



**TRADE POLICY REVIEW**

REPORT BY

GUYANA

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Guyana is attached.

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## 1 INTRODUCTION

1.1. Since its previous Trade Policy Review in 2009, Guyana has experienced several critical political and policy developments which have impacted the country's development prospects and economic planning profoundly.

1.2. In November 2011, following the country's General Elections, the incumbent government was returned to office as a minority government with the Parliamentary opposition having a one-seat majority in the National Assembly. This development immediately evidenced increased advocacy by the parliamentary opposition and the wide cross-section of Guyanese society for improved governance, transparency and public accountability in government, particularly in the administration of the trade and investment regimes and the conduct of public procurement policy and practices. The National Assembly also pressed for legislative action in support of the long-delayed local government elections throughout the country and improved civil society involvement in national policy-making.

1.3. Following the 11 May, 2015 General Elections, a new Coalition government comprising the former parliamentary opposition was elected to Office with a one-seat parliamentary majority in the National Assembly. In keeping with the new government's vision and economic development programme, several public sector reforms, such as the following, have been initiated or announced as key and critical priorities, in the immediate to medium term, to raise the country's economic profile and advance its integration in the regional and global economy:

- (i) Strengthening of the trade and investment regimes through appropriate amendments to laws for tax reform and non-discriminatory treatment of investors.
- (ii) Updating of the Anti-Money Laundering and Countering the Financing of Terrorism Legislation.
- (iii) Establishment of the constitutionally mandated public procurement commission to oversee government's procurement practices and ensure transparency and fair treatment in the award of public tenders.
- (iv) Improvement of the customs and trade administration, including implementation of the trade facilitation agreement under the World Trade Agreement.
- (v) Establishing a comprehensive ICT policy and legal framework to fast track economic diversification, development of non-traditional sectors for job opportunities among women, youth and SMEs.
- (vi) Liberalization of the telecommunications sector to encourage fair competition and expansion of infrastructure.
- (vii) Strategic Tourism Development Plan to accelerate services sector development and exports.
- (viii) Strengthening of trade and labour practices through appropriate revisions to laws and regulations and improved consultative framework.
- (ix) Improvement to trade and environment relations through promotion of a "green economy", sustainable harvesting of Guyana's forest products and rigorous enforcement of environmental legislation, including reform of the environmental tax.

## 2 TRADE POLICY ENVIRONMENT

2.1. The Ministry of Foreign Affairs is responsible for the development and administration of the country's foreign trade policy. In this regard, the Ministry implements the national trade agenda in coordination with other trade-related public and non-state agencies.

2.2. Over the past three decades, Guyana's trade policy has become increasingly and inextricably linked to the country's overall foreign policy. At the regional level, Guyana, as a member of the Caribbean Community (CARICOM), attaches great importance to its participation in the Community's regional trade arrangements as the main vehicle to enhance the country's integration in the world economy and is fully committed to the realization of the CARICOM Single Market and Economy (CSME). As such, the country's trade policy, including its external trade negotiations with third countries, is closely aligned with the overall trade policy of the Community.

2.3. At the multilateral level, Guyana remains fully committed to achieving a successful conclusion of the negotiations under the WTO Doha Development Agenda (DDA). Guyana also supports the commitments achieved under the Bali Package as a realistic approach to securing the development-oriented and balanced outcomes being advocated for small vulnerable economies (SVEs). The multilateral negotiation is, indeed, important to the sustainable development of a small developing economy such as Guyana with a high degree of trade openness.

2.4. As stated in the previous Review of 2009 "Guyana is a very open economy and its support for a transparent, rules-based, multilateral trading system is unambiguous..." This policy approach will continue to underpin the country's foreign trade agenda in the foreseeable future.

### **3 TRADE POLICY DEVELOPMENTS**

3.1. During the period under Review, Guyana implemented the following key trade developments:

#### **3.1 Implementation of the Economic Partnership Agreement (EPA)**

3.2. In January 2011, Guyana commenced implementation of its tariff liberalization commitments under the Economic Partnership Agreement (EPA) between the European Union and the CARIFORUM Group of States. The agreed tariff liberalization under the EPA will be phased through to 2032.

#### **3.2 Review of the Economic Partnership Agreement (EPA)**

3.3. In 2013, Guyana collaborated with its partners in the CARIFORUM Group of States and the European Union to commence the first Five Year Review of the Economic Partnership Agreement (EPA). The basis for the Review of the Economic Partnership Agreement (EPA) is set out in the Joint Declaration on The Signing of the Agreement. The Joint Declaration provides for the Five Year Review, by stating that "a comprehensive review of the Agreement shall be undertaken not later than five (5) years after the date of signature and at five-yearly intervals, in order to determine the impact of the Agreement, including the costs and consequences of implementation. The Parties also "undertake to amend its provisions and adjust their application as necessary."

3.4. The Review process was initiated with two technical studies, commissioned respectively by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) and the EU/CARIFORUM (jointly). The assessments and technical follow-up arising from these studies as well as individual country assessments will inform the appraisals and dialogue to be undertaken later in 2015 by the CARIFORUM-EU Ministerial Joint Council and other joint bodies established under the EPA.

#### **3.3 Trade Facilitation**

3.5. In September 2013, in preparation for the 9<sup>th</sup> WTO Ministerial Conference held in Bali, Indonesia later that year, Guyana conducted a WTO-assisted National Trade Facilitation Needs Assessment to identify the country's needs and priorities in the WTO Trade Facilitation Negotiations. In April 2015, Guyana established its National Committee on Trade Facilitation to oversee the implementation of the WTO Trade Facilitation Agreement agreed in Bali. The Committee is jointly coordinated by the Ministry of Foreign Affairs (Foreign Trade) and the Guyana Revenue Authority (Customs and Trade Administration) and includes representation from other relevant border and trade-related agencies.

## **4 ECONOMIC INFRASTRUCTURE AND DIVERSIFICATION**

4.1. Given the country's physical size and terrain and the predominant concentration of the population on the narrow Atlantic coast, infrastructural development is critical for the vital economic transformation and population settlement. At the same time, however, the country's trade-related infrastructural needs extend beyond the national boundaries. In addition to being a member of the Caribbean Community (CARICOM), Guyana is also a mainland country in South America. As such, it has to pursue trade strategies and physical integration projects that would enable it to expand trade and economic cooperation with its South American neighbours with which it shares borders, and at the same time foster inter-regional trade and investment linkages.

### **4.1 Information and Communication Technologies (ICT)**

4.2. In addressing the 'Economic Infrastructure' requirements for the country's trade expansion and integration into the world economy, the government has identified the Information and Communication Technologies (ICT) as a top priority. Greater use of ICT will help firms reduce their costs, enhance their productivity and increase overall efficiency, and thus make a greater contribution to economic growth. Some key elements of the government's ICT policy are:

- A legal and regulatory framework to create an enabling legal and regulatory environment that recognises that ICTs are now tradable and that the ICT sector (including telecommunications) must be organized along competitive lines to ensure growth and development within the sector and the economy as a whole.
- Development of the knowledge, skills and attitudes required for ICT use across all sectors.
- Industry use of ICT to create an enabling and conducive environment for investment and the development of a vibrant and sustainable economy.
- Government as an active participant and user of ICT (to simplify government transactions, improve accountability, make interaction between citizens and the Government easier and quicker, advance rights like the access to information).
- Security to significantly improve the effectiveness of law enforcement by utilizing fixed and mobile network infrastructure.
- Encourage and support the use of ICT to predict, monitor and respond to disasters and in environmental management.

### **4.2 Services and Investment**

4.3. The global trading environment has already signalled key changes in the post-2015 period. Guyana must pay careful attention to improving its competitive posture through accelerated diversification of its economic base. This will require a robust approach to, among other things, the services and investment sectors.

4.4. With the erosion of traditional preferences for the country's key agricultural exports to the developed country markets and faster growth in global services production, the government will pursue the development of the services sector and increased services exports. In Guyana, production of services exceeds 60% of GDP but accounts for less than 12% of exports. The potential, therefore, for the development of the services sector and the expansion of services exports is immense. For this to happen, however, the capacity of Guyanese services providers to access export markets will have to be further developed through foreign investment and aid for trade support.

### **4.3 New markets**

4.5. Guyana's export trade has traditionally been concentrated in the developed markets of Europe and North America, in addition to the regional CARICOM market. Sustained effort by the Government and the private sector is targeted at diversifying the destination of Guyana's

expanding exports through negotiation and/or implementation of effective market access in non-traditional markets.

## **5 PUBLIC-PRIVATE DIALOGUE AND CONSULTATION**

5.1. In keeping with its declared public policy of good governance and transparency, the Government of Guyana is committed to the consultative process and focused public-private dialogue to enhance the understanding and involvement of the Guyanese public in the development of the country's trade policy and to encourage the broad appreciation of the benefits and impact of trade and trade liberalization.

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