

BANK OF GUYANA

Annual Report 2006



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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 30, 2007

*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 2006, 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 2006 is incorporated in the report.

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

Yours sincerely,

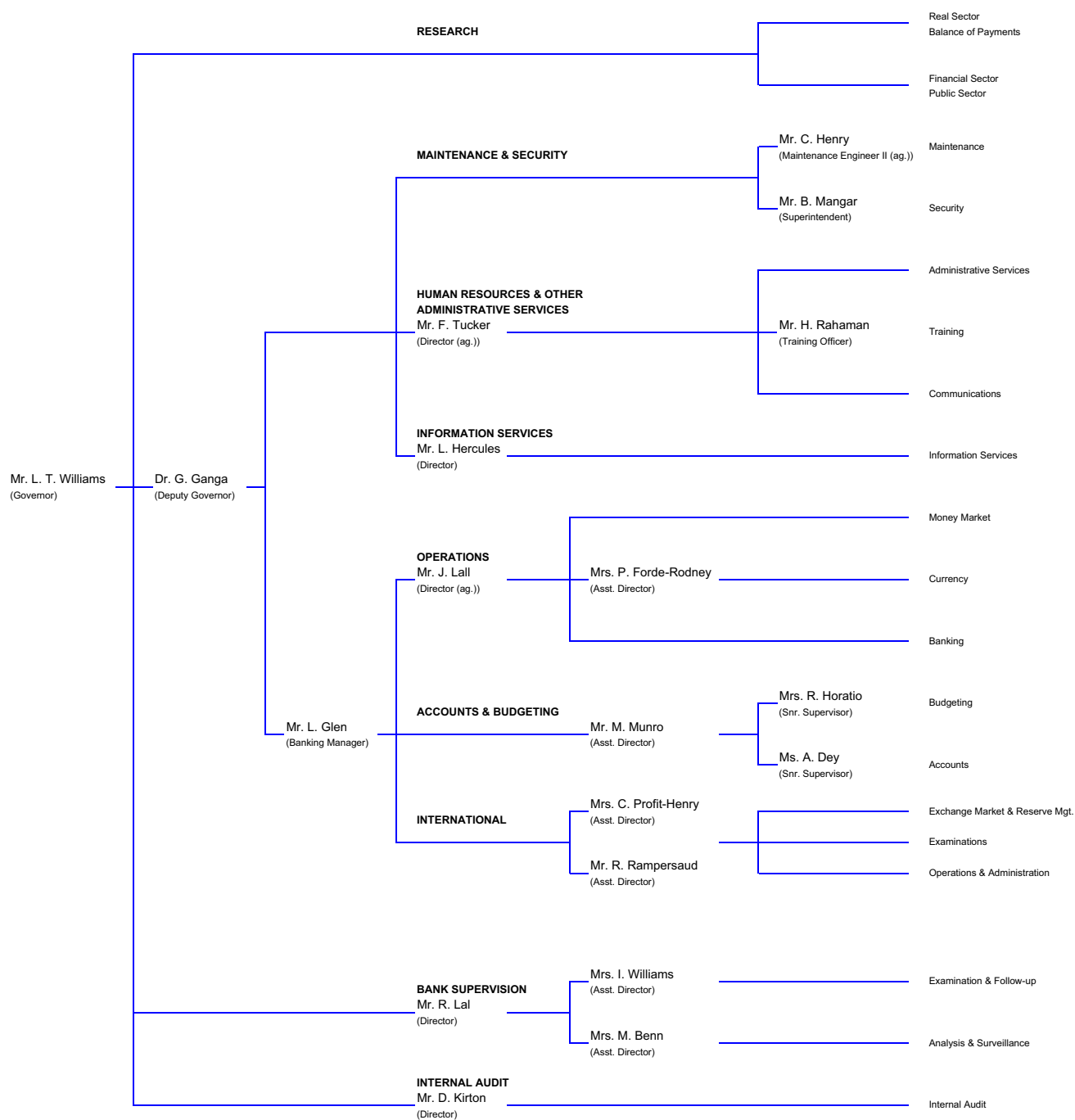
*Signed
L. T. Williams
Governor*

BOARD OF DIRECTORS DURING 2006

Mr. L. T. Williams (Chairman)
 Dr. G. Ganga
 Mr. P. Bhim
 Mr. V. Persaud
 Dr. C. Solomon
 Finance Secretary (Ex Officio Member)

ORGANISATION OF THE BANK

as at December 31, 2006



INTRODUCTION

The forty-second 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 Part III. The Bank's financial statements are presented in Part IV.

I

THE GUYANA ECONOMY

1. SUMMARY

The global economy remained resilient in 2006 despite tighter monetary conditions, with growth exceeding levels recorded in 2005. This was achieved by particularly strong growth in emerging markets and developing countries, compared with the performances of the advanced economies. Financial markets were generally stable, and the fiscal outlook did not stem investors' confidence during the year. Looking forward, policy makers will continue to evaluate their options as they balance the prospects for growth against the risk of inflationary excesses. Crude oil prices will remain an upside risk in light of sensitive supply conditions and the geopolitical climate.

After recording a decline of 1.9 percent in 2005, the economy rebounded in 2006 to register real economic growth of 4.7 percent, exceeding the 4.3 percent growth target for the year. Improved performances were registered in agricultural production, especially in the rice and forestry sectors. Furthermore, the engineering & construction and service sectors continued their strong growth as in recent years. However, the mining & quarrying sector continued its downward trend. Despite significant increases in the price index during the first quarter, especially with respect to medical services, housing, fuel and food, inflation came down from 8.2 percent in 2005 to 4.2 percent in 2006.

The overall balance of payments position continued to be favourable with the surplus increasing from US\$8.1 million in 2005 to US\$44.9 million at end of 2006. The current account deficit widened on account of a rise in the value of merchandise imports. But, this was more than offset by a larger capital account surplus which stemmed from a rise in foreign investment and public sector grants. The larger surplus contributed to an increase in Bank of Guyana's gross foreign reserves.

The foreign exchange market experienced larger foreign exchange transactions in 2006. Although there were net purchases in the cambio market, the exchange rate depreciated because there were some peak periods when demand outstripped supply. Bank of Guyana remained active in the market with higher purchases and sales to meet its reserve requirements as well as to make payments for fuel and wheat imports.

The overall financial operations of the public sector, computed on a cash basis, improved during 2006. This reflected the overall strengthening of the performance of the non-financial public enterprises. Central government's overall position deteriorated due to higher capital expenditures. Public servants were granted a 5 percent increase in wages in December 2006, retroactive to the beginning of the year.

The stock of government's domestic bonded debt increased by 9.7 percent while its external public and publicly guaranteed debt fell by 15.9 percent. The former reflected the issuance of government treasury bills consistent with the Bank's monetary policy objectives during the year, while the latter reflected mainly the impact of debt relief received under the Multilateral Debt Relief Initiative. Domestic debt service increased while external debt service registered a decline.

The principal focus of monetary policy was geared towards liquidity management to foster stable prices and private sector credit growth. Broad money grew by 15.9 percent while credit to the private sector expanded by 17.8 percent. Commercial banks' interest rates trended downwards on account of higher levels of liquidity in the banking system and competition for treasury bills. Interest rate spreads widened as deposit rates declined while the main lending rates remained relatively stable. The non-bank financial institutions continued to actively mobilize financial resources.

The Licensed Depository Financial Institutions (LDFIs) macro prudential indicators suggest that the banking system is sound, adequately capitalized, profitable and liquid. The capital adequacy and profitability ratios improved when compared to the previous year. The level of liquidity in the financial system remained relatively high although there was a marginal decline in the liquid asset ratio. There was a decline in non-performing loans.

The economy in 2007 is forecast to continue the strong performance achieved in 2006. A domestic or external shock notwithstanding, higher economic activity is expected to be fuelled by significant growth in the services sector, a stronger performance in the sugar industry, heightened activities related to the Cricket World Cup, and a restructured-driven marginal recovery of the mining sector. Significant public and private sector investment into infrastructure and other construction projects is also set to play an important role in enhancing economic growth. Increased foreign direct investment, concentrated mainly in telecommunications and forestry, will see these sectors record strong growth too. The greater flow of foreign exchange is an indication of the broadening of the market. The foreign exchange market is expected to grow and develop new products to meet future challenges, and the market will be required to provide greater debt in foreign exchange transactions during the Cricket World Cup. It is anticipated that the implementation of Value Added Tax from the start of the year will have a negative impact on prices. This, together with buoyed expenditure around the Cricket World Cup and an expected rise in the price of oil, will contribute to a higher projected inflation rate of 5.2 percent in 2007. While imports are forecast to increase, heightened economic activity is expected to translate into a stronger export performance and the maintenance of a favourable balance of payments position. □

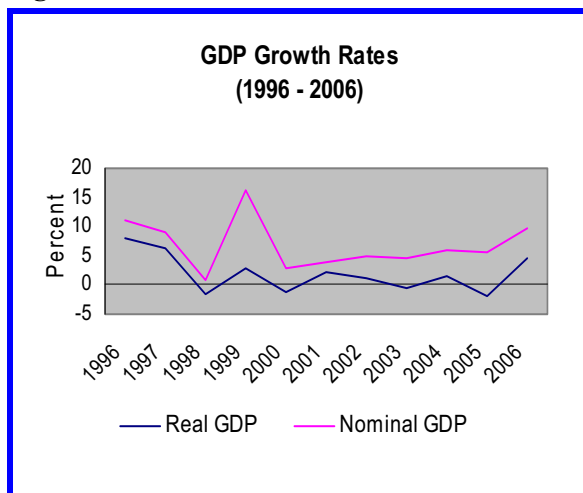
2. PRODUCTION, AGGREGATE EXPENDITURE, EMPLOYMENT, AND INFLATION

After recording a decline of 1.9¹⁾ percent in 2005, the economy rebounded in 2006 to register real economic growth of 4.7 percent, exceeding the 4.3 percent growth target for the year. Improved performances were registered in agricultural production, especially in the rice and forestry sectors. Furthermore, the engineering & construction and service sectors continued their strong growth as in recent years. However, the mining & quarrying sector continued its downward trend. Despite significant increases in the price index during the first quarter, especially with respect to medical services, housing, fuel and food, inflation came down from 8.2 percent in 2005 to 4.2 percent in 2006.

GROSS DOMESTIC PRODUCT (GDP)

The economy, during 2006, rebounded from the negative growth experienced in 2005 on the back of stable weather conditions, a near doubling of public sector investment and a booming construction sector. The economy grew in real terms, by 4.7 percent and in nominal terms by 9.7 percent. GDP per capita increased by 9.4 percent to G\$198,892.

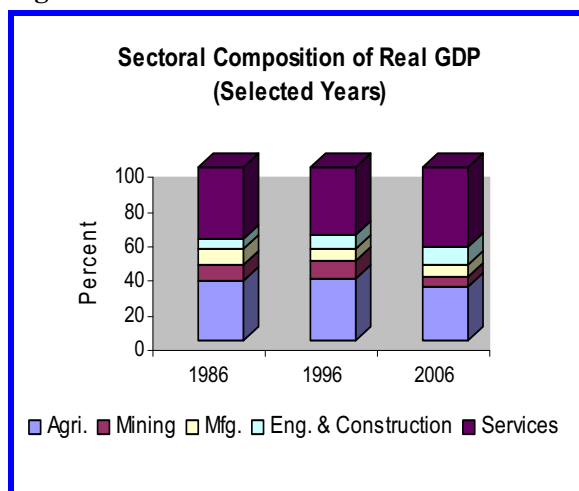
Figure I



In terms of the sectoral composition of real GDP, the agriculture, fishing and forestry sector contributed 31.4 percent, and the mining sector 5.8 percent. The manufacturing sector (excluding sugar processing and rice milling) contributed 6.3 percent, the engineering and construction 10.4 percent, and the service sector 46.1 percent. Figure 2 shows the growth of the service sector and engineering &

construction sector over the past 20 years. This in turn has impacted on the mining sector and agriculture sector in particular by gradually diminishing their contribution to the overall economy.

Figure II



PRODUCTION

Agriculture, Fishing and Forestry

The agricultural sector (including sugar processing and rice milling) recorded a 5.5 percent increase in real terms during 2006. The United Nations Economic Commission for Latin America and the Caribbean (ECLAC) estimated the impact of the January 2006 floods on the agriculture sector to be G\$4.5 billion. While this pales in comparison with the estimated G\$93.4 billion loss to the sector as a

result of the 2005 floods, it prevented agricultural production from reaching its annual growth target of 12.4 percent. Nevertheless, stable weather conditions throughout the remainder of the year facilitated a partial recovery from the flood-induced devastation of 2005.

Sugar

Sugar output increased by 5.4 percent compared with 2005, reaching 82.4 percent of the production target for the year. The lower than expected yield reflected a slower recovery from the flood-induced poor crop of 2005, and further heavy rainfall in January compounded this recovery. While some sugar estates are recovering well from the devastation of 2005, others are doing worse due to poor production management, lack of investment into drainage systems, and failure to control rat infestations. Better surveillance will be required in the sugar industry if it is to reach its target of 450,000 tonnes by 2009.

From July 1st 2006, the preferential price that Guyana receives from the European Union (EU) for sugar was cut by 5 percent. This is the first stage in a gradual cut in prices that will total 36 percent by October 2009. In an effort to adjust to the price reduction the Guyana Sugar Corporation (GUYSUCO) has embarked on an Action Plan to restructure and modernize the sugar industry, with significant investment in the Skeldon sugar plant. GUYSUCO has also successfully lobbied the EU for compensation to cushion the blow to the industry, and these funds will be used to bring down production costs from an average of US 17 cents per pound to US 12 cents per pound by 2010.

Rice

Rice output increased by 12.4 percent compared with 2005 levels and exceeded the targeted amount for the year by 5.9 percent. Flooding in the major rice producing areas of Mahaica and Mahaicony in January meant that this sector did not get off to a good start in 2006. However, many rice farmers benefited from government subsidies for transportation costs, an EU rice support programme

to bolster competitiveness in the industry, and improvements in technology.

While many rice farmers have experienced problems receiving payments for their crop on time from millers, the government has sought to rectify the situation by amending the Rice Factories Act. Furthermore, an increase in the price of rice on both international and domestic markets during 2006 was an encouraging development for rice farmers.

Table 1

Selected Production Indicators			
Agriculture, Fishing & Forestry			
Commodity	2004	2005	2006
Sugar (tonnes)	325,317	246,208	259,588
Rice (tonnes)	325,593	273,238	307,041
Fish (tonnes)	36,692	30,313	22,279
Shrimp (tonnes)	14,801	18,390	16,000
Poultry (tonnes)	24,312	22,700	21,000
Eggs ('000)	21,467	24,124	4,900
Total logs (cu.mt.)	335,257	323,911	386,952
Sawnwood (cu.mt)	36,552	33,178	65,722
Plywood (cu. mt.)	54,213	37,120	34,874

Fishing and Livestock

In the fishing sector, catches of fish and shrimp were down by an estimated 26.5 percent and 13 percent, respectively. As a result, the fishing industry as a whole declined by 4.5 percent in real terms in 2006. This was in spite of Guyana securing lucrative markets for shrimp in the USA and government concessions for the fishing industry in the form of relief from export tax and consumption tax on fuel used for fishing vessels. Security concerns continued to play a role with many fishermen being forced to suspend operations due to theft of vital equipment. This impacted heavily on catches of fish and shrimp.

The livestock sector also declined in real terms during 2006, by 3 percent. When compared with 2005, poultry output declined by an estimated 7.5 percent due in part to the culling of significant

numbers of chickens that became infected with a disease that caused stunted growth in the second half of the year. Egg production suffered a substantial estimated decline of 79.7 percent compared with 2005 as output was unable to keep pace with the surge in 2005 production levels.

Forestry

When compared with 2005, output of logs increased by an estimated 20.4 percent. Output of Sawnwood reversed the decline experienced in 2005 and nearly doubled. Output of Plywood exceeded that of Roundwood in 2006. While Plywood production fell by 6.1 percent as compared with 2005 this was not enough to offset the growth experienced in all other areas of production in the forestry sector such that the sector as a whole grew by 11 percent in 2006. The forestry sector's growth in recent years is pushing it ever closer to its target of contributing more than 6 percent of GDP.

These trends continue to reflect strong global demand for forestry products and, in particular, a shift in production away from lower to higher value added forestry products. This development is emphasized within log production, where output of the high value greenheart logs increased by an estimated 22 percent, compared with an estimated 8.4 percent increase in production of logs of other species. Considerable investments continued to be made in the forestry sector with many logging companies moving away from chainsaw logging and towards more efficient production techniques, such as using portable mills.

Mining and Quarrying

The mining sector recorded a 22.3 percent decline in real output during 2006 despite a 176.1 percent expansion in credit for investment into machinery and to cover restructuring costs. The gradual loss of markets for the high value Refractory Grade (RASC) bauxite over the first half of the year, and Metal Grade (MAZ) bauxite not meeting the significantly higher output expectations for 2006 reflected a disappointing performance for this sub-sector. This was further compounded by a continued decline in

the gold and diamond industry.

Bauxite

Bauxite output decreased by 12.2 percent compared with 2005, achieving just 52 percent of the production target for the year. Output of all the categories of bauxite was down in 2006 compared with 2005. One of the reasons for this was that since January 2006, Omai bauxite mine, where RASC is exclusively produced, experienced a significant reduction in sales due to China selling the product on world markets at a far cheaper price. This forced Omai to stockpile almost 50 percent of RASC mined and eventually led to the temporary closure of operations in July and August. As a result, output of RASC was 29.7 percent lower in 2006 compared with 2005. IAMGOLD, which owns 70 percent of the Omai bauxite mine in a joint venture with the government, indicated that it wants to sell its stake in the loss-making operation. The government is seeking a buyer that is prepared to invest in re-starting alumina production in Guyana.

Table II

Selected Production Indicators			
Mining & Quarrying			
Commodity	2004	2005	2006
Bauxite (Tonnes)	1,478,897	1,675,842	1,470,605
RASC	131,525	212,720	149,509
CGB	114,193	176,032	173,429
MAZ	1,233,179	1,287,090	1,147,667
Gold (oz)	368,506	267,791	205,942
Diamond (mt. ct.)	454,940	356,948	343,544

Furthermore, the significant investment at the Aroaima mine (where MAZ is exclusively produced) by RUSAL has not yet realised its full potential. Output of MAZ was expected to increase to over 2 million tonnes as part of the deal struck by RUSAL in the take-over of the Berbice bauxite industry. However, technical difficulties were experienced in bringing on stream a second dryer and conveyer system for its mining operations that had the potential

to double output. Instead, production of MAZ fell by 10.8 percent.

Gold and Diamonds

Total gold declarations continued its downward trend, decreasing by 23.1 percent compared with 2005. The main reason for this overall decline was the closure of the Omai gold mine in September 2005, (with local miners and licensed dealers now accounting for all of Guyana's gold output). Encouraged by high gold prices on international markets, they have significantly increased declarations in 2006, by 26.7 percent compared with 2005. As a result, the gold sub-sector far exceeded its target for the year by 28.7 percent. The sustained high price of gold has provided incentives for new companies to establish exploratory operations in Guyana with preliminary results indicating significant deposits at several sites throughout the country. Furthermore, Omai gold mine could re-open in the next year, mining between 70,000 and 100,000 ounces of gold per year for the next seven years.

Diamond declarations decreased by 4.6 percent in 2006, compared with 2005. While the diamond industry enjoyed a good performance in the first half of the year, the second half of the year conformed to the industry's expected decline for 2006 of 5 percent. This partly reflected some shifts from diamond into gold mining as miners pursued higher returns in the latter.

Manufacturing

The manufacturing sector (excluding sugar processing and rice milling) grew by 4 percent in 2006. This is double the rate at which it was expected to grow and is in line with the government's support for private sector growth especially with respect to those activities that further diversify the economy. A policy environment conducive to business has been complimented by an increase in the availability of financial and technical assistance, and a growing number of small businesses have flourished.

The beverage industry again experienced mixed results, with a 1.1 percent increase in alcoholic products, but an 8.2 percent decrease in non-alcoholic products. This reflected the more aggressive marketing of Guyanese alcoholic beverages, especially rum, on international markets. Output of liquid pharmaceuticals experienced a further substantial increase of 34.7 percent in 2006 on account of producers further expanding their capacity to meet increased demand.

Table III

Selected Production Indicators			
Manufacturing			
Commodity	2004	2005	2006
Alcoholic Beverages ('000 litres)	23,007	24,079	24,353
Malta ('000 litres)	996	903	1,063
Non-Alcoholic Beverages ('000 litres)	43,808	43,089	39,548
Liquid Pharmaceuticals ('000 litres)	263	453	610
Paints ('000 litres)	1,963	2,169	2,404
Garments ('000 dozens)	230	115	83
Electricity ('000 MWH)	577	528	535

Paint production also increased, by 10.8 percent, coinciding with the growth in the construction industry. The garment industry was unable to maintain its momentum in the first half of the year and recorded an overall decline in production by an estimated 27.8 percent. This emphasizes the fragile nature of Guyana's garment industry. Electricity generation saw a reversal of the decline experienced in 2005 and registered an increase of 1.3 percent in 2006 as the sector recovered from the flood-induced difficulties of 2005.

Engineering and Construction (E&C)

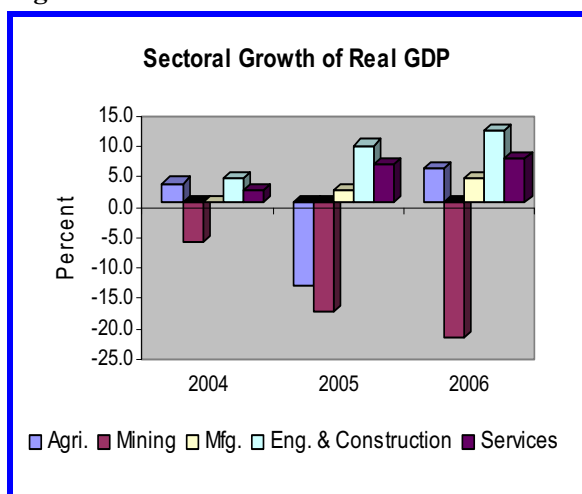
The engineering and construction sector recorded growth of 12 percent in 2006, continuing to make it

the fastest growing sector of the economy. This reflected a substantial increase of 90.6 percent in public sector investment which, for the first time since 1990, exceeded private sector investment. Increased public sector investment went towards improving infrastructure and special programmes such as the Four-lane highway, Guyana National Stadium, and Low Income Settlement Programme. Private investment also significantly increased in 2006, by 30.7 percent as compared with 2005. This, coupled with hotel construction, a robust housing market, and many households enhancing their living quarters as part of a bed & breakfast initiative to accommodate Cricket World Cup guests, has also stimulated the construction industry.

Services

The service sector recorded an overall growth rate of 7.3 percent in 2006. Government spending on wages, the major contributor to the service sector, continued to grow by 2 percent, whereas the transport and communications sub-sector, the second largest contributor to the service sector, grew by 10 percent. This significant growth reflected increased spending as a result of rising fuel costs during the first half of the year, and heightened competition in the telecommunications industry 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 7.9 percent in 2006 as growth in private sector credit reflected increased demand for financial services. Rent of dwellings increased by 9.6 percent on account of a robust housing market. The distribution sub-sector also experienced significant growth, expanding by 10.1 percent. This reflected an increase in demand for imported goods as incomes, from remittances in particular, rose.

AGGREGATE EXPENDITURE

Overall Expenditure

Aggregate expenditure was 11.5 percent above that of 2005. Total consumption expenditure as a share of aggregate expenditure decreased from 75.6 percent in 2005 to 66 percent in 2006. As a result investment expenditure's share of total expenditure increased from 25.3 percent in 2005 to 34 percent in 2006. The shift in the composition of expenditure contributed, in part, to the resource gap (the difference between aggregate expenditure and GDP at market prices) deteriorating by 18.2 percent.

Table IV

Aggregate Expenditure			
G\$ Billion			
	2004	2005	2006
GDP	156.4	165.0	180.3
Expenditure	172.9	218.7	243.8
Investment	50.1	53.3	82.8
Private	30.5	31.4	41.0
Public	19.6	21.9	41.8
Consumption	122.8	165.4	161.0
Private	85.1	121.0	116.7
Public	37.7	44.4	44.3
Resource Gap	-16.5	-53.7	-63.5

Total Consumption Expenditure

Total Consumption Expenditure in 2006 declined by 2.7 percent to G\$161 billion, and accounted for 89.3 percent of GDP at market prices. Private and public consumption expenditure represented 47.9 percent

and 18.2 percent, respectively, of aggregate expenditure, compared with 55.3 percent and 20.3 percent, respectively, in 2005.

Private Consumption expenditure

Private consumption expenditure decreased by 3.6 percent to G\$116.7 billion. This reflected a 12.8 percent increase in household deposits and a shift from consumption to investment by the private sector.

Public Consumption Expenditure

Public consumption expenditure decreased by 0.2 percent to G\$44.3 billion. In December 2006 the government awarded public sector servants a 5 percent increase on their salaries and pensions, retroactive to January 1, 2006. While this would have shown an increase in public consumption expenditure, refunds of revenue and subvention amounts were excluded from the calculations. This counterbalanced the increase in public sector salaries such that, overall, there was a marginal decline.

Total Investment expenditure

Total Investment Expenditure in 2006 rose by 55.3 percent to G\$82.8 billion, which equated to 45.9 percent of GDP at market prices. Private and public investment expenditure as a share of aggregate expenditure represented 16.8 percent and 17.1 percent, respectively, compared with 14.4 percent and 10 percent, respectively, in 2005. The increase in investment expenditure can be attributed to a substantial growth 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 30.6 percent to G\$41 billion. Legislative and judicial reforms have brought about a more efficient institutional framework and administrative process. This has led to an increase in local and foreign

private sector investment. The major investments were in engineering & construction, transport & communications, distribution and the forestry sector.

Public Investment Expenditure

Public investment expenditure expanded by 90.9 percent to G\$41.8 billion. This increase was reflected in the government's aim to continue to lay the economic and social infrastructure needed for sustained growth and development. Major areas that received added investment were roads, bridges, air transport, sea defense, drainage and irrigation and the distribution of the power supply. More investment funds were also strategically allocated to specific areas within the social sector, specifically education, health, housing and water and sanitation. The development projects were also part of the continued government investment such as the Community Enhancement Service Project and the Linden Economic Advancement Programme (LEAP).

EMPLOYMENT, EARNINGS & INFLATION

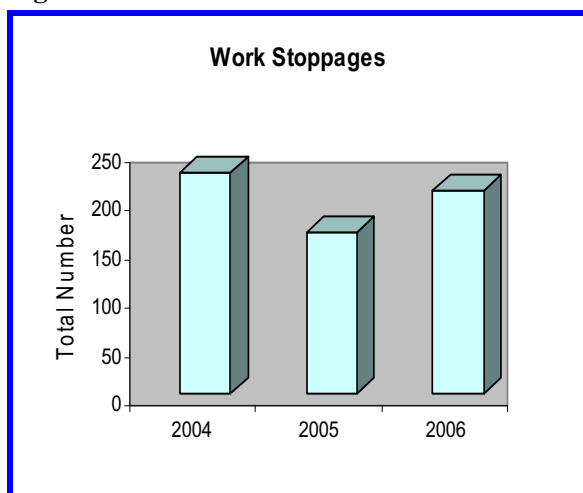
Public Sector Employment

Developments in the public sector labour market deteriorated during 2006. The number of strikes increased from 165 in 2005 to 208 in 2006, all lasting more than one day. GUYSUCO accounted for 204 of the 208 strikes that were related to annual production incentive bonuses and salaries. The General Agricultural Workers Union (GAWU) was able to secure a 5.5 percent increase in wages for sugar workers, but the EU price cuts are likely to limit GUYSUCO's ability to raise salaries by as much in the coming years. When compared to 2005, total man-days lost increased by 40.7 percent to 120,032 and wages lost expanded by 41.3 percent to G\$211.2 million.

Employment in the public sector continued to fall, with an overall decline of 5.8 percent recorded in 2006. This partly reflected a decline in employment within GUYSUCO of 9.8 percent, mainly due to the

industry's focus on cost efficiency and a shift towards becoming more capital intensive. While employment within central government increased by 3.1 percent, in the Guyana Mining Enterprise (GUYMINE) and Guyana National Newspapers Limited it decreased by 14.5 percent and 9.4 percent, respectively. The financial service industry and the Guyana State Corporation Group (GUYSTAC) experienced increases in their employment levels of 9.4 percent and 3.6 percent, respectively.

Figure IV



Private Sector Employment

While little data exists for private sector employment, there were some mixed experiences in this sector. The substantial growth in the engineering & construction sector has created a significant number of jobs in projects related to the Cricket World Cup, such as in the construction of hotels and the Guyana National Stadium. However, the temporary closure of the Omai bauxite mine in July and August due to the loss of markets in the first half of the year resulted in 541 employees being laid off. The laid off workers benefited from medical insurance, but were unpaid. In response, the government cushioned the blow by providing each worker with a stipend of G\$25,000 for the two months as well as allowances for training.

Earnings

In December 2006 the Government raised public sector salaries and pensions by 5 percent, retro-active to January 1st 2006. Public sector minimum wage to G\$26,069 per month and the 4.2 percent inflation recorded in 2006 meant that real incomes increased for those people. Deposits by households rose by 12.8 percent during 2006, as compared with the 9.6 percent recorded in 2005. 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 the growth in interest income earned by the commercial banks by 16.6 percent during 2006, compared with a 12.1 percent expansion in 2005.

Inflation

The urban Consumer Price Index (CPI) for Georgetown rose by 4.2 percent in 2006, a significant reduction from the 8.2 percent inflation experienced in 2005. As a result, the monthly average inflation rate fell from 0.7 percent in 2005 to 0.4 percent in 2006.

Prices of food rose faster than the urban CPI inflation rate, increasing by 6.1 percent overall. Price rises were particularly strong in the categories of meat, fish & eggs, cereals, and milk, which increased by 7.9 percent, 5.3 percent, and 6.5 percent, respectively. Increases in the price of vegetables closely reflected that of the overall change in CPI. Coupled with food shortages as a result of shocks to some food categories and flooding at the start of the year, food suppliers continued to face higher input costs for their goods. This was reflected in higher prices.

Increases in the price of housing were brought down to 3.6 percent in 2006, after experiencing an increase

of 10.4 percent in 2005. This reflected an increase in the supply of housing consistent with the construction boom. After experiencing a 24.3 percent increase in the price of education in 2005, prices actually declined in 2006, by 2.9 percent. A similar trend was recorded for transport & communication, which recorded a 0.1 percent fall in prices in 2006, after an 11.6 percent increase in 2005. This development was in line with lower oil prices in the second half of the year, and intensified competition within transportation services.

The medical & personal care category of urban CPI experienced the highest increase in prices during 2006. The 17.1 percent rise in the price of medical & personal care was due mainly to the increase in equipment and shipping costs, as well as increases in the salaries of technical staff at private hospitals.

Table V

Consumer Price Index			
January 1994 = 100			
	2004	2005	2006
All Items	194.4	210.4	219.2
Food	185.6	200.1	212.4
Meat, Fish & Eggs	176.5	193.2	208.5
Cereals & Cereal Products	203.7	218.4	229.9
Milk & Milk Products	165.4	196.4	209.1
Vegetables & Vegetable Products	223.4	240.4	250.5
Housing	228.5	252.3	261.4
Transport & Communication	255.7	285.3	285.0
Education	265.1	329.6	320.0
Medical & Personal Care	206.5	206.5	242.0
Furniture	142.5	144.2	148.7

Endnote:

¹⁾ The GDP growth rate was revised for 2005. □

3. INTERNATIONAL TRADE AND BALANCE OF PAYMENTS

The overall balance of payments position continued to be favourable with the surplus increasing from US\$8.1 million in 2005 to US\$44.9 million at end of 2006. The current account deficit widened on account of a rise in the value of merchandise imports. But, this was more than offset by a larger capital account surplus which stemmed from a rise in foreign investment and public sector grants. The larger surplus contributed to an increase in Bank of Guyana's gross foreign reserves.

CURRENT ACCOUNT

The deficit on the current account expanded to US\$181.4 at the end of 2006 from US\$157.6 million one year ago. The outturn stemmed from a surge in imports and a widening of the payment gap for services.

Table VI

Balance of Payments			
US\$ Million			
	2004	2005	2006
CURRENT ACCOUNT	(69.8)	(157.6)	(181.4)
Merchandise Trade	(57.7)	(232.8)	(283.8)
Services (Net)	(86.1)	(92.1)	(113.8)
Transfers	74.0	167.2	216.1
CAPITAL ACCOUNT	38.9	180.6	244.1
Capital Transfers	45.9	52.1	89.1
Non-financial Public Sector	14.1	66.7	70.0
Private Capital	30.0	76.8	100.0
Other	0.0	0.0	0.0
Short term Capital	(5.6)	(15.0)	(15.0)
ERRORS & OMISSIONS	(12.2)	(14.9)	(17.8)
OVERALL BALANCE	(43.1)	8.1	44.9

Merchandise Trade

The merchandise trade deficit widened to US\$283.8 million from US\$232.8 million at end of 2005, on account of a rise in the payment for merchandise imports, that was not offset by the increase in export earnings.

Exports

All the major categories contributed to the robust

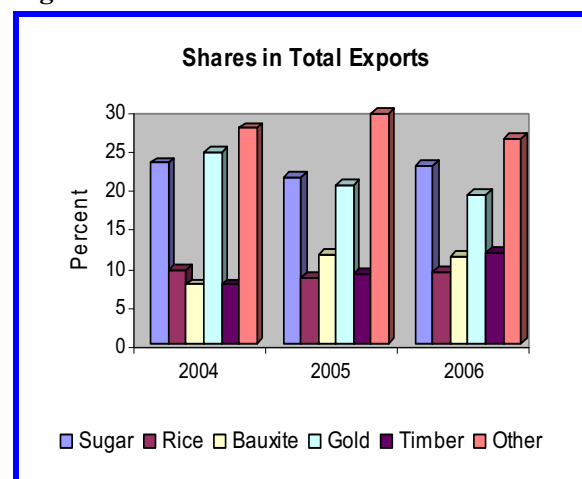
performance in the export sector. Gold and bauxite exported lower volumes, but benefited from favourable prices on the world market.

Sugar

Proceeds from sugar were US\$137 million, 16.1 percent above the corresponding level in 2005. Export volume increased to 238,632 tonnes from 230,325 tonnes in 2005. The export price per tonne of sugar rose by 12 percent to US\$573.9. The average price of sugar shipped to the EU declined by 0.2 percent to US\$596.2 per tonne at the end of 2006 and reflected the 5 percent price reduction under the EU sugar reform.

Export volume to the EU under the Sugar Protocol of the Lomé Convention increased by 14.6 percent and accounted for 72 percent of total exports compared with 65.8 percent at end of 2005. Forward shipping to accommodate the quota year that ends in July 2007 was responsible for this outturn.

Figure V



Export volume as a percentage of total exports under the Special Preferential Agreement (SPA) of the EU was 2.9 percent, while for CARICOM it amounted to 13.6 percent. In 2005, the exports were 1.7 percent and 31 percent, respectively. Exports to the rest of the world amounted to 10.1 percent compared with 1.5 percent during 2005. The additional demand came mainly from the USA.

Rice

Rice export earnings amounted to US\$54.6 million or 18.2 percent above the level in 2005. This was due to higher volume exported to all of the major markets. Total export volumes increased by 12.3 percent to 204,577 metric tonnes. The average price of rice exports increased by 5.3 percent to US\$267 per metric tonne, compared with US\$254 per metric tonne in 2005.

Table VII

Exports of Major Commodities				
Product	Unit	2004	2005	2006
Sugar	Tonnes	289,585	230,325	238,632
	US\$Mn.	136.5	118.0	137.0
Rice	Tonnes	243,093	182,176	204,577
	US\$Mn.	55.1	46.2	54.6
Bauxite	Tonnes	1,412,391	1,564,231	1,471,218
	US\$Mn.	44.7	62.8	67.3
Gold	Ounces	363,710	269,262	202,336
	US\$Mn.	145.1	111.9	114.4
Timber	Cu. Metres	205,969	231,112	332,120
	US\$Mn.	45.0	49.6	70.3

The EU and CARICOM continued to be the major markets with shares of 48.4 percent and 35.8 percent, respectively. In 2005, the shares were 49.5 percent and 35.1 percent, respectively.

Bauxite

Bauxite export earnings increased to US\$67.3 million from US\$62.8 million last year. This performance attributed to a rise in the unit price of Metallurgical Grade Bauxite and Refractory Grade Bauxite, which

increased by 41.8 percent and 10.1 percent, respectively, to US\$31.8 per metric tonne and US\$10.1 per metric tonne, respectively.

Metallurgical Grade bauxite (MAZ) which amounted to 1,142,597 metric tonnes accounted for 77.7 percent of the total volume of bauxite ore exported in 2006, compared with 75 percent for 2005.

Gold

Gold receipts amounted to US\$114.4 million, 2.2 percent above the 2005 level. The closure of OMAI resulted in a decline in export volume from 269,262 ounces in 2005 to 202,336 ounces in 2006. Favorable world prices for gold, however, compensated for the shortfall. The average price of gold increased by 36.1 percent to US\$565.6 per ounce compared with US\$415.5 per ounce in 2005.

Timber

Timber export earnings increased by 41.7 percent to US\$70.3 million due largely to price and volume effect. Export volume rose by 43.7 percent to reach 332,119.6 cubic metres. The unit price of timber exports reduced to US\$211.5 from US\$214.5 at end of 2005.

Receipts from plywood exports by BARAMA (which was the main exporter of plywood) amounted to US\$8.5 million, a decline from US\$9.7 million at end 2005. Other timber exports were higher at US\$61.8 million or 54.9 percent above the level last year.

Other Exports

The value of all "other exports" (including re-exports) was 2.9 percent lower at US\$157.7 million. Items that recorded increased receipts, as shown in table VIII, were garments & clothing, fish & shrimp, diamonds and wood products. The value of garments & clothing increased by US\$4.3 million to US\$11.7 million, while fish & shrimp and diamonds rose by 4.7 percent and 3 percent to US\$64.8 million and US\$44.9 million, respectively.

Table VIII

Other Exports			
US\$ Million			
Commodities	2004	2005	2006
Fish & Shrimp	58.3	61.9	64.8
Fruits & Vegetables	4.4	2.3	2.8
Pharmaceuticals	1.8	1.5	1.5
Garments & Clothing	11.4	7.4	11.7
Wood Products	2.1	2.8	3.0
Prepared Foods	6.0	7.3	6.0
Rum & Other Spirits	6.2	5.3	4.3
Diamond	48.8	43.6	44.9
Molasses	4.0	4.0	4.0
Re-Exports	11.1	15.3	7.2
Others *	8.7	11.1	7.5
Total	162.7	162.5	157.7

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

Imports

Total imports increased by US\$101.3 million to US\$885 million. This was due largely to increases in intermediate and capital goods imports. The value of consumption goods imported edged up by 1.7 percent to US\$197.7 million. Higher imports were recorded for motor vehicles, durables and other non-durable consumer goods. Intermediate goods imports grew by 14.1 percent to US\$484.3 million. High fuel prices continue to adversely affect fuel cost which increased by 16.1 percent to US\$257.4 million. The value of chemicals and parts & accessories imports was high at US\$34.7 million and US\$65 million, respectively. Capital goods imports increased by 26.9 percent to US\$191.2 million. There were higher imports of all categories of machinery as well as building materials and other goods as shown in table IX.

Services and Unrequited Transfers

The payment gap for services expanded to US\$113.8 million from US\$92 million at end of 2005, due to an increase in the payment for both factor and non-factor services, in particular the rising cost of freight and an expansion in travel services.

Table IX

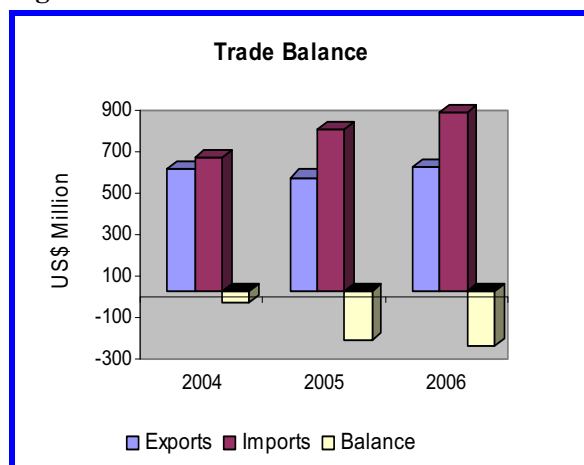
Imports			
US\$ Million			
Items	2004	2005	2006
Consumption Goods			
Food-Final Consumption	51.8	71.5	64.1
Beverage & Tobacco	11.2	16.6	15.9
Other Non-Durables	40.0	48.8	53.4
Clothing & Footwear	7.5	11.3	10.1
Other Semi-Durables	8.7	9.6	9.9
Motor Cars	13.9	11.5	14.9
Other Durables	21.5	25.1	29.4
Sub-total	154.7	194.3	197.7
Intermediate Goods			
Fuel & Lubricants	169.6	221.8	257.4
Food-Intermediate use	20.1	31.2	32.0
Chemicals	26.3	29.3	34.7
Textiles & Clothing	8.1	7.9	7.4
Parts & Accessories	34.2	39.5	65.0
Other Intermediate Goods	79.8	94.8	87.8
Sub-total	338.2	424.4	484.3
Capital Goods			
Agricultural Machinery	29.4	34.9	44.8
Industrial Machinery	20.2	12.8	16.4
Transport Machinery	17.2	26.2	36.8
Mining Machinery	3.2	6.3	5.1
Building Materials	37.5	38.4	45.0
Other Goods	28.2	32.0	43.1
Sub-total	135.7	150.7	191.2
Miscellaneous	18.4	14.3	11.8
Total Imports	646.9	783.7	885.0

Current transfers rose to US\$216.1 million, from US\$167.2 million in 2005. This outturn is explained by higher levels of workers' remittances and in-kind transfers which amounted to US\$218.1 million and US\$24.5 million, respectively. The surge of these flows reflected the increase in the flow of migrants to developed countries.

Workers' remittances and remittances to bank

accounts abroad were the main forms of current outflows, amounting to US\$42.4 million and US\$41.9 million, respectively.

Figure VI



CAPITAL ACCOUNT

The capital account surplus increased by US\$63.5 million to US\$244.1 million due largely to growth in foreign investment, inflows of public sector loans and grants and debt relief under the Multilateral Debt Relief Initiative. Foreign direct investment rose by 30.2 percent to US\$100 million and was concentrated mainly in the forestry, mining and telecommunications sectors.

Disbursements

Disbursements from bilateral and multilateral sources rose to US\$105 million from US\$102.5 million,

while principal debt repayments reduced marginally to US\$35 million from US\$35.8 million at end of 2005.

Table X

	Disbursements		
	US\$ Million		
	2004	2005	2006
IDA	5.6	1.3	0.7
CDB	17.7	16.9	13.0
IFAD	2.2	1.4	1.6
IDB	35.9	36.9	40.0
INDIA	0.0	7.5	6.9
CHINA	0.0	10.8	12.9
IFIs	0.0	27.6	26.0
OTHER	0.0	0.0	3.9
Total	61.4	102.5	105.0

Overall Balance and Financing

The higher net inflows on the capital account more than offset the outflows on the current account such that a higher overall surplus of US\$44.9 million was registered in 2006. This contributed to an increase of US\$26 million in the gross international reserves of the Bank of Guyana to US\$277 million, from US\$251.4 million recorded in 2005. The reserves were equivalent to three (3) months of imports of goods and services. □

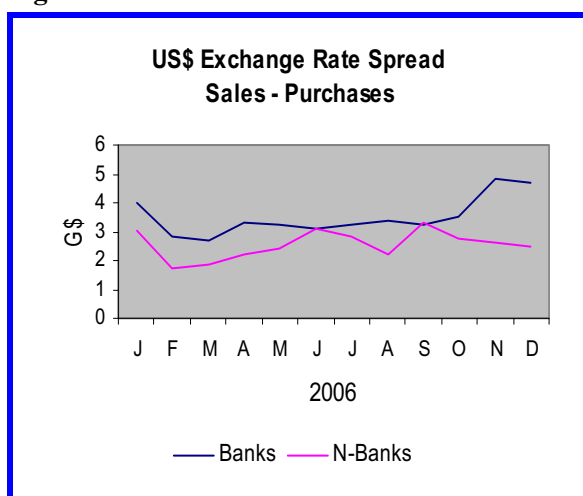
4. FOREIGN EXCHANGE MARKET DEVELOPMENTS

The foreign exchange market experienced an 8.2 percent increase in transactions in 2006. Although there were net purchases in the cambio market, the exchange rates depreciated marginally, reflecting some peak periods when demand outstripped supply. Bank of Guyana remained active in the market with higher purchases and sales to meet its reserve requirements as well as to make payments for fuel and wheat imports.

Overall Market Volumes

Total foreign exchange transactions of the Bank of Guyana, the bank and non bank cambios along with the Foreign Currency Accounts were US\$3,317 million, an increase of 8.2 percent over 2005. The cambio transactions that included both banks and non banks increased by 9.8 percent to US\$1,455.7 million. Purchases increased by 9 percent to US\$735 million, while sales increased by 10.6 percent to US\$720.7 million. Bank cambios accounted for US\$1,327.7 million or 91.2 percent of the transactions while the non bank cambios accounted for the residual amount in 2006. The bank cambios experienced an increase in transactions by 12 percent while the non bank cambios experienced a decline by 13.3 percent to US\$128 million when compared to 2005. This contributed to the decline in the overall share of the non bank cambios by 2.1 percentage points to 8.8 percent in 2006. The bank cambios increased market share was facilitated by increases in both export and import transactions in 2006.

Figure VII



The bank and non bank cambios along with the Foreign Currency Accounts accounted for nearly 80.8 percent of the total transactions in the foreign exchange market while the Bank of Guyana accounted for the remainder.

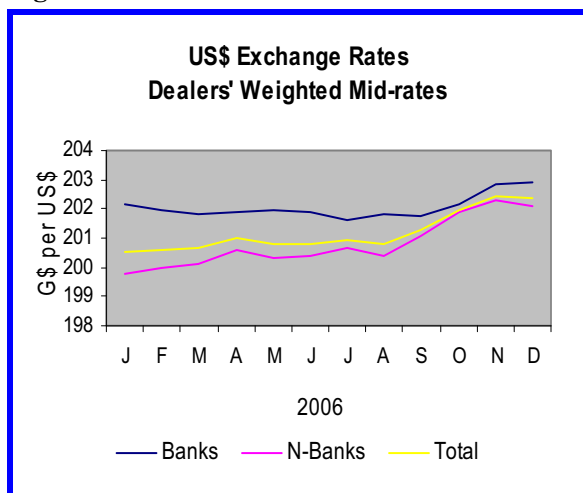
The Bank of Guyana continued to be a major player in the foreign exchange market in 2006 and was more active as reflected in higher purchases and sales to meet its reserve targets and make payments for oil and flour imports. The Bank of Guyana transactions totaled US\$636 million, an increase of 12 percent over the 2005 level.

Total transactions in the Foreign Currency Accounts amounted to US\$1,190.8 million, an increase of US\$43.5 million or 3.8 percent over the previous year. Activities through these accounts represented some 35.9 percent of the total foreign exchange transactions. This was partly due to a 3.1 percent increase in new accounts which amounted to 736 in 2006. The new accounts were opened mainly by Diplomatic and International agencies, Forestry, Services, Construction, and Manufacturing agents.

The Exchange Rates

Periodic tightness in the foreign exchange market caused the exchange rate to depreciate in 2006. The weighted mid rate depreciated slightly by 1.1 percent to G\$203.67 compared with a 0.2 percent depreciation in 2005. The weighted buying and selling rates for bank cambios were G\$201.27 and G\$206.07, respectively. The Bank of Guyana mid rate, which is determined by the simple average of the buying and selling rate at the three larger bank cambios, experienced a depreciation of 0.8 percent to G\$201.00 at the end of 2006.

Figure VIII



The tightness in the foreign exchange market was mainly due to the increased demand for foreign exchange as a result of higher oil prices especially in the first half of the year and the boom in the construction sector as a result of preparations for pre 2007 Cricket World Cup. There was a widening of the spread between the buying and selling rate by 1.2

percent to G\$4.80 at the bank cambios in 2006. The average spread at the bank cambios was G\$0.80 higher than the non bank cambios in 2006.

The US dollar continued its dominance in the cambio market, representing 88 percent of the total transactions despite a decline of 5 percentage points when compared to 2005. The Euro transactions increased by 4 percentage points to 5 percent followed by the Pound Sterling and the Canadian dollar that accounted for 4 percent and 3 percent of the cambio market share, respectively.

The value of CARICOM currencies traded in the foreign exchange market was US\$37 million, representing an increase of 17.5 percent when compared to the previous year. The soft currency market continued to be dominated by the Barbadian and the Eastern Caribbean currencies that together accounted for 85 percent of total transactions. The residual amount was spread in small transactions in the Belize, Jamaican and the Trinidad & Tobago dollars. □

5. PUBLIC FINANCE

The overall financial operations of the public sector, computed on a cash basis, improved during 2006. This reflected the overall strengthening of the performance of the non-financial public enterprises. Central government's overall position deteriorated due to higher capital expenditures. Public servants were granted a 5 percent increase in wages in December 2006, retroactive to the beginning of the year.

CENTRAL GOVERNMENT

The central government's overall deficit grew by 3.7 percent to G\$21,517 million from the close of 2005. This outturn resulted principally from a weakening of the capital account, due in part to the increase in on-lending to the Guyana Sugar Corporation (GUYSUCO) for its modernization program.

Current Account

The current account surplus increased by 15.6 percent to G\$2,764 million. Higher current expenditure was more than offset by increased revenue flows.

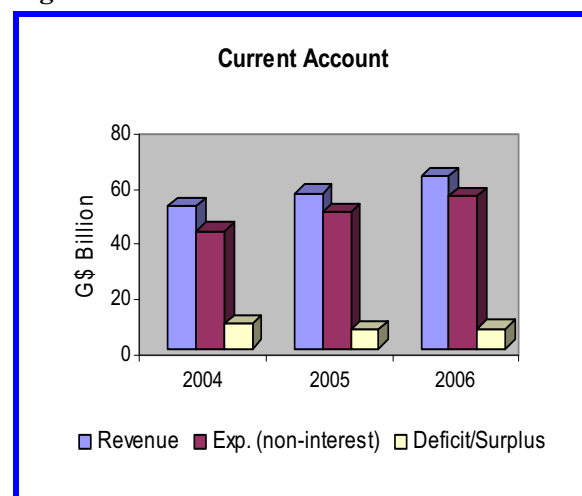
Revenue

Total current revenue (excluding the reimbursable rice levy) rose by 11.1 percent to G\$62,357 million, and exceeded the budgeted target by 6.5 percent. This performance reflected the underlying resurgence of the economy, but was also facilitated by the continued strengthening of the overall monitoring and supervisory efforts of the Guyana Revenue Authority.

The Internal Revenue Department's revenues increased by 11.8 percent or G\$3,218 million to G\$30,418 million. This represented 48.8 percent of the total current revenue and was 28.9 percent above the year's target. Income tax from corporations and the self-employed grew by 17.7 percent to G\$12,938 million. Both personal income and withholding taxes increased by 5.1 percent and 31.3 percent, respectively, to G\$11,709 million and G\$2,052 million. Remittances of the purchase tax on motor cars grew by 12.2 percent to G\$828 million. Net property tax increased by 4.5 percent to G\$843 million, but travel tax receipts declined by 7 percent

to G\$1,082 million.

Figure IX



Revenue from the Customs & Trade Administration grew by 8.7 percent to G\$28,029 million. This represented 44.9 percent of total current revenue and 89.8 percent of the amount budgeted for the year. Consumption tax receipts increased by 9.3 percent to G\$23,376 million, as a result of an overall increase in spending due to positive consumer confidence, which was somewhat reserved approaching the August national elections. Import duties increased by 13.2 percent to G\$4,115 million, while environmental tax receipts declined by 10.8 percent to G\$422 million at end-December 2006.

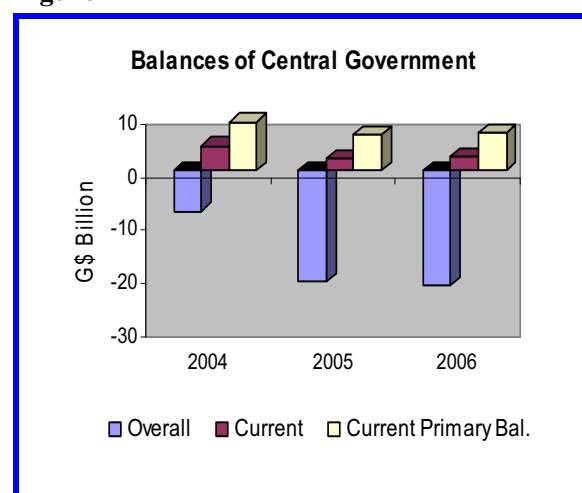
Expenditure

Total current expenditure grew by 10.8 percent to G\$59,593 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

Central Government Finances			
G\$ Million			
	2004	2005	2006
CURRENT ACCOUNT			
Revenue	51,664	56,152	62,357
Expenditure	46,938	53,762	59,593
Current Primary Balance	9,202	6,761	7,248
Interest	4,476	4,371	4,484
Current Balance	4,727	2,390	2,764
CAPITAL ACCOUNT			
Receipts	10,134	11,996	17,525
Expenditure	22,417	35,143	41,806
OVERALL BALANCE	(7,557)	(20,757)	(21,517)
FINANCING	7,557	20,757	21,517
Net External Borrowing	(127)	15,085	20,811
Net Domestic Borrowing	8,768	2,931	(350)
Net Divestment Proceeds	0	0	0
Other Financing	(1,085)	2,741	1,056

Total non-interest current expenditure increased by 11.6 percent to G\$55,109 million. Employment costs grew by 8.3 percent to G\$20,085 million, due in part to the 5 percent wage increase, while purchases of other goods & services increased by 13.5 percent to G\$35,023 million. This includes transfer payments, which grew by 12.9 percent to G\$15,540 million on account of increases in spending on pensions of 24.5 percent to G\$4,815 million, and on educational subventions, grants & scholarships of 19.8 percent, to G\$1,896 million. Charges for materials, equipment & supplies increased by 16.6 percent to G\$3,277 million. Both electricity charges and purchases of fuel and lubricants increased by 12 percent and 30.2 percent, respectively, to G\$3,459 million and G\$1,224 million. Transport, travel & postage costs also rose by 60.7 percent to G\$1,872 million, partly on account of higher fuel costs during the year.

Figure X

Interest charges increased by 2.6 percent or G\$113 million to G\$4,484 million as payments to Trinidad & Tobago resumed during the year. Domestic interest charges declined by 10.8 percent to G\$2,618 million, due mainly to the cessation of payments on the GUYMINE bonds which matured in May 2006.

Capital Account

The capital account deficit after grants deteriorated by 4.9 percent to G\$24,281 million during the review period. Capital revenue, including grants and the G\$3,307 million received as a relief under the Multilateral Debt Relief Initiative, grew by 46.1 percent to G\$17,525 million. Grant flows increased by 72.6 percent to G\$11,321 million, on account of higher inflows in the form of cash and commodity assistance, while inflows under the Heavily Indebted Poor Countries' Initiatives declined by 46.5 percent to G\$2,897 million.

Capital expenditure grew by 19 percent to G\$41,806 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 GUYSUCO to facilitate the implementation of its modernization program at Skeldon. Expenditure on GUYSUCO's Skeldon modernization program,

which is expected to become operational in 2008, grew by 48.7 percent to G\$9,971 million for the year. Funding for health and education rose by 116.8 percent and 4.8 percent, respectively, to G\$1,989 million and G\$3,109 million, with expenditure on the environment & pure water increasing by 134.5 percent to G\$2,035 million. Spending on these three sectors accounted for 17.1 percent of the capital program for the year compared with 13.5 percent in 2005. Construction, which accounted for 26.9 percent of the total for 2006, increased by 6.6 percent to G\$11,263 million, due in part to a reclassification of some items from the category of transport & communication. The latter declined by 46 percent to G\$1,515 million. Agricultural works rose by 42.7 percent to G\$4,133 million, with expenditure on administrative facilities also growing by 34.6 percent to G\$2,043 million.

Overall Balance and Financing

The overall deficit increased by 3.7 percent to G\$21,517 million from one year ago and was financed mainly by net external borrowing amounting to G\$20,811 million. There was net domestic savings of G\$350 million.

NON-FINANCIAL PUBLIC ENTERPRISES

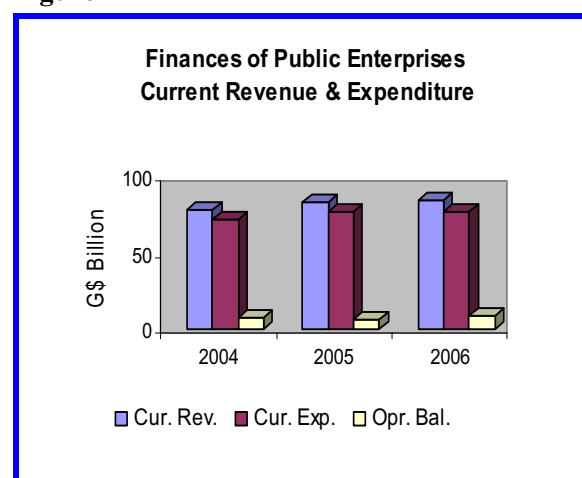
The overall cash position of the non-financial public enterprises (NFPEs), including the Guyana Power & Light (GPL) and the National Insurance Scheme (NIS), but excluding LINMINE and the operations of the divested AROAIMA bauxite company from the second quarter, improved in 2006.

Current Account

The current cash balance of the NFPEs expanded by 41.2 percent to G\$7,693 million, due principally to the improvement in current receipts.

Transfers to central government, in the form of taxes and dividends, rose by 46 percent to G\$1,355 million.

Figure XI



Receipts

The total cash receipts of the non-financial public enterprises grew by 2.8 percent to G\$84,660 million. The outturn reflected higher receipts from both GUYSUCO and GPL, whose revenues increased by 14 percent and 7.8 percent, respectively, to G\$32,237 million and G\$18,000 million. The loss of revenue from the reclassification of AROAIMA was the main contributor to the 2.4 percent decline in export sales to G\$32,036 million. Local sales rose by 13.6 percent to G\$38,207 million, driven by revenue growth from GUYOIL and GPL, while receipts from debtors decreased by 8.1 percent to G\$12,226 million. Other receipts also decreased by 15.5 percent to G\$2,191 million.

The total receipts of the National Insurance Scheme grew by 10.3 percent to G\$8,765 million reflecting for the most part a 9.4 percent growth in employee contributions to G\$6,813 million. Self-employed contributions increased by 27.8 percent to G\$299 million. Investment income also increased by 4.5 percent to G\$1,264 million, but income from other sources declined by 40.3 percent to G\$40 million.

Table XII

Summary of Public Enterprises Finances			
G\$ Million			
	2004	2005	2006
CURRENT ACCOUNT			
Revenue	78,427	82,345	84,660
Expenditure	70,921	76,896	76,967
Oper. Sur. (+)/Def. (-)	7,506	5,449	7,693
Transfers to Cent. Govt.	876	928	1,355
Cash Sur. (+)/Def. (-)	6,630	4,521	6,338
CAPITAL ACCOUNT			
Expenditure	2,968	3,445	2,647
Overall Cash Sur.(+)/Def(-)	3,662	1,076	3,691
Financing	(3,662)	(1,076)	(3,691)
Ext. Borrowing (net)	(1,775)	(87)	0
Domestic Fin. (net) ¹⁾	(1,887)	(989)	(3,691)

¹⁾ Domestic financing includes other financing.

Expenditure

Total current expenditure of the NFPEs grew by 0.1 percent to G\$76,967 million, due mainly to the exclusion of the operations of AROAIMA from the second quarter. Employment costs and charges for materials & supplies increased by 6.3 percent and 3.2

percent, respectively, to G\$19,568 million and G\$24,003 million. Expenditure on repairs & maintenance contracted by 60.3 percent to G\$775 million, with outlays on other expenditure also decreasing by 4.5 percent to G\$14,702 million.

Total current expenditure by NIS grew by 11.4 percent to G\$7,242 million. Pensions increased by 17 percent to G\$5,202 million, while both short-term and industrial benefits declined by 4.5 percent and 4.1 percent, respectively, to G\$813 million G\$208 million. Employment costs grew by 7.9 percent to G\$658 million while other expenses declined by 3.8 percent to G\$351 million. Material & supplies costs were, however, higher by 42.9 percent at G\$10 million.

Capital Account

Capital expenditure of the non-financial public enterprises decreased by 23.2 percent to G\$2,647 million, mainly due to lower capital outlays by GPL during the year.

Overall Balance and Financing

The overall cash surplus expanded to G\$3,691 million from G\$1,076 million at end-December 2005. This was applied to increase the domestic resources of the non-financial public enterprises. □

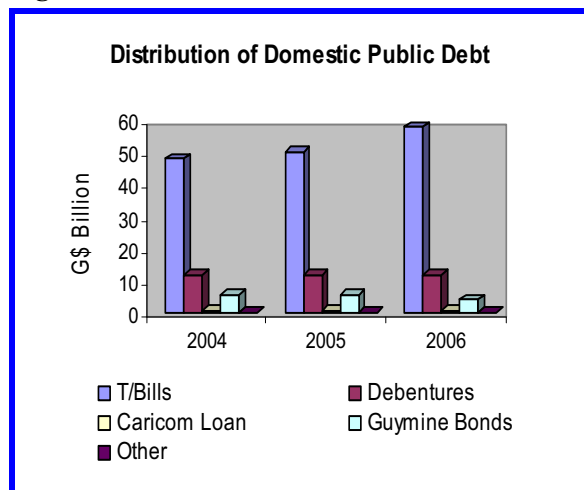
6. PUBLIC DEBT

The stock of government's domestic bonded debt increased by 9.7 percent while its external public and publicly guaranteed debt fell by 15.9 percent. The former reflected the issuance of government treasury bills consistent with the Bank's monetary policy objectives during the year, while the latter reflected mainly the impact of debt relief received under the Multilateral Debt Relief Initiative. Domestic debt service increased while external debt service registered a decline.

Stock of Domestic Debt

The outstanding stock of government domestic bonded debt, which consisted of treasury bills, debentures, bonds and the CARICOM loan, grew by 9.7 percent to G\$74,308 million. The increase resulted mainly from the issuance of treasury bills to contain the growth in liquidity from higher external inflows. The stock of GUYMINE debt, which matured in May 2006, declined to G\$3,969 million as a result of a payment made under a negotiated settlement between government and the bond holders. The stock of debentures remained unchanged at G\$11,817 million.

Figure XII



The total outstanding stock of treasury bills increased by 15.9 percent to G\$57,864 million at end-December 2006. The maturity structure of the outstanding stock of treasury bills shifted towards the longer-term issue as the share of 364-day bills increased by 5.9 percentage points to 84.6 percent. The share of 91- and 182-day bills contracted by 0.2

percentage points and 5.7 percentage points, respectively, to 5.3 percent and 10.1 percent.

Table XIII

Central Government Bonded Debt by Holders G\$ Million			
	2004	2005	2006
Total Bonded Debt	65,851	67,755	74,308
Treasury Bills	47,969	49,908	57,864
91-day	4,263	2,765	3,066
182-day	9,222	7,897	5,864
364-day	34,484	39,246	48,934
CARICOM Loan	722	687	655
Guymine Bonds	5,340	5,340	3,969
Debentures	11,817	11,817	11,817
Defense Bonds	3	3	3

The volume of outstanding stock of 91-day and 364-day bills increased by 10.9 percent and 24.7 percent, respectively, to G\$3,066 million and G\$48,934 million, while the 182-day bills decreased by 25.7 percent to \$5,864 million.

The commercial banks retained the largest share of outstanding stock of treasury bills with 63.4 percent, down from 66.9 percent one year earlier. The public sector share, of which the National Insurance Scheme was the only stakeholder, increased to 7.8 percent from 4 percent, while the share of the other financial intermediaries was slightly lower at 23.3 percent, compared with 26.2 percent in 2005.

The volume of treasury bills issued decreased by 1.1 percent to G\$72,687 million. This reduction was

mainly due to the 54.4 percent contraction in the issuance of 182-day bills to G\$8,778 million. The issues of 91- and 364-day bills, however, increased by 0.1 percent and 24.7 percent, to G\$14,975 million and G\$48,934 million, respectively.

Table XIV

Domestic Debt Service			
G\$ Million			
	2004	2005	2006
Total Bonded Debt	2,985	2,970	3,761
Principal Payments	34	35	1,143
Total Interest	2,951	2,935	2,618
Treasury Bills	2,021	1,979	1,957
91-day	142	160	147
182-day	334	407	213
364-day	1,545	1,412	1,597
CARICOM Loans	30	32	27
Guymine Bonds	269	263	6
Debentures	613	638	628
Other	18	23	0

Redemption of treasury bills decreased by 9.5 percent to G\$64,730 million. Redemptions of the 91- and 182-day issues contracted by 10.8 percent and 47.5 percent, respectively, to G\$14,673 million and G\$10,811 million. In contrast, redemption of the 364-day bills increased by 13.8 percent to G\$39,246 million.

The stock of GUYMINE bonds, which amounted to G\$5,364 million, matured in May. This included G\$49 million held by foreign creditors. Negotiations on the settlement of the entire stock of GUYMINE bonds have been completed with government undertaking to repay 90 percent of the outstanding principal to the major creditor, with an up-front payment of US\$5 million. The unsettled balance, plus accrued interest, will be reissued as a three-year debenture in local currency. Additionally, the local currency equivalent of approximately US\$0.6 million has been set aside to repay three small creditors.

Domestic Debt Service

Total domestic debt service increased by 26.6 percent to G\$3,761 million reflecting mainly the amount of G\$1,109 million charged as payment on principal, due to holders of the GUYMINE bonds. Interest charges declined by 10.8 percent to G\$2,618 million mainly on account of the matured GUYMINE bonds. Interest costs on treasury bills redeemed declined by 1.1 per cent to G\$1,957 million and resulted principally from a 47.7 per cent decline to G\$213 million in interest charges on the lower stock of 182-day bills redeemed during the year. Interest charges on the 91-day bills also decreased, by 8.1 percent to G\$147 million, while interest paid on the 364-day bills rose by 13.1 percent to G\$1,597 million.

Stock of External Debt

Guyana benefited from debt relief under the Multilateral Debt Relief Initiative (MDRI) during 2006. This resulted in the stock of outstanding public and publicly guaranteed external debt contracting by 15.9 percent to US\$921 million at the close of the year.

Table XV

Structure of External Public Debt			
US\$ Million			
	2004	2005	2006
Multilateral	976	971	778
Bilateral	78	104	124
Suppliers' Credit	13	13	13
Financial Markets/ Bonds	7	7	6
Total	1,074	1,095	921

Obligations to multilateral creditors, which accounted for 87.9 percent of outstanding debt, decreased by 19.9 percent to US\$778 million. This was due to the cancellation of eligible debt by the International Development Association under the MDRI. Liabilities to this creditor declined to US\$9 million from US\$228 million at end-December 2005. Indebtedness to the Inter-American Development Bank, the largest multilateral creditor, increased by

9.6 percent to US\$515 million, while obligations to the CARICOM Multilateral Clearing Facility remained unchanged at US\$36 million.

Indebtedness to the International Monetary Fund decreased by 38.5 percent to US\$56 million, while liabilities to the Caribbean Development Bank increased by 13.1 percent to US\$112 million.

Total bilateral obligations, which represented 10.2 percent of total external debt, increased by 19.2 percent to US\$124 million. This increase was due to the release of funds under contract with India for the construction of the Cricket Stadium, and China for the continuation of the Skeldon Project. Obligations to Trinidad & Tobago, Guyana's largest bilateral creditor, decreased by 1.8 percent or US\$1 million to US\$55 million. These represented 44.4 percent and 5.3 percent of bilateral and total external debt, respectively.

External Debt Service

External debt service payments declined by 8.3 percent to US\$22 million, due mainly to the impact of debt relief under the Multilateral Debt Relief Initiative. The debt service ratio was 3.8 percent compared with 4.4 percent at end-December 2005.

Principal and interest payments amounted to US\$12 million and US\$10 million, respectively. Central Government debt service increased by 23.5 percent to US\$21 million, due mainly to the resumption of debt service to Trinidad & Tobago following the moratorium granted after the floods of 2005. Debt service by the Bank of Guyana was lower at US\$1 million, compared with US\$7 million in 2005. This resulted from debt relief under the MDRI delivered through the International Monetary Fund.

Payments to multilateral creditors declined by 21.7 percent to US\$18 million, and represented 81.8 percent of total debt service, while bilateral creditors received US\$4 million, up from US\$1 million.

Debt service to the International Monetary Fund

declined to US\$1 million from US\$7 million, while payments to the Inter-American Development Bank and the International Development Association totaled US\$12 million and US\$2 million, respectively.

Table XVI

External Debt Service Payments US\$ Million			
	Principal	Interest	Total
End-December 2006			
Total	12	10	22
Bank of Guyana	0	1	1
Central Gov't	12	9	21
Parastatals	0	0	0
End-December 2005			
Total	16	8	24
Bank of Guyana	6	1	7
Central Gov't	10	7	17
Parastatals	0	0	0

Debt Relief

Guyana received approximately US\$254 million in debt write-off under the Multilateral Debt Relief Initiative during the year. The International Monetary Fund delivered its share of US\$65 million in the first half of the year while the World Bank delivered its share of US\$189 million through the International Development Association in the latter half.

Total debt relief under the Heavily Indebted Poor Countries Initiative (HIPC) for 2006 was US\$46 million. Relief under the original HIPC Initiative totaled US\$20 million, while debt relief accruing under the enhanced HIPC initiative totaled US\$26 million. Debt relief under the Multilateral Debt Relief Initiative attributable to 2006 totaled US\$19 million. The International Monetary Fund provided US\$16 million of that amount as grant relief, while the International Development Association provided the balance of US\$3 million as stock-of-debt relief. □

7. FINANCIAL SECTOR DEVELOPMENTS

The principal focus of monetary policy was geared towards liquidity management to foster stable prices and private sector credit growth. Broad money grew by 15.9 percent while credit to the private sector expanded by 17.8 percent. Commercial banks' interest rates trended downwards on account of higher levels of liquidity in the banking system and competition for treasury bills. Interest rate spreads widened as deposit rates declined while the main lending rates remained relatively stable. The non-bank financial institutions continued to actively mobilize financial resources.

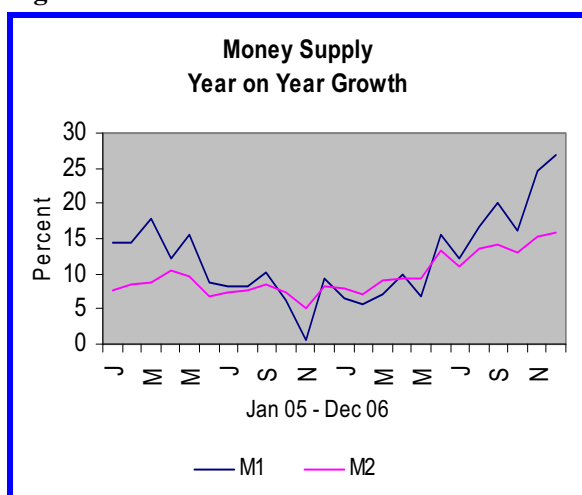
MONETARY DEVELOPMENTS

Reserve Money

Reserve money expanded by 4 percent to G\$50,644 million. The higher level of reserve money stemmed primarily from a 51.6 percent increase in net foreign assets of the Bank of Guyana. Net domestic assets of the Bank of Guyana declined by 43.2 percent in 2006.

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. Deposits declined by 11 percent in 2006.

Figure XIII



Money Supply

Broad money (M2), comprising currency in circulation and private sector deposits, grew by 15.9 percent to G\$143,777 million. The expansion reflected the acceleration in both Narrow and Quasi-money.

Table XVII

Reserve Money G\$ Million			
	2004	2005	2006
Net Foreign Assets	19,425	24,244	36,754
Net Domestic Assets	24,328	24,438	13,890
Credit to Public Sector	(26,374)	(25,232)	(35,995)
Reserve Money	43,753	48,682	50,644
Liabilities to:			
Commercial Banks	24,207	27,156	24,692
Currencies	2,232	2,410	2,660
Deposits	21,913	24,684	21,970
EPDs	62	62	62
Currency in Circulation	19,546	21,527	25,952
Monthly Average			
Reserve Money	37,536	42,197	45,927
Broad Money (M2)	108,821	117,417	131,089
Money Multiplier	2.90	2.78	2.85

Narrow money (M1), consisting of currency in circulation, private sector demand deposits and cashiers' cheques and acceptances, grew by 27 percent to G\$48,070 million. This was due to currency in circulation increasing by 20.6 percent to G\$25,952 million. Demand deposits, including cashiers' cheques and acceptances, rose by 35.6

percent to G\$22,118 million, with demand deposits alone growing by 30.7 percent to G\$14,446 million on account of larger payments by businesses for goods and services and year end company taxes.

Quasi-money, comprising interest-earning deposits of the private sector and accounted for 66.6 percent of M2, grew by 11.1 percent. The increase resulted from a 12.3 percent and 4.9 percent expansion in savings and time deposits, respectively due to strong economic performance and higher earnings in 2006.

Table XVIII

Monetary Survey			
G\$ Million			
	2004	2005	2006
Narrow Money	34,606	37,839	48,070
Quasi Money	79,888	86,173	95,707
Money Supply (M2)	114,495	124,012	143,777
Net Domestic Credit	37,419	39,896	43,300
Public Sector (Net)	(943)	(3,155)	(10,385)
Private Sector Credit	48,386	52,429	61,789
Agriculture	3,245	3,638	3,526
Manufacturing	8,540	8,150	10,145
Distribution	8,988	9,073	9,768
Personal	8,193	10,303	12,513
Mining	410	346	956
Other Services	5,399	5,293	6,202
Real Estate Mortgages	7,432	9,302	12,524
Other	6,180	6,325	6,156
Non-bank Fin. Inst.	(10,024)	(9,378)	(8,103)
Net Foreign Assets	34,002	42,235	55,459
Other Items (Net)	43,073	41,881	45,017

Money Multiplier and Income Velocity

The yearly average for the M2 multiplier increased from 2.78 in 2005 to 2.85, 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.

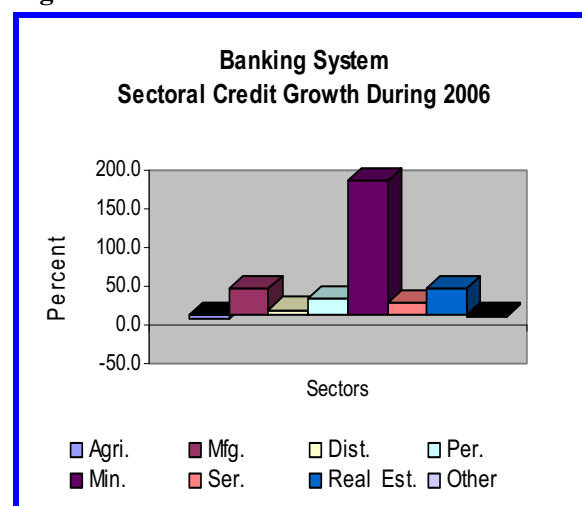
Commercial Banks Deposits

Resident deposits (comprising the public and private sectors) with the commercial banks were higher, while deposits of the non-bank financial institutions were lower during the review period. Total resident deposits grew by 10.8 percent to G\$144,558 million. The deposits of the non bank financial institutions declined by 13.8 percent to G\$8,540 million.

Deposits

Private sector deposits, which accounted for 79.3 percent of total deposits by residents, grew faster at 13.9 percent compared with 8.3 percent in 2005. Business enterprises' deposits increased by 19.7 percent to G\$18,333 million, reflecting higher domestic demand. Individual customers' deposits grew by 12.8 percent to \$96,253 million, reflecting growth in the economy and higher earnings.

Figure XIV



The deposits of the public sector expanded by 7.6 percent to G\$21,432 million compared with an increase of 41.8 percent in 2005 due mainly to higher tax receipts. Deposits of the public non-financial enterprises increased by 171.3 percent to G\$9,120 million as a result of increased taxes and dividends. In contrast, total general government deposits, comprising central and local government, declined by

25.7 percent to G\$12,312 million. This outturn resulted from a reclassification of some institutions from central government to public non-financial enterprises.

The deposits of the non-bank financial institutions declined by 13.8 percent to G\$8,540 million during the review period compared with a 5.7 percent reduction in 2005.

Domestic Investments

Commercial banks' gross investments amounted to G\$107,784 million or 60 percent of total assets. Loans and advances, inclusive of the public sector loans, increased by 17.8 percent to G\$61,880 million during 2006 and accounted for 57.3 percent of total domestic investment. Securities grew by 13.8 percent to G\$56,021 million. Its share was 42.7 percent of their investment portfolio. Government securities in the form of treasury bills increased by 9.9 percent to G\$35,739 million during the review period.

BANKING SYSTEM

Net Domestic Credit

Net domestic credit by the banking system increased by 8.5 percent to G\$43,300 million compared with an increase of 6.6 percent in 2005. The outturn resulted from an increase in gross credit to the private sector.

Credit to the Private Sector

Loans and advances to the private sector grew by 17.8 percent to G\$61,789 million compared with an 8.4 percent increase in 2005. This faster growth was due to increased optimism within the housing and construction market. Private sector credit was 43 percent of M2 during the review period compared with 42.3 percent in 2005. The ratio of banks credit to resident deposits increased to 0.32 from 0.31.

Credit to the real estate mortgage sector increased by 34.6 percent while loans to the mining, manufacturing and personal sectors expanded by 176.3 percent, 24.5 percent and 21.5 percent

respectively. Credit to the distribution sector grew by 7.7 percent while loans and advances to other services increased by 17.2 percent. The "other category" of credit, which is largely made up of purchases of local securities by commercial banks, declined by 2.7 percent and reflected maturing bonds.

Figure XV

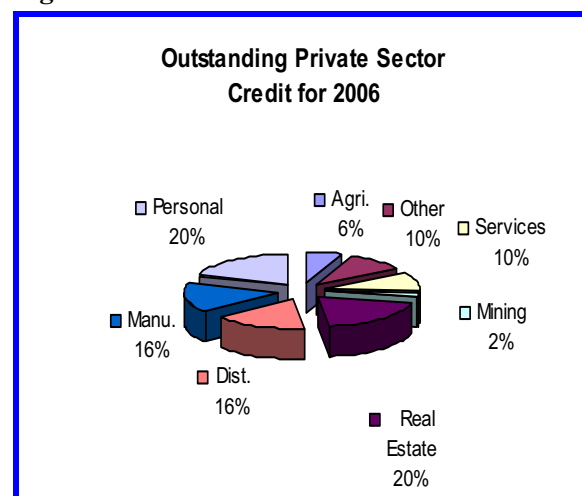


Figure XV shows that the commercial banks' major exposures to the private sector were 20 percent to personal, 20 percent to real estate, 16 percent to distribution, 16 percent to manufacturing and 10 percent to loans for local securities.

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 229.1 percent to G\$10,385 million due in part to the higher deposits of the public enterprise.

Central government's net deposit position with the banking system decreased by 22.4 percent to G\$9,716 million in 2006, while net deposits of the public enterprises increased by 334.6 percent compared with a 27.4 percent decline in 2005. This was due to the reclassification of some institutions from central government to public enterprise in accordance with the recommendations of the

International Monetary Fund. The other category of the public sector, which includes the local government and the National Insurance Scheme, recorded a decline of 13.4 percent in net deposits compared with a 74.4 percent increase in 2005. This was due to the opening of a temporary account at the Bank of Guyana at end-December 2005 with respect to other deposits.

Net Credit to the Non-Bank Financial Institutions

The non-bank financial institutions continued to be net depositors of funds with the banking system, totaling G\$8,103 million, which was 13.6 percent lower than the 2005 level. The reduction was due to a decrease of 18.3 percent in deposits of the private non-bank financial institutions as a result of the transfer of assets from local banks deposits to foreign securities.

Net Foreign Assets

The net foreign assets of the banking system grew by 31.3 percent to US\$276 million largely due to a 50 percent increase in Bank of Guyana net foreign assets to US\$182 million. Commercial banks net foreign assets rose by 4.5 percent to US\$94 million.

The Bank's outturn was due to a 10.6 percent growth in foreign assets to US\$277 million and a decline in foreign liabilities by 27 percent to US\$95 million. The former was due to an increase in purchases of securities in the foreign capital market, while the latter was a result of debt relief received under the Multilateral Debt Relief Initiative. The commercial banks outturn resulted from a 3.8 percent increase in gross foreign assets to US\$149 million which more than offset the 2.7 percent increase in gross foreign liabilities. The increase in gross foreign assets reflected higher investment in foreign securities.

Interest Rates

Commercial banks interest rates trended downwards except for the prime lending rate. Although the 91-day treasury bill rate (the benchmark rate) increased by 42 basis points to 4.16 percent. The small savings

rate fell by 19 basis points to 3.19 percent and the weighted average time deposit rate decreased by 17 basis points. Both rates declined due to high levels of excess liquidity. The weighted average lending rate reduced by 38 basis points while the prime lending rate of the commercial banks remained unchanged.

Table XIX

Commercial Banks			
Selected Interest Rates and Spreads			
All interest rates are in percent per annum			
	2004	2005	2006
1. Small Savings Rate	3.42	3.38	3.19
2. Weighted Avg. Time Deposit Rate	3.04	3.10	2.93
3. Weighted Avg. Lending Rate	14.31	13.50	13.12
4. Prime Lending Rate	14.54	14.54	14.54
5. End of period 91-day Treasury Bill Discount Rate	3.79	3.74	4.16
Spreads			
A (3-1)	10.90	10.12	9.93
B (4-1)	11.13	11.17	11.35
C (5-1)	0.37	0.37	0.97
D (3-2)	11.28	10.39	10.19
E (4-2)	11.50	11.44	11.61

The commercial banks' interest rate spreads between the small savings rate and the prime lending rate widened to 11.35 percentage points from the 11.17 percentage points in 2005. The spread between the 91-day treasury bill rate and the small savings rate also widened to 97 basis points.

Liquidity

Total liquid assets of the commercial banks declined by 1.5 percent to G\$55,577 million. The banks' excess liquid assets amounted to G\$22,325 million or 67.1 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 65.9 percent of total liquid assets.

Total reserves deposited with the Bank declined by 9.4 percent to G\$22,752 million. The required statutory reserves of the banks grew by 10.2 percent to G\$18,635 million, reflecting an increase in savings deposit liabilities. Reserves in excess of the minimum requirement stood at G\$4,117 million at end 2006.

NON-BANK FINANCIAL INSTITUTIONS

The financial resources of the Non-Bank Financial Institutions (NBFIs), which includes depository and non-depository licensed and unlicensed financial institutions, grew by 5.3 percent or G\$5,756 million to G\$113,786 million. However, their share of total assets in the financial sector declined to 38.7 percent from 39.9 percent in 2005.

The additional resources mobilized by the NBFIs were derived mainly from a 10 percent or G\$1,387 million expansion in pension funds and a 7.9 percent or G\$1,855 million increase in share deposits. Foreign liabilities rose by 5.2 percent or G\$451 million and other liabilities increased by 8.9 percent or G\$3,738 million. The former was due to increased shares and insurances premiums to non-residents, and the latter was a result of increased reserves and locally funded loans. However, local Insurance premiums declined further by 16.3 percent or G\$2,196 million due to the reduction in liabilities to NIS and other policy holders.

NBFIs' funds, which grew largely by 51.7 percent to G\$49,031 million and accounted for 43.1 percent of total assets, were used largely for private sector investments. This was due to continued investments in local securities and real estate mortgage loans. Mortgage loans increased by 78.8 percent compared with a 0.9 percent decline in 2005 and accounted for 58.5 percent of the private sector claims. Use of funds for investment in other assets declined by 34.4 percent, while that in the banking sector and the

public sector declined by 8.1 percent and 0.6 percent, respectively.

Table XX

NON-BANK FINANCIAL INSTITUTIONS			
Selected Sources & Uses of Funds			
G\$ Million			
	Balances		
	2004	2005	2006
Sources of Funds:	91,244	108,030	113,786
Deposits	28,137	30,016	32,392
Share Deposits	21,960	23,450	25,305
Other Deposits	6,177	6,566	7,087
Foreign Liabilities	7,012	8,690	9,141
Premium	18,784	13,458	11,262
Pension Funds	15,248	13,902	15,289
Other Liabilities	22,063	41,964	45,702
Uses of Funds:	91,244	108,030	113,786
Claims on:			
Public Sector	12,139	14,007	13,919
Private Sector	34,917	32,327	49,031
Banking System	11,226	9,941	9,132
Non-Residents	21,898	21,915	22,138
Other Assets	11,064	29,841	19,565

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

The New Building Society

Total resources of the New Building Society (NBS) increased by 9.2 percent or G\$2,646 million to G\$31,471 million and accounted for 27.7 percent of total assets of the NBFIs. The increase was due to a 7.9 percent increase in share deposits. Other liabilities grew by 9.8 percent, while foreign liabilities rose by 41.7 percent.

Funds mobilized by the NBS were used primarily to extend mortgage loans, acquire additional assets, and invest in Government of Guyana treasury bills. Total lending to the private sector, which represented 50.7 percent of total assets, grew by 14.8 percent to

G\$15,950 million, due to competitive interest rates offered by the NBS. Other assets including fixed assets increased by 13.4 percent.

Table XXI

NEW BUILDING SOCIETY			
Selected Sources & Uses of Funds			
G\$ Million			
	Balances		
	2004	2005	2006
Sources of Funds:	25,746	28,825	31,471
Share Deposits	21,960	23,450	25,305
Other Deposits	547	610	634
Foreign Liabilities	0	945	1,339
Other Liabilities	3,239	3,820	4,193
Uses of Funds:	25,746	28,825	31,471
Claims on:			
Public Sector	9,887	11,436	11,823
Private Sector	12,413	13,897	15,950
Banking System	1,733	1,494	1,515
Non-Residents	758	873	907
Other Assets	955	1,125	1,276

Investment in Government of Guyana treasury bills, increased by 3.4 percent and accounted for 37.6 percent of total assets. Claims on the non-resident sector rose by 3.9 percent, while those on the banking sector increased by 1.4 percent.

Trust Companies

The resources of the trust companies, which includes Hand in Hand Trust Corporation Incorporated, Trust Company Guyana Limited and Globe Trust & Investment Limited, increased by 2.6 percent or G\$218 million. This was mainly due to an 8.3 percent increase in deposits representing 74.3 percent of total trust company liabilities. Other liabilities and foreign liabilities declined by 11.3 percent and 5 percent, respectively.

Funds were redistributed to increase claims on the non-resident sector by 211.5 percent in order to realize the higher rates of return from investments in

foreign securities. There was a decline in claims on the banking sector and the public sector by 40.8 percent and 31.8 percent, respectively. Claims on the private sector declined by 17.8 percent and accounted for 29.6 percent of total assets compared with a decline of 16.8 percent in 2005. Other assets depreciated by 13.5 percent.

Table XXII

TRUST COMPANIES			
Selected Sources & Uses of Funds			
G\$ Million			
	Balances		
	2004	2005	2006
Sources of Funds:	8,340	8,466	8,684
Deposits	5,521	5,956	6,452
Foreign Liabilities	109	115	109
Other Liabilities	2,710	2,394	2,123
Uses of Funds:	8,340	8,466	8,684
Claims on:			
Public Sector	1,322	1,439	980
Private Sector	3,763	3,129	2,573
Banking System	1,615	1,939	1,147
Non-Residents	683	1,018	3,171
Other Assets	957	941	813

Mortgages accounted for 76 percent of private investment from 46.9 percent in 2005. The companies' holdings of other loans and advances consisted of agricultural and personal loans, which accounted for 14.4 percent of total loans and advances.

Finance Companies

The financial resources of the finance companies increased by 27.5 percent or G\$1,959 million, due mainly to the inclusion of Development Finance Limited South America (DFLSA). Loans received locally from companies' affiliates expanded by 66 percent compared with a 5 percent decline in 2005, with loans to DFLSA accounting for 15.7 percent of them. Other liabilities increased by 213.7 percent on account of a G\$1,538 million increase in finance

companies reserves. Retained earnings declined by 34.4 percent representing a decline in profitability. Foreign liabilities remained unchanged.

Table XXIII

FINANCE COMPANIES			
Selected Sources & Uses of Funds			
G\$ Million			
	Balances		
	2004	2005	2006
Sources of Funds:	6,953	7,127	9,085
Loans Received	1,515	1,440	2,391
Retained Earnings	3,447	3,702	2,429
Foreign Liabilities	917	917	917
Other Liabilities	1,073	1,067	3,348
Uses of Funds:	6,953	7,127	9,085
Claims on:			
Public Sector	0	0	0
Private Sector	5,134	5,125	6,417
Banking System	193	224	246
Non-Residents	914	929	896
Other Assets	712	849	1,526

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 one micro-finance institution (Development Finance Limited South America Inc.)

Claims on the private sector, which represented 70.6 percent of finance companies' total assets, increased by 25.2 percent. Other assets, comprising of other real estate, prepayments, accounts receivable and stocks, expanded by 79.7 percent and accounted for 16.8 percent of total finance companies assets. Claims on the banking sector grew by 9.8 percent. In contrast, claims on the non-resident sectors declined by 3.6 percent.

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), grew marginally by 0.1 percent. This

resulted from a 0.2 percent increase in provision for outstanding loans which represented 75.2 percent of total liabilities.

Table XXIV

ASSET MANAGEMENT COMPANIES			
Selected Sources & Uses of Funds			
G\$ Million			
	Balances		
	2004	2005	2006
Sources of Funds:	0	19,651	19,666
Provisions for Loans	0	14,757	14,788
Other Liabilities	0	4,894	4,878
Uses of Funds:	0	19,651	19,666
Claims on:			
Private Sector	0	10,611	10,377
Banking System	0	1,112	1,343
Other Assets	0	7,928	7,946

Funds were used to mobilize claims on the banking sector and to acquire additional assets. Claims on the banking sector increased by 20.8 percent and other assets including fixed assets and interest receivable rose by 0.2 percent. Conversely, claims on the private sector declined by 2.2 percent due to a reduction in non performing loans. Interest accrued on non performing loans represented 37.5 percent of total assets.

Pension Schemes

The consolidated resources of the pension schemes increased by 12.1 percent compared with a 7 percent decline in 2005. This was due to a 10 percent increase in pension funds. Hence, the pension schemes' share of total NBFI's resources increased to 14.9 percent from the 14 percent in 2005.

The resources available were redistributed to increase holdings in the private and foreign sector. Private sector investments rose by 29.6 percent as investments in local securities increased by 43.5 percent while loans & advances grew by 50.6 percent. Foreign sector investments increased by

27.6 percent, due to a 23.5 percent increase in foreign securities. Claims on the banking sector declined further by 22.1 percent following a decline of 35 percent recorded a year ago, and reflected a reduction in balances held at local commercial banks.

Table XXV

PENSION COMPANIES			
Selected Sources & Uses of Funds			
G\$ Million			
	Balances		
	2004	2005	2006
Sources of Funds:	16,256	15,121	16,957
Pension Funds	15,248	13,902	15,289
Other Liabilities	1,008	1,219	1,668
Uses of Funds:	16,256	15,121	16,957
Claims on:			
Public Sector	930	1,131	1,125
Private Sector	5,109	5,212	6,755
Banking System	5,898	3,833	2,985
Non-Residents	3,200	3,822	4,876
Other Assets	1,119	1,124	1,216

Domestic Insurance Companies

The total resources of the domestic insurance companies (life and non-life segments) declined by 3.2 percent. The life component, which accounted for 76.6 percent of the industry's resources, declined by 6 percent, while the non-life component grew by 7.2 percent compared with a decline of 47.2 percent recorded in 2005.

The overall insurance premium, which have local and foreign components, declined by 9.3 percent. The local life component declined by 16.3 percent from G\$13,458 million to G\$11,262 million. The non-resident component increased by 11.7 percent and accounted for 30.6 percent of total life insurance premium and 90.5 percent of total life insurance foreign liabilities.

Resources were reallocated to enhance claims on the private sector and acquire additional assets. Total

private sector investments, in the form of shares and loans and advances, increased by 40.2 percent and constituted 20 percent of total private sector investment. Other assets increased by 10.2 percent and accounted for 24.3 percent of total assets.

Table XXVI

DOMESTIC INSURANCE COMPANIES			
Selected Sources & Uses of Funds			
G\$ Million			
	Balances		
	2004	2005	2006
Sources of Funds:	33,949	28,841	27,922
Premium	18,785	13,458	11,262
Foreign Liabilities	5,986	6,638	6,775
Other Deposits	0	0	0
Other Liabilities	9,179	8,745	9,885
Uses of Funds:	33,949	28,841	27,922
Claims on:			
Public Sector	0	0	0
Private Sector	8,499	4,965	6,959
Banking System	1,786	2,451	1,895
Non-Residents	16,343	15,274	12,289
Other Assets	7,322	6,151	6,779

Claims on the banking system declined by 22.7 percent. Funds mobilized by the non-resident sector declined by 19.5 percent. Non-resident claims were distributed among foreign securities, and foreign loans and advances and foreign deposits. Foreign securities increased by 21.2 percent, while foreign loans and advances declined by 45.4 percent. Deposits with foreign banks, which represented 70.4 percent of non-resident claims, declined by 23.6 percent.

Interest Rates

The interest rate structure of the NBFIs varied during 2006. The small savings rate of NBS remained unchanged at 2.5 percent, while the save and prosper shares rate declined by 50 basis points to 4.50 percent. The ordinary mortgage rate declined by 1.45 percentage points and the low-income mortgage

loans declined by 15 basis points to 5.5 percent.
The interest rates offered by Hand in Hand Trust on
domestic and commercial mortgages remained

unchanged at 14 percent and 16 percent respectively,
at the end of 2006. □

8. FINANCIAL STABILITY ASSESSMENT

The Licensed Depository Financial Institutions (LDFIs) macro prudential indicators suggest that the banking system is sound, adequately capitalized, profitable and liquid. The capital adequacy and profitability ratios improved when compared to the previous year. The level of liquidity in the financial system remained relatively high although there was a marginal decline in the liquid asset ratio. There was a decline in non-performing loans.

Capital Adequacy Profiles

Composition of Capital

The qualifying capital of LDFIs grew by 15.7 percent to G\$11,998 million compared with 7.2 percent in 2005. This reflected a 13.8 percent increase in qualifying Tier 1 capital to G\$11,793 million and was due to higher levels of retained earnings reported by these financial institutions.

Table XXVII

Licensed Depository Financial Institutions (LDFIs)			
Capital Adequacy Profiles			
G\$ Million			
	2004	2005	2006
Total Qualifying Capital	9,670	10,367	11,998
Total Tier 1 capital (Net)	9,445	10,361	11,793
Risk-weighted Assets	65,405	71,138	78,714
Percent			
Average CAR	14.8	14.6	15.2
Tier 1 ratio	14.4	14.6	15.0

Risk-weighted Assets

The aggregate risk-weighted assets of LDFIs grew by 10.6 per cent to G\$78,714 million compared with 8.8 percent in 2005. The growth was as a result of an increase in real estate loans and credit to all the major sectors, except the agriculture and rice milling sectors. The average Capital Adequacy Ratio (CAR), which is the ratio of total capital to risk-weighted assets, grew by 0.6 percent to 15.2 percent in 2006. This was above the internationally accepted benchmark of 8 percent. Tier 1 CAR was 15 percent compared with 14 percent in 2005.

Asset Quality

Non-performing loans

Total non-performing loans was lower by 3.9 percent to G\$7,048 million, due to declines in the agriculture and manufacturing sectors. The agriculture sector recorded a 64.4 percent (or G\$630 million) reduction in non-performing loans in 2006. This outturn reflected lower non-performing loans reported for the 'paddy' and livestock sub-categories and was mainly due to debt write-offs by some of the LDFIs. The manufacturing sector non-performing loans declined by 12.1 percent (or G\$288 million) on account of the 'rice milling' sub-group.

Table XXVIII

Licensed Depository Financial Institutions (LDFIs)			
Sectoral Distribution of Non-Performing Loans			
G\$ Million			
	2005	2005	2006
Economic Sector			
Business Enterprise	8,132	6,492	6,207
Agriculture	1,247	978	348
Mining & Quarrying	40	54	67
Manufacturing	2,909	2,376	2,088
Services	3,936	3,084	3,704
Households ¹⁾	1,119	840	841
Total ²⁾	9,251	7,332	7,048

¹⁾ Household includes personal loans only.

²⁾ Total does not include real estate.

The services sector non-performing loans grew by 20.1 percent (or G\$620 million) to G\$3,704 million at end-December 2006. This performance resulted from the growth in non-performing loans within the 'distribution' and 'other services' categories.

The mining and quarrying sector non-performing loans grew by 24 percent to G\$67 million in 2006. The increase occurred in the 'gold' sub-sector. There was no significant change to non-performing loans within the household sector.

Non-performing loans of LDFIs were 11.8 percent of their total loans compared with 14.4 percent in 2005. The overall ratio of provision for loan losses to non-performing loans declined from 44.6 percent in 2005 to 41.1 percent in 2006. This was due to a 27 percent decrease in provisions for loan losses.

Loan Concentration

Loans to the top 20 borrowers declined by 1.5 percent to G\$19,374 million. This contributed to the top 20 borrowers' loans to total loans ratio decreasing to 32.5 percent, from 38.5 percent in 2005.

Loans to related parties grew by 0.9 percent to G\$3,404 million. The ratio of such loans to total loans, however, contracted from 6.6 percent to 5.7 percent in 2006. This outcome resulted primarily from a 16.8 percent increase in total loans.

EARNINGS

Income

The gross income of LDFIs amounted to G\$15,599 million in 2006. This was 17.5 percent (or G\$2,332 million) above the G\$13,277 million reported for the previous year. The increase was attributed to higher interest income, foreign exchange gains and other operating income. Interest income grew by 15.3 percent due to a 17.8 percent increase in private sector credit.

Expenses

The aggregate expenses of LDFIs increased by 8 percent to G\$10,331 million. This resulted mainly from increases in interest and operating expenses, which grew by 15.5 percent and 16 percent, respectively.

Table XXIX

Consolidated Income Statement of LDFIs		
G\$ Million		
	2005	2006
Operating Income	13,273	15,599
Interest Income	10,168	11,720
Foreign exchange gain	1,875	2,476
Other operating income	1,230	1,402
Non-operating income	4	0
Operating Expenses	9,562	10,331
Interest Expenses	3,571	4,123
Salaries and other staff cost	2,388	2,555
Provision for loan losses	1,157	844
Bad debts written off	(208)	(269)
Foreign exchange losses	0	0
Other operating expenses	2,654	3,078
Non-Operating Expenses	0	0
Net income before tax	3,714	5,268
Taxation	1,021	1,586
Net income/loss after tax	2,690	3,682
Profitability Ratios - Percent (%)		
Return on Assets (ROA)	2.3	2.8
Return on Equity (ROE)	22.3	29.3

Net profit before tax and profitability ratios

The net income before tax of the LDFIs grew by 41.8 percent to G\$5,268 million in 2006. Net income after tax grew by 36.9 percent to G\$3,682 million. This performance was due to relatively higher gross income when compared to the increase in gross expenses.

Higher earnings have improved the LDFIs profitability ratios. The average return on asset (ROA) and average return on equity (ROE) were higher at 2.8 percent and 29.3 percent, respectively, compared with 2.3 percent and 22.3 percent, respectively, in 2005.

LIQUIDITY

The average liquid assets of LDFIs amounted to G\$53,571 million, 9.8 percent above the average

level recorded in 2005. This outturn resulted primarily from increased investments in Government of Guyana treasury bills which grew by 9.6 percent to G\$36,629 million.

The average liquid asset ratio (LAR) declined to 30 percent from 31.6 percent at end-December 2005. Similarly, the ratio of customer deposits to total (non-interbank) loans declined to 270.7 percent from 295.8 percent at end-December 2005. The decline in these ratios was due largely to the significant increase in total loans.

Table XXX

Licensed Depository Financial Institutions (LDFIs)			
Liquidity Indicators			
G\$ Million			
	2004	2005	2006
Avg. Actual Liq. Assets	40,034	48,784	53,571
Avg. Required Liq. Assets	25,323	28,998	32,336
Avg. Excess Liq. Assets	14,710	19,786	21,234
Liquidity Ratios - Percent (%)			
Liq. Asset Ratio (LAR)	32.2	31.6	30.0
Customer deposits to total (non-interbank) loans	249.5	295.8	270.7

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 2006: Republic Bank (Guyana) Limited (RBGL); Guyana Bank for Trade & Industry Limited (GBTI); Demerara Bank Limited (DBL); Citizens Bank (Guyana) Incorporated (CBI); Bank of Baroda (Guyana) Incorporated (BoB); Bank of Nova Scotia (BNS) and Hand in Hand Trust Corporation Incorporated (HIHT).



II

INTERNATIONAL ECONOMIC AND MONETARY DEVELOPMENTS

The World Economy

The global economy remained resilient in 2006 despite tighter monetary conditions, with growth exceeding levels recorded in 2005. This was achieved by particularly strong growth in emerging markets and developing countries, compared with the performances of the advanced economies. Financial markets were generally stable, and the fiscal outlook did not stem investors' confidence during the year. Looking forward, policy makers will continue to evaluate their options as they balance the prospects for growth against the risk of inflationary excesses. Crude oil prices will remain an upside risk in light of sensitive supply conditions and the geopolitical climate.

Industrial Countries

Output

These economies recorded mixed performances in 2006. The decline in the price of fuel and improved terms of trade supported the economies that expanded, while unfavorable trade balances were mainly responsible for the contraction in the other economies.

In the USA, real GDP grew by 3.4 percent compared with 3.2 percent in 2005. The growth reflected a rise in private consumption and non-residential fixed assets expenditure. The expansion in private consumption was due to a rise in income levels and credit to the private sector. In Canada, real output declined marginally to 2.7 percent from the 2.8 percent recorded in 2005 due to reduced growth in consumer spending and exports as well as cooling in the housing market.

The Euro area witnessed expanded economic activity with real GDP growth of 2.7 percent compared with 2 percent at the end of 2005. The growth was driven mainly by strong domestic demand and net exports. Growth in Britain increased to 2.7 percent from 1.7 percent in 2005 due to strong business investments

and rising exports.

In Japan, economic activity continued to recover with real GDP growing by 1.6 percent at the end of the third quarter compared with 0.8 percent for the corresponding period in 2005. The expansion was supported by strong exports and steady business investment.

Inflation

Inflationary pressures receded in many of these economies, reflecting mainly the significant reduction in energy prices since September 2006. In the USA, inflation was lower at 2.5 percent compared with 3.4 percent one year ago. This outturn was as a result of a fall in oil prices and lower energy bills due to the unusual warmer weather. In Canada, the inflation rate was 1.6 percent compared with 2.2 percent at the end of 2005 due to a fall in energy prices.

The annual inflation rate in Britain rose to 3 percent in December 2006, from 1.9 percent one year ago. The increase was largely driven by lack of excess capacity in the UK economy. The Euro area recorded lower inflation of 1.9 percent from 2.2 percent in 2005 in view of lower energy prices.

In Japan there was a reversal of the deflation experienced in 2005, to an inflation rate of 0.3 percent in 2006 on account of high import prices.

Employment

The rate of unemployment was lower in 2006 reflecting the higher output growth in most of these economies. In the United States and Canada, the unemployment rates dropped to 4.5 percent and 6.1 percent, respectively, from 4.9 percent and 6.3 percent, respectively, at the end of 2005, thus showing that the economies are strong enough to add jobs but not to increase inflation. The unemployment rate in Britain was 5.5 percent indicating improved growth. In the Euro Area it was 7.5 percent, the lowest rate since 1993. Germany and France's labour markets favourable outturn were the main contributors with high growth. In Japan, unemployment rate fell to 4.1 percent from 4.4 percent in 2005 reflecting the recovery of the economy.

Monetary and Exchange Rates

Many of the industrialized countries tightened monetary policy in 2006. Higher interest rates were recorded in the USA, Canada, the UK and the Euro area.

The targeted Federal Fund rate in the USA increased to 5.25 percent at the end of 2006, from 4.2 percent at end 2005, while the three months Euro LIBOR and the United Kingdom three month rates moved to 3.72 percent and 5.56 percent, respectively.

The United States dollar weakened against both the pound sterling and the Euro, as traders and investors alike rebalanced their risks and portfolios in the context of the trade deficit of the United States, and relative interest rates adjustments across these economies. The Japanese yen, however, fell modestly against the United States dollar, trading at US\$1:¥118.86, compared with US\$1:¥117.80 at the end of 2005. This was due to relatively lower interest rates in Japan and upbeat performance in the US

economy. The Canadian dollar was traded at \$1.161 per United States dollar from \$1.163 at the end of 2005, on account of stable commodity prices, including oil prices.

Developing Countries

Output

Most of the developing countries continue to grow in the context of a robust global economy. Growth in developing economies in Asia and the Pacific region remained strong at 6.2 percent from 6.6 percent due to softening in global trade, high oil prices and inflationary pressures. Economic growth in Sub Sahara Africa was estimated at 4.75 percent compared with 5.5 percent in 2005. The slow down is mainly due to a temporary decline in oil production in several countries. South Africa recorded a 4.5 percent growth in real GDP, influenced mainly by the depreciation of the Rand and the rising price of metal on world market. The Latin America and the Caribbean (LAC) region is estimated to grow by 4.75 percent, driven by buoyant domestic and global demand.

Inflation

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 2.75 percent reflecting tighter monetary policy. In Sub Sahara Africa, the inflation rate declined to 7 percent from 8.5 percent in 2005. This resulted from falling food prices, adoption of better stabilization policies and strengthening of the Euro in the CFA franc zone. Inflation in the Latin America and the Caribbean region was contained at 5.25 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 and thereby posing major

challenges for poverty alleviation. In Asia and the Pacific region, the unemployment rate was steady at 6.6 percent, while in Sub Sahara Africa it hovered around 10 percent. In the Latin America and the Caribbean region unemployment declined to 10 percent on average.

Emerging Economies

Output

Economic activity continued to be strong in many of these economies, particularly in the Asian region, mainly bolstered by a favorable export performance and higher domestic demand.

Growth in China remained robust at 10.4 percent compared with 9.9 percent at the end of 2005. The expansion was driven mainly by favorable domestic demand, high fixed investment and acceleration in exports. Growth in India continued with a rate of 8.3 percent due to higher household spending. In Russia, booming investment caused GDP to grow by 6.7 percent year on year during the third quarter of 2006, bolstered by activity in the energy sector.

Inflation

Inflationary pressures were contained in most of these economies during the review period. CPI inflation in China was 1.9 percent from 1.3 percent at the end of 2005 as the country continued its pricing reform on energy products and water. In India, the rate of inflation remained high at 5.3 percent due to higher oil prices as well as those for key food products on account of poor crop. The growth in consumer prices in Russia slowed down to 8.2 percent from 10.9 percent in 2005 as gasoline and food prices stabilized during the end of 2006

Employment

Although there was an overall decline in the rate of unemployment in these economies, the high rate is still an issue of concern as growth has not been strong enough to boost employment. The rate of

unemployment in China was 8 percent at the end of 2006, while in India the rate dropped to 7.8 percent from 7.9 percent in 2005. In Russia, the unemployment rate was relatively flat at 7.7 percent.

Caribbean Economies

Output

The Caribbean states enjoyed a generally positive performance, with economic activity in a number of the economies being driven by preparations for the Cricket World Cup 2007. The growth was particularly strong in Barbados, Trinidad & Tobago and the Eastern Caribbean Currency Union, while Jamaica and Suriname experienced improved outturns.

The Barbadian economy expanded by 3.5, influenced mainly by activities in the non-traded sectors. Real output in Trinidad & Tobago grew by 12 percent, driven mainly by activities in the energy, construction and services sectors, while Jamaica grew by 2.6 percent as the country benefited from a generally stable macroeconomic environment and improved weather conditions. This facilitated expansions in agriculture and tourism, which together accounted for over 70 percent of gross domestic product.

Growth in the Eastern Caribbean Currency Union measured 7.1 percent, up from 5.8 percent, as the construction sector benefited from activities in preparation for the Cricket World Cup in 2007. A rebound in visitor arrivals also contributed to the overall expansion.

Inflation

Inflation was mixed across the region. Those countries that experienced higher rate of inflation cited increase in oil prices.

Inflation in Barbados and Trinidad & Tobago were higher at 5.6 percent and 8.3 percent, respectively.

Jamaica realized a sharp decline to 5.8 percent from the 12.9 percent recorded in 2005. This was due to an expansion in the supply of domestic agricultural produce, comparative stability in the exchange rate, and the decline in oil prices towards the end of the year. In the Eastern Caribbean Currency Union, inflation grew by 1.4 percent as some member states faced higher food prices.

Employment

The overall stronger economic activity translated into generally improved labour market conditions in the Caribbean states. In Barbados, unemployment declined to 8.7 percent from 9.1 percent, while unemployment rate in Trinidad & Tobago hovered around 6.6 percent.

Exchange Rates

In the Caribbean, the exchange rate for Barbados, Belize and the Eastern Caribbean Currency Union remained fixed, while the performance for the floating currencies was mixed. The Trinidad & Tobago dollar appreciated by 1.7 percent, reflecting the overall performance in its external accounts, while the Jamaican dollar depreciated by 4 percent for the period under review.

Commodity Markets

Prices were generally higher at the end of 2006. The price of Brent crude oil stood at US\$66 per barrel, after reaching a historic high of US\$78.9 in early

August. The civil unrest in Nigeria and the unresolved conflicts in the Middle East were among the main factors that contributed to the price peak in August.

Non-oil commodity prices also increased in November, after a period of relative stability earlier in the year. The price of gold increased to US\$565.6 per ounce at end 2006, representing a 36.1 percent increase over the previous year. The high volatility of this commodity during the year reflected in part investors' confidence in it as a hedge against inflation.

The price of sugar and rice also increased relative to the previous year. This reflected lower production on account of a decline in European Union sugar production and unfavourable weather conditions in major rice producing countries. The average price of sugar was US\$574.2 per metric tonne, compared with US\$512.3 per metric tonne in 2005, while the average price of rice on the world market was 5.3 percent higher at US\$267 per metric tonne in 2006.

Outlook for the World Economy

Overall, the outlook for the global economy remains favourable although with some moderation in the pace of expansion in many countries. The main downside to this expansion is the threat of further inflationary pressures, global imbalances and higher prices for crude oil on world markets. □

III

FUNCTIONS, POLICY IMPLEMENTATION AND BANK ACTIVITIES

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.

2. POLICY IMPLEMENTATION

The primary objectives of monetary policy in 2006 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. Measures consistent with the pursuit of broad macroeconomic targets for real GDP growth, the inflation rate, gross international reserves, the fiscal and balance of payment deficits were also implemented during the year.

The main intermediate target of monetary policy was to contain broad money expansion consistent with the projections for output and inflation.

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 2006, 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.

Treasury Bills

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.

The weighted average discount rate determined by the competitive auctions for 91-day treasury bills, remained the reference short-term rate in the market. The interest rates applied by the Bank and commercial banks were either directly or indirectly linked to this rate.

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 2006 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 2006 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 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 2006. This circular provided for: (i) the extension of the liquid assets requirement to nonbank 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 marginally less liquid in 2006 relative to 2005, as indicated by a lower monthly average ratio of excess to total liquid assets. This ratio fell by 50 basis points from 44.6 percent during 2005 to 44.1 percent during 2006. Actual liquid assets held by commercial banks continued to reflect large holdings of government bills with less than 91 days remaining to maturity. Treasury bills during the year, accounted on average for 64.4 percent of total liquid assets.

Interest Rates

The 91-day treasury bill rate was used to determine the Bank rate which was 6.75 percent at end-December 2006, 2.6 percentage points above the treasury bill rate.

The Bank continued to keep its re-discounting policy and terms under review during year 2006. The objectives were to ensure that the operation of the re-

discount window was consistent with the development of the interbank 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.

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 minimize adverse speculative attacks. During 2006, the Bank made one intervention in the foreign exchange market.

Institutional Developments

There were a number of institutional developments which occurred during the year.

Financial Institutions Act 1995

Work continued on the review of the Financial Institutions Act. The report of the Technical Working Group of Caribbean Group of Banking Supervisors with respect to the Implications of the Caricom Single Market and Economy (CSME) on the Regulatory Framework Within the Caribbean, and in particular its review of the Draft Banks and Financial Institutions Bill, continues to provide significant guidance in the conduct of the review of the Financial Institutions Act.

Anti-Money Laundering and Countering the Financing of Terrorism Bill

A joint review of the Draft Anti-Money Laundering and Countering the Financing of Terrorism Bill was

conducted. The review was led by the Financial Intelligence Unit which has overarching responsibility for the Anti-Money Laundering Regulation and Supervision in Guyana.

The review team included the Bank of Guyana, the Securities Council and the Office of the Commissioner of Insurance. These entities will be responsible under the Bill for the supervision of the institutions which have been licensed or registered by them.

The New Bill is intended to ensure that the legal framework for the Prevention of Money Laundering and Countering of the Financing of Terrorism complies with international standards and best practices.

3. 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.

Notes

The total value of currency notes in circulation (including notes held in the vaults of commercial banks) at the end of 2006 amounted to G\$28,132.8 million, an increase of 19.7 percent compared with a circulation of G\$23,498.3 million in 2005. The share of G\$1,000 notes in the total value of notes in circulation fell to 89.2 percent from 89.9 percent in the previous year. Correspondingly, the share of G\$500 notes rose to 6.7 percent in 2006 from 5.6 percent in the previous year. As was the case in the previous year, the shares of the G\$100 notes fell to 2.9 percent in 2006 from 3.2 percent in 2005. The G\$20 notes also fell to 1.1 percent from 1.3 percent in the previous year.

Table XXXI shows figures on the comparative stocks and flows of currency notes for years 2004 to 2006.

The total supply of currency registered a decline of 12.9 percent over 2005. The decline was attributed mainly to the substantial drop in currency imports and the decline in the number of notes withdrawn from circulation.

Table XXXI

Supply & Disposal of Bank of Guyana Currency Notes			
Thousands of Notes			
	2004	2005	2006
Opening Stock	23,932	29,831	26,457
Purchased	28,500	18,000	10,000
Withdrawn from circulation	109,828	104,084	95,803
TOTAL SUPPLY	162,260	151,915	132,260
Issued	113,149	108,255	102,606
Destroyed	19,280	17,203	19,408
TOTAL DISPOSAL	132,429	125,457	122,014
End-year Stock	29,831	26,457	10,246
New Notes	28,043	23,852	9,853
Re-Issuable Notes	461	222	234
Other Notes ¹⁾	1,327	2,383	159

¹⁾Notes awaiting sorting, cancellation and destruction.

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\$243,456,800 were replaced in 2006, compared with G\$241,934,600 in 2005 and G\$147,525,760 in 2004.

Coins

Coins issued by the Bank amounted to G\$479 million at the end of 2006, an increase of 9.4 percent above the G\$438 million in 2005. The G\$10 coin continued to account for the highest proportion of the total value of coins, followed by the G\$5 and G\$1 coins, respectively. In value terms, the share of G\$10 coins accounted for 43.6 percent, a slight increase over the previous year. That of the G\$5 coins remained at 38.1 percent as in 2005. Correspondingly, the share

of the G\$1 coins fell from 18.6 percent in 2005 to 18.4 percent. In terms of the total quantity of coins issued, the G\$1 coins accounted for a 60.6 percent share. The shares of G\$5 and G\$10 coins accounted for 25.1 percent and 14.3 percent, respectively.

Table XXXII

Selected Data on transactions Cleared through the National Clearing House			
	2004	2005	2006
Daily avg. number of LVT	3,869	4,086	4,146
Daily avg. value of LVT	614	678	716
Avg. value of LVT	0.16	0.17	0.17
Daily avg. number of HVT	262	295	338
Daily avg. value of HVT	1,081	1,252	1,545
Avg. value of HVT	4.12	4.24	4.58
Total number of LVT	959,621	1,009,334	1,015,675
Total value of LVT	152,194	167,496	175,354
Total number of HVT	65,058	72,940	82,725
Total value of HVT	268,029	309,327	378,644
Notes: Values are expressed in G\$ Million			
LVT - Low Value Transactions			
HVT - High Value Transactions			

Payments System

During 2006, 1,015,675 low-value transactions (LVT) were settled through the National Clearing House (NCH), a marginal increase of 0.6 percent when compared with the volume recorded in 2005. The volume of high-value transactions (HVT) increased by 13.4 percent to 82,725. Continuing the trend over the past five years, the overall value of total transactions rose by 16.2 percent in 2006 to reach G\$554 billion. Increases were recorded in the value of both high-value and low-value transactions which amounted to G\$378.6 billion and G\$175.4 billion, respectively. The shares of HVT in total value of transactions rose from 64.9 percent in 2005 to 68.3 percent in 2006. As a result, the share of

LVT fell to 31.7 percent in 2006 from 35.1 percent in the previous year. The average value of HVT rose by 7.7 percent in 2006 to 4.58 million, while the average value of LVT rose by 4.1 percent in 2006 to reach G\$0.17 million.

Money Market Operations

Treasury Bills Issue

During 2006, the Bank of Guyana continued the auction of treasury bills with various maturities (91-day, 182-day and 364-day) in order to influence the liquidity conditions of the commercial banks consistent with the targeted growth for broad money.

The Bank offered 37 issues of treasury bills to the market totaling a face value of G\$68,555 million. This comprised 10 issues of 91-day bills (excluding issues for the Bank's capital reserves) totaling G\$10,843 million, 8 issues of 182-day bills totaling G\$8,778 million and 19 issues of 364-day bills totaling G\$48,934 million. When compared with 2005, there was one less treasury bill auction.

Inter-bank Transactions

The inter-bank market, which provides overnight funds to commercial banks, was more active during 2006. There were 173 trades, compared with 152 in the previous year. The value of funds traded on the market amounted to G\$45 billion in 2006, compared with G\$50 billion in 2005.

The inter-bank rate, which was influenced by the 91-day treasury bill rate, averaged 4.1 percent in 2006, compared with 4 percent in 2005. The inter-bank rate remained at 4 percent from January to March. It increased to 4.25 percent in April, returned to 4 percent in May, and increased to 4.17 percent in July. For the remainder of 2006 the rate remained stable.

Foreign Exchange Operations

The gross international reserves of the Bank increased by US\$26.6 million, or 10.6 percent, and were equivalent to 3 months of imports. This result

accrued from inflows of US\$344.5 million during the year and comprised primarily of US\$182.3 million and US\$162.2 million from export receipts and official flows, respectively. Foreign exchange outflows during the year for debt servicing, fuel imports and other payments were US\$22 million, US\$221.6 million and US\$49.6 million, respectively. During the review period, the Bank intervened once in the market.

Relations with Commercial Banks

During 2006, 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-2006.

Relations with Government

A total of 194 active Government accounts were held with the Bank at end-December 2006. At the end of the year, Government deposits, net of treasury bills held by the Bank, amounted to G\$33,612.8 million. The Bank's holdings of treasury bills increased to G\$3,070.1 million from G\$1,024.7 million at end-2005. Holdings of Government debentures was G\$45,771.8 million at end-2006 of which G\$41,873 million were non-interest bearing.

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. Guyana withdrew the equivalent of US\$27.1 million under the IMF's Poverty Reduction and Growth Facility during 2006. Repayments made through the

Bank to Multilateral Financial Institutions in 2006 amounted to US\$22.6 million compared with US\$24.3 million in the previous year. Of this, total debt service to the IMF and IDB were US\$0.9 million and US\$12.2 million, 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 during the year 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. In 2006 the Bank assumed the Chairmanship of the Meeting of the Committee of Central Bank Governors, with meetings being held in June and November.

Internal Audit

Two years have passed since the Internal Audit Department implemented the IMF safeguard assessment recommendations. This provided an opportunity to review the Bank's internal controls and systems from a different perspective in light of the financial markets changing dynamics.

New methodologies and techniques had to be developed from well established principles and applied to both inherent and external risks faced by the Bank. Previous strategies and approaches to conduct reviews have been changed by moving from a transactional focus to a more proactive approach. Risk based auditing allows for anticipating risks before they occur by providing management with timely information for decision making. Training was also conducted to ensure that all vulnerabilities are capable of being assessed by the department.

Bank Supervision

The Basel Core Principles (BCP), the subsequent self

assessments thereto and the Strengthening Bank Supervision Project (SBSP) set the pace for the work in the Bank Supervision Department during 2006.

The Chart of Accounts, a work in progress, was intended to modernize the reporting system for the licensed financial institutions consequently culminating in enhanced reporting and more frequent and wider disclosure to the market.

The internal self assessment of the quality of the supervisory system in accordance with the BCP allowed for the identification of those areas that need strengthening through legislative amendments, issuance of supervisory guidelines, notices, or regulations or through changes to the supervisory approach. Among the current initiatives to enhance the supervisory approach was the gradual move towards risk-based supervision and the development of additional guidelines particularly on risk management. Another initiative was the issuance of “The Director’s Handbook” which is intended to serve as a standard and quick reference for directors and management staff of the licensed financial institutions.

The recommendations from the Financial Sector Assessment Programme (FSAP) conducted during the last quarter of 2005, supported the areas that were identified for consideration under the BCP self assessment and during 2006 work has already commenced on some of the recommendations.

In keeping with the thrust to harmonize supervisory practices among the regional central banks and in consideration of CSME, the Bank of Guyana (BOG) signed a regional Memorandum of Understanding to facilitate the exchange of information between the Authorities to enforce or secure compliance with any laws, regulations or rules relating to the functions and duties of the Authorities in their respective jurisdictions.

Two licensed financial institutions took steps to expand their operations offshore. DFLSA (Guyana)

Incorporated now has a branch in Suriname, while a bank is seeking to establish a branch in another CARICOM jurisdiction.

The banking network has reached Lethem in Region 9 with the establishment of a branch in August 2006 by the Guyana Bank for Trade and Industry Limited (GBTI). The establishment of that branch marked an historic event as it represented the first ever branch in that region since the Post Office Savings Bank and the former GNCB exited the area in the mid seventies, both having offered minimal financial services.

During the year, the frequency of meetings with various stakeholders in the financial sector increased. There were discussions relating, inter alia, to the establishment of a credit bureau, the formation of a regulatory policy council, and the application of identified accounting standards.

During the year, efforts to resolve the Globe Trust and Investment Company Limited issue is still ongoing and the Administrator appointed by the BOG has filed a reorganization plan with the Court in accordance with the Financial Institutions Act 1995.

Continued monitoring of the financial sector both on- and off-site revealed that the sector was sound and stable and that the institutions were being very prudent in terms of intermediation, aggressive in respect of debt recovery, and very risk conscious. It was evident that the institutions were looking at novel ways to increase not only their profit margins but to provide new products as evidenced by the introduction of the visa debit card which was issued under different logos by two of the country’s largest banks.

Staff and Technical Assistance

Two hundred and fifty seven (257) persons were employed at the Bank of Guyana at the end of 2006. The total number of persons recruited was sixteen, and there were fourteen resignations, four retirements, one dismissal and one termination of

service.

During the year 2006, the Bank did not benefit from any new technical assistance programmes. However, ongoing technical assistance was provided by an Overseas Development Institute (ODI) Fellow in the Research Department.

Training

During 2006 the Bank's training policy focused on in-house, local and overseas courses. These included selected courses.

In-house Training

The P.C. 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/Excel, Microsoft PowerPoint 2003 Proficient User and Excel 97 Proficient User. Twenty-nine (29) persons successfully completed the courses for which they were registered and were granted distinctions, credits and passes based on the scores obtained.

Nine (9) employees of four different departments attended a Bank Master System Training Course during April while Symptai Consulting Limited provided IT Security Training for members of the PC Support Unit in May. Employees of every Department of the Bank also received training on Records Management, storage and retrieval.

During the second half of 2006 the Bank hosted the IXth Annual Conference of Human Resources Managers of Central Banks in the Caribbean Region as well as an IT Audit School and "How to Perform an IT General Control Review" Seminar. This was

attended by all technical staff of the Internal Audit Department and selected staff of the Bank Supervision Department.

Other Local Training

Under the Strengthening Bank Supervision Project (SBSP), the Bank was able to expose some members of staff to pertinent training.

Selected staff of eight departments attended short courses sponsored by reputable organizations/training agencies such as The Instituted of Chartered Certified Accountants of Guyana, Guyana Association of Administrative Professionals, The Human Resources Practitioners Association, The Consultative Association of Guyanese Industry Limited and the Guyana Tourism Authority.

Two employees graduated from the University of Guyana, Faculty of Social Sciences. One read for a degree in Public Management while the other pursued a diploma in Marketing. Three employees also completed the ACCA examinations.

Overseas Training

Overseas courses attended during the year were sponsored by the Caribbean Group of Banking Supervisors, Federal Reserve Bank, the Bank for International Settlements, the Centre for Latin American Monetary Studies and the International Monetary Fund.

One staff member of the Research Department secured a Commonwealth scholarship, to pursue a Master of Science degree in Accounting and Finance at the University of Manchester, United Kingdom. □

IV

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



Audit Office of Guyana

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AG: 26/2007

March 30, 2007

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 2006**

I have audited the attached financial statements of the Bank of Guyana for the year ended 31 December 2006, as set out on pages 4 to 26. 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 9.

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.

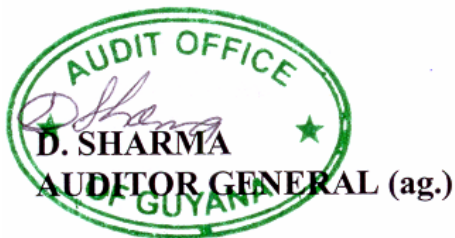
Basis of Opinion

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 2006, 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\$355.962M which is the gain on revaluation.



**AUDIT OFFICE
63, HIGH STREET
KINGSTON
GEORGETOWN
GUYANA**

BANK OF GUYANA
BALANCE SHEET
AS AT 31ST DECEMBER, 2006
ASSETS

		2006	2005
	Notes	G\$'000	G\$'000
FOREIGN ASSETS			
Balances with Foreign Banks		14,929,646	15,527,577
Foreign Assets in the process of Redemption		1,847,135	1,811,322
Holdings of Special Drawing Rights		310,543	103,379
Gold	3	79,486	79,190
Foreign Capital Market Securities	4	38,554,964	32,637,876
		<hr/>	<hr/>
		55,721,774	50,159,344
		<hr/>	<hr/>
LOCAL ASSETS			
Special Issue of Government of Guyana Securities	5	45,415,874	45,771,835
Government of Guyana Treasury Bills	6	3,070,053	1,024,714
Claim on International Monetary Fund	7	1,967,721	1,967,721
Other Assets	9	13,816,401	14,499,999
		<hr/>	<hr/>
		64,270,049	63,264,269
		<hr/>	<hr/>
FIXED ASSETS	8	1,416,601	1,377,293
		<hr/>	<hr/>
		121,408,424	114,800,906
		<hr/> <hr/>	<hr/> <hr/>

BANK OF GUYANA
BALANCE SHEET
AS AT 31ST DECEMBER, 2006
LIABILITIES

	Notes	2006	2005
		G\$'000	G\$'000
CURRENCY IN CIRCULATION			
Notes		28,132,777	23,498,273
Coins		478,955	437,939
		<u>28,611,732</u>	<u>23,936,212</u>
DEPOSITS			
Commercial Banks		21,902,281	24,616,709
Government of Guyana		36,674,550	22,075,281
International Financial Institutions	10	20,375,031	29,175,777
Private Investment Fund		6,500	6,500
Other Deposits	11	2,732,906	4,753,713
		<u>81,691,268</u>	<u>80,627,980</u>
Allocation of Special Drawing Rights	12	4,274,900	4,407,759
Gov't of Guyana Portion of net profit payable		699,959	348,188
Other Liabilities	13	1,383,059	991,809
		<u>6,357,918</u>	<u>5,747,756</u>
CAPITAL AND RESERVES			
Authorised Share Capital	14	1,000,000	1,000,000
Paid-up Capital		1,000,000	1,000,000
General Reserve Fund		807,956	730,182
Revaluation Reserves		1,114,523	1,025,158
Revaluation for Foreign Reserves		(531,350)	(622,759)
Contingency Reserve	15	2,356,377	2,356,377
		<u>4,747,506</u>	<u>4,488,958</u>
		<u>121,408,424</u>	<u>114,800,906</u>

Approved on behalf of the Management of the Bank

Handwritten signature

L.T. Williams

(Governor)

P. Bhim

(Director)

BANK OF GUYANA
PROFIT AND LOSS APPROPRIATION ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 2006

		2006	2005
	Notes	G\$'000	G\$'000
INCOME			
Discount Received		87,424	43,955
Interest on Gov't of Guyana Securities		143,685	149,290
Interest on Foreign Securities		1,641,980	952,234
Interest on Deposits		346,666	605,576
Interest on Loans		3,923	3,230
Profit on Realization of Investments		0	43,196
Other Income		765,629	637,351
		2,989,307	2,434,832
EXPENSES			
Administrative Expenses	16	952,806	898,274
Interest and Charges	17	560,140	554,287
Portion of Cost of Printing Notes & Minting Coins	18	575,888	477,442
Depreciation charge on fixed assets		122,740	117,953
		2,211,574	2,047,956
Net Profit/(Loss)	19	777,733	386,876

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31ST DECEMBER, 2006

	Paid up Capital	General Reserve Fund	Revaluation Reserves	Revaluation of Foreign Assets	Contingency	Total
	G\$'000	G\$'000	G\$'000	G\$'000	G\$'000	G\$'000
Balance as at December 31, 2004	1,000,000	691,494	1,025,158	(165,730)	2,356,377	4,907,299
Net Profit	0	386,876	0	0	0	386,876
Revaluation for Foreign Assets	0	0	0	(457,029)	0	(457,029)
Revaluation of Property	0	0	0	0	0	0
Net Profit due to Consolidated Fund	0	(348,188)	0	0	0	(348,188)
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)
Balance as at December 31, 2006	1,000,000	807,956	1,114,523	(531,350)	2,356,377	4,747,506

BANK OF GUYANA
CASH FLOW STATEMENT
FOR YEAR ENDED 31ST DECEMBER, 2006

	2006	Restated
	G\$'000	2005 G\$'000
Operating Activities		
Government of Guyana Portion of Net Profit Payable	699,959	348,188
Transfer to General Reserve	77,774	38,688
Net Profit/(Loss)	777,733	386,876
Adjustments to reconcile Net Profit/(Loss) to Net Cash Flow from Operating Activities:-		
Depreciation	122,740	117,953
Profit on the Disposal of Fixed Assets	(2,529)	(3,573)
Net Cash Flow from Operating Activities	897,944	501,256
Investing Activities		
Foreign Assets in the Process of Redemption	(35,813)	(1,218,143)
Holdings of Special Drawing Rights	(207,164)	1,214,577
Gold	(296)	34,981
Foreign Capital Market Securities	(5,917,089)	(11,537,407)
Additions to Fixed Assets	(164,855)	(155,514)
Proceeds from the Disposal of Fixed Assets	5,336	3,957
Claim on the IMF	(0)	0
Other Assets	683,598	(2,625,515)
Special Issue of Government of Guyana Securities	355,962	(102,504)
Government of Guyana Treasury Bills	(2,045,339)	149,553
Net Cash Flow from Investing Activities	(7,325,660)	(14,236,015)
Financing		
Currency in Circulation	4,675,520	2,158,247
Commercial Bank Deposits	(2,714,428)	3,164,840
Government of Guyana Deposits	14,599,269	(2,710,428)
International Financial Institutions Deposits	(8,800,746)	3,549,257
Private Investment Fund Deposits	0	(0)
Other Deposits	(2,020,807)	1,079,737
Government of Guyana Portion of Net Profit Payable	(348,188)	(266,307)
Allocation of Special Drawing Rights	(132,859)	246,748
Other Liabilities	391,250	713,103
Revaluation Reserve	89,366	0
Revaluation for Foreign Reserves	91,409	(457,029)
Contingency Reserve	0	0
Net Cash Flow from Financing	5,829,786	7,478,168
Net Increase/(Decrease) in Cash for year	(597,930)	(6,256,591)
Cash as at beginning of year	15,527,577	21,784,168
Cash as at end of year	14,929,646	15,527,577
Balances with Foreign Banks	14,929,646	15,527,577

BANK OF GUYANA
NOTES ON THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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\$355,962 arising on revaluation would have been reflected in the Profit and Loss Account giving rise to a net profit of G\$1,133,695 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 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 (i) or (ii) above.

3. GOLD

	2006	2005
	G\$'000	G\$'000
	79,486	79,190

This amount represents 860.157 troy ounces of gold as at 31st December, 2006.

4. FOREIGN ASSETS - SECURITIES

	2006	2005
	G\$'000	G\$'000
Held to Maturity:		
Caribbean Government Guaranteed Bonds	4,442,029	2,901,165
Available-for-sale:		
Bank for International Settlement	11,555,490	11,512,372
US Agencies	16,566,559	14,688,092
Suprationals	5,990,886	3,536,247
Total	<u>38,554,964</u>	<u>32,637,876</u>

Foreign Capital Market Securities and Balances with Foreign Banks for the year 2005 were restated to reflect investment in Bank for International Settlement Medium Term Bonds totaling G\$11,363,934, now being categorized as Foreign Capital Market Securities.

5. 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 9% of total debentures.

	2006	2005
	G\$'000	G\$'000
Total at the beginning of the year	45,771,835	45,669,331
Add/less		
Debenture redeemed as per Section 49(3) of the Bank of Guyana Act	(355,961)	102,504
Total at the end of the year	<u>45,415,874</u>	<u>45,771,835</u>

6. GOVERNMENT OF GUYANA TREASURY BILLS

	2006	2005
	G\$'000	G\$'000
At beginning of year	1,024,714	1,174,267
Net increase/ decrease during year	2,045,339	(149,553)
At end of year	<u>3,070,053</u>	<u>1,024,714</u>

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

7. CLAIM ON THE INTERNATIONAL MONETARY FUND

	2006	2005
	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.

8. FIXED ASSETS

	Building	Furniture, Equipment and Software	Total
	G\$'000	G\$'000	G\$'000
Cost:			
As at December 31, 2005	1,237,331	824,275	2,061,606
Additions during the year	31,577	43,913	75,490
Revaluation	89,365	0	0
Disposals during the year	0	(8,482)	(8,482)
As at December 31, 2006	1,358,273	859,706	2,128,614
Accumulated depreciation:			
As at December 31, 2005	121,504	562,809	684,313
Additions during the year	25,857	96,883	122,740
Disposals during the year	0	(5,675)	(5,675)
As at December 31, 2006	147,361	654,017	801,378
Net book value:			
As at December 31, 2005	1,115,827	261,466	1,377,293
As at December 31, 2006	1,210,912	205,689	1,416,601

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.

9. OTHER ASSETS

	2006	2005
	G\$'000	G\$'000
Income Accrued on Investments	237,751	193,760
Cost of Notes and Coins not yet written off	204,691	534,835
Government Agencies	4,710,215	4,710,215
Government Projects	2,067,110	4,061,638
International Monetary Fund	4,346,240	4,646,508
Sundry Other Assets	2,250,394	353,043
	13,816,401	14,499,999
	13,816,401	14,499,999

10. INTERNATIONAL FINANCIAL INSTITUTIONS AND OTHER BANK DEPOSITS

	2006	2005
	G\$'000	G\$'000
International Monetary Fund:		
No. 1 Account	1,206,770	1,206,770
No. 2 Account	671	691
ESAF Loan	10,903,495	19,292,815
Other International Financial Institutions	1,038,469	1,476,824
Caribbean Regional Facilities	7,225,626	7,198,677
	<u>20,375,031</u>	<u>29,175,777</u>

11. OTHER DEPOSITS

	2006	2005
	G\$'000	G\$'000
National Insurance Scheme	109,867	265,934
Staff Pension Fund	11,402	8,709
Government Projects	2,067,110	4,061,638
Other Deposits	544,527	417,432
	<u>2,732,906</u>	<u>4,753,713</u>

12. ALLOCATION OF SPECIAL DRAWING RIGHTS

	2006	2005
	G\$'000	G\$'000
	4,274,900	4,407,759

This amount represents the liability in respect of SDRs allocated to Guyana as at 31 December 2006, valued at the equivalent Guyana dollar rate for the SDR computed through the SDR/US dollar rate at 31st December 2006.

13. OTHER LIABILITIES

	2006	2005
	G\$'000	G\$'000
Included are:		
Accruals	1,029,636	854,043
Uncleared Cheques	83,304	50,263
Pension Obligations	115,080	57,540
Others	155,039	29,963
Total	<u>1,383,059</u>	<u>991,809</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, 2006 there were 224 active members of the Scheme and 25 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:

	2006	2005
	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.

	2006	2005
	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:

	2006	2005
	G\$'000	G\$'000
Net asset/(liability) at January 1	(57,540)	0
Contributions	0	0
Income/(expense) recognized in the Statement of Income & Expenses	(57,540)	(57,540)
Net asset/(liability) at December 31	<u><u>(115,080)</u></u>	<u><u>(57,540)</u></u>

14. SHARE CAPITAL

	2006	2005
	G\$'000	G\$'000
Authorised	1,000,000	1,000,000
Issued and Fully paid	1,000,000	1,000,000

15. CONTINGENCY RESERVE

	2006	2005
	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.

16. ADMINISTRATIVE EXPENSES

Included in Administrative Expenses are:

	2006	2005
	G\$'000	G\$'000
Pension Scheme Obligation	57,540	57,540
Other Staff Cost	640,176	617,290
Premises Maintenance	121,454	90,470
Services and Supplies	121,922	115,618
Other Expenses	11,714	17,356
Total	<u>952,806</u>	<u>898,274</u>

Included in services and supplies are benefits amounting to G\$14 million paid to the Administrator - Globe Trust & Investment Company Ltd.

17. 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.

18. COST OF PRINTING NOTES AND MINTING OF COINS

	2006	2005
	G\$'000	G\$'000
Printing of Notes	540,004	441,709
Minting of Coins	35,884	35,733
	<u>575,888</u>	<u>477,442</u>

19. PROFIT/LOSS FOR THE YEAR

2006	2005
G\$'000	G\$'000
777,733	386,876

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.

20. 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.

21. COMMITMENTS

Capital commitments as at 31st December, 2006 are as follows:

	2006	2005
	G\$'000	G\$'000
Authorized and contracted	11,592	21,957
Authorized but not contracted	71,500	7,500
	<u>83,092</u>	<u>29,457</u>

22. 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.

Assets and liabilities denominated in foreign currencies:

	2006	2005
	G\$'000	G\$'000
Foreign Assets		
Canadian Dollars	527,060	58,211
EURO	1,637,824	335,698
Pounds Sterling	425,757	609,488
SDR	310,543	103,379
US Dollars	52,820,591	49,052,567
Total Foreign Assets	55,721,775	50,159,343
Foreign Liabilities		
EURO	0	0
SDR	10,903,495	19,292,815
US Dollars	8,122,593	9,882,962
Total Foreign Liabilities	19,026,088	29,175,777

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.

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:

	2006	2005
	G\$'000	G\$'000
United States of America	16,734,055	14,688,092
Caribbean Countries	4,442,029	2,901,165
Europe	11,555,490	11,512,372
Other	6,167,757	3,684,685
Total Financial Assets	38,899,331	32,786,314

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.

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GENERAL NOTES

TABLE 1-I
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
1996	145,157.7	46,879.5	602.3	9,275.6	15.1	36,986.5	795.1	-	795.1	-	-	94,848.7	2,634.4
1997	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
1998	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
1999	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
2000	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
2001	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
2002	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
2003													
Mar	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
Jun	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
Sep	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
Dec	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
2004													
Mar	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
Jun	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
Sep	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
Dec	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
2005													
Jan	107,481.8	45,408.8	170.4	22,541.6	1,318.0	21,378.9	1,125.5	-	1,125.5	-	-	46,873.4	14,074.2
Feb	109,328.3	47,990.3	206.2	23,900.5	2,526.0	21,357.7	1,122.7	-	1,122.7	-	-	45,669.3	14,545.9
Mar	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
Apr	110,232.7	46,489.0	313.9	20,707.0	2,526.0	22,942.2	1,122.3	-	1,122.3	-	-	45,669.3	16,952.1
May	111,210.3	46,106.5	377.0	21,930.7	911.2	22,887.6	1,122.3	-	1,122.3	-	-	45,669.3	18,312.2
Jun	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
Jul	109,327.8	44,373.6	448.3	20,650.6	521.9	22,752.7	1,021.9	-	1,021.9	-	-	45,669.3	18,263.0
Aug	110,316.5	45,673.0	517.8	22,065.4	501.9	22,587.8	1,021.8	-	1,021.8	-	-	45,669.3	17,952.3
Sep	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
Oct	110,687.7	46,146.6	193.0	24,023.3	159.4	21,770.9	1,021.8	-	1,021.8	-	-	45,669.3	17,849.8
Nov	110,237.6	46,186.7	200.1	24,254.6	265.4	21,466.6	1,021.8	-	1,021.8	-	-	45,669.3	17,359.7
Dec ¹⁾	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
2006													
Jan	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
Feb	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
Mar	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
Apr	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
May	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
Jun	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
Jul	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
Aug	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
Sep	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
Oct	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
Nov	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
Dec	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

Source: Bank of Guyana

¹⁾ 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					
1996	145,157.7	11,285.0	11,209.2	75.8	103,909.9	29,416.5	65,791.5	329.7	9,121.2	-749.0	4.3	18,212.3	2,955.0	8,791.2
1997	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
1998	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
1999	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
2000	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
2001	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
2002	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
2003														
Mar	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
Jun	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
Sep	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
Dec	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
2004														
Mar	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
Jun	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
Sep	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
Dec	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
2005														
Jan	107,481.8	20,372.7	19,973.6	399.1	77,545.7	25,909.3	25,625.9	61.7	22,514.5	3,434.3	1,000.0	4,093.5	4,161.0	308.9
Feb	109,328.3	19,909.7	19,507.2	402.5	79,750.4	27,001.3	28,244.1	61.7	21,589.1	2,854.2	1,000.0	3,891.5	4,161.0	615.6
Mar	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
Apr	110,232.7	20,165.7	19,757.5	408.3	80,375.3	24,513.1	27,989.2	61.7	21,972.9	5,838.4	1,000.0	3,882.6	4,161.0	648.0
May	111,210.3	19,696.7	19,284.5	412.3	81,582.6	25,018.1	28,245.1	61.7	22,460.5	5,797.2	1,000.0	3,820.2	4,407.8	703.0
Jun	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
Jul	109,327.8	19,726.4	19,310.1	416.4	79,217.9	25,655.8	27,993.1	61.7	20,302.1	5,205.2	1,000.0	3,865.1	4,407.8	1,110.6
Aug	110,316.5	19,796.8	19,375.1	421.7	80,394.6	26,756.9	27,302.8	61.7	20,387.0	5,886.3	1,000.0	3,942.1	4,407.8	775.2
Sep	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
Oct	110,687.7	20,203.9	19,775.4	428.6	80,069.6	25,560.6	29,551.6	61.7	20,447.4	4,448.4	1,000.0	4,169.6	4,407.8	836.7
Nov	110,237.6	20,516.8	20,084.6	432.2	79,118.0	21,281.0	29,218.3	61.7	24,203.2	4,353.8	1,000.0	4,227.5	4,407.8	967.6
Dec	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
2006														
Jan	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
Feb	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
Mar	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
Apr	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
May	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
Jun	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
Jul	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
Aug	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
Sep	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
Oct	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
Nov	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
Dec	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

Source: Bank of Guyana

TABLE 2-(a)
COMMERCIAL BANKS: ASSETS ¹⁾
(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	Private Sector Loans & Advances	Total	Deposits	External Payment Deposits	Currency			
						Securities	Loans											
1996	77,768,567	3,750,319	2,452,469	830,484	467,366	17,645,014	17,250,375	17,221,840	28,535	254,461	140,178	183,283	35,864,027	10,729,376	9,056,502	1,343,215	9,596,548	
1997	89,290,723	3,497,458	2,152,522	1,280,260	64,676	18,024,894	18,025,432	18,024,933	487	216,218	1,403,256	1,403,585	42,920,593	13,315,475	11,720,910	317,553	1,276,380	9,793,855
1998	100,494,733	3,969,361	2,899,700	570,119	70,542	18,151,096	15,850,882	15,850,241	641	410,206	1,890,008	1,950,051	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	13,345,478	13,345,478	238	682,972	1,425,351	1,425,351	52,165,992	14,218,927	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	20,264,478	20,264,138	40	419,617	2,509,924	2,509,924	52,778,294	15,509,505	13,713,790	75,608	1,720,107	17,380,946
2001	124,325,837	10,784,082	4,893,479	1,302,137	4,788,466	21,618,879	20,766,067	20,766,067	-	851,603	1,209	1,209	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	7,143	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	5,639	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	6,255	44,530,701	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	6,186	6,186	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	62,207	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	12,824	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	39,861,608	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																		
Jan	149,744,508	22,013,321	7,758,301	1,366,729	12,888,291	41,197,096	40,601,564	40,601,297	267	1,321,022	50,510	457,115	40,985,497	24,367,733	22,229,724	61,674	2,076,335	19,947,746
Feb	150,596,134	22,429,296	8,463,645	1,460,941	12,504,710	44,143,749	42,717,185	42,716,562	623	1,398,998	27,566	439,213	40,706,426	23,072,437	21,071,583	61,674	1,939,180	19,805,013
Mar	151,682,410	22,916,447	7,555,906	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
Apr	154,530,031	26,120,664	10,514,913	1,367,689	14,238,062	43,793,615	41,546,435	41,545,701	734	2,242,940	4,240	597,422	41,319,756	22,978,884	21,258,039	61,674	1,659,181	19,719,680
May	155,627,768	26,913,313	11,268,757	1,398,303	14,246,253	41,762,805	39,457,595	39,457,475	120	2,301,144	4,066	588,107	41,998,830	23,905,788	22,033,229	61,674	1,810,865	20,458,945
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
Jul	152,739,652	27,139,339	10,080,428	1,475,870	15,583,041	40,913,453	37,953,247	37,952,596	651	2,884,428	75,778	485,809	42,637,526	21,598,170	19,967,152	61,674	1,569,344	19,965,355
Aug	154,143,986	27,679,161	10,022,832	1,476,370	16,179,959	42,144,706	39,134,844	39,134,387	457	2,926,886	82,976	412,047	42,289,952	22,280,635	20,011,167	61,674	2,207,794	19,337,465
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
Oct	157,654,238	27,525,912	9,185,385	1,664,459	16,676,068	41,401,923	38,460,434	38,459,835	599	2,904,229	37,260	534,841	42,265,929	20,229,519	20,229,481	61,674	1,581,364	24,053,114
Nov	162,404,518	28,042,422	9,942,826	1,679,015	16,420,581	39,047,947	36,421,245	36,420,989	256	2,573,902	52,800	531,402	43,157,748	25,800,471	23,729,172	61,674	2,009,625	25,824,528
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	26,330,047	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	23,182,400	21,300,348	61,674	1,820,384	19,736,767
Apr	169,118,352	31,787,592	13,329,512	1,709,962	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	11,965,514	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	14,366	2,487,862	112,185	274,952	45,714,394	26,591,272	24,795,160	61,674	1,724,438	21,630,505
Oct	176,593,591	30,093,498	13,299,821	1,285,821	15,518,877	51,518,877	48,922,772	48,917,824	4,948	2,511,679	84,428	448,107	46,499,634	26,190,661	24,191,025	61,674	1,937,982	21,842,792
Nov	177,727,376	31,508,951	12,155,260	1,185,487	16,688,204	51,527,270	49,865,664	49,864,536	1,128	1,577,835	83,771	468,993	47,307,851	24,904,481	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	49,147,888	28,443,132	25,721,749	61,674	2,659,709	25,248,984

Source: Commercial Banks

¹⁾ Effective February 1996, the accounts of the commercial banks reflect the merged operations of GNGB with GAI BANK

TABLE 2-I(b)
COMMERCIAL BANKS : LIABILITIES, CAPITAL AND RESERVES¹⁾
(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
		Balances due from banks abroad		Non-Residents Deposits	Other	Total	Central Govt Deposits	Public Enter. Deposits	Other Deposits						
		Total	Non-Residents Deposits												
1996	77,768,567	3,567,033	492,402	3,074,631	-	7,571,411	2,623,150	4,542,299	405,962	2,756,848	46,674,437	329,659	-	3,151,050	13,718,129
1997	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	15,094,063
1998	100,494,731	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
1999	104,127,717	4,662,897	767,983	3,894,914	-	7,270,542	3,789,090	3,301,907	179,545	5,796,289	62,152,230	76,972	-	2,692,217	21,476,590
2000	117,745,982	4,875,522	1,435,647	3,439,875	-	9,134,106	4,825,956	1,739,348	2,568,602	8,454,689	69,937,199	75,608	-	2,992,043	22,276,815
2001	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
2002	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
2003															
Mar	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
Jun	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
Sep	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
Dec	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
2004															
Mar	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
Jun	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
Sep	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
Dec	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
2005															
Jan	149,744,508	7,811,838	490,471	7,321,367	-	15,800,409	6,329,966	4,454,125	5,016,318	10,516,676	93,622,744	61,674	-	6,749,535	15,181,632
Feb	150,596,134	7,540,006	673,459	6,866,547	-	15,016,387	6,565,381	3,482,425	4,968,581	10,598,113	95,462,472	61,674	-	6,505,438	15,412,044
Mar	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
Apr	154,530,031	9,033,570	831,088	8,202,482	-	14,466,087	6,142,375	2,970,566	5,353,146	12,182,541	97,956,441	61,674	-	5,464,938	15,364,780
May	155,627,768	8,317,117	460,657	7,856,460	-	15,520,672	6,365,068	2,782,318	6,373,286	11,936,742	98,060,034	61,674	-	6,162,895	15,568,634
Jun	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
Jul	152,739,652	8,813,409	547,312	8,266,097	-	15,631,087	6,671,829	2,385,368	6,573,890	9,788,664	97,456,643	61,674	-	4,999,047	15,989,128
Aug	154,143,966	8,314,549	586,947	7,727,602	-	15,770,706	6,328,152	2,889,507	6,553,047	10,343,069	98,585,649	61,674	-	4,831,381	16,236,938
Sep	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
Oct	157,654,238	8,044,405	629,188	7,415,217	-	15,636,962	6,630,259	2,280,643	6,726,060	9,755,978	99,760,010	61,674	-	8,515,326	15,879,883
Nov	162,404,518	9,162,697	383,553	8,779,144	-	16,221,089	6,524,208	2,951,501	6,745,380	9,716,418	100,614,360	61,674	-	10,554,084	16,074,196
Dec	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
2006															
Jan	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
Feb	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
Mar	165,636,191	10,003,920	652,505	9,351,415	-	21,288,071	2,833,360	9,199,587	9,256,124	9,238,138	104,536,922	61,674	-	4,071,433	16,636,033
Apr	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
May	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	-	4,121,867	17,537,812
Jun	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
Jul	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
Aug	174,240,142	11,099,844	463,699	10,636,145	-	20,107,139	2,129,229	8,679,193	9,298,171	8,535,846	111,907,156	61,674	-	4,202,604	18,325,879
Sep	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
Oct	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
Nov	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
Dec	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

Source: Commercial Banks

¹⁾ Effective February 1996, the accounts of the commercial banks reflect the merged operations of GNCB with GABANK

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

End of Period	Day Of Res. Per. (Week)	Required Reserves	Actual Reserves	Surplus (+) Deficits (-)
1996		8,822.3	9,083.5	261.2
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				
Jan	7th	15,244.1	23,597.0	8,352.9
	14th	15,384.9	21,284.3	5,899.3
	21st	15,418.9	21,970.4	6,551.5
	28th	15,422.9	22,400.7	6,977.9
Feb	4th	15,430.3	21,884.1	6,453.7
	11th	15,496.8	22,265.3	6,768.5
	18th	15,543.6	21,549.9	6,006.2
	25th	15,537.8	21,208.5	5,670.7
Mar	4th	15,566.9	22,214.9	6,648.0
	11th	15,660.6	20,742.4	5,081.8
	18th	15,634.7	20,634.4	4,999.8
	25th	15,713.9	20,699.5	4,985.6
Apr	1st	15,753.2	21,490.6	5,737.3
	8th	15,743.0	20,168.2	4,425.2
	15th	15,795.0	18,327.4	2,532.4
	22nd	15,758.3	20,311.4	4,553.1
	29th	15,999.1	19,797.4	3,798.3
May	6th	16,037.3	19,125.7	3,088.5
	13th	15,957.0	18,503.5	2,546.5
	20th	15,895.6	19,548.6	3,653.0
	27th	16,063.6	21,532.7	5,469.1
Jun	3rd	16,113.2	21,295.8	5,182.5
	10th	16,064.8	19,339.9	3,275.2
	17th	16,027.3	19,072.0	3,044.7
	24th	16,001.9	19,044.7	3,042.8
Jul	1st	15,950.9	18,554.8	2,603.8
	8th	15,869.0	18,267.7	2,398.7
	15th	15,740.0	20,020.7	4,280.7
	22th	15,735.2	19,896.7	4,161.5
	29th	15,826.5	20,019.4	4,192.8
Aug	5th	15,845.4	20,790.6	4,945.2
	12th	15,893.1	21,354.2	5,461.1
	19th	15,927.3	20,525.1	4,597.8
	26th	15,990.6	19,993.8	4,003.2
Sep	2nd	15,919.0	21,332.5	5,413.5
	9th	15,913.3	20,968.4	5,055.1
	16th	15,938.7	19,996.5	4,057.8
	23th	15,722.7	21,385.2	5,662.5
	30th	15,907.9	21,658.0	5,750.1
Oct	7th	15,952.7	21,490.6	5,537.9
	14th	16,031.0	19,792.5	3,761.5
	21st	16,013.2	19,638.9	3,625.7
	28th	15,996.6	19,950.7	3,954.1
Nov	4th	15,992.3	20,219.2	4,226.9
	11th	16,108.4	21,121.6	5,013.2
	18th	16,130.2	22,844.2	6,714.0
	25th	16,194.7	22,799.9	6,605.2

End of Period	Day Of Res. Per. (Week)	Required Reserves	Actual Reserves	Surplus (+) Deficits (-)
Dec	2nd	16,269.5	22,127.8	5,858.3
	9th	16,372.8	24,321.4	7,948.6
	16th	16,686.6	22,986.0	6,299.4
	23rd	16,692.2	23,818.3	7,126.1
	30th	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
	23th	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
	22th	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
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

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	Public Sector			Non-Bank Fin. Insts. (Net)	Private Sector	Total	Money		Demand Deposits		Quasi-Money Savings & Time Dep.
				Gov't. (Net)	Public Enter. (Net)	Other Pub. Sect. (Net)				Total	Curr.			
1996 ¹⁾	26,173.0	26,356.3	183.3	14,487.7	(13,994.2)	(4,287.8)	(965.5)	36,308.9	57,580.3	16,037.2	9,959.3	6,077.9	41,543.1	(69,265.4)
1997 ²⁾	(6,300.9)	(4,834.6)	(1,466.3)	23,926.8	(10,974.2)	(3,618.6)	(2,684.3)	44,863.3	64,319.2	17,388.7	11,192.7	6,196.0	46,930.5	(46,693.3)
1998 ³⁾	(71.2)	1,229.8	(1,301.0)	31,947.0	(6,340.9)	(3,600.5)	(4,246.5)	51,838.3	66,695.6	17,820.7	11,334.2	6,486.4	50,874.9	(36,819.9)
1999	11,591.9	8,361.0	3,230.8	23,860.3	(22,080.0)	(2,618.9)	(2,036.4)	55,823.3	77,007.7	21,576.0	13,422.2	8,153.9	55,431.7	(41,555.5)
2000	23,191.5	19,835.1	3,346.4	24,697.7	(25,848.3)	(1,319.7)	(7,794.9)	58,341.0	85,445.1	24,826.6	14,495.1	10,331.6	60,618.5	(37,565.9)
2001	30,136.4	23,542.4	6,594.0	26,052.5	(18,221.0)	(4,107.6)	(7,544.9)	57,810.0	93,035.5	24,807.4	15,138.3	9,669.1	68,228.1	(36,846.5)
2002	32,203.2	24,539.4	7,663.8	28,141.2	(22,025.9)	(1,900.8)	(4,794.6)	58,684.8	98,147.3	26,364.8	15,409.7	10,955.1	71,782.6	(37,802.9)
2003														
Mar	32,796.7	23,379.3	9,417.3	24,432.5	(15,712.4)	(674.4)	(5,103.1)	48,467.2	98,182.2	24,191.2	14,169.3	10,021.9	73,991.0	(40,953.1)
Jun	33,150.5	23,393.0	9,757.4	23,823.2	(14,973.5)	(1,303.9)	(5,602.1)	47,969.2	99,682.2	24,907.8	14,277.7	10,630.1	74,754.4	(42,688.5)
Sep	32,638.6	21,656.7	10,981.9	26,279.0	(10,771.4)	(1,560.6)	(5,115.7)	47,426.0	100,289.0	25,966.9	14,386.9	11,569.9	74,312.1	(41,351.3)
Dec	38,080.0	25,011.4	13,068.6	25,198.9	(13,316.6)	(1,581.5)	(5,808.3)	48,593.7	106,259.1	30,792.7	17,889.2	12,904.5	75,466.5	(48,566.8)
2004														
Mar	36,436.6	22,954.4	13,482.1	27,751.9	(7,763.5)	(1,293.4)	(6,436.8)	47,081.5	105,806.2	28,879.1	15,893.2	12,985.9	76,927.1	(41,617.7)
Jun	37,527.8	23,492.0	14,035.8	27,899.0	(6,755.2)	(1,477.4)	(6,533.6)	47,101.9	106,615.1	29,912.0	16,067.8	13,844.3	76,703.0	(41,188.3)
Sep	39,381.4	24,104.3	15,277.1	28,622.0	(9,115.5)	(2,877.5)	(6,987.4)	47,733.4	109,145.8	30,819.1	16,480.4	14,336.6	78,326.7	(41,142.4)
Dec	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	79,888.2	(43,104.9)
2005														
Jan	34,479.1	20,368.8	14,110.3	36,526.2	(1,589.4)	9,733.1	(3,133.1)	48,175.1	113,534.3	33,238.7	18,296.3	14,942.4	80,295.6	(42,529.1)
Feb	38,715.8	23,946.9	14,768.8	38,723.4	850.6	10,518.5	(2,083.4)	48,031.7	114,954.6	33,887.0	17,970.6	15,916.4	81,067.5	(37,515.4)
Mar	36,598.2	20,873.3	15,724.9	35,152.0	(1,910.9)	10,596.5	(1,824.8)	48,379.3	115,034.8	34,059.9	18,120.7	15,939.2	80,974.9	(43,284.6)
Apr	36,464.6	19,467.1	16,967.5	37,960.2	438.2	12,258.5	(7,276.6)	49,107.0	117,986.3	35,260.2	18,506.6	16,753.7	82,726.0	(43,561.5)
May	38,751.7	20,262.9	18,488.9	35,423.5	(3,110.9)	9,442.0	(4,812.0)	49,883.0	117,147.9	35,110.2	17,885.9	17,224.4	82,037.7	(42,972.7)
Jun	39,249.3	21,146.4	18,102.9	32,417.6	(6,138.0)	6,116.2	(4,347.7)	50,525.7	113,956.5	32,507.8	17,586.7	14,921.1	81,450.8	(42,291.7)
Jul	37,757.3	19,521.4	18,235.9	37,467.0	(4,312.0)	6,892.8	499.1	51,081.8	116,589.7	33,699.9	18,157.1	15,542.9	82,869.7	(41,345.4)
Aug	40,095.4	20,790.6	19,304.8	35,929.5	(5,002.5)	7,316.9	37.4	50,863.0	117,145.6	34,226.3	17,589.0	16,637.3	82,919.3	(41,120.7)
Sep	39,286.6	20,061.6	19,204.8	37,177.2	(4,465.4)	6,583.4	93.7	50,868.7	118,535.8	33,929.3	18,180.5	15,748.7	84,606.5	(42,092.1)
Oct	38,766.5	19,396.5	19,369.5	39,432.1	(2,977.4)	7,536.7	623.6	51,630.7	119,865.7	35,062.3	18,622.6	16,439.7	84,803.4	(41,647.6)
Nov	38,741.1	19,986.9	18,754.2	41,524.5	(1,541.3)	9,883.2	(3,776.6)	52,250.9	120,261.5	34,938.2	18,507.2	16,431.0	85,323.2	(39,995.9)
Dec	42,234.9	24,244.0	17,980.9	39,895.8	(3,155.3)	12,521.8	(1,875.9)	52,428.6	124,011.5	37,839.0	21,526.7	16,312.3	86,172.5	(41,880.7)
2006														
Jan	55,443.7	37,042.3	18,401.4	27,804.5	(15,482.9)	3,137.7	(6,590.6)	53,079.8	122,474.5	35,440.9	19,201.0	16,239.9	87,033.6	(39,226.3)
Feb	55,006.5	36,115.8	18,890.7	28,888.4	(14,488.1)	4,359.7	(6,858.6)	52,871.9	123,121.9	35,777.4	18,767.4	17,010.1	87,344.5	(39,226.9)
Mar	53,496.7	34,967.8	18,488.9	31,731.6	(13,078.5)	5,163.2	(6,339.4)	53,675.7	125,516.3	36,460.8	19,571.0	16,889.8	89,055.4	(40,328.0)
Apr	57,408.8	36,564.8	20,844.0	32,323.1	(12,965.0)	5,528.0	(6,224.4)	54,156.9	129,020.7	38,802.9	20,491.6	18,311.3	90,217.8	(39,288.8)
May	59,688.3	34,651.1	25,037.2	30,093.0	(14,137.2)	3,636.4	(5,404.2)	54,691.8	128,011.4	37,452.9	19,675.1	17,777.9	90,558.4	(38,230.1)
Jun	56,252.4	33,071.7	23,180.7	32,984.5	(15,017.7)	2,484.3	(5,522.4)	56,973.1	129,267.3	37,602.5	19,912.5	17,690.0	91,664.9	(40,030.4)
Jul	56,149.0	34,696.4	21,452.6	35,312.4	(13,827.4)	3,648.4	(5,088.3)	57,660.7	129,427.5	37,790.2	19,728.5	18,061.7	91,637.3	(37,966.0)
Aug	55,756.3	35,698.9	20,057.4	38,122.8	(11,534.0)	6,622.2	(5,952.4)	57,889.8	132,958.4	39,915.6	19,739.1	20,176.5	93,042.8	(39,079.4)
Sep	57,931.7	37,629.5	20,302.2	37,652.8	(11,623.7)	7,155.8	(6,574.4)	57,537.1	135,227.9	40,771.6	20,774.7	19,996.9	94,456.3	(39,643.4)
Oct	56,081.9	39,326.9	18,755.1	39,471.4	(10,837.9)	8,027.3	(6,856.1)	56,609.3	135,428.7	40,750.8	21,247.2	19,503.5	94,678.0	(37,875.4)
Nov	62,451.2	42,264.0	20,187.2	40,173.7	(11,823.1)	8,282.6	(6,400.0)	59,537.7	138,834.8	43,582.4	21,865.1	21,717.3	95,252.3	(36,209.9)
Dec	55,458.9	36,594.8	18,864.0	43,300.4	(10,385.0)	9,716.4	(8,153.4)	61,788.6	143,776.7	48,069.9	25,952.0	22,117.9	95,706.8	(45,017.4)

Source: Bank of Guyana and Commercial Banks

¹⁾ Net foreign assets reflect Naples terms debt stock reduction in December 1996.

²⁾ 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.

³⁾ 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 4-1
GUYANA: SELECTED INTEREST RATES ¹⁾
(Percent Per Annum)

Item	1996		1997		1998		1999		2000		2001		2002		2003		2004		2005		2006																					
	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec										
BANK OF GUYANA																																										
Bank Rate	12.00	11.00	11.25	13.25	11.75	8.75	6.25	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25				
Treasury Bill/Discount Rate	9.94	8.16	8.84	11.07	9.20	6.25	3.91	3.40	3.79	3.84	3.80	3.76	3.74	3.88	3.88	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85			
91 Days	11.00	8.98	8.69	12.66	10.66	7.31	4.12	3.37	3.96	3.97	3.95	3.90	3.84	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11	4.11		
182 Days	11.16	9.17	9.25	12.79	11.09	8.17	4.91	4.01	4.13	4.17	4.19	3.97	4.21	4.07	4.21	4.30	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24		
364 Days	11.00	9.75	10.25	12.25	10.75	7.75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Interest Rate on EPD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
COMMERCIAL BANKS																																										
Small Savings Rate	7.73	7.39	7.06	7.97	7.28	6.70	4.29	3.46	3.42	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38			
Prime Lending Rate (weighted average) ²⁾	17.00	17.00	17.00	17.13	17.16	17.26	17.27	16.69	15.91	15.88	16.41	15.21	15.24	14.63	15.41	15.30	15.08	16.45	14.82	14.62	14.66	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62	14.62
Prime Lending Rate ³⁾	17.21	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	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	
Comm. Banks' Lending Rate (weighted average)	18.46	18.32	18.29	17.87	17.68	17.60	16.83	15.58	10.85	10.65	9.59	13.54	13.50	13.34	13.32	13.20	13.24	13.18	12.84	12.79	12.83	12.79	12.83	12.79	12.83	12.79	12.83	12.79	12.83	12.79	12.83	12.79	12.83	12.79	12.83	12.79	12.83	12.79	12.83	12.79	12.83	
HAND-IN-HAND TRUST CORP. INC ⁴⁾																																										
Domestic Mortgages	17.00	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	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	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	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	11.00	9.50	8.95	11.00	9.18	7.55	4.82	3.79	3.75	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	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			
NEW BUILDING SOCIETY																																										
Deposits ⁵⁾	7.00	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	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	14.00	12.00	11.00	11.00	11.00	11.00	9.95	9.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95	8.95		
Five dollar shares	9.00	8.00	8.00	8.50	9.00	8.00	5.75	4.75	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00			
Save and prosper shares	9.50	10.00	10.50	9.00	6.50	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00			

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

¹⁾ End of period rates

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

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

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

⁵⁾ Effective from March 2004 GNCB Trust Company has been re-named Hand-in-Hand Trust Corp. Inc.

⁶⁾ Small savings rate

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

Item	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 **	2006 *
CURRENT ACCOUNT											
Revenue	35,117.3	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
Expenditure	23,943.7	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
Balance	11,173.6	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
CAPITAL ACCOUNT											
Receipts	2,944.7	2,973.6	5,161.2	4,303.9	10,144.0	10,906.4	11,420.3	8,406.0	10,133.5	11,995.8	17,524.6
Revenue	457.4	310.8	65.0	959.4	5,680.4	7,986.5	8,731.7	5,761.7	5,930.7	5,437.9	6,204.1
External Grants	2,487.3	2,662.8	5,096.2	3,344.5	4,463.6	2,919.9	2,688.6	2,644.3	4,202.8	6,557.9	11,320.5
Expenditure	15,705.5	16,379.0	13,086.1	12,345.2	16,994.9	16,510.5	15,734.0	17,292.5	22,416.6	35,143.2	41,806.4
OVERALL DEFICIT/SURPLUS	(1,587.2)	(7,403.6)	(4,998.5)	(3,041.4)	(8,451.7)	(7,477.4)	(4,333.1)	(10,237.9)	(7,556.7)	(20,756.7)	(21,518.4)
FINANCING											
External Financing	1,587.2	7,403.6	4,998.5	3,041.4	8,451.7	7,477.4	4,333.1	10,237.9	7,556.7	20,756.7	21,518.4
Domestic Financial System	7,023.5	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
Banking System	(7,298.5)	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)
Non-Bank Borrowing	(7,291.9)	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)
Other Financing 1)	(6.6)	(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
	1,862.2	1,350.9	(1,014.5)	6,480.7	(1,107.6)	(8,536.9)	(2,576.3)	(4,893.1)	(1,084.7)	2,741.6	1,057.6

Sources: Ministry of Finance and Bank of Guyana

¹⁾ Non-project balance of payments grants

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

Item	1996	1997	1998 ^{b)}	1999 ^{c)}	2000 ^{d)}	2001	2002 ^{e)}	2003 ^{f)}	2004	2005 ^{**g)}	2006 ^{*h)}
Current Revenue											
Export Sales	51,544	53,170	49,711	46,699	43,604	45,462	50,603	66,566	78,427	82,345	84,661
Local Sales	30,406	30,643	27,769	28,785	23,418	23,297	28,494	27,174	35,274	32,823	32,036
Other	19,010	18,874	13,694	8,890	9,342	10,861	11,485	20,788	31,067	33,626	38,207
	2,128	3,653	8,248	9,025	10,844	11,305	10,825	18,604	12,086	15,896	14,417
Current Expenditure											
Materials & Supplies	40,456	43,578	41,091	38,955	39,549	39,812	45,662	61,098	70,921	76,897	76,967
Employment	14,162	14,089	13,113	11,733	15,777	11,442	11,729	18,254	21,779	23,250	24,003
Depreciation	11,484	14,055	13,196	15,323	11,955	15,247	17,423	19,195	20,105	18,413	19,568
Interest	-	50	78	67	60	100	98	204	332	311	359
Other ^{a)}	14,760	15,357	14,661	11,833	11,757	13,023	16,411	23,445	28,706	34,922	33,037
Operating Surplus(+)/Def(-)	11,088	9,592	8,620	7,744	4,054	5,650	4,941	5,469	7,506	5,448	7,693
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Gross Cash Surplus(+)/Def(-)	11,088	9,592	8,620	7,744	4,054	5,650	4,941	5,469	7,506	5,448	7,693
Transfers to Central Govt.											
Taxes	4,592	3,177	3,156	2,920	1,099	481	1,683	738	876	928	1,355
Dividends	4,317	1,808	3,009	1,489	958	481	1,371	610	876	678	1,230
	274	1,369	147	1,431	141	-	312	128	-	250	125
Cash Surplus (+)/Deficit(-)	6,497	6,415	5,464	4,824	2,956	5,169	3,258	4,730	6,630	4,520	6,338
Capital Expenditure	3,675	3,691	3,435	3,749	2,113	1,713	1,732	2,558	2,968	3,445	2,647
Overall Cash Surplus (+)/Deficit(-)	2,822	2,724	2,029	1,075	843	3,456	1,526	2,172	3,662	1,076	3,691
Financing	(2,822)	(2,724)	(2,029)	(1,075)	(843)	(3,456)	(1,526)	(2,172)	(3,662)	(1,076)	(3,691)
External Borrowing (Net)	(1,299)	(531)	(493)	(25)	(24)	(395)	(142)	47	(1,775)	(87)	-
Domestic Financing (Net)	(3,312)	1,334	(2,050)	(3,004)	(481)	(1,334)	(1,382)	1,485	5,066	4,154	6,212
Banking System (Net)	(2,535)	(2,058)	(695)	3,367	(2,088)	1,082	(2,425)	(894)	(1,147)	(4,736)	(1,323)
Non-bank Fin. Inst.(Net)	-	-	-	-	1,330	66	-	-	-	-	-
Holdings of Cent. Govt Sec.	(1,835)	2,082	(2,623)	(6,682)	277	(2,532)	1,043	2,368	6,213	2,184	(2,435)
Transfers from Cent.Govt	1,068	1,310	1,269	311	-	50	-	-	-	6,705	9,971
Other	1,789	(3,527)	514	1,954	(338)	(1,727)	(2)	(3,703)	(6,953)	(5,142)	(9,904)

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

^a Includes current outlays on freight, repairs and maintenance, payments to creditors and contribution to community

^b 1998 figures exclude NEOCOL and Stockfeeds which were privatised

^c 1999 figures exclude GAC, GEC, GEL, SANATA and GPL.

^d 2000 figures exclude Sanata, GSL and GPC.

^e 2002 figures include Aroaima Bauxite Company.

^f 2003 figures include Guyana Power & Light (GPL).

^g Excludes LINIMINE.

^h Excludes AROAIMA Bauxite Company from the 2nd quarter.

TABLE 6-I
DOMESTIC PUBLIC BONDED DEBT ¹⁾
(G\$ Million)

Period Ended	Total	Bonds	Debentures	CARICOM Loan ³⁾	Treasury Bills
1996	37,678.1	16.6	10,126.8	0.0	27,534.7
1997	34,010.8	8.8	8,323.7	0.0	25,678.3
1998 ²⁾	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
2003					
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
2004					
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
2005					
Jan	68,150.0	5,343.1	11,816.5	721.6	50,268.8
Feb	70,650.1	5,343.1	11,816.5	721.6	52,768.9
Mar	71,322.7	5,343.1	11,816.5	721.6	53,441.5
Apr	69,822.9	5,343.1	11,816.5	721.6	51,941.7
May	68,322.8	5,343.1	11,816.5	721.6	50,441.6
Jun	69,203.0	5,343.1	11,816.5	704.4	51,339.0
Jul	66,703.2	5,343.1	11,816.5	704.4	48,839.2
Aug	67,203.1	5,343.1	11,816.5	704.4	49,339.1
Sep	65,924.3	5,343.1	11,816.5	704.4	48,060.3
Oct	67,424.4	5,343.1	11,816.5	704.4	49,560.4
Nov	65,424.4	5,343.1	11,816.5	704.4	47,560.4
Dec	67,754.3	5,343.1	11,816.5	687.2	49,907.4
2006					
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

Source: Bank of Guyana.

¹⁾ Excludes non-interest bearing debentures

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

³⁾ 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	Non-Bank Financial Institutions	Total	Public Enterprise	National Insurance	Sinking Funds	Private Sector	Non-Resident			
1996	27,534.7	13,693.2	810.3	12,882.9	5,964.9	5,239.9	10.2	2,621.9	14.7				
1997	25,678.3	15,291.9	241.3	15,050.6	6,599.3	3,004.4	-	767.0	15.7				
1998 ¹⁾	27,722.9	15,497.8	1,043.5	14,454.3	6,392.7	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	2,038.3	13.3				
2000	44,013.6	23,920.9	2,222.9	21,698.0	6,516.3	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	-	166.2	48.7				
2002	49,891.9	25,990.3	1,133.4	24,856.9	10,229.5	13,430.3	-	198.1	43.9				
2003													
Mar	54,098.5	28,985.7	2,030.8	26,955.0	11,325.3	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	-	26.4	59.8				
Sep	52,073.7	30,325.9	1,331.0	28,995.0	11,078.9	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	-	-	59.8				
2004													
Mar	51,391.4	31,783.0	1,031.9	30,751.1	10,954.0	8,441.2	-	213.2	-				
Jun	51,886.9	35,141.9	2,081.8	33,060.1	12,386.8	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	-	7.7	42.0				
Dec	47,968.6	32,443.2	1,182.6	31,260.7	11,216.9	4,258.9	-	7.7	42.0				
2005													
Jan	50,268.8	34,546.2	1,135.6	33,410.7	11,414.1	4,258.9	-	7.7	42.0				
Feb	52,768.9	36,815.8	1,135.7	35,680.2	11,636.6	4,258.9	-	15.7	42.0				
Mar	53,441.5	37,126.7	1,135.8	35,990.9	11,998.4	4,258.9	-	15.7	42.0				
Apr	51,941.7	35,581.7	1,135.8	34,445.9	11,748.5	4,258.9	-	310.7	42.0				
May	50,441.6	33,488.3	1,135.8	32,352.5	12,344.4	4,258.9	-	308.2	42.0				
Jun	51,339.0	34,295.2	1,032.7	33,262.5	12,476.9	4,258.9	-	308.2	-				
Jul	48,839.2	31,780.2	1,032.7	30,747.5	12,787.0	4,258.9	-	13.2	-				
Aug	49,339.1	33,005.1	1,032.6	31,972.5	12,062.0	4,258.9	-	13.2	-				
Sep	48,060.3	31,118.7	1,032.5	30,086.2	12,673.4	4,258.9	-	9.4	-				
Oct	49,560.4	32,318.7	1,032.5	31,286.2	12,973.5	4,258.9	-	9.4	-				
Nov	47,560.4	30,366.1	1,032.5	29,333.6	12,881.9	4,258.9	-	8.9	44.7				
Dec	49,907.4	34,434.1	1,032.5	33,401.7	13,090.8	1,977.9	-	359.9	44.7				
2006													
Jan	53,088.7	37,197.0	1,032.5	36,164.6	13,509.2	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	-	354.9	44.7				
Mar	56,113.2	39,940.1	1,150.6	38,789.5	13,773.1	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	-	377.4	44.7				
May	54,929.5	35,776.3	1,150.7	34,625.6	12,937.2	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	-	3.9	44.7				
Jul	53,807.2	34,689.6	2,764.7	31,924.9	14,146.4	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	-	3.9	44.7				
Sep	59,648.2	40,284.3	2,615.0	37,669.3	13,977.7	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	-	417.1	46.5				
Nov	62,648.4	43,216.2	2,615.1	40,601.2	14,044.2	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	-	3.9	46.5				

Source: Bank of Guyana

¹⁾ 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 ¹⁾	Supp. Cr. ²⁾	Nationalisation	Bonds
1996 ³⁾	1,537,025	441,700	980,130	2,871	64,610	14,959	32,755
1997	1,513,020	449,790	953,050	2,780	58,990	14,940	33,470
1998	1,507,490	450,940	966,440	1,020	54,360	6,640	28,090
1999 ⁴⁾	1,210,924	360,917	792,250	526	15,190	7,508	34,533
2000	1,193,183	353,529	788,357	526	14,746	7,794	28,231
2001	1,197,301	352,282	796,653	170	12,973	7,678	27,545
2002	1,246,660	350,999	835,172	8,541	15,660	8,574	27,715
2003							
1st Qtr	1,250,177	352,430	842,603	8,707	15,192	3,430	27,815
2nd Qtr	1,246,016	336,593	854,045	8,892	14,932	3,450	28,104
3rd Qtr	1,265,773	336,167	874,322	9,074	14,636	3,450	28,125
4th Qtr	1,084,636	112,571	916,801	8,886	14,281	3,487	28,609
2004							
1st Qtr	1,081,592	119,213	913,536	3,346	13,604	3,400	28,493
2nd Qtr	1,020,398	86,951	910,762	3,299	13,516	3,435	2,436
3rd Qtr	1,043,304	84,350	936,793	3,248	13,055	3,421	2,436
4th Qtr	1,071,068	76,666	974,795	3,213	12,718	3,435	242
2005							
1st Qtr	1,066,435	76,821	970,049	3,159	12,718	3,447	241
2nd Qtr	1,066,641	91,607	955,526	3,098	12,718	3,451	239
3rd Qtr	1,084,926	92,113	973,354	3,041	12,718	3,462	239
4th Qtr	1,093,981	103,035	971,556	2,963	12,719	3,470	238
2006							
1st Qtr	1,052,482	107,366	925,746	2,929	12,719	3,484	238
2nd Qtr	1,084,255	112,806	952,111	2,887	12,719	3,492	240
3rd Qtr	898,430	116,715	762,425	2,831	12,720	3,498	241
4th Qtr	920,550	123,395	778,119	2,782	12,720	3,493	42

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

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

²⁾ Includes External Payment Deposit Schemes (EPDS) from 1992.

³⁾ Figures represent the outstanding stock after the Naples Terms Debt Stock Reduction.

⁴⁾ Stock of outstanding debt after HIPC debt relief.

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

Item	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
CURRENT ACCOUNT BALANCE											
<i>Merchandise Trade</i>	(53.8)	(105.1)	(98.5)	(75.2)	(109.2)	(172.8)	(106.1)	(82.6)	(69.8)	(157.6)	(181.4)
Exports f.o.b.	574.8	593.4	547.0	525.0	505.2	490.3	495.5	512.8	589.0	550.9	601.2
Imports c.i.f	(595.0)	(641.6)	(601.2)	(550.2)	(585.4)	(584.1)	(563.1)	(571.7)	(646.8)	(783.7)	(884.8)
Trade Balance	(20.2)	(48.2)	(54.2)	(25.2)	(80.2)	(93.8)	(67.6)	(58.9)	(57.7)	(232.8)	(283.6)
<i>Net Services</i>	(33.6)	(56.9)	(44.3)	(50.0)	(29.0)	(79.0)	(78.5)	(70.5)	(86.1)	(92.1)	(114.0)
Non Factor Services (net)	(22.3)	(23.2)	(32.1)	(31.1)	(23.9)	(20.4)	(23.5)	(15.3)	(46.7)	(53.0)	(70.9)
Factor Services (net)	(52.3)	(73.7)	(56.2)	(57.9)	(52.1)	(58.6)	(55.0)	(55.2)	(39.4)	(39.0)	(43.1)
<i>Unrequited Transfers</i>	41.0	40.0	44.0	39.0	47.0	44.0	40.0	46.8	74.0	167.2	216.1
CAPITAL ACCOUNT BALANCE	59.5	125.7	79.8	69.6	137.8	116.4	86.1	56.6	38.9	180.6	244.1
<i>1. Capital Transfers</i>	618.0	23.7	13.1	15.5	16.3	31.9	31.1	43.8	45.9	52.1	89.1
<i>2. Medium and Long Term Capital (net)</i>	(552.9)	90.0	67.9	79.9	119.5	95.4	63.3	42.1	(1.4)	143.5	170.0
1. Public Sector	(611.9)	38.0	23.9	33.9	52.4	39.4	19.7	16.0	(31.4)	66.7	70.0
A. Central Govt and Non-Financial Public Sector (net)	6.1	38.0	13.9	23.9	42.4	39.4	19.7	16.0	14.1	66.7	70.0
Disbursements	40.2	67.0	59.7	47.4	66.1	65.8	45.3	68.0	61.4	102.5	105.0
Amortization	(34.1)	(29.0)	(45.8)	(23.5)	(23.7)	(26.4)	(25.6)	(52.0)	(47.3)	(35.8)	(35.0)
B. Other (net) ¹	(618.0)	-	10.0	10.0	10.0	-	-	-	(45.5)	-	-
2. Private Sector (net)	59.0	52.0	44.0	46.0	67.1	56.0	43.6	26.1	30.0	76.8	100.0
<i>3. Short Term Capital (net)</i> ²	(5.6)	12.0	(1.2)	(25.8)	2.0	(10.9)	(8.3)	(27.3)	(5.6)	(15.0)	(15.0)
ERRORS AND OMISSIONS	(7.1)	(16.6)	(4.0)	1.2	13.9	44.5	(5.3)	15.1	(12.2)	(14.9)	(17.8)
OVERALL BALANCE	(1.4)	4.0	(22.7)	(4.4)	42.5	(11.9)	(25.4)	(8.9)	(43.1)	8.1	44.9
FINANCING	1.4	(4.0)	22.7	4.4	(42.5)	11.9	25.4	8.9	43.1	-8.1	-44.9
Change in Net Foreign Assets of Bank of Guyana (-increase) ³	(14.0)	3.0	22.7	(10.3)	(61.1)	(16.8)	(3.9)	(0.8)	31.5	(23.9)	(61.8)
Change in Non-Financial Public Sector arrears ⁴	-	(25.0)	-	-	-	-	-	-	-	-	-
Change in Private Sector Commercial arrears	-	-	-	14.7	-	-	-	-	-	-	-
Exceptional Financing	15.4	18.0	-	-	18.6	28.7	29.3	9.7	11.6	15.8	16.9
Debt Relief	-	-	-	-	21.3	28.7	29.3	9.7	-	-	-
Debt Stock Restructuring	-	18.0	-	-	(2.7)	-	-	-	-	1.8	1.8
Balance of Payments Support	15.4	-	-	-	-	-	-	-	-	-	-
Debt Forgiveness	-	-	-	-	-	-	-	-	11.6	14.0	15.1

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

¹ Includes sale of assets

² Includes changes in Net Foreign Assets of Commercial Banks

³ Includes valuation changes

⁴ Includes arrears on non-financial public sector medium and long term debt

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
1996 ¹	153.9	331.6	177.7	(186.6)	331.6	518.2	1.3	26.6	25.3	(185.3)	358.2	543.5
1997	149.9	315.3	165.4	(33.6)	315.3	348.9	(10.2)	24.3	34.5	(43.8)	339.6	383.4
1998	122.2	276.4	154.2	7.4	276.4	268.9	(7.9)	23.5	31.4	(0.4)	299.9	300.3
1999	126.8	267.0	140.2	46.3	267.0	220.7	17.9	40.1	22.2	64.2	307.2	243.0
2000	178.4	295.8	117.4	107.4	295.8	188.4	18.1	36.7	20.7	125.5	334.6	209.1
2001	187.4	285.1	97.6	124.2	285.1	160.8	34.8	52.3	17.5	159.0	337.4	178.4
2002	183.4	279.5	96.2	128.0	279.5	151.5	40.0	65.9	25.9	167.9	345.4	177.5
2003												
Mar	176.1	272.0	95.9	120.7	272.0	151.3	48.6	72.0	23.4	169.3	343.9	174.7
Jun	172.1	262.4	90.3	120.7	262.4	141.7	50.4	78.8	28.4	171.1	341.2	170.1
Sep	162.3	261.7	99.4	110.9	261.7	150.8	56.2	83.4	27.2	167.2	345.2	178.0
Dec	176.1	271.5	95.4	128.7	271.5	142.8	67.3	92.7	25.4	196.0	364.2	168.2
2004												
Mar	163.8	256.1	92.4	116.4	256.1	139.7	68.4	91.4	23.0	184.7	347.5	162.8
Jun	161.6	246.5	84.9	118.2	246.5	128.3	70.6	94.1	23.5	188.8	340.6	151.8
Sep	163.9	255.1	91.2	120.5	255.1	134.6	76.4	97.9	21.5	196.9	353.0	156.1
Dec	136.6	224.7	88.1	97.2	224.7	127.4	72.9	108.9	36.0	170.1	333.6	163.5
2005												
Jan	141.4	227.6	86.2	102.0	227.6	125.6	70.6	110.2	39.6	172.6	337.8	165.2
Feb	159.3	259.0	99.7	119.9	259.0	139.1	73.9	112.3	38.4	193.8	371.3	177.4
Mar	143.9	242.2	98.3	104.5	242.2	137.7	78.7	114.7	36.0	183.2	356.9	173.7
Apr	136.7	234.1	97.4	97.3	234.1	136.7	85.0	130.6	45.6	182.3	364.7	182.4
May	140.7	231.4	90.7	101.3	231.4	130.1	92.4	134.6	42.1	193.8	366.0	172.2
Jun	145.0	232.0	87.0	105.6	232.0	126.4	90.4	135.1	44.7	196.0	367.0	171.0
Jul	137.3	222.6	85.4	97.9	222.6	124.8	91.4	136.0	44.6	189.3	358.7	169.4
Aug	143.6	229.5	85.9	104.2	229.5	125.3	96.8	138.7	42.0	201.0	368.2	167.2
Sep	139.7	238.4	98.7	100.3	238.4	138.1	96.0	137.8	41.8	196.3	376.2	179.9
Oct	136.5	231.1	94.5	97.1	231.1	134.0	97.1	137.8	40.7	194.2	368.9	174.7
Nov	139.5	231.3	91.8	100.1	231.3	131.3	93.9	140.4	46.5	193.9	371.7	177.8
Dec	160.5	251.4	90.9	121.1	251.4	130.3	87.9	141.2	53.3	209.0	392.6	183.6
2006												
Jan	224.4	251.2	26.8	185.0	251.2	66.2	91.9	141.5	49.6	276.9	392.7	115.8
Feb	219.8	259.7	39.9	180.4	259.7	79.3	94.3	142.1	47.8	274.7	401.8	127.1
Mar	214.5	254.6	40.1	175.1	254.6	79.5	92.6	143.2	50.6	267.6	397.7	130.1
Apr	222.3	263.2	40.9	182.8	263.2	80.3	104.2	158.9	54.7	287.0	422.1	135.1
May	212.7	254.2	41.6	173.3	254.2	81.0	125.2	176.7	51.5	298.4	431.0	132.5
Jun	204.8	245.9	41.1	165.4	245.9	80.6	115.9	169.1	53.2	281.3	415.1	133.8
Jul	212.9	254.2	41.3	173.5	254.2	80.7	107.3	160.1	52.9	280.7	414.3	133.6
Aug	217.9	259.3	41.4	178.5	259.3	80.8	100.3	156.2	55.9	278.8	415.6	136.8
Sep	227.6	282.3	54.7	188.1	282.3	94.2	101.5	153.5	52.0	289.7	435.8	146.1
Oct	235.3	290.2	54.9	195.9	290.2	94.3	93.4	149.9	56.5	289.3	440.1	150.8
Nov	250.0	305.8	55.9	210.5	305.8	95.3	100.6	157.0	56.4	311.1	462.8	151.7
Dec	222.3	278.0	55.8	182.9	278.0	95.2	93.9	148.6	54.7	276.7	426.6	149.9

Source: Bank of Guyana and Commercial Banks

¹ Net Foreign Assets reflect Naples terms debt stock reduction in December 1996

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

Date		Rate	Date		Rate	
04	Apr. 05 - 08	Apr. 05	199.75	13	Feb. 06 - 17 Feb. 06	200.25
11	Apr. 05 - 15	Apr. 05	200.00	20	Feb. 06 - 24 Feb. 06	200.25
18	Apr. 05 - 22	Apr. 05	200.00	27	Feb. 06 - 28 Feb. 06	200.25
25	Apr. 05 - 29	Apr. 05	200.00	01	Mar. 06 - 03 Mar. 06	200.25
03	May 05 - 06	May 05	200.00	06	Mar. 06 - 10 Mar. 06	199.75
09	May 05 - 13	May 05	200.00	13	Mar. 06 - 17 Mar. 06	199.75
16	May 05 - 20	May 05	200.00	20	Mar. 06 - 24 Mar. 06	199.75
23	May 05 - 27	May 05	200.00	27	Mar. 06 - 31 Mar. 06	199.75
30	May 05 - 31	May 05	200.00	01	Apr. 06 -	199.75
01	Jun. 05 - 03	Jun. 05	200.00	02	Apr. 06 - 08 Apr. 06	199.75
06	Jun. 05 - 07	Jun. 05	200.00	09	Apr. 06 -	199.75
08	Jun. 05 - 10	Jun. 05	200.25	10	Apr. 06 - 15 Apr. 06	200.00
13	Jun. 05 - 17	Jun. 05	200.25	16	Apr. 06 - 22 Apr. 06	200.00
20	Jun. 05 - 24	Jun. 05	200.25	23	Apr. 06 - 29 Apr. 06	200.00
27	Jun. 05 - 30	Jun. 05	200.25	30	Apr. 06 -	200.00
01	Jul. 05 -		200.25	01	May 06 - 05 May 06	200.00
04	Jul. 05 - 08	Jul. 05	200.25	08	May 06 - 12 May 06	200.00
11	Jul. 05 - 15	Jul. 05	200.25	15	May 06 - 19 May 06	200.00
18	Jul. 05 - 22	Jul. 05	199.50	22	May 06 - 26 May 06	200.00
25	Jul. 05 - 29	Jul. 05	199.50	29	May 06 - 31 May 06	200.00
01	Aug. 05 - 05	Aug. 05	199.50	01	Jun. 06 - 02 Jun. 06	200.00
08	Aug. 05 - 12	Aug. 05	199.50	05	Jun. 06 - 09 Jun. 06	200.00
15	Aug. 05 - 19	Aug. 05	200.00	12	Jun. 06 - 16 Jun. 06	200.00
22	Aug. 05 - 26	Aug. 05	199.75	19	Jun. 06 - 23 Jun. 06	200.00
29	Aug. 05 - 31	Aug. 05	199.50	26	Jun. 06 - 30 Jun. 06	200.00
01	Sep. 05 - 02	Sep. 05	199.75	03	Jul. 06 - 07 Jul. 06	200.00
05	Sep. 05 - 9	Sep. 05	199.75	10	Jul. 06 - 14 Jul. 06	200.00
12	Sep. 05 - 16	Sep. 05	199.75	17	Jul. 06 - 21 Jul. 06	200.00
19	Sep. 05 - 23	Sep. 05	199.75	24	Jul. 06 - 28 Jul. 06	200.00
26	Sep. 05 - 30	Sep. 05	200.00	01	Aug. 06 - 04 Aug. 06	200.00
03	Oct. 05 -		200.00	07	Aug. 06 - 11 Aug. 06	200.00
04	Oct. 05 - 07	Oct. 05	199.75	14	Aug. 06 - 18 Aug. 06	200.00
10	Oct. 05 - 14	Oct. 05	199.75	21	Aug. 06 - 25 Aug. 06	200.00
17	Oct. 05 - 21	Oct. 05	199.75	28	Aug. 06 - 31 Aug. 06	200.00
24	Oct. 05 - 28	Oct. 05	200.00	01	Sep. 06 -	200.00
31	Oct. 05 -		199.75	04	Sep. 06 - 08 Sep. 06	200.00
01	Nov. 05 - 04	Nov. 05	199.75	11	Sep. 06 - 15 Sep. 06	200.00
07	Nov. 05 - 11	Nov. 05	200.00	18	Sep. 06 - 22 Sep. 06	200.00
14	Nov. 05 - 18	Nov. 05	199.75	25	Sep. 06 - 29 Sep. 06	200.00
21	Nov. 05 - 25	Nov. 05	199.75	02	Oct. 06 - 06 Oct. 06	200.00
28	Nov. 05 - 30	Nov. 05	199.75	09	Oct. 06 - 13 Oct. 06	200.00
01	Dec. 05 - 02	Dec. 05	199.75	16	Oct. 06 - 20 Oct. 06	200.75
05	Dec. 05 - 09	Dec. 05	200.00	23	Oct. 06 - 27 Oct. 06	200.75
12	Dec. 05 - 14	Dec. 05	200.00	30	Oct. 06 - 31 Oct. 06	200.75
15	Dec. 05 - 16	Dec. 05	200.25	01	Nov. 06 - 03 Nov. 06	200.75
19	Dec. 05 - 23	Dec. 05	200.25	05	Nov. 06 - 10 Nov. 06	200.75
26	Dec. 05 - 30	Dec. 05	200.25	13	Nov. 06 - 17 Nov. 06	200.75
02	Jan. 06 - 06	Jan. 06	200.25	20	Nov. 06 - 24 Nov. 06	200.75
09	Jan. 06 - 13	Jan. 06	200.25	27	Nov. 06 - 30 Nov. 06	200.75
16	Jan. 06 - 20	Jan. 06	200.25	01	Dec. 06 -	200.75
23	Jan. 06 - 27	Jan. 06	200.25	04	Dec. 06 - 08 Dec. 06	200.75
30	Jan. 06 - 31	Jan. 06	200.25	11	Dec. 06 - 15 Dec. 06	201.00
01	Feb. 06 - 03	Feb. 06	200.25	18	Dec. 06 - 22 Dec. 06	201.00
06	Feb. 06 - 10	Feb. 06	200.25	25	Dec. 06 - 29 Dec. 06	201.00

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) target Commercial Banks.

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

Guyana		
Year	Period Ended	Period Average
1996	141.25	140.38
1997	144.00	142.58
1998	165.25	150.52
1999	180.50	177.65
2000	184.75	182.44
2001	189.50	187.32
2002	191.75	191.75
2003		
Mar	193.75	192.41
Jun	193.75	193.45
Sep	195.25	194.61
Dec	194.25	195.50
2004		
Mar	197.25	196.97
Jun	198.75	198.43
Sep	200.00	199.38
Dec	199.75	199.78
2005		
Jan	199.75	199.75
Feb	199.75	199.75
Mar	199.75	199.75
Apr	200.00	199.93
May	200.00	200.00
Jun	200.25	200.19
Jul	199.50	199.88
Aug	199.50	199.67
Sep	200.00	199.82
Oct	199.75	199.81
Nov	199.75	199.81
Dec	200.25	200.14
2006		
Jan	200.25	200.25
Feb	200.25	200.25
Mar	199.75	199.82
Apr	200.00	199.93
May	200.00	200.00
Jun	200.00	200.00
Jul	200.00	200.00
Aug	200.00	200.00
Sep	200.00	200.00
Oct	200.75	200.41
Nov	200.75	200.75
Dec	201.00	200.92

Source: Bank of Guyana

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

Item	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 **	2006
PRODUCT											
Sugar	14,557	14,560	12,427	16,906	13,852	12,029	15,402	18,448	20,074	16,707	20,457
Rice	9,848	9,301	9,438	9,950	7,345	9,057	8,565	8,621	8,790	7,968	8,222
Livestock	1,598	1,807	1,881	2,111	2,330	2,546	2,754	2,979	3,224	3,502	3,533
Other Agriculture	3,974	4,478	4,953	5,482	5,982	5,825	5,971	5,415	5,860	6,367	6,881
Fishing	4,832	5,532	5,813	6,282	7,240	7,780	7,768	8,389	8,812	10,126	10,154
Forestry	2,597	3,103	2,107	2,569	2,232	2,433	2,295	2,411	2,571	3,110	3,590
Mining & Quarrying	15,567	15,565	14,439	16,156	17,235	17,603	17,671	15,930	15,786	14,031	14,133
Manufacturing ¹	3,078	3,297	3,191	3,681	3,434	3,599	3,953	3,874	4,111	5,064	5,467
Distribution	3,534	3,855	4,194	4,268	4,755	4,927	5,024	4,996	5,407	7,026	7,961
Transport & Communication	4,486	5,183	6,204	7,138	8,401	9,599	10,432	11,502	12,630	15,213	17,237
Engineering & Construction	3,747	4,446	4,913	4,771	5,335	5,589	5,580	6,199	6,840	8,388	9,677
Rent of Dwelling	3,025	3,489	3,632	3,848	4,360	4,567	4,704	5,087	5,506	6,389	7,239
Financial Services	2,829	2,974	3,087	3,387	4,174	4,049	4,149	4,400	4,715	5,473	6,088
Other Services	1,193	1,315	1,406	1,570	1,851	1,979	2,043	2,201	2,372	2,894	3,219
Government	7,393	10,839	12,786	16,976	19,560	20,636	21,451	22,809	23,836	25,528	27,341
G.D.P. current at Factor Cost	82,258	89,744	90,472	105,095	108,087	112,219	117,762	123,261	130,534	137,788	151,198
Indirect Taxes net of Subs.	16,780	16,934	17,531	18,570	21,926	21,185	20,685	20,803	25,824	27,240	29,084
G.D.P. at Market Prices	99,038	106,678	108,003	123,665	130,013	133,403	138,447	144,064	156,358	165,028	180,282
Net factor income paid abroad	7,319	10,460	8,455	12,216	8,022	9,612	10,485	8,325	6,320	4,088	8,792
G.N.P. at factor cost	74,939	79,284	82,017	92,879	100,065	102,608	107,278	114,936	124,213	133,700	142,405
G.N.P. at market prices	91,719	96,218	99,548	111,449	121,991	123,792	127,962	135,739	150,038	160,940	171,489
EXPENDITURE											
<i>Domestic Expenditure at market prices</i>	105,003	116,812	120,987	131,669	150,676	155,888	155,929	160,016	172,877	218,690	243,787
Public Investment ²	15,976	19,110	16,527	16,160	19,684	18,170	20,291	19,393	19,587	21,938	41,806
Private Investment ³	27,460	27,989	28,252	31,443	30,381	33,205	32,375	31,080	30,458	31,372	41,012
Public Consumption	17,343	21,747	23,151	29,947	35,798	30,505	32,976	37,928	37,732	44,374	44,284
Private Consumption	44,224	47,966	53,057	54,119	64,813	74,008	70,287	71,615	85,100	121,006	116,685

Source: Bureau of Statistics and Bank of Guyana

¹ Includes Utilities

² Includes Investment of Public Enterprises

³ Includes Stock Changes

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

Item	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 **	2006
GDP AT FACTOR COST	5,048	5,360	5,270	5,426	5,352	5,474	5,538	5,500	5,587	5,478	5,734
AGRICULTURE, FORESTRY AND FISHING	1,493	1,577	1,475	1,670	1,519	1,571	1,626	1,588	1,633	1,461	1,549
Sugarcane	631	648	600	754	642	668	748	664	714	545	572
Rice Paddy	150	153	153	161	130	143	129	161	148	139	169
Other crops	242	255	272	275	278	281	285	291	297	288	308
Livestock	105	111	109	111	116	119	125	130	133	129	125
Fishing	135	146	142	143	164	165	159	159	157	161	154
Forestry	230	264	200	226	189	195	180	183	184	199	221
MINING AND QUARRYING	546	628	645	591	626	652	607	554	518	426	331
Bauxite	221	255	262	240	254	267	249	222	207	104	73
Other	325	373	383	351	372	385	358	332	311	322	258
MANUFACTURING	640	629	575	654	563	577	640	637	653	591	610
Sugar	233	206	190	240	204	212	276	271	292	216	230
Rice	56	57	56	64	50	56	48	57	52	29	20
Other	351	367	328	350	309	309	316	309	309	346	360
CONSTRUCTION	398	450	471	424	452	461	443	468	487	533	597
SERVICES	1,971	2,075	2,103	2,087	2,193	2,213	2,222	2,253	2,296	2,467	2,646
Distribution	395	417	439	404	425	427	423	412	420	483	532
Transport and Communications	416	453	439	448	480	506	529	555	575	629	692
Rental of dwellings	82	88	93	87	92	94	94	97	98	104	114
Financial services	273	285	294	300	309	293	290	293	296	315	340
Government	633	651	650	657	689	689	682	686	694	708	722
Other ¹	172	181	188	191	198	204	204	210	213	228	246

Source: Bureau of Statistics

¹ Includes electricity, gas and water

TABLE 10-I
INDICES OF OUTPUT OF SELECTED COMMODITIES

Commodities	Unit	Output in 2000	(2000=100)										
			1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
AGRICULTURE													
Sugar	Tonnes	273,703	102.3	101.0	93.4	117.4	100.0	103.9	121.0	110.5	118.9	90.0	90.8
Rice	Tonnes	291,841	114.6	116.7	116.4	125.2	100.0	110.4	98.8	121.6	111.6	93.6	105.2
Coconuts ^{a)}	Nuts	98,850,800	132.8	106.1	71.8	91.1	100.0	53.2	73.1	106.3	89.8	75.1	62.6
Cassava ^{a)1}	Tonnes	44,854	78.6	61.9	57.9	62.6	100.0	64.5	44.7	61.1	60.0	44.7	51.6
Other Ground Provisions ^{a)2}	"	15,254	84.5	69.8	45.5	56.4	100.0	74.9	35.5	57.2	71.3	51.1	56.1
Plantains ^{a)}	"	23,292	75.4	64.0	35.3	27.7	100.0	72.7	39.7	23.3	20.9	15.4	17.5
Bananas ^{a)}	"	18,644	76.7	67.6	60.0	48.8	100.0	91.9	107.6	90.2	42.5	142.9	35.4
Mangoes ^{a)}	"	9,118	121.7	91.6	58.4	125.4	100.0	124.9	14.1	56.4	40.9	32.9	55.8
Pineapples ^{a)}	"	3,180	226.2	211.3	37.3	78.7	100.0	139.3	16.0	52.3	85.8	50.2	95.5
Citrus ^{a)3}	"	14,485	41.4	26.2	29.7	44.8	100.0	81.9	23.9	54.5	59.2	43.9	68.5
Cereals & Legumes ^{a)}	"	4,596	91.5	81.2	83.6	82.1	100.0	55.6	39.0	36.1	48.7	41.3	41.7
Eschallot ^{a)}	"	4,524	45.3	67.3	34.0	40.2	100.0	49.8	14.4	25.2	8.7	8.0	17.4
Hot Pepper ^{a)}	"	4,878	23.4	25.1	27.6	27.7	100.0	65.2	5.8	44.6	41.1	19.8	43.1
Bora ^{a)}	"	12,484	38.6	36.3	36.0	35.4	100.0	42.1	6.0	42.2	35.5	18.6	34.3
Tomatoes ^{a)}	"	4,683	54.1	35.1	26.5	35.2	100.0	56.3	5.6	56.0	33.8	17.0	86.1
Coffee ^{a)}	"	15	1,926.3	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
Poultry Meat	"	11,769	91.2	101.8	95.8	105.6	100.0	106.1	142.2	201.2	206.6	192.9	117.9
Eggs	No.	30,118,600	127.8	100.8	79.8	85.4	100.0	85.3	57.7	30.8	43.0	80.1	11.9
FISHERIES													
Fish	Tonnes	28,629	118.2	124.5	136.9	144.1	100.0	88.2	88.0	117.8	128.2	105.9	74.3
Prawns	"	1,132	141.7	163.8	171.0	141.0	100.0	166.9	134.5	102.6	96.0	90.1	136.8
Shrimp	"	18,196	105.4	116.0	70.4	70.3	100.0	153.7	112.9	117.7	75.4	95.5	76.4
FORESTS													
Greenheart & other Logs	Cu.Mt	284,882	115.0	109.1	91.5	116.0	100.0	105.0	95.0	73.9	117.7	112.8	138.3
Sawnwood	Cu.Mt	2,176	1,758.1	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
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
MINING & QUARRYING													
<i>Bauxite :</i>													
R.A.S.C.	Tonnes	105,716	148.2	168.1	139.2	101.9	100.0	86.5	58.8	82.5	124.4	201.2	141.4
C.G.B.	"	102,247	129.4	90.4	126.7	84.5	100.0	215.5	125.6	161.6	111.7	172.2	169.6
M.A.Z.	"	2,443,404	88.6	90.1	80.4	87.1	100.0	68.8	59.3	59.7	50.5	52.7	47.0
Gold	Ozs.	434,906	88.8	107.6	108.0	95.6	100.0	104.8	104.3	90.0	84.8	61.5	41.9
Diamonds	Met.cts.	81,706	57.2	44.8	42.1	57.1	100.0	219.6	304.1	504.9	556.8	436.9	376.6
MANUFACTURING													
Garments	Dozs.	199,087	133.5	147.7	125.2	123.4	100.0	145.5	204.8	140.5	115.7	45.0	41.5
Footwear	Pairs	15,627	592.7	281.6	212.1	113.6	100.0	179.6	343.2	240.1	202.9	191.4	60.4
Margarine	Kg.	2,077,771	77.4	86.8	85.2	94.8	100.0	104.8	34.2	92.4	99.2	86.3	109.0
Flour	Tonnes	35,880	102.0	97.5	91.4	98.4	100.0	102.1	101.9	96.6	100.8	102.6	104.2
Biscuits	Kg.	1,456,100	121.4	96.0	100.7	106.2	100.0	100.4	86.3	81.8	93.5	80.6	73.5
Areated Beverages	Ltr.	37,943,900	106.6	118.5	114.7	108.5	100.0	94.5	106.9	113.0	115.5	113.6	104.2
Rum	Ltr.	9,205,500	260.1	253.5	232.6	149.8	100.0	143.8	158.5	129.9	127.3	127.6	128.9
Beer & Stout	Ltr.	12,977,900	89.4	104.8	105.5	104.8	100.0	92.1	100.6	80.9	84.7	91.9	94.0
Malta	Ltr.	1,523,378	101.7	92.4	103.6	106.7	100.0	92.2	102.9	71.9	65.4	59.2	69.8
Stockfeeds	Tonnes	28,548	76.5	78.9	76.5	93.1	100.0	111.9	134.5	131.6	137.0	134.2	102.6
Neutral Alcohol	Ltr.	4,705,900	56.4	94.7	97.8	114.8	100.0	103.4	53.0	121.0	106.8	112.4	103.2
Paints	Ltr.	1,855,988	63.3	63.6	65.1	99.5	100.0	98.0	104.1	103.1	105.8	116.9	129.5
Pharmaceutical Liquids	Ltr.	350,507	63.3	50.2	74.6	56.8	100.0	66.0	89.3	66.2	75.0	129.1	174.0
Electricity	MWH	540,145	64.5	72.3	79.8	94.8	100.0	106.8	107.6	101.7	106.8	97.8	99.0

Source: ^{a)} Ministry of Agriculture and Bureau of Statistics

¹ Includes bitter & sweet

² Includes eddo, yam, sweet potato & tannia/dasheen

³ Includes oranges, grapefruit, lime & other citrus

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

End of Period **	All Items Index	Sub-Group Indices			
		Food ¹	Clothing	Housing ²	Miscellaneous
1996	129.9	137.6	89.0	137.0	121.0
1997	135.3	142.9	81.9	144.5	125.0
1998	141.7	146.9	76.1	144.0	133.4
1999	154.0	157.0	73.8	158.7	138.1
2000	163.0	163.7	72.7	179.4	155.7
2001	164.4	167.6	73.2	182.2	155.4
2002	175.5	170.9	74.6	199.6	156.0
2003					
Mar	178.5	173.4	75.2	203.1	157.9
Jun	182.1	173.8	75.2	212.9	158.5
Sep	184.3	176.9	75.2	213.0	158.2
Dec	184.3	175.8	75.2	213.3	158.7
2004					
Mar	186.5	177.8	75.2	216.0	158.9
Jun	190.9	183.8	75.2	220.0	160.6
Sep	193.1	187.3	75.2	221.0	161.1
Dec	194.4	185.6	75.2	228.5	161.6
2005					
Jan	199.9	197.4	75.2	228.4	162.2
Feb	197.4	191.3	75.2	229.1	162.5
Mar	197.9	191.8	75.2	229.2	162.9
Apr	199.2	193.1	75.2	231.2	163.5
May	199.5	194.0	75.2	230.4	163.5
Jun	200.8	195.8	75.2	231.5	163.9
Jul	202.0	197.9	75.2	231.7	164.1
Aug	208.0	199.7	75.2	246.1	164.3
Sep	209.1	198.1	75.2	249.4	164.5
Oct	209.3	197.3	75.2	251.4	164.6
Nov	209.6	198.4	75.4	252.1	165.1
Dec	210.4	200.1	75.4	252.3	165.3
2006					
Jan	213.8	206.8	75.4	253.7	166.3
Feb	216.0	210.7	75.4	254.9	166.4
Mar	217.0	211.2	75.4	256.2	166.4
Apr	215.8	207.9	75.4	256.3	166.4
May	215.5	205.7	75.4	258.1	166.5
Jun	217.6	210.0	75.4	258.1	167.0
Jul	218.3	210.1	75.4	261.1	167.1
Aug	219.6	210.6	75.4	263.6	167.4
Sep	218.4	210.1	75.4	264.2	167.6
Oct	217.0	207.8	75.4	261.7	169.4
Nov	217.2	208.3	75.4	261.5	169.4
Dec	219.2	212.4	75.4	261.4	170.9

Source: Bureau of Statistics

¹ Includes Beverages & Tobacco

² Includes Rent, Fuel & Power

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

Year	Population (Mid-Year) ¹	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 ²	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 ²	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

Sources:

¹ Budget Report Speeches

² 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, 2006

1. REPUBLIC BANK (GUYANA) LIMITED:- 155-156 New Market & Waterloo Streets, Georgetown

BRANCHES

- (a) Main Branch - 38-40 Water St., Georgetown
- (b) Camp Street - 110 Regent & Camp Streets., Georgetown
- (c) New Amsterdam - 16-17 Strand, Water & New Streets, N.A., Berbice
- (d) Rose Hall - 29A Public Road, Rose Hall, Berbice
- (e) Linden - 101-102 Republic Ave., Retrieve, M^c Kenzie, Linden
- (f) Corriverton - Lot 5, No. 78 Village, Corriverton, Berbice
- (g) Anna Regina - Lot 6 Public Road, Anna Regina, Essequibo Coast
- (h) Rosignol - Lot 31-32 Rosignol, West Bank Berbice
- (i) G. P. O. Building - North Road & Savage Street, Georgetown
- (j) Vreed-en-Hoop - 27 Sublot '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, Georgetown
- (b) Corriverton - Lot 211, No. 78 Village, Corriverton, Berbice
- (c) Anna Regina - Lot 2, Anna Regina, Essequibo Coast
- (d) Parika - Lot 300, Parika, East Bank Essequibo
- (e) Vreed-en-Hoop - Lot 'N' Plantation Walk, Vreed-en-Hoop, West Bank Demerara
- (f) Lethem - Lot 121 Lethem, Rupununi

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

BRANCHES

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

4. BANK OF BARODA (GUYANA) INC.:- 10 Avenue of the Republic & Regent Street, 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 - Lot 298, Parika, East Bank Essequibo
- (b) Bartica - Lot 16 First Avenue, Bartica, Essequibo
- (c) Thirst Park - Banks DIH Complex, Thirst Park

APPENDIX II
LICENSED FOREIGN CURRENCY DEALERS AS AT DECEMBER 31, 2006

No.	Name	Address of Licensed Premises
1	A & N Sarjoo Cambio	15-16 America Street, Stabroek, Georgetown
2	Bank of Baroda (Guyana) Inc.	10 Avenue of the Republic & Regent Street, Georgetown
3	Bank of Nova Scotia	104 Carmichael Street, North Cummingsburg, Georgetown
4	Cambio Royale	69 Main Street, South Cummingsburg, Georgetown
5	Citizens Bank Guyana Inc.	201 Charlotte & Camp Streets, Georgetown
6	Commerce House Cambio	93 Regent Street, Lacytown, Georgetown
7	Confidential Cambio	29 Lombard Street, Werk-en-Rust, Georgetown
8	Demerara Bank Limited	230 Camp Street & South Road, Georgetown
9	L. Mahabeer & Son Cambio	124 King Street, Lacytown, Georgetown
10	F & F Foreign Exchange Enterprise Cambio	25 'A' Water Street, Georgetown
11	Guyana Pegasus Hotel Cambio	Sea Wall Road, Kingston, Georgetown
12	Guyana Bank for Trade & Industry Limited	47-48 Water Street, Georgetown
13	Hand-in-Hand Trust Corporation Inc.	62-63 Middle Street, North Cummingsburg, Georgetown
14	Gobind Variety Store & Cambio	96 Regent 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, Robbstown, Georgetown
17	NM Services Ltd. Cambio	Lot R5, Ruimveldt, Greater Georgetown
18	Republic Bank (Guyana) Limited	38-40 Water Street, Georgetown
19	R. Sookraj Cambio	108 Regent Street, Georgetown
20	Salt & Pepper Cambio	Lot 14 Longden & Croal Streets, Stabroek, Georgetown
21	Mohamed's Cambio	Lot 20 ½ E Regent Street, Robbstown, Georgetown

BANK OF GUYANA

1 Avenue of the Republic,
P. O. Box 1003,
Georgetown
Guyana

Telephone: (592) 226-3250-9
(592) 226-3261-5
Fax: (592) 227-2965
Website: <http://www.bankofguyana.org.gy>
E-mail: bogres@guyana.net.gy



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