

# DOING BUSINESS WITH GUYANA

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## DOING BUSINESS WITH GUYANA



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# DOING BUSINESS WITH GUYANA

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## 1. GENERAL INFORMATION

**Official Name:** Cooperative Republic of Guyana

**Capital:** Georgetown

**Area:** 214,970 sq km

**Population:** 769,095 (July 2007)

**Population growth index:** 0.234 percent (2007 est.)

**Population density:** 3.58 inhabitants per sq kilometer

**Official language:** English, Amerindian dialects, Creole, Caribbean Hindustani (a dialect of Hindi), Urdu

**Currency:** Guyanese dollar (GYD)

**Exchange rate:** US\$1 = G\$200

**Climate:** Tropical; hot, humid, moderated by northeast trade winds; two rainy seasons (May to August, November to January)

### Principal Cities and Population: (2005 est.)

Georgetown	229,600
Linden	44,500
New Amsterdam	32,900
Corriverton	12,500
Bartica	10,700 <sup>1</sup>

**Airports:** One international airport (Cheddi Jagan International Airport, Timehri); 1 regional international airport

(Ogle Airport); and about 90 airstrips, 9 of which have paved runways (2006 estimate).

**Ports:** Georgetown, Port Kaituma

### Holidays:

New Year's Day	Jan 01
Mashramani-Republic Day	Feb 23
Phagwah	
Eid-ul-Fitr	
Youm Un Nabi	
Good Friday	
Easter Monday	
Labour Day	May 01
Indian Arrival Day	May 05
Independence Day	May 26
CARICOM Day	
Emancipation Day	Aug 01
Diwali	
Christmas	Dec 25
Boxing Day	Dec 26

**Life Expectancy:** Total Population - 66.17 years

**Literacy Rate:** Total Population - 96.5 percent

**Local Time:** UTC-4 (1 hour ahead of Washington, DC during Standard Time)

**Telephone Codes:** 592

**Health:** Medical care is available for minor medical conditions. Emergency care and hospitalization for major medical illnesses or surgery is limited, due to a lack of trained specialists.

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<sup>1</sup> <http://www.tageo.com/index-e-gy-cities-GY.htm>

## 2. THE ECONOMY

### 2.1 Structure of the Economy

The Guyanese economy exhibited moderate economic growth in 2001-02, based on expansion in the agricultural and mining sectors, a more favorable atmosphere for business initiatives, a more realistic exchange rate, fairly low inflation, and the continued support of international organizations. Chronic problems include a shortage of skilled labor and a deficient infrastructure.

Export earnings from agriculture and mining have fallen sharply, while the import bill has risen, driven by higher energy prices. Guyana's entrance into the CARICOM Single Market and Economy (CSME) in January 2006 will broaden the country's export market, primarily in the raw materials sector.<sup>2</sup>

### 2.2 Recent Economic Performance

Agriculture, forestry, fishing and mining are Guyana's most important economic activities, with sugar, bauxite, rice, timber, sea food, and gold accounting for 70%-75% of export earnings in 2006.

The rice and sugar industries performed well in 2006. Rice export earnings, for example, rose 20% from \$46.2 million in 2005 to \$54.6 million in 2006. Sugar, too, saw a strong climb in earnings from \$118 million in 2005 to \$145 million in 2006. A new European Union arrangement signed in 2007 gradually phases out long-standing preferential

treatment for Guyana sugar exports over the next three years. Prices for sugar are expected to drop significantly, reducing income from the commodity by as much as 30% in the coming years.

Over the past two years the forestry and fisheries sector have recorded strong performance, contributing 15%-20% to export earnings. Forestry, in particular, is viewed as a strong income opportunity for the country. The government is considering calls to ban the raw export of certain types of logs in favor of value-added export opportunities that will bring in more foreign exchange.

The stagnant mining sector recorded minimal growth in 2006. Bauxite export earnings rose to U.S. \$67 million in 2006, a slight increase over 2005. Gold export earnings experienced a similar increase, reaching \$114.4 million in 2006 compared to U.S. \$111 million in 2005.

The engineering and construction sectors recorded 12% growth in 2006. Most of this was driven by new hotel construction in the buildup to Guyana's hosting of the Cricket World Cup in March 2007. New housing projects also spurred the sector forward.

As with many developing countries, Guyana is a heavily indebted poor country (HIPC). Reduction of the debt burden has been one of the administration's top priorities. In 2006 the government continued to pursue initiatives to bring the external debt stock and debt service to a sustainable level. At the end of 2006, these two indicators stood at U.S. \$920 million and U.S. \$22.6 million, respectively. In March 2007, the Inter-American

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<https://www.cia.gov/library/publications/the-world-factbook/geos/gy.html>

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Development Bank (IADB) provided 100% debt relief for Guyana's outstanding loan balance and interest as of December 31, 2004, amounting to U.S. \$467 million. Immediately preceding the IADB write-off, both the IMF and World Bank also granted \$237 million in debt relief, bringing the total to U.S. \$701 million.

Also in 2006, through the Paris Club debt relief process, the government concluded an agreement with Japan, which provided for 100% write-off of principal and accrued interest, amounting to US\$591,327.<sup>3</sup>

GDP - real growth rate: 4.7% (2006 est.)  
GDP - per capita (PPP): \$US4,900 (2006)

GDP - composition by sector:

- agriculture: 35.5%
- industry: 19.3%
- services: 45.2% (2006 est.)

Unemployment rate: 9.1% (2000)<sup>4</sup>

## 2.3 Overview of Trade

Current account balance:  
-US\$84.3 million (2006 est.)

## 2.4 Exports

Exports: US\$621.6 million (2006 est.)

Exports - commodities: sugar, gold, bauxite, alumina, rice, shrimp, molasses, rum, timber

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<http://www.state.gov/r/pa/ei/bgn/1984.htm>

4

<https://www.cia.gov/library/publications/the-world-factbook/geos/gy.html>

Exports - partners: US 18.2%, Canada 15.9%, UK 8.4%, Portugal 6.3%, Jamaica 6%, Trinidad and Tobago 4.8%, Netherlands 4.2%, Belgium 4.2% (2006)<sup>5</sup>

## 2.5 Imports

Imports: US\$706.9 million (2006 est.)

Imports - commodities: manufactures, machinery, petroleum, food

Imports - partners: Trinidad and Tobago 23%, US 21.3%, China 9.7%, Cuba 6.4%, UK 4.5% (2006)<sup>6</sup>

## 2.6 Trade With CARICOM

Guyana is also a member of the Caribbean Community and Common Market (CARICOM). Most goods can be imported into Guyana under open general license, but some goods require specific licenses. Goods that are produced in the Eastern Caribbean receive additional protection; in May 1991, the CARICOM common external tariff (CET) was implemented. The CET aims to facilitate economic growth through intra-regional trade by offering duty-free trade among CARICOM members and duties on goods imported from outside CARICOM.<sup>7</sup>

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<https://www.cia.gov/library/publications/the-world-factbook/geos/gy.html>

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<https://www.cia.gov/library/publications/the-world-factbook/geos/gy.html>

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<http://www.state.gov/r/pa/ei/bgn/2335.htm>

## **3. GENERAL MARKETING FACTORS**

### **3.1 Distribution and Sales Channels**

Small Guyanese “traders” regularly travel abroad and purchase wholesale quantities of packaged consumer goods. These products are most often sold through Guyana’s extensive network of virtually unregulated small shops and street kiosks.

### **3.2 Use of Agents/Distributors**

Due to the small size of the local market, the use of a local agent or distributor is recommended. Many exporters of consumer products will find that an agent/distributor arrangement is the most convenient, practical, and cost-effective mechanism for sales in Guyana. Local distributors tend to have superior market knowledge and distribution networks.

### **3.3 Franchising**

While not yet common, franchising shows signs of growth in Guyana. Early successes in the petroleum sector and fast food outlets such as KFC and Pizza Hut are already encouraging additional entrants. The high degree of brand recognition makes franchising a good possibility for successful introduction of products and services in Guyana.

### **3.4 Advertising & Trade Promotion**

Guyana is the only English-speaking nation in South America. Most advertising is done in local newspapers

and on local radio and television. All promotional materials and product labels should be in English.

### **3.5 Transportation**

The transportation sector comprises the physical facilities, terminals, fleets and ancillary equipment of all the various modes of transport operating in Guyana, the transport services, transport agencies providing these services, the organisations and people who plan, build, maintain, and operate the system, and the policies that mould its development.

Cheddi Jagan International Airport at Timehri, approximately 25 miles south of Georgetown, handles all international passenger and airfreight traffic. The country’s major port is located in Georgetown, with minor ports at New Amsterdam, Corriverton and Linden.

Information on shipping lines serving Guyana, their agents, and terminals is available from the Shipping Association of Guyana ([www.shipping.org.gy](http://www.shipping.org.gy)).

Transportation around Guyana’s capital Georgetown is provided by privately owned mini buses which operate in allocated zones for which there is a well-regulated fare structure. This arrangement extends to all mini bus routes throughout the country. Taxis have freer movement around the city and into rural areas. Their fare, while generally standard, is less regulated.

The network of routes has a number of identifiable starting points, which are concentrated in the Stabroek area and

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along the Avenue of the Republic  
between Croal and Robb Streets.

## 4. MARKET ACCESS CONDITIONS

### 4.1 Customs Tariffs

The Government of Guyana, under the Ministry of Finance, recently merged Customs and Inland Revenue under the Guyana Revenue Authority. The merger has brought together the two primary government sources of revenue, now called the Customs and Trade Administration.

As a member of the Caribbean Community and Common Market (CARICOM), Guyana has a Common External Tariff (CET) rate that ranges from 5 percent to 20 percent. All duties are *ad valorem*. A tariff rate of 40 percent applies only to agricultural products subject to the CET. The World Trade Organization's (WTO) last Trade Policy Review, the latest period for which comprehensive data are available, found that the simple average tariff in 2003 was 12.1 percent. The average tariff for agricultural products was 21.6 percent, while the average tariff for non-agricultural products was 10.3 percent.

### 4.2 Other Taxes

In addition to the tariff levied on imports, most imports are subject to a consumption tax, which is determined on a product-specific basis. The consumption tax is levied on the total Cost, Insurance and Freight (CIF) cost of the goods plus the import duty. To encourage development, the government has exempted certain capital goods from consumption taxes. Value Added Tax (VAT) is levied at 16% on imports.

### 4.3 Free Trade Agreements

Through a combination of regional, bilateral and preferential agreements, about 75 percent of Guyana's exports enter destination markets duty free, with many others receiving duty-reduced access. This is achieved through Guyana's membership of CARICOM, which provides duty-free access to the 15-nation CARICOM market, CARICOM agreements with the Dominican Republic, Colombia, Costa Rica, Cuba and Venezuela, partial scope agreements with Brazil and Venezuela, and bilateral agreements with Argentina, China and Turkey. Guyana also benefits from preferential duty-free or reduced-duty access to major developed country markets through CARIBCAN (Canada), the U.S. Caribbean Trade Partnership and the European Union's (EU) ACP Cotonou Agreement.<sup>8</sup>

### 4.4 Non-Tariff Barriers

Guyana's weighted average tariff rate was 11.5 percent in 2003. Non-tariff barriers include import-licensing requirements for a relatively large number of products, import taxes, import restrictions, and standards and regulations.<sup>9</sup>

#### Import License

Some items, such as firearms or pharmaceuticals, require an import license, but most items do not.

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<sup>8</sup>

<http://www.goinvest.gov.gy/guyana.html>

<sup>9</sup> Index of Economic Freedom  
<http://www.heritage.org/research/features/index/country.cfm?id=Guyana>



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Additionally, while most goods do not incur any export duties, an export license is required.

Where a license is needed, the license request form must be completed in quadruplicate and submitted to the MTTI along with a pro-forma invoice. A license can cover multiple consignments up to the quantity stipulated in the license agreement and is good for up to six months. A stamp duty of G\$1 per G\$1,000 in cost-insurance-freight (CIF) value is collected by Customs.

Customs periodically fixes the exchange rate used to value imports or exports. Currently, there is no formal appeals process for differences of opinion that arise at any step of the way in the import or export process. However, a Customs Tariff Tribunal is being established that will provide an appeals process to expeditiously decide on complaints.

### **Clearing Imports**

The procedure for clearing imports or inspecting exports is the same for businesses working through customs offices outside Georgetown, as it is for those working through the main office, Customs House, in Georgetown.

Import Customs Clearance procedures:

Step 1: The first step in the clearance process, depicted in the exhibit, is to obtain a Customs registration number and, if required, an import license.

Step 2: To clear imported goods, a broker or the importer, if acting on own behalf, must complete form C72 in quadruplicate and submit it to Customs,

along with the original supplier invoice, bill of lading, and insurance form, if insured.

Step 3: This file of forms is routed to the Classification section where the accuracy of the classification of goods in the documents is verified.

Step 4: The file is then delivered to the Computer/Processing section, where it is checked for completeness and accuracy and the data is entered. If everything is okay, an Assessment Notice indicating the amount of taxes to pay is issued to the broker and Custom's cashier, along with the C72 form.

Step 4a: For commercial goods, except duty-free items, if a Customs officer believes the invoice value is not correct or the importer has a chequered history of under invoicing, the file may be routed to the valuation section. Here, the file is reviewed for accuracy and if the officer feels that the invoice is undervalued, then the values may be increased for tax computation purposes.

Step 4b: If revalued, the file is returned to the broker, who makes the necessary recalculations on form C72 and resubmits it. The file then goes to the Computer/Processing section again for entry and the issuance of an Assessment Notice. This retracing of steps may add another one to two days to the clearance process.

Step 5: The broker takes the notice to the cashier and pays the indicated amount, receiving a copy of the C72 form as a receipt. Twice a day, the original, paid for C72s are picked up from the cashier and delivered to the Quality Review

section at Customs House, with the last pick-up at or near noontime.

Step 6: The Quality Review section then verifies once more the classifications used and the calculations.

Step 6a: If an error is found, Quality Review will revalue and issue a new voucher.

Step 6b: The broker must return to the cashier with the new voucher, pay the cashier, and return to Quality Review with a receipt and the C72. These side steps can add a half to one full day to the process.

Step 7: If everything is okay, the file is delivered to the wharf or other point of entry; another half day of time. A broker takes the approved forms to the point of entry where it is matched with the original delivered from the inspection unit. The goods are then located and a physical inspection occurs. This inspection is usually based on a sampling, unless some discrepancies are found. In which case, the inspection may become 100 percent. Deliveries are made two to three times a day (at or about 9 a.m., late morning and early afternoon) from the Quality Review section to the wharf or other point of entry. As with the pick up from the cashier in step 5, if a broker misses the last delivery time, then the paper work cannot move forward until the next day.

Step 8: After the inspection, the broker takes the bill of lading to the port agent, who provides a cart note for permission to take the goods out.

Step 9: The broker takes the goods.<sup>10</sup>

### 4.5 Import Documentation

The import or export process begins with registration. Importers and exporters must complete an Application for Registration, in duplicate. The applicant will receive a customs registration number in about a week. This number is used in completing all import and export documentation.

The Ministry of Tourism, Industry and Commerce (MinTIC) issues both import and export licenses. A list of items requiring an import license is available from Customs, MinTIC or any good customs broker.

The licensing division of MinTIC attempts to turn applications around in 48 hours in cases where only its signature is required and there are no questions. However, some exports and imports require other approvals as well, e.g., diamonds - Geology & Mines; chickens - FDD and Agriculture; two-way radios - National Frequency Board; among other examples. In cases where other ministries or agencies must approve, Trade is the last to sign. MinTIC can assist identify other signatures needed, if any, but the importer or exporter must seek these other authorisations.

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[http://www.goinvest.gov.gy/roadmap\\_4f\\_businesoperations.html](http://www.goinvest.gov.gy/roadmap_4f_businesoperations.html)

### **4.6 Labelling and Marking Requirements**

Guyana National Bureau of Standards (GNBS) is responsible of the development of standards and regulations that would ensure an improvement in quality of life of the people of Guyana. The labelling and marking requirements are being monitored, based on mandatory standards for goods (food, consumer products, agriculture, among others) falling under the purview of the GNBS. U.S. Exporters and potential exporters are encouraged to contact the GNBS before exporting (goods) to Guyana about the labeling and marking requirements for specific classes of goods.

### **4.7 Sanitary and Phytosanitary (SPS) Measures**

Guyana maintains about 235 national standards, approximately half of which have been adapted from international standards. A number of sanitary and phytosanitary requirements are applied on imports. The Ministry of Agriculture is responsible for sanitary and phytosanitary (SPS) measures, as well as the national notification authority under the WTO SPS Agreement. In accordance with the Food and Drugs Act, the importation of livestock and other animals, including domestic pets and plant materials into Guyana, is subject to an import permit from the Animal Services Division (animals) or the Plant Quarantine Section (plant materials) of the Ministry of Agriculture. The permit specifies the conditions that must be met in the exporting country before

importation is allowed into Guyana. A number of animal and vegetable products are also subject to import licensing.<sup>11</sup>

### **4.8 Prohibited and Restricted Imports**

The importation of counterfeit or substandard coins is prohibited, as is the importation of food unfit for consumption; indecent articles; infected cattle; and matches containing white and yellow phosphorus.

A number of other products face import restrictions:

Arms and ammunition, except with the written permission of the Commissioner of Police; Cocaine, heroin, cannabis, cannabis indica, choras, and preparations thereof, except under licence of the Chief Medical Officer; Imitation banknotes; Spirits and wine, unless in aircraft or in ships of 27.3 tonnes burden at least, and in casks or other vessels of 41 litres at least, or in glass or stone bottles packed in cases, or in demijohn, each case of demijohn containing not less than 41 litres; Tobacco, cigars, cigarillos or cigarettes, unless in aircraft, or in ships of 90.1 tonne burden at least and in whole and complete packages each containing not less than 0.9 kg. net weight (manufacturer excepted); Goods not bearing a trade mark, a name, and an indication of origin; Prepared opium; Shaving brushes manufactured in or exported from Japan; Fictitious stamps

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<sup>11</sup> Doing Business in Guyana: A Country Commercial Guide for U.S. Companies, 2005.

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Tobacco extracts, essence, or concentrates; Exotic fish, except with license by the Chief Agricultural Officer; Cinematographic films, unless Minister responsible for public order and morality, issues to the importer a certificate of importation; Printed matter considered by the Minister responsible for public safety and order to be prejudicial to the defense of Guyana, public safety or order.<sup>12</sup>

## 4.9 Standards

The Guyana National Bureau of Standards (GNBS) was established by Act 11 of 1984. The Bureau is governed by a National Standards Council and it falls under the portfolio of the Ministry of Trade, Tourism, Industry and Commerce.

The vision of the GNBS is to improve the quality of life of the people of Guyana through the process of standardization.

The mission of the GNBS is to promote standardization and Quality Systems in the production and importation of goods and services for the protection of the consumer and foreign trade, thereby improving the quality of life for the people of Guyana.

The Bureau has the following six departments which execute several work programmes: Standardization, Conformity Assessment, Metrology/Standards Compliance, Laboratory Services, Information Services and Administration and Finance. The

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<sup>12</sup> Doing Business in Guyana: A Country Commercial Guide for U.S. Companies, 2005.

Bureau's programmes are geared towards consumer protection, technical assistance for industry and facilitation of trade.

A number of services are offered to stakeholders. These include testing and calibration, providing standards information, conducting quality audits, certification of products and verification of weighting and measuring devices.<sup>13</sup>

## 4.10 Product Certification

This GNBS provides third party Certification based on conformance to a particular national standard. This is rewarded by the use of the Standards Mark which signals to the consumer that this product is of quality and authenticated by the Bureau. Imported commodities should bear a national or international certification mark from a regulatory body in the country of origin or a Certificate of Quality Compliance from an independent certification body.<sup>14</sup>

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[http://www.iso.org/iso/about/iso\\_members/iso\\_member\\_body.htm?member\\_id=1860](http://www.iso.org/iso/about/iso_members/iso_member_body.htm?member_id=1860)

<sup>14</sup> Doing Business in Guyana: A Country Commercial Guide for U.S. Companies, 2005.

## 5. INVESTMENT PROFILE

### 5.1 Investment Incentives Schemes

- Zero-rate on Customs Duty and Consumption Tax on most plant, machinery and equipment
- Zero-rate on Customs Duty and Consumption Tax on raw materials and packaging materials used in the production of goods by manufacturers and small businesses
- Unlimited carryover of losses from previous years
- Accelerated depreciation on plant and equipment
- Full and unrestricted repatriation of capital, profits and dividends
- Benefits of double taxation treaties with the UK, Canada, and CARICOM countries

#### AGRI-BUSINESS

- Waivers of Duty and Consumption Tax on a wide range of machinery and equipment for land preparation and cultivation including agricultural hand tools and spares for agricultural machinery
- Waivers of duty and consumption tax on vehicles imported in accordance with the published guidelines for farming enterprises
- Duty and Consumption Tax waivers on a wide range of agro-processing equipment
- Duty-free importation on a wide range of agro-chemicals (e.g. insecticides, herbicides, fungicides, etc.)
- Allowances for expenditures incurred for development and cultivation purposes

#### MANUFACTURING

- Duty and Consumption Tax rate of zero on a wide range of process machinery and equipment, including packaging equipment
- Exemption on a wide range of auxiliary plant equipment such as boilers, fork lifts, scales for continuous weighing, continuous-action conveyors, etc.
- Exemption from Duty and Consumption Tax on vehicles qualifying under the Customs Duties (Amendment) (No.1) Order 2004
- Exemption from import duty and consumption tax on packaging materials for manufacturers registered under the Consumption Tax Act
- Duty and Consumption Tax rate of zero on most raw materials for manufacturing companies registered under Consumption Tax Act

#### TOURISM

- Companies are eligible once every five years for a package of incentives, comprised mainly of Duty and Consumption Tax waivers on basic furnishing, equipment, and building materials. Concessions are limited to 50 percent of the value of the items for new projects and 25 percent for renovations and extensions to existing hotels.

#### FISHERIES

- Exemption from Import Duty on trawlers, fishing vessels, spares for fishing boats and trawlers, wide range of fishing equipment
- Exemption from Duty and Consumption Tax on fish/seafood processing equipment, packaging

material and other inputs for processing

## FORESTRY

- Exemption from Duty and Consumption Tax on equipment used in logging, land development and saw-milling
- Duty and tax exemptions on outboard engines up to 75 hp; over 75 hp, 5 percent duty

## MINING

- Exemption from duty and consumption tax on a range of mining equipment, equipment used for land clearing, and certain outboard engines
- Preferential consumption tax rate of 10 percent on aviation fuel
- For large-scale mining, waiver of duty and consumption tax on fuel, machinery, and equipment spares, and on vehicles imported exclusively for the business

## HOUSING

- Duty and tax exemption on selected building materials

## AVIATION

- Preferential consumption tax rate of 10 percent

## ICT

- Waivers of duty and consumption tax on machinery and equipment<sup>15</sup>

## 5.2 Foreign Investment Regime

Both public and private sector leaders have declared Guyana ‘open for business’. Foreign investors receive the same treatment as domestic investors. Guyana provides an array of across-the-board investment incentives, including a flat business tax rate, tax holidays, waivers of customs duties, export tax allowances, and unrestricted repatriation of profits, as well as additional incentives in priority export sectors. Furthermore, Guyana’s investment promotion agency, Guyana Office for Investment GO-INVEST, provides effective support to investors before, during and after an investment has been realized.<sup>16</sup>

The Government of Guyana publicly encourages foreign direct investment in almost all sectors. Billed as a “first stop shop” for investors, the GO- INVEST is charged with leading government efforts to attract foreign and domestic investment. GO-INVEST focuses primarily on the agro-processing, tourism, manufacturing, information technology, fishing, and wood processing sectors. Potential investors should note that GO-INVEST serves as the first in a long line of bureaucratic hurdles required to obtain the permits and tax concessions necessary to do business in Guyana. The government has enacted new laws and amended existing ones to encourage foreign direct investment, with mixed levels of success.

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<http://www.goinvest.gov.gy/incentives.html>

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<http://www.goinvest.gov.gy/guyana.html>

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The 2007 Guyana Business Outlook Survey, compiled by the local accounting firm Ram and McRae, revealed the highest level of optimism for the economy in five years among respondents from the business community. The survey identified fuel cost, electricity supply and security in relation to crime as the three most important operating issues for 2007. (Note: Only 35 of 118 companies that were canvassed responded to the survey, the lowest response rate in 13 year history of the study.) Of those respondents, 32 percent believed that economic conditions would be more favorable in 2007 while 26 percent believe that economic conditions would be less favorable. In comparison, last year's survey indicated that only seven percent of respondents thought 2006 would have been more favorable for privately owned businesses than 2005.

Parliament passed the Investment Act in 2004, designed to stimulate socio-economic development and to attract and facilitate foreign investment. Other important laws pertaining to investment include the Income Tax Act, the Customs Act, the Procurement Act of 2003, the Companies Act of 1991, the Securities Act of 1998, and the Small Business Act. However, several outstanding actions are still required for much of this legislation, such as the Procurement Act, to be effectively implemented.

More recently, the Value-Added Tax (VAT) Act of 2005 and Excise Tax Act of 2005 went into effect January 1, 2007. The VAT is 16 percent across-the-board tax on all goods and services and replaces six previous taxes (the

consumption tax, telephone tax, purchase tax, service tax, hotel accommodation tax and entertainment tax).

With support from the Inter-American Development Bank, Guyana established a Commercial Court in June 2006 that is exclusively dedicated to addressing commercial disputes. This court has the potential to improve the quality of services provided to the business community by sidestepping delays due to backlogs in other areas of the court system. Since its start, some 567 cases have been filed in the court, 217 completed the judicial process and 350 are pending a decision.

Foreign ownership of companies is permitted. There is no mandatory screening of foreign investment. However, the government reviews most investments to determine which businesses are eligible for special tax treatment, access to licenses, availability of land, and approval for investment incentives.

In general, foreign investors receive the same treatment as local investors in Guyana. One exception is the special approval required for local financing. Foreign borrowers applying for a loan of more than G\$2 million (US\$10,000) must request permission from the Minister of Finance. Another exception in the mining sector restricts ownership of small- and medium- scale mining property titles to Guyanese ownership. However, foreigners may enter into joint-venture arrangements whereby the two parties agree to jointly develop a mining property. There are no restrictions on the percentage of the

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investment shouldered by the foreign investor. These arrangements are strictly by private contract.

Most large-scale investments in Guyana's infrastructure are government projects financed by international lending institutions, with the Inter-American Development Bank (IDB) as the largest donor.

In evaluating the ease of doing business in Guyana, a World Bank and International Finance Corporation Report "Doing Business 2007" ranked Guyana 136 out of 175 countries. The topics that were used to comprise the overall ranking were starting a business in Guyana, dealing with licenses, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business.

## 5.3 Free Trade Zones

### Free Zone Regime

There are currently no free trade zones in Guyana although many proposals are under consideration and interest remains high.

The Government has been promoting the establishment of industrial estates in order to facilitate industrial development. Two are in operation: the Coldingen Industrial Estate, situated on the east coast of Demerara, opened in 1997, and the Eccles Industrial Estate, opened in 2000; three more are in development at Lethem, New Amsterdam, and Belvedere. Activities in industrial estates enjoy the same

benefit as other manufacturers by being allowed to import their raw materials duty-free. There is no requirement for any part of their production to be exported nor limit to the amount that may be sold on the local market. The development and administration of industrial estates falls under the responsibility of the Ministry of Tourism, Industry, and Commerce. In practice, all industrial estates in Guyana are held by the National Industry and Commercial Investment Ltd (NICIL), and are operated and monitored by the Ministry.

The authorities noted that the activities on these industrial estates will benefit from the advantages of free zones when these come on-stream. The Government is making efforts to study the success of free zones in neighboring states, with a view to adapting this concept as a mechanism for promoting manufacturing and agric-processing; the authorities expect that free zones will encourage the industrial estates to expand these activities.

In early 2003 the Government announced plans to introduce legislation for the development of industry and the development and management of industrial estates in an Industrial Development Authority Act, and a Free Zone Act.<sup>17</sup>

## 5.4 Investment Agreements

Bilateral Investment Agreements:

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<sup>17</sup> Doing Business in Guyana: A Country Commercial Guide for U.S. Companies, 2005.



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People's Republic of China, Cuba,  
Germany and United Kingdom of Great  
Britain and Northern Ireland.

Double Taxation Treaties:  
Canada, CARICOM countries, United  
Kingdom of Great Britain and Northern  
Ireland.

## 6. ESTABLISHMENT OF BUSINESSES

### 6.1 Right to Private Ownership

Foreign and domestic firms have the right to establish and own business enterprises and engage in all forms of remunerative activity. However, in some cases, licenses are required.

Private entities may freely acquire and dispose of interests in business enterprises, although some newly privatized entities have limits on the number of shares that may be acquired by any one individual or entity (domestic or foreign).

Similarly, the articles of association of some firms prohibit the issuance of more than a certain number of share transfer forms to any one individual or company in an effort to prevent attempts to gain control of such companies in the secondary market. In theory, the government can limit competition with state-owned companies by denying private firms the required licenses to operate.

Licenses are granted primarily in the mining, telecommunications, forestry, banking, tourism and environmental sectors. According to the GO-INVEST Investor's Roadmap, the estimated processing time to obtain the approvals to lease state or government lands may take one year or more. To register a patent or trademark can take approximately six months. The right of foreigners to own property or land in

Guyana is specifically protected under the Constitution.<sup>18</sup>

### 6.2 Establishing an Office

For a business to have legal recourse and benefit from various incentives it must register. Business forms include:

Single ownership (i.e., proprietorship); Partnership (in any form); Company (incorporated businesses both domestic and foreign)

The Business Names (Registration) Act and the Partnership Act are the governing regulatory documents for single ownerships, partnerships, and agencies. The Companies Act (9/91) covers the registration of an incorporated business, domestic and foreign.

Though three different Acts address the different business types, the government office for business registration of any kind is the Deeds Registry in Georgetown.

To register a proprietorship or partnership takes about 3 weeks and costs G\$5,000. To register an incorporated business, domestic or foreign, takes about 3 days and the cost varies.

#### Proprietorship/Partnership

Registering a small business, loosely defined as an individual or a partnership of three or fewer people (this is not a

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[http://georgetown.usembassy.gov/guyana/Investment\\_Statement.html](http://georgetown.usembassy.gov/guyana/Investment_Statement.html)

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statutory figure though), requires three simple steps.

Step 1. Applicant completes a Business Name Registration form. The form is obtainable from the Deeds Registry. There is a registration fee of G\$5,000.

Step 2. The Registry staff checks the particulars contained in the application against other registered businesses.

Step 3. If there are no conflicts with previously registered businesses, the new business is registered and applicant can pick up certificate in about three weeks.

There is a regional Deeds Registry in New Amsterdam responsible for Berbice. The Berbice branch can register business names and sole ownerships or simple partnerships, but not incorporated companies. Business registration applications are gathered daily, with certificates issued each Thursday. The office follows a similar process as the registry in Georgetown, but with fewer registered businesses to check, the processing time is less.

### **Incorporated Companies Domestic Firms**

Step 1. Business Registry clerk checks the application and calculates the amount owed. (The fee is based on share capital. See the table below.) Submission must include:

- Articles of incorporation in duplicate;
- Statutory declaration from an attorney that no signatory to the articles is under the age of 18, of

unsound mind as determined by a court, or an undischarged bankrupt;

- Statements naming the first directors and secretary and their consent to serve; and
- Notice of the company's registered address.

Step 2. If the application is complete and correct, and there are no name conflicts, it is returned to the applicant, who takes it to the cashier and pays the fee.

Step 3. When the fee is paid, the cashier routes the submission to the Company section of the Business Registry.

Step 4. In two to three days the applicant can return to collect the company certificate.

### **Foreign Firms**

Any foreign company, referred to as "external companies" in the Companies Act, transacting business in Guyana must register with the Business Registrar.

The process is similar to that for an incorporated domestic firm, though a foreign company must submit copy of the company registration from the country in which firm is registered. Registration fees are the same as for a domestic firm.

In addition to the above procedures for a domestic firm, the Registrar will publish a notice of the registration in the Government's Gazette. If an external company terminates activities in Guyana, it must notify the Registrar within 28 days of ceasing such operations. Likewise, the company must notify the Registrar of any fundamental

changes “name, objectives, directors” within 28 days of such and pay the prescribed fees to register the changes. Many of the requirements of the Companies Act for a registered local company apply to external companies too, e.g., external companies must file an annual return the contents of which are outlined in the Act and its accompanying schedules.<sup>19</sup>

### 6.3 Work Permit Requirements

Foreign nationals must obtain a work permit from the Ministry of Home Affairs to work in Guyana. Permits take two to three weeks to process, are valid for up to three years, and are renewable.

To obtain a permit it is necessary to submit a passport that is valid beyond the period for which the work permit is sought.

### 6.4 Intellectual Property Rights

Upon independence, Guyana adopted British law on patents and copyrights. This legislation is currently being revised to conform to global norms. Guyana passed the Geographic Indication Act in July 2005, giving protection to local products that are uniquely Guyanese in origin. Guyana joined the World Intellectual Property Organization (WIPO) and acceded to the Bern and Paris Conventions in late 1994. At present, there is no enforcement

mechanism to protect intellectual property rights.

Guyana has not ratified an intellectual property rights agreement with the U.S. Trade Related Intellectual Property Rights (TRIPS) draft legislation was prepared by the Ministry of Foreign Trade and International Cooperation and Ministry of Legal Affairs in 2001, but, apparently, has been shelved by the government.<sup>20</sup>

### Trade Marks

The Trade Mark Act (LRO 3/98) is applied to patents, trademarks and designs. There is no separate Act in Guyana that covers intellectual property rights (IPR). A new Act is expected addressing copyrights.

Trademarks are good for seven years and renewable indefinitely every 14 years thereafter. Patents are good for 16 years and are renewable.

There are three parts to the Act under which a business might register a trademark.

- Applies to trade marks that consist of a name, invented words, or a signature or other distinctive mark.
- Captures all other types of trademarks.
- Pertains to trade marks registered in the United Kingdom.

The trademark process should take about six months. Once the application for

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[http://www.goinvest.gov.gy/roadmap\\_1c\\_businesstartup.html](http://www.goinvest.gov.gy/roadmap_1c_businesstartup.html)

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trademark registration is submitted, the holder of the mark is protected and would have legal recourse through the Guyana court system or arbitration. Disputes that arise over trademarks that are not yet registered but applied for would be decided by the submission date of the application for trademark registration.

### Parts A and B:

1. A person seeking to register a trademark or patent must obtain, complete and submit an application to the Registry of Patents, Designs, and Trade Marks.

1a: Submit five copies of the trade mark, one on the letter requesting registration of the mark and four on separate pieces of paper.

1b: If a law firm is representing the applicant, the package should include a letter stating that the firm can act on the applicant's behalf in the matter of registering the trade mark.

2. The trademark registry is checked for any previously registered trade marks sufficiently similar to the applicant's as to cause confusion. It is not necessary to use a lawyer to register.

3. If none are found, the trademark request is gazetted one time and the public has one month in which to file an opposition.

3a: If an opposition is filed, the applicant is notified and the applicant and protesting party must then work it out.

3b: The Registrar will arbitrate if requested or the matter can be taken to court.

4. If no opposition is filed, then the applicant receives a certificate of registration.

### Part C:

1. Provides for expedited registration of the UK trademark.

2. The item is gazetted immediately and, if there is no opposition, a certificate can be issued in about a month.

## Patents

### Local patents:

Step 1: Inventor provides a description of the item invented and, possibly, detailed drawings.

Step 2: Requests for patents are reviewed, which often means sending them to the University of Guyana, as there is no proper patent examiner in Guyana.

Step 3: Based on a favourable opinion, the Registrar grants a patent.

### UK registered patents:

As with UK registered trademarks, UK registered patents are gazetted and, assuming no opposition is lodged, certified in about a month.<sup>21</sup>

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[http://www.goinvest.gov.gy/roadmap\\_1d\\_busine\\_sstartup.html](http://www.goinvest.gov.gy/roadmap_1d_busine_sstartup.html)

### 6.5 Conversion and Transfer Policies

The Guyana dollar is fully convertible and transferable into foreign currency associated with foreign investment in Guyana. This is done at the prevailing clearing rate. The exchange rate is US\$1 to G\$200 (January 2007). There are no limits on inflows or repatriation of funds, although there are spot shortages of foreign currency. However, in keeping with the UN Security Council Resolution # 1455, restrictions are placed on financial transactions and transfer of funds that are linked to the Taliban, Al-Qaeda and groups associated with financial terrorism. Regulations also require that all currency in excess of US\$10,000 be declared to Customs authorities at the airport or other ports by all persons leaving and entering Guyana. There is no limit to the acquisition of foreign currency, although the government limits the percentage that a number of state-owned firms may keep for their own purchases. The government eased restrictions on the establishment of foreign currency bank accounts in Guyana, a step that has simplified the process of moving money. Funds can now be wired in and out of the country electronically.

In practice, many large foreign investors in Guyana use subsidiaries outside Guyana to handle earnings generated by the export of primary products, including timber, gold, and bauxite. Those companies then advance funds to their local entities to cover operating costs.

The exchange rate is commercially determined according to market supply and demand using telegraphic transfers

for the three largest commercial banks. The government has intervened in support of the Guyana dollar with some success. The government announced that it will continue to intervene in defense of the Guyana dollar and its international reserves.<sup>22</sup>

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### **7. CULTURAL PRACTICES**

#### **7.1 Business Customs**

Business dress is relaxed. For men, work attire consists of anything from a guayabera (shirtjac) to slacks polo shirt to shirt and tie and light business suits for women.

#### **7.2 Entry/Exit Requirements:**

Currently, only a valid U.S. passport is required for U.S. citizens to enter and depart Guyana. On arrival in Guyana, visitors are granted a 30-day stay. Extensions of stay may be obtained from the Ministry of Home Affairs at 60 Brickdam Street, Georgetown. The Central Office of Immigration located on Camp Street, Georgetown, must then note the extension in the visitor's passport. Travelers for other than tourism purposes should check with the Ministry of Home Affairs for information about requirements for work permits and extended stays.