required under Section 58 of the Bank of Guyana Act 1998, No.19 of 1998, I have the honour to submit to you the Bank's Report on its operations in 2007, together with the Balance Sheet and Profit and Loss Account as certified by the external auditors appointed in accordance with Section 60 of the Act. A review of economic developments in Guyana in 2007 is incorporated in the report.*

*The original of the auditors' report and certificate is also attached.*

*Yours sincerely,*

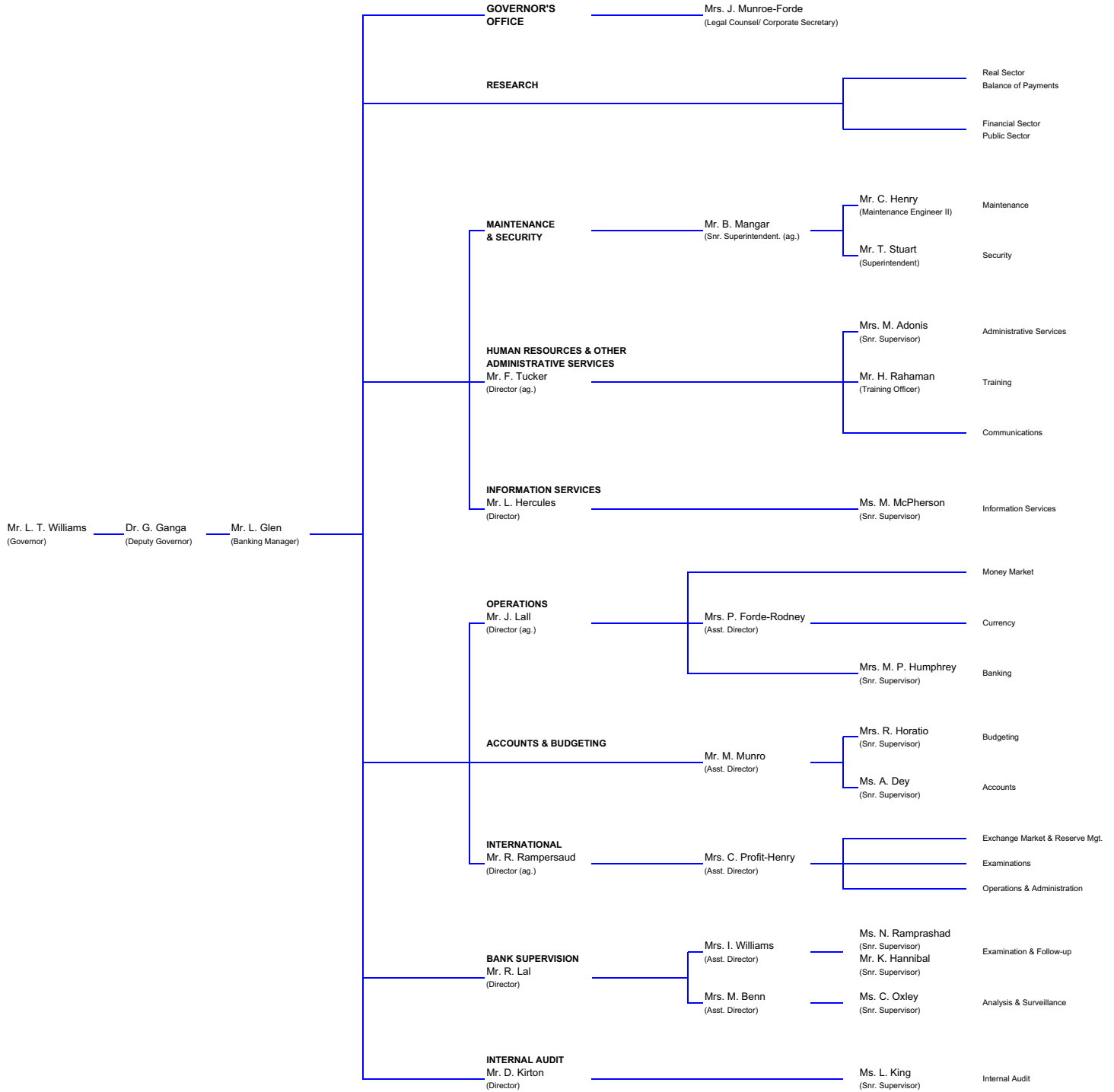
*Signed  
L. T. Williams  
Governor*

**BOARD OF DIRECTORS DURING 2007**

Mr. L. T. Williams (Chairman)  
 Dr. G. Ganga (Deputy Chairman)  
 Mr. P. Bhim  
 Mr. V. Persaud  
 Dr. C. Solomon  
 Dr. P. Misir  
 Finance Secretary (Ex Officio Member)  
 Mrs. J. Munroe -Forde (Corporate Secretary)

**ORGANISATION OF THE BANK**

as at December 31, 2007



## ***INTRODUCTION***

*The forty-third Annual Report of the Bank is presented in accordance with Section 58 of the Bank of Guyana Act. Developments in the domestic economy are described in Part I, which is complemented by annexed statistical tables. The international economic environment is overviewed in Part II. The functions, policies and activities of the Bank that were undertaken against the economic background outlined in Parts I and II are summarized in Parts III & IV. The Bank's financial statements are presented in Part V.*

# I

## THE GUYANA ECONOMY

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### 1. SUMMARY

The global economy showed signs of resilience despite lower than expected economic activity from developed economies and the financial turmoil as a result of the subprime mortgage crisis. The 4.9 percent global growth rate in 2007 was driven mainly by the strong performance of the emerging market economies, led by China, India and Brazil. The year also saw inflation rising to its highest level in nearly two decades on account of escalating crude oil and food prices. The growth in the world economy coupled with improved commodity prices contributed positively to the performance of the Guyanese economy.

Real gross domestic product (GDP) of the Guyanese economy increased by 5.4 percent, exceeding the 4.9 percent targeted for the year. The improved performance is attributed to strong growth in the sugar, fishery, livestock, mining & quarrying, and manufacturing & distribution sectors. Production of rice and forestry products declined during the year. Inflation was higher at 14 percent compared with 4.2 percent in 2006. This is associated with the rise in international commodity and fuel prices as well as the implementation of the Value Added Tax (VAT) regime at the beginning of the year.

In spite of strong export earnings, the overall balance of payments deteriorated from a surplus of US\$42.9 million to a deficit of US\$1.4 million in 2007. This was due to relatively higher imports which resulted from the sharp rise in oil prices and Cricket World Cup (CWC) related imports. In addition, there was a lower surplus on the capital account reflecting increased net short-term private capital outflows by commercial banks.

Foreign exchange market activities continued to grow with the volume of transactions increasing by 19 percent during 2007. Total purchase of foreign currencies in the Cambio market grew by 28.3 percent to US\$943 million while sales grew by 26.4 percent to US\$911 million. In spite of purchases outstripping sales, the G\$/US\$ exchange rate depreciated marginally due to periodic excess demand and indexation by cambios. The Bank of Guyana remained active in the foreign exchange market accounting for 16.5 percent of the transactions.

The overall financial operations of the public sector, on a cash basis, improved during the year on account of strong central government performance. Central Government's performance reflected a 28.8 percent growth in revenue that accrued under the Excise Tax and Value Added Tax (VAT) regimes which became effective on January 1<sup>st</sup> 2007. Debt relief provided by the Inter-American Development Bank (IDB) also contributed to the strong overall position of the central government. In contrast, the Non-Financial Public Enterprises recorded a weakened performance due to an increase in current expenditure.

The stock of both government's domestic bonded debt and external public & publicly guaranteed debt declined during the year. Lower issuance of government treasury bills contributed to the 6.7 percent decline in domestic bonded debt while debt relief received under the Multilateral Debt Relief Initiative (MDRI) resulted in the 31.1 percent decline in stock of external debt during 2007. External debt service payments declined by 17.8 percent to US\$19 million due mainly to the impact of debt relief under the Multilateral Debt Relief Initiative. The domestic



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debt service also declined as a result of lower principal payments.

Monetary policy remained focused on the management of excess liquidity, with the aim of encouraging private sector credit growth while maintaining exchange rate and domestic price stability. This policy resulted in a favourable outturn in the fiscal sector during the year. Reserve, narrow and broad money grew by 7.7 percent, 12.8 percent and 13.6 percent respectively. Private sector credit growth was 18.7 percent. Interest rates of commercial banks continued to trend downwards on account of higher levels of liquidity while the 91-day treasury-bill rate declined due to competitive bidding for treasury bills. However, the spreads between the various interest rates were mixed at end-December 2007. Non-bank financial institutions continued to actively mobilize financial resources which were transformed into higher claims on the private and public sectors mainly in the form of investment (e.g. real estate mortgage loans) and treasury bills respectively.

The Licensed Depository Financial Institutions (LDFIs) reported higher levels of capital, profits and liquidity during the year. However, higher risk weighted assets resulted in a slight decline in the Capital Adequacy Ratio (CAR) when compared with end December 2006. In spite of this the CAR remained well above the prudential 8 percent benchmark. The stock of non-performing loans increased but adequate provision had been made by the LDFIs.

In 2008, the world economy is projected to grow at a slower rate of 4.1 percent due to lower growth from developed economies as they strive to meet the challenges of the sub prime crisis and higher inflation. The US economy is expected to slow down with the dollar remaining relatively weak against major currencies. Guyana is unlikely to be adversely affected by the projected outturn.

In the coming year, the Guyana economy is anticipated to continue along the strong growth path, with real gross domestic product projected to increase by 4.8 percent. The higher level of economic activity is expected from growth in services, agriculture, forestry & fishing, manufacturing, engineering & construction, mining & quarrying sectors largely on account of initiative undertaken in 2007 and higher commodity prices. The domestic inflation rate is projected to be 6.8 percent as the effects of the VAT implementation in 2007 diminish. Higher economic growth is expected to improve both external and internal balances which will contribute to a more optimal monetary policy. The Bank will continue to aggressively monitor and manage excess liquidity and take appropriate action when necessary to control inflation while promoting growth. □

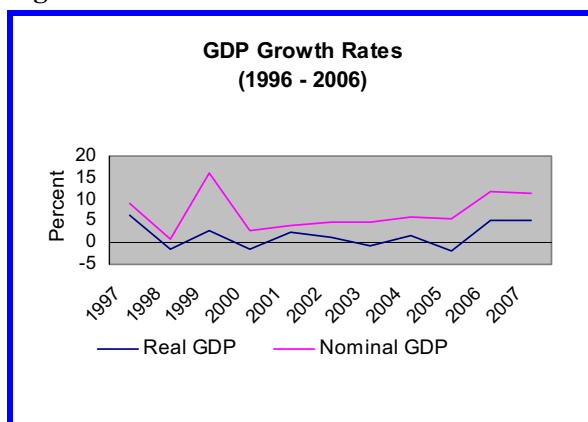
## 2. PRODUCTION, AGGREGATE EXPENDITURE, EMPLOYMENT AND INFLATION

The economy continued to expand in 2007, registering real economic growth of 5.4 percent compared with 5.1 percent in 2006. The outturn was due to strong performances in all sectors, with the exception of the rice and forestry sectors, which registered decreased growth. Inflation rose sharply to 14 percent compared to 4.2 percent in 2006. This was largely attributed to the implementation of the VAT regime at the beginning of the year, as well as high food and fuel prices.

### GROSS DOMESTIC PRODUCT (GDP)

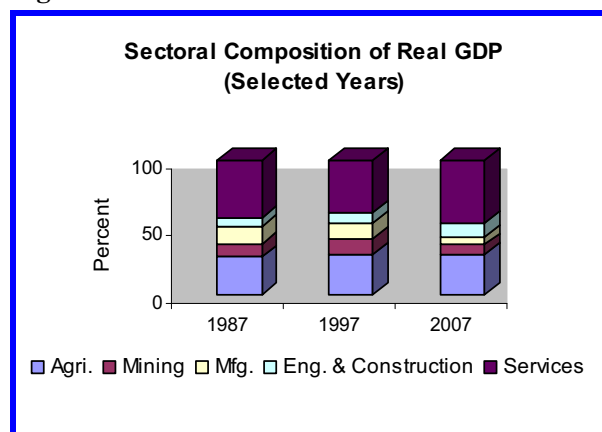
In 2007, the economy continued growing positively on the back of stable weather conditions as well as increased private and public sector investment. The economy grew in real terms by 5.4 percent and in nominal terms by 11.2 percent.

Figure I



In terms of the sectoral composition of real GDP, the agriculture, fishing and forestry sectors contributed 30.1 percent and the mining sector 6.7 percent, compared with 31.6 percent and 5.8 percent respectively in 2006. The manufacturing sector (excluding sugar processing and rice milling) contributed 6 percent, engineering and construction 10.4 percent, and the service sector contributed 46.6 percent. In 2006, the growth of the engineering & construction and services sectors were 10.4 percent and 46 percent respectively, reflecting the continued high growth in these sectors.

Figure II



### PRODUCTION

#### Agriculture, Fishing and Forestry

The agricultural sector (including sugar processing and rice milling) recorded a 0.7 percent increase in real terms during 2007. The growth partly reflected stable weather conditions and large investment into drainage and irrigation facilities in this sector. In addition, several initiatives have been undertaken to encourage farmers to increase production in the non-traditional sectors of agriculture.

#### Sugar

Sugar output increased by 2.7 percent in 2007 to 266,482 tonnes, and was 93.5 percent of the production target for the year. In the first half of 2007, production of sugar exceeded 100,000 tonnes on account of stable weather conditions and the availability of inputs. Although the sugar industry experienced inclement weather in the second half of the year, increased costs of fertilizers and fuel, the

continued availability of inputs and the efficient factory operations resulted in increased production for the second half of the year.

In 2007, various actions were undertaken to improve and sustain the industry. As part of the European Union's EPA agreements, the sugar industry has benefited from 5.6M Euros for the Guyana Sugar Action Plan, to enhance and support the industry. In addition, much emphasis had been placed on accelerating work on the agricultural component of the Skeldon Modernisation Project and on upgrading various factories to accommodate the establishment of a packaging facility.

### Rice

Rice output decreased by 2.9 percent to 298,125 tonnes, and fell short of the targeted amount for the year by 7.2 percent. In the first half of 2007, output of rice increased significantly partly due to stable weather conditions. Although the rice industry has secured markets for higher-grade rice in European and Caribbean markets, rice output decreased in the second half of the year. This was due to an increase in the cost of fertilizers and fuel, as well as inclement weather conditions.

**Table I**

<b>Selected Production Indicators</b>			
<b>Agriculture, Fishing &amp; Forestry</b>			
<b>Commodity</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Sugar (tonnes)	246,208	259,588	266,482
Rice (tonnes)	273,238	307,036	298,125
Fish (tonnes)	30,313	25,675	27,397
Shrimp (tonnes)	18,390	18,610	36,502
Poultry (tonnes)	22,700	20,691	25,112
Eggs ('000)	24,124	5,396	9,839
Total logs (cu.mt.)	321,315	393,968	330,374
Sawnwood (cu.mt)	33,178	67,570	74,364
Plywood (cu. mt.)	37,120	34,874	34,444

In 2007, a number of initiatives were undertaken to improve the rice industry. The rice sector benefited

from the launching of a \$1.6 billion financial facility that provides loans to stakeholders at reduced interest rates, major water works and the provision of improved research and development services. Further, seed paddy plants have been constructed to enhance rice output. In addition, the rice industry saw the removal of Value Added Tax (VAT) from fertilizers and machine parts, as well as the reduction of excise taxes on fuel.

### Fishing and Livestock

The fishing sector grew 44.3 percent in real terms in 2007 due to a 6.7 percent and 96.1 percent increase in fish and shrimp catches respectively. The improvements are attributed to the launching of the Fisheries Management Plan, the recertification to export fish, provision of boats and engines, and the construction of an aquaculture hatchery. In spite of these improvements, the fishing sector continues to be plagued by piracy and increased costs of machinery and fuel.

In 2007, the livestock sector registered improved growth of 2 percent in real terms. Output of poultry and eggs increased by 21.4 percent and 82.3 percent respectively, due to the re-entry of a large livestock producer into the industry, establishment of pastures and continued support by the government with surveillance, early detection, monitoring and control of pest and diseases.

### Forestry

Logging and plywood output decreased in 2007 by 16.1 percent and 1.2 percent respectively. In contrast, the production of Sawnwood increased by 10.1 percent. The decrease in logging is largely attributed to the suspension of logging permits as a result of environmental concerns, and increases in freight and insurance costs.

### Mining and Quarrying

The mining sector recorded growth of 22.7 percent in real terms during 2007. This reflected the substantial investment and restructuring that was undertaken in the bauxite industry over the last few years, and the

impact of increased prices for bauxite and gold on world markets.

### Bauxite

Bauxite output increased by 51.7 percent, and significantly exceeded the 4.3 percent production target for the year. Output of Calcined (RASC), Chemical (CGB) and Metal Grade (MAZ) grew by 46.1 percent, 29.6 percent and 54.7 percent respectively in 2007. One important reason is the significant investment undertaken at the Aroaima mine (where MAZ is exclusively produced) by the Bauxite Company of Guyana Inc as well as the BOSAI Mineral Group Guyana Inc (BMGGI) facility, which has taken over Omai Bauxite Mining Inc.

**Table II**

Selected Production Indicators			
Mining & Quarrying			
Commodity	2005	2006	2007
Bauxite (Tonnes)	1,694,126	1,478,670	2,248,928
RASC	212,720	149,370	218,187
CGB	176,032	174,506	226,203
MAZ	1,287,090	1,147,667	1,775,768
Gold (oz)	267,666	182,216	238,298
Diamond (mt. ct.)	356,948	340,544	268,945

### Gold and Diamonds

Total gold declarations increased by 30.8 percent to 238,298 ounces. As a result the gold sub-sector exceeded its target for the year by 16.2 percent. The main reasons for this increase were the development of additional mining areas, and improvements to mine access roads. New government policies inviting private buyers and explorers, as well as and high gold prices on the international markets have also contributed to the increase in declarations in 2007.

Diamond declarations decreased by 21 percent to 268,945 mt ct. This decline in performance was a result of miners switching from diamonds to gold, on

account of the latter carrying higher global prices.

### Manufacturing

The manufacturing sector (excluding sugar processing and rice milling) grew by 1 percent in 2007. Growth was adversely affected by high global prices for inputs.

The beverage industry experienced a 2.1 percent and 3.2 percent decrease in production of alcoholic and non-alcoholic products respectively. These decreases resulted from subdued demand following price increases and the rainy season which reduces outdoor social events.

Output of liquid pharmaceuticals increased by 34.8 percent in 2007, reflecting producers expanding capacity to meet increased demand.

**Table III**

Selected Production Indicators			
Manufacturing			
Commodity	2005	2006	2007
Alcoholic Beverages ('000 litres)	24,079	24,496	25,021
Malta ('000 litres)	903	1,063	817
Non-Alcoholic Beverages ('000 litres)	43,089	39,594	38,311
Liquid Pharmaceuticals ('000 litres)	453	610	822
Paints ('000 litres)	2,169	2,404	2,481
Garments ('000 dozens)	115	140	163
Electricity ('000 MWH)	528	535	559

Paint production increased by 3.2 percent on the back of strong growth in the construction industry. The garment industry recorded a substantial increase in production by 16.4 percent. Electricity generation registered growth of 4.6 percent in 2007 due to continued expansion and investment activity in the sector.

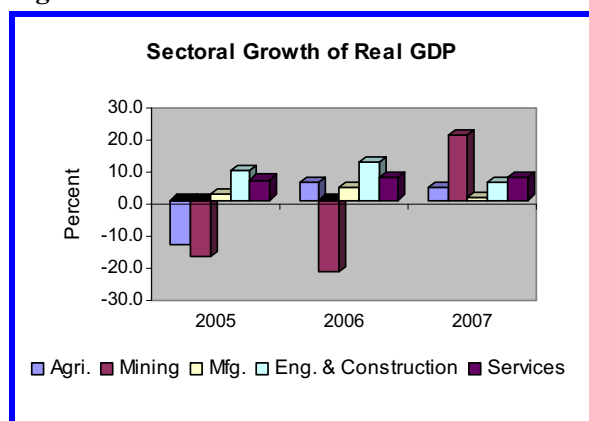
## Engineering and Construction (E&C)

The engineering and construction sector recorded growth of 5.7 percent in 2007, making it one of the fastest growing sectors in the economy. This was the result of a 2.2 percent increase in public sector investment focusing on schools, roads, low-cost housing and drainage and irrigation. Private investment in hotel construction and housing has facilitated growth in the construction industry.

## Services

The service sector recorded an overall growth rate of 7 percent in 2007. Government spending on wages, the largest contributor to the service sector, grew by 1 percent, whereas the transport and communications sub-sector, the second largest contributor to the service sector, grew by 13 percent. The strong growth recorded in the latter resulted from heightened competition in the non fixed-line telecommunications sector during the past year as cell phone and internet providers have sought to capitalize on robust demand for their services.

**Figure III**



The financial services sub-sector grew by 7 percent in 2007 as growth in private sector credit reflected increased demand for financial services. Rent of dwellings increased by 3 percent on account of a robust housing market. The distribution sub-sector experienced significant growth, expanding by 9 percent. This was most likely spurred by the increase in demand for imported goods as incomes, in

particular from remittances, grew significantly.

## AGGREGATE EXPENDITURE

### Overall Expenditure

Aggregate expenditure was 25.6 percent higher than in 2006. Total consumption expenditure as a share of aggregate expenditure increased from 66.4 percent in 2006 to 72 percent in 2007. As a result, the share of investment expenditure from total expenditure decreased from 33.6 percent in 2006 to 28 percent in 2007. The shift in the composition of expenditure contributed in part to the resource gap (the difference between GDP at market prices and aggregate expenditure) deteriorating by 42.4 percent.

**Table IV**

Aggregate Expenditure			
G\$ Billion			
	2005	2006	2007
GDP	165.0	183.0	217.6
Expenditure	218.7	246.6	309.7
Investment	53.3	82.8	87.9
Private	31.4	41.0	44.5
Public	21.9	41.8	42.3
Consumption	165.4	163.8	222.9
Private	121.0	119.5	169.5
Public	44.4	44.3	53.4
Resource Gap	-53.7	-63.6	-93.2

### Total Consumption Expenditure

Total consumption expenditure in 2007 increased by 36.1 percent to G\$222.9 billion, and exceeded the GDP at market prices. Private and public consumption expenditure represented 54.7 percent and 17.2 percent respectively of aggregate expenditure, compared with 48.5 percent and 18 percent respectively in 2006.

### Private Consumption Expenditure

Private consumption expenditure increased by 41.8 percent to G\$169.5 billion. This reflected a 13.4 percent increase in household deposits and a shift

from investment to consumption by the private sector.

### Public Consumption Expenditure

Public consumption expenditure increased by 20.5 percent to G\$53.4 billion. In December 2007, the government awarded public sector servants a 9 percent increase on their salaries and pensions, retroactive from January 1, 2007. This showed a substantial increase in public consumption expenditure along with refunds of revenue and subvention amounts.

### Total Investment Expenditure

Total investment expenditure in 2007 rose by 4.9 percent to G\$86.9 billion, which equated to 40 percent of GDP at market prices. Private and public investment expenditure as a share of aggregate expenditure represented 14.4 percent and 13.7 percent respectively compared with 16.6 percent and 18.6 percent respectively in 2006. Although the share of investment expenditure to total expenditure decreased, the increase in investment expenditure can be attributed to an increase in public sector investment and an improved environment for investment opportunities within Guyana. This has facilitated an increase in local and foreign investments, which have contributed to economic growth and employment, specifically within the private sector.

### Private Investment Expenditure

Private investment expenditure increased by 8.5 percent to G\$44.5 billion. Government incentives and improved access to resources have enabled the framework for investment. The major investments were in mining & quarrying, engineering & construction, transport & communications and distribution sectors.

### Public Investment Expenditure

Public investment expenditure expanded by 1.3 percent to G\$42.3 billion. This increase was reflected in the government's aim to maintain the economic and social infrastructure needed for

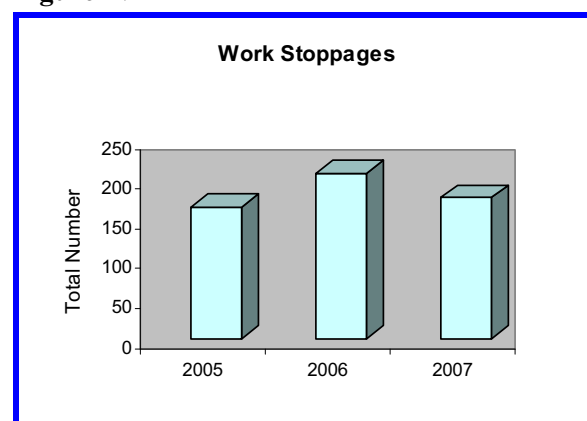
sustained growth and development. Major areas that received additional investment were roads, bridges, sea defense, drainage & irrigation and schools. More investment funds were also allocated to diversify development in Linden, namely the mining town, improvement in agriculture, housing & water, national security and public works.

## EMPLOYMENT, EARNINGS & INFLATION

### Public Sector Employment

Developments in the public sector labour market improved during 2007. The number of strikes decreased from 208 in 2006 to 177 in 2007, all lasting between one day and greater. GUYSUCO accounted for 175 of the 177 strikes and were related to wage and other disputes. The General Agricultural Workers Union (GAWU) was able to secure an 8.5 percent increase in wages for sugar workers. When compared to 2006, total man-days lost decreased by 44.8 percent to 66,299 and wages lost declined by 38.3 percent to G\$130.4 million.

Figure IV



Employment in the public sector continued to fall, with an overall decline of 3.4 percent recorded in 2007. This partly reflected a decline in employment within central government of 17.7 percent, mainly due to the retrenchment of employment in the core civil service agencies. Moreover, employment in Guyana National Newspapers Limited (GNNL) and

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Non-Financial Public Enterprises (NFPEs) and financial institutions decreased by 4.2 percent, 2.4 percent and 1.3 percent, respectively.

On the other hand, GUYSUCO posted a 4.4 percent increase in employment, mainly due to the industry's need to increase output of sugar to maximize the enhanced capacity of the industry. Furthermore, employment in the Guyana Mining Enterprise (GUYMINE) increased by 4 percent.

### **Private Sector Employment**

While data on private sector employment remains weak, there were some positive results in this sector. The substantial growth in the engineering & construction sector has created a large number of jobs. Furthermore, government policies to invite private buyers and explorers have resulted in substantial investment in the mining and quarrying sector, thus contributing positively to employment. The government continues to support the private sector through incentives aimed at increasing investment and job creation in Guyana.

### **Earnings**

In December 2007, the Government raised public sector salaries and pensions by 9 percent, retroactive to January 1, 2007. The public sector minimum wage increased to G\$35,000 per month and although the inflation rate was 14 percent in 2007, real incomes increased for those people. Deposits by households rose by 13.4 percent during 2007, as compared with 12.8 percent recorded in 2006. While there is no data on private sector salaries, the increase in household deposits suggests that private sector incomes also rose in nominal terms.

The rise in household deposits increased the commercial banks ability to advance more loans to the private sector. This contributed to an increase in private sector investment and facilitated growth in interest income earned by commercial banks by 41.5 percent during 2007, compared with a 1.3 percent expansion in 2006.

### **Inflation**

The urban Consumer Price Index (CPI) for Georgetown rose by 14 percent in 2007, a significant increase from the 4.2 percent inflation experienced in 2006. As a result, the monthly average inflation rate increased from 6.7 percent in 2006 to 12.2 percent in 2007.

Prices of food rose faster than the urban CPI inflation rate, increasing by 20.6 percent overall. Price rises were particularly strong in the categories of fruits, vegetables, alcoholic and non alcoholic beverages, and milk. The implementation of VAT at the beginning of 2007, global food shortages, and increased fuel costs have resulted in shocks to food categories. Further, prices rose as flooding during the year resulted in fruit and vegetable shortages.

The prices of clothing increased by 14.9 percent in 2007, after prices remained stable in 2006. After experiencing a 2.9 percent decline in the price of education in 2006, prices increased substantially in 2007, by 16.1 percent. A similar trend was recorded for transport & communication, which recorded a 6.9 percent increase in prices in 2007, after a 0.1 percent decrease in 2006. This development was in line with higher oil prices in the second half of the year.

The value of miscellaneous goods and services along with medical and personal care increased substantially in the review period. The 22.6 percent rise of miscellaneous goods and services was attributed to rising global prices and the introduction of VAT, which increased the prices of luxury goods and tourist services, as well as fuel — a significant component of import costs. Furthermore, the 18.8 percent rise in prices for medical and personal care was due to substantial increases in the cost of medical treatment as a result of substantial increase in input costs.

**Table V**

<b>Consumer Price Index</b>			
<b>January 1994 = 100</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>
All Items	210.4	219.2	250.0
Food	200.1	212.4	256.2
Meat, Fish & Eggs	193.2	208.5	232.1
Cereals & Cereal Products	218.4	229.9	266.6
Milk & Milk Products	196.4	209.1	280.9
Vegetables & Vegetable Products	240.4	250.5	312.9
Housing	252.3	261.4	277.6
Transport & Communication	285.3	285.0	304.7
Education	329.6	320.0	330.1
Medical & Personal Care	206.5	242.0	287.4
Furniture	144.2	148.7	161.6

Endnote:

<sup>1)</sup> The GDP growth rate was revised for 2005.**Outlook for 2008**

In 2008, the Guyanese economy will continue to grow at a projected rate of 4.8 percent. This growth is expected to be driven by the traditional sectors—sugar, rice and gold. The sugar industry is expected to grow in real terms by 8.8 percent as a result of the heavy investment in previous years and expected increases in acreage under planting. The rice industry is projected to grow at 7.6 percent and will see strong export receipts amidst growing speculation that global rice demand will exceed supply in 2008. Gold receipts are expected to rise in 2008 amidst higher global demand and favourable international gold prices.

Inflation in 2008 is expected to fall to around 6.8% on the back of falling food and fuel prices. The initial impact of the VAT regime is expected to diminish, allowing the inflation rate to fall significantly. □



### 3. INTERNATIONAL TRADE AND BALANCE OF PAYMENTS

The overall balance of payments amounted to a deficit of US\$1.4 million from a surplus of US\$42.9 million for the corresponding period last year. The current account deficit saw an improvement over 2006 despite a significant increase in the merchandise trade deficit. This was largely a result of higher transfers in the form of remittances, as well as lower interest payments on external debt as a result of debt relief. In contrast, the capital account recorded a smaller surplus primarily on account of a marked increase in short term investments abroad by commercial banks.

#### CURRENT ACCOUNT

The current account recorded a lower deficit of US\$231.9 million from US\$250.3 million one year ago. The contraction was due to the continuous rise in transfers, in the form of remittances, lower interest payments and significant increases in the value of merchandise and service exports receipts.

Table VI

	Balance of Payments		
	US\$ Million		
	January – December		
	2005	2006	2007
<b>CURRENT ACCOUNT</b>	<b>(157.6)</b>	<b>(250.3)</b>	<b>(231.9)</b>
Merchandise Trade	(232.8)	(299.8)	(381.7)
Services (Net)	(92.1)	(166.8)	(137.0)
Transfers	167.2	216.3	286.8
<b>CAPITAL ACCOUNT</b>	<b>178.8</b>	<b>268.6</b>	<b>238.7</b>
Capital Transfers	52.1	315.6	414.1
Non-financial Public Sector	143.5	71.8	72.6
Private Capital	76.8	102.4	152.4
Other	0.0	(217.1)	(305.5)
Short term Capital	(16.8)	(4.1)	(95)
<b>ERRORS &amp; OMISSIONS</b>	<b>(13.1)</b>	<b>24.6</b>	<b>(8.2)</b>
<b>OVERALL BALANCE</b>	<b>(8.1)</b>	<b>42.9</b>	<b>(1.4)</b>

#### Merchandise Trade

The merchandise trade deficit amounted to US\$381.7 million, 27.3 percent above the 2006 level. This reflected a sharp rise in the value of imports by US\$177.6 million to reach US\$1062.5 million. This

more than offset the US\$95.7 million increase in export earnings, which amounted to US\$680.9 at end 2007.

#### Exports

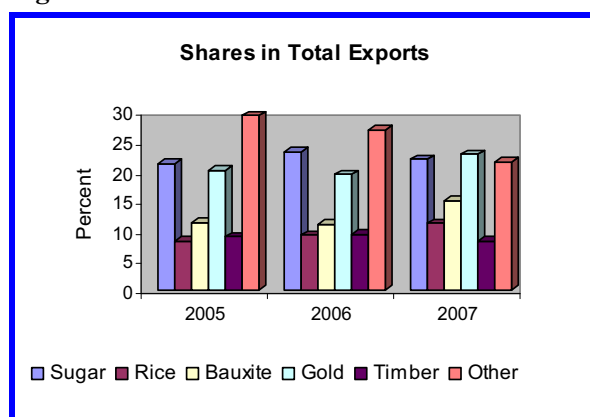
Total export receipts amounted to US\$680.9 million, 16.4 percent more than the US\$585.1 million recorded at end 2006. This increase was a result of higher volumes exported, coupled with rising global commodity prices.

#### Sugar

Sugar export earnings amounted to US\$150.1 million or 9.6 percent above the 2006 value. The volume of sugar exported increased by 3.1 percent to 246,013 tonnes. Sugar exported to the EU under the Sugar Protocol of the Lome Convention was 87.1 percent of total sugar export, slightly higher than the 76 percent recorded at 2006. Total exports to the Caricom region amounted to 8.9 percent of total sugar exports, a decrease from the 9.7 percent recorded for the corresponding period in 2006. The gradual unwinding of the preferential treatment regime for Caribbean sugar by the EU has spurred higher exports to regional countries. Sugar exports to USA & Canada accounted for 3.7 percent of total exports.

The average export price for sugar on the world market was 6.3 percent higher at US\$610.3 per tonne at end 2007, from US\$574.2 per tonne at end of 2006.

**Figure V**



### Rice

Rice export earnings amounted to US\$75.3 million, 37.8 percent above the level in 2006. This was mainly due to higher volumes exported. The increase in export volume was due to the expanded extra-regional market for the commodity. The volume of rice exported amounted to 269,436 tonnes, 31.7 percent above the 2006 level, while the average export price of rice was US\$279.3 per metric tonne or 4.6 percent higher than the price at the end of 2006.

The EU and Caricom markets continued to be the major destination of rice exports, accounting for 45 percent and 40 percent of exports receipts respectively in 2007, compared with 44 percent and 42 percent respectively for the corresponding period in 2006.

### Bauxite

Receipts from bauxite exports amounted to US\$101.5 million, 54.8 percent above the value for the corresponding period in 2006. Export volume rose to 2,198,771 tonnes at the end of 2007 from 1,465,358 tonnes for the corresponding period in 2006. The average unit price witnessed a 3.2 percent increase to reach US\$46.1 per tonne.

Metallurgical Grade Bauxite (MAZ) and Calcined Grade Bauxite (RASC) continued to be the main categories of exports and amounted to 1,750,930

tonnes and 212,899 tonnes respectively, compared with 1,142,597 tonnes and 140,351 tonnes respectively for the same period in 2006. The expansion of bauxite export is attributed to the sale of OMAI Bauxite Mining Inc (OBMI) to Bosai Mineral Group Guyana Inc. (BMGGI) and growth in capacity and output at the Bauxite Company of Guyana Inc.

### Gold

Receipts from gold exports were US\$153.1 million, 33.7 percent higher than the 2006 level. This was due to an increase in export volume and a significant rise in global precious metal prices. Export volume rose to 232,093 ounces from 202,336 ounces as favourable world prices continued to spur mining activity. The average export price per ounce of gold rose to US\$659.8 at the end 2007 from US\$565.6 for the corresponding period in 2006.

**Table VII**

		Exports of Major Commodities		
		January – December		
Product	Unit	2005	2006	2007
Sugar	Tonnes	230,325	238,632	246,013
	US\$Mn.	118	137.0	150.1
Rice	Tonnes	182,176	204,577	269,436
	US\$Mn.	22.4	54.6	75.3
Bauxite	Tonnes	1,564,231	1,465,358	2,98,771
	US\$Mn.	62.8	65.5	101.5
Gold	Ounces	269,262	202,336	232,093
	US\$Mn.	111.9	114.4	153.1
Timber	Cu. Metres	231,112	277,899	241,516
	US\$Mn.	49.6	55.0	55.4

### Timber

The value of timber exports was US\$55.4 million, 0.7 percent below the value for the corresponding period in 2006. The value of other timber (excl. plywood) exports increased by 2.1 percent to US\$47.6 million, while the value of plywood exports decreased by 6.9 percent or US\$0.6 million at end of 2007.

## Other Exports

Total earnings from all other exports, that is, non-traditional exports including re-exports, was US\$145.5 million, 8.2 percent less than the value for the same period last year. The decrease was reflected primarily by reductions in diamond, fish & shrimp, and garments/clothing exports as shown in table VII.

**Table VIII**

<b>Other Exports</b>			
<b>US\$ Million</b>			
<b>January - December</b>			
<b>Commodities</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Fish & Shrimp	61.9	64.78	59.9
Fruits & Vegetables	2.3	2.8	2.8
Pharmaceuticals	1.5	1.7	2.3
Garments & Clothing	7.4	11.7	3.8
Wood Products	2.8	3.0	5.0
Prepared Foods	7.3	6.0	7.2
Rum & Other Spirits	5.3	4.3	4.3
Diamond	43.6	44.9	35.5
Molasses	4.0	4.6	2.7
Re-Exports	15.3	7.2	16.5
Others *	11.1	7.5	5.3
<b>Total</b>	<b>162.5</b>	<b>158.5</b>	<b>145.5</b>

\* This category includes exports of wild life, personal effects, handicrafts and nibbi-furniture.

## Imports

The value of merchandise imports grew by 20.1 percent to US\$1062.5 million. The increase reflected activities associated with CWC 2007 and a markedly higher cost of fuel and lubricants. The three sub-sectors of imports – consumption, intermediate and capital goods – showed significant increases during the review period. In the consumption sub-category, the other durables item increased to US\$62.1 million from US\$29.4 million in 2006. This is attributed to higher imports of furnishings for the hotel and hospitality industry, which grew significantly as a result of the CWC 2007. In the intermediate sub-category, imports amounted to US\$549.1 million, 18 percent higher than the value in 2006. This was due

**Table IX**

<b>Imports</b>			
<b>US\$ Million</b>			
<b>January – December</b>			
<b>Items</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Consumption Goods</b>			
Food-Final Consumption	71.5	73.1	76.3
Beverage & Tobacco	16.6	15.9	19.8
Other Non-Durables	48.8	53.4	58.4
Clothing & Footwear	11.3	10.1	14.4
Other Semi-Durables	9.6	9.9	18.4
Motor Cars	11.5	14.9	20.3
Other Durables	25.1	29.4	62.1
<b>Sub-total</b>	<b>194.3</b>	<b>206.7</b>	<b>269.9</b>
<b>Intermediate Goods</b>			
Fuel & Lubricants	221.8	238.5	284.6
Food-Intermediate use	31.2	32	37.6
Chemicals	29.3	34.7	36.6
Textiles & Clothing	7.9	7.4	9.9
Parts & Accessories	39.5	65	66.7
Other Intermediate Goods	94.8	87.8	113.6
<b>Sub-total</b>	<b>201.3</b>	<b>465.3</b>	<b>549.1</b>
<b>Capital Goods</b>			
Agricultural Machinery	34.9	44.8	39.8
Industrial Machinery	12.8	16.4	16.2
Transport Machinery	26.2	36.8	54.9
Mining Machinery	6.3	15.1	3.6
Building Materials	38.4	45.0	65.1
Other Goods	32	43.1	54.0
<b>Sub-total</b>	<b>150.7</b>	<b>201.2</b>	<b>233.6</b>
<b>Miscellaneous</b>	<b>14.3</b>	<b>11.8</b>	<b>10.0</b>
<b>Total Imports</b>	<b>783.7</b>	<b>885.0</b>	<b>1062.5</b>

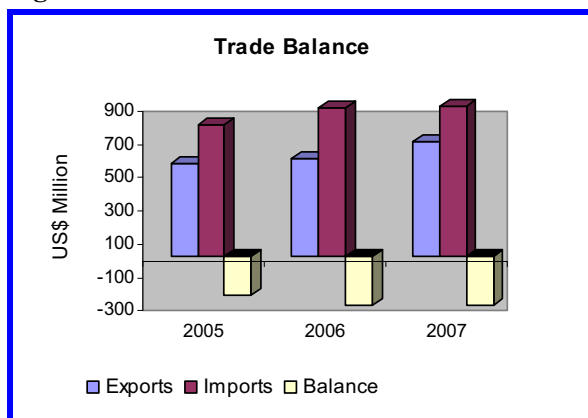
to an increase in the value of fuel and lubricant imports as well as the imports of other intermediate goods. In the sub-category capital, imports increased by 16.1 percent to US\$233.6 million. This growth was on the back of new and ongoing public sector capital projects and inward private investments. Building and transport machinery recorded the most significant increases in this sub-category, with 44.7

percent and 49.1 percent respectively.

### Services and Unrequited Transfers

Net payment for services amounted to US\$137.0 from US\$166.8 million for the corresponding period in 2006. This reduction was due to significantly lower debt service payments as a result of debt relief activity. Net payment for factor services were lower at US\$37.4 million from US\$69 million, and stemmed from a fall in public sector interest payments which decreased to US\$9 million at end 2007, from US\$35.9 million one year ago. Higher net payment for non-factor services was due in large measure to a 5.9 percent increase in freight payment. The payment deficit for travel and tourism fell from US\$11.9 million one year ago to US\$7 million at the end of 2007, as a result of higher tourist receipts.

**Figure VI**



Net current transfers continued to grow, amounting to US\$286.8 million. The increase reflected higher inflows to the private sector in the form of workers' remittances. Net inflows of current transfers amounted to US\$423 million compared with US\$310.9 million in 2006. Workers' remittances amounted to US\$278.5 million compared with US\$218.1 million one year ago. Receipts from bank accounts also rose from US\$55.2 million at end 2006 to US\$117.3 million in 2007. The main sources of outflows were workers' remittances and remittances to bank accounts, which amounted to US\$54.1 million and US\$69.3 million, respectively. The surge

in these flows reflects the increase in the flow of migrants to developed countries, and the expansion of money transfer services to facilitate greater transactions.

### CAPITAL ACCOUNT

The capital account registered a lower surplus of US\$238.7 million from the US\$268.6 million in 2006. The outturn was due to net short-term private capital outflows which rose to US\$95 million from US\$4.1 million for the corresponding period in 2006 and reflected commercial banks accumulation of foreign assets. Net private investment expanded to US\$152.4 million from US\$102.4 million in 2006. Investment was concentrated mainly in telecommunication, mining and forestry sectors. Capital grants and debt relief received by the combined public sector rose by US\$98.5 million to US\$414.1 million, and reflected US\$356.5 million debt relief from the Inter-American Development Bank (IDB), under the Multilateral Debt Relief Initiative (MDRI). The other grants were associated largely with projects under the Public Sector Investment Programme (PSIP).

**Table X**

	Disbursements		
	US\$ Million		
	January - December		
	2005	2006	2007
IDA	1.3	0.7	0.6
CDB	16.9	13.0	20.2
IFAD	1.4	1.6	2.2
IDB	36.9	40.0	48.2
INDIA	7.5	6.9	2.1
CHINA	10.8	12.9	0.0
IFIs	27.6	6.0	0.0
BOP Support	0.0	16.0	17.8
Petrocaribe	0.0	0.0	18.7
OTHER	0.0	9.9	0.0
<b>Total</b>	<b>102.4</b>	<b>107.0</b>	<b>109.8</b>

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### **Overall Balance and Financing**

A lower capital account surplus and a higher merchandise trade deficit resulted in an overall deficit of US\$1.4 million for 2007, down from a surplus of US\$42.9 million one year ago.

### **2008 OUTLOOK**

In 2008, the overall balance of payments is expected to improve to a surplus of US\$3.6 million. In particular, the easing of international oil and commodity prices will help thwart a rapidly

escalating import bill, and a strong Euro and weakened US Dollar are likely to increase export receipts, especially in the sugar, gold and bauxite sectors. Also, remittances are expected to continue growing in 2008. Lower global interest rates are likely to influence banks to hold less short-term capital abroad, leading to lower negative balances in short-term capital. Enhanced official flows in the form of grants and debt relief are expected to favorably impact the balance of payments. □

## 4. FOREIGN EXCHANGE MARKET DEVELOPMENTS

In 2007 the volume of transactions grew by 19 percent largely on account of the spin-off activities that resulted from the hosting of Cricket World Cup. Total purchase of foreign currencies in the Cambio market grew by 28.3 percent to US\$942.7 million while sales grew by 26.4 percent to US\$911.0 million. In spite of purchases outstripping sales the G\$/US\$ exchange rate depreciated marginally. The Bank intervened on several occasions during the year and accounted for 16.5 percent of total foreign currency transactions.

### Overall Market Volumes

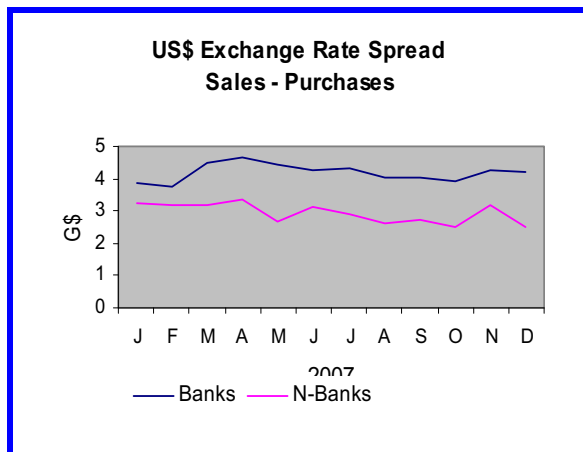
The aggregated volume of foreign currency transactions increased by 19 percent to US\$3,950 million over the corresponding period in 2006. The turnover originating within the cambio segment of the market was 46.9 percent of the total (or US\$1,854 million) compared with US\$1,456 for last year. Together, the hard currency and Foreign Currency Accounts activities accounted for 52.1 percent of the total transactions while soft currency transactions were negligible against the overall amount.

The cambio market recorded net foreign exchange purchases of US\$31.8 million significantly higher than the US\$14.3 million for 2006. The bank and non-bank cambios reflected an increase in transactions by 27.2 percent and 29.4 percent respectively, compared with the similar period in 2006.

Hard currency transactions at the Bank of Guyana increased slightly by 2.1 percent to reach US\$650 million. The Bank discontinued the provision of foreign exchange coverage for the importation of wheat. During the second half of 2007, the Bank intervened in the foreign exchange market to meet its reserve target.

The volume of transactions through the foreign currency accounts continued to increase. In 2007 and 2006 debits were US\$695.8 million and US\$591.4 million respectively, while credits were US\$711.8 million and US\$599.4 million respectively. Approvals were granted for twenty-two (22) new accounts, to facilitate operations in areas such as tourism, shipping, forestry and project related. Twenty (20) accounts were granted for the corresponding period in 2006.

Figure VII



### The Exchange Rates

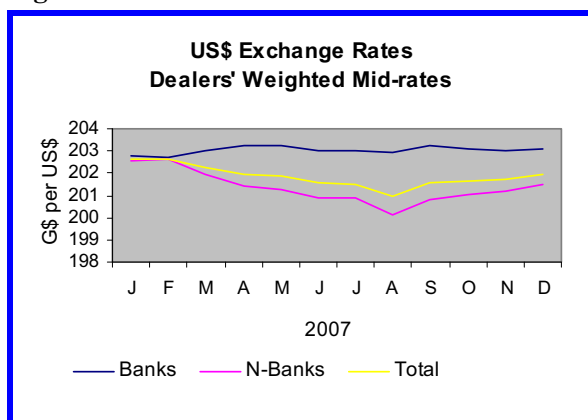
The exchange rate was fairly stable during year, without any sharp changes. The exchange rate of the Guyana dollar vis-à-vis the United States dollar depreciated by 1.24 percent to reach G\$203.50 from G\$201.00 at end-December 2006 due to periodic excess demand and indexation by cambios. This rate is the Bank of Guyana's weighted mid-rate for US dollar transactions. Effective June 25, 2007 calculation of the Bank's transaction rate was adjusted to take account of the weighted rates instead of the unweighted rates of the commercial banks.

Overall there was a narrowing of the spread in the cambio market, as banks reduced their margins on their purchases and sales. The difference between the buying and selling rates was G\$3.04 at the end of December 2007 compared with G\$3.12 for the same

period last year.

At the bank cambios, the average buying and selling rates showed a slight depreciation and appreciation respectively over December 2006. The buying rate rose by 0.17 percent to G\$200.96, while the selling rate fell to G\$205.16 from G\$205.26

**Figure VIII**



The non-bank cambios' average buying and selling rates declined to G\$200.26 and G\$202.75 at the end of the review period from G\$200.86 and G\$203.33 at the end of December 2006.

The difference between the banks' and non-banks' buying rates increased from G\$(0.25) in December 2006 to G\$0.7 at the close of December 2007. The difference in the selling rates widened from G\$1.93 to G\$2.41.

United States dollar transactions accounted for 88.8 percent of the cambio market turnover. This share is marginally higher than the 88.2 percent recorded in

the similar period of 2006. Trading in the pound sterling increased to 4.5 percent of turnover, compared with 3.7 percent in 2006. The share of Canadian dollar and Euro denominated transactions fell to 3.3 percent and 3.4 percent, compared with 3.4 percent and 4.7 percent for the same period in 2006.

### **CARICOM Currencies**

The value of CARICOM currencies traded at the end of the review period was US\$39.2 million, compared with US\$37.0 million for the corresponding period in 2006. The Barbados and Eastern Caribbean currencies, together accounted for 93.4 percent of the total traded.

The exchange rates for Bahamas, Barbados, Belize and the Eastern Caribbean countries remained fixed. However, the Jamaica and Trinidad & Tobago currencies depreciated during the review period.

### **2008 OUTLOOK**

The foreign exchange market activity is expected to grow during 2008. Export receipts from high commodity prices as well as inflows from remittances and foreign investment are expected to increase purchases. Sales are expected to grow, albeit at a slower rate than purchases, from higher economic growth and imports. The Petrocaribe Agreement is expected to cushion the market from the full impact of further hikes in oil prices. Consequently, the exchange rate is expected to remain relatively stable. □

## 5. PUBLIC FINANCE

The overall financial operations of the public sector, computed on a cash basis, improved during the year on account of strong central government performance that resulted from higher revenue that accrued under the Excise and Tax and Value Added Tax (VAT) regimes. Debt relief provided by the Inter-American Development Bank (IDB) also contributed to the strong overall position of the central government. In contrast, the Non-Financial Public Enterprises recorded a weakened performance due to an increase in current expenditure. Public servants were granted a 9 percent increase in wages in December 2007, retroactive to the beginning of the year.

### CENTRAL GOVERNMENT

The central government's overall deficit declined by 32.5 percent to G\$14,520 million from G\$21,517 million in 2006. This outturn resulted principally from a strengthening of the current account, due in part to the implementation of the Value Added Tax (VAT) and the Excise Tax from January 01, 2007.

#### Current Account

The current account surplus increased by G\$14,472 million to G\$17,236 million. Higher current expenditure was more than offset by increased revenue flows.

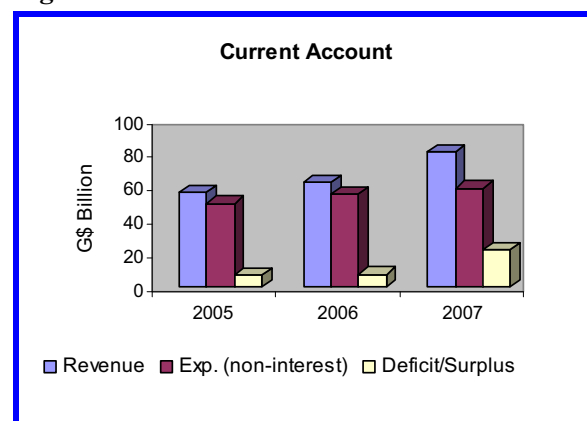
#### Revenue

Total current revenue (excluding the reimbursable rice levy) rose by 28.8 percent to G\$80,293 million, and exceeded the budgeted target by 23.7 percent. This performance reflected the underlying resurgence of the economy, but was also facilitated by the implementation of the Value Added Tax (VAT) and Excise Tax on January 1, 2007.

The Internal Revenue Department's revenues increased by 6.4 percent or G\$1,952 million to G\$32,370 million. This represented 40.3 percent of the total current revenue and was 19.1 percent above the year's target. Income tax from corporations and the self-employed grew by 10.8 percent to G\$14,330 million. Both personal income and withholding taxes increased by 9.6 percent and 3.6 percent, respectively, to G\$12,832 million and G\$2,126 million. Remittances of the purchase tax on motor cars fell by 81 percent to G\$157 million, given that

this tax was among six taxes that were replaced by VAT when it was implemented at the beginning of the year. Entertainment tax and hotel accommodation tax, two other taxes that were replaced, also declined by 100.0 percent and 91.2 percent respectively, in 2007. Net property tax increased by 11.6 percent to G\$941 million, but estate duty declined by 21.7 percent to G\$18 million.

Figure IX



Revenue from the Customs & Trade Administration grew by 60.3 percent to G\$44,922 million. This represented 55.9 percent of total current revenue and exceeded the amount budgeted for the year by 33.6 percent. Consumption tax receipts decreased by 93.9 percent to G\$1,426 million and this was another of the six taxes replaced by VAT in January 2007. Both import duties and environmental tax receipts increased by 45.9 percent and 21.6 percent respectively, to G\$6,005 million and G\$513 million. Miscellaneous receipts also rose by G\$148 million to G\$257 million at end-December 2007.



Other current revenues decreased by 23.2 percent to G\$3,001 million, and principally reflected the 100.0 percent decline in receipts from public companies and other similar agencies. Fines, fees & charges however rose by 29.1 percent to G\$764 million, while miscellaneous receipts fell by 39.3 percent to G\$1,188 million.

### Expenditure

Total current expenditure grew by 5.8 percent to G\$63,057 million, due mainly to increases in transfer payments, wages and salaries of public servants, and higher charges on the purchase of other goods and services.

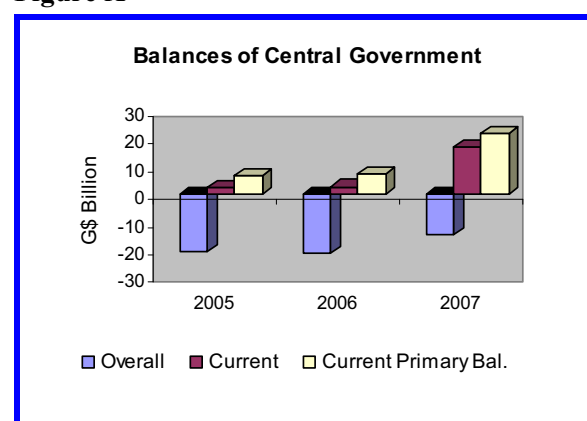
**Table XI**

<b>Central Government Finances</b>			
<b>G\$ Million</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>CURRENT ACCOUNT</b>			
Revenue	56,152	62,357	80,293
Expenditure	53,762	59,593	63,057
Current Primary Balance	6,761	7,248	21,765
Interest	4,371	4,484	4,529
Current Balance	2,390	2,764	17,236
<b>CAPITAL ACCOUNT</b>			
Receipts	11,996	17,525	11,136
Expenditure	35,143	41,806	42,892
<b>OVERALL BALANCE</b>	<b>(20,757)</b>	<b>(21,517)</b>	<b>(14,520)</b>
<b>FINANCING</b>			
Net External Borrowing	15,085	20,811	20,147
Net Domestic Borrowing	2,931	(350)	(6,767)
Net Divestment Proceeds	0	0	0
Other Financing	2,741	1,056	1,140

Total non-interest current expenditure increased by 6.2 percent to G\$58,528 million. Employment costs grew by 9.9 percent to G\$22,064 million, due in part

to the 9 percent wage increase, while purchases of other goods & services increased by 4.1 percent to G\$36,465 million. This includes transfer payments, which grew by 3.6 percent to G\$16,106 million on account of increases in spending on pensions of 11.1 percent to G\$5,349 million, and on educational subventions, grants & scholarships of 5.3 percent, to G\$1,997 million. Charges for materials, equipment & supplies increased by 7.1 percent to G\$3,511 million. Both electricity charges and purchases of fuel and lubricants increased by 17.7 percent and 5.3 percent, respectively, to G\$4,072 million and G\$1,289 million. Transport, travel & postage costs, however, fell by 9.1 percent to G\$1,702 million.

**Figure X**



Interest charges increased by 1.0 percent or G\$45 million to G\$4,529 million. Domestic interest charges grew by 18.6 percent to G\$3,106 million and was due mainly to the higher interest payments on treasury bills. On the other hand, external interest costs amounted to G\$1,423 million, 23.7 percent or G\$443 million lower than that paid in 2006.

### Capital Account

The capital account deficit after grants deteriorated by 30.8 percent to G\$31,756 million during the review period and reflected the 36.5 percent contraction in capital revenues. This was due to a fall in non-project grants, which resulted from a review of the process of extending these funds by specific donors, and a 53.9 percent decline in HIPC flows to

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G\$1,335 million. Grant flows under the Multilateral Debt Relief Initiative also declined by 30.8 percent to G\$2,289 million.

Capital expenditure grew by 2.6 percent to G\$42,892 million, and was in line with central government's commitment to improving social welfare and strengthening and modernizing the overall economic infrastructure to support private sector growth. The expanded program included on-lending to GUYSUICO to facilitate the implementation of its modernization program at Skeldon. Expenditure on GUYSUICO's Skeldon modernization program, which is expected to become operational in 2008, fell by 67.7 percent to G\$3,221 million for the year. Funding for health and education rose by 37 percent and 26 percent, respectively, to G\$2,725 million and G\$3,916 million, with expenditure on the environment & pure water increasing by 92.7 percent to G\$3,921 million. Spending on these three sectors accounted for 24.6 percent of the capital program for the year compared with 17.1 percent in 2006. Construction, which accounted for 20.5 percent of the total for 2007, decreased by 21.9 percent to G\$8,800 million. However, spending on Transport and Communication grew by 164.4 percent to G\$4,006 million. Agricultural works rose by 2.7 percent to G\$4,246 million, with expenditure on administrative facilities also growing by 23.8 percent to G\$2,529 million.

### **Overall Balance and Financing**

The overall deficit decreased by 32.5 percent to G\$14,520 million from one year ago and was financed mainly by net external borrowing amounting to G\$20,147 million. There was also net domestic savings of G\$6,767 million.

### **2008 OUTLOOK**

The Central Government's overall position is expected to improve at the end of 2008. Its deficit is projected to decline from an end December 2007 position by 22.1 percent to G\$11,405 million. Both current revenue and expenditure are estimated to increase by 1.7 percent and 18.2 percent respectively,

to G\$81,639 million and G\$74,515 million. This will cause the current account balance / surplus to fall by 58.7 percent to G\$7,124 million. The projected increase in current expenditure is due to an expected increase in employment costs along with provisions for CARIFESTA X which is to be held in Guyana as well as the local government elections due to take place in the latter half of 2008. Employment costs are likely to rise by 11.1 percent.

The capital account deficit is also expected to improve by 41.9 percent, to G\$18,529 million compared with G\$31,883 million due to an expected increase in capital revenue. Capital revenues could see an increase of 100.3 percent in the coming year, with non-project grants increasing by G\$11,859 million due to an estimated increase receipts of budgetary support from the European Union. However, grant flows under HIPC and MDRI are expected to decline by 17.2 percent and 20.0 percent respectively. Capital expenditure is estimated to decline by 5.1 percent to G\$40,854 million.

## **NON-FINANCIAL ENTERPRISES**

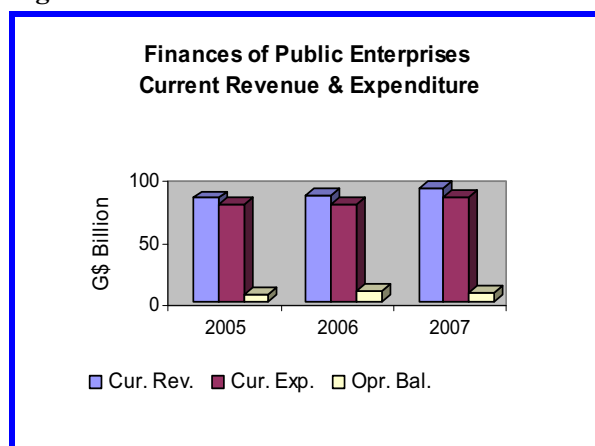
## **PUBLIC**

The overall cash positions of non-financial public enterprises (NFPEs), including Guyana Power & Light (GPL), and the National Insurance Scheme (NIS), but excluding LINMINE, BERMINE and AROAIMA bauxite company, worsened in 2007.

### **Current Account**

The current cash balance of the NFPEs contracted by 16.3 percent to G\$6,439 million, and this was due principally to an increase in current expenditure.

Transfers to the central government, in the form of taxes and dividends, declined by 23.4 percent to G\$1,039 million.

**Figure XI****Receipts**

Total cash receipts of NFPEs grew by 6.2 percent to G\$89,917 million. This was a result of higher receipts from both GUYSUCO and GPL, whose revenues increased by 11.0 percent and 8.0 percent, to G\$35,770 million and G\$19,443 million respectively. All categories of current receipts recorded an increase in 2007. Export sales rose marginally from G\$32,036 million to G\$32,393 million while local sales rose by 10.1 percent to G\$42,076 million, with the increase in the latter driven by revenue growth from both GUYOIL and GPL. Similarly, receipts from debtors and other receipts increased by 7.6 percent and 4.9 percent, to G\$13,150 million and G\$2,298 million respectively.

The total receipts of the National Insurance Scheme grew by 9.3 percent to G\$9,580 million reflecting for the most part a 10.2 percent growth in employee contributions to G\$7,506 million. Contributions by the self-employed increased by 2.7 percent to G\$307 million. Investment income also increased by 18.0 percent to G\$1,492 million, while income from other sources declined by 30.0 percent to G\$28 million.

**Expenditure**

Total current expenditure of the NFPEs grew by 8.5 percent to G\$83,478 million, due mainly to the increase in current expenditures of GUYSUCO, GUYOIL and GPL. Employment costs and charges

for materials & supplies increased by 6.7 percent and 12.1 percent, respectively, to G\$20,871 million and G\$26,898 million. Expenditure on repairs & maintenance contracted by 43.9 percent to G\$435 million, while other expenditure increased by 4.7 percent to G\$15,377 million.

**Table XII**

<b>Summary of Public Enterprises Finances G\$ Million</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>CURRENT ACCOUNT</b>			
Revenue	82,345	84,660	89,917
Expenditure	76,896	76,967	83,478
Oper. Sur. (+)/Def. (-)	5,448	7,693	6,439
Transfers to Cent. Govt.	928	1,355	1,039
Cash Sur. (+)/Def. (-)	4,521	6,338	5,400
<b>CAPITAL ACCOUNT</b>			
Expenditure	3,445	2,647	5,816
Overall Cash Sur.(+)/Def(-)	1,076	3,691	(416)
Financing	(1,076)	(3,691)	416
Ext. Borrowing (net)	(87)	0	0
Domestic Fin. (net) <sup>1)</sup>	(988)	(3,691)	416

<sup>1)</sup> Domestic financing includes other financing.

Total current expenditure by the NIS grew by 14.7 percent to G\$8,310 million. Pensions increased by 14.1 percent to G\$5,935 million. Similarly, both short-term and industrial benefits increased by 7.7 percent and 18.6 percent, respectively, to G\$964 million and G\$224 million. Employment costs grew by 12.3 percent to G\$739 million. Materials and supplies and other expenses were also higher by 10.0 percent at G\$11 million and 24.5 percent at G\$437 million, respectively.

**Capital Account**

Capital expenditure of NFPEs increased by G\$3,170 million to G\$5,816 million, mainly due to higher capital expenditure by GUYSUCO during the year.

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**Overall Balance and Financing**

NFPEs recorded a cash deficit of G\$416 million at end-December 2007 compared with a cash surplus of

G\$3,691 at end-December 2006. This was applied to increase the domestic resources of the non-financial public enterprises. □

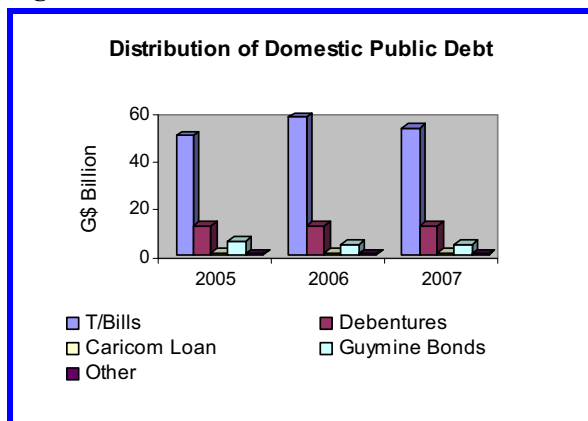
## 6. PUBLIC DEBT

The stock of both government's domestic bonded debt and external public and publicly guaranteed debt decreased by 6.7 percent and 31.1 percent respectively. The former reflected a decline in the issuance of government treasury bills consistent with the Bank's monetary policy objectives during the year, while the contraction in the stock of external debt reflected mainly the impact of debt relief received under the Multilateral Debt Relief Initiative (MDRI). Domestic debt service decreased from its end-December 2006 level while external debt service also fell by US\$4 million to US\$19 million.

### Stock of Domestic Debt

The outstanding stock of government domestic bonded debt, which consisted of treasury bills, debentures, bonds and the CARICOM loan, fell by 6.7 percent to G\$69,345 million. The decrease resulted mainly from a reduction in the issuance of treasury bills to contain the growth in liquidity originating from higher external inflows. The Caricom loan outstanding decreased by 3.8 percent and reflected two semi-annual payments totaling G\$25 million. Both the stock of GUYMINE debt and debentures remained unchanged at G\$3,969 million and G\$11,817 million, respectively.

Figure XII



The total outstanding stock of treasury bills decreased by 8.5 percent to G\$52,926 million at end-December 2007. The maturity structure of the outstanding stock of treasury bills continued to shift towards the longer-term issue as the share of 364-day bills increased by 9.1 percentage points to 93.7 percent. The share of 91- and 182-day bills contracted by 3.3 percentage points and 5.8 percentage points, respectively, to 2

percent and 4.3 percent.

Table XIII

	2005	2006	2007
<b>Total Bonded Debt</b>	<b>67,755</b>	<b>74,308</b>	<b>69,345</b>
Treasury Bills	49,908	57,864	52,926
91-day	2,765	3,066	1,065
182-day	7,897	5,864	2,273
364-day	39,246	48,934	49,588
CARICOM Loan	687	655	630
Guymine Bonds	5,340	3,969	3,969
Debentures	11,817	11,817	11,817
Defense Bonds	3	3	3

The volume of outstanding 91-day and 182-day bills decreased by 65.3 percent and 61.2 percent, respectively, to G\$1,065 million and G\$2,273 million, while the 364-day bills increased by 1.3 percent to \$49,588 million.

Commercial banks retained the largest share of outstanding stock of treasury bills with 65.0 percent, up from 63.4 percent one year earlier. The public sector's share, of which the National Insurance Scheme was the only stakeholder, increased to 8.9 percent from 7.8 percent, while the share of other financial intermediaries was slightly higher at 24.1 percent, compared with 23.3 percent in 2006.

The volume of treasury bills issued decreased by 9.7 percent to G\$65,634 million. This reduction was

mainly due to the decline in issuance of both 91- and 182-day bills, which was done in keeping with the bank's objective of sterilizing the market. Issues of the 91- and 182-day bills contracted by 44.8 percent and 11.3 percent, to G\$8,259 million and G\$7,787 million respectively. The issues of 364-day bills however, increased by 1.3 percent to G\$49,588 million.

**Table XIV**

<b>Domestic Debt Service</b>			
<b>G\$ Million</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Total Bonded Debt</b>	<b>2,970</b>	<b>3,761</b>	<b>3,071</b>
Principal Payments	35	1,143	35
Total Interest	2,935	2,618	3,036
Treasury Bills	1,979	1,957	2,372
91-day	160	147	106
182-day	407	213	231
364-day	1,412	1,597	2,035
CARICOM Loans	32	27	26
Guymin Bonds	263	6	0
Debentures	638	628	638
Other	23	0	0

Redemption of treasury bills increased by 9.0 percent to G\$70,571 million. Redemptions of the 91-day issues contracted by 30.1 percent to G\$10,260 million. In contrast, redemption of the 182- and 364-day bills increased by 5.2 percent and 24.7 percent, to G\$11,377 million and G\$48,934 million respectively.

### **Domestic Debt Service**

Total domestic debt service decreased by 18.3 percent to G\$3,071. Interest charges however, grew by 16.0 percent to G\$3,036 million mainly on account of increased interest payments on treasury bills in 2007. Interest costs on treasury bills redeemed increased by 21.2 percent to G\$2,372 million and resulted principally from a 27.4 percent growth in interest charges on the higher stock of 364-day bills redeemed during the year. Interest charges

on the 182-day bills also increased by 8.5 percent to G\$231 million, while interest paid on the 91-day bills fell by 27.9 percent to G\$106 million.

### **2008 OUTLOOK**

Total domestic debt service payments is expected to decline by 4.2 percent to G\$2,940 million by the end of 2008 compared with the G\$3,071 million paid in 2007. This decline is expected to stem from a 5.7 percent decline in interest payments on treasury bills. Interest payments on the 91- and 182- day bills are estimated to decline by 88.1 percent and 47.9 percent respectively, while payments on the 364- day bills are expected to increase by 1.5 percent.

### **Stock of External Debt**

Guyana continued to benefit from debt relief under the Multilateral Debt Relief Initiative (MDRI) during 2007. This resulted in the stock of outstanding public and publicly guaranteed external debt contracting by 31.1 percent to US\$718 million at the end of the year.

**Table XV**

<b>Structure of External Public Debt</b>			
<b>US\$ Million</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>
Multilateral	972	778	429
Bilateral	221	243	267
Suppliers' Credit	13	13	13
Financial Markets/ Bonds	9	9	9
<b>Total</b>	<b>1,215</b>	<b>1,043</b>	<b>718</b>

Obligations to multilateral creditors, which accounted for 59.7 percent of outstanding debt, decreased by 44.9 percent to US\$429 million. Relief delivered by the Inter-American Development Bank comprised US\$357 million as its contribution under the Multilateral Debt Relief Initiative and US\$55 million originally committed under the Enhanced HIPC Initiative. Liabilities to this creditor declined to US\$153 million from US\$515 million at end-December 2007. Indebtedness to the International Development Association increased by 8.8 percent to

US\$10 million, while obligations to the CARICOM Multilateral Clearing Facility declined by 13.5 percent to US\$31 million. Indebtedness to both the International Monetary Fund and the Caribbean Development Bank increased by 5.0 percent and 10.5 percent respectively, to US\$59 million and US\$124 million. Liabilities to other creditors amounted to US\$53 million at the end of 2007.

Total bilateral obligations, which represented 37.2 percent of total external debt, increased by 23.3 percent to US\$267 million. This increase was due to an increase in the shipment of oil received from Venezuela in the final quarter of 2007 under the PetroCaribe agreement which was signed in January, 2007. Obligations to Venezuela rose by 218.1 percent or G\$27 million to G\$40 million at the end of 2007. However, liabilities to Trinidad & Tobago decreased by 2.9 percent or US\$2 million to US\$53 million. These represented 19.9 percent and 7.4 percent of bilateral and total external debt, respectively.

### External Debt Service

External debt service payments declined by 18.1 percent to US\$19 million, due mainly to the impact of debt relief under the Multilateral Debt Relief Initiative. The debt service ratio was 2.8 percent compared with 3.9 percent at end-December 2006.

Principal and interest payments amounted to US\$9 million and US\$10 million, respectively. Central Government debt service decreased by 20.4 percent to US\$17 million, due mainly lower interest payments to the IDB and IDA. Debt service by the Bank of Guyana was higher by 33.3 percent at US\$1 million. This resulted from higher debt service payments to the International Monetary Fund.

Payments to multilateral creditors declined by 25.6 percent to US\$13 million, and represented 72.4 percent of total debt service, while bilateral creditors received US\$5 million, up from US\$4 million.

Debt service to the International Monetary Fund

amounted to US\$1 million, while payments to the Inter-American Development Bank and the International Development Association totaled US\$5 million and US\$0.2 million, respectively.

**Table XVI**

<b>External Debt Service Payments US\$ Million</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>End-December 2007</b>			
<b>Total</b>	<b>8.8</b>	<b>9.7</b>	<b>18.5</b>
Bank of Guyana	0.0	1.2	1.2
Central Gov't	8.5	8.3	16.8
Parastatals	0.3	0.2	0.5
<b>End-December 2006</b>			
<b>Total</b>	<b>11.6</b>	<b>11.0</b>	<b>22.6</b>
Bank of Guyana	0.0	0.9	0.9
Central Gov't	11.4	9.8	21.2
Parastatals	0.2	0.3	0.5

### Debt Relief

Following an initiative between the government and the Inter-American Development Bank (IDB) in mid-2007, Guyana was no longer considered a Highly Indebted Poor Country (HIPC).

The 73 percent escalation in debt relief, US\$34 million under the MDRI, was due to the provision of additional debt relief by the World Bank and the Inter-American Development Bank.

Total debt relief under the Heavily Indebted Poor Countries Initiative (HIPC) for 2007 was US\$40 million. Relief under the original HIPC Initiative totaled US\$21 million, while debt relief accruing under the enhanced HIPC initiative totaled US\$19 million. Debt relief under the Multilateral Debt Relief Initiative attributable to 2007 totaled US\$33 million. The International Monetary Fund provided US\$11 million of that amount as grant relief, while the International Development Association and the Inter-American Development Bank provided the balance of US\$3 million and US\$19 million,

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respectively, as stock-of-debt relief.

### **2008 OUTLOOK**

Total external debt service payments is expected to increase by 24.6 percent to US\$23 million during 2008 compared with US\$19 million during 2007. Principal and interest payments are projected to increase by 32.3 percent and 17.7 percent respectively to US\$12 million and US\$11 million. Payments to multilateral and bilateral creditors are

likely to rise by 26.5 percent and 20.7 percent respectively to US\$17 million and US\$6 million respectively. Central government's debt servicing is expected to amount to US\$21 million, an increase of 26.9 percent compared with the US\$17 million paid in 2007. Payments by the Bank of Guyana are also estimated to amount to US\$1 million while parastatal debt servicing are expected to remain the same as 2007. □



## 7. FINANCIAL SECTOR DEVELOPMENTS

During the review period, broad money grew by 13.6 percent while credit to the private sector expanded by 18.7 percent. The commercial banks' interest rates trended downward as a result of higher levels of liquidity in the banking system. The 91-day treasury bill rate also declined due to competitive bidding for treasury bills while the spreads between the various interest rates remained mixed. Non-bank financial institutions continued to actively mobilize financial resources which were transformed into higher claims on both the private and public sectors.

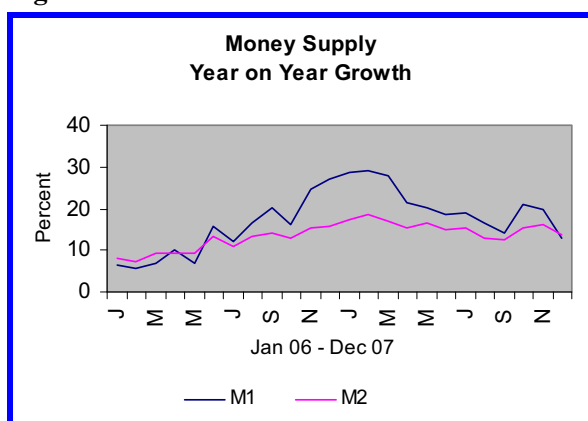
### MONETARY DEVELOPMENTS

#### Reserve Money

Reserve money expanded by G\$3,908 million (or 7.7 percent) to G\$54,552 million despite a reduction in net domestic assets. The higher level of reserve money stemmed primarily from a 22 percent increase in net foreign assets of the Bank of Guyana. Net domestic assets, however, declined by 29.5 percent to G\$9,909 million.

The expansion in the reserve money (monetary base) reflected an increase in currency issued by the Bank of Guyana, one of the major components of the monetary base. The accelerated increase in currency issued during the last quarter reflected the seasonal demand for money. Excess currency issue reflected higher vault cash holdings of commercial banks.

Figure XIII



#### Money Supply

Broad money (M2), comprising currency in circulation and private sector deposits, grew by 13.6

percent to G\$163,399 million compared with an increase of 15.9 percent during 2006. The growth in M2 reflected the expansion in both Narrow and Quasi-money.

Table XVII

Reserve Money G\$ Million			
	2005	2006	2007
Net Foreign Assets	24,244	36,595	44,643
Net Domestic Assets	24,438	14,049	9,909
Credit to Public Sector	-25,232	-36,031	-38,535
<b>Reserve Money</b>	<b>48,682</b>	<b>50,644</b>	<b>54,552</b>
Liabilities to:			
Commercial Banks	27,156	24,692	24,752
Currencies	2,410	2,660	3,413
Deposits	24,684	21,970	21,277
EPDs	62	62	62
Currency in Circulation	21,527	25,952	29,801
<b>Monthly Average</b>			
Reserve Money	42,197	45,927	52,182
Broad Money (M2)	117,417	131,089	152,924
Money Multiplier	2.78	2.85	2.93

Narrow money (M1), consisting of currency in circulation, private sector demand deposits and cashiers cheques and acceptances, grew by 12.8 percent to G\$54,241 million. This was due to the growth in demand deposits and currency in circulation. Demand deposits increased by 15.7 percent to G\$21,843 million on account of larger

payments by businesses for goods and services and year end company taxes. Currency in circulation also expanded by 14.8 percent to G\$29,801 million.

Quasi-money, comprising interest-earning deposits of the private sector, grew by 14.1 percent and accounted for 66.8 percent of M2. The increase resulted from a 16 percent and 3.5 percent expansion in savings and time deposits, respectively due to more robust economic performance during the review period.

**Table XVIII**

<b>Monetary Survey</b>			
	<b>G\$ Million</b>		
	<b>2005</b>	<b>2006</b>	<b>2007</b>
Narrow Money	37,839	48,070	54,241
Quasi Money	86,173	95,707	109,159
<b>Money Supply (M2)</b>	<b>124,012</b>	<b>143,777</b>	<b>163,399</b>
Net Domestic Credit	39,896	43,300	45,015
Public Sector (Net)	(3,155)	(10,385)	(19,033)
Private Sector Credit	52,429	61,789	73,344
Agriculture	3,638	3,526	2,985
Manufacturing	8,150	10,145	10,635
Distribution	9,073	9,768	10,991
Personal	10,303	12,513	17,005
Mining	346	956	823
Other Services	5,293	6,202	7,524
Real Estate Mortgages	9,302	12,524	16,403
Other	6,325	6,156	6,980
Non-bank Fin. Inst.	(9,378)	(8,103)	(9,297)
Net Foreign Assets	42,235	55,459	83,094
Other Items (Net)	41,881	45,017	35,290

### Money Multiplier and Income Velocity

The yearly average for the M2 multiplier increased to 2.93 in 2007 from 2.85 one year ago reflecting the faster growth in broad money compared with that of reserve money.

The income velocity of money circulation, defined as the ratio of GDP to M2, was unchanged at 1.3

percent.

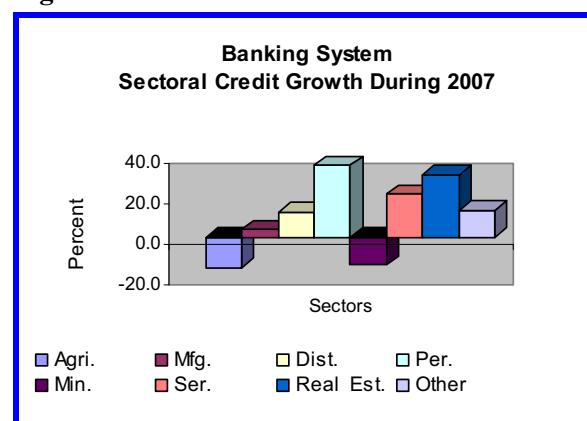
### Commercial Banks Deposits

Deposits by residents (comprising the public and private sectors) and the non-bank financial institutions were higher during the review period. Total deposits by residents and non-bank financial institutions grew by 14.3 percent and 9.3 percent to G\$165,198 million and G\$9,334 respectively.

### Deposits

Private sector deposits, which accounted for 79.3 percent of total deposits by residents, grew faster at 14.3 percent compared with 13.9 percent in 2006. Business enterprises' deposits increased by 19.3 percent to G\$21,872 million, on account of higher domestic demand that resulted from growth in the economy. Individual customers' deposits grew by 13.4 percent to \$109,130 million, also reflecting growth in the economy and higher remittances-related inflows.

**Figure XIV**



The deposits of the public sector expanded by 16.0 percent to G\$24,863 million compared with an increase of 7.6 percent in 2006. Deposits of the public non-financial enterprises increased by G\$2,042 (or 22.4 percent) to G\$11,162 million as a result of increased dividends. The deposits of total general government, comprising central and local government, also increased by 11.3 percent to G\$13,700 million. This outturn resulted mainly from

higher tax receipts of central government.

During the review period, the deposits of the non-bank financial institutions increased by 9.3 percent to G\$9,334 million compared with a 13.8 percent reduction in 2006.

### Domestic Investments

The gross investments of commercial banks grew by 8.0 percent to G\$117,458 million and accounted for 57.6 percent of total assets. This was due to the expansion in loans and advances, which increased by 18.7 percent to G\$73,433 million during 2007. Commercial banks' investment in securities, however, contracted by 6.2 percent to G\$44,025 million. Consequently, securities accounted for 37.5 percent of total investment compared with 43.1 percent in 2006. The lower investments by commercial banks in treasury bills and government debentures contributed to this outcome.

## BANKING SYSTEM

### Net Domestic Credit

Net domestic credit by the banking system increased by 4 percent to G\$45,015 million compared with an increase of 8.5 percent in 2006. The outcome resulted from an expansion in gross credit to the private sector.

### Credit to the Private Sector

Loans and advances to the private sector grew by 18.7 percent to G\$73,344 million compared with a 17.9 percent increase in 2006. This faster growth was due primarily to increased lending to the personal (household), real estate mortgage, other services and distribution sectors. Private sector credit represented 44.9 percent of M2 during the review period compared with 43 percent in 2006. The ratio of banks credit to resident deposits decreased to 0.31 from 0.32.

Credit to the personal sector increased by 35.9 percent while lending to the real estate mortgage, other services and distribution sectors increased by

31 percent, 21.3 percent and 12.5 percent respectively. The "other category" of credit, which is largely made up of purchases of local securities by commercial banks, increased by 13.4 percent reflecting higher investment in bonds. Credit to the rice milling and manufacturing sectors also grew by 11.2 percent and 3.8 percent respectively. In contrast, credit to the agriculture and mining sectors declined by 15.4 percent and 13.9 percent respectively.

Figure XV

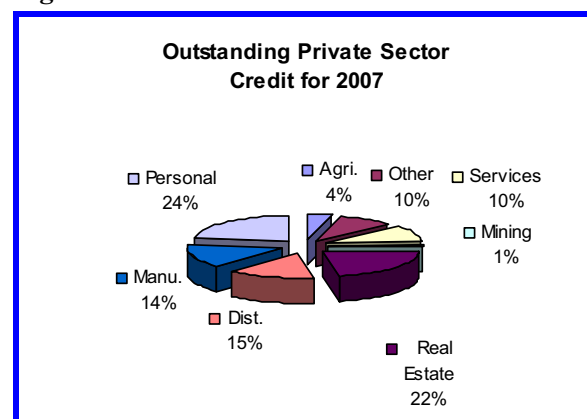


Figure XV shows that the commercial banks' major exposures to the private sector were 24 percent to personal, 22 percent to real estate, 15 percent to distribution, 14 percent to manufacturing and 10 percent each for services and the 'other' category.

### Net Credit to the Public Sector

The public sector continued to be a net depositor of funds with the banking system. The net deposits of the public sector, consisting of deposits net of loans and advances, treasury bills and debentures, increased by 83.3 percent to G\$19,033 million due to the higher deposits of the public enterprise and other public sector, as well as, lower borrowing by central government.

During the period under review central government's net deposit position with the banking system decreased by 63.8 percent to G\$3,522 million while net deposits of the public enterprises increased by 21.7 percent compared with 334.6 percent in 2006.

Net deposits of the other category of the public sector, which includes local government and National Insurance Scheme (NIS), grew by 5.7 percent compared with a decline of 13.4 percent in 2006.

### Net Credit to the Non-Bank Financial Institutions

The non-bank financial institutions continued to be net depositors of funds with the banking system. At end-December 2007, the net deposit of non-bank financial institutions amounted to G\$9,297 million, which was 14.7 percent above the level at end-December 2006. This outturn was due to a 17.6 percent increase in deposits of private non-bank financial institutions.

### Net Foreign Assets

The net foreign assets of the banking system grew by 49.8 percent to US\$408 million on account of an increase in the net foreign assets recorded by the commercial banks and Bank of Guyana.

The commercial banks' net foreign assets expanded by 101.3 percent to US\$188.9 million due to the increased holdings of foreign securities and balances held abroad. The net foreign asset of the Bank of Guyana, on the other hand, grew by 20.5 percent primarily as a result of an increase of 12.7 percent in the gross foreign assets of the Bank.

### Interest Rates

Except for the prime lending rate, the commercial banks interest rates trended downwards in line with the reduction of the 91-day treasury bill rate (the benchmark rate) which slipped by 26 basis points to 3.90 percent. The small savings rate fell by 4 basis points to 3.15 percent and the weighted average time deposit rate decreased by 28 basis points. Both rates declined due to high levels of excess liquidity. The weighted average lending rate slipped by 72 basis points while the prime lending rate of the commercial banks increased by 17 basis points.

The commercial banks' interest rate spreads between the small savings rate and the prime lending rate

widened to 11.56 percentage points from the 11.35 percentage points in 2006. However, the spread between the 91-day Treasury bill rate and the small savings rate contracted by 22 basis points to 0.75 percent.

**Table XIX**

<b>Commercial Banks</b>			
<b>Selected Interest Rates and Spreads</b>			
<b>All interest rates are in percent per annum</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>
1. Small Savings Rate	3.38	3.19	3.15
2. Weighted Avg. Time Deposit Rate	3.10	2.93	2.65
3. Weighted Avg. Lending Rate	13.50	13.12	12.40
4. Prime Lending Rate	14.54	14.54	14.71
5. End of period 91-day Treasury Bill Discount Rate	3.74	4.16	3.90
<b>Spreads</b>			
A (3-1)	10.12	9.93	9.25
B (4-1)	11.17	11.35	11.56
C (5-1)	0.37	0.97	0.75
D (3-2)	10.39	10.19	9.75
E (4-2)	11.44	11.61	12.06

### Liquidity

Total liquid assets of the commercial banks expanded by 17 percent to G\$65,051 million. The banks' excess liquid assets amounted to G\$26,980 million or 70.9 percent above the required amount and reflected the banks' preference for short-term assets, comprising mainly Government of Guyana treasury bills. Treasury bills accounted for 52.8 percent of total liquid assets.

Total reserves deposited with the Bank increased by 0.3 percent to reach G\$22,809 million at end-December 2007. The required statutory reserves of the banks grew by 13.2 percent to G\$21,477 million, reflecting an increase in savings deposit liabilities.

Reserves in excess of the minimum requirement stood at G\$1,331.3 million at end- 2007.

## NON-BANK FINANCIAL INSTITUTIONS

The financial resources of Non-Bank Financial Institutions (NBFIs), which includes depository and non-depository licensed and unlicensed financial institutions, grew by 11.8 percent (or G\$13,425 million) to G\$127,186 million. However, their share of total assets in the financial sector remained relatively stable at 38 percent.

**Table XX**

<b>NON-BANK FINANCIAL INSTITUTIONS</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
	<b>G\$ Million</b>		
	<b>Balances</b>		
	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Sources of Funds:</b>	<b>108,030</b>	<b>113,786</b>	<b>127,186</b>
Deposits	30,016	32,392	34,868
Share Deposits	23,450	25,305	26,655
Other Deposits	6,566	7,087	8,213
Foreign Liabilities	8,690	9,141	7,917
Premium	13,458	11,262	14,175
Pension Funds	13,902	15,289	16,318
Other Liabilities	41,964	45,702	53,908
<b>Uses of Funds:</b>	<b>108,030</b>	<b>113,786</b>	<b>127,186</b>
Claims on:			
Public Sector	14,007	13,919	13,976
Private Sector	32,327	49,031	56,419
Banking System	9,941	9,132	9,079
Non-Residents	21,915	22,138	26,590
Other Assets	29,841	19,565	21,122

The coverage of non-bank financial institutions differs from that reported in the monetary section

The additional resources mobilized by the NBFIs were derived mainly from an 18.1 percent (or G\$8,267 million) increase in other liabilities and a

25.9 percent (or G\$2,913 million) expansion in local insurance premiums due to an increase in liabilities to policy holders. Share deposit, which accounted for 20.9 percent of total assets, increased by 5.3 percent (or G\$1,351 million) while other deposits and pension funds rose by 15.9 percent (or G\$1,126 million) and 6.5 percent (or G\$993 million) respectively. Conversely, foreign liabilities declined by 13.4 percent (or G\$1,224 million) compared to a 6.1 percent increase in 2006.

NBFI's funds were used for private sector investments, which grew by 15.1 percent to G\$56,419 million and accounted for 44 percent of total assets. This was due to continued investments in local securities and real estate mortgage loans. Mortgage loans which accounted for 52.6 percent of the private sector claims, increased by 38.1 percent. Claims on the non-residents rose 13.2 percent to G\$26,590 million. In addition, the investment in other assets expanded by 15.9 percent while investments in the public sector increased by 0.4 percent, compared to a 0.6 percent decline last year. On the other hand, claims on the banking sectors declined by 0.2 percent compared to a decline of 17.7 percent for the corresponding period in 2006.

### The New Building Society

Total resources of the New Building Society (NBS) increased by 6.5 percent (or G\$2,051 million) to G\$33,522 million and accounted for 26.3 percent of total assets of NBFIs. This was due to a 5.3 percent expansion in share deposits. Other liabilities grew by 9.4 percent while foreign liabilities rose by 17.1 percent.

Funds mobilized by the NBS were used primarily to extend mortgage loans and invest in Government of Guyana treasury bills. Total lending to the private sector, which represented 51.7 percent of total assets, grew by 8.7 percent to G\$17,342 million, due to competitive interest rates offered by NBS.

Investment in Government of Guyana treasury bills increased by 1.6 percent and accounted for 35.8

percent of total assets. Claims on the banking sector rose by 33.1 percent, while that on the non-resident sector increased by 5.4 percent. On the other hand, other assets (which includes fixed assets) declined by 6 percent to G\$1,199 million.

**Table XXI**

<b>NEW BUILDING SOCIETY</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Sources of Funds:</b>	<b>28,825</b>	<b>31,471</b>	<b>33,522</b>
Share Deposits	23,450	25,305	26,655
Other Deposits	610	634	713
Foreign Liabilities	945	1,339	1,568
Other Liabilities	3,820	4,193	4,586
<b>Uses of Funds:</b>	<b>28,825</b>	<b>31,471</b>	<b>33,522</b>
Claims on:			
Public Sector	11,436	11,823	12,009
Private Sector	13,897	15,950	17,342
Banking System	1,494	1,515	2,017
Non-Residents	873	907	956
Other Assets	1,125	1,276	1,199

### Trust Companies

The resources of the trust companies, which include Hand in Hand Trust Corporation Incorporated, Trust Company Guyana Limited and Globe Trust & Investment Limited, increased by 11.8 percent (or G\$1,022 million). This was mainly due to a 16.2 percent increase in deposits, which represented 77.3 percent of the total liabilities of trust companies. In contrast, other liabilities contracted by 1.9 percent reflecting a 1.2 percent decline in reserves.

Funds were redistributed to increase claims on the non-resident sector by 37.6 percent. This was due largely to the rate of return from investments in foreign securities. Investments in the private sector rose by 4 percent, and accounted for 27.5 percent of total assets compared with a decline of 17.8 percent in 2006. Mortgages accounted for 51.5 percent of

private investment from 46.9 percent in 2006. The companies' holdings of other loans and advances consisted of agricultural and personal loans, which accounted for 40.1 percent of total loans and advances.

**Table XXII**

<b>TRUST COMPANIES</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Sources of Funds:</b>	<b>8,466</b>	<b>8,684</b>	<b>9,706</b>
Deposits	5,956	6,452	7,499
Foreign Liabilities	115	109	125
Other Liabilities	2,394	2,123	2,082
<b>Uses of Funds:</b>	<b>8,466</b>	<b>8,684</b>	<b>9,706</b>
Claims on:			
Public Sector	1,439	971	788
Private Sector	3,129	2,573	2,676
Banking System	1,939	1,147	1,119
Non-Residents	1,018	3,171	4,364
Other Assets	941	823	760

There were further decline in claims on the public sector and the banking sector by 18.8 percent and 2.4 percent respectively. Other assets depreciated by 7.7 percent.

### Finance Companies

Financial resources of the finance companies increased by 34 percent or G\$3,097 million, due mainly to the inclusion of IPED. Retained earnings expanded by 61.7 percent or G\$1,498 million and Loans received locally from companies' affiliates also expanded by 29.3 percent compared with 66.1 percent increase in 2006. Other liabilities increased by 24.4 percent, while foreign liabilities rose slightly by 8.2 percent on account of the operations of IPED.

Claims on the private sector which represents 68.8 percent of finance companies' total assets, increased by 34.4 percent. Other assets, comprising of other

real estate, prepayments, accounts receivable and stocks, increased significantly by 63.7 percent and accounted for 20.2 percent of total finance companies assets. In contrast, claims on the non resident sectors declined further by 32.4 percent from 3.6 percent in 2006.

**Table XXIII**

<b>FINANCE COMPANIES</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Sources of Funds:</b>	<b>7,127</b>	<b>9,085</b>	<b>12,177</b>
Loans Received	1,440	2,391	3,092
Retained Earnings	3,702	2,429	3,927
Foreign Liabilities	917	917	993
Other Liabilities	1,067	3,348	4,166
<b>Uses of Funds:</b>	<b>7,127</b>	<b>9,085</b>	<b>12,177</b>
Claims on:			
Public Sector	0	0	0
Private Sector	5,125	6,417	8,624
Banking System	224	246	449
Non-Residents	929	896	605
Other Assets	849	1,526	2,499

Finance Companies consist of: one stock broker (Beharry Stock Brokers Limited), one finance company (Laparkan Financial Services Limited), one investment company (Secure International Finance Company Incorporated), one merchant bank (Guyana Americas Merchant Bank Inc.), and two micro-finance company (DFLSA & IPED).

### **Asset Management Companies**

The resources of the asset management companies, which consist of Guyana Co-operative Financial Service (GCFS) and Guyana National Co-operative Bank (GNCB), declined by 0.1 percent. This resulted from a 1.1 percent decline in provision for outstanding loans which represented 74.4 percent of total liabilities.

Funds were used to mobilize claims on the private sectors and to acquire additional assets. Claims on the private sector increased by 3 percent due to an

increase on the balance on non performing loans. Other assets including fixed assets and interest receivable rose by 5.6 percent on account of a 5.2 increased in interest accrued on non performing loans which represented 39.6 percent of total assets.

**Table XXIV**

<b>ASSET MANAGEMENT COMPANIES</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Sources of Funds:</b>	<b>19,651</b>	<b>19,666</b>	<b>19,579</b>
Provisions for Loans	14,757	14,788	14,575
Other Liabilities	4,894	4,878	5,004
<b>Uses of Funds:</b>	<b>19,651</b>	<b>19,666</b>	<b>19,589</b>
Claims on:			
Private Sector	10,611	10,377	10,616
Interest Receivable	7,386	7,386	7,769
Banking System	1,112	1,343	576
Other Assets	542	560	618

### **Pension Schemes**

The consolidated resources of the pension schemes increased by 6.1 percent compared with a 12.4 percent increase in 2006. This was due to a 6.5 percent increase in pension funds. Hence, the pension schemes' share of total NBFI's resources increased to 14.2 percent from the 14 percent in 2006.

The resources available were redistributed to increase holdings in the private and foreign sector. Private sector investments rose by 10.7 percent as deposits with other non bank financial institution increased by 37.4 percent. Foreign sector investments increased by 19.9 percent, due to a 21.1 percent increase in foreign securities. Claims on the public sector rose by 4.8 percent, due to investments in central government debentures. On the other hand claims on the banking sector declined further by 25.8 percent from a decline of 22.9 percent recorded a year ago, reflecting a reduction in balances held at local commercial banks.

**Table XXV**

<b>PENSION COMPANIES</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Sources of Funds:</b>	<b>15,121</b>	<b>16,957</b>	<b>18,028</b>
Pension Funds	13,902	15,289	16,318
Other Liabilities	1,219	1,668	1,710
<b>Uses of Funds:</b>	<b>15,121</b>	<b>16,957</b>	<b>18,028</b>
Claims on:			
Public Sector	1,131	1,125	1,179
Private Sector	5,212	6,755	7,528
Banking System	3,833	2,985	2,192
Non-Residents	3,822	4,876	5,870
Other Assets	1,124	1,216	1,259

### Domestic Insurance Companies

The total resources of the domestic insurance companies (life and non-life segments) increased by 22.4 percent. The life component, which accounted for 76.6 percent of the industry's resources, increased by 22.4 percent, while the non-life component grew by 22.1 percent

Insurance premium increased significantly by 13.7 percent, of this local life premium increased by 25.9 percent, while the non-resident premium declined by 13.6 percent and accounted for 23.2 percent and 82.2 percent of life insurance fund and life insurance foreign liabilities, respectively.

Resources were reallocated to enhance claims on the private sector and invest in foreign securities. Total private sector investments, in the form of shares and loans & advances to residents, increased by 38.4 percent. Loans & advances constituted 40.2 percent of total private sector investment.

Funds mobilized to the non resident sector increased by 15.7 percent. Non resident claims were distributed among foreign securities, foreign loans & advances and foreign deposits. Foreign securities increased by

28.5 percent. Deposit with foreign banks which represented 60.8 percent of non resident claims, increased by 22.5 percent. Claims on the banking system and other assets rose by 43.9 percent and 12 percent respectively.

**Table XXVI**

<b>DOMESTIC INSURANCE COMPANIES</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Sources of Funds:</b>	<b>28,841</b>	<b>27,922</b>	<b>34,173</b>
Premium	13,458	11,262	14,175
Foreign Liabilities	6,638	6,775	5,231
Other Deposits	0	0	0
Other Liabilities	8,745	9,885	14,766
<b>Uses of Funds:</b>	<b>28,841</b>	<b>27,922</b>	<b>34,173</b>
Claims on:			
Public Sector	0	0	0
Private Sector	4,965	6,959	9,633
Banking System	2,451	1,895	2,727
Non-Residents	15,274	12,289	14,219
Other Assets	6,151	6,779	7,595

### Interest Rates

The interest rate structure of the NBFIs remained stable during 2007.

The small savings rate and the save & prosper shares rate of NBS remained unchanged at 2.5 percent and 4.50 percent respectively. The ordinary mortgage rate and the low-income mortgage loans also remained stable at 7.50 percent and 5.5 percent respectively.

The interest rates offered by Hand in Hand Trust on domestic and commercial mortgages remained at 14 percent and 16 percent respectively. □



## 8. FINANCIAL STABILITY ASSESSMENT

The Licensed Depository Financial Institutions (LDFIs) reported higher levels of capital, profits and liquidity during the year. However, higher risk weighted assets resulted in a slight decline in the Capital Adequacy Ratio (CAR) when compared with end December 2006. In spite of this the CAR remained well above the prudential 8 percent benchmark. The stock of non-performing loans increased but adequate provision had been made by the LDFIs.

### CAPITAL ADEQUACY PROFILES

#### Composition of Capital

The Capital Adequacy Ratio (CAR) was 15.3 percent at end-December 2007 compared with 15.7 percent at end-December 2006. The reduction in the ratio resulted from Tier 1 capital growing at a slower rate than risk-weighted assets.

Total qualifying capital of the LDFIs grew by 16 percent to G\$14,363 million compared with 19.4 percent for the corresponding period last year. This 16 percent growth resulted mainly from an increase in Tier 1 capital. The higher level of Tier 1 capital, which stood at G\$13,773 million at end-December 2007, was due to a 12.7 percent growth in reserve fund and a 31.3 percent growth in retained earnings over the end-December 2006 levels.

Table XXVII

Licensed Depository Financial Institutions (LDFIs)			
Capital Adequacy Profiles			
G\$ Million			
	Dec 2005	Dec 2006	Dec 2007
Total Qualifying Capital	10,367	12,380	14,363
Total Tier 1 capital (Net)	10,361	12,175	13,773
Risk-weighted Assets	71,138	78,714	94,126
Percent			
Average CAR	14.6	15.7	15.3
Tier 1 ratio	14.6	15.5	14.6

#### Risk-weighted Assets

The aggregate risk-weighted assets of LDFIs grew to

G\$94,126 million compared with G\$78,714 million for the corresponding period in 2006. The growth in risk-weighted assets was reflective of a 34 percent increase in real estate loans, as well as expansion in credit to the households and the services sectors of 13.3 percent and 29.6 percent respectively.

### ASSET QUALITY

#### Non-performing loans

Non-performing loans of LDFIs represented 10.3 percent of their total loans compared with 11.8 percent in 2006. This outcome stemmed mainly from a 16.2 percent increase in total loans. The ratio of provision for loan losses to non-performing loans rose from 41.1 percent in 2006 to 56.4 percent in 2007 owing mainly to a 39.3 percent increase in provisions for loan losses.

Table XXVIII

Licensed Depository Financial Institutions (LDFIs)			
Sectoral Distribution of Non-Performing Loans			
G\$ Million			
	Dec 2005	Dec 2006	Dec 2007
<b>Economic Sector</b>			
<b>Business Enterprise</b>	<b>6,492</b>	<b>6,207</b>	<b>6,183</b>
Agriculture	978	348	302
Mining & Quarrying	54	67	79
Manufacturing	2,376	2,088	2,731
Services	3,084	3,704	3,071
<b>Households <sup>1)</sup></b>	<b>840</b>	<b>841</b>	<b>967</b>
<b>Total <sup>2)</sup></b>	<b>7,332</b>	<b>7,048</b>	<b>7,150</b>

<sup>1)</sup> Household includes personal loans only.

<sup>2)</sup> Total does not include real estate.

Total non-performing loans was higher by 1.4 percent to reach \$7,150 million, due to increases in the manufacturing, mining and quarrying, and households sectors. The manufacturing sector recorded a 30.8 percent (G\$643 million) rise in non-performing loans in 2007. This deterioration was due to higher non-performing loans reported within the sub-categories for 'construction', 'other manufacturing', 'beverage, food and tobacco', and to a lesser extent 'rice milling'. The mining and quarrying sector recorded a 17.9 percent (G\$12 million) rise in non-performing loans due to a 10.4 percent increase in the 'gold' sub-sector. Non-performing loans in the households sector grew by 15 percent (G\$126 million) on account of high nominal value increases for the 'housing', 'motor cars' and 'other purposes' sub-groups.

Non-performing loans within the services sector declined by 17.1 percent (G\$633 million) to G\$3,071 million compared with a 20.1 percent reduction at end-December 2006. This performance resulted mainly from the reduction in non-performing loans within the 'other services' and 'trading' categories.

The agriculture sector's non-performing loans also declined, but by 13.2 percent to G\$302 million. The decrease occurred primarily in the 'paddy' and 'other farming' sectors

### Loan Concentration

Loans to the top twenty borrowers dropped to G\$26,745 million, 2.1 percent below the G\$27,311 million reported at end-December 2006. As a result, the ratio of loans to the top twenty borrowers to total loans declined from the previous comparative period's 45.8 percent to 38.6 percent. Within the top twenty borrowers group, four of the seven LDFIs were responsible for the decline.

Loans to related parties expanded by 11.2 percent to G\$3,784 million. The ratio of such loans to total loans shifted from 5.7 percent to 5.5 percent in 2007. This outcome resulted from the 16.2 percent increase in total loans.

## EARNINGS

### Income

The gross income of LDFIs amounted to G\$18,906 million in 2007. This was 3.8 percent (or G\$755 million) below the G\$19,661 million reported for the previous year. The decrease was attributed to foreign exchange gains and other operating income. Interest income grew by 0.5 percent due to a 16.2 percent increase in private sector credit, while fees and commission grew by 266.6 percent to reach G\$33 million.

Table XXIX

Consolidated Income Statement of LDFIs		
G\$ Million		
	2007	2006
<b>Operating Income</b>	<b>18,906</b>	<b>19,661</b>
Interest Income	14,760	14,678
Foreign exchange gain	2,493	3,223
Other operating income	1,653	1,760
<b>Non-operating income</b>	<b>0</b>	<b>0</b>
<b>Operating Expenses</b>	<b>12,666</b>	<b>12,869</b>
Interest Expenses	5,501	5,125
Salaries and other staff cost	2,932	3,237
Provision for loan losses	791	1,016
Bad debts written off	(311)	(339)
Foreign exchange losses	0	0
Other operating expenses	3,753	3,830
<b>Non-Operating Expenses</b>	<b>0</b>	<b>0</b>
<b>Net income before tax</b>	<b>6,240</b>	<b>6,792</b>
<b>Taxation</b>	<b>1,768</b>	<b>2,084</b>
<b>Net income/loss after tax</b>	<b>4,472</b>	<b>4,708</b>
<b>Profitability Ratios - Percent (%)</b>		
Return on Assets (ROA)	2.3	2.8
Return on Equity (ROE)	24.9	29.3

### Expenses

The aggregate expenses of the LDFIs fell by 1.6 percent to G\$12,666 million. This resulted mainly from decreases in provision for loan losses, salaries

and other staff costs, bad debts written off (recovered), and other operating expenses, which declined by 22.1 percent, 9.4 percent, 8.3 percent, and 2 percent respectively.

#### **Net profit before tax and profitability ratios**

The net income before tax of the LDFIs fell by 8 percent to reach G\$6,240 million in 2007. Net income after tax fell by 5 percent to G\$4,472 million.

Lower earnings have reduced the LDFIs profitability ratios. The average return on assets (ROA) and average return on equity (ROE) for the review period ended 2007 declined to reach 2.3 percent and 24.9 percent respectively when compared with 2.8 percent and 29.3 percent reported in 2006.

#### **LIQUIDITY**

By end-December 2007, the average liquid assets held by LDFIs amounted to G\$53,890 million, 1 percent (or G\$319 million) above the average level recorded for the corresponding period in 2006. This growth resulted from increases in foreign asset holdings, reserve deposits, and investments in Government of Guyana treasury bills.

**Table XXX**

<b>Licensed Depository Financial Institutions (LDFIs)</b>			
<b>Liquidity Indicators</b>			
<b>G\$ Million</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>
Avg. Actual Liq. Assets	48,784	53,571	53,890
Avg. Required Liq. Assets	28,998	32,336	38,734
Avg. Excess Liq. Assets	19,786	21,234	15,156
<b>Liquidity Ratios - Percent (%)</b>			
Liq. Asset Ratio (LAR)	31.6	30.0	25.9
Customer deposits to total (non-interbank) loans	295.8	270.7	263.5

The average liquid asset ratio (LAR) moved from 30.0 percent at end-December 2006 to 25.9 percent at end-December 2007 due mainly to a 20 percent increase in required liquid assets and the minimal increase in holdings. Customer deposits to total (non-inter bank) loans ratio, which indicates the ability of the LDFIs to support loan growth with deposits, decreased by 7.2 percentage points to 263.5 percent at end-December 2007.

Endnote: This section examines the stability and soundness of the financial system. In particular, it analyses the performance of the following Licensed Depository Financial Institutions (LDFIs) during 2007: Republic Bank (Guyana) Ltd (RBL); Guyana Bank for Trade and Industry (GBTI); Demerara Bank Limited (DBL); Citizens Bank Guyana Incorporated (CBI), Bank of Baroda Guyana Inc (BOB); Bank of Nova Scotia (BNS) and Hand-in Hand Trust Corporation Incorporated (HIHT). □

# II

## INTERNATIONAL ECONOMIC AND MONETARY DEVELOPMENTS

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### The World Economy

The global economy showed signs of strong resilience despite lower than expected performances from the industrialized countries, and the financial turmoil due to the US subprime mortgage crisis. The 4.9 percent global growth rate in 2007 was driven by strong economic performances from emerging market economies, led by China, India and Brazil. The year saw a rapid rise in the price of crude oil and food products which fuelled inflation to its highest level in nearly two decades. The prospect for global growth in 2008 would have to be balanced against the risk of inflationary pressures, the down-turn from the subprime crisis, the prospect of a recession in the US economy, and lower than expected performances from industrialized countries. The world economy is therefore projected to grow more slowly at 4.1 percent in 2008.

### Industrial Countries

#### Output

Industrialized countries recorded a lower than expected performance in 2007. High oil and commodity prices also dampened output levels. The subprime mortgage crisis forced a contraction in US economic growth and had a spill-over effect in the UK and the Euro zone.

Real GDP in the US grew at 2.2 percent in 2007 compared with 3.4 percent in the previous year. This contraction was attributed to the subprime mortgage crisis that led to a significant decline in the housing market. The decline seriously affected both the construction and financial sectors in the US. In Canada, real output was 2 percent, a marginal decline from the 2.7 percent recorded in 2006. The dip in Canadian output was caused by a decline in exports due to the strengthening of the Canadian dollar.

The growth rate in the Euro area was 2.6 percent in 2007. This growth level was sustained by strong domestic demand and exports. Japanese growth projections have been reduced to 2 percent in 2007. This is 0.6 percent lower than earlier projected, reflecting a weaker second quarter outturn, slower

global growth, and a stronger Yen.

#### Inflation

Inflation had been less volatile in the advanced economic countries in 2007, despite increases in commodity prices, especially for consumer goods and oil. Inflation was checked at 2.6 percent in the US. The Euro area experienced a slight increase in inflation to 2.1 percent in 2007. Japan continued to face modest price rises, registering an inflation rate of 0.6 percent at end-2007. The United Kingdom experienced inflation of 2.1 percent at end-2007.

#### Employment

The performance of the labour market in the industrialized countries was mixed in 2007 against the backdrop of the financial turbulences in the US and the Euro area. The unemployment rate was 4.7 percent in the US and 6.1 percent in Canada respectively. The Euro area saw a decline in unemployment by 0.9 percent to 6.9 percent in 2007. The UK unemployment rate remained flat at 5.4 percent. Germany and France saw a reduction in their unemployment rate in 2007, due mainly to more favorable labour market conditions.

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## Monetary and Exchange Rates

Monetary policies in the industrialized countries were loosened in 2007 to guard against heightened financial volatility and widening of the risk spreads on financial products. Interest rate cuts were recorded in the USA, UK and the Euro area concurrently in an effort to improve liquidity in the financial markets and thwart the downside risks faced as a result of the US subprime mortgage crisis.

The Fed Funds' rate was cut twice to reach 4.25 percent at the end of 2007, while the UK and Euro rates have been reduced to 5.5 percent and 5 percent respectively. Despite these adjustments credit market conditions continue to remain tight as the housing market goes through the process of correction. There has been a decline in prices of financial assets in industrialized countries in 2007.

For the first time in more than two decades the United States dollar depreciated by 20 percent against the world major currencies in 2007. The Canadian dollar was on par with the US dollar in 2007. The Euro strengthened significantly against the dollar at US\$1.46 per Euro. The weakening dollar has helped to correct the US current account deficit. However, the strengthening of the Euro and Canadian dollar have hurt their economies terms of trade. In 2007, there was some correction to the global imbalance with the weakening of the dollar and appreciation of the currencies, especially of new emerging economies like China and India.

## Developing Countries

### Output

Most developing countries registered strong economic performances buoyed by robust growth in the global economy. Growth in developing economies in the Asia Pacific region was 8.2 percent, due in particular to increase in the trade of non-commodity exports.

Economic growth in Sub Sahara Africa increased to 6 percent in 2007 driven by higher commodity prices especially for minerals in the world market. The Latin American and Caribbean (LAC) economies are estimated to grow by around 5 percent in 2007.

### Inflation

Inflation was 6.1 percent in developing countries and but is expected to slow to 5 percent in 2008. Inflation moderated in many of these countries, despite the passing through of higher oil and other commodity prices to consumers. Inflation in Asia and the Pacific region was broadly contained at 4.8 percent reflecting tighter monetary policy. In Sub Sahara Africa, the inflation rate increased marginally to 7.5 percent from 7.3 percent in 2006. This resulted from high food prices, though an adoption of better stabilization policies and the strengthening of the Euro in the CFA franc zone helped contain the level. Inflation in the Latin America and the Caribbean region was contained at 5.4 percent despite sustained increases in fuel and commodity prices.

### Employment

Growth in many of these countries has helped increase employment, but the high level of unemployment remained, thereby posing major challenges for poverty alleviation. In the Asia Pacific region, the unemployment rate was steady at 6.2 percent, while in Sub Sahara Africa it hovered at around 8.2 percent. In the Latin American and the Caribbean region unemployment declined to 8 percent on average from 8.6 percent in 2006.

## Emerging Economies

### Output

Global growth was buoyed by strong performances from emerging market economies. China's economy gained further momentum growing at 11.5 percent thus making it the largest contributor to global growth in 2007. India continued its robust growth rate at 8.9 percent while Russia grew by 8 percent.

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These countries' performances accounted for half of global growth in 2007.

The Brazilian economy rebounded to grow at 4.4 percent in 2007. However, Mexico's growth rate dropped to 2.9 percent in 2007. Strong performances was recorded by the East Asian economies. Singapore grew at 7.1 percent followed by Korea 5.2 percent and Hong Kong at 4.7 percent respectively. Higher commodity prices and increased exports especially of knowledge based products, sustained robust growth patterns in emerging economies.

### **Inflation**

Inflationary pressures were at the higher end in emerging market economies. The accumulation of vast foreign exchange reserves by East Asian economies, China, Russia, and the Gulf States has fueled domestic money growth and global excess liquidity.

Inflationary pressures were contained in most of these economies during the review period. CPI inflation in China was 2.2 percent from 2.0 percent at the end of 2006 as the country continued its pricing reform on energy products and water. In India, the rate of inflation eased to 3.6 percent as the Reserve Bank of India remained aggressive in controlling excess liquidity. Consumer prices in Russia grew to 12 percent from 8.2 percent in 2006.

### **Employment**

Despite strong growth levels in emerging economies, unemployment continues to be a major problem. Employment has not kept pace with rising growth. China showed only a marginal decline in unemployment to reach 7.8 percent while Indian unemployment remained flat at 8 percent.

Korea and Taiwan experienced lower unemployment levels at 3.1 percent and 4 percent respectively. Brazilian unemployment was at 9 percent, a marginal decline from last year.

## **Caribbean Economies**

### **Output**

Growth has been robust with regional GDP expanding at 5 percent, buoyed by the successful hosting of Cricket World Cup (CWC) 2007, and a return to trends for tourism in the Caribbean. Trinidad and Tobago and Guyana were the fastest growing economies at 6 percent and 5.4 percent respectively, while Barbados and the ECCU economies grew at or near the 4 percent level in 2007. Jamaica and the Bahamas registered more moderate performances with increasing outturn for 2007. The Dominican Republic recorded exceptionally strong growth at 8 percent in 2007.

Higher commodity prices, leading to strong exports tourism and the hosting of CWC 2007 were the main engines of growth in the region during 2007. However, the Caribbean continues to remain dependent on a favorable external environment in North America for its performance given its strong linkages via tourism, remittances and foreign investment flows.

### **Inflation**

Inflation in the Caribbean accelerated to 5.2 percent in 2007. Most of the region's economies recorded higher levels of inflation in 2007, led by Jamaica at 8.9 percent and followed by Trinidad and Tobago at 8.5 percent. The inflation level in Barbados was slightly more moderate at 5.7 percent followed by Suriname at 4.5 percent. Rising food prices pose a major challenge for a region that is a net importer of food.

### **Employment**

The overall stronger economic activity did not translate into significantly improved labour market conditions in the Caribbean. In Barbados, unemployment is projected at 8.4 percent at the end of 2007 compared with 8.7 percent at the end of 2006. Unemployment rate in Trinidad & Tobago is

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estimated to hover at around 6.5 percent.

### **Exchange Rates**

In the Caribbean the exchange rate for Barbados, Belize and the Eastern Caribbean Currency Union remained fixed while the floating currencies of Guyana, Jamaica and Trinidad and Tobago experienced depreciation due to benign market conditions for foreign exchange. However, the main challenge for the Caribbean is the depreciation of the US dollar since it is the nominal anchor for exchange rates across all Caribbean countries. The depreciation of the US dollar also has major implications for the terms of trade in the Caribbean.

### **Commodity Markets**

Commodity prices rose to their highest level in the last four decades and impacted favorably on Caribbean exports. The price of gold reached the US\$800 per oz mark while Sugar prices were on average US\$650 per ton. Rice prices were more than US\$550 per metric ton. However, the price of oil rose to its highest level nearing the US\$100 per barrel mark at the end of 2007, creating mixed fortunes on commodity prices benefits for the Caribbean. The Caribbean found the higher prices of food imports and oil to be rather burdensome in 2007 being net importers of these two products.

### **Outlook for the World Economy**

The latest forecast predicts a slowing of the global economic growth from 4.9 percent last year to 4.1 percent in 2008. The largest downward revisions to growth are expected in industrialized countries where financial and trade spillover effects from the downturn in the United States is likely to have a great negative impact. US growth projections are now revised downwards to 1.5 percent in 2008. The Euro Area is expected to grow only by 1.6 percent, a

downward revision of 0.5 percent from the earlier projection.

Global growth is once again expected to be driven by the performances of China, India and Russia projected to grow at 10 percent, 8.4 percent and 6.5 percent respectively. The Latin American and Caribbean Region is projected to grow by 4.75 percent in 2008. Commodity prices are expected to decline slowly but remain high. Monetary policies are expected to foster growth and check inflationary trends when necessary.

Despite some slowing of exports, emerging markets and developing countries led by India and China have responded well to the financial crisis in industrialized countries. These countries have benefited from stronger domestic demand, a discipline macro-economic framework, and higher commodity prices. Growth in emerging market and developing countries is expected to ease to around 6.9 percent in 2008. However, growth in Africa is expected to rise to 7 percent in 2008.

The Caribbean region agreed to a new Economic Partnership Agreement (EPA) with the European Union late last year that becomes effective in 2008. A major feature of the new EPA is that it will begin phasing out preferential arrangements for special commodities such as sugar, bananas and rice. The new arrangement has already had a negative impact on the prices of bananas and sugar exports from the Caribbean, which will feel the full brunt of the EU price cuts in year 2008. It is estimated to cost Guyana US\$40 Million annually. This has created a challenge for the Caribbean economies to diversify both exports and market in a dynamic world environment. □

# III

## MONETARY POLICY AND BANK ACTIVITIES

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The primary objectives of monetary policy in 2007 were the attainment of price and exchange rate stability, while creating the enabling environment for credit and economic growth. In this regard, the focus was on effective management of excess liquidity in the financial system. During the review period, the Bank's monetary programme was successful in containing inflationary pressures caused by rising oil and food prices on the world and domestic markets. Additionally, the Bank continued to facilitate efficient intermediation through the issuance of notes and coins as well as the promotion of enhanced payment operation.

### 1. MONETARY POLICY

Monetary policy recommendations were determined within the framework of monetary programming. The Bank's principal instrument of monetary control continued to be the auction of treasury bills in the primary market. The monetary policy stance was signaled through the volume of treasury bills issued with implications for the general level of interest rates.

#### Monetary Programming

In principle, monetary programming allowed the Bank to set a targeted path for the growth of broad money consistent with output growth and inflation. Its foundation rested on the observation that the Bank controls the supply of reserve or base money in the financial system. The 'reserve money program' was supported by a liquidity framework which involved forecasting the changes in the main items that influenced the banking system's liquidity on a weekly basis. The underlying assumption for the effective operation of the reserve money program was the long-run stable money multiplier defined as the relationship between reserve money and the total money supply. On the basis of the constancy of the money multiplier, the Bank determined the growth in reserve money required to attain the targeted expansion in the money stock.

During 2007, weekly forecasts of the Bank's balance sheet were produced based on estimated liquid reserve positions of the commercial banks and the

public, collectively referred to as reserve money. These forecasts were compared with the weekly targeted monetary growth which was consistent with the set nominal output objective. The deviations established by this comparison indicated the baseline scenario level of the open market operation necessary to bring the forecast money supply in line with its targeted annual growth rate. The actual weekly intervention was determined by the Open Market Operation Committee (OMOC) on the basis of prevailing developments and the base scenario.

During the review period reserve money was G\$54,552 million, G\$207 million above the target. Reserve money exceeded the targeted level due to the higher net foreign assets of the Bank.

The auction of treasury bills with various maturities (91-day, 182-day and 364-day) at the primary market level continued to be the Bank's principal instrument of monetary control. The objective was to influence the liquidity conditions of the commercial banks consistent with the targeted growth for broad money. The liquidity forecast framework and the reserve money program provided the technical basis for decision making on the volumes and maturities of weekly treasury bill issues. The OMOC, which is the decision making body on the issuance of treasury bills, adopted a consultative approach during the year by liaising closely with agencies which impacted directly on liquidity in the financial sector. Additionally, other information such as the state of



the foreign exchange market, the interbank market, the structure of interest rates and the liquidity position of the nonbank financial institutions facilitated more informed decisions by the OMOC.

During 2007, there was a net redemption of treasury bills of G\$4.9 billion. Total redemptions were G\$66.4 billion, while tender amounted to G\$66.1 billion. There was a total of 33 issues of treasury bills, comprising of 6 issues of 91-day bills (excluding issues for the Bank's capital reserves) totaling G\$4.1 billion, 8 issues of 182-day bills totaling G\$7.8 billion and 19 issues of 364-day bills totaling G\$49.6 billion. When compared to with 2006, there were four less treasury bill auctions.

The inter-bank market activities which also provides an indication of the total liquidity condition of the financial system had 424 trades during 2007, compared with 173 one year ago. The value of funds traded on the market amounted to G\$106.9 billion in 2007, which is 137.6 percent (or G\$61.9 billion) above the corresponding period in 2006.

The weighted average inter-bank rate in 2007 remained at 4.1 percent. This rate was influenced by the 91-treasury bill rate as well as the level of liquidity in the system and the amount of overnight borrowing.

During the review period, the Bank's monetary programme was successful in containing inflationary pressures caused by rising oil and food prices on the world and domestic markets. The inflation rate which spiked in January following the introduction of the Value Added Tax (VAT) was contained at 13.7 percent at end-December 2007.

## 2008 OUTLOOK

The inflation rate is targeted at 6.8 percent for 2008. In order to achieve this target, the Bank will continue to manage the expansion in base money through its Open Market Operations (OMOs). Notwithstanding the focus on achieving low inflation, the Bank will ensure that credit to the private sector is encouraged

to facilitate growth in the economy.

## 2. BANK ACTIVITIES

### Currency Operations

The Bank has a statutory obligation to issue the country's notes and coins under section 21(1) of the Bank of Guyana Act 1998, No. 19 of 1998. This obligation was discharged through the Currency Division of the Operations Department.

Table XXXI shows figures on the comparative stocks and flows of currency notes for years 2005 to 2007. The total supply of currency registered an increase of 1.7 percent over 2006. The increase was due to the higher level of currency imported.

**Table XXXI**

<b>Supply &amp; Disposal of Bank of Guyana Currency Notes</b>			
	<b>Thousands of Notes</b>		
	<b>2005</b>	<b>2006</b>	<b>2007</b>
Opening Stock	29,831	26,457	10,246
Purchased	18,000	10,000	25,500
Withdrawn from circulation	104,084	95,803	98,723
<b>TOTAL SUPPLY</b>	<b>151,915</b>	<b>132,260</b>	<b>134,469</b>
Issued	108,255	102,606	104,605
Destroyed	17,203	19,408	15,429
<b>TOTAL DISPOSAL</b>	<b>125,457</b>	<b>122,014</b>	<b>120,034</b>
<b>End-year Stock</b>	<b>26,457</b>	<b>10,246</b>	<b>14,435</b>
New Notes	23,852	9,853	13,333
Re-Issuable Notes	222	234	606
Other Notes <sup>1)</sup>	2,383	159	496

<sup>1)</sup>Notes awaiting sorting, cancellation and destruction.

### Notes

The total value of currency notes in circulation (including notes held in the vaults of commercial banks) at the end of 2007 amounted to G\$32,675.7 million, an increase of 16.2 percent compared with a circulation of G\$28,132.8 million in 2006. The share

of G\$1,000 notes in the total value of notes in circulation increased to 93.1 percent from 89.2 percent in the previous year while the G\$500 notes fell from 6.7 percent to 3.2 percent in the same period. The share of the G\$100 notes fell slightly from 2.9 percent in 2006 to 2.7 percent in 2007. There was also a marginal reduction in the share of G\$20 notes, falling from 1.1 percent in 2006 to 1.0 percent in 2007.

The policy of ensuring that only acceptable quality notes are in circulation was continued. This was achieved by regular withdrawals of mutilated, defaced or otherwise poor quality notes and replacing them with new notes. Mutilated, defaced and poor quality notes amounting to G\$209,308,280 were replaced in 2007, compared with G\$243,456,800 in 2006 and G\$241,934,600 in 2005.

### Coins

Coins issued by the Bank amounted to G\$538 million at the end of 2007, an increase of 12.3 percent above the G\$479 million in 2006. The value of G\$10 coin in circulation was only 1 percent more than that of the G\$5 coin while the G\$1 coin continued to have the lowest share of coins in circulation. In terms of the total quantity of coins issued, the G\$1 coins accounted for a 62.7 percent share. The shares of G\$5 and G\$10 coins accounted for 25.1 percent and 13.2 percent, respectively.

### Payments System

During 2007, 1,013,217 low-value transactions (LVT) were settled through the National Clearing House (NCH), a marginal decrease of 0.2 percent when compared with the volume recorded in 2006. The volume of high-value transactions (HVT) increased by 12.8 percent to 93,340. Continuing the trend over the past five years, the overall value of total transactions rose by 22.4 percent in 2007 to reach G\$678 billion. Increases were recorded in the value of both high-value and low-value transactions which amounted to G\$470.5 billion and G\$207.5 billion, respectively. The shares of HVT in total value of transactions rose from 68.3 percent in 2006

to 69.4 percent in 2007. As a result, the share of LVT fell to 30.6 percent in 2007 from 31.7 percent in the previous year. The average value of HVT rose by 10.0 percent in 2007 to 5.04 million, while the average value of LVT rose by 17.6 percent in 2007 to reach G\$0.20 million.

**Table XXXII**

<b>Selected Data on transactions Cleared through the National Clearing House</b>			
	<b>2005</b>	<b>2006</b>	<b>2007</b>
Daily avg. number of LVT	4,086	4,146	4,086
Daily avg. value of LVT	678	716	837
Avg. value of LVT	0.17	0.17	0.20
Daily avg. number of HVT	295	338	3.76
Daily avg. value of HVT	1,252	1,545	1,897
Avg. value of HVT	4.24	4.58	5.04
Total number of LVT	1,009,334	1,015,675	1,013,217
Total value of LVT	167,496	175,354	207,508
Total number of HVT	72,940	82,725	93,340
Total value of HVT	309,327	378,644	470,468
Notes: Values are expressed in G\$ Million			
LVT - Low Value Transactions			
HVT - High Value Transactions			

### Reserve Management

Guyana's foreign assets reserve is managed by the Bank of Guyana (the Bank). The Bank's responsibility to manage Guyana's foreign asset reserves is established through legislative mandate. The major objective of the Bank's foreign assets reserves is to maintain a reserve of external assets to cover the value of the total amount of its notes and coins for the time being in circulation in accordance with section 22 of the Bank of Guyana Act, 1998. Additionally, the reserves are held to meet defined national payment obligations and its ultimate size reflects the balance of payments position. The Bank acts within a framework that identifies and assesses

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the risk of reserve management operations and follows a policy to manage the reserves within acceptable levels and parameters. The management of the reserves prioritises security and liquidity over returns. As at December 31, 2007 the gross foreign asset reserves totaled US\$312 million.

The reserves are divided into two tranches – the working balance and the investment portfolio. The working balance consists of cash and risk-averse tradable financial instruments with tenors not greater than three months. The working balance covers the monthly payment obligations of the Government of Guyana, the Bank of Guyana, and specified agencies.

The objective of the investment portfolio is to generate reasonable earnings over medium and long-term horizons, subject to liquidity and risk constraints. The portfolio consists of mainly

government guaranteed securities from countries with risk rating of AAA, investments in Supranationals and the Bank of International Settlements. Risks are managed through the diversification of the portfolio structure and the careful selection of instruments and counterparties. Investments usually have a maximum tenor of ten years and are mainly denominated in US dollars since most of the Bank's and Government's external liabilities are denominated in US dollars.

The investment of the foreign asset reserves portfolio is governed by a reserve management guideline which was approved by the Bank's Board of Directors. The Bank has established an investment committee chaired by the Deputy Governor and comprising senior managers of the Bank. The committee considers investment proposals and monitors the risks associated with the investment portfolio. □

# IV

## FUNCTIONS, INSTITUTIONAL DEVELOPMENTS AND OTHER BANKING ACTIVITIES

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During the review period, there were several notable institutional developments including the adoption of the risk-based approach to bank supervision and the drafting of new guidelines. Additionally, two commercial banks extended their operations by opening new branches. The Bank also continued to fulfill its statutory objectives as specified in the Bank of Guyana Act No. 19 of 1998 through the use of various instruments, such as monetary programming, reserve requirements, the rediscount rate and moral suasion.

### 1. FUNCTIONS

The Bank's principal objective as specified by the Bank of Guyana Act No. 19 of 1998 was that of fostering domestic price stability through the promotion of stable credit and foreign exchange conditions which are conducive to the growth of the economy. In view of this overall mandate, the Bank was entrusted with the following responsibilities:

- Advising Government on any issue affecting its main objective of price stability;
- Acting as fiscal agent, trustee and banker to the Government;
- Issuing the country's notes and coins and determining legal tender;
- Advising the Minister of Finance on, and administering, the foreign exchange system;
- Monitoring the country's balance of payments position and managing its foreign exchange reserves;
- Acting as a banker to commercial banks and other licensed financial institutions;
- Supervising and regulating licensed financial institutions; and
- Overseeing the country's payment system.

### INSTRUMENTS OF MONETARY POLICY

In addition to the monetary programming framework, the Bank fulfills its statutory objective of promoting domestic price stability through other instruments such as the reserve requirement, the rediscount rate and moral suasion.

### Reserve Requirements

The statutory reserve requirement remained an important instrument for monetary control and financial prudence in Guyana. The change in reserve requirements which was implemented in 1999 remained in force in 2007 and continued to make the operating framework consistent with the thrust toward monetary control.

The revised Reserve Requirements Circular - No. 33/98, sets out the specifications for: (i) the institutions subject to reserve requirements; (ii) the prescription of the reserve base, (iii) reserve maintenance periods; and (iv) the penalty charge for deficiencies in reserve requirements. With effect from the reserve base period which commenced February 1, 1999, the statutory reserve requirement ratio applicable to all liabilities (i.e., demand, time and savings liabilities, whether domestic or foreign) of deposit taking financial institutions was lowered to 12 percent from the sum of 14 percent of time liabilities and 16 percent of demand liabilities held by banks. This requirement remained unchanged in 2007 for commercial banks.

Effective January 1, 2000, some variations of the requirement were implemented for licensed NBFIs - (Hand-In-Hand Trust Company Incorporated and Globe Trust and Investment Company) - to create a level playing field and hence greater financial intermediation. These institutions were required to

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maintain a minimum deposit balance at the Bank of Guyana of 4 percent of total liabilities. This was to be incrementally increased every six months by 2 percentage points until convergence with the ratio of 12 percent applicable to commercial banks was achieved. Accordingly, the deposit taking licensed NBFIs required reserve ratio, apart from GTICL which has remained at 8 percent pending the resolution of its future legal status, stood at 12 percent at end-2006.

During 2001, three mortgage finance companies were established under the Income Tax (Exemption) Order 2001 to provide mortgages for low income earners and were exempted under the Income Tax Amendment Act No. 6 of 2000 from reserve requirements on deposits utilized for that purpose.

Non-compliance with the reserve requirement carried a penalty which took the form of an interest charge on the deficiency (actual reserves less required reserves). This was calculated at a rate equal to twice the rate of interest on the 91-day treasury bills which prevailed at the beginning of the reserve maintenance period over which the deficiency occurred.

### **Liquid Assets**

Circular No. 52/98 on Liquid Assets Requirements which became effective from October 26, 1998, remained in force throughout 2007. This circular provided for: (i) the extension of the liquid assets requirement to nonblank licensed depository financial institutions; (ii) ensuring consistency in the prescribed liabilities, liquid assets base and maintenance periods with the revised prescribed liabilities, base and maintenance periods for reserve requirements; and (iii) introducing a penalty for a deficiency in liquid assets.

The statutory liquid assets ratios (LAR) which determined the minimum level of liquid asset holdings that commercial banks were required to maintain in relation to their deposit liabilities remained at 25 percent of demand liabilities and 20 percent of time and savings liabilities.

The banks were less liquid in 2007 relative to 2006, as indicated by a lower monthly average ratio of excess to total liquid assets. This ratio fell by 720 basis points from 44.1 percent during 2006 to 36.9 percent during 2007. Actual liquid assets held by commercial banks continued to reflect large holdings of government bills. Treasury bills during the year, accounted on average for 61.6 percent of total liquid assets.

### **Interest Rates**

The Bank rate, which is determined by the 91-day treasury bill rate, declined marginally to 6.5 percent at end-December 2007 from 6.75 percent at end-December 2006. However, the spread between the Bank rate and 91-day treasury bill rate remained stable at 2.6 percentage points.

The Bank continued to keep its re-discounting policy and terms under review during year 2007. The objectives were to ensure that the operation of the re-discount window was consistent with the development of the inter-bank money and treasury bill markets, as well as promote competition and a secondary market for the issues of Government securities. The margins above and below the average re-discount rate on treasury bills purchased and sold by the Bank, which were amended by Circular 13 of 1999 and made effective in March 1999, remained in force during the year. The level of the re-discount depended on the remaining days to maturity of the re-discounted treasury bills.

### **Relations with Government**

A total of 216 active Government accounts were held with the Bank at end-December 2007. At the end of the year, Government deposits, net of treasury bills held by the Bank, amounted to G\$35,456.3 million. The Bank's holdings of treasury bills decreased to G\$1,024.8 million from G\$3,070.1 million at end-2006. Holdings of Government debentures was G\$44,688 million at end-2007, of which G\$40,790 million were non-interest bearing.

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### **Relations with Commercial Banks**

During 2007 the Bank continued to support the payments system by providing cheque clearing facilities and inter-bank settlement services.

Commercial banks continued to satisfy most of their requirements for foreign exchange through purchases directly from customers under the Dealers in Foreign Currency (Licensing) Act 1989.

Balances held by the Bank in respect of amounts deposited by the commercial banks under the external payments deposits schemes remained unchanged at G\$61.7 million at end-2007.

### **Relations with International Organizations**

The Bank continued to act as fiscal agent for the Government in its relations with the Multilateral Financial Institutions of which Guyana is a member. During 2007, Guyana repaid US\$11.3 million through the Bank to Multilateral Financial Institutions, of which US\$1.2 million and US\$5.3 million were paid to IMF and IDB respectively.

### **Relations with Regional Central Banks**

Clearing arrangements with CARICOM Central Banks remained on a bilateral basis. Payments to the CARICOM Multilateral Clearing Facility (CMCF) were suspended since 2006 pending a resolution of the provision of enhanced HIPC relief to Guyana. The principal debt due to the CMCF at the time of suspension was US\$35.9 million.

The Bank of Guyana continued to participate in regional meetings of Central Bank Governors and other functional core activity committees mandated by Governors.

### **Exchange Rate Policy**

The exchange rate policy, supported by appropriate fiscal and monetary measures, was aimed at strengthening the macroeconomic conditions that facilitate price and balance of payments stability. The nominal exchange rate was determined by demand and supply through a system of licensed

cambio dealers. The Bank may intervene to meet reserve targets and minimize adverse speculative attacks.

### **Foreign Exchange Operations**

The gross international reserves of the Bank increased by US\$35.3 million, or 12.7 percent, and were equivalent to 3 months of imports. This result accrued from inflows of US\$335.2 million during the year and comprised primarily of US\$224.4 million and US\$110.8 million from export receipts and official flows and investment earnings, respectively. Foreign exchange outflows during the year for debt servicing, fuel imports and other payments were US\$27.3 million, US\$225.8 million and US\$43.3 million, respectively.

### **Bank Supervision**

During the year 2007, the Bank Supervision Department (BSD) was restructured following its shift from a transaction-based approach to supervision to a risk-based one. This was facilitated by two (2) consultants under the IDB funded Strengthening Bank Supervision Project (SBSP) which concluded in October 2007. The adoption of the risk-based approach resulted in the merger of the existing On-site and Off-site divisions into The "Supervision Division" allowing for a more flexible and targeted approach to supervision with strong emphasis on identifying those risks that would pose the greatest threat to the safety and soundness of each licensed financial institution (LFI) and the financial sector in general.

The second division, the "Policy, Issuance and Regulatory Division" (Policy Division) was established and is tasked with the broad responsibility for legislative and regulatory matters, supervisory policies and practices, rulings on regulatory issues, analysis of systemic performance and emerging issues. With a staff complement of nine (9), the division bravely embraced its restructured role and made every endeavour to address all critical aspects of its mandate.

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During the consultancy, eight (8) supervisory guidelines were drafted by the consultants.

To encourage market transparency, stimulate competition, and encourage market discipline and in keeping with international accounting standards and best practices, the licensed financial institutions were each provided with selected financial indicators that the Bank requested be published quarterly on the LFIs' websites or otherwise and submitted to the Bank as well.

During the year, the department continued to monitor the financial condition and performance of the licensed financial institutions, while promoting stability in the system through the implementation of regulatory and supervisory strategies aimed at reducing the level of risk. Strong growth was recorded in the sector with two of the local banks, not only seeking to expand their branch networks to cover outlying areas but also introducing new products that employed the latest innovative technologies. This was evidenced in April and November 2007 with the launch of internet banking and Visa branded Guyana dollar and US dollar credit cards.

During the year, seven (7) LFIs were inspected, five (5) of which were conducted using the risk-based methodology effectively applied by the complement of eleven (11) staff.

During 2007, the department did another internal self-assessment of the twenty-five Basel Core Principles, identifying areas that when addressed would significantly improve the level of compliance with the principles.

During the year, two banks submitted applications, which were favourably considered for the establishment of three (3) branches at Corriverton, Diamond, and Providence. However, to date only the Providence branch has begun operations.

The Globe Trust and Investment Company Ltd issue

remained a major concern for the department and Bank notwithstanding efforts made by the Administrator to find a committed investor.

The department also continued dialogue with the Board of Directors, senior management, and external auditors of the various LFIs in an effort to market the new supervisory approach, address issues affecting the industry, and foster a better working relationship among the stakeholders.

## **2. INSTITUTIONAL DEVELOPMENTS**

The financial system remained relatively sound during the year, with higher levels of capital, profits and liquidity. Capital adequacy ratios of the commercial banks declined, but remained above the prudential eight (8) percent requirement. The asset quality of the Licensed Financial Institutions (LFIs) improved, with non-performing loans as a share of total loans declining marginally, in the context of a 15.4 percent increase in the cumulative stock of loans. The total asset base of the commercial banks expanded by 13.6 percent to G\$204.7 billion at the end of November 2007.

The Bank of Guyana enhanced its efforts at providing sound prudential policies and guidelines. In this regard, the supervisory framework was strengthened with the adoption of a risk-based approach to bank supervision that replaced that transaction-based approach. The Bank of Guyana also made progress in drafting new guidelines which were in line with international best practices. A notable development was the requirement for LFIs to post key financial indicators quarterly on their websites, an initiative that will provide the market with pertinent information to simulate growth and encourage market discipline.

The banking system, the largest segment of the financial system, gained momentum in the area of competitiveness with more banking facilities and new products being made available to the public. During the year, one commercial bank opened two additional branches, and one branch was added to another. It is

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expected that these developments will improve savings mobilisation and financial intermediation, and more efficiently allocate resources for productive investments. The reorganisation of Globe Trust & Investment Company Ltd. is still being addressed, and we anticipate a closure to this matter is anticipated early in the year.

### **3. OTHER BANKING ACTIVITIES**

#### **Staff Training and Technical Assistance**

Two hundred and sixty two persons were employed at the Bank of Guyana at the end of 2007. The total number of persons recruited during the year under review was thirty two as well as one work attachment. There were twenty four resignations and three terminations of services. The Bank benefited from the services of one Fellow from the Overseas Development Institute (ODI).

During 2007 the Bank's training policy focused on in-house, local and overseas courses. These included selected courses sponsored by reputable organizations and/or training agencies.

#### **In-house Training**

The PC Support Unit of the Information Services Department continued its Computer Based Training (CBT) courses in areas such as Introduction to PC's and Application Software, Microsoft Word 2003 Expert Parts 1 and 2, Microsoft Excel 2003 and Microsoft PowerPoint 2003 Professional User. Twenty nine (29) persons successfully completed courses for which they were registered.

All technical staff of the PC Support Unit of the Information Services Department participated in a Microsoft Windows Server Course tutored by Train X. First Aid Training was done by GDF Personnel for selected staff of all Departments in June. Twenty three staff from three Departments participated in a course on Interest Rate Risk Management. Symptai Consulting Limited conducted Introduction to ACL and Advance ACL courses for selected staff of the Audit Department. Simultaneously, employees of the

Bank Supervision Department participated in a Consolidated Supervision Workshop facilitated by two senior officers of the Office of Superintendent of Financial Institutions of Canada (OSFI).

Staff from six departments participated in a course on Intermediate Supervisory Management. Two Canadian Consultants held a number of workshops/seminars with the Bank Supervision Department staff on a number of topics such as Market Risk, Trust Issues, Consolidated Supervision and Report Writing.

#### **Other Local Training**

A number of other in-house seminars/workshops were held for selected staff on topics such as Time Management, Fire Safety and Prevention, Promoting the Right Image and Cash Flow Analysis. Selected staff from six departments attended short courses sponsored by reputable organizations/training agencies such as The Caribbean Association of Indigenous Banks, Debt Relief International, The Consultative Association of Guyanese Industry Limited, The Institute of Chartered Accountants of Guyana and The Guyana Tourism Authority.

Four employees graduated from the University of Guyana, Faculty of Social Sciences. One pursued a Diploma in Accountancy, another read for a Degree in Sociology while two others graduated with Post Graduate Diplomas in Development Studies. One female employee successfully completed the ACCA examination.

#### **Overseas Training**

Attendance at overseas training programmes was limited to selected short courses sponsored by the Caribbean Group of Banking Supervisors, Federal Reserve Bank, The International Monetary Fund, The World Bank and Centre for Latin American Studies (CEMLA). The Bank also participated in the Xth Annual Conference of Human Resources Managers in St. Kitts and the IXth Meeting of Central Bank Internal Auditors in Aruba.



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One member of staff of the Research Department successfully completed a Commonwealth Scholarship graduating with a Master of Science Degree in Accounting and Finance from the Manchester Business School (MBS), United Kingdom.

The Bank hosted the Third Conference of Commonwealth Central Bank Governors during the Meeting of the Commonwealth Finance Meeting held in Georgetown in October, 2007. Governors addressed the theme “Promoting Financial Literacy in the Commonwealth.” There were presentations by representatives of the Department for International Development, UK, Commonwealth Secretariat, Caribbean Regional Technical Assistance Center (CARTAC) and the International Finance Corporation. The presentations covered: “Financial Inclusion,” “Helping Youths make the most of money,” “Women Entrepreneurship” and “Financial Literacy for Legislators.”

## **CORPORATE GOVERNANCE**

### **The Board of Directors**

The Bank of Guyana Act provides for the establishment of the Board of Directors as the policy making organ of the Bank.

The current members of the Board are the Governor, Mr. Lawrence Williams who serves as Chairman, Deputy Governor, Dr. Gobind Ganga who serves as Deputy Chairman, The Finance Secretary, Mr. Neermal Rekha, who attends meetings as the Minister’s representative but does not possess the right to vote, along with four non-executive Directors, Dr. Prem Misir, Mr. Paul Bhim, Dr. Cyril Solomon and Mr. Vidyand Persaud. Pursuant to section 9(4) of the Bank of Guyana Act the tenure of one non-executive Director comes to an end annually and he is eligible for re-appointment for a period not exceeding five years.

The Board met every month since its reconstitution in the 2007 financial year.

As part of the Governance arrangements of the Bank the Director, Internal Audit Department is required and did report quarterly to the Board on internal audit activities.

Towards the further strengthening of Governance arrangements at the Bank the following committees were established:

1. The Investment Committee which is Chaired by the Deputy Governor.
2. The Staff Benefits Review Committee which submits recommendations to the Board for its consideration.

The Recommendations of the IMF Safeguards Assessment Report and the implementation of these recommendations by the Bank, also engaged the attention of the Board.

### **Disclosure and Transparency**

In keeping with internationally recognised standards and the Bank of Guyana Act, the Bank publishes a bi-monthly Statement of Assets and Liabilities in the Gazette and its audited annual financial statement, together with an Annual Report by the end of March in accordance with the requirements of the Act.

Additionally, the Bank submits to the Minister and publishes half-yearly reports on the state of the national economy, with special reference to financial developments and on the policies being followed by the Bank. All publications by the Bank are available on its website <http://www.bankofguyana.org.gy>.

The Minister of Finance has responsibility for the annual appointment of an external Auditor, to audit the accounts of the Bank and certify the annual balance sheet and profit and loss account of the Bank.



# V

## **BALANCE SHEET, PROFIT AND LOSS ACCOUNT AND REPORT OF THE EXTERNAL AUDITORS**



## *Audit Office of Guyana*

*P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana*

*Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.gov.gy>*

AG: 18/2008

March 31, 2008

### **REPORT OF THE AUDITOR GENERAL** **TO THE MEMBERS OF THE BOARD OF DIRECTORS** **OF THE BANK OF GUYANA** **ON THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2007**

I have audited the attached financial statements of the Bank of Guyana for the year ended 31 December 2007, as set out on pages 60 to 84. These statements have been prepared under the historical cost convention, modified by the revaluation of fixed assets, and in accordance with the accounting policies as set out on page 65.

#### **Respective Responsibilities of Management and Auditors**

The preparation of the financial statements, including assertions relating to their completeness, accuracy and validity, and compliance with applicable laws, regulations and contractual obligations, is the responsibility of the Management of the Bank of Guyana. My responsibility is to express an independent opinion on the statements based on these assertions and to report my opinion to you.

#### **Basis of Opinion**

The audit was conducted in accordance with Generally Accepted Auditing Standards, including those of the International Organization of Supreme Audit Institutions (INTOSAI) and the International Standards on Auditing, issued by the International Federation of Accountants (IFAC). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bank of Guyana as at 31 December 2007, and the results of its operations for the year then ended in conformity with generally accepted accounting principles and the Bank of Guyana Act 1998, as amended.

Without qualifying my opinion, I draw attention to note 2 (c) of the financial statements which state that “assets and liabilities held with foreign financial institutions are valued at the applicable year-end rates.” Gains/losses are transferred to a reserve account and any deficiency is covered by the Government of Guyana through special issue of debentures. This is not in keeping with International Accounting Standards (IAS 30) but, is in compliance with section 49 (1) of the Bank of Guyana Act No. 19 of 1998. Compliance with IAS 30 would have resulted in an increase of net profit by G\$727.584M which is the gain on revaluation.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

**BANK OF GUYANA**  
**BALANCE SHEET**  
**AS AT 31ST DECEMBER, 2007**  
**ASSETS**

		<b>2007</b>	<b>2006</b>
	Notes	G\$'000	G\$'000
<b>FOREIGN ASSETS</b>			
Balances with Foreign Banks	3	12,529,673	14,929,646
Foreign Assets in the process of Redemption		1,785,221	1,847,135
Holdings of Special Drawing Rights		93,298	310,543
Gold	4	0	79,486
Foreign Capital Market Securities	5	49,186,603	38,554,964
		<hr/>	<hr/>
		63,594,795	55,721,774
		<hr/>	<hr/>
<b>LOCAL ASSETS</b>			
Special Issue of Government of Guyana Securities	6	44,688,290	45,415,874
Government of Guyana Treasury Bills	7	1,024,772	3,070,053
Claim on International Monetary Fund	8	1,967,721	1,967,721
Other Assets	10	18,149,644	13,816,401
		<hr/>	<hr/>
		65,830,427	64,270,049
		<hr/>	<hr/>
<b>FIXED ASSETS</b>	9	1,366,844	1,416,601
		<hr/>	<hr/>
		<b>130,792,066</b>	<b>121,408,424</b>
		<hr/> <hr/>	<hr/> <hr/>

**BANK OF GUYANA**  
**BALANCE SHEET**  
**AS AT 31ST DECEMBER, 2007**  
**LIABILITIES**

	Notes	<b>2007</b>	<b>2006</b>
		G\$'000	G\$'000
<b>CURRENCY IN CIRCULATION</b>			
Notes		32,675,690	28,132,777
Coins		537,948	478,955
		<u>33,213,638</u>	<u>28,611,732</u>
<b>DEPOSITS</b>			
Commercial Banks		21,207,838	21,902,281
Government of Guyana		36,481,047	36,674,550
International Financial Institutions	11	20,361,009	20,375,031
Private Investment Fund		6,500	6,500
Other Deposits	12	6,972,023	2,732,906
		<u>85,028,417</u>	<u>81,691,268</u>
Allocation of Special Drawing Rights	13	4,468,033	4,274,900
Gov't of Guyana Portion of net profit payable		1,089,502	699,959
Other Liabilities	14	1,343,155	1,383,059
		<u>6,900,690</u>	<u>6,357,918</u>
<b>CAPITAL AND RESERVES</b>			
Authorised Share Capital	15	<u>1,000,000</u>	<u>1,000,000</u>
Paid-up Capital		1,000,000	1,000,000
General Reserve Fund		929,012	807,956
Revaluation Reserves		1,114,523	1,114,523
Revaluation for Foreign Reserves		249,409	(531,350)
Contingency Reserve	16	2,356,377	2,356,377
		<u>5,649,321</u>	<u>4,747,506</u>
		<u><b>130,792,066</b></u>	<u><b>121,408,424</b></u>

Approved on behalf of the Management of the Bank



L.T. Williams (Governor)

P. Bhim (Director)

**BANK OF GUYANA**  
**PROFIT AND LOSS APPROPRIATION ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2007**

		<b>2007</b>	<b>2006</b>
	Notes	G\$'000	G\$'000
<b>INCOME</b>			
Discount Received		57,588	87,424
Interest on Gov't of Guyana Securities		165,873	143,685
Interest on Foreign Securities		2,116,138	1,641,980
Interest on Deposits		357,311	346,666
Interest on Loans		4,879	3,923
Profit on Realization of Investments		47,465	0
Other Income		792,422	765,629
		<u>3,541,676</u>	<u>2,989,307</u>
<b>EXPENSES</b>			
Administrative Expenses	17	1,056,045	952,806
Interest and Charges	18	528,708	560,140
Portion of Cost of Printing Notes & Minting Coins	19	632,205	575,888
Depreciation charge on fixed assets		114,160	122,740
		<u>2,331,118</u>	<u>2,211,574</u>
Net Profit/(Loss)	20	<u>1,210,558</u>	<u>777,733</u>

**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31ST DECEMBER, 2007**

	<b>Paid up Capital</b>	<b>General Reserve Fund</b>	<b>Revaluation Reserves</b>	<b>Revaluation of Foreign Assets</b>	<b>Contingency</b>	<b>Total</b>
	G\$'000	G\$'000	G\$'000	G\$'000	G\$'000	G\$'000
Balance as at December 31, 2005	1,000,000	730,182	1,025,158	(622,759)	2,356,377	4,488,958
Net Profit	0	777,733	0	0	0	777,733
Revaluation for Foreign Assets	0	0	0	91,409	0	91,409
Revaluation of Property	0	0	89,365	0	0	89,365
Net Profit due to Consolidated Fund	0	(699,959)	0	0	0	(699,959)
<b>Balance as at December 31, 2006</b>	<b>1,000,000</b>	<b>807,956</b>	<b>1,114,523</b>	<b>(531,350)</b>	<b>2,356,377</b>	<b>4,747,506</b>
Net Profit	0	1,210,558	0	0	0	1,210,558
Revaluation for Foreign Assets Disposed	0	0	0	(11,308)	0	(11,308)
Revaluation of Foreign Assets on Books	0	0	0	792,067	0	792,067
Net Profit due to Consolidated Fund	0	(1,089,502)	0	0	0	(1,089,502)
<b>Balance as at December 31, 2007</b>	<b>1,000,000</b>	<b>929,012</b>	<b>1,114,523</b>	<b>249,409</b>	<b>2,356,377</b>	<b>5,649,321</b>



**BANK OF GUYANA**  
**CASH FLOW STATEMENT**  
**FOR YEAR ENDED 31ST DECEMBER, 2007**

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
<b>Operating Activities</b>		
Government of Guyana Portion of Net Profit Payable	1,089,502	699,959
Transfer to General Reserve	121,056	77,774
<b>Net Profit/(Loss)</b>	<b>1,210,558</b>	<b>777,733</b>
Adjustments to reconcile Net Profit/(Loss) to Net Cash Flow from Operating Activities:-		
Depreciation	114,160	122,740
Profit on the Disposal of Fixed Assets	(1,721)	(2,529)
<b>Net Cash Flow from Operating Activities</b>	<b>1,326,369</b>	<b>897,944</b>
<b>Investing Activities</b>		
Foreign Assets in the Process of Redemption	61,914	(35,813)
Holdings of Special Drawing Rights	217,245	(207,164)
Gold	79,486	(296)
Foreign Capital Market Securities	(10,631,639)	(5,917,089)
Additions to Fixed Assets	(64,403)	(164,855)
Proceeds from the Disposal of Fixed Assets	1,721	5,336
Claim on the IMF	(0)	(0)
Other Assets	(4,333,243)	683,598
Special Issue of Government of Guyana Securities	727,584	355,962
Government of Guyana Treasury Bills	2,045,281	(2,045,339)
<b>Net Cash Flow from Investing Activities</b>	<b>(11,896,054)</b>	<b>(7,325,660)</b>
<b>Financing</b>		
Currency in Circulation	4,601,906	4,675,520
Commercial Bank Deposits	(694,443)	(2,714,428)
Government of Guyana Deposits	(193,503)	14,599,269
International Financial Institutions Deposits	(14,022)	(8,800,746)
Private Investment Fund Deposits	0	0
Other Deposits	4,239,117	(2,020,807)
Government of Guyana Portion of Net Profit Payable	(699,959)	(348,188)
Allocation of Special Drawing Rights	193,133	(132,859)
Other Liabilities	(39,904)	391,250
Revaluation Reserve	(0)	89,366
Revaluation for Foreign Reserves	780,759	91,409
Contingency Reserve	0	0
<b>Net Cash Flow from Financing</b>	<b>8,173,084</b>	<b>5,829,786</b>
Net Increase/(Decrease) in Cash for year	(2,399,973)	(597,930)
Cash as at beginning of year	14,929,646	15,527,577
Cash as at end of year	<b>12,529,673</b>	<b>14,929,646</b>
Balances with Foreign Banks	<b>12,529,673</b>	<b>14,929,646</b>

**BANK OF GUYANA**  
**NOTES ON THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

**1. IDENTIFICATION**

Bank of Guyana (hereafter “the Bank”) was established under the Bank of Guyana Ordinance 1965. The Ordinance was repealed by the Bank of Guyana Act of 1995 (hereafter “the Act”) and subsequently repealed by the Act of 1998 which was amended in 2004. The Bank is domiciled in Guyana and its registered office is located at 1 Avenue of the Republic, Georgetown, Guyana, South America.

The principal objectives of the Bank, as set out in the Act, are to: issue and redeem notes and coins, to keep and administer the external reserves of Guyana, to provide oversight of the payment and financial systems and to act as the fiscal agent and banker to the Government of Guyana.

**2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

**A. Statement of Compliance**

The Financial Statements are prepared in accordance with the provisions of the Bank of Guyana Act No. 19 of 1998 and International Financial Reporting Standards (IFRS) and their interpretation adopted by the International Accounting Standards Board (IASB).

**B. Basis of Preparation**

The preparation of the financial statements in accordance with the IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the balance sheet date and income and expenses for the year then ended. Actual amounts could differ from these estimates. The most significant estimates included in the financial statement related to the depreciation of building, furniture, equipment and vehicles, and provisions for pensions obligations.

The financial statements are presented in Guyana dollars (G\$) and are prepared under historical cost convention, except for the inclusion of available-for-sale investments and certain classes of property plant and equipment at fair value.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and comply in all material respects to the IFRS.

**C. Foreign Currency Transactions**

The rate of exchange of the Guyana dollar for the United States dollar is determined by the simple average of the telegraphic transfer rate of the three largest bank cambios.

Foreign currency transactions are translated to the Guyana dollar equivalent at the rates of exchange ruling at the dates of such transactions. Assets and liabilities held with foreign financial institutions are valued at the applicable year-end rates. Gains/losses are transferred to a reserve account and any deficiency is covered by the Government of Guyana through special issue of debentures. While this accounting treatment is in compliance with Section 49 (1) of the Bank of Guyana Act No. 19 of 1998 it is not in keeping with the International Financial Reporting Standards (IFRS). The gain of G\$727.584M arising on revaluation would have been reflected in the Profit and Loss Account giving rise to a net profit of G\$1,938.142M had there been compliance with the IFRS.

## **D. Financial Instruments**

### **I Classification of Investments**

Management determines the classification of instruments at the time of purchase and takes account of the purposes for which the investments were purchased. Investments are classified as originated loans and receivables, available-for-sale, and held to maturity.

- Originated loans and receivables are created by the Bank by providing money to a debtor with fixed or determinable payments other than those created with the intention of short term profit taking. These originated loans and receivables are not quoted on an active stock market and are recognized on the day the rights are transferred to the Bank.
- Available-for-sale instruments are recognized on the date the Bank commits to the purchase of the investment. From this date, any gains and losses arising from changes in fair value of the instruments are recognized as equity.
- Held to maturity instruments are recognized on the date the Bank commits to purchase the instrument. The instruments are held on books at the historic cost until maturity.

### **II. Measurement**

The Bank's investments are measured as follows:

- 1) Loans are classified as originated loans and receivables and are stated at cost less provision for losses and impairment as appropriate.
- 2) Caricom Government Securities are classified as held to maturity and stated at historical cost,
- 3) US Agency Bonds purchased are classified as available-for-sale and are measured at fair value.
- 4) Bonds purchased from Supranational Entities are classified as available-for-sale and are measured at fair value.

### **III. Fair Value Measurement Principles**

The fair value of financial instruments classified as available-for-sale is based on quoted market prices at the balance sheet date without any deduction for transaction cost.

IV. Gains and Losses on Subsequent Measurement

Gains and losses arising from a change in the fair value of available-for-sale assets are recognized directly in equity. When the financial assets are sold, collected or otherwise disposed of, the cumulative gains or losses recognized in equity is reversed and the gains or loss on the disposal are recognized in the Income and Expenditure Statement.

V. Cash Resources

Cash resources including short-term deposits with maturities ranging up to 12 months from the balance sheet date are shown at cost.

VI. Other Assets

These are stated at cost less impairment.

VII. Other Liabilities

Other liabilities including provisions are stated at amortised cost. A provision is recognized in the balance sheet when:

- 1) the Bank has a legal or constructive obligation as a result of a past event,
- 2) it is probable that an outflow of economic benefits will be required to settle the obligation and
- 3) a reliable estimate of the amount can be made.

VIII. Derecognition

A financial asset is derecognized when the Bank loses control over the contractual rights that comprise that asset. This occurs when the rights are realized, expired or surrendered. A financial liability is derecognized when it is extinguished.

Available-for-sale assets that are sold are derecognized, and corresponding receivables from the buyer for the payment are recognized as at the date the Bank commits to sell the assets.

Held to maturity assets are derecognized when the rights are realized and payments are recognized on the date of the maturity of the assets.

Originated loans and receivables are derecognized on the date realized or transferred by the Bank.

**E. Property, Plant and Equipment**

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, except for freehold land and buildings which are stated at market value.

Depreciation on fixed assets is calculated using the straight-line method on cost to write-off the assets over the term on their estimated useful lives at the rates specified below:

Office Furniture	-	10%
Computer Equipment & Software	-	20%
Office Machinery	-	12.5%

Sundry Equipment	-	20%
Motor Vehicles	-	25%
Building (including fixtures)	-	2 - 10%

## **F. Employee Benefits**

Employee benefits are all forms of consideration given by the Bank in exchange for service rendered by the employees.

Employee benefits that are earned as a result of past or current services are recognized as follows:

- 1) General
  - Short term employee benefits are recognized as a liability, net of payments made and charged as expense.
  - The expected cost of vacation leave and vacation leave allowance are recognized when the employee becomes entitled to the leave and the vacation leave passage allowance.

- 2) Defined Benefit Pension Scheme

Employee benefits comprising pension and other post employment benefits and obligations included in these financial statements have been actuarially determined by a qualified independent actuary. The appointed actuary's report outlines the scope of the valuation and the actuarial opinion. The actuarial valuations were conducted in accordance with IAS 19 and the financial statement reflects the Bank's post employment benefits and obligations as computed by the actuary.

The cost of employee benefits is the cost to the Bank of its administration of, and contributions to, the pension scheme established to provide retirement benefits, and its payments to pensioners to supplement the basic pensions to which pensioners are entitled under the rules of the scheme. The contributions are a percentage of the members' salaries; determined by the scheme's actuaries.

The Bank's net obligation in respect of the defined benefit pension plan is calculated by estimating the amount of the future benefits that employees have earned in return for their service in the current and prior periods, the value is discounted to determine the present value and the fair value of any plan assets is deducted.

## **G. Statutory Transfer of Profit and Losses**

Section 7(3) of the Act provides for ninety percent (90%) of net profits to be transferred to the Accountant General for credit to the Consolidated Fund of Guyana and the remaining balance transferred to the Bank's General Reserve Fund. Any losses not covered by reserves are required by Section 7(3) of the Act to be funded by the Government out of the Consolidated Fund.

## H. Related Party Balances and Transactions

A party is related to an entity if:

- 1) Directly or indirectly the party:
  - controls, is controlled by, or is under common control with the entity;
  - has an interest in the entity that gives it significant influence over the entity, or
  - has joint control over the entity;
- 2) The party is a member of the key management personnel of the entity.
- 3) The party is a close member of the family of any individual referred to in (1) or (2) above.

### 3. BALANCES WITH FOREIGN BANKS

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
Balances with Central Banks	5,636,502	6,350,042
Current accounts in US Dollars	4,768,591	6,537,767
Current accounts in other currencies	2,124,580	2,041,837
Total	<u>12,529,673</u>	<u>14,929,646</u>

Included in this total are restricted amounts held at Federal Reserve Bank.

### 4. GOLD

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
	0	79,486

### 5. FOREIGN ASSETS - SECURITIES

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
Held to Maturity:		
Caribbean Government Guaranteed Bonds	7,405,015	4,442,029
Available-for-sale:		
Bank for International Settlement	11,699,215	11,555,490
US Agencies	21,145,682	16,566,559
Suprationals	8,936,691	5,990,886
Total	<u>49,186,603</u>	<u>38,554,964</u>

With the exception of Bonds guaranteed by various Caribbean Governments, all bonds held are rated AAA by Standard & Poor's.

The movement in foreign investment securities may be summarized as follows:

	G\$'000
Balances as at December 31, 2005	32,637,876
Addition	7,676,132
Disposal	(1,584,862)
Gain or Loss on Fair Value	(174,182)
Balance as at December 31, 2006	38,554,964
Addition	15,864,476
Disposal	(6,211,823)
Gain or Loss on Fair Value	978,986
Balance as at December 31, 2007	<u>49,186,603</u>

	2007	2006
	G\$'000	G\$'000
Net realized gains from disposal of financial assets	2,610	0

## 6. SECURITIES - SPECIAL ISSUE OF GOVERNMENT OF GUYANA DEBENTURES

This amount represents the net accumulated losses mainly on the Bank's foreign exchange operations including revaluation of its external assets and liabilities. These net losses are covered by issues/redemption of interest bearing and non-interest bearing debentures in accordance with Section 7(3), Section 49(2) and Section 49(3) of the Bank of Guyana Act, No. 19 of 1998. These are unquoted securities payable on demand.

Interest-bearing debentures represented 11% of total debentures.

The remaining debentures are held to perpetuity, non-tradable and are not interest bearing.

	2007	2006
	G\$'000	G\$'000
Total at the beginning of the year	45,415,874	45,771,835
Add/less		
Debenture redeemed as per Section 49(3) of the Bank of Guyana Act	(727,584)	(355,961)
Total at the end of the year	<u>44,688,290</u>	<u>45,415,874</u>

## 7. GOVERNMENT OF GUYANA TREASURY BILLS

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
At beginning of year	3,070,053	1,024,714
Net increase/ decrease during year	(2,045,281)	2,045,339
At end of year	<u>1,024,772</u>	<u>3,070,053</u>

The holdings of treasury bills represent rediscounted investments held by the Bank until maturity.

## 8. CLAIM ON THE INTERNATIONAL MONETARY FUND

<b>2007</b>	<b>2006</b>
G\$'000	G\$'000
1,967,721	1,967,721

This claim arises from and reflects that part of the drawing covered by Guyana's subscription in Special Drawing Rights (SDRs) to the International Monetary Fund not yet repurchased.

## 9. FIXED ASSETS

	<b>Building</b>	<b>Furniture, Equipment and Software</b>	<b>Total</b>
	G\$'000	G\$'000	G\$'000
<b>Cost:</b>			
As at December 31, 2006	1,358,273	859,706	2,217,979
Additions during the year	16,994	47,409	64,403
Revaluation	0	0	0
Disposals during the year	0	(22,785)	(22,785)
As at December 31, 2007	1,375,267	884,330	2,259,597
<b>Accumulated depreciation:</b>			
As at December 31, 2006	147,361	654,017	801,378
Additions during the year	27,523	86,637	114,160
Disposals during the year	0	(22,785)	(22,785)
As at December 31, 2007	174,884	717,869	892,753
<b>Net book value:</b>			
As at December 31, 2006	1,210,912	205,689	1,416,601
As at December 31, 2007	1,200,383	166,461	1,366,844



All freehold land and building have been professionally valued by Mr. Compton P. Outar, Chief Valuation Officer (ag.) as at December 15, 2006. The surplus on revaluation has been taken to revaluation reserves.

#### 10. OTHER ASSETS

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
Income Accrued on Investments	371,187	237,751
Cost of Notes and Coins not yet written off	337,152	204,691
Government Agencies	4,710,215	4,710,215
Government Projects	6,061,056	2,067,110
International Monetary Fund	5,019,822	4,346,240
Sundry Other Assets	1,650,212	2,250,394
	<u>18,149,644</u>	<u>13,816,401</u>

Government Agencies include balances owed to the Bank by the Government of Guyana in excess of ten years. No provision has been made since discussions are on-going for the repayment of the sums.

#### 11. INTERNATIONAL FINANCIAL INSTITUTIONS

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
International Monetary Fund:		
No. 1 Account	1,206,770	1,206,770
No. 2 Account	701	671
ESAF Loan	11,396,099	10,903,495
Other International Financial Institutions	1,428,073	1,038,469
Caribbean Regional Facilities	6,329,366	7,225,626
	<u>20,361,009</u>	<u>20,375,031</u>

## 12. OTHER DEPOSITS

	2007	2006
	G\$'000	G\$'000
National Insurance Scheme	303,328	109,867
Staff Pension Fund	83,738	11,402
Government Projects	6,061,056	2,067,110
Other Deposits	523,901	544,527
	<u>6,972,023</u>	<u>2,732,906</u>

## 13. ALLOCATION OF SPECIAL DRAWING RIGHTS

	2007	2006
	G\$'000	G\$'000
	4,468,033	4,274,900

This amount represents the liability in respect of SDRs allocated to Guyana as at 31 December 2007, valued at the equivalent Guyana dollar rate for the SDR computed through the SDR/US dollar rate at 31st December 2007.

## 14. OTHER LIABILITIES

	2007	2006
	G\$'000	G\$'000
<b>Included are:</b>		
Accruals	1,013,119	1,029,636
Uncleared Cheques	134,998	83,304
Pension Obligations	172,620	115,080
Others	22,418	155,039
Total	<u>1,343,155</u>	<u>1,383,059</u>

### Pension Obligations

The pension plan is a final salary defined benefit plan for staff.

Employees are required to contribute 5% of their salaries less any contribution which the employee is deemed to make under the National Insurance and Social Security Act of 1969 in respect of pensions. As of 31 December, 2007 there were 221 active members of the Scheme and 26 persons were receiving benefits.

The employer contributes the balance of cost of the benefits, subject to a minimum of 10% of the employees' salaries plus such amounts in each year that may be determined by the actuaries. The employer is contributing 16% at present and \$550,637 per month.

The Bank carries out actuarial valuation of the funded obligations every three years as the amounts in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date.

The Bank's obligation to the defined benefit pension scheme as at December, 2005 totaled G\$287.7 million based on the following assumptions:

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
Long term rates of:		
Investment returns	4.5	4.5
Salary increases	6	6
National Insurance Ceiling increases	5	5
Rate of pension increases	0	0

The Bank has elected to use the "corridor" approach and will recognize the pension obligation over a period of 5 years commencing year 2005.

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
Past service liability:		
- Active members	(694,100)	(694,100)
- Pensioners	(77,900)	(77,900)
Value of the Scheme's assets	<u>484,300</u>	<u>484,300</u>
Net Asset/(Liability) at December 31	<u><u>(287,700)</u></u>	<u><u>(287,700)</u></u>

Movement in the net asset/(obligation) recognized in the balance sheet:

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
Net asset/(liability) at January 1	(115,080)	(57,540)
Contributions	0	0
Income/(expense) recognized in the Statement of Income & Expenses	(57,540)	(57,540)
Net asset/(liability) at December 31	<u><u>(172,620)</u></u>	<u><u>(115,080)</u></u>

## 15. SHARE CAPITAL

	2007	2006
	G\$'000	G\$'000
Authorised	1,000,000	1,000,000
Issued and Fully paid	1,000,000	1,000,000

## 16. CONTINGENCY RESERVE

	2007	2006
	G\$'000	G\$'000
	2,356,377	2,356,377

This amount represents a provision made to meet adverse exchange rate movements in the regime of floating rates.

## 17. ADMINISTRATIVE EXPENSES

Included in Administrative Expenses are:

	2007	2006
	G\$'000	G\$'000
Pension Scheme Obligation	57,540	57,540
Staff Cost	726,372	640,176
Premises Maintenance	118,946	121,454
Services and Supplies	143,643	121,922
Other Expenses	9,544	11,714
Total	<u>1,056,045</u>	<u>952,806</u>

Included in services and supplies are benefits amounting to G\$13.3 million paid to the Administrator - Globe Trust & Investment Company Ltd.

### Employee numbers and costs

The number of employees at the end of year 2007 was 262 while at the end of year 2006 was 259. The related costs of these employees were as follows:

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
Salaries and Wages	406,162	357,601
Statutory payroll contributions	87,466	76,927
Staff Welfare	156,968	140,761
Other	75,776	64,887
Total	<u>726,372</u>	<u>640,176</u>

#### **Related Party Balances**

The Bank has a related party relationship with its board of directors and senior management. The income statement includes expenses arising from short term employees' benefits and director fees.

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
Short term benefits & pension cost	40,022	26,866
Directors compensation	240	0

#### **18. INTEREST AND CHARGES**

Interest and charges relate to Bank of Guyana's foreign liabilities to the International Monetary Fund, Caricom Multilateral Clearing Facility and Barclays Bank PLC.

#### **19. COST OF PRINTING NOTES AND MINTING OF COINS**

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
Printing of Notes	540,515	540,004
Minting of Coins	91,690	35,884
	<u>632,205</u>	<u>575,888</u>

#### **20. PROFIT/LOSS FOR THE YEAR**

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
	1,210,558	777,733

In accordance with Section 7(3), Bank of Guyana Act, No. 19 of 1998, ten percent (10%) of the net profit for the year has been transferred to the General Reserve Fund. The remainder will be paid to the Accountant General for credit to the Consolidated Fund of Guyana.

The schedule below shows the profit if the Bank had fully complied with IFRS 32.

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
Profit as per Income Statement	1,210,558	777,733
Gains on Revaluation	727,584	355,962
Profit in compliance with IFRS	1,938,142	1,133,695

## **21. SEGMENT REPORT**

The Bank as the central bank operates as an agent of government in economic management. Consistent with this role, its operations can be segmented between the domestic market (including the issue of currency) and operations in the foreign markets. Therefore, the Bank presents assets and liabilities, and their associated income and expenses streams, by distinguishing between foreign currency and local currency activities in the balance sheet and income statement. The Bank operates as a central bank and cannot segment its operation by geography.

## **22. COMMITMENTS**

Capital commitments as at 31st December, 2007 are as follows:

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
Authorized and contracted	50,000	11,592
Authorized but not contracted	67,100	71,500
	<u>117,100</u>	<u>83,092</u>

## **23. RISK MANAGEMENT - FINANCIAL**

### **1) Foreign Exchange Risk**

The Bank's exposure to foreign exchange risk is incurred through its holdings of foreign denominated assets and liabilities. The Bank manages foreign currency risk by ensuring that the composition and duration of the asset portfolio match obligations and by monitoring trends in the foreign exchange market.

Below are foreign exchange rates used for valuation purposes as at 31<sup>st</sup> December:

	<b>2007</b>	<b>2006</b>
US\$/G\$	203.50	201.00
GBP/G\$	407.6919	394.5630
EURO/G\$	299.4299	264.8979
CAD/G\$	207.4414	173.14153

## 2) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

This is incurred through the Bank's dealing in investments in the money and capital market. This risk arises through movements in the coupon rates over time. The Bank manages its exposure to interest rate risks by monitoring trends in the market and to the extent practicable match the maturity profile of the financial assets to the financial liabilities.

The table below analyses the effective year end interest rates for each class of financial assets and liabilities:

	2007	2006
	%	%
<b>Foreign Assets</b>	-	-
Caricom Central Banks	3.32	3.74
Deposits with Foreign Banks	2.50	2.50
SDR Holdings	4.57	4.30
Capital Market Securities		
<b>Liabilities</b>		
IMF Loan	-	-
CMCF	5.00	5.00
Barclays	0.94	1.02

The table below analyses financial assets and financial liabilities of the Bank in respect of currency positions as at December, 2007. Currencies are in G\$'000 equivalent.

	G\$	US\$	GBP	CAD	EURO	OTHERS	TOTAL
<b>Financial Assets</b>							
Accounts Receivable	712,538	-	-	-	-	-	712,538
Regional & Foreign Currencies	381,751	5,056,309	9	10	-	1,654,742	7,092,821
Balances with Foreign Banks	-	3,004,506	265,527	-	2,045,015	-	5,315,048
Balances with Central Banks	-	1,764,085	316,758	208,362	-	-	2,289,205
Domestic Assets	45,713,062	6,061,056	-	-	-	-	51,774,118
Gold	-	-	-	-	-	-	-
IMF Balances	5,019,822	-	-	-	-	2,061,019	7,080,841
Investment Securities	-	49,022,617	-	-	-	163,985	49,186,602
Other Assets	4,710,215	1,263,834	-	-	-	-	5,974,049
<b>Total Financial Assets</b>	<b>56,537,388</b>	<b>66,172,407</b>	<b>582,294</b>	<b>208,372</b>	<b>2,045,015</b>	<b>3,879,746</b>	<b>129,425,222</b>
<b>Financial Liabilities</b>							
Demand Liabilities	67,055,414	29,845,943	-	-	-	-	96,901,357
Demand Foreign Liabilities	-	2,636,441	-	-	463,038	-	3,099,479
IMF Balances	-	-	-	-	-	17,071,603	17,071,603
Other Liabilities and payables	644,937	-	-	-	-	-	644,937
Regional Governments	6,500	6,329,366	-	-	-	-	6,335,866
<b>Total Financial Liabilities</b>	<b>67,706,851</b>	<b>38,811,750</b>	<b>-</b>	<b>-</b>	<b>463,038</b>	<b>17,071,603</b>	<b>124,053,242</b>
<b>Net on-balance sheet position</b>	<b>(11,169,463)</b>	<b>27,360,657</b>	<b>582,294</b>	<b>208,372</b>	<b>1,581,977</b>	<b>(13,191,857)</b>	<b>5,371,980</b>

The table below analyses financial assets and financial liabilities of the Bank in respect of currency positions as at December, 2006. Currencies are in G\$'000 equivalent.

	G\$	US\$	GBP	CAD	EURO	OTHERS	TOTAL
<b>Financial Assets</b>							
Accounts Receivable	1,114,687	-	-	-	-	-	1,114,687
Regional & Foreign Currencies	235,094	5,595,754	-	8	-	1,709,041	7,539,897
Balances with Foreign Banks	-	3,224,178	347,435	-	1,637,824	-	5,209,437
Balances with Central Banks	-	3,313,588	78,322	527,060	-	-	3,918,970
Domestic Assets	48,485,927	2,067,110	-	-	-	-	50,553,037
Gold	-	79,486	-	-	-	-	79,486
IMF Balances	4,346,240	-	-	-	-	2,278,264	6,624,504
Investment Securities	-	38,322,087	-	-	-	232,877	38,554,964
Other Assets	4,710,215	1,342,259	-	-	-	-	6,052,474
<b>Total Financial Assets</b>	<b>58,892,163</b>	<b>53,944,462</b>	<b>425,757</b>	<b>527,068</b>	<b>1,637,824</b>	<b>4,220,182</b>	<b>119,647,456</b>
<b>Financial Liabilities</b>							
Demand Liabilities	83,805,253	3,625,668	-	-	-	-	87,430,921
Demand Foreign Liabilities	1,965,371	2,659,174	141,502	-	-	-	4,766,047
IMF Balances	-	-	-	-	-	16,385,836	16,385,836
Other Liabilities and payables	845,989	-	-	-	-	-	845,989
Regional Governments	6,500	7,225,626	-	-	-	-	7,232,126
<b>Total Financial Liabilities</b>	<b>86,623,113</b>	<b>13,510,468</b>	<b>141,502</b>	<b>-</b>	<b>-</b>	<b>16,385,836</b>	<b>116,660,919</b>
<b>Net on-balance sheet position</b>	<b>(27,730,950)</b>	<b>40,433,994</b>	<b>284,255</b>	<b>527,068</b>	<b>1,637,824</b>	<b>(12,165,654)</b>	<b>2,986,537</b>



### 3) Credit Risk

Credit risk is the risk of loss arising from a counter-party to a financial contract failing to discharge its obligations.

Credit risk in the foreign currency investment portfolio is managed by restricting the holdings of investments substantially to US Agency Securities, other highly rated sovereign securities and placements in high rate Supranational Institutions.

Exposure to credit risk attached to financial assets is monitored through credit ratings and lending and exposure limits, which are regularly reviewed. Mortgages and liens are obtained for credit to staff in respect of housing, motor vehicles and household effects.

Cash resources are held in financial institutions which management regards as strong and significant concentration are avoided as far as is practical. The Bank's significant concentrations of credit exposure by geographical areas (based on the entity's country of ownership) are as follows:

	<b>2007</b>	<b>2006</b>
	G\$'000	G\$'000
United States of America	26,879,518	23,213,761
Caribbean Countries	12,330,435	9,898,901
Europe	22,297,656	19,844,577
Other	208,667	527,371
<b>Total Financial Assets</b>	<b>61,716,276</b>	<b>53,484,610</b>

This schedule has been changed from year 2006 to now reflect concentration by geographic areas instead of instruments by geographic areas.

### 4) MARKET RISK

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or factors affecting all securities traded in the market.

The Bank manages market risk on its foreign asset portfolio through:

- a. Its investment policy, which prescribes the quality of issuer and limits investment to specific foreign government or supranational securities that are deemed to be virtually risk free.
- b. Its diversification of the portfolio into various instruments while limiting the maximum permitted exposure to any one security or issuer.
- c. Its policy of holding some securities to maturity which in essence eliminates the possibility of loss arising from fluctuations in market price.

## **5) LIQUIDITY RISK**

Liquidity risk is the risk that the Bank will encounter difficulty in converting its securities to cash at, or close to, its fair value or in raising funds to meet its commitments. Prudent liquidity management implies maintaining sufficient cash and marketable securities, and ensuring the availability of funding through an adequate amount of committed standby credit facilities to meet commitments.

Management of liquidity risk relates primarily to the availability of liquid foreign resources to sell to the Government of Guyana and other specified entities to meet their obligations to creditors and lenders. The Bank manages this risk through a combination of:

- a. Budgetary procedures to identify the volume and timing of Government or specified entities foreign payments.
- b. Budgetary procedures to identify sources of foreign currency inflows that may be garnered.
- c. Scheduling the maturity of foreign deposits to coincide with the demands of Government and specified entities.
- d. Maintaining a portion of its foreign assets in cash or near cash as precautionary funds to meet the unforeseen demands.
- e. Intervention in the domestic foreign exchange market in exceptional circumstances.

The Bank, like most central banks, has no real liquidity risk in relation to its domestic financial obligations.

## Liquidity Risk - 2007

	<b>Within 3 months</b>	<b>3 to 12 Months</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>No Maturity</b>	<b>Total</b>
	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>
<b>Assets</b>						
Notes and Coins	-	-	-	-	337,152	337,152
Gold	-	-	-	-	-	-
Cash and cash equivalents	7,604,254	-	-	-	6,710,640	14,314,894
Foreign currency denominated investments	126,125	6,619,844	20,406,825	22,033,809	-	49,186,603
IMF - Holdings of SDRs	-	-	-	-	93,298	93,298
Due from Govt & Govt Agencies & Projects	-	-	-	-	6,061,056	6,061,056
Local currency denominated investments	1,024,772	-	-	3,898,537	40,789,753	45,713,062
IMF - Claims	-	-	-	-	1,967,721	1,967,721
Property, plant & equipment	-	-	-	-	1,366,844	1,366,844
Employee benefits	-	-	-	-	91,436	91,436
Other assets	-	-	-	-	11,660,000	11,660,000
<b>Total Assets</b>	<b>8,755,151</b>	<b>6,619,844</b>	<b>20,406,825</b>	<b>25,932,346</b>	<b>69,077,900</b>	<b>130,792,066</b>
<b>Liabilities</b>						
Notes & Coins in circulation	-	-	-	-	33,213,637	33,213,637
Deposits & Other Demand Liabilities	-	-	-	-	65,756,911	65,756,911
IMF - Allocation of SDRs	-	-	-	-	4,468,033	4,468,033
Foreign Liabilities	-	-	-	709,142	19,651,867	20,361,009
Employee benefits obligation	-	-	-	-	259,938	259,938
Other liabilities	-	-	-	-	1,083,217	1,083,217
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>709,142</b>	<b>124,433,603</b>	<b>125,142,745</b>
<b>Net Liquidity Gap</b>	<b>8,755,151</b>	<b>6,619,844</b>	<b>20,406,825</b>	<b>25,223,204</b>	<b>(55,355,703)</b>	<b>5,649,321</b>

## Liquidity Risk – 2006

	<b>Within 3 months</b>	<b>3 to 12 Months</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>No Maturity</b>	<b>Total</b>
	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>
<b>Assets</b>						
Notes and Coins	-	-	-	-	204,691	204,691
Gold	-	-	-	-	79,486	79,486
Cash and cash equivalents	9,472,775	-	-	-	7,304,007	16,776,782
Foreign currency denominated investments	327,433	414,928	24,608,936	13,203,666	-	38,554,962
IMF - Holdings of SDRs	-	-	-	-	310,543	310,543
Due from Govt & Govt Agencies & Projects	-	-	-	-	2,067,110	2,067,110
Local currency denominated investments	3,070,053	-	-	3,898,537	41,517,337	48,485,927
IMF – Claims	-	-	-	-	1,967,721	1,967,721
Property, plant & equipment	-	-	-	-	1,416,601	1,416,601
Employee benefits	-	-	-	-	66,966	66,966
Other assets	-	-	-	-	11,477,634	11,477,634
<b>Total Assets</b>	<b>12,870,261</b>	<b>414,928</b>	<b>24,608,936</b>	<b>17,102,203</b>	<b>66,412,096</b>	<b>121,408,424</b>
<b>Liabilities</b>						
Notes & Coins in circulation	-	-	-	-	28,611,732	28,611,732
Deposits & Other Demand Liabilities	-	-	-	-	62,016,195	62,016,195
IMF - Allocation of SDRs	-	-	-	-	4,274,900	4,274,900
Foreign Liabilities	-	-	-	702,040	19,672,992	20,375,032
Employee benefits obligation	-	-	-	-	192,247	192,247
Other liabilities	-	-	-	-	1,190,811	1,190,811
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>702,040</b>	<b>115,958,878</b>	<b>116,660,918</b>
<b>Net Liquidity Gap</b>	<b>12,870,261</b>	<b>414,928</b>	<b>24,608,936</b>	<b>16,400,163</b>	<b>(49,546,782)</b>	<b>4,747,506</b>

### 24. TRANSACTIONS WITH THE INTERNATIONAL MONETARY FUND (IMF)

As a member of the IMF, Guyana was allocated SDRs 14,530,000 on which quarterly charges are payable to IMF. The fund pays interest on a quarterly basis on the SDR Holdings of the Bank.

For revaluation purposes and quota subscription, the Bank maintains different accounts. The IMF No. 1 and No. 2 accounts appear in the books of the Bank under the heading “International Financial Institutions and Other Bank Deposits” whereas the securities account is kept off Balance Sheet.

Any increase in quota is subscribed in local currency. Twenty-five percent of the quota increase is paid by a loan granted by the IMF in favour of the Government and the security account is increased by the remaining seventy-five percent.

The Bank of Guyana revalues IMF Accounts in its Balance Sheet in accordance with the practices of the IMF's Treasury Department.

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## **GENERAL NOTES**

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**BANK OF GUYANA: ASSETS**  
**(G\$ Million)**

End of Period	Total Assets	Foreign Assets					Claims on Central Government				Advance to Banks	Other	
		Total	Gold	Balances with Banks	SDR Holdings	Market Securities	Total	Securities	T/Bills	Advances		Non - Interest Debenture	Other
<b>1997</b>	122,797.7	44,978.2	3,537.3	14,370.5	28.1	27,042.3	238.4	-	238.4	-	-	75,043.8	2,537.3
<b>1998</b>	118,159.0	45,162.7	3,441.0	13,072.8	33.6	28,615.3	1,020.3	-	1,020.3	-	-	67,960.7	4,015.4
<b>1999</b>	126,515.8	48,305.1	-	19,551.9	220.9	28,532.3	1,567.0	-	1,567.0	-	-	68,723.3	7,920.4
<b>2000</b>	130,940.3	54,654.7	39.1	29,260.4	1,687.8	23,667.4	2,178.2	-	2,178.2	-	-	68,268.5	5,839.0
<b>2001</b>	113,735.4	54,014.8	233.4	30,672.1	463.1	22,646.2	1,022.5	-	1,022.5	-	-	47,992.7	10,705.4
<b>2002</b>	112,695.2	53,577.6	39.3	36,881.8	828.1	15,828.4	1,120.3	-	1,120.3	-	-	47,440.6	10,556.6
<b>2003</b>													
<b>Mar</b>	112,354.7	52,666.4	139.6	30,097.6	755.5	21,673.7	2,013.6	-	2,013.6	-	-	47,440.6	10,234.2
<b>Jun</b>	112,153.8	50,833.7	96.9	30,729.0	86.1	19,921.8	1,616.6	-	1,616.6	-	-	47,440.6	12,262.9
<b>Sep</b>	111,731.7	51,137.6	17.6	28,617.5	1,623.5	20,878.9	1,321.0	-	1,321.0	-	-	47,440.6	11,832.6
<b>Dec</b>	115,630.9	52,816.9	-	28,863.3	873.6	23,080.0	2,330.7	-	2,330.7	-	-	46,873.4	13,609.9
<b>2004</b>													
<b>Mar</b>	111,165.9	50,573.4	-	24,125.1	725.2	25,723.1	1,022.0	-	1,022.0	-	-	46,873.4	12,697.1
<b>Jun</b>	111,508.6	49,021.1	-	29,383.6	506.7	19,130.8	2,065.5	-	2,065.5	-	-	46,873.4	13,548.7
<b>Sep</b>	111,948.6	50,950.3	-	29,842.7	2,004.1	19,103.5	1,022.0	-	1,022.0	-	-	46,873.4	13,102.9
<b>Dec</b>	106,935.9	44,909.9	114.2	22,377.3	1,318.0	21,100.5	1,174.3	-	1,174.3	-	-	46,873.4	13,978.3
<b>2005</b>													
<b>Mar</b>	111,338.7	47,895.0	265.5	22,465.9	2,526.0	22,637.6	1,122.3	-	1,122.3	-	-	45,669.3	16,652.2
<b>Jun</b>	111,308.8	46,616.9	410.8	22,771.8	636.1	22,798.2	1,021.9	-	1,021.9	-	-	45,669.3	18,000.7
<b>Sep</b>	111,851.9	47,653.4	345.9	24,125.2	501.9	22,680.3	1,021.8	-	1,021.8	-	-	45,669.3	17,507.3
<b>Dec<sup>1)</sup></b>	114,800.9	50,159.3	79.2	17,338.9	103.4	32,637.9	1,024.7	-	1,024.7	-	-	45,771.8	17,845.0
<b>2006</b>													
<b>Jan</b>	113,094.1	50,412.9	79.2	14,647.9	103.4	35,582.4	1,024.7	-	1,024.7	-	-	45,771.8	15,884.6
<b>Feb</b>	114,877.7	52,249.2	79.2	13,758.6	2,883.2	35,528.2	1,024.7	-	1,024.7	-	-	45,771.8	15,832.0
<b>Mar</b>	115,162.5	51,130.5	79.0	12,455.1	2,883.2	35,713.2	1,138.9	-	1,138.9	-	-	45,771.8	17,121.2
<b>Apr</b>	114,507.7	50,406.3	79.1	11,050.0	2,883.0	36,394.2	1,138.9	-	1,138.9	-	-	45,771.8	17,190.6
<b>May</b>	114,141.7	50,777.3	79.1	14,158.8	427.9	36,111.6	1,137.7	-	1,137.7	-	-	45,771.8	16,454.8
<b>Jun</b>	113,511.5	49,176.6	79.1	12,373.9	408.3	36,315.4	1,764.2	-	1,764.2	-	-	45,771.8	16,798.9
<b>Jul</b>	114,714.1	49,285.3	79.1	12,427.3	408.3	36,370.6	2,727.2	-	2,727.2	-	-	45,771.8	16,929.8
<b>Aug</b>	117,191.8	51,838.0	79.1	15,001.0	373.3	36,384.6	2,727.2	-	2,727.2	-	-	45,771.8	16,854.7
<b>Sep</b>	121,534.0	56,456.7	79.1	18,778.2	373.3	37,226.1	2,580.8	-	2,580.8	-	-	45,771.8	16,724.7
<b>Oct</b>	123,045.6	58,247.0	79.4	20,107.9	373.3	37,686.4	2,580.8	-	2,580.8	-	-	45,771.8	16,446.0
<b>Nov</b>	126,171.0	61,343.0	79.4	22,110.1	335.0	38,818.5	2,580.8	-	2,580.8	-	-	45,771.8	16,475.4
<b>Dec</b>	121,408.4	55,721.8	79.5	16,776.8	310.5	38,555.0	3,070.1	-	3,070.1	-	-	45,415.9	17,200.7
<b>2007</b>													
<b>Jan</b>	120,587.7	57,212.6	79.4	16,358.8	310.5	40,463.9	1,033.4	-	1,033.4	-	-	45,415.9	16,925.9
<b>Feb</b>	119,453.1	56,390.1	79.4	14,465.1	269.9	41,575.7	1,033.4	-	1,033.4	-	-	45,415.9	16,613.8
<b>Mar</b>	119,404.2	56,974.9	79.8	13,717.4	269.9	42,907.8	1,033.4	-	1,033.4	-	-	45,415.9	15,980.1
<b>Apr</b>	119,606.1	55,980.7	79.8	12,679.9	269.7	42,951.2	1,319.7	-	1,319.7	-	-	45,415.9	16,889.8
<b>May</b>	117,157.8	53,709.2	79.8	9,545.4	226.6	43,857.4	1,021.6	-	1,021.6	-	-	45,415.9	17,011.1
<b>Jun</b>	119,109.8	55,181.7	80.5	10,880.3	210.4	44,010.5	1,021.6	-	1,021.6	-	-	45,415.9	17,490.7
<b>Jul</b>	121,492.0	57,707.7	80.3	13,660.6	210.4	43,756.5	1,021.6	-	1,021.6	-	-	45,415.9	17,346.8
<b>Aug</b>	122,203.9	58,665.2	80.4	14,638.7	164.8	43,781.3	1,021.5	-	1,021.5	-	-	45,415.9	17,101.4
<b>Sep</b>	125,510.2	62,300.4	-	16,804.9	164.8	45,330.7	1,021.5	-	1,021.5	-	-	45,415.9	16,772.4
<b>Oct</b>	128,954.6	63,610.8	-	17,857.5	164.8	45,588.4	3,016.1	-	3,016.1	-	-	45,415.9	16,911.8
<b>Nov</b>	129,600.5	66,108.3	-	18,081.9	121.7	47,904.6	1,021.5	-	1,021.5	-	-	45,415.9	17,054.8
<b>Dec</b>	130,792.1	63,594.8	-	14,314.9	93.3	49,186.6	1,024.8	-	1,024.8	-	-	44,688.3	21,484.2

Source: Bank of Guyana

<sup>1)</sup> The figures as at December 2005 for Foreign Assets: Balances with Banks and Market Securities were restated to reflect the audited statements.



**TABLE 1-II**  
**BANK OF GUYANA: LIABILITIES**  
**(G\$ Million)**

End of Period	Total Liabilities	Currency			Deposits						Capital & Reserves		Allocation of SDRs	Other Liabilities
		Total	Notes	Coins	Total	Gov't	Int'l Orgs.	Banks		Other	Authorised Share Capital	Other Reserves		
								EPDS	Other					
<b>1997</b>	122,797.7	12,469.8	12,331.8	138.0	80,917.9	26,935.3	44,266.7	317.6	11,502.3	-2,104.0	4.3	18,141.2	2,822.4	8,442.2
<b>1998</b>	118,159.0	12,517.0	12,347.1	169.9	75,507.7	21,461.5	40,663.1	310.2	14,344.6	-1,271.8	1,000.0	18,258.1	2,838.2	8,038.0
<b>1999</b>	126,515.8	15,620.3	15,413.7	206.6	84,906.9	33,448.9	40,368.5	77.0	10,418.5	594.1	1,000.0	18,126.3	3,480.0	3,382.3
<b>2000</b>	130,940.3	16,215.2	15,969.0	246.2	88,090.4	38,037.4	36,059.6	75.6	13,495.4	422.4	1,000.0	19,241.1	3,493.4	2,900.3
<b>2001</b>	113,735.4	16,808.6	16,526.1	282.6	87,492.1	36,537.4	31,617.7	62.2	15,727.7	3,547.1	1,000.0	4,197.8	3,430.1	806.7
<b>2002</b>	112,695.2	17,178.1	16,860.6	317.5	86,244.3	36,201.2	29,086.9	62.0	19,039.0	1,855.2	1,000.0	4,223.1	3,509.0	540.7
<b>2003</b>														
<b>Mar</b>	112,354.7	15,555.5	15,233.4	322.1	87,537.6	41,041.7	29,005.4	62.0	15,207.8	2,220.7	1,000.0	4,321.6	3,509.0	431.1
<b>Jun</b>	112,153.8	15,438.5	15,107.6	330.9	87,920.6	38,235.8	28,713.1	61.9	17,936.0	2,973.9	1,000.0	4,102.6	3,896.0	203.9
<b>Sep</b>	111,731.7	15,669.6	15,328.7	340.9	85,925.0	36,956.4	30,158.3	61.7	16,538.0	2,210.6	1,000.0	4,118.1	3,896.0	1,123.0
<b>Dec</b>	115,630.9	19,774.1	19,419.5	354.5	86,475.8	35,680.0	27,887.8	61.7	19,834.5	3,011.8	1,000.0	4,062.7	3,896.0	422.2
<b>2004</b>														
<b>Mar</b>	111,165.9	17,540.7	17,179.4	361.4	84,565.0	35,224.2	27,640.9	61.7	18,482.9	3,155.3	1,000.0	3,987.7	3,896.0	176.4
<b>Jun</b>	111,508.6	17,542.6	17,169.3	373.3	84,469.8	38,437.7	26,688.0	61.7	16,514.1	2,768.3	1,000.0	3,584.3	4,161.0	750.9
<b>Sep</b>	111,948.6	18,144.0	17,758.2	385.9	84,715.9	36,153.0	27,932.0	61.7	17,424.3	3,145.0	1,000.0	3,816.9	4,161.0	110.7
<b>Dec</b>	106,935.9	21,778.0	21,380.9	397.1	75,538.1	24,785.7	25,626.5	61.7	21,451.9	3,612.3	1,000.0	4,173.6	4,161.0	285.2
<b>2005</b>														
<b>Mar</b>	111,338.7	20,137.1	19,730.8	406.3	81,587.7	26,990.2	28,237.1	61.7	21,162.9	5,135.8	1,000.0	3,873.2	4,161.0	579.8
<b>Jun</b>	111,308.8	19,601.3	19,187.1	414.2	81,730.3	28,990.7	27,789.0	61.7	19,080.7	5,808.1	1,000.0	3,810.6	4,407.8	758.8
<b>Sep</b>	111,851.9	19,714.4	19,289.3	425.2	81,942.8	25,296.2	30,272.4	61.7	21,902.4	4,410.1	1,000.0	4,004.0	4,407.8	782.9
<b>Dec</b>	114,800.9	23,936.2	23,498.3	437.9	80,355.2	21,809.0	29,175.8	61.7	24,616.7	4,692.0	1,000.0	3,837.1	4,407.8	1,264.6
<b>2006</b>														
<b>Jan</b>	113,094.1	21,517.9	21,079.2	438.7	81,028.3	37,672.7	15,526.3	61.7	24,957.7	2,810.0	1,000.0	3,480.9	4,407.8	1,659.3
<b>Feb</b>	114,877.7	20,799.7	20,358.9	440.8	83,754.2	39,065.0	17,875.8	61.7	24,011.3	2,740.5	1,000.0	3,475.7	4,407.8	1,440.4
<b>Mar</b>	115,162.5	21,391.4	20,946.9	444.5	83,460.1	40,773.7	18,189.8	61.7	21,787.3	2,647.5	1,000.0	3,513.3	4,407.8	1,389.9
<b>Apr</b>	114,507.7	22,321.6	21,874.2	447.3	82,578.1	40,218.3	18,212.1	61.7	21,226.6	2,859.4	1,000.0	3,383.3	4,407.8	817.0
<b>May</b>	114,141.7	22,027.1	21,575.5	451.6	81,034.1	39,239.8	17,947.3	61.7	20,771.1	3,014.2	1,000.0	3,456.1	4,274.9	2,349.4
<b>Jun</b>	113,511.5	21,507.0	21,052.7	454.3	82,003.2	39,152.6	17,803.6	61.7	22,271.7	2,713.6	1,000.0	3,639.6	4,274.9	1,086.7
<b>Jul</b>	114,714.1	21,499.0	21,041.9	457.1	83,401.7	38,602.5	17,800.7	61.7	23,777.8	3,159.0	1,000.0	3,878.0	4,274.9	660.6
<b>Aug</b>	117,191.8	21,672.2	21,211.8	460.4	85,456.7	39,126.3	17,743.0	61.7	25,553.1	2,972.6	1,000.0	4,044.7	4,274.9	743.3
<b>Sep</b>	121,534.0	22,499.1	22,034.9	464.2	88,999.7	40,544.0	20,401.9	61.7	24,994.3	2,997.8	1,000.0	4,016.4	4,274.9	743.9
<b>Oct</b>	123,045.6	23,185.2	22,715.7	469.5	89,548.7	41,475.5	20,589.4	61.7	24,602.2	2,819.9	1,000.0	4,184.0	4,274.9	852.7
<b>Nov</b>	126,171.0	24,121.9	23,648.0	473.9	89,428.1	41,772.7	20,504.2	61.7	22,562.9	4,526.8	1,000.0	4,196.0	4,274.9	3,150.0
<b>Dec</b>	121,408.4	28,611.7	28,132.8	479.0	81,684.8	36,674.5	20,375.0	61.7	21,902.3	2,671.2	1,000.0	4,447.5	4,274.9	1,389.6
<b>2007</b>														
<b>Jan</b>	120,587.7	25,613.7	25,128.6	485.1	83,134.2	33,274.1	20,296.9	61.7	26,501.6	2,999.9	1,000.0	4,453.7	4,274.9	2,111.2
<b>Feb</b>	119,453.1	25,677.6	25,186.5	491.1	81,960.1	35,192.9	19,475.2	61.7	24,207.5	3,022.9	1,000.0	3,727.7	4,274.9	2,812.8
<b>Mar</b>	119,404.2	26,196.4	25,701.4	495.0	81,460.2	36,426.3	19,396.2	61.7	22,498.0	3,078.0	1,000.0	3,849.1	4,274.9	2,623.6
<b>Apr</b>	119,606.1	26,390.5	25,891.3	499.1	80,012.7	30,050.0	19,350.0	61.7	26,980.0	3,571.0	1,000.0	3,889.2	4,274.9	4,038.8
<b>May</b>	117,157.8	25,973.3	25,469.2	504.1	80,267.6	29,639.4	19,387.2	61.7	27,731.6	3,447.8	1,000.0	3,907.0	4,274.9	1,735.0
<b>Jun</b>	119,109.8	25,713.0	25,204.8	508.1	82,887.8	33,445.8	20,106.4	61.7	26,225.5	3,048.5	1,000.0	4,006.8	4,468.0	1,034.2
<b>Jul</b>	121,492.0	25,606.0	25,092.7	513.4	85,256.5	37,973.8	19,942.7	61.7	23,759.5	3,518.7	1,000.0	4,135.3	4,468.0	1,026.1
<b>Aug</b>	122,203.9	26,139.4	25,620.5	518.9	85,269.3	38,078.1	19,891.7	61.7	23,786.3	3,451.5	1,000.0	4,363.6	4,468.0	963.6
<b>Sep</b>	125,510.2	26,475.2	25,952.9	522.3	83,872.0	37,251.8	20,146.5	61.7	22,999.5	3,412.4	1,000.0	4,424.2	4,468.0	5,270.9
<b>Oct</b>	128,954.6	27,702.8	27,175.8	527.1	90,042.8	40,981.5	20,035.9	61.7	26,020.4	2,943.4	1,000.0	4,689.2	4,468.0	1,051.7
<b>Nov</b>	129,600.5	28,411.1	27,878.8	532.3	89,899.5	38,235.5	20,064.7	61.7	28,387.1	3,150.4	1,000.0	4,890.3	4,468.0	931.6
<b>Dec</b>	130,792.1	33,213.6	32,675.7	537.9	85,021.9	36,481.0	20,361.0	61.7	21,207.8	6,910.3	1,000.0	4,649.3	4,468.0	2,439.2

Source: Bank of Guyana

**TABLE 2-I(a)**  
**COMMERCIAL BANKS: ASSETS <sup>1)</sup>**  
**(G\$ Thousands)**

End of Period	Total Assets	Foreign Sector				Public Sector						Non-Bank Fin. Insts. Loans	Private Sector Loans & Advances	Bank of Guyana				Other
		Total	Balances due from banks abroad	Loans to Non-Residents	Other	Total	Central Government			Public Enterprises	Other			Total	Deposits	External Payment Deposits	Currency	
							Total	Securities	Loans									
1997	89,290,729	3,497,458	2,152,522	1,280,260	64,676	19,644,894	18,025,420	18,024,933	487	216,218	1,403,256	118,154	42,920,893	13,315,475	11,720,910	317,585	1,276,980	9,793,855
1998	100,494,733	3,969,361	2,693,500	570,119	705,742	18,151,096	15,850,882	15,850,241	641	410,206	1,890,008	195,051	48,872,172	16,069,725	14,576,155	310,233	1,183,337	13,237,328
1999	104,127,717	7,893,742	4,959,704	419,616	2,514,422	15,454,043	13,345,716	13,345,478	238	682,976	1,425,351	568,594	52,165,992	12,418,927	10,143,167	76,972	2,198,788	15,626,419
2000	117,745,982	8,223,770	4,553,178	763,443	2,907,149	23,193,719	20,264,178	20,264,138	40	419,617	2,509,924	659,748	52,778,294	15,509,505	13,713,790	75,608	1,720,107	17,380,946
2001	124,325,837	10,784,082	4,693,479	1,302,137	4,788,466	21,618,879	20,766,067	20,766,067	-	851,603	1,209	463,662	53,897,876	18,340,127	16,607,502	62,239	1,670,386	19,221,211
2002	135,041,638	13,034,284	2,936,306	1,551,060	8,546,918	24,772,996	23,958,389	23,956,186	2,203	807,464	7,143	723,927	55,041,306	21,030,989	19,200,543	62,044	1,768,402	20,438,136
2003																		
Mar	126,407,697	14,572,495	4,045,042	1,559,338	8,968,115	34,669,860	33,944,756	33,943,123	1,633	719,465	5,639	691,371	45,003,188	16,950,390	15,502,137	62,044	1,386,209	14,520,393
Jun	129,668,144	15,584,143	3,680,644	1,611,313	10,292,186	33,568,849	32,899,010	32,896,111	2,899	663,584	6,255	741,771	44,538,701	19,550,420	18,327,750	61,878	1,160,792	15,684,260
Sep	131,832,291	16,497,353	3,936,956	1,439,225	11,121,172	36,618,371	35,939,440	35,937,925	1,515	617,045	61,886	727,722	43,784,536	18,186,488	16,842,180	61,674	1,282,634	16,017,821
Dec	134,994,721	18,284,739	5,914,767	1,476,168	10,893,804	33,132,083	32,248,132	32,246,933	1,199	821,744	62,207	855,478	44,851,255	21,882,609	19,935,021	61,674	1,885,914	15,988,557
2004																		
Mar	139,031,998	18,024,287	5,130,313	1,469,372	11,424,602	40,289,699	37,770,403	37,767,018	3,385	2,506,472	12,824	792,864	41,250,738	20,006,045	18,296,844	61,674	1,647,527	18,668,365
Jun	139,424,086	18,706,121	6,044,836	1,603,219	11,058,066	42,161,608	39,890,950	39,886,690	4,260	2,201,874	68,784	708,352	40,928,012	18,180,820	16,644,298	61,674	1,474,848	18,739,173
Sep	138,612,169	19,579,321	6,037,147	1,727,760	11,814,414	39,283,424	37,128,063	37,124,043	4,020	2,097,195	58,166	524,784	41,293,323	19,330,905	17,605,657	61,674	1,663,574	18,600,412
Dec	146,751,072	21,754,574	7,543,422	1,557,163	12,653,989	39,451,288	38,135,777	38,135,676	101	1,265,422	50,089	489,981	40,838,902	23,318,495	21,024,435	61,674	2,232,386	20,897,832
2005																		
Mar	151,682,410	22,916,447	7,755,906	1,454,216	13,706,325	44,762,371	43,035,644	43,035,416	228	1,673,633	53,094	438,888	40,907,633	22,733,484	20,655,395	61,674	2,016,415	19,923,587
Jun	153,011,887	27,050,653	10,758,708	1,471,348	14,820,597	42,808,645	40,381,852	40,381,331	521	2,366,868	59,925	453,790	42,339,632	21,244,548	19,168,203	61,674	2,014,671	19,114,619
Sep	154,381,672	27,567,457	9,381,318	1,734,064	16,452,075	40,083,165	37,204,663	37,204,354	309	2,841,738	36,764	475,723	41,832,985	23,326,111	21,730,534	61,674	1,533,903	21,096,231
Dec	162,730,902	28,654,563	10,425,188	1,430,216	16,799,159	41,999,363	40,432,632	40,427,232	5,400	1,485,511	81,220	532,463	43,016,883	26,565,174	24,093,968	61,674	2,409,532	21,962,456
2006																		
Jan	163,986,141	28,330,047	9,713,883	1,457,405	17,158,759	45,415,485	43,183,119	43,178,302	4,817	2,229,765	2,601	478,359	43,745,959	26,798,130	24,419,564	61,674	2,316,892	19,218,161
Feb	164,840,819	28,462,734	10,229,406	1,358,998	16,874,330	47,371,020	44,793,927	44,790,213	3,714	2,575,316	1,777	405,637	43,148,059	25,698,330	23,604,338	61,674	2,032,318	19,755,039
Mar	165,836,191	28,597,117	11,204,867	1,453,199	15,939,051	50,247,319	47,386,144	47,385,286	858	2,859,225	1,950	372,481	43,700,101	23,182,406	21,300,348	61,674	1,820,384	19,736,767
Apr	169,118,352	31,787,592	13,329,512	1,709,562	16,748,518	49,923,288	46,827,853	46,824,042	3,811	3,091,990	3,445	344,045	43,982,044	22,660,963	20,769,311	61,674	1,829,978	20,420,420
May	170,160,196	35,343,658	15,162,213	1,793,250	18,388,195	47,070,013	43,933,828	43,932,334	1,494	3,133,395	2,790	334,629	44,491,963	22,711,537	20,297,848	61,674	2,352,015	20,208,396
Jun	170,159,896	33,825,320	15,075,123	1,722,475	17,027,722	45,158,539	41,652,796	41,648,787	4,009	3,453,935	51,808	311,529	45,791,740	23,729,658	22,073,425	61,674	1,594,559	21,343,110
Jul	169,737,920	32,024,095	13,077,638	1,388,214	17,558,243	44,872,218	41,354,704	41,352,130	2,574	3,465,535	51,979	336,501	46,472,207	24,936,617	23,104,448	61,674	1,770,495	21,096,282
Aug	174,240,142	31,245,311	11,968,514	1,229,858	18,046,939	47,700,179	44,905,215	44,903,310	1,905	2,726,809	68,155	302,794	46,306,924	27,159,963	25,165,220	61,674	1,933,069	21,524,971
Sep	174,452,240	30,694,213	12,737,055	1,162,617	16,794,541	49,557,263	46,977,216	46,962,830	14,386	2,467,862	112,185	274,593	45,714,394	26,581,272	24,795,160	61,674	1,724,438	21,630,505
Oct	176,593,591	30,093,498	13,299,821	1,259,700	15,533,977	51,518,879	48,922,772	48,917,824	4,948	2,511,679	84,428	448,107	46,499,634	26,190,681	24,191,025	61,674	1,937,982	21,842,792
Nov	177,727,376	31,508,951	12,155,260	1,185,487	18,168,204	51,527,270	49,865,664	49,864,536	1,128	1,577,835	83,771	466,893	47,307,851	24,204,481	21,885,989	61,674	2,256,818	22,711,930
Dec	180,216,127	29,861,247	10,111,712	1,365,568	18,383,967	47,078,700	46,021,292	46,020,789	503	966,579	90,829	436,376	49,147,688	28,443,132	25,721,749	61,674	2,659,709	25,248,984
2007																		
Jan	185,732,212	36,555,649	12,536,346	1,106,800	22,912,503	47,618,393	45,284,176	45,276,644	7,532	2,228,877	105,340	272,096	49,098,410	28,313,851	25,959,952	61,674	2,292,225	23,873,813
Feb	188,512,647	37,136,293	11,300,782	1,079,475	24,756,036	50,467,441	47,802,365	47,796,667	5,698	2,558,477	106,599	249,819	50,141,823	25,910,962	23,587,273	61,674	2,262,015	24,606,309
Mar	186,671,746	38,025,323	13,116,229	903,053	24,006,041	49,051,364	46,077,406	46,076,483	923	2,855,743	118,215	246,612	50,715,929	23,759,415	21,869,786	61,674	1,827,955	24,873,103
Apr	192,688,376	40,467,315	12,862,125	1,164,824	26,440,366	46,246,120	43,246,438	43,244,771	1,667	2,873,650	126,032	217,281	50,981,483	28,551,268	26,504,863	61,674	1,984,731	26,224,909
May	192,906,568	42,067,352	13,207,121	988,228	27,872,003	44,063,540	41,048,627	41,048,211	409	2,899,237	115,676	50,898,886	29,487,549	27,192,346	26,203,532	61,674	2,233,526	26,203,532
Jun	192,100,391	40,451,343	11,620,060	720,038	28,111,245	45,259,107	42,321,302	42,320,848	454	2,820,297	117,508	209,805	51,138,193	27,818,166	25,758,012	61,674	1,998,480	27,223,777
Jul	192,357,020	40,283,285	10,924,837	644,311	28,714,137	47,399,644	44,385,081	44,384,838	243	2,896,137	118,426	51,286,026	25,399,014	23,258,551	23,258,551	61,674	2,078,789	27,818,798
Aug	192,293,660	40,025,240	10,573,718	710,491	28,741,031	47,512,440	44,311,349	44,309,711	1,638	3,085,714	115,377	171,144	51,503,409	25,746,439	23,601,318	61,674	2,083,447	27,334,988
Sep	193,918,797	41,586,433	9,767,993	675,873	31,142,567	47,398,214	44,484,864	44,484,860	4	2,797,226	115,724	208,496	51,563,093	25,150,895	23,052,813	61,675	2,036,407	28,011,666
Oct	200,559,820	45,608,552	19,366,484	1,279,747	24,962,321	44,909,252	41,940,666	41,940,572	94	2,864,006	104,580	35,282	53,231,628	27,582,713	24,980,694	61,675	2,540,344	29,192,393
Nov	204,734,586	45,634,661	18,673,564	1,085,265	25,875,832	45,801,009	42,921,702	42,921,324	378	2,794,640	84,667	36,452	54,311,890	29,910,893	27,840,221	61,675	2,008,997	29,039,681
Dec	203,845,165	49,624,950	24,551,656	692,892	24,380,402	44,364,708	43,035,615	43,035,613	2	1,239,604	89,489	37,780	55,582,049	24,129,271	20,654,545	61,675	3,413,051	30,106,407

Source: Commercial Banks

<sup>1)</sup> Effective February 1996, the accounts of the commercial banks reflect the merged operations of GNGB with GAIBANK

**TABLE 2-I(b)**  
**COMMERCIAL BANKS : LIABILITIES, CAPITAL AND RESERVES<sup>1)</sup>**  
**(G\$ Thousand)**

End of Period	Total Liabilities	Foreign Sector				Public Sector				Non-Bank Financial Institutions Deposits	Private Sector Deposits	External Payment Deposits	Bank Of Guyana	Other Liabilities	Capital and Reserves
		Total	Balances due from banks abroad	Non-Residents Deposits	Other	Total	Central Gov't Deposits	Public Enter. Deposits	Other Deposits						
<b>1997</b>	89,290,729	4,963,726	782,677	4,181,049	-	9,631,037	2,302,744	3,834,771	3,493,522	3,777,663	52,116,931	317,585	-	3,429,724	15,054,063
<b>1998</b>	100,494,733	5,283,883	1,090,731	4,193,152	-	10,040,516	1,680,181	4,010,707	4,349,628	5,898,442	56,422,262	310,233	-	3,154,589	19,384,808
<b>1999</b>	104,127,717	4,662,897	767,983	3,894,914	-	7,270,542	3,789,090	3,301,907	179,545	5,796,269	62,152,230	76,972	-	2,692,217	21,476,590
<b>2000</b>	117,745,982	4,875,522	1,435,647	3,439,875	-	9,134,106	4,825,956	1,739,348	2,568,802	8,454,689	69,937,199	75,608	-	2,992,043	22,276,815
<b>2001</b>	124,325,837	4,190,114	1,268,314	2,921,800	-	7,643,860	3,783,884	1,892,619	1,967,357	8,008,540	76,682,347	62,239	-	5,016,241	22,722,496
<b>2002</b>	135,041,638	5,316,744	1,093,082	4,223,662	-	10,279,996	4,453,279	2,708,221	3,118,496	9,221,579	81,622,447	62,044	-	6,261,913	22,276,915
<b>2003</b>															
<b>Mar</b>	126,407,697	5,059,097	1,071,309	3,987,788	-	9,776,494	4,903,705	1,586,912	3,285,877	9,013,658	83,404,359	62,044	-	4,985,161	14,106,884
<b>Jun</b>	129,668,144	5,752,475	803,635	4,948,840	-	9,758,779	4,592,639	1,967,477	3,198,663	9,914,195	84,654,629	61,878	-	5,413,991	14,112,197
<b>Sep</b>	131,832,291	5,445,466	710,025	4,735,441	-	10,357,238	4,644,406	2,177,618	3,535,214	11,103,333	85,326,106	61,674	-	5,323,236	14,215,238
<b>Dec</b>	134,994,721	5,170,319	1,128,289	4,042,030	-	10,908,888	5,070,966	2,403,226	3,434,696	10,933,742	86,841,777	61,674	-	6,411,298	14,667,023
<b>2004</b>															
<b>Mar</b>	139,031,998	4,480,842	570,286	3,910,556	-	11,538,761	5,106,817	2,539,838	3,892,106	12,358,935	89,137,912	61,674	-	6,563,930	14,889,944
<b>Jun</b>	139,424,086	4,628,874	720,652	3,908,222	-	12,621,532	5,241,390	2,946,076	4,434,066	11,156,067	89,961,317	61,674	-	5,293,061	15,701,561
<b>Sep</b>	138,612,169	4,229,796	351,956	3,877,840	-	10,972,609	5,119,847	2,347,808	3,504,954	10,520,626	92,052,181	61,674	-	5,395,642	15,379,641
<b>Dec</b>	146,751,072	7,108,116	450,506	6,657,610	-	12,644,277	5,249,027	3,848,610	3,546,640	11,920,793	92,872,660	61,674	-	7,138,884	15,004,668
<b>2005</b>															
<b>Mar</b>	151,682,410	7,101,922	601,714	6,500,208	-	16,009,556	6,816,524	3,498,443	5,694,589	11,755,293	95,499,468	61,674	-	6,054,076	15,200,421
<b>Jun</b>	153,011,887	8,839,207	540,049	8,299,158	-	15,904,352	6,542,066	2,801,554	6,560,732	12,423,907	95,437,700	61,674	-	4,624,546	15,720,501
<b>Sep</b>	154,381,672	8,249,949	661,128	7,588,821	-	16,138,904	6,592,200	2,748,007	6,798,697	9,671,841	99,386,521	61,674	-	5,332,626	15,540,157
<b>Dec</b>	162,714,548	10,572,576	855,016	9,717,560	-	19,922,999	7,371,844	3,361,451	9,189,704	9,909,956	100,618,120	61,674	-	5,526,802	16,102,421
<b>2006</b>															
<b>Jan</b>	163,986,141	9,821,007	892,456	8,928,551	-	21,685,057	3,642,778	8,820,381	9,221,898	10,270,800	101,934,169	61,674	-	3,940,192	16,273,242
<b>Feb</b>	164,840,819	9,464,579	640,461	8,824,118	-	21,322,921	2,639,241	9,433,895	9,249,785	9,901,074	103,215,435	61,674	-	4,478,059	16,397,077
<b>Mar</b>	165,836,191	10,003,920	652,505	9,351,415	-	21,288,071	2,833,360	9,198,587	9,256,124	9,238,138	104,536,922	61,674	-	4,071,433	16,636,038
<b>Apr</b>	169,118,352	10,832,196	496,777	10,335,419	-	21,194,192	2,465,753	9,316,368	9,412,071	9,212,891	106,778,904	61,674	-	4,097,679	16,940,816
<b>May</b>	170,160,196	10,210,393	636,562	9,573,831	-	20,335,507	2,440,620	8,537,624	9,357,263	10,796,233	107,096,890	61,674	-	4,121,687	17,537,812
<b>Jun</b>	170,159,896	10,567,628	641,512	9,926,116	-	20,318,770	2,025,320	8,976,332	9,317,118	9,282,428	108,167,359	61,674	-	4,217,806	17,544,231
<b>Jul</b>	169,737,920	10,511,170	563,615	9,947,555	-	19,910,009	2,076,394	8,553,864	9,279,751	8,857,398	108,444,788	61,674	-	3,960,036	17,992,845
<b>Aug</b>	174,240,142	11,099,844	463,699	10,636,145	-	20,107,139	2,129,229	8,679,193	9,298,717	8,535,846	111,907,156	61,674	-	4,202,604	18,325,879
<b>Sep</b>	174,452,240	10,267,092	415,620	9,851,472	-	20,464,669	2,103,452	9,042,253	9,318,964	8,535,125	113,294,728	61,674	-	3,951,268	17,877,684
<b>Oct</b>	176,593,591	11,170,828	932,239	10,238,589	-	20,886,828	2,245,946	9,367,754	9,273,128	8,748,185	112,976,210	61,674	-	4,174,535	18,575,331
<b>Nov</b>	177,727,376	11,179,798	809,675	10,370,123	-	19,876,373	2,636,493	7,977,816	9,262,064	8,007,853	115,336,184	61,674	-	5,438,953	17,826,541
<b>Dec</b>	180,208,270	10,836,777	761,491	10,075,286	-	21,432,413	2,945,704	9,119,988	9,366,721	8,539,591	114,585,656	61,674	-	6,917,025	17,835,134
<b>2007</b>															
<b>Jan</b>	185,732,212	12,917,691	1,110,033	11,807,658	-	22,531,276	2,902,203	9,636,591	9,992,482	7,602,396	118,589,388	61,674	-	5,888,207	18,141,580
<b>Feb</b>	188,512,647	12,941,471	1,427,485	11,513,986	-	22,622,061	2,440,679	10,182,509	9,998,873	7,137,004	120,498,328	61,674	-	6,769,786	18,482,323
<b>Mar</b>	186,671,746	12,447,112	988,747	11,458,365	-	21,326,209	2,396,249	9,714,221	9,215,739	7,782,250	120,253,289	61,674	-	6,288,715	18,512,497
<b>Apr</b>	192,688,376	13,207,662	971,988	12,235,674	-	22,337,697	3,144,441	10,005,079	9,188,177	9,445,162	122,159,585	61,674	-	6,426,689	19,049,907
<b>May</b>	192,906,568	12,031,906	812,941	11,218,965	-	22,963,413	3,117,517	10,690,201	9,155,695	8,814,277	124,102,564	61,674	-	5,447,050	19,485,684
<b>Jun</b>	192,100,391	11,735,057	569,074	11,165,983	-	23,616,743	2,972,328	11,405,112	9,239,303	8,737,881	123,376,543	61,674	-	5,341,968	19,230,525
<b>Jul</b>	192,357,020	9,910,926	695,808	9,215,118	-	23,503,617	3,045,810	11,329,398	9,128,409	8,366,460	124,355,129	61,674	-	6,357,994	19,801,220
<b>Aug</b>	192,293,660	9,420,251	629,585	8,790,666	-	23,908,524	2,974,016	11,819,488	9,115,020	8,430,510	124,673,759	61,674	-	5,485,395	20,313,547
<b>Sep</b>	193,918,797	9,696,505	602,113	9,094,392	-	23,461,727	3,830,510	10,297,281	9,333,936	8,725,271	126,041,218	61,674	-	5,565,328	20,367,074
<b>Oct</b>	200,559,820	10,686,512	517,455	10,169,057	-	25,552,136	3,861,211	12,288,518	9,402,407	8,525,202	129,309,524	61,674	-	5,942,667	20,482,105
<b>Nov</b>	204,734,586	11,323,795	467,129	10,856,666	-	25,037,584	3,939,292	11,764,146	9,334,146	8,521,256	133,026,774	61,674	-	5,889,801	20,873,702
<b>Dec</b>	203,845,165	11,169,120	714,191	10,454,929	-	24,862,530	4,302,450	11,162,399	9,397,681	9,334,233	131,001,549	61,674	-	6,602,028	20,814,031

Source: Commercial Banks

<sup>1)</sup> Effective February 1996, the accounts of the commercial banks reflect the merged operations of GNGB with GAIBANK

**TABLE 2 - II**  
**COMMERCIAL BANKS: MINIMUM RESERVE REQUIREMENTS**  
(G\$ Million)

End of Period	Day Of Res. Per. (Week)	Required Reserves	Actual Reserves	Surplus (+) Deficits (-)
1997		10,286.0	13,092.9	2,806.9
1998		10,922.4	14,335.0	3,412.6
1999		9,316.4	10,449.4	1,133.0
2000		11,040.8	14,411.1	3,370.3
2001		11,611.9	16,608.6	4,996.7
2002		12,846.8	18,853.0	6,006.1
2003		13,516.7	19,583.4	6,066.7
2004		14,111.7	18,968.2	4,856.5
2005		16,909.3	25,109.2	8,199.9
2006				
Jan	06th	16,956.6	25,654.1	8,697.5
	13th	17,114.8	24,688.0	7,573.2
	20th	17,210.9	24,335.7	7,124.8
	27th	17,240.3	23,963.8	6,723.5
Feb	03rd	17,136.5	24,645.6	7,509.1
	10th	17,139.7	26,206.1	9,066.4
	17th	17,225.5	24,247.0	7,021.5
	24th	17,229.1	23,313.8	6,084.7
Mar	03rd	17,227.5	23,955.4	6,727.9
	10th	17,269.9	23,431.8	6,161.9
	17th	17,345.5	21,472.8	4,127.3
	24th	17,325.7	21,320.8	3,995.1
	31st	17,350.7	21,535.7	4,185.0
Apr	07th	17,476.5	21,575.8	4,099.3
	14th	17,612.6	22,007.7	4,395.0
	21st	17,731.5	22,080.2	4,348.7
	28th	17,933.8	19,247.6	1,313.8
May	06th	17,621.6	21,158.0	3,536.4
	13th	17,937.8	21,582.4	3,644.6
	20th	17,863.3	21,400.3	3,537.0
	27th	17,824.4	20,681.4	2,857.0
Jun	02nd	17,819.3	21,158.4	3,339.1
	09th	17,921.9	22,575.8	4,653.9
	16th	17,985.3	21,617.5	3,632.2
	23rd	17,733.0	21,851.6	4,118.7
	30th	17,841.9	22,086.6	4,244.7
Jul	07th	17,887.0	23,079.6	5,192.6
	14th	17,906.5	23,286.1	5,379.6
	21st	17,855.7	23,092.2	5,236.6
	28th	17,820.2	23,807.6	5,987.4
Aug	04th	17,848.1	24,666.4	6,818.4
	11th	17,917.3	24,506.4	6,589.1
	18th	18,005.5	25,660.0	7,654.5
	25th	18,182.6	24,805.0	6,622.4
Sep	01st	18,160.4	24,895.8	6,735.5
	08th	18,153.7	25,364.5	7,210.8
	15th	18,151.9	23,466.9	5,315.0
	22nd	18,242.1	24,168.5	5,926.4
	29th	18,238.5	24,145.5	5,907.0
Oct	06th	18,265.0	23,339.6	5,074.6
	13th	18,354.0	23,475.4	5,121.3
	20th	18,332.7	24,380.3	6,047.7
	27th	18,463.0	23,906.6	5,443.6
Nov	03rd	18,427.9	24,566.1	6,138.2
	10th	18,585.2	24,946.5	6,361.2
	17th	18,659.6	24,985.4	6,325.8
	24th	18,857.1	22,647.6	3,790.5

End of Period	Day Of Res. Per. (Week)	Required Reserves	Actual Reserves	Surplus (+) Deficits (-)
Dec	1st	18,639.9	23,362.8	4,722.9
	8th	18,697.6	24,067.3	5,369.7
	15th	18,875.6	22,296.7	3,421.1
	22nd	18,733.6	23,751.7	5,018.1
	29th	18,635.2	22,751.7	4,116.5
2007				
Jan	05th	18,882.2	25,488.2	6,606.0
	12th	18,991.8	27,146.2	8,154.4
	19th	19,304.0	25,806.0	6,502.1
	26th	19,444.6	25,956.1	6,511.5
Feb	02nd	19,429.6	26,602.5	7,173.0
	09th	19,462.0	24,426.2	4,964.2
	16th	19,579.0	23,888.3	4,309.2
	23rd	19,709.6	23,248.6	3,539.0
Mar	02nd	19,628.0	22,262.3	2,634.3
	09th	19,507.3	23,453.7	3,946.3
	16th	19,952.5	23,678.0	3,725.4
	23rd	19,833.6	22,625.4	2,791.9
	30th	19,663.7	21,821.4	2,157.7
Apr	06th	19,528.7	22,215.7	2,687.0
	13th	19,721.5	23,857.8	4,136.3
	20th	19,990.6	27,355.7	7,365.0
	27th	20,133.0	25,175.8	5,042.8
May	04th	20,147.4	24,081.0	3,933.6
	11th	20,305.4	25,356.6	5,051.3
	18th	20,291.4	26,316.9	6,025.5
	25th	20,451.3	26,791.3	6,340.1
Jun	01st	20,275.8	24,178.4	3,902.6
	08th	20,213.1	25,256.1	5,043.0
	15th	20,335.2	23,856.5	3,521.3
	22nd	20,289.9	25,648.7	5,358.8
	29th	20,188.2	26,039.7	5,851.4
Jul	06th	20,107.6	26,460.4	6,352.8
	13th	20,149.6	25,850.1	5,700.5
	20th	20,230.4	23,283.3	3,052.9
	27th	19,967.7	23,809.6	3,841.9
Aug	03rd	20,024.7	25,173.8	5,149.1
	10th	20,127.0	25,366.9	5,239.9
	17th	20,187.8	24,931.6	4,743.8
	24th	20,042.6	23,754.3	3,711.7
	31st	19,979.1	23,952.8	3,973.7
Sep	07th	19,956.7	24,270.4	4,313.8
	14th	20,102.4	22,291.1	2,188.7
	21st	20,093.3	22,589.4	2,496.1
	28th	20,201.0	22,529.9	2,328.9
Oct	05th	20,268.3	22,895.3	2,627.0
	12th	20,408.0	23,286.9	2,878.9
	19th	20,626.0	24,294.6	3,668.6
	26th	20,692.9	24,924.6	4,231.7
Nov	02nd	20,884.5	25,368.6	4,484.1
	09th	21,051.9	26,926.2	5,874.3
	16th	21,300.4	26,732.7	5,432.3
	23rd	21,398.9	26,463.7	5,064.9
	30th	21,578.5	28,515.0	6,936.5
Dec	07th	21,599.4	28,295.1	6,695.7
	14th	21,802.4	25,268.4	3,466.0
	21st	21,640.3	23,322.1	1,681.8
	28th	21,477.4	22,808.6	1,331.3

Source: Commercial Banks

**TABLE 3-1  
MONETARY SURVEY  
(G\$ Million)**

End Of Period	Foreign Assets (Net)			Domestic Credit							Money and Quasi-Money					Other (Net)
	Total	Bank of Guyana	Comm Banks	Total	Public Sector			Non-Bank Fin. Insts. (Net)	Private Sector	Total	Money			Quasi-Money Savings & Time Dep.		
					Total	Gov't. (Net)	Public Enter. (Net)				Other Pub. Sect. (Net)	Total	Curr.		Demand Deposits	
<b>1997</b> <sup>1)</sup>	(6,300.9)	(4,834.6)	(1,466.3)	23,926.8	(17,277.0)	(10,974.2)	(3,618.6)	(2,684.3)	(3,659.5)	44,863.3	64,319.2	17,388.7	11,192.7	6,196.0	46,930.5	(46,693.3)
<b>1998</b> <sup>2)</sup>	(71.2)	1,229.8	(1,301.0)	31,947.0	(14,187.9)	(6,340.9)	(3,600.5)	(4,246.5)	(5,703.4)	51,838.3	68,695.6	17,820.7	11,334.2	6,486.4	50,874.9	(36,819.9)
<b>1999</b>	11,591.9	8,361.0	3,230.8	23,860.3	(26,735.3)	(22,080.0)	(2,618.9)	(2,036.4)	(5,227.7)	55,823.3	77,007.7	21,576.0	13,422.2	8,153.9	55,431.7	(41,555.5)
<b>2000</b>	23,181.5	19,835.1	3,346.4	24,697.7	(25,848.3)	(20,421.0)	(1,319.7)	(4,107.6)	(7,794.9)	58,341.0	85,445.1	24,826.6	14,495.1	10,331.6	60,618.5	(37,565.9)
<b>2001</b>	30,136.4	23,542.4	6,594.0	26,052.5	(24,212.6)	(18,287.5)	(1,041.0)	(4,884.1)	(7,544.9)	57,810.0	93,035.5	24,807.4	15,138.3	9,669.1	68,228.1	(36,846.5)
<b>2002</b>	32,203.2	24,539.4	7,663.8	28,141.2	(22,025.9)	(15,330.5)	(1,900.8)	(4,794.6)	(8,497.7)	58,664.8	98,147.3	26,364.8	15,409.7	10,955.1	71,782.6	(37,802.9)
<b>2003</b>																
<b>Mar</b>	32,796.7	23,379.3	9,417.3	24,432.5	(15,712.4)	(9,741.8)	(867.4)	(5,103.1)	(8,322.3)	48,467.2	98,182.2	24,191.2	14,169.3	10,021.9	73,991.0	(40,953.1)
<b>Jun</b>	33,150.5	23,393.0	9,757.4	23,823.2	(14,973.5)	(8,067.6)	(1,303.9)	(5,602.1)	(9,172.4)	47,969.2	99,662.2	24,907.8	14,277.7	10,630.1	74,754.4	(42,688.5)
<b>Sep</b>	32,638.6	21,656.7	10,981.9	26,279.0	(10,771.4)	(4,095.1)	(1,560.6)	(5,115.7)	(10,375.6)	47,426.0	100,269.0	25,956.9	14,386.9	11,569.9	74,312.1	(41,351.3)
<b>Dec</b>	38,080.0	25,011.4	13,068.6	25,198.9	(13,316.6)	(5,926.8)	(1,581.5)	(5,808.3)	(10,078.3)	48,593.7	106,259.1	30,792.7	17,888.2	12,904.5	75,466.5	(48,566.8)
<b>2004</b>																
<b>Mar</b>	36,436.6	22,954.4	13,482.1	27,751.9	(7,763.5)	(1,293.4)	(33.4)	(6,436.8)	(11,566.1)	47,081.5	105,806.2	28,879.1	15,893.2	12,985.9	76,927.1	(41,617.7)
<b>Jun</b>	37,527.8	23,492.0	14,035.8	27,899.0	(8,755.2)	(1,477.4)	(744.2)	(6,533.6)	(10,447.7)	47,101.9	106,615.1	29,912.0	16,067.8	13,844.3	76,703.0	(41,188.3)
<b>Sep</b>	39,381.4	24,104.3	15,277.1	28,622.0	(9,115.5)	(2,877.5)	(250.6)	(5,987.4)	(9,995.8)	47,733.4	109,145.8	30,819.1	16,480.4	14,338.6	78,326.7	(41,142.4)
<b>Dec</b>	34,001.5	19,424.9	14,576.6	37,388.2	(973.9)	9,520.6	(2,583.2)	(7,911.3)	(10,023.9)	48,386.0	114,494.6	34,606.3	19,545.6	15,060.7	79,888.2	(43,104.9)
<b>2005</b>																
<b>Mar</b>	36,598.2	20,873.3	15,724.9	35,152.0	(1,910.9)	10,596.5	(1,824.8)	(10,682.6)	(11,316.4)	48,379.3	115,034.8	34,059.9	18,120.7	15,939.2	80,974.9	(43,284.6)
<b>Jun</b>	39,249.3	21,146.4	18,102.9	32,417.6	(6,138.0)	6,116.2	(434.7)	(11,819.5)	(11,970.1)	50,525.7	113,958.5	32,507.8	17,586.7	14,921.1	81,450.8	(42,291.7)
<b>Sep</b>	39,266.5	20,061.6	19,204.8	37,177.2	(4,495.4)	6,583.4	93.7	(11,172.5)	(9,196.1)	50,868.7	118,535.8	33,929.3	18,180.5	15,748.7	84,606.5	(42,092.1)
<b>Dec</b>	42,234.9	24,244.0	17,990.9	39,895.8	(3,155.3)	12,521.8	(1,875.9)	(13,801.1)	(9,377.5)	52,428.6	124,011.5	37,839.0	21,526.7	16,312.3	86,172.5	(41,880.7)
<b>2006</b>																
<b>Jan</b>	55,443.7	37,042.3	18,401.4	27,804.5	(15,482.9)	3,137.7	(6,590.6)	(12,029.9)	(9,792.4)	53,079.8	122,474.5	35,440.9	19,201.0	16,239.9	87,033.6	(39,226.3)
<b>Feb</b>	55,006.5	36,115.8	18,890.7	28,888.4	(14,488.1)	4,359.7	(6,858.6)	(11,989.1)	(9,495.4)	52,871.9	123,121.9	35,777.4	17,010.1	17,010.1	87,344.5	(39,226.9)
<b>Mar</b>	53,456.7	34,967.8	18,488.9	31,731.6	(13,078.5)	5,163.2	(6,339.4)	(11,902.3)	(8,865.7)	53,675.7	125,516.3	36,460.8	19,571.0	16,889.8	89,055.4	(40,328.0)
<b>Apr</b>	57,408.8	36,564.8	20,844.0	32,323.1	(12,965.0)	5,528.0	(6,224.4)	(12,268.6)	(8,868.8)	54,156.9	129,020.7	38,802.9	20,491.6	18,311.3	90,217.8	(39,288.8)
<b>May</b>	59,688.3	34,651.1	25,037.2	30,093.0	(14,137.2)	3,636.4	(5,404.2)	(12,369.3)	(10,461.6)	54,691.8	128,011.4	37,452.9	19,675.1	17,777.9	90,558.4	(38,230.1)
<b>Jun</b>	56,252.4	33,071.7	23,180.7	32,984.5	(15,017.7)	2,484.3	(5,522.4)	(11,979.6)	(8,970.9)	56,973.1	129,267.3	37,602.5	19,912.5	17,690.0	91,664.9	(40,030.4)
<b>Jul</b>	56,149.0	34,696.4	21,452.6	35,312.4	(13,827.4)	3,648.4	(5,088.3)	(12,387.4)	(8,520.9)	57,660.7	129,427.5	37,790.2	19,728.5	18,061.7	91,637.3	(37,966.0)
<b>Aug</b>	55,756.3	35,698.9	20,057.4	38,122.8	(11,534.0)	6,622.2	(5,952.4)	(12,203.8)	(8,233.1)	57,889.8	132,958.4	39,915.6	19,739.1	20,176.5	93,042.8	(39,079.4)
<b>Sep</b>	57,931.7	37,629.5	20,302.2	37,652.8	(11,623.7)	7,155.8	(6,574.4)	(12,205.2)	(8,260.5)	57,537.1	135,227.9	40,771.6	20,774.7	19,996.9	94,456.3	(39,643.4)
<b>Oct</b>	58,081.9	39,326.9	18,755.1	39,471.4	(10,837.9)	8,027.3	(6,856.1)	(12,009.2)	(8,300.1)	58,609.3	135,428.7	40,750.8	21,247.2	19,503.5	94,678.0	(37,875.4)
<b>Nov</b>	62,451.2	42,264.0	20,187.2	40,173.7	(11,823.1)	8,282.6	(6,400.0)	(13,705.7)	(7,541.0)	59,537.7	138,834.8	43,582.4	21,865.1	21,717.3	95,252.3	(36,209.9)
<b>Dec</b>	55,458.9	36,594.8	18,864.0	43,300.4	(10,385.0)	9,716.4	(8,153.4)	(11,947.9)	(8,103.2)	61,788.6	143,776.7	48,069.9	25,952.0	22,117.9	95,706.8	(45,017.4)
<b>2007</b>																
<b>Jan</b>	61,430.4	37,913.5	23,516.9	44,734.8	(9,909.0)	10,386.6	(7,407.7)	(12,887.8)	(7,330.3)	61,974.1	143,672.4	45,642.4	23,321.5	22,320.9	98,030.0	(37,507.2)
<b>Feb</b>	63,033.2	38,958.8	24,074.4	47,292.1	(9,092.6)	11,447.4	(7,624.0)	(12,915.9)	(6,887.2)	63,271.9	146,015.4	46,116.5	23,415.6	22,700.8	99,898.9	(35,690.0)
<b>Mar</b>	63,603.4	38,066.4	25,537.0	46,056.4	(10,501.3)	8,533.5	(6,858.5)	(12,176.3)	(7,535.6)	64,093.3	146,672.5	46,551.5	24,368.5	22,183.0	100,121.0	(37,012.7)
<b>Apr</b>	64,777.9	37,566.1	27,211.7	48,282.4	(8,148.4)	11,616.9	(7,131.4)	(12,633.9)	(9,227.9)	65,658.6	148,820.3	47,174.2	24,405.8	22,768.4	101,646.1	(35,760.0)
<b>May</b>	65,454.8	35,467.3	29,987.5	46,922.7	(10,721.0)	9,558.6	(7,791.0)	(12,488.6)	(8,628.6)	66,272.2	149,310.3	45,003.1	23,739.8	21,263.4	104,307.1	(36,932.8)
<b>Jun</b>	65,430.0	36,720.4	28,709.6	44,811.9	(13,585.8)	7,170.0	(8,584.8)	(12,171.0)	(8,528.1)	66,925.8	148,635.5	44,591.1	23,714.5	20,876.6	104,044.3	(38,393.5)
<b>Jul</b>	69,811.2	39,438.9	30,372.4	43,238.2	(15,930.5)	4,632.3	(8,433.3)	(12,129.6)	(8,196.2)	67,364.9	149,233.7	44,944.2	23,527.2	21,417.0	104,289.5	(36,184.3)
<b>Aug</b>	70,702.3	40,097.3	30,605.0	43,351.9	(16,259.2)	4,526.0	(8,733.8)	(12,051.4)	(8,259.4)	67,870.5	150,086.7	46,495.6	24,056.0	22,439.6	103,591.2	(36,032.5)
<b>Sep</b>	75,440.5	43,555.2	31,885.3	44,720.7	(15,060.3)	4,669.3	(7,499.7)	(12,229.9)	(8,516.8)	68,297.7	152,350.0	46,608.8	24,438.8	22,170.0	105,741.2	(32,188.9)
<b>Oct</b>	79,800.0	44,882.6	34,917.4	40,419.5	(21,307.1)	359.4	(9,424.5)	(12,242.0)	(8,489.9)	70,216.4	156,053.0	49,340.2	25,162.5	24,177.7	106,712.9	(35,833.6)
<b>Nov</b>	81,396.1	47,089.9	34,306.2	43,903.9	(19,356.5)	2,013.7	(8,969.5)	(12,400.6)	(8,484.8)	71,745.1	161,114.4	52,292.5	26,402.1	25,890.4	108,821.9	(35,814.4)
<b>Dec</b>	83,094.4	44,643.2	38,451.2	41,430.5	(22,619.9)	3,522.2	(9,922.8)	(16,219.3)	(9,296.5)	73,346.9	163,399.4	54,240.7	29,800.6	24,440.1	109,158.7	(38,874.5)

Source: Bank of Guyana and Commercial Banks

<sup>1)</sup> The improvement in the net foreign assets of the Bank of Guyana in June 1997 reflects the transfer of the debt obligation of Trinidad and Tobago to the Ministry of Finance.

<sup>2)</sup> The improvement in the net foreign assets of the Bank of Guyana in November 1998 reflects the transfer of the debt obligation of Kuwait, Libya and Argentina to the Ministry of Finance.

**TABLE 4-I**  
**GUYANA: SELECTED INTEREST RATES <sup>1)</sup>**  
**(Percent Per Annum)**

Item	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006				2007												
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Mar	Jun	Sep	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
<b>BANK OF GUYANA</b>																										
Bank Rate	11.00	11.25	13.25	11.75	8.75	6.25	5.50	6.00	6.00	6.25	6.25	6.50	6.75	6.75	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Treasury Bill Discount Rate																										
91 Days	8.16	8.84	11.07	9.20	6.25	3.91	3.40	3.79	3.74	3.85	3.85	3.98	4.16	4.16	3.94	3.94	3.94	3.94	3.94	3.90	3.90	3.90	3.90	3.90	3.90	3.90
182 Days	8.98	8.69	12.66	10.66	7.31	4.12	3.37	3.96	3.84	4.11	4.11	4.18	4.18	4.18	3.95	4.00	4.00	3.92	3.92	3.92	3.92	3.92	3.92	3.92	3.92	3.92
364 Days	9.17	9.25	12.79	11.09	8.17	4.91	4.01	4.13	4.21	4.30	4.11	4.25	4.24	4.19	4.25	4.23	4.23	4.10	4.19	4.19	4.05	4.05	4.35	4.35	4.35	4.35
Interest Rate on EPD	9.75	10.25	12.25	10.75	7.75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>COMMERCIAL BANKS</b>																										
Small Savings Rate	7.39	7.06	7.97	7.28	6.70	4.29	3.46	3.42	3.38	3.38	3.29	3.19	3.19	3.19	3.19	3.19	3.19	3.19	3.19	3.19	3.19	3.19	3.19	3.19	3.19	3.15
Prime Lending Rate (weighted average) <sup>2)</sup>	17.00	17.00	17.13	17.16	17.26	17.27	16.69	15.91	15.24	15.30	14.82	14.32	14.47	14.52	14.46	14.33	14.04	13.99	13.97	14.05	14.09	13.96	13.90	13.80	13.89	13.89
Prime Lending Rate <sup>3)</sup>	16.93	16.64	17.25	17.21	16.79	16.25	14.88	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.71	14.71	14.71	14.71	14.71	14.71
Comm. Banks' Lending Rate (weighted average)	18.32	18.29	17.87	17.68	17.60	16.83	15.58	10.85	13.50	13.20	12.84	12.80	13.12	12.89	12.82	12.83	12.71	12.71	12.72	12.71	12.58	12.40	12.47	12.37	12.40	12.40
<b>HAND-IN-HAND TRUST CORP. INC <sup>4)</sup></b>																										
Domestic Mortgages	17.00	16.00	16.00	16.00	16.00	16.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Commercial Mortgages	20.00	19.00	19.00	20.00	20.00	20.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Average Deposit Rates	9.50	8.95	11.00	9.18	7.55	4.82	3.79	3.75	3.23	3.23	3.23	3.23	3.14	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23
<b>NEW BUILDING SOCIETY</b>																										
Deposits <sup>5)</sup>	7.00	7.00	7.00	7.50	6.50	4.50	3.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Mortgage Rates	12.00	11.00	11.00	11.00	11.00	9.95	9.95	8.95	8.95	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Five dollar shares	8.00	8.00	8.50	9.00	8.00	5.75	4.75	4.00	4.00	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Save and prosper shares	...	9.50	10.00	10.50	9.00	6.50	6.00	5.00	5.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50

Source: Bank of Guyana, Commercial Banks and other Financial Institutions

<sup>1)</sup> End of period rates

<sup>2)</sup> Special deposit accounts at the Bank of Guyana have been closed with effect from December 1994

<sup>3)</sup> The prime lending rate reported by the banks has been weighted by the amount of loans issued at the corresponding rate

<sup>4)</sup> The average prime lending rate actually used by commercial banks, applicable to loans and advances

<sup>5)</sup> Small savings rate

**TABLE 5-I**  
**CENTRAL GOVERNMENT: FINANCES (SUMMARY)**  
**(G\$ Million)**

Item	1997	1998	1999	2000	2001	2002	2003	2004	2005 **	2006 *	2007
<b>CURRENT ACCOUNT</b>											
Revenue	34,083.0	33,121.1	36,839.4	41,334.6	41,426.2	44,584.4	45,391.6	51,664.3	56,152.3	62,356.4	80,293.2
Expenditure	28,081.2	30,194.7	31,839.5	42,935.4	43,299.4	44,603.8	46,743.0	46,937.9	53,761.6	59,593.0	63,056.4
Balance	6,001.8	2,926.4	4,999.9	(1,600.8)	(1,873.3)	(19.3)	(1,351.4)	4,726.4	2,390.7	2,763.4	17,236.8
<b>CAPITAL ACCOUNT</b>											
Receipts	2,973.6	2,842.5	7,389.5	10,144.0	10,906.4	11,420.3	8,406.0	10,133.5	11,995.8	17,524.6	11,136.0
Revenue	310.8	65.0	4,045.0	5,680.4	7,986.5	8,731.7	5,761.7	5,930.7	5,437.9	6,204.1	3,624.0
External Grants	2,662.8	2,777.5	3,344.5	4,463.6	2,919.9	2,688.6	2,644.3	4,202.8	6,557.9	11,320.5	7,512.0
Expenditure	16,379.0	13,086.1	12,345.2	17,132.8	16,510.5	15,734.0	17,292.5	22,416.6	35,143.2	41,806.4	42,892.4
<b>OVERALL DEFICIT/SURPLUS</b>	(7,403.6)	(7,317.2)	44.2	(8,589.6)	(7,477.4)	(4,333.1)	(10,237.9)	(7,556.7)	(20,756.7)	(21,518.4)	(14,519.6)
<b>FINANCING</b>	7,403.6	7,317.2	(44.2)	8,589.6	7,477.4	4,333.1	10,237.9	7,556.7	20,756.7	21,518.4	14,519.6
External Financing	4,269.8	2,735.0	4,262.0	8,703.6	7,960.5	3,852.2	6,741.7	(126.4)	15,084.7	20,810.8	16,588.0
Domestic Financial System	1,783.0	3,278.0	(7,701.3)	855.6	8,053.9	3,057.1	8,389.3	8,767.8	2,930.4	(350.1)	(6,766.3)
Banking System	3,020.0	3,955.7	(15,243.3)	2,088.3	1,307.8	3,178.4	9,403.7	15,444.1	3,000.7	(2,805.4)	(6,194.5)
Non-Bank Borrowing	(1,237.0)	(677.7)	7,542.1	(1,232.7)	6,746.1	(121.3)	(1,014.4)	(6,676.3)	(70.3)	2,455.3	(571.8)
Other Financing 1)	1,350.9	1,304.2	3,395.0	(969.7)	(8,536.9)	(2,576.3)	(4,893.1)	(1,084.7)	2,741.6	1,057.6	4,697.9

Sources: Ministry of Finance and Bank of Guyana

<sup>1)</sup> Non-project balance of payments grants

**TABLE 5-II**  
**SUMMARY OF PUBLIC CORPORATIONS FINANCES**  
**(G\$ Million)**

Item	1997	1998 <sup>b)</sup>	1999 <sup>c)</sup>	2000 <sup>d)</sup>	2001	2002 <sup>e)</sup>	2003 <sup>f)</sup>	2004	2005 <sup>**g)</sup>	2006 <sup>*h)</sup>	2007
<b>Current Revenue</b>	53,170	49,711	46,699	43,604	45,462	50,603	66,566	78,427	82,345	84,661	89,917
Export Sales	30,643	27,769	28,785	23,418	23,297	28,494	27,174	35,274	32,823	32,036	32,393
Local Sales	18,874	13,694	8,890	9,342	10,861	11,485	20,788	31,067	33,626	38,207	42,076
Other	3,653	8,248	9,025	10,844	11,305	10,625	18,604	12,086	15,896	14,417	15,448
<b>Current Expenditure</b>	43,578	41,091	38,955	39,549	39,812	45,662	61,098	70,921	76,897	76,967	83,478
Materials & Supplies	14,089	13,113	11,733	15,777	11,442	11,729	18,254	21,779	23,250	24,003	26,898
Employment	14,055	13,196	15,323	11,955	15,247	17,423	19,195	20,105	18,413	19,568	20,871
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Interest	78	121	67	60	100	98	204	332	311	359	395
Other <sup>a)</sup>	15,357	14,661	11,833	11,757	13,023	16,411	23,445	28,706	34,922	33,037	35,315
<b>Operating Surplus(+)/Def(-)</b>	9,592	8,620	7,744	4,054	5,650	4,941	5,469	7,506	5,448	7,693	6,439
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Gross Cash Surplus(+)/Def(-)</b>	9,592	8,620	7,744	4,054	5,650	4,941	5,469	7,506	5,448	7,693	6,439
<b>Transfers to Central Govt.</b>	3,177	3,156	2,920	1,099	481	1,683	738	876	928	1,355	1,039
Taxes	1,808	3,009	1,489	958	481	1,371	610	876	678	1,230	1,161
Dividends	1,369	147	1,431	141	-	312	128	-	250	125	1
VAT	-	-	-	-	-	-	-	-	-	-	(124)
Payments	-	-	-	-	-	-	-	-	-	-	117
Refunds	-	-	-	-	-	-	-	-	-	-	(241)
<b>Cash Surplus (+)/Deficit(-)</b>	6,415	5,464	4,824	2,956	5,169	3,258	4,730	6,630	4,520	6,338	5,400
<b>Capital Expenditure</b>	3,691	3,435	3,749	2,113	1,713	1,732	2,558	2,968	3,445	2,647	5,816
<b>Overall Cash Surplus (+)/Deficit(-)</b>	2,724	2,029	1,075	843	3,456	1,526	2,172	3,662	1,076	3,691	(416)
<b>Financing</b>	(2,724)	(2,029)	(1,075)	(843)	(3,456)	(1,526)	(2,172)	(3,662)	(1,076)	(3,691)	416
<b>External Borrowing (Net)</b>	(531)	(493)	(25)	(24)	(395)	(142)	47	(1,775)	(87)	-	-
<b>Domestic Financing (Net)</b>	1,334	(2,050)	(3,004)	(481)	(1,334)	(1,382)	1,485	5,066	(2,552)	(3,759)	(831)
Banking System (Net)	(2,058)	(695)	3,367	(2,088)	1,082	(2,425)	(884)	(1,147)	(4,736)	(1,323)	(632)
Non-bank Fin. Inst.(Net)	-	-	-	1,330	66	-	-	-	-	-	-
Holdings of Cent. Govt Sec.	2,082	(2,623)	(6,682)	277	(2,532)	1,043	2,368	6,213	2,184	(2,435)	(200)
Transfers from Cent.Govt	1,310	1,269	311	-	50	-	-	-	-	-	-
Other	(3,527)	514	1,954	(338)	(1,727)	(2)	(3,703)	(6,953)	1,563	67	1,247

Source: State Planning Secretariat, Public Enterprises, National Insurance Scheme and Bank of Guyana

<sup>a)</sup> Includes current outlays on freight, repairs and maintenance, payments to creditors and contribution to community

<sup>b)</sup> 1998 figures exclude NEOCOL and Stockfeeds which were privatised

<sup>c)</sup> 1999 figures exclude GAC, GEC, GSL, SANATA and GPL.

<sup>d)</sup> 2000 figures exclude Sanata, GSL and GPC.

<sup>e)</sup> 2002 figures include Aroaima Bauxite Company.

<sup>f)</sup> 2003 figures include Guyana Power & Light (GPL).

<sup>g)</sup> Excludes LINMINE.

<sup>h)</sup> Excludes AROAIMA Bauxite Company from the 2nd quarter.



**TABLE 6-I**  
**DOMESTIC PUBLIC BONDED DEBT <sup>1)</sup>**  
**(G\$ Million)**

Period Ended	Total	Bonds	Debentures	CARICOM Loan <sup>3)</sup>	Treasury Bills
1997	34,010.8	8.8	8,323.7	0.0	25,678.3
1998 <sup>2)</sup>	35,851.8	5.9	8,123.0	0.0	27,722.9
1999	41,629.6	4.6	6,418.0	0.0	35,207.0
2000	48,035.1	4.6	4,017.0	0.0	44,013.6
2001	52,008.4	4.0	3,914.2	0.0	48,090.1
2002	53,794.0	3.6	3,898.5	0.0	49,891.9
<b>2003</b>					
Mar	65,918.5	3.6	11,816.5	0.0	54,098.5
Jun	62,692.6	3.5	11,816.5	0.0	50,872.6
Sep	63,893.7	3.5	11,816.5	0.0	52,073.7
Dec	62,662.2	3.5	11,816.5	739.5	50,102.7
<b>2004</b>					
Mar	63,950.8	3.4	11,816.5	739.5	51,391.4
Jun	64,438.3	3.4	11,816.5	731.4	51,886.9
Sep	59,995.6	3.4	11,816.5	731.4	47,444.2
Dec	65,849.8	5,343.1	11,816.5	721.6	47,968.6
<b>2005</b>					
Mar	71,322.7	5,343.1	11,816.5	721.6	53,441.5
Jun	69,203.0	5,343.1	11,816.5	704.4	51,339.0
Sep	65,924.3	5,343.1	11,816.5	704.4	48,060.3
Dec	67,754.3	5,343.1	11,816.5	687.2	49,907.4
<b>2006</b>					
Jan	70,935.5	5,343.1	11,816.5	687.2	53,088.7
Feb	72,935.6	5,343.1	11,816.5	687.2	55,088.7
Mar	73,960.1	5,343.1	11,816.5	687.2	56,113.2
Apr	75,444.1	5,343.1	11,816.5	687.2	57,597.2
May	72,776.4	5,343.1	11,816.5	687.2	54,929.5
Jun	72,817.8	5,343.1	11,816.5	670.1	54,988.1
Jul	71,636.8	5,343.1	11,816.5	670.1	53,807.2
Aug	75,137.0	5,343.1	11,816.5	670.1	57,307.3
Sep	77,477.8	5,343.1	11,816.5	670.1	59,648.2
Oct	79,478.0	5,343.1	11,816.5	670.1	61,648.3
Nov	80,478.1	5,343.1	11,816.5	670.1	62,648.4
Dec	74,308.3	3,972.4	11,816.5	655.3	57,864.0
<b>2007</b>					
Jan	71,808.4	3,972.4	11,816.5	655.3	55,364.2
Feb	74,608.2	3,972.4	11,816.5	655.3	58,164.0
Mar	72,956.9	3,972.4	11,816.5	655.3	56,512.7
Apr	69,053.2	3,972.4	11,816.5	655.3	52,609.0
May	67,133.0	3,972.4	11,816.5	655.3	50,688.8
Jun	68,999.1	3,972.4	11,816.5	641.3	52,568.9
Jul	70,999.2	3,972.4	11,816.5	641.3	54,569.1
Aug	70,899.1	3,972.4	11,816.5	641.3	54,469.0
Sep	70,999.1	3,972.4	11,816.5	641.3	54,568.9
Oct	70,499.2	3,972.4	11,816.5	641.3	54,069.1
Nov	69,396.5	3,972.4	11,816.5	641.3	52,966.4
Dec	69,345.4	3,972.4	11,816.5	630.1	52,926.4

Source: Bank of Guyana.

<sup>1)</sup> Excludes non-interest bearing debentures

<sup>2)</sup> As of Dec. 1998, includes an amount to satisfy the Bank's reserve requirement of G\$1,000 Million

<sup>3)</sup> The CARICOM Loan was contracted to finance the construction of a building to house the CARICOM Secretariat.

**TABLE 6-II**  
**GOVERNMENT OF GUYANA: TREASURY BILLS**  
**BY HOLDERS**  
**(G\$ Million)**

Period Ended	Treasury Bills										
	Treasury Bills	Banking System			Non-Bank Financial Institutions	Public Sector				Private Sector	Non-Resident
		Total	Bank of Guyana	Commercial Banks		Total	Public Enterprise	National Insurance	Sinking Funds		
1997	25,678.3	15,291.9	241.3	15,050.6	6,599.3	3,004.4	-	3,004.4	-	767.0	15.7
1998 <sup>1)</sup>	27,722.9	15,497.8	1,043.5	14,454.3	6,392.7	5,754.0	-	5,754.0	-	63.7	14.7
1999	35,207.0	14,030.9	1,613.0	12,417.9	6,185.4	12,939.2	274.9	12,664.4	-	2,038.3	13.3
2000	44,013.6	23,920.9	2,222.9	21,698.0	6,516.3	12,336.7	-	12,336.7	-	1,210.8	29.0
2001	48,090.1	23,012.9	1,039.9	21,973.0	9,723.2	15,139.2	-	15,139.2	-	166.2	48.7
2002	49,891.9	25,990.3	1,133.4	24,856.9	10,229.5	13,430.3	-	13,430.3	-	198.1	43.9
<b>2003</b>											
Mar	54,098.5	28,985.7	2,030.8	26,955.0	11,325.3	13,542.7	-	13,542.7	-	185.0	59.8
Jun	50,872.6	27,499.2	1,630.9	25,868.3	11,123.5	12,163.8	-	12,163.8	-	26.4	59.8
Sep	52,073.7	30,325.9	1,331.0	28,995.0	11,078.9	10,589.7	-	10,589.7	-	19.4	59.8
Dec	50,102.7	27,569.7	2,344.4	25,225.3	11,720.0	10,753.3	-	10,753.3	-	-	59.8
<b>2004</b>											
Mar	51,391.4	31,783.0	1,031.9	30,751.1	10,954.0	8,441.2	-	8,441.2	-	213.2	-
Jun	51,886.9	35,141.9	2,081.8	33,060.1	12,386.8	4,084.0	-	4,084.0	-	232.3	42.0
Sep	47,444.2	31,346.8	1,032.7	30,314.1	11,963.8	4,084.0	-	4,084.0	-	7.7	42.0
Dec	47,968.6	32,443.2	1,182.6	31,260.7	11,216.9	4,258.9	-	4,258.9	-	7.7	42.0
<b>2005</b>											
Mar	53,441.5	37,126.7	1,135.8	35,990.9	11,998.4	4,258.9	-	4,258.9	-	15.7	42.0
Jun	51,339.0	34,295.2	1,032.7	33,262.5	12,476.9	4,258.9	-	4,258.9	-	308.2	-
Sep	48,060.3	31,118.7	1,032.5	30,086.2	12,673.4	4,258.9	-	4,258.9	-	9.4	-
Dec	49,907.4	34,434.1	1,032.5	33,401.7	13,090.8	1,977.9	-	1,977.9	-	359.9	44.7
<b>2006</b>											
Jan	53,088.7	37,197.0	1,032.5	36,164.6	13,509.2	1,977.9	-	1,977.9	-	359.9	44.7
Feb	55,088.7	38,995.8	1,032.5	37,963.3	13,715.4	1,977.9	-	1,977.9	-	354.9	44.7
Mar	56,113.2	39,940.1	1,150.6	38,789.5	13,773.1	1,977.9	-	1,977.9	-	377.4	44.7
Apr	57,597.2	39,387.0	1,150.6	38,236.4	13,826.4	3,961.8	-	3,961.8	-	377.4	44.7
May	54,929.5	35,776.3	1,150.7	34,625.6	12,937.2	5,794.0	-	5,794.0	-	377.4	44.7
Jun	54,988.1	34,107.6	1,782.7	32,324.9	14,327.3	6,504.6	-	6,504.6	-	3.9	44.7
Jul	53,807.2	34,689.6	2,764.7	31,924.9	14,146.4	4,922.6	-	4,922.6	-	3.9	44.7
Aug	57,307.4	38,189.3	2,764.9	35,424.4	14,146.9	4,922.6	-	4,922.6	-	3.9	44.7
Sep	59,648.2	40,284.3	2,615.0	37,669.3	13,977.7	4,922.6	-	4,922.6	-	418.9	44.7
Oct	61,648.3	42,182.9	2,615.0	39,568.0	14,079.2	4,922.6	-	4,922.6	-	417.1	46.5
Nov	62,648.4	43,216.2	2,615.1	40,601.2	14,044.2	4,922.6	-	4,922.6	-	418.9	46.5
Dec	57,864.0	39,784.9	3,081.9	36,703.0	13,502.1	4,526.7	-	4,526.7	-	3.9	46.5
<b>2007</b>											
Jan	55,364.2	36,936.9	1,033.3	35,903.6	13,850.2	4,526.7	-	4,526.7	-	3.9	46.5
Feb	58,164.0	39,660.7	1,033.1	38,627.6	13,926.2	4,526.7	-	4,526.7	-	3.9	46.5
Mar	56,512.7	38,320.6	1,032.8	37,287.8	13,615.0	4,526.7	-	4,526.7	-	3.9	46.5
Apr	52,609.0	35,823.8	1,332.8	34,491.0	12,112.0	4,622.9	-	4,622.9	-	3.9	46.5
May	50,688.8	33,324.2	1,032.7	32,291.5	12,611.4	4,702.8	-	4,702.8	-	3.9	46.5
Jun	52,568.9	34,618.2	1,032.7	33,585.5	13,167.7	4,732.7	-	4,732.7	-	3.9	46.5
Jul	54,569.1	36,618.2	1,032.7	35,585.5	13,167.9	4,732.7	-	4,732.7	-	3.9	46.5
Aug	54,469.0	36,731.8	1,032.6	35,699.2	12,954.1	4,732.7	-	4,732.7	-	3.9	46.5
Sep	54,568.9	36,831.8	1,032.6	35,799.2	12,954.1	4,732.7	-	4,732.7	-	3.9	46.5
Oct	54,069.1	36,281.8	3,032.6	33,249.2	13,004.3	4,732.7	-	4,732.7	-	3.9	46.5
Nov	52,966.4	35,448.3	1,032.6	34,415.7	12,781.6	4,732.7	-	4,732.7	-	3.9	-
Dec	52,926.4	35,448.3	1,032.6	34,415.7	12,741.6	4,732.7	-	4,732.7	-	3.9	-

Source: Bank of Guyana

<sup>1)</sup> As of Dec. 1998 Includes an amount to satisfy the Bank's reserve requirement of G\$1,000 Million

**TABLE 6-III  
EXTERNAL PUBLIC DEBT  
(US\$ Thousand)**

Period Ended	Total Outstanding Debt	Medium & Long Term					
		Bilateral	Multilateral	Financial <sup>1)</sup>	Supp. Cr. <sup>2)</sup>	Nationalisation	Bonds
<b>1997</b>	1,513,020	449,790	953,050	2,780	58,990	14,940	33,470
<b>1998</b>	1,507,490	450,940	966,440	1,020	54,360	6,640	28,090
<b>1999 <sup>3)</sup></b>	1,210,924	360,917	792,250	526	15,190	7,508	34,533
<b>2000</b>	1,193,183	353,529	788,357	526	14,746	7,794	28,231
<b>2001</b>	1,197,301	352,282	796,653	170	12,973	7,678	27,545
<b>2002</b>	1,352,138	438,266	835,172	10,451	16,111	24,425	27,715
<b>2003</b>							
<b>1st Qtr</b>	1,250,177	352,430	842,603	8,707	15,192	3,430	27,815
<b>2nd Qtr</b>	1,246,016	336,593	854,045	8,892	14,932	3,450	28,104
<b>3rd Qtr</b>	1,265,773	336,167	874,322	9,074	14,636	3,450	28,125
<b>4th Qtr</b>	1,199,125	224,369	916,801	10,998	14,861	3,487	28,609
<b>2004</b>							
<b>1st Qtr</b>	1,081,592	119,213	913,536	3,346	13,604	3,400	28,493
<b>2nd Qtr</b>	1,020,398	86,951	910,762	3,299	13,516	3,435	2,436
<b>3rd Qtr</b>	1,043,304	84,350	936,793	3,248	13,055	3,421	2,436
<b>4th Qtr</b>	1,188,652	191,371	974,795	5,485	13,324	3,435	242
<b>2005</b>							
<b>1st Qtr</b>	1,066,435	76,821	970,049	3,159	12,718	3,447	241
<b>2nd Qtr</b>	1,066,641	91,607	955,526	3,098	12,718	3,451	239
<b>3rd Qtr</b>	1,084,926	92,113	973,354	3,041	12,718	3,462	239
<b>4th Qtr</b>	1,214,559	220,938	971,556	5,010	13,347	3,470	238
<b>2006</b>							
<b>1st Qtr</b>	1,172,433	224,626	925,746	4,986	13,353	3,484	238
<b>2nd Qtr</b>	1,205,424	231,141	952,111	5,080	13,359	3,492	240
<b>3rd Qtr</b>	1,020,330	235,755	762,425	5,046	13,365	3,498	241
<b>4th Qtr</b>	1,043,173	243,042	778,119	5,107	13,371	3,493	42
<b>2007</b>							
<b>1st Qtr</b>	1,049,081	247,410	779,716	5,050	13,376	3,485	44
<b>2nd Qtr</b>	658,712	253,482	383,300	5,039	13,382	3,464	45
<b>3rd Qtr</b>	668,635	246,228	400,502	5,003	13,388	3,469	45
<b>4th Qtr</b>	718,513	267,273	429,023	4,894	13,394	3,485	445

Source: Office of Budget and Debt Management, Ministry of Finance

<sup>1)</sup> Data from Dec. 31, 2002 revised to include debt owed by GPL (Parastatal) which is not guaranteed or serviced by the

<sup>2)</sup> Includes External Payment Deposit Schemes (EPDS) from 1992.

<sup>3)</sup> Stock of outstanding debt after HIPC debt relief.

**TABLE 7-I**  
**BALANCE OF PAYMENTS**  
**(US\$ Million)**

Item	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>CURRENT ACCOUNT BALANCE</b>	<b>(105.1)</b>	<b>(98.5)</b>	<b>(75.2)</b>	<b>(109.2)</b>	<b>(128.8)</b>	<b>(106.1)</b>	<b>(82.6)</b>	<b>(69.8)</b>	<b>(157.61)</b>	<b>(250.3)</b>	<b>(231.9)</b>
<i>Merchandise Trade</i>											
Exports f.o.b.	593.4	547.0	525.0	505.2	490.3	495.5	512.8	589.0	550.94	585.1	680.9
Imports c.i.f	(641.6)	(601.2)	(550.2)	(585.4)	(584.1)	(563.1)	(571.7)	(646.8)	(783.69)	(885.0)	(1,062.5)
Trade Balance	(48.2)	(54.2)	(25.2)	(80.2)	(93.8)	(67.6)	(58.9)	(57.8)	(232.75)	(299.8)	(381.7)
<i>Net Services and unrequited Transfers</i>											
Non Factor Services (net)	(23.2)	(32.1)	(31.1)	(23.9)	(20.4)	(23.5)	(15.3)	(46.7)	(53.03)	(97.8)	(99.6)
Factor Services (net)	(73.7)	(56.2)	(57.9)	(52.1)	(58.6)	(55.0)	(55.2)	(39.3)	(39.03)	(69.0)	(37.4)
Transfers	40.0	44.0	39.0	47.0	44.0	40.0	46.8	74.0	167.20	216.3	286.8
<b>CAPITAL ACCOUNT BALANCE</b>	<b>125.7</b>	<b>79.8</b>	<b>69.6</b>	<b>137.8</b>	<b>116.4</b>	<b>86.1</b>	<b>58.6</b>	<b>38.9</b>	<b>178.8</b>	<b>268.6</b>	<b>238.7</b>
<i>1. Capital Transfer (net) 1</i>	23.7	13.1	15.5	16.3	31.9	31.1	43.8	45.9	52.1	315.6	414.1
<i>2. Medium and Long Term Capital (net)</i>	<b>90.0</b>	<b>67.9</b>	<b>79.9</b>	<b>119.5</b>	<b>95.4</b>	<b>63.3</b>	<b>42.1</b>	<b>(1.4)</b>	<b>143.5</b>	<b>(42.9)</b>	<b>(80.4)</b>
1. Public Sector	38.0	23.9	33.9	52.4	39.4	19.7	16.0	(31.4)	66.7	(145.3)	(232.8)
A. Central Gov't and Non-Financial Public Sector (net)	38.0	13.9	23.9	42.4	39.4	19.7	16.0	14.1	66.7	71.8	72.6
<i>Disbursements</i>	67.0	59.7	47.4	66.1	65.8	45.3	68.0	61.4	102.5	107.0	114.0
<i>Amortization</i>	(29.0)	(45.8)	(23.5)	(23.7)	(26.4)	(25.6)	(52.0)	(47.3)	(35.8)	(35.2)	(41.4)
B. Other (net) 2	-	10.0	10.0	10.0	-	-	-	(45.5)	-	(217.1)	(305.5)
2. Private Sector (net)	52.0	44.0	46.0	67.1	56.0	43.6	26.1	30.0	76.8	102.4	152.4
<i>Short Term Capital (net) 3</i>	<b>12.0</b>	<b>(1.2)</b>	<b>(25.8)</b>	<b>2.0</b>	<b>(10.9)</b>	<b>(8.3)</b>	<b>(27.3)</b>	<b>(5.6)</b>	<b>(16.8)</b>	<b>(4.1)</b>	<b>(95.0)</b>
<b>ERRORS AND OMISSIONS</b>	<b>(16.6)</b>	<b>(4.0)</b>	<b>1.2</b>	<b>13.9</b>	<b>0.5</b>	<b>(5.3)</b>	<b>15.1</b>	<b>(12.2)</b>	<b>(13.1)</b>	<b>24.6</b>	<b>(8.2)</b>
<b>OVERALL BALANCE</b>	<b>4.0</b>	<b>(22.7)</b>	<b>(4.4)</b>	<b>42.5</b>	<b>(11.9)</b>	<b>(25.4)</b>	<b>(8.9)</b>	<b>(43.1)</b>	<b>8.1</b>	<b>42.9</b>	<b>(1.4)</b>
<b>FINANCING</b>	<b>(4.0)</b>	<b>22.7</b>	<b>4.4</b>	<b>(42.5)</b>	<b>11.9</b>	<b>25.4</b>	<b>8.9</b>	<b>43.1</b>	<b>-8.14</b>	<b>-42.9</b>	<b>1.4</b>
<i>Change in Net Foreign Assets of Bank of Guyana (-increase) 4</i>	3.0	22.7	(10.3)	(61.1)	(16.8)	(3.9)	(0.8)	31.5	(23.9)	(61.0)	(37.3)
<i>Change in Non-Financial Public Sector arrears</i>	(25.0)	-	-	-	-	-	-	-	-	-	-
<i>Change in Private Sector Commercial arrears</i>	-	-	14.7	-	-	-	-	-	-	-	-
<i>Exceptional Financing</i>	18.0	-	-	18.6	28.7	29.3	9.7	11.6	15.8	18.1	38.7
<i>Debt Relief</i>	-	-	-	21.3	28.7	29.3	9.7	-	-	-	7.5
<i>Debt Stock Restructuring</i>	18.0	-	-	(2.7)	-	-	-	-	1.8	1.7	2.0
<i>Balance of Payments Support</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Debt Forgiveness</i>	-	-	-	-	-	-	-	11.6	14.0	16.4	29.2

Source : Bank of Guyana, Bureau of Statistics and Ministry of Finance.

1/ Includes MDRI Debt Relief

2/ Includes expenditures for Skeldon Modernisation Program and Berbice Bridge

3/ Includes changes in Net Foreign Assets of Commercial Banks

4/ Includes valuation changes

**TABLE 7-II**  
**INTERNATIONAL RESERVES AND FOREIGN ASSETS**  
**(US\$ Million)**

End Of Period	Bank Of Guyana						Commercial Banks			Banking System		
	International Reserves			Net Foreign Assets			Net Foreign Assets			Net Foreign Assets		
	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities
<b>1997</b>	149.9	315.3	165.4	(33.6)	315.3	348.9	(10.2)	24.3	34.5	(43.8)	339.6	383.4
<b>1998</b>	122.2	276.4	154.2	7.4	276.4	268.9	(7.9)	23.5	31.4	(0.4)	299.9	300.3
<b>1999</b>	126.8	267.0	140.2	46.3	267.0	220.7	17.9	40.1	22.2	64.2	307.2	243.0
<b>2000</b>	178.4	295.8	117.4	107.4	295.8	188.4	18.1	36.7	20.7	125.5	334.6	209.1
<b>2001</b>	187.4	285.1	97.6	124.2	285.1	160.8	34.8	52.3	17.5	159.0	337.4	178.4
<b>2002</b>	183.4	279.5	96.2	128.0	279.5	151.5	40.0	65.9	25.9	167.9	345.4	177.5
<b>2003</b>												
<b>Mar</b>	176.1	272.0	95.9	120.7	272.0	151.3	48.6	72.0	23.4	169.3	343.9	174.7
<b>Jun</b>	172.1	262.4	90.3	120.7	262.4	141.7	50.4	78.8	28.4	171.1	341.2	170.1
<b>Sep</b>	162.3	261.7	99.4	110.9	261.7	150.8	56.2	83.4	27.2	167.2	345.2	178.0
<b>Dec</b>	176.1	271.5	95.4	128.7	271.5	142.8	67.3	92.7	25.4	196.0	364.2	168.2
<b>2004</b>												
<b>Mar</b>	163.8	256.1	92.4	116.4	256.1	139.7	68.4	91.4	23.0	184.7	347.5	162.8
<b>Jun</b>	161.6	246.5	84.9	118.2	246.5	128.3	70.6	94.1	23.5	188.8	340.6	151.8
<b>Sep</b>	163.9	255.1	91.2	120.5	255.1	134.6	76.4	97.9	21.5	196.9	353.0	156.1
<b>Dec</b>	136.6	224.7	88.1	97.2	224.7	127.4	72.9	108.9	36.0	170.1	333.6	163.5
<b>2005</b>												
<b>Mar</b>	143.9	242.2	98.3	104.5	242.2	137.7	78.7	114.7	36.0	183.2	356.9	173.7
<b>Jun</b>	145.0	232.0	87.0	105.6	232.0	126.4	90.4	135.1	44.7	196.0	367.0	171.0
<b>Sep</b>	139.7	238.4	98.7	100.3	238.4	138.1	96.0	137.8	41.8	196.3	376.2	179.9
<b>Dec</b>	160.5	251.4	90.9	121.1	251.4	130.3	87.9	141.2	53.3	209.0	392.6	183.6
<b>2006</b>												
<b>Jan</b>	224.4	251.2	26.8	185.0	251.2	66.2	91.9	141.5	49.6	276.9	392.7	115.8
<b>Feb</b>	219.8	259.7	39.9	180.4	259.7	79.3	94.3	142.1	47.8	274.7	401.8	127.1
<b>Mar</b>	214.5	254.6	40.1	175.1	254.6	79.5	92.6	143.2	50.6	267.6	397.7	130.1
<b>Apr</b>	222.3	263.2	40.9	182.8	263.2	80.3	104.2	158.9	54.7	287.0	422.1	135.1
<b>May</b>	212.7	254.2	41.6	173.3	254.2	81.0	125.2	176.7	51.5	298.4	431.0	132.5
<b>Jun</b>	204.8	245.9	41.1	165.4	245.9	80.6	115.9	169.1	53.2	281.3	415.1	133.8
<b>Jul</b>	212.9	254.2	41.3	173.5	254.2	80.7	107.3	160.1	52.9	280.7	414.3	133.6
<b>Aug</b>	217.9	259.3	41.4	178.5	259.3	80.8	100.3	156.2	55.9	278.8	415.6	136.8
<b>Sep</b>	227.6	282.3	54.7	188.1	282.3	94.2	101.5	153.5	52.0	289.7	435.8	146.1
<b>Oct</b>	235.3	290.2	54.9	195.9	290.2	94.3	93.4	149.9	56.5	289.3	440.1	150.8
<b>Nov</b>	250.0	305.8	55.9	210.5	305.8	95.3	100.6	157.0	56.4	311.1	462.8	151.7
<b>Dec</b>	222.3	278.0	55.8	182.9	278.0	95.2	93.9	148.6	54.7	276.7	426.6	149.9
<b>2007</b>												
<b>Jan</b>	228.3	283.5	55.2	188.9	283.5	94.7	117.1	182.1	65.0	306.0	465.6	159.6
<b>Feb</b>	228.7	284.4	55.8	194.1	284.4	90.4	119.9	185.0	65.1	314.0	469.4	155.4
<b>Mar</b>	223.3	279.2	56.0	188.7	279.2	90.6	126.6	188.5	61.9	315.3	467.7	152.5
<b>Apr</b>	220.8	277.3	56.5	186.2	277.3	91.1	134.9	200.6	65.7	321.1	477.9	156.8
<b>May</b>	210.4	266.5	56.1	175.8	266.5	90.7	148.6	208.5	59.9	324.4	475.0	150.5
<b>Jun</b>	215.0	271.2	56.2	180.4	271.2	90.7	141.1	198.8	57.7	321.5	470.0	148.4
<b>Jul</b>	228.9	285.6	56.7	194.3	285.6	91.3	149.6	198.4	48.8	343.9	484.0	140.1
<b>Aug</b>	231.9	288.7	56.8	197.3	288.7	91.4	150.6	196.9	46.3	347.9	485.6	137.7
<b>Sep</b>	248.3	306.0	57.7	213.8	306.0	92.3	156.5	204.1	47.6	370.3	510.1	139.9
<b>Oct</b>	255.4	313.7	58.3	220.8	313.7	92.8	171.8	224.4	52.6	392.6	538.1	145.4
<b>Nov</b>	266.9	325.8	58.9	232.3	325.8	93.5	169.2	225.1	55.9	401.5	550.9	149.4
<b>Dec</b>	254.0	312.5	58.6	219.4	312.5	93.2	188.9	243.9	54.9	408.3	556.4	148.1

Source: Bank of Guyana and Commercial Banks

**TABLE 8-I**  
**CHANGES IN BANK OF GUYANA TRANSACTION EXCHANGE RATE**  
**(G\$/US\$)**

Date		Rate
14	May 07 - 18 May 07	201.75
21	May 07 - 25 May 07	201.75
28	May 07 - 31 May 07	201.75
01	Jun. 07 -	201.75
04	Jun. 07 - 08 Jun. 07	201.75
11	Jun. 07 -	201.75
12	Jun. 07 - 15 Jun. 07	202.00
18	Jun. 07 - 22 Jun. 07	202.25
25	Jun. 07 -	203.75
26	Jun. 07 - 27 Jun. 07	202.75
28	Jun. 07 -	203.75
29	Jun. 07 -	203.50
03	Jul. 07 - 04 Jul. 07	203.50
05	Jul. 07 -	203.75
06	Jul. 07 -	203.25
09	Jul. 07 -	203.25
10	Jul. 07 -	203.00
11	Jul. 07 -	203.50
12	Jul. 07 -	203.25
13	Jul. 07 -	204.00
16	Jul. 07 -	203.00
17	Jul. 07 - 18 Jul. 07	203.50
19	Jul. 07 -	203.25
20	Jul. 07 -	203.75
23	Jul. 07 -	203.75
24	Jul. 07 - 26 Jul. 07	203.50
27	Jul. 07 -	203.00
30	Jul. 07 - 31 Jul. 07	203.00
02	Aug. 07 -	202.50
03	Aug. 07 -	203.00
06	Aug. 07 -	203.00
07	Aug. 07 - 08 Aug. 07	203.50
09	Aug. 07 -	203.00
10	Aug. 07 -	203.25
13	Aug. 07 -	203.25
14	Aug. 07 -	203.50
15	Aug. 07 -	204.00
16	Aug. 07 -	203.50
17	Aug. 07 -	202.75
20	Aug. 07 - 21 Aug. 07	203.25
22	Aug. 07 -	203.50
23	Aug. 07 -	204.00
24	Aug. 07 -	203.25
27	Aug. 07 -	203.25
28	Aug. 07 - 29 Aug. 07	202.25
30	Aug. 07 -	202.75
31	Aug. 07 -	203.25
03	Sep. 07 -	204.00
04	Sep. 07 -	203.75
05	Sep. 07 -	202.50
06	Sep. 07 -	203.00
07	Sep. 07 -	204.00
10	Sep. 07 - 11 Sep. 07	203.75
12	Sep. 07 -	203.50
13	Sep. 07 -	203.75
14	Sep. 07 -	204.00
17	Sep. 07 -	203.75
18	Sep. 07 -	203.50
19	Sep. 07 -	203.25
20	Sep. 07 -	203.50
21	Sep. 07 -	203.75
24	Sep. 07 - 25 Sep. 07	203.50
26	Sep. 07 - 28 Sep. 07	203.75
01	Oct. 07 -	203.50
02	Oct. 07 -	203.75
03	Oct. 07 -	203.00
04	Oct. 07 -	203.75
05	Oct. 07 - 08 Oct. 07	203.25
09	Oct. 07 - 11 Oct. 07	203.50
12	Oct. 07 - 15 Oct. 07	203.75
16	Oct. 07 -	203.25
17	Oct. 07 -	203.75
18	Oct. 07 - 22 Oct. 07	203.25
23	Oct. 07 -	203.75
24	Oct. 07 -	203.00
25	Oct. 07 -	203.50
29	Oct. 07 -	203.50
29	Oct. 07 -	203.75
30	Oct. 07 -	203.50
31	Oct. 07 -	203.25
01	Nov. 07 - 02 Nov. 07	203.50
05	Nov. 07 -	203.25
06	Nov. 07 - 12 Nov. 07	203.75
13	Nov. 07 -	203.25
14	Nov. 07 -	203.75
15	Nov. 07 -	203.00
16	Nov. 07 - 19 Nov. 07	203.50
20	Nov. 07 -	203.75
21	Nov. 07 -	203.00
22	Nov. 07 -	203.50
23	Nov. 07 -	203.75
26	Nov. 07 -	203.50
27	Nov. 07 -	203.25
28	Nov. 07 - 29 Nov. 07	203.75
30	Nov. 07 -	202.75
03	Dec. 07 -	203.50
04	Dec. 07 -	203.25
05	Dec. 07 -	203.50
06	Dec. 07 -	203.25
07	Dec. 07 - 11 Dec. 07	203.50
12	Dec. 07 -	203.75
13	Dec. 07 -	203.50
14	Dec. 07 - 17 Dec. 07	203.00
18	Dec. 07 -	203.25
19	Dec. 07 -	203.75
21	Dec. 07 -	203.25
24	Dec. 07 - 27 Dec. 07	203.75
28	Dec. 07 - 31 Dec. 07	203.50

Source: Bank of Guyana

Note: Effective from October 1, 1991 the official exchange rate fluctuates either daily or periodically and is the average of the Telegraphic Transfer Rates of the three (3) largest Commercial Banks.

**TABLE 8-II  
EXCHANGE RATE  
(G\$/US\$)**

<b>Guyana</b>		
<b>Year</b>	<b>Period Ended</b>	<b>Period Average</b>
<b>1997</b>	144.00	142.58
<b>1998</b>	165.25	150.52
<b>1999</b>	180.50	177.65
<b>2000</b>	184.75	182.44
<b>2001</b>	189.50	187.32
<b>2002</b>	191.75	191.75
<b>2003</b>		
<b>Mar</b>	193.75	192.41
<b>Jun</b>	193.75	193.45
<b>Sep</b>	195.25	194.61
<b>Dec</b>	194.25	195.50
<b>2004</b>		
<b>Mar</b>	197.25	196.97
<b>Jun</b>	198.75	198.43
<b>Sep</b>	200.00	199.38
<b>Dec</b>	199.75	199.78
<b>2005</b>		
<b>Mar</b>	199.75	199.75
<b>Jun</b>	200.25	200.19
<b>Sep</b>	200.00	199.82
<b>Dec</b>	200.25	200.14
<b>2006</b>		
<b>Jan</b>	200.25	200.25
<b>Feb</b>	200.25	200.25
<b>Mar</b>	199.75	199.82
<b>Apr</b>	200.00	199.93
<b>May</b>	200.00	200.00
<b>Jun</b>	200.00	200.00
<b>Jul</b>	200.00	200.00
<b>Aug</b>	200.00	200.00
<b>Sep</b>	200.00	200.00
<b>Oct</b>	200.75	200.41
<b>Nov</b>	200.75	200.75
<b>Dec</b>	201.00	200.92
<b>2007</b>		
<b>Jan</b>	200.75	200.86
<b>Feb</b>	200.75	200.67
<b>Mar</b>	201.75	201.75
<b>Apr</b>	201.75	201.75
<b>May</b>	201.75	201.75
<b>Jun</b>	203.50	202.30
<b>Jul</b>	203.00	203.39
<b>Aug</b>	203.25	203.23
<b>Sep</b>	203.75	203.60
<b>Oct</b>	203.25	203.52
<b>Nov</b>	202.75	203.49
<b>Dec</b>	203.50	203.49

Source: Bank of Guyana

**TABLE 9-I**  
**GROSS DOMESTIC PRODUCT, INCOME AND EXPENDITURE (AT CURRENT PRICES)**  
**(G\$ Million)**

Item	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>PRODUCT</b>											
Sugar	14,560	12,427	16,906	13,852	12,029	15,402	18,448	20,074	16,707	20,457	15,794
Rice	9,301	9,438	9,950	7,345	9,057	8,565	8,621	8,790	7,968	9,316	9,280
Livestock	1,807	1,881	2,111	2,330	2,546	2,754	2,979	3,224	3,502	3,540	4,098
Other Agriculture	4,478	4,953	5,482	5,982	5,825	5,971	5,415	5,860	6,367	7,099	8,465
Fishing	5,532	5,813	6,282	7,240	7,780	7,768	8,389	8,812	10,126	10,214	12,016
Forestry	3,103	2,107	2,569	2,232	2,433	2,295	2,411	2,443	2,955	3,674	3,658
Mining & Quarrying	15,565	14,439	16,156	17,235	17,603	17,671	15,930	15,786	14,031	15,009	19,209
Manufacturing <sup>1</sup>	3,297	3,191	3,681	3,434	3,599	3,953	3,874	4,111	5,064	5,541	6,380
Distribution	3,855	4,194	4,268	4,755	4,927	5,024	4,996	5,407	7,026	8,054	9,920
Transport & Communication	5,183	6,204	7,138	8,401	9,599	10,432	11,502	12,630	15,213	17,438	21,867
Engineering & Construction	4,446	4,913	4,771	5,335	5,589	5,580	6,199	6,840	8,388	9,790	11,579
Rent of Dwelling	3,489	3,632	3,848	4,360	4,567	4,704	5,087	5,506	6,389	7,323	8,508
Financial Services	2,974	3,087	3,387	4,174	4,049	4,149	4,400	4,715	5,473	6,159	7,447
Other Services	1,315	1,406	1,570	1,851	1,979	2,043	2,201	2,372	2,894	3,257	3,898
Government	10,839	12,786	16,976	19,560	20,636	21,451	22,809	23,836	25,528	27,132	29,072
G.D.P. current at Factor Cost	89,744	90,472	105,095	108,087	112,219	117,762	123,261	130,534	137,633	154,000	171,190
Indirect Taxes net of Subs.	16,934	17,531	18,570	21,926	21,185	20,685	20,803	25,824	27,240	29,084	46,362
G.D.P. at Market Prices	106,678	108,003	123,665	130,013	133,403	138,447	144,064	156,230	164,873	183,084	217,552
Net factor income paid abroad	10,460	8,455	12,216	8,022	9,612	10,485	8,325	6,320	4,088	8,792	7,228
G.N.P. at factor cost	79,284	82,017	92,879	100,065	102,608	107,278	114,936	124,085	133,545	145,208	163,962
G.N.P. at market prices	96,218	99,548	111,449	121,991	123,792	127,962	135,739	149,909	160,785	163,771	222,858
<b>EXPENDITURE</b>											
<i>Domestic Expenditure at market prices</i>	116,812	120,987	131,669	150,676	155,888	155,929	160,016	172,750	218,710	246,589	309,720
Public Investment <sup>2</sup>	19,110	16,527	16,160	19,684	18,170	20,291	19,393	19,587	21,938	41,806	42,349
Private Investment <sup>3</sup>	27,989	28,252	31,443	30,381	33,205	32,375	31,080	30,458	31,372	41,012	44,513
Public Consumption	21,747	23,151	29,947	35,798	30,505	32,976	37,928	37,732	44,374	44,284	53,381
Private Consumption	47,966	53,057	54,119	64,813	74,008	70,287	71,615	84,972	121,027	119,487	169,477

Source: Bureau of Statistics and Bank of Guyana

Components may not add up due to rounding

<sup>1</sup> Includes Utilities

<sup>2</sup> Includes Investment of Public Enterprises

<sup>3</sup> Includes Stock Changes



**TABLE 9-II**  
**GROSS DOMESTIC PRODUCT (AT 1988 PRICES)**  
**(G\$ Million)**

Item	1997	1998	1999	2000	2001	2002	2003	2004	2005**	2006**	2007
<b>GDP AT FACTOR COST</b>	5,360	5,270	5,426	5,352	5,474	5,537	5,500	5,587	5,723	6,008	6,068
<b>AGRICULTURE, FORESTRY AND FISHING</b>	1,577	1,475	1,670	1,519	1,571	1,626	1,588	1,633	1,706	1,817	1,829
Sugarcane	648	600	754	642	668	748	664	714	761	802	824
Rice Paddy	153	153	161	130	143	129	161	148	168	189	183
Livestock	111	109	111	116	119	125	130	133	129	125	128
Other crops	255	272	275	278	281	285	291	297	288	308	322
Fishing	146	142	143	164	165	159	159	157	161	156	161
Forestry	264	200	226	189	195	180	183	184	199	237	211
<b>MINING AND QUARRYING</b>	628	645	591	626	652	607	554	518	426	334	409
Bauxite	255	262	240	254	267	249	222	207	104	76	168
Other	373	383	351	372	385	358	332	311	322	258	241
<b>MANUFACTURING</b>	629	575	654	563	577	640	637	653	591	614	367
Sugar	206	190	240	204	212	276	271	292	216	230	158
Rice	57	56	64	50	56	48	57	52	29	20	33
Other	367	328	350	309	309	316	309	309	346	364	176
<b>CONSTRUCTION</b>	450	471	424	452	461	443	468	487	533	597	631
<b>SERVICES</b>	2,075	2,103	2,087	2,193	2,213	2,222	2,253	2,296	2,467	2,646	2,830
Distribution	417	439	404	425	427	423	412	420	483	532	579
Transport and Communications	453	439	448	480	506	529	555	575	629	692	782
Rental of dwellings	88	93	87	92	94	94	97	98	104	114	118
Financial services	285	294	300	309	293	290	293	296	315	340	364
Government	651	650	657	689	689	682	686	694	708	722	729
Other <sup>1</sup>	181	188	191	198	204	204	210	213	228	246	258

Source: Bureau of Statistics

Components may not add to the total due to rounding

<sup>1</sup> Includes electricity, gas and water

**TABLE 10-I**  
**INDICES OF OUTPUT OF SELECTED COMMODITIES**

Commodities	Unit	Output in 2000	(2000 = 100)										
			1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>AGRICULTURE</b>													
Sugar	Tonnes	273,703	101.0	93.4	117.4	100.0	103.9	121.0	110.5	118.9	90.0	94.8	97.4
Rice	Tonnes	291,841	116.7	116.4	125.2	100.0	110.4	98.8	121.6	111.6	93.6	105.2	102.2
Coconuts*	Nuts	98,850,800	106.1	71.8	91.1	100.0	53.2	73.1	106.3	89.8	75.1	62.6	69.3
Cassava* <sup>1</sup>	Tonnes	44,854	61.9	57.9	62.6	100.0	64.5	44.7	61.1	60.0	44.7	51.6	45.0
Other Ground Provisions* <sup>2</sup>	"	15,254	69.8	45.5	56.4	100.0	74.9	35.5	57.2	71.3	51.1	56.1	46.5
Plantains*	"	23,292	64.0	35.3	27.7	100.0	72.7	39.7	23.3	20.9	15.4	17.5	18.0
Bananas*	"	18,644	67.6	60.0	48.8	100.0	91.9	107.6	90.2	42.5	142.9	35.4	31.6
Mango*	"	9,118	91.6	58.4	125.4	100.0	124.9	14.1	56.4	40.9	32.9	55.8	44.8
Pineapples*	"	3,180	211.3	37.3	78.7	100.0	139.3	16.0	52.3	85.8	50.2	95.5	40.9
Citrus* <sup>3</sup>	"	14,485	26.2	29.7	44.8	100.0	81.9	23.9	54.5	59.2	43.9	68.5	52.5
Cereals & Legumes*	"	4,596	81.2	83.6	82.1	100.0	55.6	39.0	36.1	48.7	41.3	41.7	32.7
Eschallot*	"	4,524	67.3	34.0	40.2	100.0	49.8	14.4	25.2	8.7	8.0	17.4	11.3
Hot Pepper*	"	4,878	25.1	27.6	27.7	100.0	65.2	5.8	44.6	41.1	19.8	43.1	38.6
Bora*	"	12,484	36.3	36.0	35.4	100.0	42.1	6.0	42.2	35.5	18.6	34.3	36.6
Tomatoes*	"	4,683	35.1	26.5	35.2	100.0	56.3	5.6	56.0	33.8	17.0	86.1	42.7
Coffee*	"	15	99.9	921.3	1,984.5	100.0	1,235.1	2,499.3	1,450.0	4,241.9	2,293.2	1,956.1	1,456.1
Poultry Meat	"	11,769	101.8	95.8	105.6	100.0	106.1	142.2	201.2	206.6	192.9	175.8	213.3
Eggs	No.	30,118,600	100.8	79.8	85.4	100.0	85.3	57.7	30.8	71.3	80.1	17.9	21.6
<b>FISHERIES</b>													
Fish	Tonnes	28,629	124.5	136.9	144.1	100.0	88.2	88.0	117.8	128.2	105.9	89.7	95.7
Prawns	"	1,132	163.8	171.0	141.0	100.0	166.9	134.5	102.6	96.0	90.1	146.8	57.9
Shrimp	"	18,196	116.0	70.4	70.3	100.0	153.7	112.9	117.7	75.4	95.5	93.1	197.0
<b>FORESTS</b>													
Greenheart & Other Logs	Cu.Mt	284,882	109.1	91.5	116.0	100.0	105.0	95.0	73.9	117.7	112.8	138.3	116.0
Sawnwood	Cu.Mt	2,176	215.8	177.1	92.0	100.0	147.5	1,197.7	1,720.5	1,680.2	1,525.1	3,105.9	3,418.2
Plywood	Cu.Mt	89,155	75.4	85.3	97.1	100.0	85.3	63.0	50.7	60.8	41.6	39.1	38.6
<b>MINING &amp; QUARRYING</b>													
<i>Bauxite :</i>													
R.A.S.C.	Tonnes	105,716	168.1	139.2	101.9	100.0	86.5	58.8	82.5	124.4	201.2	141.3	206.4
C.G.B.	"	102,247	90.4	126.7	84.5	100.0	215.5	125.6	161.6	111.7	172.2	170.7	260.6
M.A.Z.	"	2,443,404	90.1	80.4	87.1	100.0	68.8	59.3	59.7	50.5	52.7	47.0	72.7
Gold	Ozs.	434,906	107.6	108.0	95.6	100.0	104.8	104.3	90.0	84.7	61.5	41.9	54.8
Diamonds	Met.cts.	81,706	44.8	42.1	57.1	100.0	219.6	304.1	504.9	556.8	436.9	416.8	329.2
<b>MANUFACTURING</b>													
Garments	Dozs.	199,087	147.7	125.2	123.4	100.0	145.5	204.8	140.5	115.7	45.0	70.5	82.1
Footwear	Pairs	15,627	281.6	212.1	113.6	100.0	179.6	343.2	240.1	202.9	191.4	60.4	195.5
Margarine	Kg	2,077,771	86.8	85.2	94.8	100.0	104.8	34.2	92.4	99.2	86.3	109.0	111.2
Flour	Tonnes	35,880	97.5	91.4	98.4	100.0	102.1	101.9	96.6	100.8	102.6	104.2	95.3
Biscuits	Kg	1,456,100	96.0	100.7	106.2	100.0	100.4	86.3	81.8	93.5	80.6	73.5	53.8
Areated Bev.	Ltr	37,943,900	118.5	114.7	108.5	100.0	94.5	106.9	113.0	115.5	113.6	104.2	101.0
Rum	Ltr	9,205,500	253.5	232.6	149.8	100.0	143.8	158.5	129.9	127.3	127.6	128.9	136.3
Beer & Stout	Ltr	12,977,900	104.8	105.5	104.8	100.0	92.1	100.6	80.9	84.7	91.9	94.0	93.0
Malta	Ltr	1,523,378	92.4	103.6	106.7	100.0	92.2	102.9	71.9	65.4	59.2	69.8	53.6
Stockfeeds	Tonnes	28,548	78.9	76.5	93.1	100.0	111.9	134.5	131.6	137.0	134.2	141.2	164.1
Neutral Alcohol	Ltr	4,705,900	94.7	97.8	114.8	100.0	103.4	53.0	121.0	106.8	112.4	103.2	102.3
Paints	Ltr	1,855,988	63.6	65.1	99.5	100.0	98.0	104.1	103.1	105.8	116.9	129.5	133.7
Pharmaceutical Liquids	Ltr.	350,507	50.2	74.6	56.8	100.0	66.0	89.3	66.2	75.0	129.1	174.0	234.5
Electricity	M.W.H.	540,145	72.3	79.8	94.8	100.0	106.8	107.6	101.7	106.8	97.8	99.0	103.5

Source: \*Ministry of Agriculture and Bureau of Statistics

<sup>1</sup> Includes Bitter & Sweet

<sup>2</sup> Includes Eddo, Yam, Sweet Potato & Tannia/Dasheen

<sup>3</sup> Includes Oranges, Grapefruit, Limes & Other Citrus

**TABLE 10-II**  
**Georgetown: Urban Consumer Price Index**  
**(Jan 1994=100)**

End of Period **	All Items Index	Sub-Group Indices			
		Food <sup>1</sup>	Clothing	Housing <sup>2</sup>	Miscellaneous
<b>1997</b>	135.3	142.9	81.9	144.5	125.0
<b>1998</b>	141.7	146.9	76.1	144.0	133.4
<b>1999</b>	154.0	157.0	73.8	158.7	138.1
<b>2000</b>	163.0	163.7	72.7	179.4	155.7
<b>2001</b>	165.4	167.6	73.2	182.2	155.4
<b>2002</b>	175.5	170.9	74.6	199.6	156.0
<b>2003</b>					
<b>Mar</b>	178.5	173.4	75.2	203.1	157.9
<b>Jun</b>	182.1	173.8	75.2	212.9	158.5
<b>Sep</b>	184.3	176.9	75.2	213.0	158.2
<b>Dec</b>	184.3	175.8	75.2	213.3	158.7
<b>2004</b>					
<b>Mar</b>	186.5	177.8	75.2	216.0	158.9
<b>Jun</b>	190.9	183.8	75.2	220.0	160.6
<b>Sep</b>	193.1	187.3	75.2	221.0	161.1
<b>Dec</b>	194.4	185.6	75.2	228.5	161.6
<b>2005</b>					
<b>Mar</b>	197.9	191.8	75.2	229.2	162.9
<b>Jun</b>	200.8	195.8	75.2	231.5	163.9
<b>Sep</b>	209.1	198.1	75.2	249.4	164.5
<b>Dec</b>	209.3	197.3	75.2	251.4	164.6
<b>2006</b>					
<b>Jan</b>	213.8	206.8	75.4	253.7	166.3
<b>Feb</b>	216.0	210.7	75.4	254.9	166.4
<b>Mar</b>	217.0	211.2	75.4	256.2	166.4
<b>Apr</b>	215.8	207.9	75.4	256.3	166.4
<b>May</b>	215.5	205.7	75.4	258.1	166.5
<b>Jun</b>	217.6	210.0	75.4	258.1	167.0
<b>Jul</b>	218.3	210.1	75.4	261.1	167.1
<b>Aug</b>	219.6	210.6	75.4	263.6	167.4
<b>Sep</b>	218.5	210.4	75.4	264.2	167.7
<b>Oct</b>	217.0	207.8	75.4	261.7	169.4
<b>Nov</b>	218.2	210.3	75.4	261.9	170.9
<b>Dec</b>	219.2	212.4	75.4	261.4	170.9
<b>2007</b>					
<b>Jan</b>	233.7	229.1	85.0	268.0	190.4
<b>Feb</b>	234.4	229.1	85.0	268.4	202.5
<b>Mar</b>	234.8	227.6	85.1	272.3	202.5
<b>Apr</b>	237.5	227.5	86.3	275.4	208.7
<b>May</b>	242.9	236.5	86.3	282.5	208.5
<b>Jun</b>	246.1	243.2	86.3	282.5	209.3
<b>Jul</b>	248.4	248.2	86.4	282.5	208.7
<b>Aug</b>	248.9	250.2	86.5	282.5	209.5
<b>Sep</b>	249.7	252.9	86.5	282.6	209.7
<b>Oct</b>	249.1	253.0	86.5	279.3	209.4
<b>Nov</b>	249.1	253.9	86.6	279.3	209.4
<b>Dec</b>	250.0	256.2	86.6	277.6	209.6

Source: Bureau of Statistics

<sup>1</sup> Includes Beverages & Tobacco

<sup>2</sup> Includes Rent, Fuel & Power

**TABLE 10-III**  
**Estimated Population and Labour Force**  
**(Thousand)**

Year	Population (Mid Year) <sup>1</sup>	Population Aged 15-65 years	Labour Force
1987	756.3	443.9	273.0
1988	755.6	448.1	274.1
1989	754.8	446.1	273.4
1990	749.9	442.4	271.4
1991	723.1	427.4	261.9
1992	712.5	467.2	283.0
1993	734.8	449.0	270.5
1994	746.0	453.6	273.9
1995	760.4	462.3	279.2
1996	770.1	468.2	282.8
1997	775.1	471.3	284.6
1998	773.4	470.2	284.0
1999	772.8	469.9	283.8
2000	742.0	451.1	272.4
2001	743.6	452.1	273.0
2002 <sup>2</sup>	747.7	484.0	271.7
2003	752.5	457.5	276.3
2004	755.1	459.1	277.3
2005	757.6	460.6	278.2
2006	760.2	462.2	279.1
2007	763.2	464.0	280.2

Sources:

<sup>1</sup> Budget Report Speeches

<sup>2</sup> Taken from census report

## GENERAL NOTES

### Symbols Used

- ... Indicates that data are not available;
- Indicates that the figure is zero or less than half the final digit shown or that the item does not exist;
- Used between two period (eg 1989-90 or July-September) to indicate the years or months covered including the beginning and the ending year or month as the case may be;
- / Used between years (eg 1989/90) to indicate a crop year or fiscal year.
- = Means incomplete data due probably to under-reporting or partial response by respondents.
- \* Means preliminary figures.
- \*\* Means revised figures.

In some cases, the individual items do not always sum up to the totals due to rounding.

### Acknowledgement

The Bank of Guyana wishes to express its appreciation for the assistance received from the Ministry of Finance, State Planning Secretariat, Commercial Banks, Bureau of Statistics, some Public Corporations and other Private Sector agencies in the compilation of the data.

## **APPENDIX I**

### **LIST OF COMMERCIAL BANKS AND BRANCHES AS AT DECEMBER 31, 2007**

**1. REPUBLIC BANK (GUYANA) LIMITED:- 155-156 New Market Street, Georgetown**

**BRANCHES**

- (a) Main Branch - 38-40 Water Street, Georgetown
- (b) Camp Street - 110 Camp & Regent Streets, Georgetown
- (c) New Amsterdam - 16-17 Water & New Streets, New Amsterdam, Berbice
- (d) Rose Hall - 20 Public Road, Rose Hall, Corentyne, Berbice
- (e) Linden - 101-102 Republic Avenue, Mackenzie, Linden
- (f) Corriverton - 5, No. 78 Village, Corriverton, Berbice
- (g) Anna Regina - 6 Public Road, Anna Regina, Essequibo Coast
- (h) Rosignol - 30-32 Public Road, Rosignol, West Bank Berbice
- (i) G. P. O. Building - North Road & Savage Streets, Lacytown Georgetown
- (j) Vreed-en-Hoop - 27 'C' Stelling Road, Vreed-en-Hoop, West Coast Demerara

**2. GUYANA BANK FOR TRADE & INDUSTRY LIMITED:- 47-48 Water Street, Georgetown**

**BRANCHES**

- (a) Regent Street - 138 Regent Street, Lacytown, Georgetown
- (b) Corriverton - 211, No. 78 Village, Corriverton, Berbice
- (c) Anna Regina - 2, Anna Regina, Essequibo Coast
- (d) Parika - 300, Parika, East Bank Essequibo
- (e) Vreed-en-Hoop - 'N' Vreed-en-Hoop, West Bank Demerara
- (f) Lethem - 121 Lethem, Rupununi
- (g) Providence - c/o Buddy's International Hotel, Providence, East Bank Demerara

**3. BANK OF NOVA SCOTIA:- 104 Carmichael Street, North Cummingsburg, Georgetown**

**BRANCHES**

- (a) Scotiabank - 63 Robb Street & Avenue of the Republic, Lacytown, Georgetown
- (b) New Amsterdam - 12 Strand, New Amsterdam, Berbice
- (c) Parika - 299 E ½ Parika Highway, Essequibo
- (d) Bartica - 42 Second Avenue, Bartica, Essequibo River

**4. BANK OF BARODA (GUYANA) INC.:- 10 Avenue of the Republic, Georgetown**

**5. DEMERARA BANK LIMITED:- 230 Camp Street & South Road, Georgetown**

**BRANCH**

- (a) Rose Hall - 71 Public Road, Rose Hall, Corentyne, Berbice

**6. CITIZENS BANK GUYANA INC.:- 201 Charlotte & Camp Streets, Georgetown**

**BRANCHES**

- (a) Parika - 298, Parika, East Bank Essequibo
- (b) Bartica - 16 First Avenue, Bartica, Essequibo
- (c) Thirst Park - Banks DIH Complex, Thirst Park

## **APPENDIX II**

### **LICENSED FOREIGN CURRENCY DEALERS AS AT DECEMBER 31, 2007**

<b>No.</b>	<b>Name</b>	<b>Address of Licensed Premises</b>
1	A & N Sarjoo Cambio	15-16 America Street, Georgetown
2	Bank of Baroda (Guyana) Inc.	10 Avenue of the Republic, Georgetown
3	a) Bank of Nova Scotia (Head Office)	104 Carmichael Street, North Cummingsburg, Georgetown
	b) Scotiabank	63 Robb Street & Avenue of the Republic, Lacytown, Georgetown
	c) New Amsterdam	12 Strand, New Amsterdam, Berbice
	d) Parika	299 E ½ Parika Highway, Essequibo
	e) Bartica	42 Second Avenue, Bartica, Essequibo River
4	Cambio Royale	69 Main Street, South Cummingsburg, Georgetown
5	a) Citizens Bank Guyana Inc. (Head Office)	201 Charlotte & Camp Streets, Georgetown
	b) Parika	298, Parika, East Bank Essequibo
6	Commerce House Cambio	93 Regent Street, Lacytown, Georgetown
7	Confidential Cambio	29 Lombard Street, Werk-en-Rust, Georgetown
8	a) Demerara Bank Limited (Head Office)	230 Camp Street & South Road, Georgetown
	b) Rose Hall	71 Public Road, Rose Hall, Corentyne, Berbice
9	F & F Foreign Exchange Enterprise Cambio	25 'A' Water Street, Georgetown
10	Guyana Pegasus Hotel Cambio	Sea Wall Road, Kingston, Georgetown
11	a) Guyana Bank for Trade & Industry Limited (Head Office)	47-48 Water Street, Georgetown
	b) Regent Street	138 Regent Street, Lacytown, Georgetown
	c) Corriverton	211, No. 78 Village, Corriverton, Berbice

## LICENSED FOREIGN CURRENCY DEALERS AS AT DECEMBER 31, 2007 (CONT'D)

d)	Anna Regina	2, Anna Regina, Essequibo Coast
e)	Parika	300, Parika, East Bank Essequibo
f)	Vreed-en-Hoop	'N' Vreed-en-Hoop, West Bank Demerara
g)	Providence	c/o Buddy's International Hotel, Providence, East Bank Demerara
12	Hand-in-Hand Trust Corporation Inc.	62-63 Middle Street, North Cummingsburg, Georgetown
13	Gobind Variety Store & Cambio	96 Regent Street, Lacytown, Georgetown
14	L. Mahabeer & Son Cambio	124 King Street, Lacytown, Georgetown
15	Laparkan Financial Services Ltd. Cambio	William Fogarty's Building, 34-37 Water Street, Georgetown
16	Martina's Cambio	19 Hinck Street, Georgetown
17	Mohamed's Cambio	20 Regent Street, Robbstown, Georgetown
18	NM Services Ltd. Cambio	R5, Ruimveldt, Greater Georgetown
19	a) Republic Bank (Guyana) Limited (Head Office)	155-156 New Market Street, Georgetown
	b) Main Branch	38-40 Water Street, Georgetown
	c) Camp Street	110 Camp & Regent Streets, Georgetown
	d) New Amsterdam	16-17 Water & New Streets, New Amsterdam, Berbice
	e) Rose Hall	20 Public Road, Rose Hall, Corentyne, Berbice
	f) Linden	101-102 Republic Avenue, Mackenzie, Linden
	g) Corriverton	5, No. 78 Village, Corriverton, Berbice
	h) Anna Regina	6 Public Road, Anna Regina, Essequibo Coast
	i) Rosignol	30-32 Public Road, Rosignol, West Bank Berbice
	j) G. P. O. Building	North Road & Savage Streets, Lacytown Georgetown
	k) Vreed-en-Hoop	27 'C' Stelling Road, Vreed-en-Hoop, West Coast Demerara
20	R. Sookraj Cambio	108 Regent Street, Georgetown
21	Salt & Pepper Cambio	14 Longden & Croal Streets, Stabroek, Georgetown



## **BANK OF GUYANA**

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Guyana

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