

# BANK OF GUYANA

## Annual Report 2008





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# **BANK OF GUYANA**

## **STATEMENT OF PURPOSE**

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

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

## **CORPORATE PHILOSOPHY**

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

**LETTER OF TRANSMITTAL**

*March 31, 2009*

*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 2008, 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 2008 is incorporated in the report.*

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

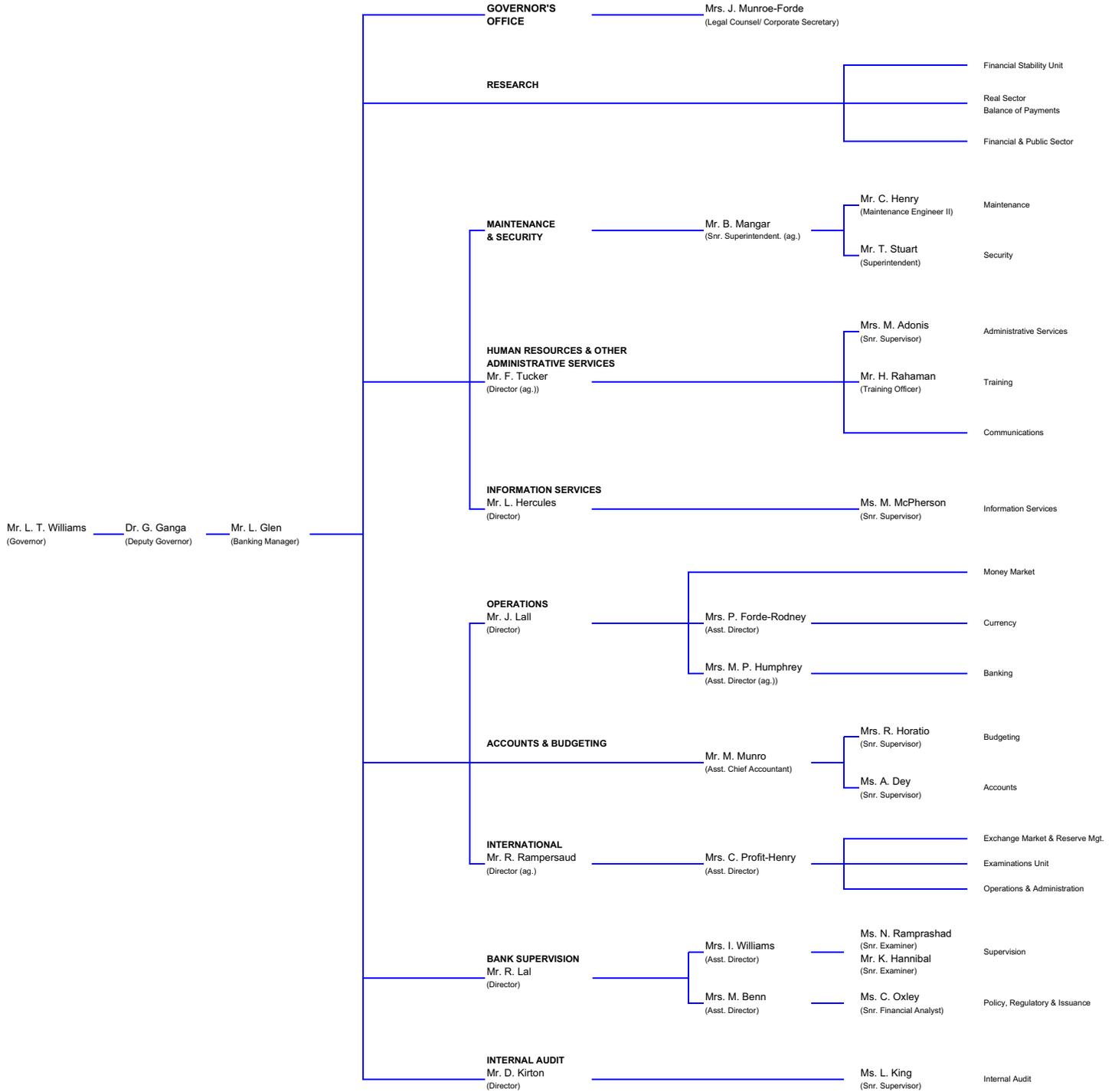
*Yours sincerely,*

*Signed  
L. T. Williams  
Governor*

**BOARD OF DIRECTORS DURING 2008**

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

**ORGANISATION OF THE BANK**  
 as at December 31, 2008



## ***INTRODUCTION***

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

# I

## THE GUYANA ECONOMY

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### 1. SUMMARY

The financial turmoil which was fuelled by the US subprime mortgage crisis, took a heavy toll on the global economy, with slower growth of 3.2 percent compared with 5.2 percent in 2007. Growth in developed countries was scant, while emerging markets and developing countries experienced modest growth. Consequently, unemployment increased and international trade declined. Inflation, which had reached its highest in more than three decades, declined sharply as a result of lower fuel and commodity prices.

The Guyana economy continued to grow in 2008, registering real economic growth of 3.1 percent compared with 5.4 percent in 2007. This growth is attributed to strong performances in the mining, engineering and construction and services sectors. In contrast, there was weak performance from the sugar, fishing, forestry and manufacturing sectors. In spite of the higher price of fuel and commodities during most of the year, inflation was contained at 6.4 percent compared to 14 percent in 2007.

The overall balance of payments recorded a surplus of US\$7 million from a deficit of US\$1.4 million for the corresponding period last year. This position was due to a larger capital account surplus from increased disbursements to the non-financial public sector and higher foreign direct investment. The current account deficit widened as a result of higher fuel and other merchandise imports. The surplus contributed to the accumulation of foreign assets by the Bank of Guyana.

Total foreign currency transactions increased by 21.9 percent to US\$4,794.8 million on account of higher inflows and outflows. The market benefitted from increased inflows or purchases in the form of export receipts, remittances and capital transfers. Outflows or sales increased as a result of the rising cost of both merchandise and service imports. The bank cambios continued to account for most of the overall turnover with a share of 90.7 percent. The Bank of Guyana effected net sales of US\$10.3 million to the market. The exchange rate was fairly stable, depreciating marginally by 0.86 percent.

The overall financial operations of the public sector, computed on a cash basis, improved on account of favourable central government performance since the Non-Financial Public Enterprises (NFPEs) recorded a weakened performance. Higher current and capital revenue as well as constrained spending contributed to the central government outcome, while increased current and capital expenditure explained the deterioration in the NFPEs balance.

The stock of both government's domestic bonded debt and external public and publicly guaranteed debt increased by 8.3 percent and 16 percent, respectively. The former reflected an expansion in the issuance of government treasury bills to sterilize liquidity that is consistent with the Bank's monetary policy objectives. The growth in the stock of external debt resulted mainly from disbursement received under the PetroCaribe Initiative and Inter-American Development Bank (IDB). Both domestic and external debt service rose in 2008.

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Monetary aggregates reflected economic activity and monetary policy. Base and Broad money grew by 7.5 percent and 12.7 percent, respectively. Credit to the private sector expanded by 21.8 percent. The 91-day treasury bill rate improved due to competitive bidding in the primary market, while the commercial banks' interest rates trended downward on account of excess liquidity in the banking system. The intermediation spreads of the commercial banks remained mixed. Non-bank financial institutions continued to actively mobilize financial resources, which were transformed into higher claims on the private and public sectors mainly in the form of investment (e.g. real estate mortgage loans) and treasury bills respectively.

The primary objectives of monetary policy in 2008 were the attainment of price stability, while creating the enabling environment for credit and economic growth. The focus of monetary policy was on effective management of excess liquidity in the financial system. Consequently, reserve money growth was constrained to 11.0 percent with a net increase of G\$6,242 million treasury bills issuance. Additionally, the Bank continued to facilitate efficient intermediation through the issuance of notes and coins as well as the promotion of enhanced payment operation.

The Licensed Depository Financial Institutions (LDFIs) reported higher levels of capital and profits during the year. The Capital Adequacy Ratio (CAR), which was well above the prudential benchmark of 8.0 percent, remained fairly stable increasing by only 2.0 basis points from end 2007. The loan portfolio recorded significant improvement with a 26.0 percent growth and 32.8 percent decline in the level of non-performing loans. Notwithstanding this improvement, the LDFIs reported increased provision against such loans. The loan portfolios of the LDFIs continued to be heavily concentrated in the services sub-sector, which accounted for 55.0 percent of loans to the business enterprise sector. The latter sector amounted of 51.0 percent of total loans.

The world economy is expected to enter a recession in 2009 with reduced global demand, exports and credits. GDP growth rates in industrialized countries are expected to be scant, while growth rates in emerging market are projected to slowdown on account of reduced investment and tight credit conditions. Growth in developing countries will also slow down due to decreased demand, decline in international trade and depressed commodity prices. This situation may adversely affect Guyana's external account.

In 2009, the Guyanese economy is projected to grow by 4.7 percent. This growth is expected to be driven by the agriculture, engineering and construction as well as the services sectors. Inflation is forecasted at 5.2 percent in 2009. This position is expected from falling food and fuel prices. In view of the downside risks from the global financial crisis, the Bank will continue to monitor the external account and liquidity position so as to undertake appropriate monetary policy measures. □

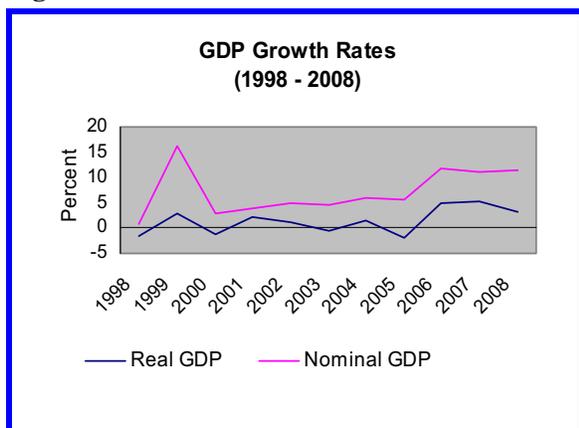
## 2. PRODUCTION, AGGREGATE EXPENDITURE, EMPLOYMENT AND INFLATION

The Guyana economy continued to grow in 2008, registering real economic growth of 3.1 percent compared with 5.4 percent in 2007. This growth is attributed to strong performances in the mining, engineering and construction and services sectors. In contrast, there was weak performance from the sugar, fishing, forestry and manufacturing sectors. In spite of the higher price of fuel and commodities during most of the year, inflation was contained at 6.4 percent compared to 14 percent in 2007.

### GROSS DOMESTIC PRODUCT (GDP)

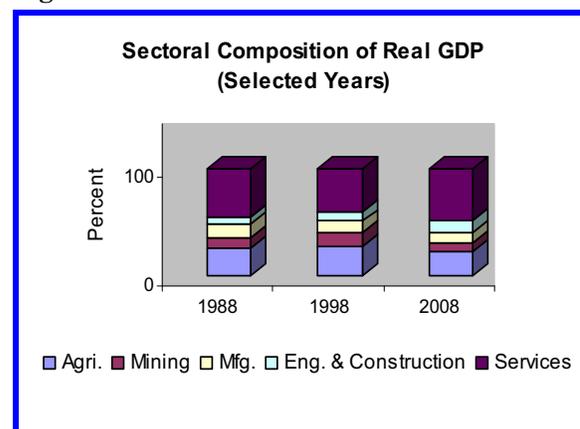
The economy continued to grow modestly, although the agriculture and manufacturing sectors contracted. The economy grew in real terms by 3.1 percent and in nominal terms by 11.4 percent.

Figure I



In terms of the sectoral composition of real GDP, the agriculture, fishing and forestry sectors contributed 23.5 percent compared with 30.1 percent in 2007. The mining sector's contribution was 6.9 percent compared with 6.7 percent in 2007. The manufacturing sector (excluding sugar processing and rice milling) contributed 5.8 percent compared to 6 percent in 2007. Engineering and construction combined and the services sector contributed 11 percent and 48.8 percent, respectively, while in 2007, the growth of the engineering and construction and services sectors were lower at 10.4 percent and 46.6 percent, respectively.

Figure II



### PRODUCTION

#### Agriculture, Fishing and Forestry

The agricultural sector (including sugar processing and rice milling) recorded a 5.8 percent decrease in real growth during 2008. The decline in growth partly reflected inclement weather, high cost of inputs, labour unrest and stringent regulations by the Environmental Protection Agency.

#### Sugar

Sugar output decreased by 15.1 percent to 226,267 tonnes. This outturn was 22 percent lower than the targeted amount for the year. In the first half of 2008, production of sugar exceeded the level recorded for the first half of 2007 in spite of inclement weather and labour unrest. In the second half of the year, output was 25.7 percent lower than that of 2007. The outturn was due to the poor weather conditions, labour unrest, and the delay in the operation of the Skeldon factory.

In 2008, much emphasis had been placed on the improvement of production in the sugar industry, which was subject to the completion of the Skeldon Modernisation Project. However, production target was adjusted due to the delay in the commissioning of the new sugar factory.

### Rice

Rice output increased by 10.5 percent to 329,573 tonnes, and exceeded the production target of 321,000 tonnes by 2.7 percent. The outturn was due to large investments in the rice industry coupled with higher prices on the world market.

**Table I**

<b>Selected Production Indicators Agriculture, Fishing &amp; Forestry</b>			
<b>Commodity</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Sugar (tonnes)	259,588	266,483	226,267
Rice (tonnes)	307,036	298,125	329,573
Fish (tonnes)	25,675	27,397	24,700
Shrimp (tonnes)	18,610	36,502	36,302
Poultry (tonnes)	20,691	25,112	23,187
Eggs ('000)	5,396	9,839	19,834
Total logs (cu.mt.)	393,968	330,374	275,320
Sawnwood (cu.mt)	67,570	74,364	66,960
Plywood (cu. mt.)	34,874	34,444	20,631

In 2008, the rice industry benefited from more than \$3 billion investment, which focused on enhancing technical assistance, research and extension development as well as infrastructure. Further, there was the commissioning of a \$5 million seed paddy plant in Region Six to assist farmers in sowing better quality seed paddy.

### Fishing and Livestock

The fishing sub-sector contracted by 2 percent in real terms in 2008. Fish and Shrimp catches declined by 9.8 percent and 0.5 percent, respectively. The outturn was due to increased costs of machinery and fuel.

The livestock sub-sector registered improved growth of 7.4 percent in real terms. This performance reflected a 101.6 percent increase in the output of eggs. Poultry production decreased by 7.7 percent. The former stemmed from an increase in the importation of layers and the latter from increased prices of stockfeeds.

### Forestry

Logging, plywood and sawnwood output decreased by 16.7 percent, 40.1 percent and 10 percent, respectively. The decrease in the production of forestry products were attributed to the late start in harvesting by firms which was due to the inclement weather at the beginning of the year, and the Guyana Forestry Commission (GFC) enforcement of Environmental Protection Agency (EPA) regulations.

### Mining and Quarrying

The mining sector grew by 6.1 percent in real terms during 2008. This position reflected the increase in investments in capital equipment in the gold industry as well as increased price for gold on world markets.

### Bauxite

Bauxite output decreased by 6.7 percent to 2,092,237 tonnes in 2008 from 2,242,928 tonnes in 2007. The outturn was 533,763 tonnes short of the targeted amount of 2,626,000 tonnes for the year. Output of Metal Grade (MAZ) fell by 18.1 percent in 2008. In contrast, output of Calcined (RASC) and Chemical Grade Bauxite (CGB) grew by 6.3 percent and 36.8 percent, respectively. The latter is explained by increased demand for these grades of bauxite.

### Gold and Diamonds

Total gold declarations increased by 9.7 percent to 261,425 ounces, which was 12.8 percent more than the target for the year. This outturn was due to expanded operations by miners on account of high gold prices on the international market, the increase in investments in capital equipment, and suitable weather conditions for gold mining.

Diamond declarations decreased by 37.2 percent to

168,926 mt ct. This decline was as a result of miners switching from diamonds to gold mining due to higher gold prices.

**Table II**

<b>Selected Production Indicators</b>			
<b>Mining &amp; Quarrying</b>			
<b>Commodity</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Bauxite (Tonnes)	1,478,670	2,242,928	2,092,237
RASC	149,370	218,187	231,937
CGB	174,506	226,203	309,342
MAZ	1,147,667	1,775,768	1,453,500
Gold (oz)	182,216	238,298	261,425
Diamond (mt. ct.)	340,544	268,925	168,926

### **Manufacturing**

The manufacturing sector (excluding sugar processing and rice milling) declined by 2 percent in 2008. This outturn was due to high prices for fuel and inputs, which made production uncompetitive.

**Table III**

<b>Selected Production Indicators</b>			
<b>Manufacturing</b>			
<b>Commodity</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Alcoholic Beverages ('000 litres)	24,496	25,033	26,105
Malta ('000 litres)	1,063	817	824
Non-Alcoholic Beverages ('000 litres)	39,594	38,311	39,324
Liquid Pharmaceuticals ('000 litres)	610	466	374
Paints ('000 litres)	2,404	2,481	2,489
Garments ('000 dozens)	140	132	105
Electricity ('000 MWH)	535	559	569

The beverage industry experienced a 4.3 percent and 2.6 percent increase in production of alcoholic and non-alcoholic products, respectively. These increases

resulted from the aggressiveness of firms in competing with imported products and the increase in outdoor social events.

Output of liquid pharmaceuticals decreased by 19.7 percent in 2008. This outturn resulted from the depletion of excess stock from the previous year.

Paint production increased by 0.3 percent reflecting growth in the construction industry. The garment industry recorded a decrease in production by 20.8 percent. Electricity generation registered growth of 1.8 percent in 2008 due to continued expansion and investment activity in the sector.

### **Engineering and Construction (E&C)**

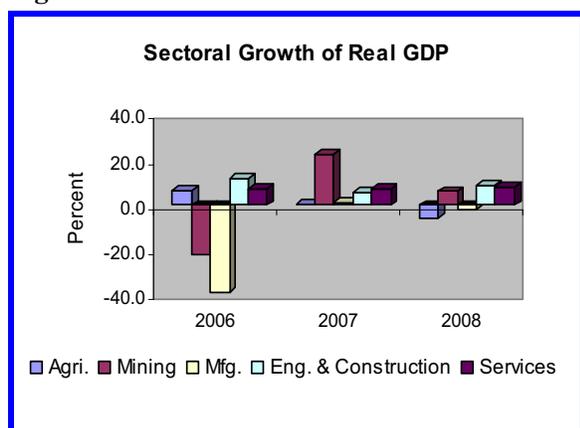
The engineering and construction sector recorded the fastest growth of 8.5 percent. This achievement was the result of public sector investment focusing on schools, roads, low-cost housing and drainage and irrigation. Private investment in housing has also facilitated growth in the construction industry.

### **Services**

The service sector recorded an overall growth rate of 7.8 percent in 2008. Government spending on wages, the largest contributor to the service sector, grew by 1 percent, whereas the transport and communications sub-sector, the second largest contributor to the service sector, grew by 9.9 percent. The strong growth recorded in the latter resulted from heightened competition in the non fixed-line telecommunications sector during the past year.

The financial services sub-sector grew by 12 percent in 2008. This performance was attributed to growth in private sector credit, primarily growth in loans to private businesses and individuals, which has led to an increase in the demand for financial services. Rent of dwellings increased by 4.5 percent on account of a robust housing market. The distribution sub-sector experienced significant growth, expanding by 11.8 percent. This situation was most likely spurred by the increase in demand for imported goods, despite the reduction in net remittances during 2008.

**Figure III**



## AGGREGATE EXPENDITURE

### Overall Expenditure

Aggregate expenditure was 16.2 percent higher than in 2007. Total consumption expenditure as a share of aggregate expenditure increased from 72 percent in 2007 to 73.9 percent in 2008. As a result, the share of investment expenditure from total expenditure decreased from 28 percent in 2007 to 26.1 percent in 2008. The shift in the composition of expenditure contributed in part to the resource gap (the difference between GDP at market prices and aggregate expenditure) deteriorating by 52.5 percent.

### Total Consumption Expenditure

Total consumption expenditure in 2008 increased by 19.4 percent to G\$266 billion, and exceeded the GDP at market prices. Private and public consumption expenditure represented 57.1 percent and 16.8 percent, respectively of aggregate expenditure, compared with 54.7 percent and 17.2 percent in 2007.

### Private Consumption Expenditure

Private consumption expenditure increased by 21.3 percent to G\$205.6 billion. This situation reflected an 8.5 percent increase in household deposits and a shift from investment to consumption by the private sector.

## Public Consumption Expenditure

Public consumption expenditure increased by 13.2 percent to G\$60.4 billion. In May 2008, the government awarded public sector servants a 5.0 percent increase on their salaries and pensions, retroactive from January 1, 2008. An additional 5.0 percent was awarded to public servants in December 2008. This showed a substantial increase in public consumption expenditure along with refunds of revenue and payment of subvention amounts.

**Table IV**

Aggregate Expenditure			
G\$ Billion			
	2006	2007	2008
GDP	183.0	217.6	236.0
Expenditure	246.6	309.7	359.8
Investment	82.8	86.8	93.7
Private	41.0	44.5	51.9
Public	41.8	42.3	41.8
Consumption	163.8	222.9	266.0
Private	119.5	169.5	205.6
Public	44.3	53.4	60.4
Resource Gap	-63.6	-92.1	-123.8

### Total Investment Expenditure

Total investment expenditure in 2008 rose by 7.9 percent to G\$93.7 billion, which equated to 39.7 percent of GDP at market prices. Private and public investment expenditure as a share of aggregate expenditure represented 14.4 percent and 11.6 percent, respectively compared with 14.4 percent and 13.7 percent in 2007. Although the share of investment expenditure to total expenditure decreased, the increase in investment expenditure attributed to an improved environment for investment opportunities within Guyana. This environment has facilitated an increase in local and foreign private investments, which have contributed to economic growth and employment, specifically within the private sector.

### Private Investment Expenditure

Private investment expenditure increased by 16.6 percent to G\$51.9 billion. Government incentives and improved access to resources have enabled the framework for investment. The major investments were in mining & quarrying, engineering & construction, transport & communications and distribution sectors.

### Public Investment Expenditure

Public investment expenditure contracted by 1.2 percent to G\$41.8 billion. Nevertheless, major areas that received additional investment were roads, bridges, sea defense, drainage & irrigation and schools. More investment funds were also allocated to diversify development in agriculture, housing & water, national security and public works.

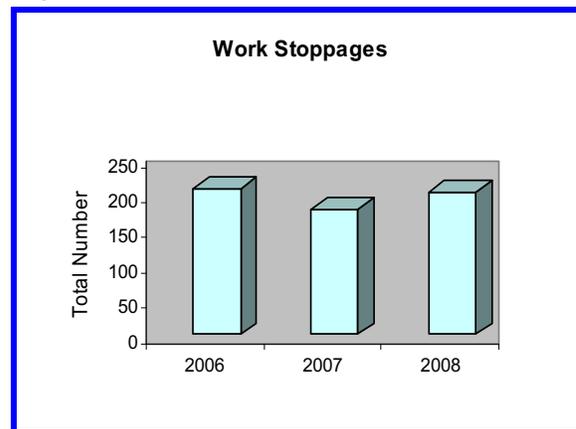
## EMPLOYMENT, EARNINGS & INFLATION

### Public Sector Employment

Developments in the public sector labour market deteriorated during 2008. The number of strikes increased from 177 in 2007 to 202 in 2008, all lasting between one day and greater. GUYSSUCO accounted for 198 of the 202 strikes, which were related to wage and other disputes. The General Agricultural Workers Union (GAWU) was able to secure an 8.1 percent increase in wages for sugar workers. When compared to 2007, total man-days lost increased by 38.8 percent to 92,018 and wages lost increased by 40.7 percent to G\$183.5 million.

Employment in the public sector improved marginally, with an overall increase of 0.1 percent recorded in 2008. This position reflected a decline in employment within public corporations, other than the central government, of 3.5 percent. Employment within the central government increased by 7.5 percent. Moreover, Guyana National Newspapers Limited (GNNL) and Guyana Mining Enterprise (GUYMINE) posted a 12 percent and 5.8 percent increase in employment, respectively.

Figure IV



On the other hand, employment in GUYSSUCO, Non-Financial Public Enterprises (NFPEs) and financial institutions decreased by 3.1 percent, 6.9 percent and 2.9 percent, respectively.

### Private Sector Employment

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

### Earnings

In May 2008, the Government raised public sector salaries by 5 percent, retroactive to January 1, 2008. In December 2008, an additional 5.0 percent was awarded to public servants, retroactive to May 2008. Moreover, the government raised pensions by 5.0 percent, retroactive to January 1, 2008. The public sector minimum wage increased to G\$29,836 per month. These fiscal measures were further supported by an increase in the income tax threshold from G\$28,000 to G\$35,000 with effect from January 2008. Deposits by households rose by 8.5 percent during 2008, as compared with 13.4 percent recorded in 2007. 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.

### **Inflation**

The urban Consumer Price Index (CPI) for Georgetown rose by 6.4 percent in 2008 compared to the 14 percent inflation experienced in 2007. As a result, the monthly average inflation rate decreased from 12.2 percent in 2007 to 8.1 percent in 2008.

Prices of food rose faster than the urban CPI inflation rate, increasing by 11.6 percent overall. Price rises were particularly strong in the categories of fruits, vegetables, alcoholic and non alcoholic beverages, milk, meat, fish and cereals. Global food shortages, and increased fuel costs have resulted in shocks to food categories. Further, prices rose as flooding during the latter part of the year resulted in fruit and vegetable shortages.

The prices of clothing decreased by 2.2 percent in 2008, after prices remained stable in 2007. After experiencing a 3.1 percent increase in the price of education in 2007, prices increased in 2008, by 5.5 percent. Transport & communication recorded a 7.4 percent decrease in prices in 2008, after a 6.9 percent increase in 2007.

The value of miscellaneous goods and services along with medical and personal care increased moderately during the review period. The 2.9 percent rise of miscellaneous goods and services was attributed to rising global prices, which increased the prices of luxury goods and tourist services, as well as fuel - a significant component of import costs. Furthermore, the 1.8 percent rise in prices for medical and personal care was due to increases in the cost of medical treatment as a result of increase in input costs.

**Table V**

<b>Consumer Price Index</b>			
<b>January 1994 = 100</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>
All Items	219.2	250.0	265.9
Food	212.4	256.2	285.9
Meat, Fish & Eggs	208.5	232.1	257.8
Cereals & Cereal Products	229.9	266.6	319.9
Milk & Milk Products	209.1	280.9	301.0
Vegetables & Vegetable Products	250.5	312.9	377.3
Housing	261.4	277.6	296.5
Transport & Communication	285.0	304.7	282.3
Education	320.0	330.1	348.1
Medical & Personal Care	242.0	287.4	292.5
Furniture	148.7	161.6	168.9

### **Outlook for 2009**

In 2009, the Guyanese economy is projected to grow by 4.7 percent. This growth is expected to be driven by the agriculture, engineering and construction as well as the services sectors. The sugar industry is expected to rebound and grow in real terms by 28.2 percent. Production in the non-traditional sector – fishing and livestock – is projected to increase as many initiatives by the government are channeled towards agricultural diversification. The engineering and construction sector is expected to grow in real terms by 3.8 percent as a result of an increase in private investment in housing construction as well as public investment on roads, drainage and irrigation. Growth in the services sector is projected to be driven by the distribution sub-sector by 3.5 percent, and the transport and communication as well as the financial services sub-sectors by 4 percent, respectively. Inflation is forecasted at 5.2 percent in 2009 based on anticipated falling food and fuel prices. □

### 3. INTERNATIONAL TRADE AND BALANCE OF PAYMENTS

The overall balance of payments recorded a surplus of US\$7 million from a deficit of US\$1.4 million for the corresponding period last year. This position was due to a larger capital account surplus from increased disbursements to the non-financial public sector and higher foreign direct investment. The current account deficit widened as a result of higher fuel and other merchandise imports. The surplus contributed to the accumulation of foreign assets by the Bank of Guyana.

#### CURRENT ACCOUNT

The current account deficit grew by 58.2 percent to US\$299.1 million from US\$189.1 million one year ago. The deterioration was a result of significant growth in the merchandise import bill, consequent upon higher food and fuel prices during the review period.

Table VI

Balance of Payments			
US\$ Million			
	January – December		
	2006	2007	2008
<b>CURRENT ACCOUNT</b>	<b>(250.3)</b>	<b>(189.1)</b>	<b>(299.1)</b>
Merchandise Trade	(299.8)	(365.1)	(501.8)
Services (Net)	(166.8)	(110.8)	(126.1)
Transfers	216.3	286.8	328.8
<b>CAPITAL ACCOUNT</b>	<b>268.6</b>	<b>168.7</b>	<b>305.7</b>
Capital Transfers	315.6	414.1	38.7
Non-financial Public Sector	145.3	(260.7)	93.7
Private Capital	102.4	110.3	179.1
Other	(217.1)	(324.2)	(47.2)
Short term Capital	(4.1)	(95.0)	(5.8)
<b>ERRORS &amp; OMISSIONS</b>	<b>24.6</b>	<b>(19.1)</b>	<b>0.4</b>
<b>OVERALL BALANCE</b>	<b>42.9</b>	<b>(1.4)</b>	<b>7.0</b>

#### Merchandise Trade

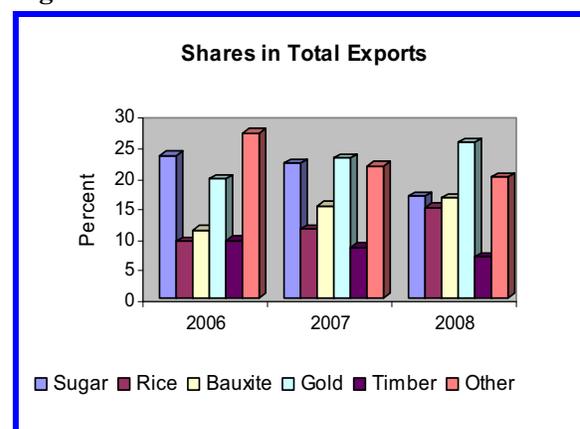
The merchandise trade deficit amounted to US\$501.8 million, 37.4 percent above the 2007 level, and reflected a sharp rise in the value of imports by 22.3 percent or US\$237.2 million to reach US\$1,300.2 million. This outturn more than offset the US\$100.5 million increase in export earnings, which amounted

to US\$798.4 at the end of 2008.

#### Exports

Total export receipts increased by 14.4 percent to US\$798.4 million from US\$698.0 million at end of 2007. This increase resulted from higher prices for most of the major export commodities during the review period.

Figure V



#### Sugar

Sugar export earnings amounted to US\$133.4 million or 11.2 percent below the 2007 value. The volume of sugar exported decreased by 16.6 percent to 205,239 tonnes. Sugar exported to the EU under the Sugar Protocol of the Lome Convention was 93.6 percent of total sugar export, compared to the 87.1 percent recorded at 2007. Total exports to the Caricom region amounted to 5.5 percent of total sugar exports, a decrease from the 8.9 percent recorded for the corresponding period in 2007. This contribution was a result of lower volumes of the commodity exported to the region.

The average export price for sugar on the world market was 6.5 percent higher at US\$650 per tonne, from US\$610.3 per tonne one year ago.

### Rice

Rice export earnings amounted to US\$118 million, 56.9 percent above the level in 2007. This achievement was mainly due to higher prices for the commodity on the world market. The volume of rice exported amounted to 196,233 tonnes, 27.2 percent below the 2007 level, reflecting a fall in international demand for the commodity. The average export price of rice was US\$601.5 per metric tonne or 115.4 percent higher than the price at the end of 2007.

The EU and Caricom markets continued to be the major destination of rice exports, accounting for 42.1 percent and 43.5 percent of exports receipts, respectively in 2008, compared with 45.1 percent and 39.0 percent for the corresponding period in 2007.

**Table VII**

Exports of Major Commodities				
January – December				
Product	Unit	2006	2007	2008
Sugar	Tonnes	238,632	246,013	205,239
	US\$m.	137.0	150.1	133.4
Rice	Tonnes	204,577	269,436	196,233
	US\$m.	54.6	75.3	118.0
Bauxite	Tonnes	1,465,358	2,198,771	2,116,460
	US\$m.	65.5	101.5	131.1
Gold	Ounces	202,336	239,995	250,751
	US\$m.	114.4	154.0	203.7
Timber	Cu. Metres	277,899	241,516	173,666
	US\$m.	55.0	55.4	53.8

### Bauxite

Receipts from bauxite exports amounted to US\$131.1 million, 29.6 percent above the value for the corresponding period in 2007. Export volume declined to 2,116,460 tonnes at the end of 2008 from 2,198,771 tonnes for the corresponding period in

2007. The average unit price witnessed a 34.2 percent increase to reach US\$61.9 per tonne, compared with US\$46.1 per tonne in the corresponding period 2007.

### Gold

Receipts from gold exports were US\$203.7 million, 28.8 percent higher than the 2007 level. This level of receipts was due to an increase in export volume and the significant rise in global precious metal prices. Export volume rose to 250,751 ounces from 239,995 ounces as favourable world prices continued to spur mining activity. The average export price per ounce of gold rose to US\$812 at the end 2008 from US\$659.2 for the corresponding period in 2007.

### Timber

The value of timber exports was US\$53.8 million, 3.0 percent below the value for the corresponding period in 2007. This position reflected a decline in logging activity during the reporting period. The value of other timber (excl. plywood) exports marginally increased to US\$47.6 million from US\$47.5 million one year ago, while the value of plywood exports decreased by 22.2 percent or US\$1.8 million at end of 2007.

### Other Exports

Total earnings from all other exports, that is, non-traditional exports including re-exports, was marginally higher at US\$158.4 million, 0.6 percent more than the value for the same period last year. The increase reflected higher receipts from fish & shrimp, garments/clothing, and rum and other spirits exports as shown in table VIII.

### Imports

The value of merchandise imports grew by 22.3 percent to US\$1300.2 million. This growth was mainly on account of significantly higher commodity prices and the cost of fuel oil and its impact on other goods. The three sub-sectors of imports – consumption, intermediate and capital goods – showed significant increases during the review period. In the consumption sub-category, food for final consumption increased by 25.0 percent, while

other non-durables such as beverages and tobacco increased by 20.0 percent. In the intermediate sub-category, imports amounted to US\$719.7 million, 30.9 percent higher than the value in 2007. This was due to an increase in the value of fuel and lubricant imports, as well as the imports of other intermediate goods of 42.7 percent and 18.3 percent, respectively. In the sub-category capital, imports increased by 9.1 percent to US\$254.8 million. This growth was on the back of new and ongoing public sector capital projects and inward private investments. Agricultural and mining machinery recorded the most significant increases in this sub-category, by US\$17.6 million and US\$15.5 million, respectively.

**Table VIII**

<b>Other Exports</b>			
<b>US\$ Million</b>			
<b>January - December</b>			
<b>Commodities</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Beverages	0.0	1.2	0.9
Fish & Shrimp	64.78	59.9	60.0
Fruits & Vegetables	2.8	2.6	3.1
Pharmaceuticals	1.7	2.3	2.6
Garments & Clothing	11.7	3.8	4.0
Wood Products	3.0	5.6	6.1
Prepared Foods	6.0	16.0	19.4
Rum & Other Spirits	4.3	4.3	6.2
Diamond	44.9	35.5	31.2
Molasses	4.6	2.7	1.8
Re-Exports	7.2	16.5	9.2
Others *	7.5	7.0	14.0
<b>Total</b>	<b>158.5</b>	<b>157.5</b>	<b>158.4</b>

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

### Services and Unrequited Transfers

Net payment for services amounted to US\$126.1 million from US\$110.8 million for the corresponding period in 2007. This expansion was due to significantly higher costs for freight and other transportation services.

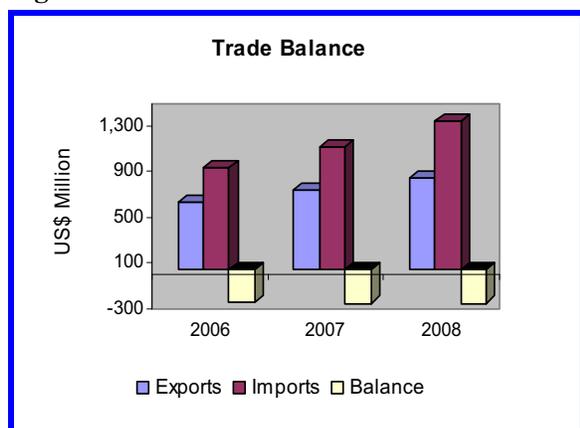
**Table IX**

<b>Imports</b>			
<b>US\$ Million</b>			
<b>January – December</b>			
<b>Items</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Consumption Goods</b>			
Food-Final Consumption	73.1	76.3	95.4
Beverage & Tobacco	15.9	19.8	23.7
Other Non-Durables	53.4	58.4	89.8
Clothing & Footwear	10.1	14.4	14.4
Other Semi-Durables	9.9	18.4	20.7
Motor Cars	14.9	20.3	24.6
Other Durables	29.4	62.1	47.5
<b>Sub-total</b>	<b>206.7</b>	<b>269.9</b>	<b>317.2</b>
<b>Intermediate Goods</b>			
Fuel & Lubricants	238.5	285.1	406.8
Food-Intermediate use	32	37.6	68.3
Chemicals	34.7	36.6	53.7
Textiles & Clothing	7.4	9.9	9.4
Parts & Accessories	65	66.7	58.9
Other Intermediate Goods	87.8	113.6	122.6
<b>Sub-total</b>	<b>465.3</b>	<b>549.6</b>	<b>719.7</b>
<b>Capital Goods</b>			
Agricultural Machinery	44.8	36.2	53.8
Industrial Machinery	16.4	15.8	14.6
Transport Machinery	36.8	54.9	50.5
Mining Machinery	15.1	7.6	23.2
Building Materials	45.0	65.1	61.8
Other Goods	43.1	54.0	51.0
<b>Sub-total</b>	<b>201.2</b>	<b>233.6</b>	<b>254.8</b>
<b>Miscellaneous</b>	<b>11.8</b>	<b>10.0</b>	<b>9.6</b>
<b>Total Imports</b>	<b>885.0</b>	<b>1,063.1</b>	<b>1,300.2</b>

Net payment for factor services were higher at US\$14.8 million from US\$11.2 million, and stemmed from an increase in private and public sector interest payments, which increased by 8.7 percent and 6.5 percent, respectively. Higher net payment for non-factor services was due in large measure to a 37.0 percent increase in freight payments, which amounted to US\$116.7 million at the end of 2008. A

net receipt of US\$6.7 million was recorded for travel and tourism during the review period, from a deficit of US\$7 million at the end of 2007.

**Figure VI**



Net current transfers continued to grow, amounting to US\$328.8 million. The increase reflected higher inflows to the private sector in the form of in-kind transfers and receipts from bank accounts abroad. Net inflows of current transfers amounted to US\$470 million compared with US\$423.8 million in 2007. Receipts from workers' remittances marginally declined by 2.0 percent to US\$273.9 million at end of 2008 compared with US\$278.5 million one year ago. This position reflects the impact of the global recession on the sources of workers' remittance flows in developed economies. Receipts from bank accounts also rose from US\$117.3 million at end 2007 to US\$134.9 million in 2008. The main sources of outflows were workers' remittances and remittances to bank accounts, which amounted to US\$68.6 million and US\$64.3 million, respectively.

## CAPITAL ACCOUNT

The capital account registered a higher surplus of US\$305.7 million from the US\$168.7 million in 2007. The expansion was due to a 78.0 percent increase in disbursements to the non-financial public sector amounting to US\$186.6 million at end of 2008. Net private investment expanded to US\$178 million from US\$152.4 million in 2007. Investment was concentrated mainly in telecommunication,

mining and forestry sectors. A net outflows of US\$5.8 million was recorded for short-term private capital during the review period, from a net outflow of US\$95 million in 2007. This decline represented a reversal in commercial banks' accumulation of foreign assets. Capital grants and debt relief received by the combined public sector declined by US\$18.9 million to US\$38.7 million, which included US\$12.5 million debt relief from the Bolivarian Republic of Venezuela. The other grants were associated largely with projects under the Public Sector Investment Programme (PSIP).

**Table X**

	Disbursements		
	US\$ Million		
	January - December		
	2006	2007	2008
IDA	0.7	0.6	0.0
CDB	13.0	20.2	7.4
IFAD	1.6	2.2	0.0
IDB	40.0	48.2	39.0
INDIA	6.9	2.1	0.0
CHINA	12.9	4.3	1.3
IFIs	6.0	0.0	0.0
BOP Support	16.0	8.6	57.0
Petrocaribe	0.0	18.7	81.9
OTHER	9.9	9.9	0.0
<b>Total</b>	<b>102.4</b>	<b>104.9</b>	<b>186.6</b>

## Overall Balance and Financing

The larger capital account surplus more than offset the expanded current account deficit and resulted in an overall balance of payments surplus of US\$7 million from a deficit of US\$1.4 million one year ago. The surplus contributed to the accumulation of the gross foreign reserves of the Bank of Guyana.

## 2009 OUTLOOK

In 2009, the overall balance of payments is expected to deteriorate into a deficit of US\$13.9 million. The merchandise trade deficit is expected to narrow on

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account of lower imports and higher exports. Transfers are expected to decline due to the global recession. The surplus on the capital account will be

lower due to a decline in private capital inflows and official transfers.

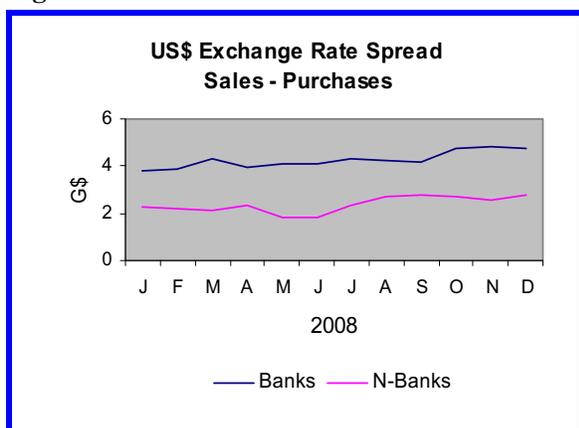
## 4. FOREIGN EXCHANGE MARKET DEVELOPMENTS

Total foreign currency transactions increased by 21.9 percent to US\$4,794.8 million on account of higher inflows and outflows. The market benefitted from increased inflows or purchases in the form of export receipts, remittances and capital transfers. Outflows or sales increased as a result of the rising cost of both merchandise and service imports. The bank cambios continued to account for most of the overall turnover with a share of 90.7 percent. The Bank of Guyana effected net sales of US\$10.3 million to the market. The exchange rate was fairly stable, depreciating marginally by 0.86 percent.

### Overall Market Volumes

The total volume of foreign currency transactions were US\$4,794.8 million, compared with US\$3,932.4 million in 2007. Transactions of the cambio market, Bank of Guyana, foreign currency accounts, and regional transactions all contributed to the growth in the overall volume. Cambio transactions, i.e. banks and non-banks totalled US\$2,293.5 million reflecting an increase of 23.7 percent over the preceding period. Total purchases and sales originating in the cambio market, were US\$1,144.4 million and US\$1,149.1 million, respectively.

Figure VII



The bank cambios accounted for 90.7 percent of the cambio market transactions, with a turnover of US\$2,080.8 million. The bank and non-bank cambios experienced an increase in transactions by 23.3 percent and 28.4 percent, respectively, when compared with 2007.

The value of those transactions conducted by the

Bank of Guyana was US\$805.8 million, compared with US\$631.7 million last year accounting for 16.9 percent of the total activities in the foreign exchange market. Purchases were US\$426.4 million, while sales amounted to US\$379.4 million. The higher level of purchases was attributed to favourable receipts from the sale of gold and financial support from the European Union. The Bank intervened in the foreign exchange market on several occasions during 2008, with net sales of US\$10.3 million to the commercial banks. Payment for fuel constituted the bulk of foreign currency sales by the Bank.

The transactions of foreign currency accounts amounted to US\$1,633.8 million, a 16.1 percent increase over last year. The debits and credits through these accounts were US\$816.3 million and US\$817.5 million, respectively. In 2007, the debits and credits were US\$695.8 million and US\$711.8 million, respectively. Eighteen (18) new foreign currency accounts were granted by the Bank in 2008 to businesses in the hotel, airline and construction sectors.

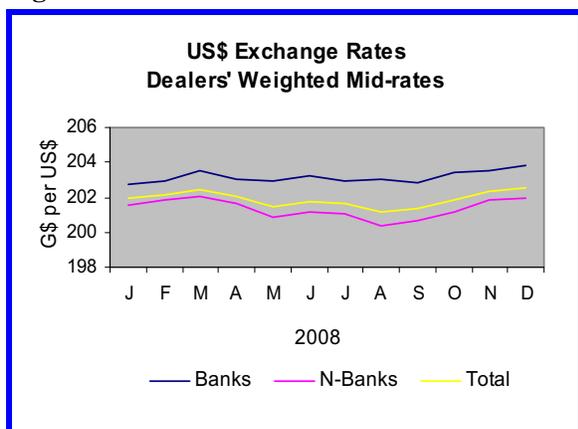
### The Exchange Rates

The value of the Guyana dollar held steady against the US dollar, depreciating by 0.86 percent during 2008. The Bank's transactions exchange rate at the end of 2008, was G\$205.25 compared with G\$203.50 at the end of December 2007. The unweighted mid-rate depreciated from G\$201.25 at the end of December 2007 to G\$202.75 at the end of the review period.

The total cambio market spread between the buying

and selling exchange rates was G\$3.35 compared with G\$3.04 at the end of December 2007.

**Figure VIII**



At the commercial banks the average buying rate depreciated to G\$201.31 from G\$200.96 at the end of December 2007. The average selling rate also depreciated against the US\$ dollar, moving to G\$206 from G\$205.16 for the same period. The non-bank cambios' average buying and selling rates were G\$200.27 and G\$202.99, respectively having depreciated only marginally from 2007.

The difference between the banks' and non-banks' buying rates widened from G\$0.70 in December 2007 to G\$1.04 at the end of December 2008. The difference in the selling rates increased from G\$2.41 to G\$3.01 for the same period. The banks continued to maintain a wider spread, than the non-banks.

Transactions involving the US dollar accounted for 86.8 percent of the trade in the cambio market. The share of the Pound Sterling, Euro and the Canadian dollar represented 3.9 percent, 5.3 percent and 4 percent, respectively of the total.

### CARICOM Currencies

The value of CARICOM currency transactions grew by 57.5 percent to US\$61.7 million from US\$39.2 million at December 2007. The Barbados and Eastern Caribbean currencies constituted 97.5 percent of the total.

The exchange rates for Bahamas, Barbados, Belize and the Eastern Caribbean countries remained fixed. The Jamaica dollar depreciated by 13.5 percent, while the Trinidad & Tobago dollar appreciated marginally by 0.31 percent against the US dollar.

### 2009 OUTLOOK

The continued favourable projected balance of payments position is expected to support a stable exchange rate in 2009. The Bank will continue to foster conditions for a stable foreign exchange environment. In 2009, the Bank projects purchases of US\$69.4 million and US\$165.5 million from GUYSUCO and Gold Board, respectively. Sales pertaining mainly to fuel imports and debt servicing are projected to be US\$332.8 million. □

## 5. PUBLIC FINANCE

The overall financial operations of the public sector, computed on a cash basis, improved on account of favourable central government performance since the Non-Financial Public Enterprises (NFPEs) recorded a weakened performance. Higher current and capital revenue as well as constrained spending contributed to the central government outcome, while increased current and capital expenditure explained the deterioration in the NFPEs balance.

### CENTRAL GOVERNMENT

The central government's overall deficit increased by 9.2 percent to G\$13,031 million from G\$14,345 million in 2007, although the current account deteriorated. This performance resulted principally from a strengthening of the capital account.

#### Current Account

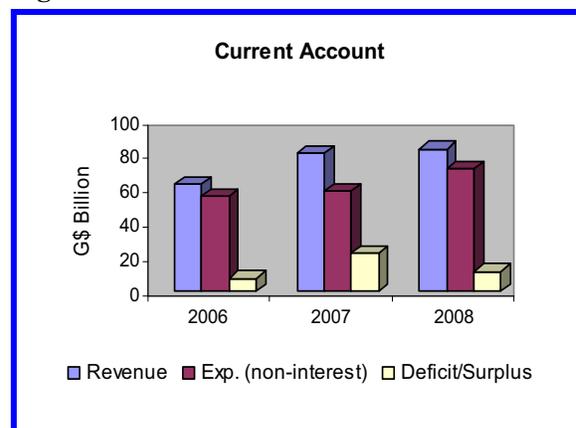
The current account surplus decreased by G\$11,066 million to G\$6,330 million. An increase in current revenue more than offset higher expenditure.

#### Revenue

Total current revenue rose by 2.6 percent to G\$82,484 million, exceeding the budgeted target by 1.4 percent. This performance reflected enhanced economic activities and collection efforts.

The Internal Revenue Department's revenues increased by 6.5 percent or G\$2,114 million to G\$34,548 million. This contribution represented 42.3 percent of the total current revenue and was 16.3 percent above the year's target. Income tax from corporations and the self-employed grew by 23.9 percent to G\$18,567 million. Both personal income and withholding taxes increased by 8.2 percent and 29.5 percent, respectively, to G\$12,674 million and G\$2,755 million. Revenue received from purchase tax on motor cars fell by 98.1 percent to G\$15.7 million, given that this tax was among six taxes that were replaced by VAT upon implementation in January 2007. Net property tax increased by 48.1 percent to G\$1,281 million, reflecting increases in both property and estate duty by 48.8 percent and 22.9 percent to G\$1,253.7 and G\$ 27.6 million, respectively.

Figure IX



Revenue from the Customs & Trade Administration reduced slightly by 0.7 percent to G\$44,585 million. This outturn represented 54.6 percent of total current revenue, and was below the amount budgeted for the year by 8.0 percent. Both import duties and environmental tax receipts increased by 10 percent and 18 percent to G\$6,602 million and G\$605.8 million, respectively. Miscellaneous receipts grew by G\$11.3 million to G\$267 million at end-December 2008.

Other current revenues increased by 21.6 percent to G\$3,648 million. Fines, fees & charges rose by 6.6 percent to G\$815 million, miscellaneous receipts grew by 12.8 percent to G\$1,339.5 million.

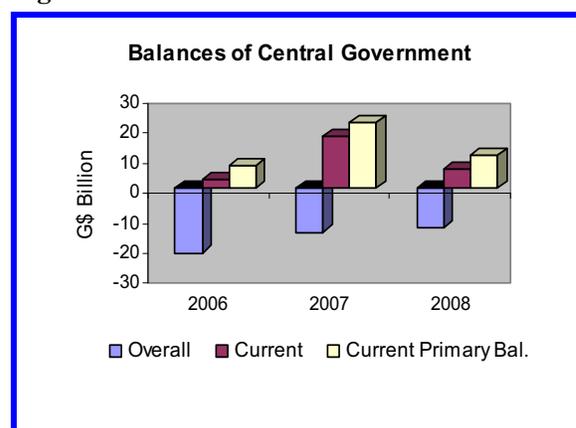
#### Expenditure

Total current expenditure grew by 21.0 percent to G\$76,154 million, due mainly to increases in transfer payments, wages and salaries of public servants, and higher charges on the purchase of other goods and services.

**Table XI**

<b>Central Government Finances</b>			
<b>G\$ Million</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>CURRENT ACCOUNT</b>			
Revenue	62,357	80,357	82,484
Expenditure	59,593	62,961	76,154
Current Primary Balance	7,248	21,924	10,945
Interest	4,484	4,529	4,616
Current Balance	2,764	17,396	6,330
<b>CAPITAL ACCOUNT</b>			
Receipts	17,525	11,136	17,029
Expenditure	41,806	42,877	36,390
<b>OVERALL BALANCE</b>	<b>(21,517)</b>	<b>(14,345)</b>	<b>(13,031)</b>
<b>FINANCING</b>	<b>21,517</b>	<b>14,345</b>	<b>13,031</b>
Net External Borrowing	20,811	20,147	25,314
Net Domestic Borrowing	(350)	(6,766)	482
Net Divestment Proceeds	0	0	0
Other Financing	1,056	964	-12,765

Total non-interest current expenditure increased by 22.4 percent to G\$71,539 million. Employment costs grew by 7.2 percent to G\$23,644 million, due in part to the 10 percent wage increase, while purchases of other goods & services increased by 30.2 percent to G\$47,461 million. This outturn includes transfer payments, which grew by 45.1 percent to G\$23,363.3 million on account of increases in spending on pensions of 32.7 percent to G\$7,101 million, and on educational subventions, grants & scholarships of 5.8 percent, to G\$2,113 million. Charges for materials, equipment & supplies increased by 8.8 percent to G\$3,818 million. Purchases of fuel and lubricants increased by 43.2 percent to G\$ 1,845 million, while electricity charges reduced by 3.4 percent, to G\$3,934 million. Transport, travel & postage costs, however, rose by 27.1 percent to G\$2,165 million.

**Figure X**

Interest charges decreased by 1.3 percent or G\$59 million to G\$4,468 million. Domestic interest charges fell by 4.2 percent to G\$2,975.8 million and was due mainly to the lower interest payments on treasury bills. On the other hand, external interest costs amounted to G\$1,640 million, 15.3 percent or G\$217 million higher than that paid in 2007.

### Capital Account

The capital account deficit, after grants, improved by 39.0 percent to G\$19,360 million during the review period and reflected the 48.9 percent expansion in capital revenues. This achievement was due to an increase in non-project grants, which resulted from a review of the process of extending these funds by specific donors.

Capital expenditure declined by 15.0 percent to G\$36,390 million, and was in line with central government's commitment. The decline was on account of major project such as Guysuco's Skeldon modernisation program reaching operational stage during 2008. However, funding for power/infrastructure increased by 122.3 percent to G\$6,723 million. Housing and transportation & communication rose by 116.5 percent and 62.2 percent to G\$2,985 million and G\$6,497 million, respectively. Expenditure on public safety increased by 55.9 percent to G\$1,619 million. Spending on these four sectors accounted for 49 percent of the capital program for the year compared with 22.4

percent in 2007. Expenditure on administrative facilities also grew by 41.6 percent to G\$3,581 million spending in agriculture and environment and pure water decreased by 6.7 percent and 43.8 percent, respectively to G\$3,964 million and G\$2,157 million, respectively. Similarly, expenditure on construction and social welfare, which accounted for 20.8 percent and 7.0 percent, respectively of total expenditure for 2007, decreased since the projects within those sectors were completed. However, spending on maintaining fixed investments accounted for 7.2 percent of expenditure in 2008.

### Overall Balance and Financing

The overall deficit improved to 9.2 percent to G\$13,031 million from one year ago and was financed mainly by net external borrowing amounting to G\$25,314 million. There was also net domestic savings of G\$482 million.

### 2009 OUTLOOK

The Central Government's overall position is expected to widen at the end of 2009. Its deficit is projected to increase from an end-December 2008 position by 24.6 percent to G\$18,650 million. Both current revenue and expenditure are estimated to increase by 9.6 percent and 4.1 percent, respectively, to G\$90,285 million and G\$81,264 million, respectively. This position will cause the current account balance/surplus to improve by 105.0 percent to G\$9,021 million. The projected increase in current expenditure is due to an expected increase in employment costs along with provision of goods and services. Employment costs are likely to rise by 11.3 percent.

The capital account deficit is also expected to widen by 42.9 percent, to G\$27,617 million compared with G\$19,361 million due to an expected increase in capital expenditure. Capital expenditure could see an increase of 27.8 percent in the coming year, while capital revenue is budgeted to increase by 10.6 percent. Grant flows under HIPC are expected to decrease slightly by 6.4 percent.

## NON-FINANCIAL ENTERPRISES

## PUBLIC

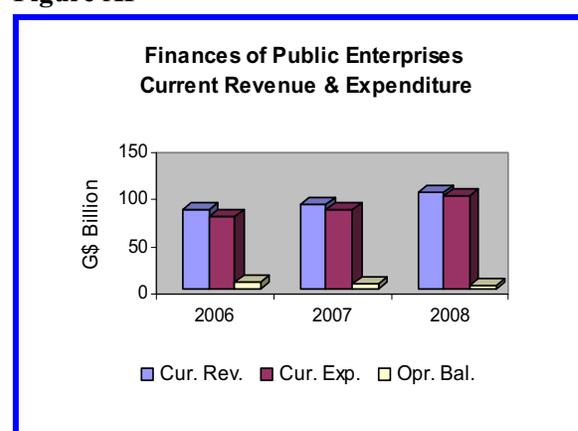
The overall cash positions of non-financial public enterprises (NFPEs), including Guyana Power & Light (GPL), and the National Insurance Scheme (NIS), but excluding LINMINE, BERMINE and AROAIMA bauxite company, worsened in 2008. This outturn is attributed to higher current and capital expenditure.

### Current Account

The current cash balance of the NFPEs contracted by 53.1 percent to G\$3,021 million. This position was due principally to an increase in current expenditure since current revenue increased by 12.9 percent.

Net current transfers to the central government, in the form of taxes and dividends, improved by 7.7 percent to G\$1,119 million.

Figure XI



### Receipts

Total cash receipts of NFPEs grew by 12.9 percent to G\$101,515 million as a result of higher receipts from both GUYOIL and GPL, whose revenues increased by 29.5 percent and 34.6 percent to G\$29,519 million and G\$26,203 million, respectively. Export sales decreased from G\$32,393 million to G\$29,636 million, while local sales rose by 18.3 percent to G\$49,796 million, on account of revenue growth

from both GUYOIL and GPL. Similarly, receipts from debtors and other receipts increased by 23.1 percent and 156 percent to G\$16,189 million and G\$5,893 million, respectively.

The total receipts of the National Insurance Scheme grew by 9.4 percent to G\$10,484 million reflecting a 6.6 percent growth in employee contributions to G\$8,592 million. Contributions by the employed and self-employed increased by 10.0 percent and 10.5 percent to G\$8,254 million and G\$339 million, respectively. Investment income also increased by 8.7 percent to G\$1,622 million, while income from other sources and arrears contributions declined by 2.3 percent and 3.5 percent to G\$244 million and G\$26 million, respectively.

### Expenditure

Total current expenditure of the NFPEs grew by 18.0 percent to G\$98,494 million, due mainly to the increase in current expenditures of GUYSUCO, GUYOIL and GPL. Employment costs and charges for materials & supplies increased by 2.1 percent and 24.2 percent to G\$21,307 million and G\$33,403 million, respectively. Expenditure on repairs & maintenance grew by 94.5 percent to G\$847 million, while other expenditure increased by 48 percent to G\$16,122 million.

Total current expenditure by the NIS grew by 10.0 percent to G\$9,142 million. Pensions increased by 7.0 percent to G\$6,354 million. Similarly, both short-term and industrial benefits increased by 41.3 percent and 4.1 percent to G\$1,363 million G\$233 million, respectively. Employment costs grew by 3.7 percent to G\$766 million. Materials and supplies and other expenses were lower by 12.2 percent at G\$10

million and 4.4 percent at G\$418 million, respectively.

**Table XII**

<b>Summary of Public Enterprises Finances</b>			
<b>G\$ Million</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>CURRENT ACCOUNT</b>			
Revenue	84,660	89,917	101,515
Expenditure	76,967	83,478	98,494
Oper. Sur. (+)/Def. (-)	7,693	6,439	3,021
Transfers to Cent. Govt.	1,355	1,039	1,118
Cash Sur. (+)/Def. (-)	6,338	5,400	1,903
<b>CAPITAL ACCOUNT</b>			
Expenditure	2,647	5,816	12,644
Overall Cash Sur.(+)/Def(-)	3,691	(416)	(10,741)
Financing	(3,691)	416	10,741
Ext. Borrowing (net)	0	0	(83)
Domestic Fin. (net) <sup>1)</sup>	(3,691)	416	10,824

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

### Capital Account

Capital expenditure of NFPEs increased by G\$6,820 million to G\$12,636 million, mainly due to higher capital expenditure by GUYSUCO and GPL during the year.

### Overall Balance and Financing

NFPEs recorded a cash deficit of G\$10,741 million at end-December 2008 compared with a cash deficit of G\$416 million at end-December 2007. □

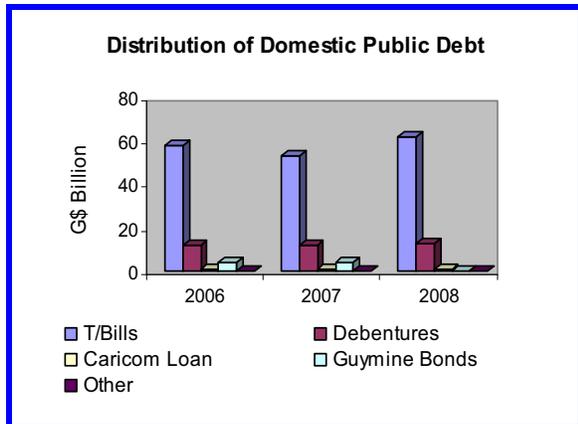
## 6. PUBLIC DEBT

The stock of both government's domestic bonded debt and external public and publicly guaranteed debt increased by 8.3 percent and 16 percent, respectively. The former reflected an expansion in the issuance of government treasury bills to sterilize liquidity that is consistent with the Bank's monetary policy objectives. The growth in the stock of external debt resulted mainly from disbursement received under the PetroCaribe Initiative and Inter-American Development Bank (IDB). Both domestic and external debt service rose in 2008.

### Stock of Domestic Debt

The outstanding stock of government domestic bonded debt, which consisted of treasury bills, debentures, bonds and the CARICOM loan, increased by 8.3 percent to G\$75,096 million. The increase resulted mainly from higher issuance of treasury bills to contain the growth in liquidity originating from higher external inflows. The Caricom loan outstanding decreased by 5.4 percent reflecting semi-annual payments totaling G\$34 million. The stock of debentures decreased by G\$3,043 million to G\$12,742 million from G\$15,786 million at end-December 2007.

Figure XII



The total outstanding stock of treasury bills increased by 16.7 percent to G\$61,754 million at end-December 2008. The maturity structure of the outstanding stock of treasury bills continued to reflect a preference for the longer-term issue. The share of 364-day bills stood at 85.3 percent end 2008. The share of 91- and 182-day bills expanded by 7.1 percentage points and 1.3 percentage points to 3.0 percent and 11.4 percent, respectively.

Table XIII

Central Government Bonded Debt by Holders			
G\$ Million			
	2006	2007	2008
<b>Total Bonded Debt</b>	<b>74,308</b>	<b>69,345</b>	<b>75,096</b>
Treasury Bills	57,864	52,926	61,754
91-day	3,066	1,065	2,054
182-day	5,864	2,273	7,021
364-day	48,934	49,588	52,679
CARICOM Loan	655	630	596
Guymine Bonds	3,969	0	0
Debentures	11,817	15,786	12,742
Defense Bonds	3	3	3

The volume of outstanding 91-day and 182-day and 364-day bills increased by 92.9 percent, 208.9 percent and 6.2 percent to G\$2,054 million, G\$7,021 million and \$52,679 million, respectively.

Commercial banks retained the largest share of outstanding stock of treasury bills with 73 percent, up from 65 percent one year earlier. The public sector's share, of which the National Insurance Scheme was the only stakeholder, decreased to 7.9 percent from 8.9 percent, while the share of other financial intermediaries was also reduced to 17.4 percent, compared with 24.1 percent in 2007.

The volume of treasury bills issued increased by 6.2 percent to G\$69,723 million. This expansion was mainly due to the higher issuance of both 182- and 364-day bills, which was done in keeping with the Bank's objective of sterilizing the excess liquidity in the market. Issues of the 182- and 364-day bills grew

by 36.6 percent and 6.2 percent to G\$10,795 million and G\$52,679 million, respectively. The issues of 91-day bills, however, decreased by 24.3 percent to G\$1,064.8 million.

**Table XIV**

<b>Domestic Debt Service</b>			
<b>G\$ Million</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Total Bonded Debt</b>	<b>3,761</b>	<b>3,158</b>	<b>6,054</b>
Principal Payments	1,143	52	3,078
Total Interest	2,618	3,106	2,976
Treasury Bills	1,957	2,372	2,239
91-day	147	106	62
182-day	213	231	118
364-day	1,597	2,035	2,066
CARICOM Loans	27	26	25
Guymine Bonds	6	0	0
Debentures	628	708	712
Other	0	0	0

Redemption of treasury bills decreased by 13.7 percent to G\$60,895 million. Redemptions of the 91- and 182- day issues contracted by 48.7 percent and 46.9 percent, respectively to G\$ 5,260 million and G\$6,047 million, respectively. In contrast, redemption of the 364-day bills increased by 1.3 percent to G\$49,588 million.

#### **Domestic Debt Service**

Total domestic debt service increased by 91.7 percent to G\$6,054 from end 2007 as a result of higher principal payments associated with the redemption of debentures by Republic Bank (Guyana) Limited. Interest charges reduced by 4.2 percent to G\$2,976 million mainly on account of lower interest payments on treasury bills in 2008. Interest costs on treasury bills redeemed decreased by 5.6 percent to G\$2,239 million and resulted principally from a 48.9 percent and 47.9 percent decrease in interest charges on the stock of 91- and 182-day bills redeemed during the year. Interest charges on the 364-day bills increased

by 1.5 percent to G\$2, 066 million.

#### **2009 OUTLOOK**

Total domestic debt service payments is expected to rise by 14.2 percent to G\$3,245 million by the end of 2009 compared with the G\$2,892 million paid in 2008. This increase is expected to stem from a 13.3 percent expansion in interest payments on treasury bills. Interest payments on the 91- 182- and 364- day bills are estimated to increase by 192 percent, 27.9 percent and 11.5 percent, respectively. Debentures payments are budgeted to increase by 20.2 percent during 2009.

#### **Stock of External Debt**

The stock of outstanding public and publicly guaranteed external debt rose by 16 percent to US\$833 million from US\$718 million in 2007. This increase reflected disbursements of US\$186.6 million by the Inter-American Development Bank and the delivery of US\$69 million credit under the Venezuela Petrocaribe agreement.

**Table XV**

<b>Structure of External Public Debt</b>			
<b>US\$ Million</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>
Multilateral	778	429	473
Bilateral	243	267	340
Suppliers' Credit	13	13	13
Financial Markets/ Bonds	9	9	7
<b>Total</b>	<b>1,043</b>	<b>718</b>	<b>833</b>

Obligations to multilateral creditors, which accounted for 56.7 percent of outstanding debt, increased by 10.2 percent to US\$473 million. Liabilities to the Inter-American Development Bank increased by 25.5 percent to US\$191 million reflecting disbursement of US\$ 39million during 2008. Commitments to Caribbean Development Bank also grew by 5.6 percent to US\$ 131 million at end 2008. Indebtedness to International Monetary Fund increased by 2.8 percent to US\$60 million while obligations to the

CARICOM Multilateral and the Clearing Facility and International Development Association remained unchanged during 2008. Liabilities to other creditors amounted to US\$49 million at the end of 2008.

Total bilateral obligations, which represented 40.8 percent of total external debt, increased by 27.3 percent to US\$340.1 million on account of an increase in the shipment of oil from Venezuela during 2007 under the PetroCaribe agreement which was signed in January, 2008. Obligations to Venezuela rose by 174 percent or G\$69 million to G\$109 million at the end of 2008. However, liabilities to Trinidad & Tobago decreased by 3.5 percent or US\$2 million to US\$51 million. These liabilities represented 13.1 percent and 6.1 percent of bilateral and total external debt, respectively.

### External Debt Service

External debt service payments rose by 10.7 percent to US\$21 million. The debt service ratio was 2.7 percent compared with 2.8 percent at end-December 2007.

Principal and interest payments amounted to US\$10 million and US\$11 million, respectively. Central Government debt service increased by 13.1 percent to US\$19 million, due mainly higher interest payments to the IDB and IDA. Debt service by the Bank of Guyana was lower by 17.9 percent to US\$1 million on account of lower debt service payments to the International Monetary Fund.

Payments to multilateral creditors increased by 17.4 percent to US\$14 million, and represented 66.7 percent of total debt service, while payments to bilateral creditors were slightly higher by 1.5 percent at US\$4.7 million.

Debt service to the International Monetary Fund amounted to US\$1 million, while payments to the Inter-American Development Bank and the International Development Association totaled US\$5.6 million and US\$0.2 million, respectively.

**Table XVI**

<b>External Debt Service Payments</b>			
<b>US\$ Million</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>End-December 2008</b>			
<b>Total</b>	<b>9.9</b>	<b>10.6</b>	<b>20.5</b>
Bank of Guyana	0.0	1.0	1.0
Central Gov't	9.6	9.4	19.0
Parastatals	0.3	0.2	0.5
<b>End-December 2007</b>			
<b>Total</b>	<b>8.8</b>	<b>9.7</b>	<b>18.5</b>
Bank of Guyana	0.0	1.2	1.2
Central Gov't	8.5	8.3	16.8
Parastatals	0.3	0.2	0.5

### Debt Relief

Total debt relief under the Heavily Indebted Poor Countries Initiative (HIPC) for 2008 was US\$39 million. Relief under the original HIPC Initiative totaled US\$19 million, while debt relief accruing under the enhanced HIPC initiative totaled US\$20 million. Debt relief under the Multilateral Debt Relief Initiative for 2008 totaled US\$32 million. The International Monetary Fund provided US\$9 million of that amount as grant relief, while the International Development Association and the Inter-American Development Bank provided the balance of US\$3 million and US\$19 million, respectively, as stock-of-debt relief.

The Government of the Bolivarian Republic of Venezuela cancelled Guyana's outstanding debt of US\$12.5 million to that country during the first half 2008.

### 2009 OUTLOOK

Total external debt service payments are expected to decrease by 11.3 percent to US\$18 million during 2009 compared with US\$20.5 million during 2008. Principal and interest payments are projected to decrease by 17.2 percent and 5.4 percent respectively to US\$8 million and US\$10 million. Payments to multilateral creditors are likely to fall by 23 percent

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to US\$ 11.8 million while bilateral creditors are expected to increase by 25.9 percent to US\$6 million. Central government's debt servicing is expected to accumulate to US\$17 million, a decrease of 11.4 percent compared with the US\$19 million

paid in 2008. Payments by the Bank of Guyana are also estimated to aggregate to US\$.9 million while parastatal debt servicing are expected to remain the same as 2008. □

## 7. FINANCIAL SECTOR DEVELOPMENTS

Monetary aggregates reflected the economic environment in the economy. Broad money grew by 12.7 percent while credit to the private sector expanded by 21.8 percent. The 91-day treasury bill rate improved due to competitive bidding in the primary market, while the commercial banks' interest rates trended downward on account of excess liquidity in the banking system. The intermediation spreads of the commercial banks remained mixed. Non-bank financial institutions continued its active mobilization of financial resources, resulting in increased claims on the private sector and the banking system.

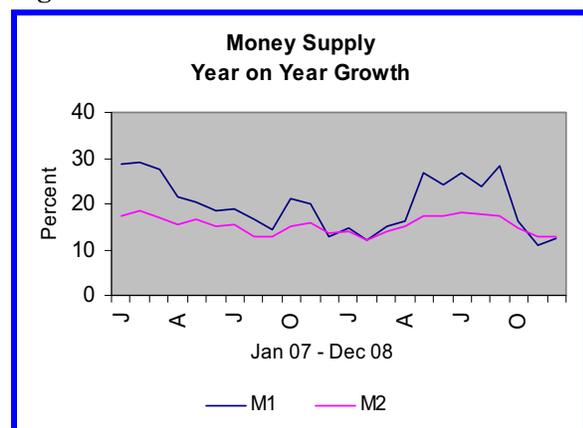
### MONETARY DEVELOPMENTS

#### Reserve Money

Reserve money expanded by G\$6,047 million (or 11.1 percent) to G\$60,599 million despite a reduction in net domestic assets. The higher level of reserve money stemmed primarily from a 21.5 percent increase in net foreign assets of the Bank of Guyana. Net domestic assets, however, declined by 35.7 percent to G\$6,368 million.

The expansion in the reserve money (monetary base) reflected the 15.9 percent and 5.2 percent growth in currency in circulation and liabilities to the commercial banks, respectively. The accelerated increase in currency issued during the last quarter reflected the seasonal demand for money. Excess currency issue reflected higher vault cash holdings of commercial banks.

Figure XIII



#### Money Supply

Broad money (M2), comprising currency in circulation and private sector deposits, totaled G\$184,153 million, a 12.7 percent growth compared with an increase of 13.6 percent for the corresponding period last year, reflecting a deceleration in both Narrow and Quasi-money.

Table XVII

Reserve Money G\$ Million			
	2006	2007	2008
Net Foreign Assets	36,595	44,643	54,231
Net Domestic Assets	14,049	9,909	6,368
Credit to Public Sector	-36,031	-38,564	-42,767
<b>Reserve Money</b>	<b>50,644</b>	<b>54,552</b>	<b>60,599</b>
Liabilities to:			
Commercial Banks	24,692	24,752	26,046
Currencies	2,660	3,413	3,302
Deposits	21,970	21,277	22,682
EPDs	62	62	62
Currency in Circulation	25,952	29,801	34,552
<b>Monthly Average</b>			
Reserve Money	45,927	52,182	59,945
Broad Money (M2)	131,089	151,280	174,315
Money Multiplier	2.85	2.90	2.91

Narrow money (M1), consisting of currency in circulation, private sector demand deposits and cashiers cheques and acceptances, grew by 12.5 percent to G\$61,035 million. This position was due to the growth in demand deposits and currency in

circulation. Demand deposits increased by 9.2 percent to G\$23,852 million on account of larger payments by businesses for goods and services and year end company taxes. Currency in circulation also expanded by 15.9 percent to G\$34,552 million.

Quasi-money, comprising interest-earning deposits of the private sector, grew by 12.8 percent and accounted for 66.9 percent of M2. The increase resulted from a 14.8 percent expansion in individual deposits.

**Table XVIII**

<b>Monetary Survey</b>			
	<b>G\$ Million</b>		
	<b>2006</b>	<b>2007</b>	<b>2008</b>
Narrow Money	48,070	54,241	61,035
Quasi Money	95,707	109,159	123,118
<b>Money Supply (M2)</b>	<b>143,777</b>	<b>163,399</b>	<b>184,153</b>
Net Domestic Credit	43,300	44,989	59,832
Public Sector (Net)	(10,385)	(19,062)	(18,490)
Private Sector Credit	61,789	73,347	89,335
Agriculture	3,526	2,985	3,934
Manufacturing	10,145	10,635	11,659
Distribution	9,768	10,991	14,606
Personal	12,513	17,005	19,238
Mining	956	823	1,674
Other Services	6,202	7,524	9,275
Real Estate Mortgages	12,524	16,403	21,910
Other	6,156	6,983	7,039
Non-bank Fin. Inst.	(8,103)	(9,297)	(11,013)
Net Foreign Assets	55,459	83,094	94,201
Other Items (Net)	45,017	35,317	30,120

### Money Multiplier and Income Velocity

The yearly average for the M2 multiplier increased to 2.91 in 2008 from 2.90 one year ago reflecting a marginally faster growth in broad money compared with that of reserve money.

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

percent.

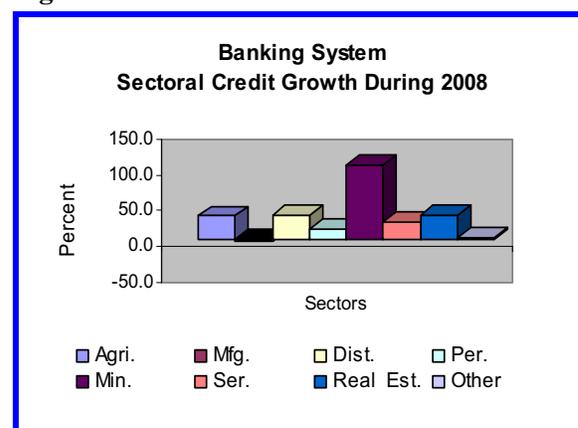
### Commercial Banks Deposits

Deposits by residents (comprising the public and private sectors) and the non-bank financial institutions were higher during the review period. Total deposits by residents and non-bank financial institutions grew by 13.7 percent and 19.2 percent to G\$187,813 million and G\$11,122 million, respectively.

### Deposits

Private sector deposits, which accounted for 78.3 percent of total deposits by residents, showed a slower growth at 12.2 percent compared with 14.3 percent in 2007. Business enterprises' deposits increased by 30.8 percent to G\$28,611 million on account of increased business activities. Individual customers' deposits grew by 8.5 percent to \$118,359 million, also reflecting higher income.

**Figure XIV**



The deposits of the public sector expanded by 19.5 percent to G\$29,721 million compared with an increase of 16 percent in 2007. Deposits of the public non-financial enterprises increased by G\$3,041 (or 27.2 percent) to G\$14,203 million as a result of higher gold prices. The deposits of total general government, comprising central and local government, also increased by 13.3 percent to G\$15,517 million. This outturn resulted mainly from higher tax receipts of central government.

During the review period, the deposits of the non-bank financial institutions increased by 19.2 percent to G\$11,122 million compared with a 9.3 percent growth in 2007.

### Domestic Investments

Commercial banks gross investments, comprising of securities and private sector loans and advances at-end December 2008, amounted to G\$140,431 million or 60.3 percent of total assets compared with G\$117,461 million or 57.6 percent of total assets at end-December 2007. Loans to the private sector during 2008 increased by G\$10,424 million or 20.8 percent compared with a G\$6,853 million or 15.9 percent for the corresponding period last year. Commercial banks continue to hold a significant part of their investment portfolio in government securities with treasury bills amounted to G\$44,247 million, a 28.7 percent increase from G\$34,375 million the previous year.

## BANKING SYSTEM

### Net Domestic Credit

Net domestic credit by the banking system increased by 33 percent to G\$59,832 million compared with an increase of 4 percent in 2007. The outturn resulted from an expansion in gross credit to the private sector.

### Credit to the Private Sector

Loans and advances to the private sector grew by 21.8 percent to G\$89,335 million compared with an 18.7 percent increase in 2007. This faster growth was due primarily to increased lending to the mining, rice milling, real estate mortgage, distribution and agriculture sectors. Private sector credit represented 48.5 percent of M2 during the review period compared with 44.9 percent in 2007. The ratio of banks credit to resident deposits increased to 0.34 from 0.31.

Credit to the mining sector increased by 103.5 percent while lending to the rice milling, real estate mortgage, distribution, agriculture, other services and

personal sectors increased by 83.3 percent, 33.6 percent, 32.9 percent, 31.8 percent, 23.3 percent and 13.1 percent, respectively. Credit growth in the “other category” which is largely made up of purchases of local securities by commercial banks, showed a marginal increase of 0.8 percent compared to 13.4 percent in 2007. In contrast, credit to the manufacturing sectors declined by 3 percent compared to a growth of 3.8 percent for the previous year.

Figure XV

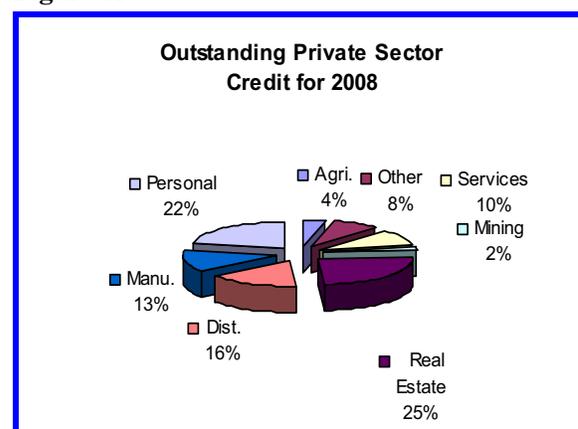


Figure XV shows that the commercial banks’ major exposures to the private sector were 25 percent to real estate, 22 percent to personal, 16 percent to distribution, 13 percent to manufacturing, 10 percent for services, 8 percent for the ‘other’ category, 4 percent for agriculture and 2 percent for mining.

### 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 2.3 percent to G\$18,490 million due to the higher deposits of the public enterprises.

During the period under review, central government’s net deposit position with the banking system declined by 65.9 percent to G\$5,844 million while net deposits of the public enterprises increased by 12.9 percent compared with 21.7 percent in 2007. Net deposits of

the other category of the public sector, which includes local government and National Insurance Scheme (NIS), grew by 3.7 percent compared with an increase of 6.0 percent in 2007.

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

The non-bank financial institutions continued to be net depositors of funds with the banking system. At end-December 2008, the net deposit of non-bank financial institutions amounted to G\$11,013 million, which was 18.5 percent above the level at end-December 2007. This outturn was due to a 17.4 percent increase in deposits of private non-bank financial institutions.

### Net Foreign Assets

The net foreign assets of the banking system grew by 12.4 percent to US\$459 million on account of an increase in the net foreign assets recorded by the Bank of Guyana.

The commercial banks' net foreign assets showed a moderate increase of 3.1 percent compared with an increase of 101.3 percent for the corresponding period. Gross assets of the commercial banks declined by 1 percent to US\$242 million from US\$244 million at end-December 2007, on account of decreased holdings of foreign investments. Foreign liabilities of the commercial banks declined by 14.9 percent at end-December 2008 compared with an increase of 0.4 percent the previous year. The net foreign assets of the Bank of Guyana, on the other hand, grew by 20.4 percent primarily as a result of an increase of 13.9 percent in the gross foreign assets of the Bank, while the foreign liabilities decreased by 1.6 percent.

### Interest Rates

Except for the 91-day treasury bill rate (the benchmark rate), the commercial banks interest rates trended downwards. The small savings rate fell by 11 basis points to 3.06 percent and the weighted average time deposit rate decreased by 4 basis points to 2.61 percent. Both rates declined due to high

levels of excess liquidity. The weighted average lending rate slipped by 5 basis points to 12.35 percent, while the prime lending rate of the commercial banks decreased by 17 basis points to 14.54 percent.

The commercial banks' interest rate spreads between the small savings rate and the prime lending rate contracted to 11.50 percentage points from the 11.56 percentage points in 2007, whilst the spread between the 91-day treasury bill rate and the small savings rate expanded by 40 basis points to 1.15 percent.

**Table XIX**

<b>Commercial Banks</b>			
<b>Selected Interest Rates and Spreads</b>			
<b>All interest rates are in percent per annum</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>
1. Small Savings Rate	3.19	3.15	3.04
2. Weighted Avg. Time Deposit Rate	2.93	2.65	2.61
3. Weighted Avg. Lending Rate	13.12	12.40	12.35
4. Prime Lending Rate	14.54	14.71	14.54
5. End of period 91-day Treasury Bill Discount Rate	4.16	3.90	4.19
<b>Spreads</b>			
A (3-1)	9.93	9.25	9.31
B (4-1)	11.35	11.56	11.50
C (5-1)	0.97	0.75	1.15
D (3-2)	10.19	9.75	9.74
E (4-2)	11.61	12.06	11.93

### Liquidity

Total liquid assets of the commercial banks expanded by 3.5 percent to G\$67,347 million. The banks' excess liquid assets amounted to G\$25,249 million or 60 percent above the required amount and reflected the banks' preference for short-term assets, comprising mainly of Government of Guyana treasury bills. Treasury bills accounted for 65.7

percent of total liquid assets.

Total reserves deposited with the Bank increased by 9.5 percent to reach G\$24,969 million at end-December 2008. The required statutory reserves of the banks grew by 9.2 percent to G\$23,859 million, reflecting an increase in savings deposit liabilities. Reserves in excess of the minimum requirement stood at G\$1,110 million at the end of 2008.

## NON-BANK FINANCIAL INSTITUTIONS

The financial resources of Non-Bank Financial Institutions (NBFIs), which includes depository and non-depository licensed and unlicensed financial institutions, grew by 9.5 percent (or G\$12,079 million) to G\$139,405 million. In addition, their share of total assets in the financial sector increased from 38.0 percent to 38.2 percent.

The additional resources mobilized by the NBFIs were derived mainly from a 5.9 percent (or G\$1,564 million) increase in share deposits, a 13 percent or (G\$1,842 million) increase in local insurance premiums and an 8.2 percent or (G\$1,356 million) expansion in pension funds. Other liabilities, which accounted for 42.3 percent of total NBFIs' assets, rose by 7.4 percent or (G\$3,974 million). However, foreign liabilities, which declined by 13.4 percent at end 2007, increased by 6.2 percent (or G\$493 million).

NBFIs' funds were used for private sector investments, which grew by 8.1 percent to G\$59,339 million and accounted for 43.0 percent of total assets. This growth was due to continued investments in local securities and real estate mortgage loans. Mortgage loans, which accounted for 50.5 percent of the private sector claims, increased by 2.1 percent. Claims on the non-residents rose by 18.9 percent to G\$33,575 million. In addition, the investment in other assets expanded by 12.6 percent, while investments in the banking sector expanded by 21.5 percent, compared to a 0.1 percent decline last year.

On the other hand, claims on the public sector declined by 16.3 percent compared to an increase of 0.7 percent for the corresponding period in 2007.

**Table XX**

<b>NON-BANK FINANCIAL INSTITUTIONS</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Sources of Funds:</b>	<b>113,761</b>	<b>127,326</b>	<b>139,405</b>
Deposits	32,392	34,868	36,693
Share Deposits	25,305	26,655	28,219
Other Deposits	7,087	8,213	8,474
Foreign Liabilities	9,141	7,917	8,410
Premium	11,262	14,175	16,016
Pension Funds	15,324	16,454	17,810
Other Liabilities	45,641	53,912	60,475
<b>Uses of Funds:</b>	<b>113,761</b>	<b>127,326</b>	<b>139,405</b>
Claims on:			
Public Sector	13,919	14,019	11,729
Private Sector	49,019	54,910	59,339
Banking System	9,100	9,094	11,053
Non-Residents	23,499	28,239	33,575
Other Assets	18,224	21,063	23,709

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

### The New Building Society

Total resources of the New Building Society (NBS) increased by 6.7 percent (or G\$2,255 million) to G\$35,777 million and accounted for 26.5 percent of total assets of NBFIs. This was due to a 5.9 percent expansion in share deposits. Other liabilities grew by 14.4 percent while foreign liabilities rose by 3.6 percent.

Funds mobilized by the NBS were used primarily to extend mortgage loans and invest in Government of Guyana treasury bills. Total lending to the private sector, which represented 54.2 percent of total assets,

grew by 11.8 percent to G\$19,396 million, due to competitive interest rates offered by NBS. In addition, claims on the banking sector expanded by 107.9 percent, while that on the non-resident sector increased by 8.4 percent.

On the other hand, investment in Government of Guyana treasury bills contracted by 18.4 percent and accounted for 27.3 percent of total assets. This was as a consequence of a higher rate of return on investments with domestic commercial banks.

**Table XXI**

<b>NEW BUILDING SOCIETY</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Sources of Funds:</b>	<b>31,471</b>	<b>33,522</b>	<b>35,777</b>
Share Deposits	25,305	26,655	28,219
Other Deposits	634	713	686
Foreign Liabilities	1,339	1,568	1,624
Other Liabilities	4,193	4,586	5,248
<b>Uses of Funds:</b>	<b>31,471</b>	<b>33,522</b>	<b>35,777</b>
Claims on:			
Public Sector	11,823	12,009	9,801
Private Sector	15,950	17,342	19,396
Banking System	1,515	2,017	4,193
Non-Residents	907	956	1,036
Other Assets	1,276	1,199	1,351

### Trust Companies

The resources of the trust companies, which include Hand in Hand Trust Corporation Incorporated, Globe Trust & Investment company and Trust Company Guyana Limited, increased by 2.4 percent (or G\$232 million), compared to a 11.8 percent (or G\$1,022 million) increase recorded at end 2007. This marginal growth was due in part to the absence of Globe Trust & Investment Limited, which commenced liquidation process as a result of a court order in November 2008. Deposits, which represented 78.4 percent of the total liabilities of trust

companies, increased by 3.8 percent and other liabilities, rose by 1.0 percent.

Funds were redistributed to increase claims on the non-resident sector by 25.3 percent on account of the rate of return from investments in foreign securities, while claims on the banking sector rose by 5.2 percent to G\$1,177 million. On the other hand, investments in the private sector declined by 29.2 percent, and accounted for 19.0 percent of total assets. Mortgages accounted for 30.4 percent of private investment from 51.5 percent in 2007. The companies' holdings of other loans and advances consisted of agricultural and personal loans, accounted for 62.8 percent of total loans and advances.

**Table XXII**

<b>TRUST COMPANIES</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Sources of Funds:</b>	<b>8,684</b>	<b>9,706</b>	<b>9,939</b>
Deposits	6,452	7,499	7,788
Foreign Liabilities	109	125	49
Other Liabilities	2,123	2,082	2,102
<b>Uses of Funds:</b>	<b>8,684</b>	<b>9,706</b>	<b>9,939</b>
Claims on:			
Public Sector	971	788	755
Private Sector	2,573	2,676	1,895
Banking System	1,147	1,119	1,177
Non-Residents	3,171	4,364	5,470
Other Assets	823	760	642

There were further declines in claims on the public sector and other assets by 4.2 percent and 15.4 percent, respectively.

### Finance Companies

Financial resources of the finance companies increased by 28.3 percent or G\$3,446 million. Retained earnings expanded by 19.9 percent or

G\$781 million and other liabilities increased by 80.1 percent or G\$3,335 million. On the other hand, Loans received locally from companies' affiliates contracted by 22.7 percent compared with 29.3 percent decline in 2007.

Claims on the private sector, which represents 67.0 percent of finance companies' total assets, increased by 2.2 percent. Other assets, comprising of other real estate, prepayments, accounts receivable and stocks, increased by 5.8 percent and accounted for 17.0 percent of total finance companies assets. Claims on the non-resident sectors expanded by 537.2 percent from 32.4 percent declined recorded in 2007.

**Table XXIII**

<b>FINANCE COMPANIES</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Sources of Funds:</b>	<b>9,085</b>	<b>12,177</b>	<b>15,624</b>
Loans Received	2,391	3,092	2,400
Retained Earnings	2,429	3,927	4,708
Foreign Liabilities	917	993	1,015
Other Liabilities	3,348	4,166	7,501
<b>Uses of Funds:</b>	<b>9,085</b>	<b>12,177</b>	<b>15,624</b>
Claims on:			
Public Sector	0	0	0
Private Sector	6,417	8,624	8,817
Banking System	246	449	306
Non-Residents	896	605	3,857
Other Assets	1,526	2,499	2,644

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

### **Asset Management Companies**

The resources of the asset management companies, which consist of Guyana Co-operative Financial Service (GCFS) and Guyana National Co-operative

Bank (GNCB), declined by 1.7 percent. This position resulted from a 2.8 percent decline in provision for outstanding loans, which represented 74.0 percent of total liabilities.

Funds were used to mobilize claims on the private sectors and to acquire additional assets. Claims on the private sector declined by 4.3 percent due to an increase in the balance of non-performing loans. Other assets including fixed assets and interest receivable increased by 5.0 percent on account of a 1.8 increased in interest accrued on non-performing loans, which represented 41.1 percent of total assets.

**Table XXIV**

<b>ASSET MANAGEMENT COMPANIES</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Sources of Funds:</b>	<b>19,605</b>	<b>19,579</b>	<b>19,242</b>
Provisions for Loans	14,731	14,575	14,173
Other Liabilities	4,874	5,004	5,069
<b>Uses of Funds:</b>	<b>19,605</b>	<b>19,579</b>	<b>19,242</b>
Claims on:			
Private Sector	10,319	10,616	10,155
Interest Receivable	7,386	7,769	7,911
Banking System	1,341	576	283
Other Assets	560	618	892

### **Pension Schemes**

The consolidated resources of the pension schemes increased by 7.7 percent compared with a 6.9 percent increase in 2007. This was due to an 8.2 percent increase in pension funds. Hence, the pension schemes' share of total NBFI's resources increased to 14.5 percent from the 14.3 percent in 2007.

The resources available were redistributed to increase holdings in the private, banking sector and foreign sector. Private sector investments rose by 12.6 percent as deposits with other non-bank financial institution increased by 20.0 percent. Foreign sector

investments increased by 7.8 percent, due to a 9.0 percent increase in foreign securities. On the other hand, claims on the public sector contracted by 4.0 percent, due to a decline in investments in Government of Guyana treasury bills. Claims on the banking sector declined further by 14.3 percent from a decline of 25.3 percent recorded a year ago, reflecting a reduction in balances held at local commercial banks.

**Table XXV**

<b>PENSION COMPANIES</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Sources of Funds:</b>	<b>16,992</b>	<b>18,168</b>	<b>19,570</b>
Pension Funds	15,324	16,454	17,810
Other Liabilities	1,668	1,714	1,760
<b>Uses of Funds:</b>	<b>16,992</b>	<b>18,168</b>	<b>19,570</b>
Claims on:			
Public Sector	1,125	1,222	1,173
Private Sector	6,801	7,545	8,499
Banking System	2,955	2,207	1,893
Non-Residents	4,896	5,994	6,462
Other Assets	1,215	1,200	1,543

### Domestic Insurance Companies

The total resources of the domestic insurance companies (life and non-life segments) increased by 14.9 percent. The life component, which accounted for 78.0 percent of the industry's resources, increased by 17.1 percent, while the non-life component grew by 7.2 percent.

Insurance premium increased by 10.4 percent, of this local life premium increased by 13.0 percent, while the non-resident premium rose by 2.1 and accounted for 22.0 percent and 88.0 percent of life insurance fund and life insurance foreign liabilities, respectively.

Resources were reallocated to enhance claims on the

private sector and banking sector. Total private sector investments, in the form of shares and loans & advances to residents, increased by 30.5 percent. Loans & advances constituted 42.2 percent of total private sector investment. Claims on the banking system and other assets rose by 17.4 percent and 18.6 percent, respectively.

Funds mobilized to the non-resident sector rose by 7.8 percent. Non-resident claims were distributed among foreign securities, foreign loans & advances and foreign deposits. Deposit with foreign banks, which represented 71.0 percent of non-resident claims, increased by 10.0 percent. However, foreign securities declined by 4.6 percent and foreign loans & advances contracted by 31.0 percent.

**Table XXVI**

<b>DOMESTIC INSURANCE COMPANIES</b>			
<b>Selected Sources &amp; Uses of Funds</b>			
<b>G\$ Million</b>			
	<b>Balances</b>		
	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Sources of Funds:</b>	<b>27,922</b>	<b>34,173</b>	<b>39,254</b>
Premium	11,262	14,175	16,016
Foreign Liabilities	6,775	5,231	5,722
Other Deposits	0	0	0
Other Liabilities	9,885	14,766	17,515
<b>Uses of Funds:</b>	<b>27,922</b>	<b>34,173</b>	<b>39,254</b>
Claims on:			
Public Sector	0	0	0
Private Sector	6,959	9,633	10,577
Banking System	1,895	2,727	3,202
Non-Residents	12,289	14,219	16,467
Other Assets	6,779	7,595	9,008

### Interest Rates

The interest rate structure of the NBFIs remained stable during 2008.

The small savings rate and the save & prosper shares rate of NBS remained unchanged at 2.50 percent and 4.50 percent, respectively. The ordinary mortgage

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rate and the low-income mortgage loans also remained stable at 7.50 percent and 5.50 percent, respectively.

The interest rates offered by Hand in Hand Trust on domestic and commercial mortgages remained at 14.0 percent and 16.0 percent, respectively. □

## 8. FINANCIAL STABILITY ASSESSMENT

The Licensed Depository Financial Institutions (LDFIs) reported higher levels of capital and profits during the year. The Capital Adequacy Ratio (CAR), which was well above the prudential benchmark of 8.0 percent, remained fairly stable increasing by only 2.0 basis points from end 2007. The loan portfolio recorded significant improvement with a 26.0 percent growth and 32.8 percent decline in the level of non-performing loans. Notwithstanding this improvement, the LDFIs reported increased provision against such loans. The loan portfolios of the LDFIs continued to be heavily concentrated in the services sub-sector, which accounted for 55.0 percent of loans to the business enterprise sector. The latter sector amounted of 51.0 percent of total loans.

### CAPITAL ADEQUACY PROFILES

#### Composition of Capital

The Capital Adequacy Ratio (CAR) for the LDFIs was 15.28 percent at end-December 2008 compared with 15.26 percent at end-December 2007. The 2.0 basis points improvement in the ratio resulted from a higher Tier I and increased risk-weighted assets along with a slight reduction in Tier II.

During the review period, the LDFIs' total qualifying capital continued to grow and at end-December 2008 showed a 17.5 percent growth to \$16,873 million down from the 19.4 percent growth recorded for the previous year. This period's increase resulted mainly from a 21.5 percent expansion in Tier I capital. The higher level of Tier I capital, which stood at \$16,737 million at end-December 2008, was due to increases in retained earnings and statutory reserves/ reserve fund of 28.8 percent and 14.4 percent, respectively over the end-December 2007 levels. The lower level of Tier II capital, which stood at \$269 million at end-December 2008, resulted from a 73.7 percent decrease in general provision from the end-December 2007 level.

#### Risk-weighted Assets

The aggregate net risk-weighted assets of LDFIs grew by 17.3 percent to \$110,425 million at end 2008 compared with a 19.6 percent growth for 2007. The growth in net risk-weighted assets reflected the 33.6 percent increase in real estate loans as well as the expansion in credit to the households and services sectors of 13.8 percent and 25.9 percent, respectively.

Table XXVII

Licensed Depository Financial Institutions (LDFIs)			
Capital Adequacy Profiles			
G\$ Million			
	Dec 2006	Dec 2007	Dec 2008
Total Qualifying Capital	12,380	14,363	16,873
Total Tier 1 capital (Net)	12,175	13,773	16,737
Risk-weighted Assets	78,714	94,126	110,425
Percent			
Average CAR	15.7	15.26	15.28
Tier 1 ratio	15.5	14.63	15.06

### ASSET QUALITY

#### Non-performing loans

The level of non-performing loans as at end-December 2008 declined by 32.8 percent to \$4,805 million when compared with end-December 2007. The decline stemmed largely from improved collection by one LDFI, which recorded a 62.8 percent drop in its stock of non-performing loans. Non-performing loans represented 5.5 percent of total loans compared with 10.3 percent at end 2007. In contrast to the significant decline in the industry's non-performing loans, total loans expanded by 26.0 percent over the comparative period with all the LDFIs recording increases in their respective loan portfolios ranging from 8.0 percent to 36.0 percent.

Six of the seven LDFIs recorded improvement in the level of non-performing loans with reductions ranging from 8.2 percent to 62.8 percent, taking the aggregate non-performing loans 32.8 percent below the \$7,146 million reported at end-December 2007. The lone LDFI with a deteriorated loan portfolio recorded a 53.0 percent rise in its non-performing loans but made the requisite provision for such loans.

**Table XXVIII**

<b>Licensed Depository Financial Institutions (LDFIs)</b>			
<b>Sectoral Distribution of Non-Performing Loans</b>			
<b>G\$ Million</b>			
	<b>Dec 2006</b>	<b>Dec 2007</b>	<b>Dec 2008</b>
<b>Economic Sector</b>			
<b>Business Enterprise</b>	<b>6,207</b>	<b>6,178</b>	<b>3,665</b>
Agriculture	348	302	262
Mining & Quarrying	67	79	45
Manufacturing	2,088	2,731	1,339
Services	3,704	3,066	2,019
<b>Households <sup>1)</sup></b>	<b>841</b>	<b>968</b>	<b>1,140</b>
<b>Total <sup>2)</sup></b>	<b>7,048</b>	<b>7,146</b>	<b>4,805</b>

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

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

The decline in the overall level of non-performing loans was due to the 51.0 percent (\$1,392 million) fall off in non-performing loans in the manufacturing sector from the \$2,371 million at end-December 2007.

On a sectoral basis, non-performing loans in the business enterprise sector fell by 40.6 percent or \$2,513 million, while the households sector recorded an 18.0 percent or \$172 million increase. The services and manufacturing sub-sectors were the major contributors to the business enterprise sector's 40.6 percent reduction with declines of 34.0 percent (\$1,047 million) and 51.0 percent (\$1,392 million), respectively.

Within the services sub-sector, the other services sub-

category recorded the largest dollar value reduction at \$693 million (57.0 percent). The other manufacture and construction and engineering sub-categories recorded the most significant declines within the manufacturing sector at 99.0 percent (\$336 million) and 80.0 percent (\$544 million). Non-performing loans in the agriculture sub-sector declined by 13.0 percent (\$40 million) largely as a result of the 97.0 percent fall in the other farming sub-category.

The rise in the households sector's non-performing loans resulted from the increases of 65.0 percent and 28.0 percent in the motor and housing sub-sectors, respectively. These two sub-sectors accounted for 10.3 percent (\$117 million) and 78.5 percent (\$895 million) of the households sector's \$1,140 million aggregate non-performing loans.

The ratio of provision for loan losses to non-performing loans rose from 56.4 percent end-December 2007 to 84.4 percent end-December 2008, as a result of the 33.0 percent reduction in non-performing loans and the 17.0 percent decline in provision for loan losses.

### **Loan Concentration**

Exposure to the top twenty borrowers climbed to \$30,192 million, surpassing the \$26,745 million recorded end-December 2007 by 13.0 percent. Six of the seven deposit-taking institutions were responsible for this outturn with increases in their respective exposures ranging from 3.0 percent – 43.0 percent, while the remaining institution recorded a 7.0 percent reduction. The ratio of exposure to top twenty borrowers to total loans fell from 39.0 percent to 35.0 percent over the twelve months period December 2008/2007. For the year 2008, total loans grew by 26.0 percent above the level recorded at end-December 2007 to reach \$87,000 million (with all seven LDFIs recording expanded loan portfolios), compared with a 16.0 percent growth the corresponding period in 2007.

For this review period, loans to related parties of \$5,248 million was 39.0 percent above the end-

December 2007 level compared with 11.0 percent growth the previous year. The ratio of related parties' loans to total loans shifted slightly from 5.5 percent to 6.0 percent in 2008, largely as a result of loans to related parties increasing by 38.7 percent compared with 26.0 percent in total loans. Loans to related parties were concentrated in the other related persons' category, which accounted for 62.7 percent of aggregate related loans.

## EARNINGS

### Income

Operating income of the LDFIs amounted to \$24,344 million, 29.0 percent (\$5,450 million) above the \$18,894 for January-December 2007. The increase was primarily attributed to the 30.8 percent (\$4,552 million) growth in interest income over the comparative January-December 2007 period. At end-December 2008 interest income accounted for 79.3 percent of operating income. Foreign exchange gain and other operating income, the other major components of operating income, recorded respective increases of 17.2 percent and 16.5 percent.

### Expenses

The aggregate operating expenses of the LDFIs grew by 32.0 percent (\$4,088 million) to \$16,854 million. This resulted mainly from the 69.0 percent (\$3,806 million) rise in interest expense, which reflected the effect of a 12.0 percent (\$21,366 million) increase in deposits over the period January – December 2008.

### Net profit before tax and profitability ratios

LDFIs' net income before tax increased, by 22.2 percent (\$1,362 million), to reach \$7,490 million. Net income after tax of \$5,352 million represented a 24.0 percent (\$1,037 million) increase over the December 2007 level. The growth in after tax income was achieved in spite of a 17.9 percent (\$325 million) increase in income tax.

These increases resulted in an ROE of 26.87 percent, 1.3 percentage points above the comparative period end-December 2007. The ROA increased by 20 basis

points to reach 2.4 percent when compared with the same period in 2007.

**Table XXIX**

<b>Consolidated Income Statement of LDFIs</b>		
<b>G\$ Million</b>		
	<b>Jan-Dec 2007</b>	<b>Jan-Dec 2008</b>
<b>Operating Income</b>	<b>18,894</b>	<b>24,344</b>
Interest Income	14,760	19,312
Foreign exchange gain	2,493	2,922
Fees and Commission	33	237
Other operating income	1,608	1,873
<b>Non-operating income</b>	<b>0</b>	<b>0</b>
<b>Operating Expenses</b>	<b>12,766</b>	<b>16,854</b>
Interest Expenses	5,500	9,306
Salaries and other staff cost	2,916	2,982
Foreign exchange losses	930	1,035
Provision for loan losses	(333)	(202)
Bad debts written off	0	48
Other operating expenses	3,753	3,685
<b>Non-Operating Expenses</b>	<b>0</b>	<b>0</b>
<b>Net income before tax</b>	<b>6,128</b>	<b>7,490</b>
<b>Taxation</b>	<b>1,813</b>	<b>2,138</b>
<b>Net income/(loss) after tax</b>	<b>4,315</b>	<b>5,352</b>
<b>Profitability Ratios - Percent (%)</b>		
Return on Assets (ROA)	2.20	2.40
Return on Equity (ROE)	25.58	26.87

## LIQUIDITY

The level of liquidity in the financial sector remained high during 2008, with all the LDFIs exceeding the minimum statutory holding of liquid assets. For 2008, excess holdings of liquid assets ranged between 1.0 percent to 203.0 percent. The average daily excess liquid assets held during December 2008 represented 61.2 percent (\$26,229 million) of the statutory liquid assets requirement compared with 39.1 percent (\$15,156 million) held at end-December 2007.

At end-December 2008, the average level of liquid

assets held by LDFIs amounted to G\$69,093 million, 28.2 percent (G\$15,203 million) above the average level recorded for the corresponding period in 2007. This growth resulted mainly from increases in deposits with BOG, net due from banks abroad, and treasury bills of 5.0 percent (\$1,332 million), 49.0 percent (\$5,500 million), and 86.0 percent (\$8,815 million), respectively.

**Table XXX**

<b>Licensed Depository Financial Institutions (LDFIs)</b>			
<b>Liquidity Indicators</b>			
<b>G\$ Million</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>
Avg. Actual Liq. Assets	53,571	53,890	69,093
Avg. Required Liq. Assets	32,336	38,734	42,864
Avg. Excess Liq. Assets	21,234	15,156	26,229
<b>Liquidity Ratios - Percent (%)</b>			
Liq. Asset Ratio (LAR)	30.0	25.9	29.1
Customer deposits to total (non-interbank) loans	270.7	263.5	234.3

The average liquid asset ratio recorded a 320 basis points increase over the end-December 2007 position to reach 29.1 percent at end-December 2008. Customers' deposits to total (non-inter bank) loans ratio, which indicates the ability of the LDFIs to support loan growth with deposits, declined by 29.2 basis points to 234.3 percent at end-December 2008. The falling ratio is indicative of lending increasing at a faster rate than deposits signaling improved intermediation in the industry. A year on year comparison revealed a 26.0 percent increase in loans and only a 12.0 percent growth in aggregate customer deposits.

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 2008: Republic Bank (Guyana) Ltd (RBL); Guyana Bank for Trade and Industry (GBTI); Demerara Bank Limited (DBL); Citizens Bank Guyana Incorporated (CBI), Bank of Baroda Guyana Inc (BOB); Bank of Nova Scotia (BNS) and Hand-in Hand Trust Corporation Incorporated (HIHT).



# II

## INTERNATIONAL ECONOMIC AND MONETARY DEVELOPMENTS

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### The World Economy

The financial turmoil which was fuelled by the US subprime mortgage crisis, took a heavy toll on the global economy, with slower growth of 3.2 percent compared with 5.2 percent in 2007. Growth in developed countries was scant, while emerging markets and developing countries experienced modest growth. Consequently, unemployment increased and international trade declined. Inflation, which had reached its highest in more than three decades, declined sharply on account of lower fuel and commodity prices.

### Industrial Countries

#### Output

Most industrialized countries recorded a lower performance due to the recession towards the end of 2008. Initially, higher oil and commodity prices had a negative impact on output levels. Further, the subprime mortgage crisis forced a contraction in US economic growth and had a spill over effect in the UK and the Euro zone.

Real GDP in the US grew at 1.1 percent in 2008 compared with 2.0 percent in the previous year. This decline was attributed to the continuation of the subprime mortgage crisis, which began in 2007, that led to a significant decline in the housing market. This crisis has now materialized into a full-blown financial crisis that is affecting the global economy. Despite being closely tied to the US, Canada did not have any contamination of its banking system. However, the slowing of the US economy and the decline in trade and commodity prices led to a decline in Canadian output to 0.5 percent down from the 2.7 percent outturn of the previous year.

The growth rate in the Euro area was 0.9 percent in 2008 less than half of the 2.7 percent recorded in 2007. The US subprime mortgage crisis impacted more negatively on the Euro area than any other region in the world. Japan is in recession and had its

growth rate lowered to 0.6 percent from the 2.4 percent growth recorded in 2007. The downturn in the US and the Euro area impacted negatively on trade and hence the Japanese economy since they represent a major share of their export market.

#### Inflation

The early part of 2008 experienced rapid increases in fuel and commodity prices which drove the Consumer Price Index (CPI) to 3.8 percent in the US. Inflation was slightly lower at 3.3 percent in the Euro area, while Japan, a country that suffered a prolonged period of deflation, recorded an inflation level of 1.4 percent. Britain's CPI was 3.6 percent at the end of 2008. The trend had been the rapid rise in consumer prices for the main food products in the first half of the year. Prices for both food and oil began to decline in the last quarter and in so doing helped to moderate inflation levels by the end of 2008.

#### Employment

Rising unemployment has been a major problem for industrialized countries with the economic slowdown. The US unemployment increased to 5.8 percent while the Euro area saw unemployment increased to 7.6 percent and UK unemployment rose to 5.5 percent in 2008.

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## **Monetary and Exchange Rates**

Industrialized countries faced tight liquidity conditions that led to chaos in the financial sector in the last quarter of 2008. This situation led to loosening of monetary policy and a financial bailout in the US of over US\$700 billion. In addition, the Central Banks of the industrialized countries offered banks easy credit to support the financial system.

Interest rate cuts and non-collateralize lending to financial institution by the European Central Bank, the Central Bank of Japan, the Bank of England and the Federal Reserve Bank were introduced to facilitate the flow of liquidity in the system.

The Federal Fund rate fell to 1 percent, while the UK and the Euro area rates were reduced to 2 percent and 3.5 percent, respectively. Despite these policies, liquidity continued to remain tight as the market faces increased downside risks. Governments have so far purchased the assets of twenty-five (25) financial institutions to prevent the spill over of the financial crisis into other sectors of the economy in the US and Europe.

The last quarter of 2008, saw a strengthening of the US dollar against the world major currencies. The dollar was \$1.48 vis a vis the pound sterling and \$1.40 against the Euro. However, the strengthened dollar did not help prevent an exodus of dollar denominated bonds and stocks. In contrast, the strengthening of the Chinese Reminbi vis a vis the dollar impacted positively on the global imbalances.

## **Developing Countries**

### **Output**

Most developing countries had positive outturn due to high commodity and oil prices in 2008. Growth in the Asia Pacific region was 6.8 percent due to increases in the prices of consumer products. Economic growth in Sub Sahara Africa buoyed by the increases in commodity prices, especially mineral

reached 5.5 percent in 2008. The Latin American and Caribbean region is estimated to have grown by 4.2 percent in 2008.

### **Inflation**

Inflation averaged 12 percent in developing countries after slowing in the latter part of 2008 due to falling oil and consumer prices. Inflation in the Asia Pacific region was broadly contained at 7.0 percent reflecting tighter monetary policy. In Sub Sahara Africa, inflation increased to 11.9 percent, while in Latin America and the Caribbean it was 7.9 percent. Developing countries inflation was driven largely by higher oil and food prices in 2008.

### **Employment**

Growth in many of these countries has helped increase employment, but the high level of unemployment remained, thereby posing major challenges for poverty alleviation. In the Asia Pacific region, the unemployment rate was steady at 6.2 percent, while in Sub Sahara Africa it hovered at around 8.2 percent. The Latin American and the Caribbean region witnessed unemployment declined to 8.0 percent on average from 8.6 percent in 2007.

## **Emerging Economies**

### **Output**

Global Growth was buoyed by the good performances in 2008 albeit lower than previous years from emerging market economies. China recorded a growth rate of 9.0 percent in 2008 thus making it the largest contributor to global growth. India recorded a growth rate of 7.3 percent followed by Russia at 6.2 percent. These countries' performance accounted for half of the global growth in 2008.

The Brazilian economy grew at 5.1 percent followed by Mexico at 1.3 percent. The East Asian Economies also recorded positive but lower than expected performances from Singapore at 1.1 percent followed

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by Hong Kong and Korea at 2.5 percent and 2.2 percent respectively. Higher export prices sustained the growth trends. However, this process was being affected by the recessions in the industrialized countries in 2008.

### **Inflation**

Inflationary pressures were at its highest level in the first half of 2008. Higher oil prices along with record increases in the prices of food and consumer goods added pressure on economies that were already recording high levels of liquidity.

However, tighter monetary policies along with the full pass through of the price increases helped contain inflation to a more manageable level. China's CPI was 6.4 in 2008. Tighter monetary policy held India's CPI down to 8.3 percent. Increases in food and consumer goods fuelled the CPI in Russia to increase to 13.5 percent at the end of 2008.

### **Employment**

Despite strong growth levels in emerging economies, unemployment continued to be a major problem. Employment has not kept pace with rising growth. China showed a marginal increase in unemployment to reach 4.2 percent, while India unemployment rate was 7.2 percent.

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

## **Caribbean Economies**

### **Output**

Caribbean economies experienced steady growth until the external shocks began to dampen growth to 3.0 percent at the end of 2008. Trinidad and Tobago recorded a growth level of 5 percent buoyed by higher oil prices, while the Dominican Republic recorded strong performances with 4.7 percent

growth. Belize grew by 4.0 percent due to increases in agriculture output. Barbados and the Bahamas grew by 1.7 percent and 1.0 percent, respectively on account of decline in tourism.

### **Inflation**

Inflation accelerated to its highest level in nearly two decades in the Caribbean. Aggregated inflation in the Caribbean was estimated at 11 percent in 2008. Trinidad and Tobago inflation was 12 percent, while that for Jamaica was 18.3 percent. Barbados and Guyana recorded a more moderate level of inflation at 9.0 percent and 6.4 percent, respectively.

### **Employment**

Unemployment continued to be a major problem despite sustained growth in the Caribbean. There has been a marginal increase in the employment level in Trinidad and Tobago by some 0.2 percent despite high levels of economic activities and increased investment in the energy sector. Jamaica's unemployment was 10.7 percent during the review period.

### **Exchange Rates**

In the Caribbean, the exchange rate for Barbados, Belize and the EC currency remained fixed, while the floating currencies of Guyana and Trinidad and Tobago were more or less stable. The stability was due to higher foreign exchange flows. Jamaica's exchange rate was volatile due to wide spread fluctuations in the availability and cost of foreign borrowing. The swings in the exchange rate of the US dollar, the Euro and the Pound Sterling also impacted on the Jamaican Dollar.

### **Commodity Markets**

The prices of commodities have been on a roller coaster with extreme swings in 2008. Oil reached a high of US\$147 per barrel and then fell to a low of \$35 per barrel by the end of 2008. Gold prices continued to rally around US\$850 per Oz, while sugar prices average US\$630 per ton. Rice price

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experienced a decline to US\$400 per metric ton at the end of the year after reaching a high of \$600 per metric ton earlier. However, the Caribbean found the prices of oil and food to be burdensome in view of being the net importer of these two products.

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

The world economy is expected to enter a recession in 2009 with reduced global demand, exports and credits. GDP growth rates in industrialized countries are expected to be scant, while growth rates in emerging market are projected to slowdown on account of reduced investment and tight credit conditions. Growth in developing countries will also slow down to decreased demand, decline in international trade and depressed commodity prices. This may adversely affect Guyana's external account.

Much will depend on monetary and fiscal policies to reverse and ease the downside risks of slower growth.

Commodity prices are expected to be depressed in 2009. The Latin America and Caribbean region that has very strong ties with the US economy is expected to be in a downturn with projected growth expected 3.2 percent in 2009.

CARIFORUM of which the Caribbean is a large part signed a new Economic Partnership Agreement (EPA) with Europe. This new EPA will eliminate preferential arrangement and move towards reciprocal trade arrangements. A major challenge for the Caribbean is posed by these arrangements since they result in price cuts in sugar and other preferential exports. Caricom Heads of Government have been meeting to work out coordinated economic policies to face the challenges of the future. □

# III

## MONETARY POLICY AND BANK ACTIVITIES

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The primary objectives of monetary policy in 2008 were the attainment of price stability, while creating the enabling environment for credit and economic growth. The focus of monetary policy was on effective management of excess liquidity in the financial system. Consequently, reserve money growth was constrained to 11.0 percent with a net increase of G\$6,242 million treasury bills issuance. Additionally, the Bank continued to facilitate efficient intermediation through the issuance of notes and coins as well as the promotion of enhanced payment operation.

### 1. MONETARY POLICY

Monetary policy recommendations were determined within the framework of monetary programming and the evolving circumstances impinging on inflation expectance, macroeconomic stability and growth momentum. 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.

Reserve money, which is comprised of currency in

circulation and commercial banks' reserves, is influenced mainly by the operations of the Bank. Changes in the Bank's net foreign assets and net domestic assets (which is largely affected by the operations of the Central Government) impact on the level of reserve money. The Bank's intervention in the foreign exchange market will affect the liquidity conditions when it buys or sells foreign exchange in the system. Since the counter parties to the Bank's foreign currency transactions are the commercial banks, the transactions affect the net foreign assets and the net domestic assets of the commercial banks, while the net foreign assets and hence reserve money of the Bank are affected.

A sale of foreign currency by the Bank will increase the net foreign assets and reduces the net domestic assets of the commercial banks and vice versa. On the Bank's balance sheet, a sale of foreign currency will reduce its net foreign assets as well as its liabilities to commercial banks and hence reserve money. On the other hand, a purchase of foreign currency by the Bank will increase its net foreign assets and also reserve money.

The operations of Government add or withdraw liquidity from the system. An increase in net credit to the government, which will increase the net domestic assets of the Bank, results in an increase in reserve money. This usually occurs through a relative increase in expenditure compared to the increase in revenue. The net deposits of the Central

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Government are therefore affected.

During 2008, weekly forecasts of the Bank's balance sheet was 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.

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

During the review period reserve money was G\$60,599 million, G\$987 million below the target. Reserve money fell below the targeted level due to a decline in net domestic assets of the Bank. There was a net issue of treasury bills of G\$8.9 billion. Total redemptions were G\$56.7 billion, while tender amounted to G\$65.7 billion. There was a total of thirty-eight issues of treasury bills, comprising of six

issues of 91-day bills (excluding issues for the Bank's capital reserves) totaling G\$2.1 billion, ten issues of 182-day bills totaling G\$10.8 billion and twenty-two issues of 364-day bills totaling G\$52.7 billion. When compared with 2007, there were five more treasury bill auctions.

The inter-bank market activities which also provides an indication of the total liquidity condition of the financial system had 168 trades during 2008, compared with 424 one year ago. The value of funds traded on the market amounted to G\$60.3 billion in 2008, which is 43.6 percent (or G\$46.6 billion) less than the corresponding period in 2007.

The weighted average inter-bank rate in 2008 increased to 4.3 from 4.1 percent at end-December 2007. This rate was influenced by the 91-treasury bill rate as well as the level of liquidity in the system and the amount of overnight borrowing.

Notwithstanding the tighter liquidity conditions, interest rates did not increase. Treasury bill rates trended downwards reflecting the need to hold liquid assets. Commercial banks savings and prime lending rates remained stable, indicating the ease in mobilizing deposits and the relatively high rate of return on credit portfolio, respectively.

During the review period, the Bank's monetary programme was successful in containing inflationary pressures caused by high fuel and commodity prices on the world and domestic markets. The inflation rate was contained at 6.4 percent at end-December 2008 compared with 13.7 percent for the corresponding period in 2007.

## **2009 OUTLOOK**

The inflation rate is targeted at 5.2 percent for 2009. In order to achieve this target, the Bank will continue to manage the expansion in base money through its Open Market Operations (OMOs). Notwithstanding the focus on achieving low inflation, the Bank will ensure that credit to the private sector is encouraged to facilitate growth in the economy.

## 2. BANK ACTIVITIES

### Currency Operations

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

Table XXXI shows figures on the comparative stocks and flows of currency notes for years 2006 to 2008. The total supply of currency in 2008 registered an increase of 3.9 percent over 2007. The increase was due to the higher level of currency withdrawn from circulation.

**Table XXXI**

<b>Supply &amp; Disposal of Bank of Guyana Currency Notes</b>			
	<b>Thousands of Notes</b>		
	<b>2006</b>	<b>2007</b>	<b>2008</b>
Opening Stock	26,457	10,246	14,435
Purchased	10,000	25,500	20,000
Withdrawn from circulation	95,803	98,723	105,293
<b>TOTAL SUPPLY</b>	<b>132,260</b>	<b>134,469</b>	<b>139,728</b>
Issued	102,606	104,605	111,806
Destroyed	19,408	15,429	17,406
<b>TOTAL DISPOSAL</b>	<b>122,014</b>	<b>120,034</b>	<b>129,212</b>
<b>End-year Stock</b>	<b>10,246</b>	<b>14,435</b>	<b>10,516</b>
New Notes	9,853	13,333	8,504
Re-Issuable Notes	234	606	280
Other Notes <sup>1)</sup>	159	496	1,732

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

### Notes

The total value of currency notes in circulation (including notes held in the vaults of commercial banks) at the end of 2008 amounted to G\$37,258.2 million, an increase of 14 percent compared with a circulation of G\$32,675.7 million in 2007. The share of G\$1,000 notes in the total value of notes in

circulation increased slightly to 93.7 percent from 93.1 percent in the previous year while that of the G\$500 notes fell from 3.2 percent to 2.8 percent in the same period. The share of the G\$100 notes fell slightly from 2.7 percent in 2007 to 2.5 percent in 2008, while there was no change in the share of G\$20 notes, which remained at 1 percent at the end of 2008.

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\$258.23 million were replaced in 2008, compared with G\$209.31 million in 2007 and G\$243.46 million in 2006.

### Coins

Coins issued by the Bank amounted to G\$597 million at the end of 2008, an increase of 11 percent above the G\$538 million in 2007. The share of G\$10 (41.9 percent) in the total value of coin in circulation was 3.2 percent more than that of the G\$5 coin while the G\$1 coin continued to have the lowest share of coins in circulation. In terms of the total quantity of coins issued, the G\$1 coins accounted for a 61.9 percent share. The shares of G\$5 and G\$10 coins accounted for 24.7 percent and 13.4 percent, respectively.

### Payments System

During 2008, 1,021,831 low-value transactions (LVT) were settled through the National Clearing House (NCH), a marginal increase of 0.9 percent when compared with the volume recorded in 2007. The volume of high-value transactions (HVT) increased by 8 percent to 100,776. Continuing the trend over the past five years, the overall value of total transactions rose by 14.3 percent in 2008 to reach G\$774.8 billion. Increases were recorded in the value of both high-value and low-value transactions which amounted to G\$543.5 billion and G\$231.3 billion, respectively in 2008. The shares of HVT in total value of transactions rose from 69.4

percent in 2007 to 70 percent in 2008. As a result, the share of LVT fell to 30 percent in 2008 from 30.6 percent in the previous year. The average value of HVT rose by 6.9 percent in 2008 to 5.39 million, while the average value of LVT rose by 10 percent in 2008 to reach G\$0.22 million.

**Table XXXII**

<b>Selected Data on transactions Cleared through the National Clearing House</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>
Daily avg. number of LVT	4,146	4,086	4,087
Daily avg. value of LVT	716	837	925
Avg. value of LVT	0.17	0.20	0.22
Daily avg. number of HVT	338	376	403
Daily avg. value of HVT	1,545	1,897	2,174
Avg. value of HVT	4.58	5.04	5.39
Total number of LVT	1,015,675	1,013,217	1,021,831
Total value of LVT	175,354	207,508	231,311
Total number of HVT	82,725	93,340	100,776
Total value of HVT	378,644	470,468	543,511
Notes: Values are expressed in G\$ Million			
LVT - Low Value Transactions			
HVT - High Value Transactions			

### **Reserve Management**

Guyana's foreign assets reserve is managed by the Bank of Guyana (the Bank). The Bank's responsibility to manage Guyana's foreign asset reserves is established through legislative mandate. The major objective of the Bank's foreign assets reserves management is to maintain a reserve of external assets to cover the value of the total amount of its notes and coins for the time being in circulation in accordance with section 22 of the Bank of Guyana Act, 1998. Additionally, the reserves are held to meet

defined national payment obligations and its ultimate size reflects the balance of payments position. The Bank acts within a framework that identifies and assesses the risk of reserve management operations and follows a policy to manage the reserves within acceptable levels and parameters. The management of the reserves prioritises security and liquidity over returns. As at December 31, 2008 the gross foreign assets reserves totaled US\$355.9 million.

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

The objective of the investment portfolio is to generate reasonable earnings over medium and long-term horizons, subject to liquidity and risk constraints. The portfolio consists of mainly government guaranteed securities from countries with risk rating of AAA, investments in Supranationals and the Bank of International Settlements. Risks are managed through the diversification of the portfolio structure and the careful selection of instruments and counterparties. Investments usually have a maximum tenor of ten years and are mainly denominated in US dollars since most of the Bank's and Government's external liabilities are denominated in US dollars.

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

# IV

## FUNCTIONS, INSTITUTIONAL DEVELOPMENTS AND OTHER BANKING ACTIVITIES

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

### 1. FUNCTIONS

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

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

### INSTRUMENTS OF MONETARY POLICY

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

### Reserve Requirements

The statutory reserve requirement remained an important instrument for monetary control and financial prudence in Guyana. The change in reserve requirements, which was implemented in 1999, remained in force in 2008 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 2008 for commercial banks.

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

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maintain a minimum deposit balance at the Bank of Guyana of 4 percent of total liabilities. This was to be incrementally increased every six months by 2 percentage points until convergence with the ratio of 12 percent applicable to commercial banks was achieved. Accordingly, the deposit taking licensed NBFIs required reserve ratio, apart from GTICL, which has remained at 8 percent pending the resolution of its future legal status, stood at 12 percent at end-2008.

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 2008. This circular provided for: (i) the extension of the liquid assets requirement to nonblank licensed depository financial institutions; (ii) ensuring consistency in the prescribed liabilities, liquid assets base and maintenance periods with the revised prescribed liabilities, base and maintenance periods for reserve requirements; and (iii) introducing a penalty for a deficiency in liquid assets.

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

The banks were more liquid in 2008 relative to 2007, as indicated by a higher monthly average ratio of excess to total liquid assets. This ratio increased by 1282 basis points from 58.5 percent during 2007 to 71.4 percent during 2008. Actual liquid assets held by commercial banks continued to reflect large holdings of government bills. Treasury bills during the year, accounted on average for 65.7 percent of total liquid assets.

### **Interest Rates**

The Bank rate, which is determined by the 91-day treasury bill rate, increased marginally to 6.75 percent at end-December 2008 from 6.50 percent at end-December 2007. However, the spread between the Bank rate and 91-day treasury bill rate remained stable at 2.6 percentage points.

The Bank continued to keep its re-discounting policy and terms under review during year 2008. The objectives were to ensure that the operation of the re-discount window was consistent with the development of the inter-bank money and treasury bill markets, as well as promote competition and a secondary market for the issues of Government securities. The margins above and below the average re-discount rate on treasury bills purchased and sold by the Bank, which were amended by Circular 13 of 1999 and made effective in March 1999, remained in force during the year. The level of the re-discount depended on the remaining days to maturity of the re-discounted treasury bills.

### **Relations with Government**

A total of 216 active Government accounts were held with the Bank at end-December 2008 compared with a total of 199 at end-December 2007. At the end of the year, Government deposits, net of treasury bills held by the Bank, amounted to G\$39,759 million. The Bank's holdings of treasury bills increased to G\$1,174.3 million from G\$1,024.8 million at end-2007. Holdings of Government debentures was G\$44,688 million at end-2008, of which G\$40,790 million were non-interest bearing.

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### **Relations with Commercial Banks**

During 2008, 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-2008.

### **Relations with International Organizations**

The Bank continued to act as fiscal agent for the Government in its relations with the Multilateral Financial Institutions of which Guyana is a member. During 2008, Guyana repaid US\$13.6 million through the Bank to Multilateral Financial Institutions, of which US\$1 million, US\$5.1 million and US\$5.2 million were paid to IMF, IDB and CDB, respectively.

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

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

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

### **Exchange Rate Policy**

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

demand and supply through a system of licensed cambio dealers. The Bank may intervene to meet reserve targets and minimize adverse speculative attacks.

### **Foreign Exchange Operations**

The gross international reserves of the Bank increased by US\$42.9 million, or 13.7 percent, and were equivalent to 2.5 months of imports. This result accrued from inflows of US\$426.4 million during the year and comprised primarily of US\$285.3 million from export receipts. Foreign exchange outflows during the year for debt servicing, fuel imports and other payments were US\$20.6 million, US\$296.97 million and US\$61.8 million, respectively.

### **Bank Supervision**

During 2008, the Bank continued to monitor the stability of the financial sector through the application of a risk-based approach to supervision and a more enhanced surveillance outlook.

On-site examination and offsite surveillance conducted on most of the LFIs during the year revealed greater risk awareness among the institutions, rigorous Board of Directors and management oversight and overall improvement in the asset quality and profitability of the institutions.

Examinations of five LFIs were completed this year using the risk-based approach. The adoption of this risk-based approach has allowed examiners to identify and focus on the various risks facing individual institutions, and involved a greater degree of interaction and dialogue among examiners, board members, management and external auditors of the LFIs.

In an effort to encourage market transparency and discipline and in keeping with international best practices, aggregated prudential financial ratios for the licensed depository financial institutions were posted on the Bank's website.

While prudential financial indicators revealed that the

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LFIs were generally adequately capitalized, liquid and profitable, the global financial crisis saw the Bank taking immediate steps to ascertain the likely impact this crisis would have on the LFIs and the domestic financial sector as a whole. Consequently, the LFIs were requested to submit on a monthly basis, a schedule of all foreign assets comprising investments and deposits as well as bi-monthly reports on their monitoring of their foreign investments, and between reporting periods to advise on any material changes or occurrences to their foreign denominated portfolio.

In keeping with our thrust to achieve full compliance with the Basel Core Principles and to attain the recommendations of the Financial Sector Assessment programme (FSAP), the Bank has initially drafted five amendments to the Financial Institutions Act 1995 (FIA) and these have been forwarded to the relevant authorities for their perusal.

A number of other legislative and regulatory amendments were also identified and these would be addressed in the course of the further review of the FIA where necessary.

Collaborative discussions between the Bank, Institute of Chartered Accountants of Guyana (ICAG), and the Guyana Association of Bankers (GAB) have led to two amendments to section 11 of Supervision Guideline No. 5 on the issues relating to loan loss provisioning requirements, and the definition/determination of 'hardcore' in overdrafts. The method of reporting loan loss provision now ensures the LFIs' compliance with both International Accounting Standards/International Financial Reporting Standards and the Bank's prudential requirements.

Throughout 2008, the Bank enjoyed a cordial relationship with the Guyana Association of Bankers and the various boards and management of the LFIs. The Bank worked closely with stakeholders in addressing issues affecting the financial sector, fostering good corporate governance practices among

the LFIs and in enhancing the understanding of risk-based supervision.

## **2. INSTITUTIONAL DEVELOPMENTS**

The financial system remained relatively sound during the year, with higher levels of capital, profits and liquidity. Capital adequacy ratios of the commercial banks declined, but remained above the prudential eight (8) percent requirement.

The financial sector continues to expand with a number of banks increasing their branch networks. During the year, one (1) branch application was received and approved resulting in the establishment of a branch at Grove on the East Bank of Demerara by the Guyana Bank for Trade & Industry Ltd. A branch was also established at Corriverton in Berbice by Demerara Bank Ltd on an application approved the year before.

During the last quarter of 2008, upon an application by the Bank for the compulsory liquidation of Globe Trust and Investment Co.Ltd. (GTICL), the Chief Justice ruled that GTICL be liquidated and appointed the Bank as liquidator. The accounting firm of Nizam Ali and Company was subsequently appointed by the Bank to act as liquidator of GTICL and is pursuing the realization of existing assets with the intention of bringing the liquidation to a close.

## **3. OTHER BANKING ACTIVITIES**

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

Two hundred and sixty five persons were employed at the Bank of Guyana at the end of 2008. The total number of persons recruited during the year under review was twenty-four as well as one work attachment. There were nineteen resignations, one employee retired and one termination of services.

During 2008, the Bank's training policy focused on in-house, local and overseas courses. These included specialised courses sponsored by reputable organizations and/or training agencies.

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### **In-house Training**

The PC Support Unit of the Information Services Department expanded its Computer Based Training (CBT) courses since a larger percentage of staff use computers as an integral component of routine operations.

All technical staff of Bank Supervision Department as well as selected staff of the Research Department attended a one week seminar on Asset-Liability Management and Risk Management sponsored by Caribbean Group of Banking Supervisors (CGBS) in collaboration with the Financial Stability Institute. The Internal Audit Department also held a one week training course which focused on Audit Controls, Creative Problem Solving and Risk Based Auditing. Representatives of eight external agencies and selected Bank staff participated in that exercise which was conducted by a representative of the Institute of Internal Auditors, USA. During the last quarter, employees of the Bank Supervision Department as well as selected staff of the Research and International Departments participated in a workshop facilitated by two senior officers of the Office of Superintendent of Financial Institutions of Canada (OSFI). Areas explored included Basel II, Supervision of Problem Institutions and Report Writing. The Bank also hosted the 11th Meeting of Regional Central Bank Operations Officials.

Several participants of all departments on different occasions attended "How To Be a Better Co-worker". These sessions were facilitated by members of the Training Unit. A senior member of the Security Division also conducted a Fire Prevention Seminar for selected staff. Representatives of the Research and Bank Supervision Department also attended a seminar on Basic Time Series Econometrics conducted by a Research staff.

The Director, Operations Department facilitated eighteen (18) one hour public education training sessions on the detection of counterfeit local currency notes. Members of the financial and business community were invited to attend. Some of these

sessions were held at Parika and Linden and were very well supported.

The Bank also facilitated a US Counterfeit Currency Detection programme conducted by staff from the US Embassy.

### **Other Local Training**

Selected staff of the Information Services Department attended a number of Microsoft programmes at Global Technology.

Two members of staff of the Human Resources Department attended a "Conflict Resolution and Stress Management" workshop sponsored by the Consultative Association of Guyanese Industries Limited. Representatives of the Bank also attended "Educational Forum for Administrative Professionals" sponsored by the Junior Chamber International (Guyana Chapter). Two representatives of the Maintenance Division attended an Energy Management Training Programme sponsored by the Guyana Power and Light Company.

Six staff graduated from the University of Guyana, Faculty of Social Sciences. Three staff of three different departments pursued diploma programmes – two in Banking and Finance and one in Public Management. One read for a degree in Management while two others successfully completed Post Graduate Diplomas in Development Studies.

### **Overseas Training**

Attendance at overseas training programmes was limited to selected short courses sponsored by the Caribbean Group of Banking Supervisors, the Office of the Superintendent of Financial Institutions (OSFI), the Centre for Latin American Monetary Studies (CEMLA), the Toronto Centre/World Bank, the Bank for International Settlements, the Commonwealth Secretariat and the Caribbean Regional Technical Assistance Centre.

The Bank also participated in the XXVI Annual CGBS Conference hosted by the Central Bank of

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Barbados, the XIX Annual Conference of Regional Central Bank Information Systems Specialists hosted by ECCB and the XI Annual Conference of Human Resource Managers of the Caribbean Region hosted by the Bank van de Nederlandse Antillen.

## **CORPORATE GOVERNANCE**

### **The Board of Directors**

In accordance with the Bank of Guyana Act 1998, the Board of Directors, which is responsible for the policy and general administration of the Bank, met regularly during the financial year.

The position of Chairman and Deputy Chairman of the Board as stipulated by the Bank of Guyana Act were held by Mr. Lawrence Williams, Governor and Dr. Gobind Ganga, Deputy Governor, respectively. Dr. Cyril Solomon whose tenure expired during the financial year was reappointed to serve as a non-executive Director of the Board along with Dr. Prem Misir, Mr. Paul Bhim and Mr. Vidyanand Persaud. The Finance Secretary, Mr. Neermal Rekha continued to serve as the representative of the Minister of Finance.

As part of the effective implementation of the established governance mechanism, the following activities continued:

1. The Internal Audit Department, which closely monitors the Bank's operations with special attention to the high-risk areas, performs a significant role in identification and management of risks. The Director, Internal Audit Department reported quarterly to the Board of Directors on the findings of the audits executed.
2. The Investment Committee, which is chaired by the Deputy Governor, met regularly and was extremely vigilant in light of the instability in the global financial

market.

3. The Staff Benefits Review Committee, which submits recommendations to the Board for its consideration, continued to function.

The Board continued to monitor developments related to the re-organisation of Globe Trust and Investment Company LTD. After notable, but unsuccessful efforts by the Administrator to secure an investor and to re-organise the institution in accordance with the 2002 Court order, the Board resolved that an application be made to the Court for the liquidation of the institution. Following the granting of the Order sought, the Board approved the Bank's appointment of Nizam Ali & Company as Liquidator.

### **Disclosure and Transparency**

In keeping with international standards and the Bank of Guyana Act, the Bank continued its publication of the bi-monthly Statement of Assets and Liabilities in the Gazette, its audited financial statement together with an Annual Report by the end of March and half-yearly reports on the state of the national economy with special reference to financial developments and on the policies being followed by the Bank.

All reports are submitted to the Minister of Finance and are available on the Bank's website. The Bank commenced the publication on a quarterly basis of financial indicators of the banking system on its website.

### **External Audit**

The external auditor is appointed by the Minister to audit the accounts of the Bank and certify the annual balance sheet and profit and loss account of the Bank. The Auditor General of the Audit Office, Guyana executed the audit function in respect of the year of operation under review. □

# V

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



## *Audit Office of Guyana*

*P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana  
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AG: 25 /2009

March 31, 2009

### **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 2008**

I have audited the accompanying financial statements of Bank of Guyana which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The audit was conducted in accordance with the Audit Act of 2004.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), and those of the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of appropriateness of accounting policies used and the reasonableness made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit 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 2008, and the results of its operations for the year then ended in conformity with International Financial Reporting Standards and the Bank of Guyana Act 1998, as amended.

### **Emphasis of matter**

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 a decrease of net profit by G\$849.472M which is the loss on revaluation.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

**BANK OF GUYANA**  
**BALANCE SHEET**  
**AS AT 31ST DECEMBER, 2008**  
**ASSETS**

		<b>2008</b>	<b>2007</b>
	Notes	G\$'000	G\$'000
<b>FOREIGN ASSETS</b>			
Balances with Foreign Banks	3	38,012,124	12,529,673
Foreign Assets in the process of Redemption		652,599	1,785,221
Holdings of Special Drawing Rights		5,391	93,298
Foreign Capital Market Securities	4	34,582,690	49,186,603
		<hr/>	<hr/>
		73,252,804	63,594,795
		<hr/>	<hr/>
<b>LOCAL ASSETS</b>			
Special Issue of Government of Guyana Securities	5	45,537,762	44,688,290
Government of Guyana Treasury Bills	6	1,174,316	1,024,772
International Monetary Fund Obligations	7	8,200,771	6,987,543
Fund for Government Projects		19,202,797	6,061,056
Other Financial Assets	9	8,289,455	7,068,766
		<hr/>	<hr/>
		82,405,101	65,830,427
		<hr/>	<hr/>
<b>FIXED ASSETS</b>	8	1,355,947	1,366,844
		<hr/>	<hr/>
		<b>157,013,852</b>	<b>130,792,066</b>
		<hr/> <hr/>	<hr/> <hr/>

**BANK OF GUYANA**  
**BALANCE SHEET**  
**AS AT 31ST DECEMBER, 2008**  
**LIABILITIES**

	Notes	<b>2008</b>	<b>2007</b>
		G\$'000	G\$'000
<b>CURRENCY IN CIRCULATION</b>			
Notes		37,258,162	32,675,690
Coins		596,610	537,948
		<u>37,854,772</u>	<u>33,213,638</u>
<b>DEPOSITS</b>			
Commercial Banks		20,276,119	21,207,838
Government of Guyana		40,933,256	36,481,047
International Financial Institutions	10	21,128,904	20,361,009
Private Investment Fund		6,500	6,500
Funds for Government Projects		19,202,797	6,061,056
Other Deposits	11	3,517,366	910,967
		<u>105,064,942</u>	<u>85,028,417</u>
Allocation of Special Drawing Rights	12	4,813,075	4,468,033
Gov't of Guyana Portion of net profit payable		2,301,362	1,089,502
Other Liabilities	13	1,393,606	1,343,155
		<u>8,508,043</u>	<u>6,900,690</u>
<b>CAPITAL AND RESERVES</b>			
Authorised Share Capital	14	<u>1,000,000</u>	<u>1,000,000</u>
Paid-up Capital		1,000,000	1,000,000
General Reserve Fund		1,184,719	929,012
Revaluation Reserves		1,114,523	1,114,523
Revaluation for Foreign Reserves		(69,524)	249,409
Contingency Reserve	15	2,356,377	2,356,377
		<u>5,586,095</u>	<u>5,649,321</u>
		<u><b>157,013,852</b></u>	<u><b>130,792,066</b></u>

Approved on behalf of the Management of the Bank



L.T. Williams (Governor)

P. Bhim (Director)

**BANK OF GUYANA**  
**PROFIT AND LOSS APPROPRIATION ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2008**

		<b>2008</b>	<b>2007</b>
	Notes	G\$'000	G\$'000
<b>OPERATING INCOME</b>			
Discount Received		52,080	57,588
Interest on Gov't of Guyana Securities		156,741	165,873
Interest on Foreign Securities		3,297,434	2,116,138
Interest on Deposits		298,062	357,311
Interest on Loans		5,972	4,879
Other Income		1,125,553	792,422
		<u>4,935,842</u>	<u>3,494,211</u>
<b>OPERATING EXPENSES</b>			
Administrative Expenses	16	1,077,146	983,997
Interest and Charges	17	992,580	528,708
Cost of Printing Notes & Minting Coins	18	743,539	632,205
Depreciation charge on fixed assets		95,848	114,160
		<u>2,909,113</u>	<u>2,259,070</u>
<b>NON OPERATING INCOME/(EXPENSES)</b>			
Pension		(57,540)	(57,540)
Accrued Leave Cost		(14,275)	(12,788)
Gains/(losses) on disposal of investment		602,129	47,465
Gains/(losses) on disposal of fixed assets		26	(1,720)
		<u>530,340</u>	<u>(24,583)</u>
Net Profit/(Loss)	19	<u>2,557,069</u>	<u>1,210,558</u>

**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31ST DECEMBER, 2008**

	<b>Paid up Capital</b>	<b>General Reserve Fund</b>	<b>Revaluation Reserves</b>	<b>Revaluation of Foreign Assets</b>	<b>Contingency</b>	<b>Total</b>
	G\$'000	G\$'000	G\$'000	G\$'000	G\$'000	G\$'000
Balance as at December 31, 2006	1,000,000	807,956	1,114,523	(531,350)	2,356,377	4,747,506
Net Profit	0	1,210,558	0	0	0	1,210,558
Revaluation for Foreign Assets Disposed	0	0	0	(11,308)	0	(11,308)
Revaluation for Foreign Assets on Books	0	0	0	792,067	0	792,067
Revaluation of Property	0	0	0	0	0	0
Net Profit due to Consolidated Fund	0	(1,089,502)	0	0	0	(1,089,502)
<b>Balance as at December 31, 2007</b>	<b>1,000,000</b>	<b>929,012</b>	<b>1,114,523</b>	<b>249,409</b>	<b>2,356,377</b>	<b>5,649,321</b>
Net Profit	0	2,557,069	0	0	0	2,557,069
Revaluation for Foreign Assets Disposed	0	0	0	(110,361)	0	(110,361)
Revaluation for Foreign Assets on Books	0	0	0	(208,572)	0	(208,572)
Net Profit due to Consolidated Fund	0	(2,301,362)	0	0	0	(2,301,362)
<b>Balance as at December 31, 2008</b>	<b>1,000,000</b>	<b>1,184,719</b>	<b>1,114,523</b>	<b>(69,524)</b>	<b>2,356,377</b>	<b>5,586,095</b>

**BANK OF GUYANA**  
**CASH FLOW STATEMENT**  
**FOR YEAR ENDED 31ST DECEMBER, 2008**

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
<b>Operating Activities</b>		
Government of Guyana Portion of Net Profit Payable	2,301,362	1,089,502
Transfer to General Reserve	255,707	121,056
<b>Net Profit/(Loss)</b>	<b>2,557,069</b>	<b>1,210,558</b>
Adjustments to reconcile Net Profit/(Loss) to Net Cash Flow from Operating Activities:-		
Depreciation	95,848	114,160
Profit on the Disposal of Fixed Assets	26	(1,721)
<b>Net Cash Flow from Operating Activities</b>	<b>2,652,943</b>	<b>1,322,997</b>
<b>Investing Activities</b>		
Foreign Assets in the Process of Redemption	1,132,622	61,914
Holdings of Special Drawing Rights	87,907	217,245
Gold	0	79,486
Foreign Capital Market Securities	14,603,913	(10,631,639)
Additions to Fixed Assets	(84,951)	(64,403)
Proceeds from the Disposal of Fixed Assets	(26)	1,721
Due From Government Projects	(13,141,741)	
Claim on the IMF	(1,213,228)	(0)
Other Financial Assets	(1,220,689)	(4,333,243)
Special Issue of Government of Guyana Securities	(849,472)	727,584
Government of Guyana Treasury Bills	(149,544)	2,045,281
<b>Net Cash Flow from Investing Activities</b>	<b>(835,209)</b>	<b>(11,896,054)</b>
<b>Financing</b>		
Currency in Circulation	4,641,134	4,601,906
Commercial Bank Deposits	(931,719)	(694,443)
Government of Guyana Deposits	4,452,209	(193,503)
International Financial Institutions Deposits	767,895	(14,022)
Private Investment Fund Deposits	0	0
Due to Government Projects	13,141,741	
Other Deposits	2,606,399	4,239,117
Government of Guyana Portion of Net Profit Payable	(1,089,502)	(699,959)
Allocation of Special Drawing Rights	345,042	193,133
Other Liabilities	50,451	(39,904)
Revaluation Reserve	0	(0)
Revaluation for Foreign Reserves	(318,933)	780,759
Contingency Reserve	0	0
<b>Net Cash Flow from Financing</b>	<b>23,664,717</b>	<b>8,173,084</b>
Net Increase/(Decrease) in Cash for year	25,482,451	(2,399,973)
Cash as at beginning of year	12,529,673	14,929,646
Cash as at end of year	<b>38,012,124</b>	<b>12,529,673</b>
Balances with Foreign Banks	<b>38,012,124</b>	<b>12,529,673</b>

**BANK OF GUYANA**  
**NOTES ON THE ACCOUNTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**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 loss of G\$849,472 arising on revaluation would have been reflected in the Profit and Loss Account giving rise to a net profit of G\$1,707,597 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 recognised 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 recognised as equity.
- Held to maturity instruments are recognised 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 recognised directly in equity. When the financial assets are sold, collected or otherwise disposed of, the cumulative gains or losses recognised in equity is reversed and the gains or loss on the disposal are recognized in the Income and Expenditure Statement.

V. Cash Resources

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

VI. Other Assets

These are stated at cost less impairment.

VII. Other Liabilities

Other liabilities including provisions are stated at amortised cost. A provision is recognised 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 derecognised when the Bank loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expired or surrendered.

A financial liability is derecognised when it is extinguished.

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

Held to maturity assets are derecognised when the rights are realised and payments are recognised on the date of the maturity of the assets.

Originated loans and receivables are derecognised 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 recognised as follows:

### 1) General

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

### 2) Defined Benefit Pension Scheme

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

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

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

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

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

## H. Related Party Balances and Transactions

A party is related to an entity if:

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

### 3. BALANCES WITH FOREIGN BANKS

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
Balances with Central Banks	24,896,165	5,636,502
Current accounts in US Dollars	1,607,983	4,768,591
Current accounts in other currencies	11,507,976	2,124,580
Total	<u>38,012,124</u>	<u>12,529,673</u>

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

### 4. FOREIGN ASSETS - SECURITIES

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
Held to Maturity:		
Caribbean Government Guaranteed Bonds	11,446,932	7,405,015
Available-for-sale:		
BIS Instruments	0	11,699,215
US Agencies	0	21,145,682
US Treasuries	20,983,305	0
Supranationals Bonds	2,152,453	8,936,691
Total	<u>34,582,690</u>	<u>49,186,603</u>

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

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

	G\$'000
Balances as at December 31, 2006	38,554,964
Additions	15,864,476
Disposals	(6,211,823)
Gain or (Loss) on Fair Value	978,986
Balance as at December 31, 2007	49,186,603
Additions	121,644,317
Disposals	(131,301,575)
Gain or (Loss) on Fair Value	(4,946,655)
Balance as at December 31, 2008	34,582,690

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
Net realized gains from disposal of financial assets	602,129	2,610

**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.

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

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
Total at the beginning of the year	44,688,290	45,415,874
Add/less		
Debenture redeemed as per Section 49(3) of the Bank of Guyana Act	849,472	(727,584)
Total at the end of the year	45,537,762	44,688,290

## 6. GOVERNMENT OF GUYANA TREASURY BILLS

	2008	2007
	G\$'000	G\$'000
At beginning of year	1,024,772	3,070,053
Net increase/ decrease during year	149,544	(2,045,281)
At end of year	1,174,316	1,024,772

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

## 7. INTERNATIONAL MONETARY FUND

	2008	2007
	G\$'000	G\$'000
Revaluation on IMF Accounts	6,233,050	5,019,822
Claim on IMF	1,967,721	1,967,721
	8,200,771	6,987,543

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

	<b>Building</b>	<b>Furniture, Equipment and Software</b>	<b>Total</b>
	G\$'000	G\$'000	G\$'000
<b>Cost:</b>			
As at December 31, 2007	1,375,267	884,330	2,259,597
Additions during the year	35,127	49,824	84,951
Revaluation	0	0	0
Disposals during the year	0	(1,239)	(1,239)
As at December 31, 2008	1,410,394	932,915	2,343,309
<b>Accumulated depreciation:</b>			
As at December 31, 2007	174,884	717,869	892,753
Additions during the year	27,628	68,220	95,848
Disposals during the year	0	(1,239)	(1,239)
As at December 31, 2008	202,512	784,850	987,362
<b>Net book value:</b>			
As at December 31, 2007	1,200,383	166,461	1,366,844
As at December 31, 2008	1,207,882	148,065	1,355,947

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

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
Income Accrued on Investments	49,734	371,187
Cost of Notes and Coins not yet written off	229,020	337,152
Government Agencies	4,474,704	4,710,215
Sundry Other Assets	3,535,997	1,650,212
	8,289,455	7,068,766

Government Agencies include balances owed to the Bank by the Government of Guyana in excess of ten years. Agreement has been reached for the write-off of this balance over twenty years commencing year 2009.

## 10. INTERNATIONAL FINANCIAL INSTITUTIONS

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
International Monetary Fund:		
No. 1 Account	1,206,770	1,206,770
No. 2 Account	755	701
ESAF Loan	12,276,157	11,396,099
Other International Financial Institutions	1,261,426	1,428,073
Caribbean Regional Facilities	6,383,796	6,329,366
	<u>21,128,904</u>	<u>20,361,009</u>

## 11. OTHER DEPOSITS

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
National Insurance Scheme	478,980	303,328
Staff Pension Fund	11,480	83,738
Other Deposits	3,026,906	523,901
	<u>3,517,366</u>	<u>910,967</u>

## 12. ALLOCATION OF SPECIAL DRAWING RIGHTS

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
	4,813,075	4,468,033

This amount represents the liability in respect of SDRs allocated to Guyana as at 31 December 2008, valued at the equivalent Guyana dollar rate for the SDR computed through the SDR/US dollar rate at 31<sup>st</sup> December 2008.

### 13. OTHER LIABILITIES

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
<b>Included are:</b>		
Accruals	1,085,011	1,013,119
Uncleared Cheques	47,643	134,998
Pension Obligations	230,160	172,620
Others	30,792	22,418
<b>Total</b>	<b>1,393,606</b>	<b>1,343,155</b>

#### **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<sup>st</sup> December, 2008 there were 231 active members of the Scheme and 27 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 \$300,000 monthly.

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

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

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
Long term rates of:		
Investment returns	4.5	4.5
Salary increases	6	6
National Insurance Ceiling increases	5	5
Rate of pension increases	0	0

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

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
Past service liability:		
- Active members	(694,100)	(694,100)
- Pensioners	(77,900)	(77,900)
Value of the Scheme's assets	484,300	484,300
Net Asset/(Liability) at December 31	<u>(287,700)</u>	<u>(287,700)</u>

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

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
Net asset/(liability) at January 1	(172,620)	(115,080)
Contributions	0	0
Income/(expense) recognized in the Statement of Income & Expenses	(57,540)	(57,540)
Net asset/(liability) at December 31	<u>(230,160)</u>	<u>(172,620)</u>

#### 14. SHARE CAPITAL

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
Authorised	1,000,000	1,000,000
Issued and Fully paid	1,000,000	1,000,000

#### 15. CONTINGENCY RESERVE

	<b>2008</b>	<b>2007</b>
	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:

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
Staff Cost	786,323	713,584
Premises Maintenance	133,828	118,946
Services and Supplies	140,025	143,643
Other Expenses	16,970	7,824
Total	<u>1,077,146</u>	<u>983,997</u>

Included in services and supplies are benefits amounting to G\$6.5 million paid to the Administrator - Globe Trust & Investment Company Ltd.

### **Employee numbers and costs**

The number of employees at the end of year 2008 was 265 while at the end of year 2007 was 262. The related costs of these employees were as follows:

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
Salaries and Wages	437,802	406,162
Statutory payroll contributions	98,607	87,466
Staff Welfare	172,070	144,180
Other	77,844	75,776
Total	<u>786,323</u>	<u>713,584</u>

### **Related Party Balances**

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

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
Short term benefits & pension cost	43,053	40,022
Directors compensation	360	240

**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**

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
Printing of Notes	633,362	540,515
Minting of Coins	110,177	91,690
	743,539	632,205

**19. PROFIT/LOSS FOR THE YEAR**

<b>2008</b>	<b>2007</b>
G\$'000	G\$'000
2,557,069	1,210,558

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

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

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
Profit as per Income Statement	2,557,069	1,210,558
Gains on Revaluation	(849,472)	727,584
Profit in compliance with IFRS	1,707,597	1,938,142

**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 expense 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 31<sup>st</sup> December, 2008 are as follows:

	<b>2008</b>	<b>2007</b>
	G\$'000	G\$'000
Authorized and contracted	15,311	50,000
Authorized but not contracted	19,140	67,100
	34,451	117,100

## 22. RISK MANAGEMENT - FINANCIAL

### 1) Foreign Exchange Risk

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

Below are foreign exchange rates used for valuation purposes as at 31<sup>st</sup> December 2008:

	<b>2008</b>	<b>2007</b>
US\$/G\$	205.25	203.50
GBP/G\$	299.2135	407.6919
EURO/G\$	286.9395	299.4299
CAD/G\$	167.1689	207.4414

### 2) Interest Rate Risk

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

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

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

	<b>2008</b>	<b>2007</b>
	%	%
<b>Foreign Assets</b>		
Caricom Central Banks	-	-
Deposits with Foreign Banks	0.16	3.32
SDR Holdings	2.50	2.50
Capital Market Securities	5.13	4.57
Money Market Securities	2.00	-
<b>Liabilities</b>		
IMF Loan	-	-
CMCF	5.00	5.00

## Liquidity Risk – 2008

	<b>Within 3 months</b>	<b>3 to 12 Months</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>Non-rate sensitive</b>	<b>Total</b>
	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>
<b>Assets</b>						
Notes and Coins	-	-	-	-	229,020	229,020
Gold	-	-	-	-	-	-
Cash and cash equivalents	32,603,435	-	-	-	6,061,288	38,664,723
Foreign currency denominated investments	40,422	98,731	21,047,288	13,396,249	-	34,582,690
IMF - Holdings of SDRs	-	-	-	-	5,391	5,391
Due from Govt & Govt Agencies & Projects	-	-	-	-	19,202,797	19,202,797
Local currency denominated investments	1,174,316	-	-	3,898,537	41,639,225	46,712,078
IMF – Claims	-	-	-	-	1,967,721	1,967,721
Property, plant & equipment	-	-	-	-	1,355,947	1,355,947
Employee benefits	-	-	-	-	110,312	110,312
Other assets	-	-	-	-	14,183,173	14,183,173
<b>Total Assets</b>	<b>33,818,173</b>	<b>98,731</b>	<b>21,047,288</b>	<b>17,294,786</b>	<b>84,754,874</b>	<b>157,013,852</b>
<b>Liabilities</b>						
Notes & Coins in circulation	-	-	-	-	37,854,772	37,854,772
Deposits & Other Demand Liabilities	-	-	-	-	86,237,401	86,237,401
IMF - Allocation of SDRs	-	-	-	-	4,813,075	4,813,075
Foreign Liabilities	-	-	-	715,670	20,413,233	21,128,903
Employee benefits obligation	-	-	-	-	329,757	329,757
Other liabilities	-	-	-	-	1,063,849	1,063,849
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>715,670</b>	<b>150,712,087</b>	<b>151,427,757</b>
<b>Net Liquidity Gap</b>	<b>33,818,173</b>	<b>98,731</b>	<b>21,047,288</b>	<b>16,579,116</b>	<b>(65,957,213)</b>	<b>5,586,095</b>

## Liquidity Risk – 2007

	<b>Within 3 months</b>	<b>3 to 12 Months</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>Non-rate sensitive</b>	<b>Total</b>
	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>	<b>G\$'000</b>
<b>Assets</b>						
Notes and Coins	-	-	-	-	337,152	337,152
Gold	-	-	-	-	-	-
Cash and cash equivalents	7,604,254	-	-	-	6,710,640	14,314,894
Foreign currency denominated investments	126,125	6,619,844	20,406,825	22,033,809	-	49,186,603
IMF - Holdings of SDRs	-	-	-	-	93,298	93,298
Due from Govt & Govt Agencies & Projects	-	-	-	-	6,061,056	6,061,056
Local currency denominated investments	1,024,772	-	-	3,898,537	40,789,753	45,713,062
IMF – Claims	-	-	-	-	6,987,543	6,987,543
Property, plant & equipment	-	-	-	-	1,366,844	1,366,844
Employee benefits	-	-	-	-	91,436	91,436
Other assets	-	-	-	-	6,640,178	6,640,178
<b>Total Assets</b>	<b>8,755,151</b>	<b>6,619,844</b>	<b>20,406,825</b>	<b>25,932,346</b>	<b>69,077,900</b>	<b>130,792,066</b>
<b>Liabilities</b>						
Notes & Coins in circulation	-	-	-	-	33,213,637	33,213,637
Deposits & Other Demand Liabilities	-	-	-	-	65,756,911	65,756,911
IMF - Allocation of SDRs	-	-	-	-	4,468,033	4,468,033
Foreign Liabilities	-	-	-	709,142	19,651,867	20,361,009
Employee benefits obligation	-	-	-	-	259,938	259,938
Other liabilities	-	-	-	-	1,083,217	1,083,217
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>709,142</b>	<b>124,433,603</b>	<b>125,142,745</b>
<b>Net Liquidity Gap</b>	<b>8,755,151</b>	<b>6,619,844</b>	<b>20,406,825</b>	<b>25,223,204</b>	<b>(55,355,703)</b>	<b>5,649,321</b>

### 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 Treasury Bonds, 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:

	2008	2007
	G\$'000	G\$'000
United States of America	41,788,790	26,879,518
Caribbean Countries	16,855,621	12,330,435
Europe	11,761,209	22,297,656
Other	2,194,585	301,965
<b>Total Financial Assets</b>	<b>72,600,205</b>	<b>61,809,574</b>

### 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:

- 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.
- Its diversification of the portfolio into various instruments while limiting the maximum permitted exposure to any one security or issuer.
- Its policy of holding some securities to maturity which in essence eliminates the possibility of loss arising from fluctuations in market price.
- The establishment of an investment committee with oversight responsibilities for the management of foreign assets.

## **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

The table below analyses financial assets and financial liabilities of the Bank in respect of currency positions as at December, 2008. Currencies are in G\$'000 equivalent.

	G\$	US\$	GBP	CAD	EURO	OTHERS	TOTAL
<b>Financial Assets</b>							
Accounts Receivable	2,419,202	-	-	-	-	-	2,419,202
Regional & Foreign Currencies	271,988	652,596	-	-	-	3	924,587
Balances with Foreign Banks	-	1,607,983	971,682	-	10,536,293	-	13,115,958
Balances with Central Banks	-	24,651,920	207,504	36,742	-	-	24,896,166
Domestic Assets	46,712,077	16,044,027	3,158,771	-	-	-	65,914,875
Gold	-	-	-	-	-	-	-
IM F Balances	8,200,771	-	-	-	-	5,391	8,206,162
Investment Securities	-	34,582,691	-	-	-	-	34,582,691
Other Assets	5,596,187	2,077	-	-	-	-	5,598,264
<b>Total Financial Assets</b>	<b>63,200,225</b>	<b>77,541,294</b>	<b>4,337,957</b>	<b>36,742</b>	<b>10,536,293</b>	<b>5,394</b>	<b>155,657,905</b>
<b>Financial Liabilities</b>							
Demand Liabilities	98,360,871	16,472,051	3,158,771	-	-	-	117,991,693
Demand Foreign Liabilities	3,038,724	2,529,254	-	-	259,662	-	5,827,640
IM F Balances	4,813,075	-	-	-	-	13,483,682	18,296,757
Other Liabilities and payables	620,010	-	-	-	-	-	620,010
Regional Governments	6,500	6,383,796	-	-	-	-	6,390,296
<b>Total Financial Liabilities</b>	<b>106,839,180</b>	<b>25,385,101</b>	<b>3,158,771</b>	<b>-</b>	<b>259,662</b>	<b>13,483,682</b>	<b>149,126,396</b>
<b>Net on-balance sheet position</b>	<b>(43,638,955)</b>	<b>52,156,193</b>	<b>1,179,186</b>	<b>36,742</b>	<b>10,276,631</b>	<b>(13,478,288)</b>	<b>6,531,509</b>

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

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

### **23. TRANSACTIONS WITH THE INTERNATIONAL MONETARY FUND (IMF)**

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

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

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

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

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## **GENERAL NOTES**

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

End of Period	Total Assets	Foreign Assets					Claims on Central Government				Advance to Banks	Other	
		Total	Gold	Balances with Banks	SDR Holdings	Market Securities	Total	Securities	T/Bills	Advances		Non - Interest Debenture	Other
<b>1998</b>	118,159.0	45,162.7	3,441.0	13,072.8	33.6	28,615.3	1,020.3	-	1,020.3	-	-	67,960.7	4,015.4
<b>1999</b>	126,515.8	48,305.1	-	19,551.9	220.9	28,532.3	1,567.0	-	1,567.0	-	-	68,723.3	7,920.4
<b>2000</b>	130,940.3	54,654.7	39.1	29,260.4	1,687.8	23,667.4	2,178.2	-	2,178.2	-	-	68,268.5	5,839.0
<b>2001</b>	113,735.4	54,014.8	233.4	30,672.1	463.1	22,646.2	1,022.5	-	1,022.5	-	-	47,992.7	10,705.4
<b>2002</b>	112,695.2	53,577.6	39.3	36,881.8	828.1	15,828.4	1,120.3	-	1,120.3	-	-	47,440.6	10,556.6
<b>2003</b>													
<b>Mar</b>	112,354.7	52,666.4	139.6	30,097.6	755.5	21,673.7	2,013.6	-	2,013.6	-	-	47,440.6	10,234.2
<b>Jun</b>	112,153.8	50,833.7	96.9	30,729.0	86.1	19,921.8	1,616.6	-	1,616.6	-	-	47,440.6	12,262.9
<b>Sep</b>	111,731.7	51,137.6	17.6	28,617.5	1,623.5	20,878.9	1,321.0	-	1,321.0	-	-	47,440.6	11,832.6
<b>Dec</b>	115,630.9	52,816.9	-	28,863.3	873.6	23,080.0	2,330.7	-	2,330.7	-	-	46,873.4	13,609.9
<b>2004</b>													
<b>Mar</b>	111,165.9	50,573.4	-	24,125.1	725.2	25,723.1	1,022.0	-	1,022.0	-	-	46,873.4	12,697.1
<b>Jun</b>	111,508.6	49,021.1	-	29,383.6	506.7	19,130.8	2,065.5	-	2,065.5	-	-	46,873.4	13,548.7
<b>Sep</b>	111,948.6	50,950.3	-	29,842.7	2,004.1	19,103.5	1,022.0	-	1,022.0	-	-	46,873.4	13,102.9
<b>Dec</b>	106,935.9	44,909.9	114.2	22,377.3	1,318.0	21,100.5	1,174.3	-	1,174.3	-	-	46,873.4	13,978.3
<b>2005</b>													
<b>Mar</b>	111,338.7	47,895.0	265.5	22,465.9	2,526.0	22,637.6	1,122.3	-	1,122.3	-	-	45,669.3	16,652.2
<b>Jun</b>	111,308.8	46,616.9	410.8	22,771.8	636.1	22,798.2	1,021.9	-	1,021.9	-	-	45,669.3	18,000.7
<b>Sep</b>	111,851.9	47,653.4	345.9	24,125.2	501.9	22,680.3	1,021.8	-	1,021.8	-	-	45,669.3	17,507.3
<b>Dec<sup>1)</sup></b>	114,800.9	50,159.3	79.2	17,338.9	103.4	32,637.9	1,024.7	-	1,024.7	-	-	45,771.8	17,845.0
<b>2006</b>													
<b>Mar</b>	115,162.5	51,130.5	79.0	12,455.1	2,883.2	35,713.2	1,138.9	-	1,138.9	-	-	45,771.8	17,121.2
<b>Jun</b>	113,511.5	49,176.6	79.1	12,373.9	408.3	36,315.4	1,764.2	-	1,764.2	-	-	45,771.8	16,798.9
<b>Sep</b>	121,534.0	56,456.7	79.1	18,778.2	373.3	37,226.1	2,580.8	-	2,580.8	-	-	45,771.8	16,724.7
<b>Dec</b>	121,408.4	55,721.8	79.5	16,776.8	310.5	38,555.0	3,070.1	-	3,070.1	-	-	45,415.9	17,200.7
<b>2007</b>													
<b>Jan</b>	120,587.7	57,212.6	79.4	16,358.8	310.5	40,463.9	1,033.4	-	1,033.4	-	-	45,415.9	16,925.9
<b>Feb</b>	119,453.1	56,390.1	79.4	14,465.1	269.9	41,575.7	1,033.4	-	1,033.4	-	-	45,415.9	16,613.8
<b>Mar</b>	119,404.2	56,974.9	79.8	13,717.4	269.9	42,907.8	1,033.4	-	1,033.4	-	-	45,415.9	15,980.1
<b>Apr</b>	119,606.1	55,980.7	79.8	12,679.9	269.7	42,951.2	1,319.7	-	1,319.7	-	-	45,415.9	16,889.8
<b>May</b>	117,157.8	53,709.2	79.8	9,545.4	226.6	43,857.4	1,021.6	-	1,021.6	-	-	45,415.9	17,011.1
<b>Jun</b>	119,109.8	55,181.7	80.5	10,880.3	210.4	44,010.5	1,021.6	-	1,021.6	-	-	45,415.9	17,490.7
<b>Jul</b>	121,492.0	57,707.7	80.3	13,660.6	210.4	43,756.5	1,021.6	-	1,021.6	-	-	45,415.9	17,346.8
<b>Aug</b>	122,203.9	58,665.2	80.4	14,638.7	164.8	43,781.3	1,021.5	-	1,021.5	-	-	45,415.9	17,101.4
<b>Sep</b>	125,510.2	62,300.4	-	16,804.9	164.8	45,330.7	1,021.5	-	1,021.5	-	-	45,415.9	16,772.4
<b>Oct</b>	128,954.6	63,610.8	-	17,857.5	164.8	45,588.4	3,016.1	-	3,016.1	-	-	45,415.9	16,911.8
<b>Nov</b>	129,600.5	66,108.3	-	18,081.9	121.7	47,904.6	1,021.5	-	1,021.5	-	-	45,415.9	17,054.8
<b>Dec</b>	130,792.1	63,594.8	-	14,314.9	93.3	49,186.6	1,024.8	-	1,024.8	-	-	44,688.3	21,484.2
<b>2008</b>													
<b>Jan</b>	137,586.2	69,167.4	-	22,809.3	93.3	46,264.8	1,024.8	-	1,024.8	-	-	44,688.3	22,705.7
<b>Feb</b>	136,921.6	67,339.3	-	15,379.1	54.9	51,905.4	1,022.1	-	1,022.1	-	-	44,688.3	23,871.9
<b>Mar</b>	141,882.2	71,967.8	-	16,239.9	154.7	55,573.1	1,022.1	-	1,022.1	-	-	44,688.3	24,204.0
<b>Apr</b>	140,565.7	68,409.4	-	12,412.8	154.4	55,842.2	1,021.5	-	1,021.5	-	-	44,688.3	26,446.5
<b>May</b>	146,262.2	71,476.1	-	16,695.2	133.9	54,647.0	1,021.5	-	1,021.5	-	-	44,688.3	29,076.3
<b>Jun</b>	150,684.3	77,702.7	-	19,495.1	102.8	58,104.8	1,021.5	-	1,021.5	-	-	44,688.3	27,271.8
<b>Jul</b>	151,682.1	77,608.1	-	20,843.7	102.8	56,661.6	1,021.5	-	1,021.5	-	-	44,688.3	28,364.2
<b>Aug</b>	151,776.0	71,973.8	-	17,224.0	67.8	54,682.0	1,021.5	-	1,021.5	-	-	44,688.3	34,092.5
<b>Sep</b>	157,656.9	74,849.1	-	26,463.8	67.8	48,317.5	1,021.5	-	1,021.5	-	-	44,688.3	37,098.0
<b>Oct</b>	155,578.9	74,068.4	-	30,242.3	67.8	43,758.3	1,021.5	-	1,021.5	-	-	44,688.3	35,800.7
<b>Nov</b>	154,696.4	72,557.0	-	40,813.4	36.2	31,707.4	1,021.4	-	1,021.4	-	-	44,688.3	36,429.7
<b>Dec</b>	157,013.9	73,252.8	-	38,664.7	5.4	34,582.7	1,174.3	-	1,174.3	-	-	45,537.8	37,049.0

Source: Bank of Guyana

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

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

End of Period	Total Liabilities	Currency			Deposits						Capital & Reserves		Allocation of SDRs	Other Liabilities
		Total	Notes	Coins	Total	Gov't	Int'l Orgs.	Banks		Other	Authorised Share Capital	Other Reserves		
								EPDS	Other					
<b>1998</b>	118,159.0	12,517.0	12,347.1	169.9	75,507.7	21,461.5	40,663.1	310.2	14,344.6	-1,271.8	1,000.0	18,258.1	2,838.2	8,038.0
<b>1999</b>	126,515.8	15,620.3	15,413.7	206.6	84,906.9	33,448.9	40,368.5	77.0	10,418.5	594.1	1,000.0	18,126.3	3,480.0	3,382.3
<b>2000</b>	130,940.3	16,215.2	15,969.0	246.2	88,090.4	38,037.4	36,059.6	75.6	13,495.4	422.4	1,000.0	19,241.1	3,493.4	2,900.3
<b>2001</b>	113,735.4	16,808.6	16,526.1	282.6	87,492.1	36,537.4	31,617.7	62.2	15,727.7	3,547.1	1,000.0	4,197.8	3,430.1	806.7
<b>2002</b>	112,695.2	17,178.1	16,860.6	317.5	86,244.3	36,201.2	29,086.9	62.0	19,039.0	1,855.2	1,000.0	4,223.1	3,509.0	540.7
<b>2003</b>														
<b>Mar</b>	112,354.7	15,555.5	15,233.4	322.1	87,537.6	41,041.7	29,005.4	62.0	15,207.8	2,220.7	1,000.0	4,321.6	3,509.0	431.1
<b>Jun</b>	112,153.8	15,438.5	15,107.6	330.9	87,920.6	38,235.8	28,713.1	61.9	17,936.0	2,973.9	1,000.0	4,102.6	3,896.0	203.9
<b>Sep</b>	111,731.7	15,669.6	15,328.7	340.9	85,925.0	36,956.4	30,158.3	61.7	16,538.0	2,210.6	1,000.0	4,118.1	3,896.0	1,123.0
<b>Dec</b>	115,630.9	19,774.1	19,419.5	354.5	86,475.8	35,680.0	27,887.8	61.7	19,834.5	3,011.8	1,000.0	4,062.7	3,896.0	422.2
<b>2004</b>														
<b>Mar</b>	111,165.9	17,540.7	17,179.4	361.4	84,565.0	35,224.2	27,640.9	61.7	18,482.9	3,155.3	1,000.0	3,987.7	3,896.0	176.4
<b>Jun</b>	111,508.6	17,542.6	17,169.3	373.3	84,469.8	38,437.7	26,688.0	61.7	16,514.1	2,768.3	1,000.0	3,584.3	4,161.0	750.9
<b>Sep</b>	111,948.6	18,144.0	17,758.2	385.9	84,715.9	36,153.0	27,932.0	61.7	17,424.3	3,145.0	1,000.0	3,816.9	4,161.0	110.7
<b>Dec</b>	106,935.9	21,778.0	21,380.9	397.1	75,538.1	24,785.7	25,626.5	61.7	21,451.9	3,612.3	1,000.0	4,173.6	4,161.0	285.2
<b>2005</b>														
<b>Mar</b>	111,338.7	20,137.1	19,730.8	406.3	81,587.7	26,990.2	28,237.1	61.7	21,162.9	5,135.8	1,000.0	3,873.2	4,161.0	579.8
<b>Jun</b>	111,308.8	19,601.3	19,187.1	414.2	81,730.3	28,990.7	27,789.0	61.7	19,080.7	5,808.1	1,000.0	3,810.6	4,407.8	758.8
<b>Sep</b>	111,851.9	19,714.4	19,289.3	425.2	81,942.8	25,296.2	30,272.4	61.7	21,902.4	4,410.1	1,000.0	4,004.0	4,407.8	782.9
<b>Dec</b>	114,800.9	23,936.2	23,498.3	437.9	80,355.2	21,809.0	29,175.8	61.7	24,616.7	4,692.0	1,000.0	3,837.1	4,407.8	1,264.6
<b>2006</b>														
<b>Mar</b>	115,162.5	21,391.4	20,946.9	444.5	83,460.1	40,773.7	18,189.8	61.7	21,787.3	2,647.5	1,000.0	3,513.3	4,407.8	1,389.9
<b>Jun</b>	113,511.5	21,507.0	21,052.7	454.3	82,003.2	39,152.6	17,803.6	61.7	22,271.7	2,713.6	1,000.0	3,639.6	4,274.9	1,086.7
<b>Sep</b>	121,534.0	22,499.1	22,034.9	464.2	88,999.7	40,544.0	20,401.9	61.7	24,994.3	2,997.8	1,000.0	4,016.4	4,274.9	743.9
<b>Dec</b>	121,408.4	28,611.7	28,132.8	479.0	81,684.8	36,674.5	20,375.0	61.7	21,902.3	2,671.2	1,000.0	4,447.5	4,274.9	1,389.6
<b>2007</b>														
<b>Jan</b>	120,587.7	25,613.7	25,128.6	485.1	83,134.2	33,274.1	20,296.9	61.7	26,501.6	2,999.9	1,000.0	4,453.7	4,274.9	2,111.2
<b>Feb</b>	119,453.1	25,677.6	25,186.5	491.1	81,960.1	35,192.9	19,475.2	61.7	24,207.5	3,022.9	1,000.0	3,727.7	4,274.9	2,812.8
<b>Mar</b>	119,404.2	26,196.4	25,701.4	495.0	81,460.2	36,426.3	19,396.2	61.7	22,498.0	3,078.0	1,000.0	3,849.1	4,274.9	2,623.6
<b>Apr</b>	119,606.1	26,390.5	25,891.3	499.1	80,012.7	30,050.0	19,350.0	61.7	26,980.0	3,571.0	1,000.0	3,889.2	4,274.9	4,038.8
<b>May</b>	117,157.8	25,973.3	25,469.2	504.1	80,267.6	29,639.4	19,387.2	61.7	27,731.6	3,447.8	1,000.0	3,907.0	4,274.9	1,735.0
<b>Jun</b>	119,109.8	25,713.0	25,204.8	508.1	82,887.8	33,445.8	20,106.4	61.7	26,225.5	3,048.5	1,000.0	4,006.8	4,468.0	1,034.2
<b>Jul</b>	121,492.0	25,606.0	25,092.7	513.4	85,256.5	37,973.8	19,942.7	61.7	23,759.5	3,518.7	1,000.0	4,135.3	4,468.0	1,026.1
<b>Aug</b>	122,203.9	26,139.4	25,620.5	518.9	85,269.3	38,078.1	19,891.7	61.7	23,786.3	3,451.5	1,000.0	4,363.6	4,468.0	963.6
<b>Sep</b>	125,510.2	26,475.2	25,952.9	522.3	83,872.0	37,251.8	20,146.5	61.7	22,999.5	3,412.4	1,000.0	4,424.2	4,468.0	5,270.9
<b>Oct</b>	128,954.6	27,702.8	27,175.8	527.1	90,042.8	40,981.5	20,035.9	61.7	26,020.4	2,943.4	1,000.0	4,689.2	4,468.0	1,051.7
<b>Nov</b>	129,600.5	28,411.1	27,878.8	532.3	89,899.5	38,235.5	20,064.7	61.7	28,387.1	3,150.4	1,000.0	4,890.3	4,468.0	931.6
<b>Dec</b>	130,792.1	33,213.6	32,675.7	537.9	85,021.9	36,481.0	20,361.0	61.7	21,207.8	6,910.3	1,000.0	4,649.3	4,468.0	2,439.2
<b>2008</b>														
<b>Jan</b>	137,586.2	29,655.5	29,112.8	542.7	95,620.5	36,676.2	20,308.4	61.7	30,408.6	8,165.6	1,000.0	4,697.8	4,468.0	2,144.4
<b>Feb</b>	136,921.6	29,684.9	29,138.5	546.4	94,557.2	38,120.2	20,564.4	61.7	26,534.5	9,276.4	1,000.0	4,958.6	4,468.0	2,252.8
<b>Mar</b>	141,882.2	31,246.0	30,696.8	549.3	97,339.2	37,128.3	20,670.5	61.7	27,914.9	11,563.9	1,000.0	5,406.4	4,468.0	2,422.6
<b>Apr</b>	140,565.7	31,512.3	30,957.2	555.1	95,879.9	35,426.4	20,496.8	61.7	26,237.1	13,657.9	1,000.0	5,432.2	4,468.0	2,273.4
<b>May</b>	146,262.2	31,841.1	31,281.6	559.5	100,831.8	35,116.6	21,419.2	61.7	29,643.9	14,590.5	1,000.0	5,451.8	4,813.1	2,324.4
<b>Jun</b>	150,684.3	30,960.2	30,396.7	563.5	107,205.2	44,895.4	21,332.4	61.7	28,689.2	12,226.5	1,000.0	5,443.8	4,813.1	1,262.1
<b>Jul</b>	151,682.1	31,603.6	31,035.1	568.5	107,384.6	43,637.6	21,236.0	61.7	28,984.1	13,465.2	1,000.0	5,649.2	4,813.1	1,231.7
<b>Aug</b>	151,776.0	31,338.0	30,762.5	575.4	107,305.0	37,953.1	21,136.7	61.7	29,567.9	18,585.6	1,000.0	6,088.2	4,813.1	1,231.8
<b>Sep</b>	157,656.9	31,255.0	30,673.7	581.2	110,891.9	39,923.8	21,091.6	61.7	29,128.2	20,686.6	1,000.0	6,529.5	4,813.1	3,167.5
<b>Oct</b>	155,578.9	32,026.3	31,440.7	585.6	110,274.3	42,976.4	21,033.9	61.7	27,223.2	18,979.1	1,000.0	6,223.9	4,813.1	1,241.3
<b>Nov</b>	154,696.4	32,704.7	32,112.8	591.9	108,227.8	39,900.7	21,008.9	61.7	28,363.5	18,893.0	1,000.0	6,725.6	4,813.1	1,225.3
<b>Dec</b>	157,013.9	37,854.8	37,258.2	596.6	105,058.4	40,933.3	21,128.9	61.7	20,276.1	22,658.5	1,000.0	6,887.5	4,813.1	1,400.1

Source: Bank of Guyana

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

End of Period	Total Assets	Foreign Sector				Public Sector						Non-Bank Fin. Insts. Loans	Private Sector Loans & Advances & Securities	Bank of Guyana				Other
		Total	Balances due from banks abroad	Loans to Non-Residents	Other	Total	Central Government			Public Enterprises	Other			Total	Deposits	External Payment Deposits	Currency	
							Total	Securities	Loans									
<b>1998</b>	100,494,733	3,969,361	2,693,500	570,119	705,742	18,151,096	15,850,882	15,850,241	641	410,206	1,890,008	195,051	48,872,172	16,069,725	14,576,155	310,233	1,183,337	13,237,328
<b>1999</b>	104,127,717	7,893,742	4,959,704	419,616	2,514,422	15,454,043	13,345,716	13,345,478	238	682,976	1,425,351	568,594	52,165,992	12,418,927	10,143,167	76,972	2,198,788	15,626,419
<b>2000</b>	117,745,982	8,223,770	4,553,178	763,443	2,907,149	23,193,719	20,264,178	20,264,138	40	419,617	2,509,924	659,748	52,778,294	15,509,505	13,713,790	75,608	1,720,107	17,380,946
<b>2001</b>	124,325,837	10,784,082	4,693,479	1,302,137	4,788,466	21,618,879	20,766,067	20,766,067	-	851,603	1,209	463,662	53,897,876	18,340,127	16,607,502	62,239	1,670,386	19,221,211
<b>2002</b>	135,041,638	13,034,284	2,936,306	1,551,060	8,546,918	24,772,996	23,958,389	23,956,186	2,203	807,464	7,143	723,927	55,041,306	21,030,989	19,200,543	62,044	1,768,402	20,438,136
<b>2003</b>																		
<b>Mar</b>	126,407,697	14,572,495	4,045,042	1,559,338	8,968,115	34,669,860	33,944,756	33,943,123	1,633	719,465	5,639	691,371	45,003,188	16,950,390	15,502,137	62,044	1,386,209	14,520,393
<b>Jun</b>	129,668,144	15,584,143	3,680,644	1,611,313	10,292,186	33,568,849	32,899,010	32,896,111	2,899	663,584	6,255	741,771	44,538,701	19,550,420	18,327,750	61,878	1,160,792	15,684,260
<b>Sep</b>	131,832,291	16,497,353	3,936,956	1,439,225	11,121,172	36,618,371	35,939,440	35,937,925	1,515	617,045	61,886	727,722	43,784,536	18,186,488	16,842,180	61,674	1,282,634	16,017,821
<b>Dec</b>	134,994,721	18,284,739	5,914,767	1,476,168	10,893,804	33,132,083	32,248,132	32,246,933	1,199	821,744	62,207	855,478	44,851,255	21,882,609	19,935,021	61,674	1,885,914	15,988,557
<b>2004</b>																		
<b>Mar</b>	139,031,998	18,024,287	5,130,313	1,469,372	11,424,602	40,289,699	37,770,403	37,767,018	3,385	2,506,472	12,824	792,864	41,250,738	20,006,045	18,296,844	61,674	1,647,527	18,668,365
<b>Jun</b>	139,424,086	18,706,121	6,044,836	1,603,219	11,058,066	42,161,608	39,890,950	39,886,690	4,260	2,201,874	68,784	708,352	40,928,012	18,180,820	16,644,298	61,674	1,474,848	18,739,173
<b>Sep</b>	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
<b>Dec</b>	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
<b>2005</b>																		
<b>Mar</b>	151,682,410	22,916,447	7,755,906	1,454,216	13,706,325	44,762,371	43,035,644	43,035,416	228	1,673,633	53,094	438,888	40,907,633	22,733,484	20,655,395	61,674	2,016,415	19,923,587
<b>Jun</b>	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
<b>Sep</b>	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
<b>Dec</b>	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
<b>2006</b>																		
<b>Mar</b>	165,836,191	28,597,117	11,204,867	1,453,199	15,939,051	50,247,319	47,386,144	47,385,286	858	2,859,225	1,950	372,481	43,700,101	23,182,406	21,300,348	61,674	1,820,384	19,736,767
<b>Jun</b>	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
<b>Sep</b>	174,452,240	30,694,213	12,737,055	1,162,617	16,794,541	49,557,263	46,977,216	46,962,830	14,386	2,467,862	112,185	274,593	45,714,394	26,581,272	24,795,160	61,674	1,724,438	21,630,505
<b>Dec</b>	180,216,127	29,861,247	10,111,712	1,365,568	18,383,967	47,078,700	46,021,292	46,020,789	503	966,579	90,829	436,376	49,147,688	28,443,132	25,721,749	61,674	2,659,709	25,248,984
<b>2007</b>																		
<b>Jan</b>	185,732,212	36,555,649	12,536,346	1,106,800	22,912,503	47,618,393	45,284,176	45,276,644	7,532	2,228,877	105,340	272,096	49,098,410	28,313,851	25,959,952	61,674	2,292,225	23,873,813
<b>Feb</b>	188,512,647	37,136,293	11,300,782	1,079,475	24,756,036	50,467,441	47,802,365	47,796,667	5,698	2,558,477	106,599	249,819	50,141,823	25,910,962	23,587,273	61,674	2,262,015	24,606,309
<b>Mar</b>	186,671,746	38,025,323	13,116,229	903,053	24,006,041	49,051,364	46,077,406	46,076,483	923	2,855,743	118,215	246,612	50,715,929	23,759,415	21,869,786	61,674	1,827,955	24,873,103
<b>Apr</b>	192,688,376	40,467,315	12,862,125	1,164,824	26,440,366	46,246,120	43,246,438	43,244,771	1,667	2,873,650	126,032	217,281	51,793,664	28,551,268	26,504,863	61,674	1,984,731	25,412,728
<b>May</b>	192,906,568	42,067,352	13,207,121	988,228	27,872,003	44,063,540	41,048,627	41,048,218	409	2,899,237	115,676	185,709	51,776,802	29,487,549	27,192,349	61,674	2,233,526	25,325,616
<b>Jun</b>	192,100,391	40,451,343	11,620,060	720,038	28,111,245	45,259,107	42,321,302	42,320,848	454	2,820,297	117,508	209,805	52,126,601	27,818,166	25,758,012	61,674	1,998,480	26,235,369
<b>Jul</b>	192,357,020	40,283,285	10,924,837	644,311	28,714,137	47,399,644	44,385,081	44,384,838	243	2,896,137	118,426	170,253	52,278,648	25,399,014	23,258,551	61,674	2,078,789	26,826,176
<b>Aug</b>	192,293,660	40,025,240	10,573,718	710,491	28,741,031	47,512,440	44,311,349	44,309,711	1,638	3,085,714	115,377	171,144	52,565,271	25,746,439	23,601,318	61,674	2,083,447	26,273,126
<b>Sep</b>	193,918,797	41,586,433	9,767,993	675,873	31,142,567	47,398,214	44,484,864	44,484,860	4	2,797,626	115,724	208,496	52,655,523	25,150,895	23,052,813	61,675	2,036,407	26,919,236
<b>Oct</b>	200,559,820	45,608,552	19,366,484	1,279,747	24,962,321	44,909,252	41,940,666	41,940,572	94	2,864,006	104,580	35,282	54,370,050	27,582,713	24,980,694	61,675	2,540,344	28,053,971
<b>Nov</b>	204,734,586	45,634,661	18,673,564	1,085,265	25,875,832	45,801,009	42,921,702	42,921,324	378	2,794,640	84,667	36,452	55,514,678	29,910,893	27,840,221	61,675	2,008,997	27,836,893
<b>Dec</b>	203,845,165	49,624,950	24,551,656	692,892	24,380,402	44,364,708	43,035,615	43,035,613	2	1,239,604	89,489	37,780	56,824,220	24,129,271	20,654,545	61,675	3,413,051	28,994,166
<b>2008</b>																		
<b>Jan</b>	210,645,593	45,074,935	19,602,236	630,239	24,842,460	49,539,273	46,695,106	46,694,785	321	2,761,813	82,354	35,161	56,301,857	32,034,626	29,452,007	61,675	2,520,944	27,659,741
<b>Feb</b>	212,359,614	45,677,526	18,599,568	578,117	26,499,841	52,285,441	49,416,806	49,416,009	797	2,792,221	76,414	57,366	57,079,974	27,877,703	25,881,303	61,675	1,934,725	29,381,604
<b>Mar</b>	216,549,059	47,035,050	19,268,728	397,463	27,368,859	50,015,138	46,793,257	46,781,236	12,021	3,149,710	72,171	38,254	57,183,911	30,253,020	27,241,735	61,675	2,949,610	32,023,686
<b>Apr</b>	219,995,652	47,992,433	18,898,381	417,058	28,676,994	53,301,942	50,277,911	50,277,059	852	2,955,012	69,019	39,772	57,995,931	28,502,544	25,504,968	61,675	2,935,901	32,163,030
<b>May</b>	221,959,194	48,624,129	19,756,104	416,556	28,451,469	50,151,677	47,333,038	47,332,180	858	2,775,704	42,935	39,204	59,355,309	30,785,125	28,527,037	61,675	2,196,413	33,003,750
<b>Jun</b>	224,401,511	50,490,078	20,657,718	342,871	29,489,489	51,871,114	49,191,591	49,151,655	39,936	2,622,966	56,557	94,713	58,800,816	30,494,676	28,389,493	61,675	2,043,508	32,650,114
<b>Jul</b>	225,948,268	48,573,893	19,326,301	361,471	28,886,121	53,340,463	50,303,415	50,298,504	4,911	2,986,545	50,502	190,860	59,387,234	30,720,988	28,348,121	61,675	2,311,192	33,734,830
<b>Aug</b>	226,861,703	46,348,537	14,453,148	1,188,557	30,706,832	51,986,175	49,459,553	49,436,486	23,067	2,455,439	71,183	100,051	61,363,670	32,050,459	29,773,010	61,675	2,215,774	35,012,811
<b>Sep</b>	226,614,411	46,283,023	18,962,136	328,091	26,992,795	53,397,446	50,668,145	50,628,571	39,574	2,673,828	55,473	61,822	61,790,365	30,799,897	28,436,055	61,675	2,302,167	34,281,858
<b>Oct</b>	228,655,121	46,691,084	19,346,068	391,654	26,953,363	54,165,866	50,930,934	50,906,861	24,073	3,180,663	54,289	111,458	63,744,020	28,965,875	26,679,775	61,675	2,224,425	34,976,798
<b>Nov</b>	230,787,294	45,580,420	16,293,274	366														

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

End of Period	Total Liabilities	Foreign Sector				Public Sector				Non-Bank Financial Institutions Deposits	Private Sector Deposits	External Payment Deposits	Bank Of Guyana	Other Liabilities	Capital and Reserves
		Total	Balances due from banks abroad	Non-Residents Deposits	Other	Total	Central Gov't Deposits	Public Enter. Deposits	Other Deposits						
<b>1998</b>	100,494,733	5,283,883	1,090,731	4,193,152	-	10,040,516	1,680,181	4,010,707	4,349,628	5,898,442	56,422,262	310,233	-	3,154,589	19,384,808
<b>1999</b>	104,127,717	4,662,897	767,983	3,894,914	-	7,270,542	3,789,090	3,301,907	179,545	5,796,269	62,152,230	76,972	-	2,692,217	21,476,590
<b>2000</b>	117,745,982	4,875,522	1,435,647	3,439,875	-	9,134,106	4,825,956	1,739,348	2,568,802	8,454,689	69,937,199	75,608	-	2,992,043	22,276,815
<b>2001</b>	124,325,837	4,190,114	1,268,314	2,921,800	-	7,643,860	3,783,884	1,892,619	1,967,357	8,008,540	76,682,347	62,239	-	5,016,241	22,722,496
<b>2002</b>	135,041,638	5,316,744	1,093,082	4,223,662	-	10,279,996	4,453,279	2,708,221	3,118,496	9,221,579	81,622,447	62,044	-	6,261,913	22,276,915
<b>2003</b>															
<b>Mar</b>	126,407,697	5,059,097	1,071,309	3,987,788	-	9,776,494	4,903,705	1,586,912	3,285,877	9,013,658	83,404,359	62,044	-	4,985,161	14,106,884
<b>Jun</b>	129,668,144	5,752,475	803,635	4,948,840	-	9,758,779	4,592,639	1,967,477	3,198,663	9,914,195	84,654,629	61,878	-	5,413,991	14,112,197
<b>Sep</b>	131,832,291	5,445,466	710,025	4,735,441	-	10,357,238	4,644,406	2,177,618	3,535,214	11,103,333	85,326,106	61,674	-	5,323,236	14,215,238
<b>Dec</b>	134,994,721	5,170,319	1,128,289	4,042,030	-	10,908,888	5,070,966	2,403,226	3,434,696	10,933,742	86,841,777	61,674	-	6,411,298	14,667,023
<b>2004</b>															
<b>Mar</b>	139,031,998	4,480,842	570,286	3,910,556	-	11,538,761	5,106,817	2,539,838	3,892,106	12,358,935	89,137,912	61,674	-	6,563,930	14,889,944
<b>Jun</b>	139,424,086	4,628,874	720,652	3,908,222	-	12,621,532	5,241,390	2,946,076	4,434,066	11,156,067	89,961,317	61,674	-	5,293,061	15,701,561
<b>Sep</b>	138,612,169	4,229,796	351,956	3,877,840	-	10,972,609	5,119,847	2,347,808	3,504,954	10,520,626	92,052,181	61,674	-	5,395,642	15,379,641
<b>Dec</b>	146,751,072	7,108,116	450,506	6,657,610	-	12,644,277	5,249,027	3,848,610	3,546,640	11,920,793	92,872,660	61,674	-	7,138,884	15,004,668
<b>2005</b>															
<b>Mar</b>	151,682,410	7,101,922	601,714	6,500,208	-	16,009,556	6,816,524	3,498,443	5,694,589	11,755,293	95,499,468	61,674	-	6,054,076	15,200,421
<b>Jun</b>	153,011,887	8,839,207	540,049	8,299,158	-	15,904,352	6,542,066	2,801,554	6,560,732	12,423,907	95,437,700	61,674	-	4,624,546	15,720,501
<b>Sep</b>	154,381,672	8,249,949	661,128	7,588,821	-	16,138,904	6,592,200	2,748,007	6,798,697	9,671,841	99,386,521	61,674	-	5,332,626	15,540,157
<b>Dec</b>	162,714,548	10,572,576	855,016	9,717,560	-	19,922,999	7,371,844	3,361,451	9,189,704	9,909,956	100,618,120	61,674	-	5,526,802	16,102,421
<b>2006</b>															
<b>Jan</b>	163,986,141	9,821,007	892,456	8,928,551	-	21,685,057	3,642,778	8,820,381	9,221,898	10,270,800	101,934,169	61,674	-	3,940,192	16,273,242
<b>Feb</b>	164,840,819	9,464,579	640,461	8,824,118	-	21,322,921	2,639,241	9,433,895	9,249,785	9,901,074	103,215,435	61,674	-	4,478,059	16,397,077
<b>Mar</b>	165,836,191	10,003,920	652,505	9,351,415	-	21,288,071	2,833,360	9,198,587	9,256,124	9,238,138	104,536,922	61,674	-	4,071,433	16,636,033
<b>Apr</b>	169,118,352	10,832,196	496,777	10,335,419	-	21,194,192	2,465,753	9,316,368	9,412,071	9,212,891	106,778,904	61,674	-	4,097,679	16,940,816
<b>May</b>	170,160,196	10,210,393	636,562	9,573,831	-	20,335,507	2,440,620	8,537,624	9,357,263	10,796,233	107,096,890	61,674	-	4,121,687	17,537,812
<b>Jun</b>	170,159,896	10,567,628	641,512	9,926,116	-	20,318,770	2,025,320	8,976,332	9,317,118	9,282,428	108,167,359	61,674	-	4,217,806	17,544,231
<b>Jul</b>	169,737,920	10,511,170	563,615	9,947,555	-	19,910,009	2,076,394	8,553,864	9,279,751	8,857,398	108,444,788	61,674	-	3,960,036	17,992,845
<b>Aug</b>	174,240,142	11,099,844	463,699	10,636,145	-	20,107,139	2,129,229	8,679,193	9,298,717	8,535,846	111,907,156	61,674	-	4,202,604	18,325,879
<b>Sep</b>	174,452,240	10,267,092	415,620	9,851,472	-	20,464,669	2,103,452	9,042,253	9,318,964	8,535,125	113,294,728	61,674	-	3,951,268	17,877,684
<b>Oct</b>	176,593,591	11,170,828	932,239	10,238,589	-	20,886,828	2,245,946	9,367,754	9,273,128	8,748,185	112,976,210	61,674	-	4,174,535	18,575,331
<b>Nov</b>	177,727,376	11,179,798	809,675	10,370,123	-	19,876,373	2,636,493	7,977,816	9,262,064	8,007,853	115,336,184	61,674	-	5,438,953	17,826,541
<b>Dec</b>	180,208,270	10,836,777	761,491	10,075,286	-	21,432,413	2,945,704	9,119,988	9,366,721	8,539,591	114,585,656	61,674	-	6,917,025	17,835,134
<b>2007</b>															
<b>Jan</b>	185,732,212	12,917,691	1,110,033	11,807,658	-	22,531,276	2,902,203	9,636,591	9,992,482	7,602,396	118,589,388	61,674	-	5,888,207	18,141,580
<b>Feb</b>	188,512,647	12,941,471	1,427,485	11,513,986	-	22,622,061	2,440,679	10,182,509	9,998,873	7,137,004	120,498,328	61,674	-	6,769,786	18,482,323
<b>Mar</b>	186,671,746	12,447,112	988,747	11,458,365	-	21,326,209	2,396,249	9,714,221	9,215,739	7,782,250	120,253,289	61,674	-	6,288,715	18,512,497
<b>Apr</b>	192,688,376	13,207,662	971,988	12,235,674	-	22,337,697	3,144,441	10,005,079	9,188,177	9,445,162	122,159,585	61,674	-	6,426,689	19,049,907
<b>May</b>	192,906,568	12,031,906	812,941	11,218,965	-	22,963,413	3,117,517	10,690,201	9,155,695	8,814,277	124,102,564	61,674	-	5,447,050	19,485,684
<b>Jun</b>	192,100,391	11,735,057	569,074	11,165,983	-	23,616,743	2,972,328	11,405,112	9,239,303	8,737,881	123,376,543	61,674	-	5,341,968	19,230,525
<b>Jul</b>	192,357,020	9,910,926	695,808	9,215,118	-	23,503,617	3,045,810	11,329,398	9,128,409	8,366,460	124,355,129	61,674	-	6,357,994	19,801,220
<b>Aug</b>	192,293,660	9,420,251	629,585	8,790,666	-	23,908,524	2,974,016	11,819,488	9,115,020	8,430,510	124,673,759	61,674	-	5,485,395	20,313,547
<b>Sep</b>	193,918,797	9,696,505	602,113	9,094,392	-	23,461,727	3,830,510	10,297,281	9,333,936	8,725,271	126,041,218	61,674	-	5,565,328	20,367,074
<b>Oct</b>	200,559,820	10,686,512	517,455	10,169,057	-	25,552,136	3,861,211	12,288,518	9,402,407	8,525,202	129,309,524	61,674	-	5,942,667	20,482,105
<b>Nov</b>	204,734,586	11,323,795	467,129	10,856,666	-	25,037,584	3,939,292	11,764,146	9,334,146	8,521,256	133,026,774	61,674	-	5,889,801	20,873,702
<b>Dec</b>	203,845,165	11,169,120	714,191	10,454,929	-	24,862,530	4,302,450	11,162,399	9,397,681	9,334,233	131,001,549	61,674	-	6,602,028	20,814,031
<b>2008</b>															
<b>Jan</b>	210,645,593	10,986,674	743,803	10,242,871	-	28,087,680	5,954,053	12,626,040	9,507,587	9,804,459	134,696,582	61,674	-	5,617,574	21,390,950
<b>Feb</b>	212,359,614	11,367,569	1,264,278	10,103,291	-	27,823,412	5,856,528	12,427,993	9,538,891	10,332,922	134,264,739	61,674	-	6,340,106	22,169,192
<b>Mar</b>	216,549,059	11,244,978	1,491,331	9,753,647	-	28,359,174	5,722,059	13,154,041	9,483,074	10,349,349	136,824,007	61,674	-	7,432,418	22,277,459
<b>Apr</b>	219,995,652	12,563,970	2,247,509	10,316,461	-	27,876,899	5,095,805	13,227,828	9,553,266	10,085,610	140,310,264	61,674	-	6,389,635	22,707,600
<b>May</b>	221,959,194	10,439,316	959,084	9,480,232	-	27,096,040	4,710,837	12,787,119	9,598,084	11,414,063	143,879,371	61,674	-	5,923,640	23,145,090
<b>Jun</b>	224,401,511	10,822,035	1,080,431	9,741,604	-	29,924,927	7,271,860	13,056,194	9,596,873	10,766,940	143,645,350	61,674	-	5,874,519	23,306,066
<b>Jul</b>	225,948,268	10,339,686	897,964	9,441,722	-	29,808,071	7,813,470	12,335,888	9,658,914	10,607,407	144,517,689	61,674	-	7,003,001	23,610,740
<b>Aug</b>	226,861,703	10,526,354	1,151,020	9,375,334	-	28,140,703	5,914,249	12,575,125	9,651,330	10,999,303	145,924,396	61,674	-	7,195,390	24,013,883
<b>Sep</b>	226,614,411	9,749,067	1,237,575	8,511,492	-	27,681,645	5,786,511	12,115,673	9,778,461	9,916,194	144,984,582	61,674	-	9,811,491	24,409,577
<b>Oct</b>	228,655,121	9,638,095	1,098,394	8,539,701	-	28,995,882	5,788,983	13,353,245	9,853,654	9,848,920	148,028,307	61,674	-	6,914,135	25,168,108
<b>Nov</b>	230,787,294	9,321,873	992,882	8,328,991	-	28,662,035	5,497,720	13,337,269	9,827,045	9,685,028	148,224,868	61,674	-	9,078,694	25,753,121
<b>Dec</b>	232,629,338	9,591,596	1,393,261	8,198,335	-	29,720,704	5,587,763	14,203,403	9,929,537	11,121,764	146,970,062	61,674	-	10,500,192	24,663,346

Source: Commercial Banks

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

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

End of Period	Day Of Res. Per. (Week)	Required Reserves	Actual Reserves	Surplus (+) Deficits (-)			
1998		10,922.4	14,335.0	3,412.6			
	1999		9,316.4	10,449.4	1,133.0		
			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
					13,516.7	19,583.4	6,066.7
2003		14,111.7	18,968.2	4,856.5			
	2004		16,909.3	25,109.2	8,199.9		
2006		18,635.2	22,751.7	4,116.5			
2007	Jan		18,882.2	25,488.2	6,606.0		
			18,991.8	27,146.2	8,154.4		
			19,304.0	25,806.0	6,502.1		
			19,444.6	25,956.1	6,511.5		
	Feb		19,429.6	26,602.5	7,173.0		
			19,462.0	24,426.2	4,964.2		
			19,579.0	23,888.3	4,309.2		
			19,709.6	23,248.6	3,539.0		
	Mar		19,628.0	22,262.3	2,634.3		
			19,507.3	23,453.7	3,946.3		
			19,952.5	23,678.0	3,725.4		
		19,833.6	22,625.4	2,791.9			
		19,663.7	21,821.4	2,157.7			
Apr		19,528.7	22,215.7	2,687.0			
		19,721.5	23,857.8	4,136.3			
		19,990.6	27,355.7	7,365.0			
		20,133.0	25,175.8	5,042.8			
May		20,147.4	24,081.0	3,933.6			
		20,305.4	25,356.6	5,051.3			
		20,291.4	26,316.9	6,025.5			
		20,451.3	26,791.3	6,340.1			
Jun		20,275.8	24,178.4	3,902.6			
		20,213.1	25,256.1	5,043.0			
		20,335.2	23,856.5	3,521.3			
		20,289.9	25,648.7	5,358.8			
		20,188.2	26,039.7	5,851.4			
Jul		20,107.6	26,460.4	6,352.8			
		20,149.6	25,850.1	5,700.5			
		20,230.4	23,283.3	3,052.9			
		19,967.7	23,809.6	3,841.9			
Aug		20,024.7	25,173.8	5,149.1			
		20,127.0	25,366.9	5,239.9			
		20,187.8	24,931.6	4,743.8			
		20,042.6	23,754.3	3,711.7			
		19,979.1	23,952.8	3,973.7			
Sep		19,956.7	24,270.4	4,313.8			
		20,102.4	22,291.1	2,188.7			
		20,093.3	22,589.4	2,496.1			
		20,201.0	22,529.9	2,328.9			
Oct		20,268.3	22,895.3	2,627.0			
		20,408.0	23,286.9	2,878.9			
		20,626.0	24,294.6	3,668.6			
		20,692.9	24,924.6	4,231.7			
Nov		20,884.5	25,368.6	4,484.1			
		21,051.9	26,926.2	5,874.3			
		21,300.4	26,732.7	5,432.3			
		21,398.9	26,463.7	5,064.9			
		21,578.5	28,515.0	6,936.5			

End of Period	Day Of Res. Per. (Week)	Required Reserves	Actual Reserves	Surplus (+) Deficits (-)	
Dec		21,599.4	28,295.1	6,695.7	
		21,802.4	25,268.4	3,466.0	
		21,640.3	23,322.1	1,681.8	
		21,477.4	22,808.6	1,331.3	
2008	Jan		21,389.6	27,576.5	6,186.9
			21,738.8	30,065.4	8,326.6
			22,001.7	30,426.4	8,424.7
			22,190.8	28,916.8	6,726.1
	Feb		22,052.4	27,227.8	5,175.5
		22,108.5	27,987.8	5,879.3	
		22,214.1	27,776.1	5,562.0	
		22,239.7	26,427.7	4,188.0	
		22,166.3	26,277.3	4,111.0	
Mar		22,156.8	28,206.5	6,049.7	
		22,216.1	27,403.0	5,186.9	
		22,247.6	26,615.9	4,368.2	
		22,344.9	27,843.0	5,498.1	
Apr		22,411.8	29,247.1	6,835.3	
		22,526.4	27,507.4	4,981.0	
		22,594.7	27,405.0	4,810.4	
		22,842.1	25,286.2	2,444.0	
May		22,814.6	25,233.3	2,418.8	
		22,936.3	27,102.9	4,166.5	
		23,149.7	27,690.1	4,540.4	
		23,067.5	27,831.3	4,763.8	
		23,208.2	29,515.5	6,307.4	
Jun		23,280.4	28,279.4	4,999.0	
		23,253.8	27,375.9	4,122.1	
		23,261.9	29,384.5	6,122.6	
		23,650.9	27,784.4	4,133.6	
Jul		23,477.5	27,841.1	4,363.6	
		23,614.7	26,867.8	3,253.1	
		23,511.9	29,245.3	5,733.4	
		23,605.1	30,037.5	6,432.4	
Aug		23,598.5	27,592.0	3,993.5	
		23,530.1	28,083.1	4,553.0	
		23,509.3	28,400.0	4,890.8	
		23,556.8	28,845.2	5,288.5	
		23,465.7	29,348.6	5,882.9	
Sep		23,191.2	29,206.4	6,015.1	
		23,082.4	28,769.4	5,687.0	
		23,038.4	27,957.8	4,919.4	
		23,319.1	26,937.4	3,618.2	
Oct		23,222.0	27,080.4	3,858.4	
		23,196.4	29,366.4	6,170.0	
		23,503.3	28,518.1	5,014.9	
		23,447.4	26,840.8	3,393.4	
		23,502.2	27,728.5	4,226.4	
Nov		23,664.6	28,460.2	4,795.6	
		23,637.0	28,809.1	5,172.1	
		23,803.9	28,053.9	4,249.9	
		23,658.4	28,354.9	4,696.5	
Dec		23,705.0	29,034.1	5,329.1	
		23,998.8	25,832.8	1,833.9	
		23,998.1	24,529.2	531.2	
		23,859.4	24,969.1	1,109.7	

Source: Commercial Banks

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

End Of Period	Foreign Assets (Net)			Domestic Credit							Money and Quasi-Money					Other (Net)
	Total	Bank of Guyana	Comm Banks	Total	Public Sector			Non-Bank Fin. Insts. (Net)	Private Sector	Total	Money			Quasi-Money Savings & Time Dep.		
					Total	Gov't. (Net)	Public Enter. (Net)				Other Pub. Sect. (Net)	Total	Curr.		Demand Deposits	
1998 <sup>2)</sup>	(71.2)	1,229.8	(1,301.0)	31,947.0	(14,187.9)	(6,340.9)	(3,600.5)	(4,246.5)	(5,703.4)	51,838.3	68,695.6	17,820.7	11,334.2	6,486.4	50,874.9	(36,819.9)
1999	11,591.9	8,361.0	3,230.8	23,860.3	(26,735.3)	(22,080.0)	(2,618.9)	(2,036.4)	(5,227.7)	55,823.3	77,007.7	21,576.0	13,422.2	8,153.9	55,431.7	(41,555.5)
2000	23,181.5	19,835.1	3,346.4	24,697.7	(25,848.3)	(20,421.0)	(1,319.7)	(4,107.6)	(7,794.9)	58,341.0	85,445.1	24,826.6	14,495.1	10,331.6	60,618.5	(37,565.9)
2001	30,136.4	23,542.4	6,594.0	26,052.5	(24,212.6)	(18,287.5)	(1,041.0)	(4,884.1)	(7,544.9)	57,810.0	93,035.5	24,807.4	15,138.3	9,669.1	68,228.1	(36,846.5)
2002	32,203.2	24,539.4	7,663.8	28,141.2	(22,025.9)	(15,330.5)	(1,900.8)	(4,794.6)	(8,497.7)	58,664.8	98,147.3	26,364.8	15,409.7	10,955.1	71,782.6	(37,802.9)
2003																
Mar	32,796.7	23,379.3	9,417.3	24,432.5	(15,712.4)	(9,741.8)	(867.4)	(5,103.1)	(8,322.3)	48,467.2	98,182.2	24,191.2	14,169.3	10,021.9	73,991.0	(40,953.1)
Jun	33,150.5	23,393.0	9,757.4	23,823.2	(14,973.5)	(8,067.6)	(1,303.9)	(5,602.1)	(9,172.4)	47,969.2	99,662.2	24,907.8	14,277.7	10,630.1	74,754.4	(42,688.5)
Sep	32,638.6	21,656.7	10,981.9	26,279.0	(10,771.4)	(4,095.1)	(1,560.6)	(5,115.7)	(10,375.6)	47,426.0	100,269.0	25,956.9	14,386.9	11,569.9	74,312.1	(41,351.3)
Dec	38,080.0	25,011.4	13,068.6	25,198.9	(13,316.6)	(5,926.8)	(1,581.5)	(5,808.3)	(10,078.3)	48,593.7	106,259.1	30,792.7	17,888.2	12,904.5	75,466.5	(48,566.8)
2004																
Mar	36,436.6	22,954.4	13,482.1	27,751.9	(7,763.5)	(1,293.4)	(33.4)	(6,436.8)	(11,566.1)	47,081.5	105,806.2	28,879.1	15,893.2	12,985.9	76,927.1	(41,617.7)
Jun	37,527.8	23,492.0	14,035.8	27,899.0	(8,755.2)	(1,477.4)	(744.2)	(6,533.6)	(10,447.7)	47,101.9	106,615.1	29,912.0	16,067.8	13,844.3	76,703.0	(41,188.3)
Sep	39,381.4	24,104.3	15,277.1	28,622.0	(9,115.5)	(2,877.5)	(250.6)	(5,987.4)	(9,995.8)	47,733.4	109,145.8	30,819.1	16,480.4	14,338.6	78,326.7	(41,142.4)
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	19,545.6	15,060.7	79,888.2	(43,104.9)
2005																
Mar	36,598.2	20,873.3	15,724.9	35,152.0	(1,910.9)	10,596.5	(1,824.8)	(10,682.6)	(11,316.4)	48,379.3	115,034.8	34,059.9	18,120.7	15,939.2	80,974.9	(43,284.6)
Jun	39,249.3	21,146.4	18,102.9	32,417.6	(6,138.0)	6,116.2	(434.7)	(11,819.5)	(11,970.1)	50,525.7	113,958.5	32,507.8	17,586.7	14,921.1	81,450.8	(42,291.7)
Sep	39,266.5	20,061.6	19,204.8	37,177.2	(4,495.4)	6,583.4	93.7	(11,172.5)	(9,196.1)	50,868.7	118,535.8	33,929.3	18,180.5	15,748.7	84,606.5	(42,092.1)
Dec	42,234.9	24,244.0	17,990.9	39,895.8	(3,155.3)	12,521.8	(1,875.9)	(13,801.1)	(9,377.5)	52,428.6	124,011.5	37,839.0	21,526.7	16,312.3	86,172.5	(41,880.7)
2006																
Mar	53,456.7	34,967.8	18,488.9	31,731.6	(13,078.5)	5,163.2	(6,339.4)	(11,902.3)	(8,865.7)	53,675.7	125,516.3	36,460.8	19,571.0	16,889.8	89,055.4	(40,328.0)
Jun	56,252.4	33,071.7	23,180.7	32,984.5	(15,017.7)	2,484.3	(5,522.4)	(11,979.6)	(8,970.9)	56,973.1	129,267.3	37,602.5	19,912.5	17,690.0	91,664.9	(40,030.4)
Sep	57,931.7	37,629.5	20,302.2	37,652.8	(11,623.7)	7,155.8	(6,574.4)	(12,205.2)	(8,260.5)	57,537.1	135,227.9	40,771.6	20,774.7	19,996.9	94,456.3	(39,643.4)
Dec	55,458.9	36,594.8	18,864.0	43,300.4	(10,385.0)	9,716.4	(8,153.4)	(11,947.9)	(8,103.2)	61,788.6	143,776.7	48,069.9	25,952.0	22,117.9	95,706.8	(45,017.4)
2007																
Jan	61,430.4	37,913.5	23,516.9	44,734.8	(9,909.0)	10,386.6	(7,407.7)	(12,887.8)	(7,330.3)	61,974.1	143,672.4	45,642.4	23,321.5	22,320.9	98,030.0	(37,507.2)
Feb	63,033.2	38,958.8	24,074.4	47,292.1	(9,092.6)	11,447.4	(7,624.0)	(12,915.9)	(6,887.2)	63,271.9	146,015.4	46,116.5	23,415.6	22,700.8	99,898.9	(35,690.0)
Mar	63,603.4	38,066.4	25,537.0	46,056.4	(10,501.3)	8,533.5	(6,858.5)	(12,176.3)	(7,535.6)	64,093.3	146,672.5	46,551.5	24,368.5	22,183.0	100,121.0	(37,012.7)
Apr	64,777.9	37,566.1	27,211.7	48,282.4	(8,148.4)	11,616.9	(7,131.4)	(12,633.9)	(9,227.9)	65,658.6	148,820.3	47,174.2	24,405.8	22,768.4	101,646.1	(35,760.0)
May	65,454.8	35,467.3	29,987.5	46,922.7	(10,721.0)	9,558.6	(7,791.0)	(12,488.6)	(8,628.6)	66,272.2	149,310.3	45,003.1	23,739.8	21,263.4	104,307.1	(36,932.8)
Jun	65,430.0	36,720.4	28,709.6	44,811.9	(13,585.8)	7,170.0	(8,584.8)	(12,171.0)	(8,528.1)	66,925.8	148,635.5	44,591.1	23,714.5	20,876.6	104,044.3	(38,393.5)
Jul	69,811.2	39,438.9	30,372.4	43,238.2	(15,930.5)	4,632.3	(8,433.3)	(12,129.6)	(8,196.2)	67,364.9	149,233.7	44,944.2	23,527.2	21,417.0	104,289.5	(36,184.3)
Aug	70,702.3	40,097.3	30,605.0	43,351.9	(16,259.2)	4,526.0	(8,733.8)	(12,051.4)	(8,259.4)	67,870.5	150,086.7	46,495.6	24,056.0	22,439.6	103,591.2	(36,032.5)
Sep	75,440.5	43,555.2	31,885.3	44,720.7	(15,060.3)	4,669.3	(7,499.7)	(12,229.9)	(8,516.8)	68,297.7	152,350.0	46,608.8	24,438.8	22,170.0	105,741.2	(32,188.9)
Oct	79,800.0	44,882.6	34,917.4	40,419.5	(21,307.1)	359.4	(9,424.5)	(12,242.0)	(8,489.9)	70,216.4	156,053.0	49,340.2	25,162.5	24,177.7	106,712.9	(35,833.6)
Nov	81,396.1	47,089.9	34,306.2	43,903.9	(19,356.5)	2,013.7	(8,969.5)	(12,400.6)	(8,484.8)	71,745.1	161,114.4	52,292.5	26,402.1	25,890.4	108,821.9	(35,814.4)
Dec	83,094.4	44,643.2	38,451.2	41,430.5	(22,619.9)	3,522.2	(9,922.8)	(16,219.3)	(9,296.5)	73,346.9	163,399.4	54,240.7	29,800.6	24,440.1	109,158.7	(38,874.5)
2008																
Jan	84,280.5	50,192.2	34,088.3	46,285.5	(16,973.1)	5,334.9	(9,864.2)	(12,443.8)	(9,769.3)	73,027.9	163,653.2	52,358.3	27,134.5	25,223.8	111,294.9	(33,087.2)
Feb	82,473.5	48,163.5	34,310.0	48,610.7	(15,446.0)	6,707.5	(9,635.8)	(12,517.7)	(10,275.6)	74,332.2	163,768.1	51,610.9	27,750.1	23,860.8	112,157.2	(32,684.0)
Mar	88,271.4	52,488.2	35,783.2	46,355.9	(18,088.0)	5,210.3	(10,004.3)	(13,294.0)	(10,311.1)	74,755.1	167,164.0	53,590.3	28,296.4	25,293.9	113,573.8	(32,536.7)
Apr	84,586.6	49,165.1	35,421.5	53,334.1	(12,808.9)	11,022.6	(10,272.8)	(13,558.6)	(10,045.8)	76,188.8	171,187.2	54,755.4	28,576.8	26,179.1	116,431.8	(34,266.5)
May	90,433.6	52,255.7	38,177.9	51,993.5	(14,495.7)	8,772.4	(10,011.4)	(13,256.7)	(11,374.9)	77,864.1	175,245.4	57,003.7	29,844.7	27,359.0	118,241.7	(32,818.2)
Jun	97,967.7	58,299.6	39,668.0	42,479.3	(24,385.7)	(1,708.9)	(10,433.2)	(12,243.6)	(10,672.2)	77,537.2	174,210.3	55,302.8	28,916.7	26,386.2	118,907.4	(33,763.4)
Jul	96,514.1	58,279.8	38,234.2	47,199.4	(21,694.3)	119.2	(9,349.1)	(12,464.3)	(10,416.5)	79,310.2	176,270.0	56,977.0	29,292.4	27,684.5	119,293.1	(32,556.6)
Aug	88,761.0	52,902.3	35,858.7	55,088.6	(15,569.5)	6,859.0	(10,119.7)	(12,308.7)	(10,899.3)	81,557.3	176,756.4	57,522.1	29,122.2	28,399.9	119,234.3	(32,906.8)
Sep	92,713.6	56,137.2	36,576.4	56,514.6	(15,785.6)	6,224.6	(9,441.8)	(12,568.3)	(9,854.6)	82,154.6	178,594.8	59,807.1	28,952.8	30,854.3	118,787.7	(29,366.5)
Oct	92,956.1	55,860.9	37,095.3	55,543.6	(19,340.4)	3,432.3	(10,172.6)	(12,600.1)	(9,737.5)	84,621.5	179,224.9	57,289.1	29,801.9	27,487.3	121,935.8	(30,725.2)
Nov	90,691.6	54,390.9	36,300.8	60,672.2	(16,541.7)	6,407.8	(10,635.7)	(12,313.8)	(9,603.2)	86,817.1	181,546.3	58,020.6	30,589.4	27,431.1	123,525.8	(30,182.5)
Dec	94,141.7	54,230.5	39,911.1	59,775.5	(18,546.5)	5,843.6	(11,205.3)	(13,184.8)	(11,012.6)	89,334.6	184,153.0	61,035.3	34,552.4	26,482.9	123,117.7	(30,235.9)

Source: Bank of Guyana and Commercial Banks

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

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

Item	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007				2008											
	Dec	Mar	Jun	Sep	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec								
<b>BANK OF GUYANA</b>																									
Bank Rate	11.25	13.25	11.75	8.75	6.25	5.50	6.00	6.00	6.75	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.75	6.75	6.75
Treasury Bill Discount Rate																									
91 Days	8.84	11.07	9.20	6.25	3.91	3.40	3.79	3.74	4.16	3.94	3.94	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.94	3.94	3.94	3.94	4.19	4.19	4.19
182 Days	8.69	12.66	10.66	7.31	4.12	3.37	3.96	3.84	4.18	4.00	3.92	3.92	3.92	3.96	3.96	3.89	3.89	3.89	3.89	3.92	4.07	4.07	4.07	4.48	4.48
364 Days	9.25	12.79	11.09	8.17	4.91	4.01	4.13	4.21	4.24	4.23	4.19	4.05	4.35	4.15	4.46	4.34	4.24	4.24	4.30	4.61	4.64	4.76	4.88	4.81	4.81
Interest Rate on EPD	10.25	12.25	10.75	7.75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>COMMERCIAL BANKS</b>																									
Small Savings Rate	7.06	7.97	7.28	6.70	4.29	3.46	3.42	3.38	3.19	3.19	3.19	3.19	3.15	3.15	3.15	3.15	3.11	3.08	3.08	3.25	3.25	3.12	3.12	3.04	3.04
Prime Lending Rate (weighted average) <sup>2)</sup>	17.00	17.13	17.16	17.26	17.27	16.69	15.91	15.24	14.47	14.33	13.97	13.96	13.89	13.94	13.93	13.98	14.01	13.94	13.94	13.88	13.85	13.82	13.83	13.84	13.91
Prime Lending Rate <sup>3)</sup>	16.64	17.25	17.21	16.79	16.25	14.88	14.54	14.54	14.54	14.54	14.71	14.71	14.71	14.71	14.71	14.71	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54	14.54
Comm. Banks' Lending Rate (weighted average)	18.29	17.87	17.68	17.60	16.83	15.58	10.85	13.50	13.12	12.83	12.72	12.40	12.40	12.35	12.35	12.35	12.04	12.12	12.15	12.13	12.27	12.13	12.39	12.29	12.35
<b>HAND-IN-HAND TRUST CORP. INC <sup>4)</sup></b>																									
Domestic Mortgages	16.00	16.00	16.00	16.00	16.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Commercial Mortgages	19.00	19.00	20.00	20.00	20.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Average Deposit Rates	8.95	11.00	9.18	7.55	4.82	3.79	3.75	3.23	3.14	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23
<b>NEW BUILDING SOCIETY</b>																									
Deposits <sup>5)</sup>	7.00	7.00	7.50	6.50	4.50	3.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Mortgage Rates	11.00	11.00	11.00	11.00	9.95	9.95	8.95	8.95	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Five dollar shares	8.00	8.50	9.00	8.00	5.75	4.75	4.00	4.00	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Save and prosper shares	9.50	10.00	10.50	9.00	6.50	6.00	5.00	5.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50

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

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

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

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

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

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

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

Item	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007**	2008*
<b>CURRENT ACCOUNT</b>											
Revenue	33,121.1	36,839.4	41,334.6	41,426.2	44,584.4	45,391.6	51,664.3	56,152.3	62,356.4	80,356.9	82,483.9
Expenditure	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	62,960.9	76,154.1
Balance	2,926.4	4,999.9	(1,600.8)	(1,873.3)	(19.3)	(1,351.4)	4,726.4	2,390.7	2,763.4	17,396.0	6,329.8
<b>CAPITAL ACCOUNT</b>											
Receipts	2,842.5	7,389.5	10,144.0	10,906.4	11,420.3	8,406.0	10,133.5	11,995.8	17,524.6	11,136.0	17,029.1
Revenue	65.0	4,045.0	5,680.4	7,986.5	8,731.7	5,761.7	5,930.7	5,437.9	6,204.1	3,624.0	3,417.5
External Grants	2,777.5	3,344.5	4,463.6	2,919.9	2,688.6	2,644.3	4,202.8	6,557.9	11,320.5	7,512.0	13,611.6
Expenditure	13,086.1	12,345.2	17,132.8	16,510.5	15,734.0	17,292.5	22,416.6	35,143.2	41,806.4	42,877.2	36,389.6
<b>OVERALL DEFICIT/SURPLUS</b>	(7,317.2)	44.2	(8,589.6)	(7,477.4)	(4,333.0)	(10,237.9)	(7,556.7)	(20,756.7)	(21,518.3)	(14,345.2)	(13,030.7)
<b>FINANCING</b>	7,317.2	(44.2)	8,589.5	7,477.5	4,333.0	10,237.9	7,556.7	20,756.7	21,518.3	14,345.2	13,030.7
External Financing	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	20,147.3	25,314.6
Domestic Financial System	3,278.0	(7,701.3)	855.6	8,053.9	3,057.1	8,389.3	8,767.8	2,930.4	(350.1)	(6,766.3)	482.0
Banking System	3,955.7	(15,243.3)	2,088.3	1,307.8	3,178.4	9,403.7	15,444.1	3,000.7	(2,805.4)	(6,194.5)	2,321.4
Non-Bank Borrowing	(677.7)	7,542.1	(1,232.7)	6,746.1	(121.3)	(1,014.4)	(6,676.3)	(70.3)	2,455.3	(571.8)	(1,839.4)
Other Financing 1)	1,304.2	3,395.0	(969.7)	(8,536.9)	(2,576.3)	(4,893.1)	(1,084.7)	2,741.6	1,057.6	964.2	(12,765.9)

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	1998 <sup>b)</sup>	1999 <sup>c)</sup>	2000 <sup>d)</sup>	2001	2002 <sup>e)</sup>	2003 <sup>f)</sup>	2004	2005 <sup>g)</sup>	2006 <sup>h)</sup>	2007	2008
<b>Current Revenue</b>	49,711	46,699	43,604	45,462	50,603	66,566	78,427	82,345	84,661	89,917	101,515
Export Sales	27,769	28,785	23,418	23,297	28,494	27,174	35,274	32,823	32,036	32,393	29,636
Local Sales	13,694	8,890	9,342	10,861	11,485	20,788	31,067	33,626	38,207	42,076	49,796
Other	8,248	9,025	10,844	11,305	10,625	18,604	12,086	15,896	14,417	15,448	22,083
<b>Current Expenditure</b>	41,091	38,955	39,549	39,812	45,662	61,098	70,921	76,897	76,967	83,478	98,494
Materials & Supplies	13,113	11,733	15,777	11,442	11,729	18,254	21,779	23,250	24,003	26,898	33,403
Employment	13,196	15,323	11,955	15,247	17,423	19,195	20,105	18,413	19,568	20,871	21,307
Interest	121	67	60	100	98	204	332	311	359	395	428
Other <sup>a)</sup>	14,661	11,833	11,757	13,023	16,411	23,445	28,706	34,922	33,037	35,315	43,355
<b>Operating Surplus(+)/Def(-)</b>	8,620	7,744	4,054	5,650	4,942	5,469	7,506	5,448	7,693	6,439	3,021
<b>Gross Cash Surplus(+)/Def(-)</b>	8,620	7,744	4,054	5,650	4,942	5,469	7,506	5,448	7,693	6,439	3,021
<b>Transfers to Central Govt.</b>	3,156	2,920	1,099	481	1,683	738	876	928	1,355	1,039	1,118
Taxes	3,009	1,489	958	481	1,371	610	876	678	1,230	1,161	1,243
Dividends	147	1,431	141	-	312	128	-	250	125	1	125
VAT	-	-	-	-	-	-	-	-	-	(124)	(250)
Payments	-	-	-	-	-	-	-	-	-	117	54
Refunds	-	-	-	-	-	-	-	-	-	(241)	(304)
<b>Cash Surplus (+)/Deficit(-)</b>	5,464	4,824	2,956	5,169	3,258	4,730	6,630	4,520	6,338	5,400	1,903
<b>Capital Expenditure</b>	3,435	3,749	2,113	1,713	1,732	2,558	2,968	3,445	2,647	5,816	12,644
<b>Overall Cash Surplus (+)/Deficit(-)</b>	2,029	1,075	843	3,456	1,526	2,172	3,662	1,076	3,691	(416)	(10,741)
<b>Financing</b>	(2,029)	(1,075)	(843)	(3,456)	(1,526)	(2,172)	(3,662)	(1,076)	(3,691)	416	10,741
<b>External Borrowing (Net)</b>	(493)	(25)	(24)	(395)	(142)	47	(1,775)	(87)	-	-	(83)
<b>Domestic Financing (Net)</b>	(2,050)	(3,004)	(481)	(1,334)	(1,382)	1,485	5,066	(2,552)	(3,759)	(831)	6,985
Banking System (Net)	(695)	3,367	(2,088)	1,082	(2,425)	(884)	(1,147)	(4,736)	(1,323)	(632)	(100)
Non-bank Fin. Inst.(Net)	-	-	1,330	66	-	-	-	-	-	-	-
Holdings of Cent. Govt Sec.	(2,623)	(6,682)	277	(2,532)	1,043	2,368	6,213	2,184	(2,435)	(200)	(118)
Transfers from Cent.Govt	1,269	311	-	50	-	-	-	-	-	-	7,203
Other	514	1,954	(338)	(1,727)	(2)	(3,703)	(6,953)	1,563	67	1,247	3,839

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

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

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

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

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

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

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

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

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

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

Period Ended	Total	Bonds	Debentures	CARICOM Loan <sup>3)</sup>	Treasury Bills
<b>1998 <sup>2)</sup></b>	35,851.8	5.9	8,123.0	0.0	27,722.9
<b>1999</b>	41,629.6	4.6	6,418.0	0.0	35,207.0
<b>2000</b>	48,035.1	4.6	4,017.0	0.0	44,013.6
<b>2001</b>	52,008.4	4.0	3,914.2	0.0	48,090.1
<b>2002</b>	53,794.0	3.6	3,898.5	0.0	49,891.9
<b>2003</b>					
<b>Mar</b>	65,918.5	3.6	11,816.5	0.0	54,098.5
<b>Jun</b>	62,692.6	3.5	11,816.5	0.0	50,872.6
<b>Sep</b>	63,893.7	3.5	11,816.5	0.0	52,073.7
<b>Dec</b>	62,662.2	3.5	11,816.5	739.5	50,102.7
<b>2004</b>					
<b>Mar</b>	63,950.8	3.4	11,816.5	739.5	51,391.4
<b>Jun</b>	64,438.3	3.4	11,816.5	731.4	51,886.9
<b>Sep</b>	59,995.6	3.4	11,816.5	731.4	47,444.2
<b>Dec</b>	65,849.8	5,343.1	11,816.5	721.6	47,968.6
<b>2005</b>					
<b>Mar</b>	71,322.7	5,343.1	11,816.5	721.6	53,441.5
<b>Jun</b>	69,203.0	5,343.1	11,816.5	704.4	51,339.0
<b>Sep</b>	65,924.3	5,343.1	11,816.5	704.4	48,060.3
<b>Dec</b>	67,754.3	5,343.1	11,816.5	687.2	49,907.4
<b>2006</b>					
<b>Mar</b>	73,960.1	5,343.1	11,816.5	687.2	56,113.2
<b>Jun</b>	72,817.8	5,343.1	11,816.5	670.1	54,988.1
<b>Sep</b>	77,477.8	5,343.1	11,816.5	670.1	59,648.2
<b>Dec</b>	74,308.3	3,972.4	11,816.5	655.3	57,864.0
<b>2007</b>					
<b>Jan</b>	71,808.4	3,972.4	11,816.5	655.3	55,364.2
<b>Feb</b>	74,608.2	3.4	15,785.5	655.3	58,164.0
<b>Mar</b>	72,956.9	3.4	15,785.5	655.3	56,512.7
<b>Apr</b>	69,053.2	3.4	15,785.5	655.3	52,609.0
<b>May</b>	67,133.0	3.4	15,785.5	655.3	50,688.8
<b>Jun</b>	68,999.1	3.4	15,785.5	641.3	52,568.9
<b>Jul</b>	70,999.2	3.4	15,785.5	641.3	54,569.1
<b>Aug</b>	70,899.1	3.4	15,785.5	641.3	54,469.0
<b>Sep</b>	70,999.1	3.4	15,785.5	641.3	54,568.9
<b>Oct</b>	70,499.2	3.4	15,785.5	641.3	54,069.1
<b>Nov</b>	69,396.5	3.4	15,785.5	641.3	52,966.4
<b>Dec</b>	69,345.4	3.4	15,785.5	630.1	52,926.4
<b>2008</b>					
<b>Jan</b>	71,845.5	3.4	15,785.5	630.1	55,426.5
<b>Feb</b>	75,345.5	3.4	15,785.5	630.1	58,926.5
<b>Mar</b>	72,802.5	3.4	12,742.5	630.1	59,426.5
<b>Apr</b>	74,722.7	3.4	12,742.5	630.1	61,346.7
<b>May</b>	71,920.2	3.4	12,742.5	630.1	58,544.2
<b>Jun</b>	74,222.5	3.4	12,742.5	609.6	60,867.0
<b>Jul</b>	75,322.7	3.4	12,742.5	609.6	61,967.2
<b>Aug</b>	74,372.7	3.4	12,742.5	609.6	61,017.2
<b>Sep</b>	74,972.6	3.4	12,742.5	609.6	61,617.1
<b>Oct</b>	75,460.9	3.4	12,742.5	609.6	62,105.4
<b>Nov</b>	75,061.3	3.4	12,742.5	609.6	61,705.8
<b>Dec</b>	75,096.2	3.4	12,742.5	595.8	61,754.5

Source: Bank of Guyana.

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

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

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

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

Period Ended	Treasury Bills										
	Treasury Bills	Banking System			Non-Bank Financial Institutions	Public Sector				Private Sector	Non-Resident
		Total	Bank of Guyana	Commercial Banks		Total	Public Enterprise	National Insurance	Sinking Funds		
<b>1998</b> <sup>1)</sup>	27,722.9	15,497.8	1,043.5	14,454.3	6,392.7	5,754.0	-	5,754.0	-	63.7	14.7
<b>1999</b>	35,207.0	14,030.9	1,613.0	12,417.9	6,185.4	12,939.2	274.9	12,664.4	-	2,038.3	13.3
<b>2000</b>	44,013.6	23,920.9	2,222.9	21,698.0	6,516.3	12,336.7	-	12,336.7	-	1,210.8	29.0
<b>2001</b>	48,090.1	23,012.9	1,039.9	21,973.0	9,723.2	15,139.2	-	15,139.2	-	166.2	48.7
<b>2002</b>	49,891.9	25,990.3	1,133.4	24,856.9	10,229.5	13,430.3	-	13,430.3	-	198.1	43.9
<b>2003</b>											
Mar	54,098.5	28,985.7	2,030.8	26,955.0	11,325.3	13,542.7	-	13,542.7	-	185.0	59.8
Jun	50,872.6	27,499.2	1,630.9	25,868.3	11,123.5	12,163.8	-	12,163.8	-	26.4	59.8
Sep	52,073.7	30,325.9	1,331.0	28,995.0	11,078.9	10,589.7	-	10,589.7	-	19.4	59.8
Dec	50,102.7	27,569.7	2,344.4	25,225.3	11,720.0	10,753.3	-	10,753.3	-	-	59.8
<b>2004</b>											
Mar	51,391.4	31,783.0	1,031.9	30,751.1	10,954.0	8,441.2	-	8,441.2	-	213.2	-
Jun	51,886.9	35,141.9	2,081.8	33,060.1	12,386.8	4,084.0	-	4,084.0	-	232.3	42.0
Sep	47,444.2	31,346.8	1,032.7	30,314.1	11,963.8	4,084.0	-	4,084.0	-	7.7	42.0
Dec	47,968.6	32,443.2	1,182.6	31,260.7	11,216.9	4,258.9	-	4,258.9	-	7.7	42.0
<b>2005</b>											
Mar	53,441.5	37,126.7	1,135.8	35,990.9	11,998.4	4,258.9	-	4,258.9	-	15.7	42.0
Jun	51,339.0	34,295.2	1,032.7	33,262.5	12,476.9	4,258.9	-	4,258.9	-	308.2	-
Sep	48,060.3	31,118.7	1,032.5	30,086.2	12,673.4	4,258.9	-	4,258.9	-	9.4	-
Dec	49,907.4	34,434.1	1,032.5	33,401.7	13,090.8	1,977.9	-	1,977.9	-	359.9	44.7
<b>2006</b>											
Mar	56,113.2	39,940.1	1,150.6	38,789.5	13,773.1	1,977.9	-	1,977.9	-	377.4	44.7
Jun	54,988.1	34,107.6	1,782.7	32,324.9	14,327.3	6,504.6	-	6,504.6	-	3.9	44.7
Sep	59,648.2	40,284.3	2,615.0	37,669.3	13,977.7	4,922.6	-	4,922.6	-	418.9	44.7
Dec	57,864.0	39,784.9	3,081.9	36,703.0	13,502.1	4,526.7	-	4,526.7	-	3.9	46.5
<b>2007</b>											
Jan	55,364.2	36,936.9	1,033.3	35,903.6	13,850.2	4,526.7	-	4,526.7	-	3.9	46.5
Feb	58,164.0	39,660.7	1,033.1	38,627.6	13,926.2	4,526.7	-	4,526.7	-	3.9	46.5
Mar	56,512.7	38,320.6	1,032.8	37,287.8	13,615.0	4,526.7	-	4,526.7	-	3.9	46.5
Apr	52,609.0	35,823.8	1,332.8	34,491.0	12,112.0	4,622.9	-	4,622.9	-	3.9	46.5
May	50,688.8	33,324.2	1,032.7	32,291.5	12,611.4	4,702.8	-	4,702.8	-	3.9	46.5
Jun	52,568.9	34,618.2	1,032.7	33,585.5	13,167.7	4,732.7	-	4,732.7	-	3.9	46.5
Jul	54,569.1	36,618.2	1,032.7	35,585.5	13,167.9	4,732.7	-	4,732.7	-	3.9	46.5
Aug	54,469.0	36,731.8	1,032.6	35,699.2	12,954.1	4,732.7	-	4,732.7	-	3.9	46.5
Sep	54,568.9	36,831.8	1,032.6	35,799.2	12,954.1	4,732.7	-	4,732.7	-	3.9	46.5
Oct	54,069.1	36,281.8	3,032.6	33,249.2	13,004.3	4,732.7	-	4,732.7	-	3.9	46.5
Nov	52,966.4	35,448.3	1,032.6	34,415.7	12,781.6	4,732.7	-	4,732.7	-	3.9	-
Dec	52,926.4	35,448.3	1,032.6	34,415.7	12,741.6	4,732.7	-	4,732.7	-	3.9	-
<b>2008</b>											
Jan	55,426.5	39,164.7	1,032.6	38,132.2	11,525.3	4,732.7	-	4,732.7	-	3.9	-
Feb	58,926.5	42,167.0	1,032.6	41,134.5	12,023.0	4,732.7	-	4,732.7	-	3.9	-
Mar	59,426.5	42,517.2	1,032.6	41,484.6	12,172.8	4,732.7	-	4,732.7	-	3.9	-
Apr	61,346.7	46,017.2	1,032.6	44,984.6	12,173.0	3,152.6	-	3,152.6	-	4.0	-
May	58,544.2	42,920.7	1,032.6	41,888.1	10,769.5	4,850.1	-	4,850.1	-	4.0	-
Jun	60,867.0	44,720.6	1,032.6	43,688.1	11,292.4	4,850.1	-	4,850.1	-	4.0	-
Jul	61,967.2	45,820.6	1,032.6	44,788.1	11,292.5	4,850.1	-	4,850.1	-	4.0	-
Aug	61,017.2	45,083.9	1,032.6	44,051.3	11,079.3	4,850.1	-	4,850.1	-	4.0	-
Sep	61,617.1	45,683.7	1,032.5	44,651.3	11,079.3	4,850.1	-	4,850.1	-	4.0	-
Oct	62,105.4	46,333.7	1,032.5	45,301.3	10,918.8	4,850.1	-	4,850.1	-	2.9	-
Nov	61,705.8	46,023.2	1,032.8	44,990.4	10,829.7	4,850.1	-	4,850.1	-	2.9	-
Dec	61,754.5	46,174.5	1,183.3	44,991.2	10,727.2	4,850.1	-	4,850.1	-	2.9	-

Source: Bank of Guyana

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

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

Period Ended	Total Outstanding Debt	Medium & Long Term					
		Bilateral	Multilateral	Financial <sup>1)</sup>	Supp. Cr. <sup>2)</sup>	Nationalisation	Bonds
<b>1998</b>	1,507,490	450,940	966,440	1,020	54,360	6,640	28,090
<b>1999 <sup>3)</sup></b>	1,210,924	360,917	792,250	526	15,190	7,508	34,533
<b>2000</b>	1,193,183	353,529	788,357	526	14,746	7,794	28,231
<b>2001</b>	1,197,301	352,282	796,653	170	12,973	7,678	27,545
<b>2002</b>	1,352,138	438,266	835,172	10,451	16,111	24,425	27,715
<b>2003</b>							
<b>1st Qtr</b>	1,250,177	352,430	842,603	8,707	15,192	3,430	27,815
<b>2nd Qtr</b>	1,246,016	336,593	854,045	8,892	14,932	3,450	28,104
<b>3rd Qtr</b>	1,265,773	336,167	874,322	9,074	14,636	3,450	28,125
<b>4th Qtr</b>	1,199,125	224,369	916,801	10,998	14,861	3,487	28,609
<b>2004</b>							
<b>1st Qtr</b>	1,081,592	119,213	913,536	3,346	13,604	3,400	28,493
<b>2nd Qtr</b>	1,020,398	86,951	910,762	3,299	13,516	3,435	2,436
<b>3rd Qtr</b>	1,043,304	84,350	936,793	3,248	13,055	3,421	2,436
<b>4th Qtr</b>	1,188,652	191,371	974,795	5,485	13,324	3,435	242
<b>2005</b>							
<b>1st Qtr</b>	1,066,435	76,821	970,049	3,159	12,718	3,447	241
<b>2nd Qtr</b>	1,066,641	91,607	955,526	3,098	12,718	3,451	239
<b>3rd Qtr</b>	1,084,926	92,113	973,354	3,041	12,718	3,462	239
<b>4th Qtr</b>	1,214,559	220,938	971,556	5,010	13,347	3,470	238
<b>2006</b>							
<b>1st Qtr</b>	1,172,433	224,626	925,746	4,986	13,353	3,484	238
<b>2nd Qtr</b>	1,205,424	231,141	952,111	5,080	13,359	3,492	240
<b>3rd Qtr</b>	1,020,330	235,755	762,425	5,046	13,365	3,498	241
<b>4th Qtr</b>	1,043,173	243,042	778,119	5,107	13,371	3,493	42
<b>2007</b>							
<b>1st Qtr</b>	1,049,081	247,410	779,716	5,050	13,376	3,485	44
<b>2nd Qtr</b>	658,712	253,482	383,300	5,039	13,382	3,464	45
<b>3rd Qtr</b>	668,635	246,228	400,502	5,003	13,388	3,469	45
<b>4th Qtr</b>	718,113	267,273	429,023	4,894	13,394	3,485	44
<b>2008</b>							
<b>1st Qtr</b>	757,442	295,067	440,631	4,823	13,399	3,477	44
<b>2nd Qtr</b>	773,777	304,548	447,532	4,757	13,405	3,490	44
<b>3rd Qtr</b>	804,301	332,977	449,960	4,416	13,410	3,498	40
<b>4th Qtr</b>	833,661	340,155	472,678	3,895	13,417	3,484	32

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

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

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

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

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

Item	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>CURRENT ACCOUNT BALANCE</b>	<b>(98.5)</b>	<b>(75.2)</b>	<b>(109.2)</b>	<b>(128.8)</b>	<b>(106.1)</b>	<b>(82.6)</b>	<b>(69.8)</b>	<b>(157.61)</b>	<b>(250.3)</b>	<b>(189.1)</b>	<b>(299.1)</b>
<i>Merchandise Trade</i>											
Exports f.o.b.	547.0	525.0	505.2	490.3	495.5	512.8	589.0	550.94	585.1	698.0	798.4
Imports c.i.f	(601.2)	(550.2)	(585.4)	(584.1)	(563.1)	(571.7)	(646.8)	(783.69)	(885.0)	(1,063.1)	(1,300.2)
Trade Balance	(54.2)	(25.2)	(80.2)	(93.8)	(67.6)	(58.9)	(57.8)	(232.75)	(299.8)	(365.1)	(501.8)
<i>Net Services and unrequited Transfers</i>											
Non Factor Services (net)	(44.3)	(50.0)	(29.0)	(35.0)	(38.5)	(23.7)	(12.0)	75.14	49.5	176.0	202.7
Factor Services (net)	(32.1)	(31.1)	(23.9)	(20.4)	(23.5)	(15.3)	(46.7)	(53.03)	(97.8)	(99.6)	(111.3)
Transfers	(56.2)	(57.9)	(52.1)	(58.6)	(55.0)	(55.2)	(39.3)	(39.03)	(69.0)	(11.2)	(14.8)
	44.0	39.0	47.0	44.0	40.0	46.8	74.0	167.20	216.3	286.8	328.8
<b>CAPITAL ACCOUNT BALANCE</b>	<b>79.8</b>	<b>69.6</b>	<b>137.8</b>	<b>116.4</b>	<b>86.1</b>	<b>58.6</b>	<b>38.9</b>	<b>178.8</b>	<b>268.6</b>	<b>168.7</b>	<b>305.7</b>
<b>1. Capital Transfer (net) 1</b>	<b>13.1</b>	<b>15.5</b>	<b>16.3</b>	<b>31.9</b>	<b>31.1</b>	<b>43.8</b>	<b>45.9</b>	<b>52.1</b>	<b>315.6</b>	<b>414.1</b>	<b>38.7</b>
<b>2. Medium and Long Term Capital (net)</b>	<b>67.9</b>	<b>79.9</b>	<b>119.5</b>	<b>95.4</b>	<b>63.3</b>	<b>42.1</b>	<b>(1.4)</b>	<b>143.5</b>	<b>(42.9)</b>	<b>(150.4)</b>	<b>272.8</b>
1. Public Sector	23.9	33.9	52.4	39.4	19.7	16.0	(31.4)	66.7	(145.3)	(260.7)	93.7
A. Central Gov't and Non-Financial Public Sector (net)	13.9	23.9	42.4	39.4	19.7	16.0	14.1	66.7	71.8	63.5	141.0
<i>Disbursements</i>	59.7	47.4	66.1	65.8	45.3	68.0	61.4	102.5	107.0	104.9	186.6
<i>Amortization</i>	(45.8)	(23.5)	(23.7)	(26.4)	(25.6)	(52.0)	(47.3)	(35.8)	(35.2)	(41.4)	(45.6)
B. Other (net) 2	10.0	10.0	10.0	-	-	-	(45.5)	-	(217.1)	(324.2)	(47.2)
2. Private Sector (net)	44.0	46.0	67.1	56.0	43.6	26.1	30.0	76.8	102.4	110.3	179.1
<b>Short Term Capital (net) 3</b>	<b>(1.2)</b>	<b>(25.8)</b>	<b>2.0</b>	<b>(10.9)</b>	<b>(8.3)</b>	<b>(27.3)</b>	<b>(5.6)</b>	<b>(16.8)</b>	<b>(4.1)</b>	<b>(95.0)</b>	<b>(5.8)</b>
<b>ERRORS AND OMISSIONS</b>	<b>(4.0)</b>	<b>1.2</b>	<b>13.9</b>	<b>0.5</b>	<b>(5.3)</b>	<b>15.1</b>	<b>(12.2)</b>	<b>(13.1)</b>	<b>24.6</b>	<b>19.1</b>	<b>0.4</b>
<b>OVERALL BALANCE</b>	<b>(22.7)</b>	<b>(4.4)</b>	<b>42.5</b>	<b>(11.9)</b>	<b>(25.4)</b>	<b>(8.9)</b>	<b>(43.1)</b>	<b>8.1</b>	<b>42.9</b>	<b>(1.4)</b>	<b>7.0</b>
<b>FINANCING</b>	<b>22.7</b>	<b>4.4</b>	<b>(42.5)</b>	<b>11.9</b>	<b>25.4</b>	<b>8.9</b>	<b>43.1</b>	<b>-8.14</b>	<b>-42.9</b>	<b>1.4</b>	<b>-7.0</b>
<i>Change in Net Foreign Assets of Bank of Guyana (-increase) 4</i>	22.7	(10.3)	(61.1)	(16.8)	(3.9)	(0.8)	31.5	(23.9)	(61.0)	(37.3)	(44.8)
<i>Change in Non-Financial Public Sector arrears</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Change in Private Sector Commercial arrears</i>	-	14.7	-	-	-	-	-	-	-	-	-
<i>Exceptional Financing</i>	-	-	18.6	28.7	29.3	9.7	11.6	15.8	18.1	38.7	37.8
<i>Debt Relief</i>	-	-	21.3	28.7	29.3	9.7	-	-	-	7.5	4.7
<i>Debt Stock Restructuring</i>	-	-	(2.7)	-	-	-	-	1.8	1.7	2.0	(0.6)
<i>Balance of Payments Support</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Debt Forgiveness</i>	-	-	-	-	-	-	11.6	14.0	16.4	29.2	33.7

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

1/ Includes MDRI Debt Relief

2/ Includes expenditures for Skeldon Modernisation Program and Berbice Bridge

3/ Includes changes in Net Foreign Assets of Commercial Banks

4/ Includes valuation changes

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

End Of Period	Bank Of Guyana						Commercial Banks			Banking System		
	International Reserves			Net Foreign Assets			Net Foreign Assets			Net Foreign Assets		
	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities	Net	Assets	Liabilities
<b>1998</b>	122.2	276.4	154.2	7.4	276.4	268.9	(7.9)	23.5	31.4	(0.4)	299.9	300.3
<b>1999</b>	126.8	267.0	140.2	46.3	267.0	220.7	17.9	40.1	22.2	64.2	307.2	243.0
<b>2000</b>	178.4	295.8	117.4	107.4	295.8	188.4	18.1	36.7	20.7	125.5	334.6	209.1
<b>2001</b>	187.4	285.1	97.6	124.2	285.1	160.8	34.8	52.3	17.5	159.0	337.4	178.4
<b>2002</b>	183.4	279.5	96.2	128.0	279.5	151.5	40.0	65.9	25.9	167.9	345.4	177.5
<b>2003</b>												
<b>Mar</b>	176.1	272.0	95.9	120.7	272.0	151.3	48.6	72.0	23.4	169.3	343.9	174.7
<b>Jun</b>	172.1	262.4	90.3	120.7	262.4	141.7	50.4	78.8	28.4	171.1	341.2	170.1
<b>Sep</b>	162.3	261.7	99.4	110.9	261.7	150.8	56.2	83.4	27.2	167.2	345.2	178.0
<b>Dec</b>	176.1	271.5	95.4	128.7	271.5	142.8	67.3	92.7	25.4	196.0	364.2	168.2
<b>2004</b>												
<b>Mar</b>	163.8	256.1	92.4	116.4	256.1	139.7	68.4	91.4	23.0	184.7	347.5	162.8
<b>Jun</b>	161.6	246.5	84.9	118.2	246.5	128.3	70.6	94.1	23.5	188.8	340.6	151.8
<b>Sep</b>	163.9	255.1	91.2	120.5	255.1	134.6	76.4	97.9	21.5	196.9	353.0	156.1
<b>Dec</b>	136.6	224.7	88.1	97.2	224.7	127.4	72.9	108.9	36.0	170.1	333.6	163.5
<b>2005</b>												
<b>Mar</b>	143.9	242.2	98.3	104.5	242.2	137.7	78.7	114.7	36.0	183.2	356.9	173.7
<b>Jun</b>	145.0	232.0	87.0	105.6	232.0	126.4	90.4	135.1	44.7	196.0	367.0	171.0
<b>Sep</b>	139.7	238.4	98.7	100.3	238.4	138.1	96.0	137.8	41.8	196.3	376.2	179.9
<b>Dec</b>	160.5	251.4	90.9	121.1	251.4	130.3	87.9	141.2	53.3	209.0	392.6	183.6
<b>2006</b>												
<b>Mar</b>	214.5	254.6	40.1	175.1	254.6	79.5	92.6	143.2	50.6	267.6	397.7	130.1
<b>Jun</b>	204.8	245.9	41.1	165.4	245.9	80.6	115.9	169.1	53.2	281.3	415.1	133.8
<b>Sep</b>	227.6	282.3	54.7	188.1	282.3	94.2	101.5	153.5	52.0	289.7	435.8	146.1
<b>Dec</b>	222.3	278.0	55.8	182.9	278.0	95.2	93.9	148.6	54.7	276.7	426.6	149.9
<b>2007</b>												
<b>Jan</b>	228.3	283.5	55.2	188.9	283.5	94.7	117.1	182.1	65.0	306.0	465.6	159.6
<b>Feb</b>	228.7	284.4	55.8	194.1	284.4	90.4	119.9	185.0	65.1	314.0	469.4	155.4
<b>Mar</b>	223.3	279.2	56.0	188.7	279.2	90.6	126.6	188.5	61.9	315.3	467.7	152.5
<b>Apr</b>	220.8	277.3	56.5	186.2	277.3	91.1	134.9	200.6	65.7	321.1	477.9	156.8
<b>May</b>	210.4	266.5	56.1	175.8	266.5	90.7	148.6	208.5	59.9	324.4	475.0	150.5
<b>Jun</b>	215.0	271.2	56.2	180.4	271.2	90.7	141.1	198.8	57.7	321.5	470.0	148.4
<b>Jul</b>	228.9	285.6	56.7	194.3	285.6	91.3	149.6	198.4	48.8	343.9	484.0	140.1
<b>Aug</b>	231.9	288.7	56.8	197.3	288.7	91.4	150.6	196.9	46.3	347.9	485.6	137.7
<b>Sep</b>	248.3	306.0	57.7	213.8	306.0	92.3	156.5	204.1	47.6	370.3	510.1	139.9
<b>Oct</b>	255.4	313.7	58.3	220.8	313.7	92.8	171.8	224.4	52.6	392.6	538.1	145.4
<b>Nov</b>	266.9	325.8	58.9	232.3	325.8	93.5	169.2	225.1	55.9	401.5	550.9	149.4
<b>Dec</b>	254.0	312.5	58.6	219.4	312.5	93.2	188.9	243.9	54.9	408.3	556.4	148.1
<b>2008</b>												
<b>Jan</b>	282.2	341.3	59.1	247.6	341.3	93.7	168.1	222.3	54.2	415.7	563.6	147.9
<b>Feb</b>	272.5	332.1	59.7	237.8	332.1	94.3	169.4	225.6	56.1	407.3	557.7	150.4
<b>Mar</b>	291.6	352.5	60.9	257.0	352.5	95.5	175.2	230.3	55.1	432.2	582.8	150.6
<b>Apr</b>	275.6	335.8	60.2	241.0	335.8	94.8	173.6	235.3	61.6	414.6	571.0	156.4
<b>May</b>	291.4	351.4	60.1	256.8	351.4	94.7	187.6	238.9	51.3	444.4	590.4	146.0
<b>Jun</b>	320.4	380.9	60.5	285.8	380.9	95.1	194.5	247.5	53.0	480.2	628.4	148.2
<b>Jul</b>	319.9	380.0	60.1	285.3	380.0	94.7	187.2	237.8	50.6	472.5	617.8	145.3
<b>Aug</b>	293.6	352.0	58.4	259.0	352.0	93.0	175.6	227.1	51.5	434.6	579.1	144.5
<b>Sep</b>	309.8	367.5	57.7	275.2	367.5	92.3	179.3	227.1	47.8	454.5	594.6	140.1
<b>Oct</b>	307.8	362.9	55.2	273.2	362.9	89.8	181.4	228.5	47.1	454.6	591.4	136.9
<b>Nov</b>	301.6	356.7	55.1	266.9	356.7	89.8	178.2	223.9	45.8	445.1	580.6	135.5
<b>Dec</b>	298.8	355.9	57.1	264.2	355.9	91.7	194.5	241.2	46.7	458.7	597.1	138.4

Source: Bank of Guyana and Commercial Banks

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

Date			Rate	Date			Rate
10	Jul	08	203.75	06	Oct	08	204.75
11	Jul	08	202.75	07	Oct	08	203.75
14	Jul	08	204.00	08	Oct	08	204.25
15	Jul	08	203.25	09	Oct	08	203.25
16	Jul	08	203.75	10	Oct	08	203.75
17	Jul	08	204.00	13	Oct	08	204.25
18	Jul	08	203.75	14	Oct	08	204.50
21	Jul	08	204.00	15	Oct	08	203.25
22	Jul	08	203.75	16	Oct	08	204.50
23	Jul	08	204.25	17	Oct	08	204.00
24	Jul	08 - 25 Jul 08	203.50	20	Oct	08	204.50
28	Jul	08	202.75	21	Oct	08	204.00
29	Jul	08	203.00	22	Oct	08	204.50
30	Jul	08	204.00	23	Oct	08	204.00
31	Jul	08	204.25	24	Oct	08	203.75
04	Aug	08	202.50	27	Oct	08	204.50
05	Aug	08	203.75	29	Oct	08 - 31 Oct 08	204.50
06	Aug	08	204.00	03	Nov	08 - 04 Nov 08	204.50
07	Aug	08	203.00	05	Nov	08	204.00
08	Aug	08	204.00	06	Nov	08	204.50
11	Aug	08	203.50	07	Nov	08	203.75
12	Aug	08	203.75	10	Nov	08	204.25
13	Aug	08	204.50	11	Nov	08	204.75
14	Aug	08	204.00	12	Nov	08 - 13 Nov 08	204.25
15	Aug	08	204.25	14	Nov	08	204.00
18	Aug	08	203.00	17	Nov	08	204.75
19	Aug	08 - 22 Aug 08	203.75	18	Nov	08	204.25
25	Aug	08	203.50	19	Nov	08 - 20 Nov 08	204.00
26	Aug	08	203.75	21	Nov	08	204.75
27	Aug	08	203.50	24	Nov	08	203.25
28	Aug	08	203.25	25	Nov	08	202.50
29	Aug	08	204.25	26	Nov	08	203.50
01	Sep	08	203.50	27	Nov	08	203.25
02	Sep	08	203.00	28	Nov	08	203.75
03	Sep	08 - 04 Sep 08	204.00	01	Dec	08	204.00
05	Sep	08	203.75	02	Dec	08	202.25
08	Sep	08	201.75	03	Dec	08	203.25
09	Sep	08 - 10 Sep 08	204.00	04	Dec	08 - 05 Dec 08	203.50
11	Sep	08 - 12 Sep 08	203.50	06	Dec	08	203.50
15	Sep	08	203.75	09	Dec	08	204.00
16	Sep	08	203.50	10	Dec	08	203.50
17	Sep	08	204.50	11	Dec	08	203.75
18	Sep	08	203.50	12	Dec	08	204.00
19	Sep	08	204.50	15	Dec	08	203.75
22	Sep	08	204.25	16	Dec	08	204.00
23	Sep	08	204.50	17	Dec	08	204.25
24	Sep	08	204.25	18	Dec	08	203.25
25	Sep	08	205.00	19	Dec	08	203.75
26	Sep	08	204.25	22	Dec	08	203.75
29	Sep	08	204.75	23	Dec	08	203.50
30	Sep	08	204.00	24	Dec	08	203.75
01	Oct	08	203.75	29	Dec	08	205.00
02	Oct	08	204.25	30	Dec	08	204.50
03	Oct	08	203.25	31	Dec	08	205.25

Source: Bank of Guyana

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

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

<b>Guyana</b>		
<b>Year</b>	<b>Period Ended</b>	<b>Period Average</b>
<b>1998</b>	165.25	150.52
<b>1999</b>	180.50	177.65
<b>2000</b>	184.75	182.44
<b>2001</b>	189.50	187.32
<b>2002</b>	191.75	191.75
<b>2003</b>		
<b>Mar</b>	193.75	192.41
<b>Jun</b>	193.75	193.45
<b>Sep</b>	195.25	194.61
<b>Dec</b>	194.25	195.50
<b>2004</b>		
<b>Mar</b>	197.25	196.97
<b>Jun</b>	198.75	198.43
<b>Sep</b>	200.00	199.38
<b>Dec</b>	199.75	199.78
<b>2005</b>		
<b>Mar</b>	199.75	199.75
<b>Jun</b>	200.25	200.19
<b>Sep</b>	200.00	199.82
<b>Dec</b>	200.25	200.14
<b>2006</b>		
<b>Mar</b>	199.75	199.82
<b>Jun</b>	200.00	200.00
<b>Sep</b>	200.00	200.00
<b>Dec</b>	201.00	200.92
<b>2007</b>		
<b>Jan</b>	200.75	200.86
<b>Feb</b>	200.75	200.67
<b>Mar</b>	201.75	201.75
<b>Apr</b>	201.75	201.75
<b>May</b>	201.75	201.75
<b>Jun</b>	203.50	202.30
<b>Jul</b>	203.00	203.39
<b>Aug</b>	203.25	203.23
<b>Sep</b>	203.75	203.60
<b>Oct</b>	203.25	203.52
<b>Nov</b>	202.75	203.49
<b>Dec</b>	203.50	203.49
<b>2008</b>		
<b>Jan</b>	202.75	202.94
<b>Feb</b>	202.50	203.00
<b>Mar</b>	204.25	203.50
<b>Apr</b>	204.00	203.61
<b>May</b>	203.00	203.47
<b>Jun</b>	204.00	203.82
<b>Jul</b>	204.25	203.70
<b>Aug</b>	204.25	203.68
<b>Sep</b>	204.00	203.90
<b>Oct</b>	204.50	204.10
<b>Nov</b>	203.75	204.04
<b>Dec</b>	205.25	203.84

Source: Bank of Guyana

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

Item	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>PRODUCT</b>											
Sugar	12,427	16,906	13,852	12,029	15,402	18,448	20,074	16,707	20,457	15,794	13,410
Rice	9,438	9,950	7,345	9,057	8,565	8,621	8,790	7,968	9,316	9,280	10,259
Livestock	1,881	2,111	2,330	2,546	2,754	2,979	3,224	3,502	3,540	4,098	4,621
Other Agriculture	4,953	5,482	5,982	5,825	5,971	5,415	5,860	6,367	7,099	8,465	9,572
Fishing	5,813	6,282	7,240	7,780	7,768	8,389	8,812	10,126	10,214	12,016	12,365
Forestry	2,107	2,569	2,232	2,433	2,295	2,411	2,443	2,955	3,674	3,658	3,289
Mining & Quarrying	14,439	16,156	17,235	17,603	17,671	15,930	15,786	14,031	15,009	19,209	21,649
Manufacturing <sup>1</sup>	3,191	3,681	3,434	3,599	3,953	3,874	4,111	5,064	5,541	6,380	6,565
Distribution	4,194	4,268	4,755	4,927	5,024	4,996	5,407	7,026	8,054	9,920	11,700
Transport & Communication	6,204	7,138	8,401	9,599	10,432	11,502	12,630	15,213	17,438	21,867	25,112
Engineering & Construction	4,913	4,771	5,335	5,589	5,580	6,199	6,840	8,388	9,790	11,579	13,191
Rent of Dwelling	3,632	3,848	4,360	4,567	4,704	5,087	5,506	6,389	7,323	8,508	9,287
Financial Services	3,087	3,387	4,174	4,049	4,149	4,400	4,715	5,473	6,159	7,447	8,675
Other Services	1,406	1,570	1,851	1,979	2,043	2,201	2,372	2,894	3,257	3,898	4,421
Government	12,786	16,976	19,560	20,636	21,451	22,809	23,836	25,528	27,132	29,072	36,611
G.D.P. current at Factor Cost	90,472	105,095	108,087	112,219	117,762	123,261	130,534	137,633	154,000	171,190	190,728
Indirect Taxes net of Subs.	17,531	18,570	21,926	21,185	20,685	20,803	25,824	27,240	29,084	46,362	45,331
G.D.P. at Market Prices	108,003	123,665	130,013	133,403	138,447	144,064	156,230	164,873	183,084	217,552	236,059
Net factor income paid abroad	8,455	12,216	8,022	9,612	10,485	8,325	6,320	4,088	8,792	7,228	2,985
G.N.P. at factor cost	82,017	92,879	100,065	102,608	107,278	114,936	124,085	133,545	145,208	163,962	187,743
G.N.P. at market prices	99,548	111,449	121,991	123,792	127,962	135,739	149,909	160,785	163,771	210,324	233,074
<b>EXPENDITURE</b>											
<i>Domestic Expenditure at market prices</i>	120,987	131,669	150,676	155,888	155,929	160,016	172,750	218,710	246,589	309,720	359,771
Public Investment <sup>2</sup>	16,527	16,160	19,684	18,170	20,291	19,393	19,587	21,938	41,806	42,349	41,826
Private Investment <sup>3</sup>	28,252	31,443	30,381	33,205	32,375	31,080	30,458	31,372	41,012	44,513	51,920
Public Consumption	23,151	29,947	35,798	30,505	32,976	37,928	37,732	44,374	44,284	53,381	60,438
Private Consumption	53,057	54,119	64,813	74,008	70,287	71,615	84,972	121,027	119,487	169,477	205,587

Source: Bureau of Statistics and Bank of Guyana

Components may not add up due to rounding

<sup>1</sup> Includes Utilities

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

<sup>3</sup> Includes Stock Changes

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

Item	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>GDP AT FACTOR COST</b>	5,270	5,426	5,352	5,474	5,537	5,500	5,587	5,478	5,759	6,068	6,253
<b>AGRICULTURE, FORESTRY AND FISHING</b>	1,475	1,670	1,519	1,571	1,626	1,588	1,633	1,461	1,535	1,542	1,467
Sugarcane	600	754	642	668	748	664	714	545	569	585	496
Rice Paddy	153	161	130	143	129	161	148	139	140	135	150
Livestock	109	111	116	119	125	130	133	129	125	128	137
Other crops	272	275	278	281	285	291	297	288	308	322	347
Fishing	142	143	164	165	159	159	157	161	156	161	158
Forestry	200	226	189	195	180	183	184	199	237	211	179
<b>MINING AND QUARRYING</b>	645	591	626	652	607	554	518	426	334	409	434
Bauxite	262	240	254	267	249	222	207	104	76	168	178
Other	383	351	372	385	358	332	311	322	258	241	256
<b>MANUFACTURING</b>	575	654	563	577	640	637	653	591	646	654	616
Sugar	190	240	204	212	276	271	292	216	233	239	203
Rice	56	64	50	56	48	57	52	29	49	48	53
Other	328	350	309	309	316	309	309	346	364	367	360
<b>CONSTRUCTION</b>	471	424	452	461	443	468	487	533	597	631	685
<b>SERVICES</b>	2,103	2,087	2,193	2,213	2,222	2,253	2,296	2,467	2,646	2,830	3,052
Distribution	439	404	425	427	423	412	420	483	532	579	648
Transport and Communications	439	448	480	506	529	555	575	629	692	782	860
Rental of dwellings	93	87	92	94	94	97	98	104	114	118	123
Financial services	294	300	309	293	290	293	296	315	340	364	408
Government	650	657	689	689	682	686	694	708	722	729	736
Other <sup>1</sup>	188	191	198	204	204	210	213	228	246	258	277

Source: Bureau of Statistics

Components may not add to the total due to rounding

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

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

Commodities	Unit	Output in 2000	(2000 = 100)										
			1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>AGRICULTURE</b>													
Sugar	Tonnes	273,703	93.4	117.4	100.0	103.9	121.0	110.5	118.9	90.0	94.8	97.4	82.7
Rice	Tonnes	291,841	116.4	125.2	100.0	110.4	98.8	121.6	111.6	93.6	105.2	102.2	112.9
Coconuts~	Nuts	98,850,800	71.8	91.1	100.0	53.2	73.1	106.3	89.8	75.1	62.6	69.3	<b>32.9</b>
Cassava~ <sup>1</sup>	Tonnes	44,854	57.9	62.6	100.0	64.5	44.7	61.1	60.0	44.7	51.6	45.0	<b>9.2</b>
Other Ground Provisions~ <sup>2</sup>	"	15,254	45.5	56.4	100.0	74.9	35.5	57.2	71.3	51.1	56.1	46.5	<b>13.8</b>
Plantains~	"	23,292	35.3	27.7	100.0	72.7	39.7	23.3	20.9	15.4	17.5	18.0	<b>11.0</b>
Bananas~	"	18,644	60.0	48.8	100.0	91.9	107.6	90.2	42.5	142.9	35.4	31.6	<b>24.7</b>
Mango~	"	9,118	58.4	125.4	100.0	124.9	14.1	56.4	40.9	32.9	55.8	44.8	<b>31.6</b>
Pineapples~	"	3,180	37.3	78.7	100.0	139.3	16.0	52.3	85.8	50.2	95.5	40.9	<b>41.2</b>
Citrus~ <sup>3</sup>	"	14,485	29.7	44.8	100.0	81.9	23.9	54.5	59.2	43.9	68.5	52.5	<b>38.6</b>
Cereals & Legumes~	"	4,596	83.6	82.1	100.0	55.6	39.0	36.1	48.7	41.3	41.7	32.7	<b>10.8</b>
Eschallot~	"	4,524	34.0	40.2	100.0	49.8	14.4	25.2	8.7	8.0	17.4	11.3	<b>7.3</b>
Hot Pepper~	"	4,878	27.6	27.7	100.0	65.2	5.8	44.6	41.1	19.8	43.1	38.6	<b>30.6</b>
Bora~	"	12,484	36.0	35.4	100.0	42.1	6.0	42.2	35.5	18.6	34.3	36.6	<b>33.0</b>
Tomatoes~	"	4,683	26.5	35.2	100.0	56.3	5.6	56.0	33.8	17.0	86.1	42.7	<b>41.5</b>
Coffee~	"	15	921.3	1,984.5	100.0	1,235.1	2,499.3	1,450.0	4,241.9	2,293.2	1,956.1	1,456.1	<b>153.4</b>
Poultry Meat	"	11,769	95.8	105.6	100.0	106.1	142.2	201.2	206.6	192.9	175.8	213.3	197.0
Eggs	No.	30,118,600	79.8	85.4	100.0	85.3	57.7	30.8	71.3	80.1	17.9	21.6	65.9
<b>FISHERIES</b>													
Fish	Tonnes	28,629	136.9	144.1	100.0	88.2	88.0	117.8	128.2	105.9	89.7	95.7	86.3
Prawns	"	1,132	171.0	141.0	100.0	166.9	134.5	102.6	96.0	90.1	146.8	57.9	82.3
Shrimp	"	18,196	70.4	70.3	100.0	153.7	112.9	117.7	75.4	95.5	93.1	197.0	194.4
<b>FORESTS</b>													
Greenheart & Other Logs	Cu.Mt	284,882	91.5	116.0	100.0	105.0	95.0	73.9	117.7	112.8	138.3	116.0	96.6
Sawnwood	Cu.Mt	2,176	177.1	92.0	100.0	147.5	1,197.7	1,720.5	1,680.2	1,525.1	3,105.9	3,418.2	3,077.8
Plywood	Cu.Mt	89,155	85.3	97.1	100.0	85.3	63.0	50.7	60.8	41.6	39.1	38.6	23.1
<b>MINING &amp; QUARRYING</b>													
<i>Bauxite :</i>													
R.A.S.C.	Tonnes	105,716	139.2	101.9	100.0	86.5	58.8	82.5	124.4	201.2	141.3	206.4	219.4
C.G.B.	"	102,247	126.7	84.5	100.0	215.5	125.6	161.6	111.7	172.2	170.7	260.6	302.5
M.A.Z.	"	2,443,404	80.4	87.1	100.0	68.8	59.3	59.7	50.5	52.7	47.0	72.7	59.5
Gold	Ozs.	434,906	108.0	95.6	100.0	104.8	104.3	90.0	84.7	61.5	41.9	54.8	60.1
Diamonds	Met.cts.	81,706	42.1	57.1	100.0	219.6	304.1	504.9	556.8	436.9	416.8	329.2	206.7
<b>MANUFACTURING</b>													
Garments	Dozs.	199,087	125.2	123.4	100.0	145.5	204.8	140.5	115.7	45.0	70.5	82.1	52.6
Footwear	Pairs	15,627	212.1	113.6	100.0	179.6	343.2	240.1	202.9	191.4	60.4	195.5	165.7
Margarine	Kg	2,077,771	85.2	94.8	100.0	104.8	34.2	92.4	99.2	86.3	109.0	111.2	73.5
Flour	Tonnes	35,880	91.4	98.4	100.0	102.1	101.9	96.6	100.8	102.6	104.2	95.3	82.0
Biscuits	Kg	1,456,100	100.7	106.2	100.0	100.4	86.3	81.8	93.5	80.6	73.5	53.8	47.8
Areated Bev.	Ltr	37,943,900	114.7	108.5	100.0	94.5	106.9	113.0	115.5	113.6	104.2	101.0	103.6
Rum	Ltr	9,205,500	232.6	149.8	100.0	143.8	158.5	129.9	127.3	127.6	128.9	136.3	154.1
Beer & Stout	Ltr	12,977,900	105.5	104.8	100.0	92.1	100.6	80.9	84.7	91.9	94.0	93.0	88.7
Malta	Ltr	1,523,378	103.6	106.7	100.0	92.2	102.9	71.9	65.4	59.2	69.8	53.6	54.1
Stockfeeds	Tonnes	28,548	76.5	93.1	100.0	111.9	134.5	131.6	137.0	134.2	141.2	164.1	156.6
Neutral Alcohol	Ltr	4,705,900	97.8	114.8	100.0	103.4	53.0	121.0	106.8	112.4	103.2	102.3	104.3
Paints	Ltr	1,855,988	65.1	99.5	100.0	98.0	104.1	103.1	105.8	116.9	129.5	133.7	134.1
Pharmaceutical Liquids	Ltr.	350,507	74.6	56.8	100.0	66.0	89.3	66.2	75.0	129.1	174.0	234.5	106.8
Electricity	M.W.H.	540,145	79.8	94.8	100.0	106.8	107.6	101.7	106.8	97.8	99.0	103.5	105.4

Source: ~Ministry of Agriculture and Bureau of Statistics

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

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

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

Figures in bold and italics represent data from Regions 2, 3, 4, 5, 6 & 10.

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

End of Period **	All Items Index	Sub-Group Indices			
		Food <sup>1</sup>	Clothing	Housing <sup>2</sup>	Miscellaneous
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	165.4	167.6	73.2	182.2	155.4
2002	175.5	170.9	74.6	199.6	156.0
<b>2003</b>					
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
<b>2004</b>					
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
<b>2005</b>					
Mar	197.9	191.8	75.2	229.2	162.9
Jun	200.8	195.8	75.2	231.5	163.9
Sep	209.1	198.1	75.2	249.4	164.5
Dec	209.3	197.3	75.2	251.4	164.6
<b>2006</b>					
Mar	217.0	211.2	75.4	256.2	166.4
Jun	217.6	210.0	75.4	258.1	167.0
Sep	218.5	210.4	75.4	264.2	167.7
Dec	219.2	212.4	75.4	261.4	170.9
<b>2007</b>					
Jan	233.7	229.1	85.0	268.0	190.4
Feb	234.4	229.1	85.0	268.4	202.5
Mar	234.8	227.6	85.1	272.3	202.5
Apr	237.5	227.5	86.3	275.4	208.7
May	242.9	236.5	86.3	282.5	208.5
Jun	246.1	243.2	86.3	282.5	209.3
Jul	248.4	248.2	86.4	282.5	208.7
Aug	248.9	250.2	86.5	282.5	209.5
Sep	249.7	252.9	86.5	282.6	209.7
Oct	249.1	253.0	86.5	279.3	209.4
Nov	249.1	253.9	86.6	279.3	209.4
Dec	250.0	256.2	86.6	277.6	209.6
<b>2008</b>					
Jan	253.4	262.0	86.3	281.4	212.4
Feb	255.9	264.8	86.3	285.5	211.9
Mar	261.9	277.7	86.0	286.4	213.9
Apr	263.1	279.4	86.0	286.7	216.3
May	262.9	277.3	85.3	287.7	214.0
Jun	264.4	279.0	85.1	288.2	214.5
Jul	264.5	277.6	84.3	292.4	215.2
Aug	267.1	284.0	84.2	291.9	216.2
Sep	269.4	284.0	84.1	301.6	217.2
Oct	268.8	285.0	84.3	299.1	217.9
Nov	264.0	277.4	84.7	297.9	218.1
Dec	265.9	285.9	84.7	296.5	215.6

Source: Bureau of Statistics

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

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

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

Year	Population (Mid Year) <sup>1</sup>	Population Aged 15-65 years	Labour Force
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 <sup>2</sup>	712.5	467.2	283.0
1993	734.8	449.0	270.5
1994	746.0	453.6	273.9
1995	760.4	462.3	279.2
1996	770.1	468.2	282.8
1997	775.1	471.3	284.6
1998	773.4	470.2	284.0
1999	772.8	469.9	283.8
2000	742.0	451.1	272.4
2001	743.6	452.1	273.0
2002 <sup>2</sup>	747.7	484.0	271.7
2003	752.5	457.5	276.3
2004	755.1	459.1	277.3
2005	757.6	460.6	278.2
2006	760.2	462.2	279.1
2007	763.2	464.0	280.2
2008	766.2	465.8	281.3

Sources:

<sup>1</sup> Budget Report Speeches & Bureau of Statistics.

<sup>2</sup> Taken from 2002 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, 2008**

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

**BRANCHES**

- (a) Main Branch - 38-40 Water Street, Georgetown
- (b) Camp Street - 78-80 Camp & Robb Streets, Georgetown
- (c) New Amsterdam - 16-17 Water & New Streets, New Amsterdam, Berbice
- (d) Rose Hall - 20 Public Road, Rose Hall, Corentyne, Berbice
- (e) Linden - 101-102 Republic Avenue, Mackenzie, Linden
- (f) Corriverton - 5, No. 78 Village, Corriverton, Berbice
- (g) Anna Regina - 6 Public Road, Anna Regina, Essequibo Coast
- (h) Rosignol - 30-32 Public Road, Rosignol, West Bank Berbice
- (i) Vreed-en-Hoop - 27 'C' Stelling Road, Vreed-en-Hoop, West Coast Demerara

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

**BRANCHES**

- (a) Regent Street - 138 Regent Street, Lacytown, Georgetown
- (b) Corriverton - 211, No. 78 Village, Corriverton, Berbice
- (c) Anna Regina - 2, Anna Regina, Essequibo Coast
- (d) Parika - 300, Parika, East Bank Essequibo
- (e) Vreed-en-Hoop - 'N' Vreed-en-Hoop, West Bank Demerara
- (f) Lethem - 121 Lethem, Rupununi
- (g) Providence - c/o Buddy's International Hotel, Providence, East Bank Demerara
- (h) Grove - 34 Grove Public Road, East Bank Demerara

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

**BRANCHES**

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

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

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

**BRANCHES**

- (a) Rose Hall - 71 Public Road, Rose Hall, Corentyne, Berbice
- (b) Corriverton - No. 78 Village, Corriverton, Berbice

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

**BRANCHES**

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

## **APPENDIX II**

### **LICENSED FOREIGN CURRENCY DEALERS AS AT DECEMBER 31, 2008**

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

## LICENSED FOREIGN CURRENCY DEALERS AS AT DECEMBER 31, 2008 (CONT'D)

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

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