



RENEWABLE ENERGY — OPPORTUNITIES IN GUYANA

Renewable Energy opportunities in Guyana

A wide array of opportunities have arisen in Guyana within the renewable energy sector, as the government has set out ambitious targets to increase power generated from renewable sources and reduce dependency on imported oil. The country already generates a significant amount of their energy requirement from Bigasse (sugar cane based biofuel) and wood. However, additional opportunities exist in solar power, wind power, hydroelectricity, and other biomass and bio-fuels.

Hydroelectric investments in particular have a large number of opportunities for overseas investors and is regarded as the most viable option for renewable energy supply in the country. There is a significant amount land and water resources available for such resources, with 60 potential sites identified and an estimated energy potential 7000 MW from hydroelectric sources.

Solar energy has considerable potential, particularly in interior regions of the country where the current electric grid system is not available and buildings are sparsely scattered. The climate of Guyana makes solar energy highly feasible for both individual homes and larger solar projects, and additional opportunities exist for increased manufacture of solar panels to capture solar energy.

The third area of high potential is biofuels such as ethanol and biodiesel. Approximately 84% of the country's land resources are forests and woodland, giving ample land resources for these types of

development. Guyana’s climate is ideally suited to the cultivation of virtually all of the major feedstock that can be used to produce bio-fuels, including sugar cane, coconut oil, palm oil, sweet potatoes and other feed stock.

Guyana is also a highly cost competitive destination for the development and operation of renewable energy projects. The annual salary of an engineer is US\$16,983 per annum¹ while the minimum wage is US\$166 per month².

Guyana’s Environment for Renewable Energy

- ❖ Backed by supportive government policies, Guyana has already undertaken a wide range of both large scale and pilot projects to explore its renewable energy capabilities. The Low Carbon Development Strategy, updated in 2013, aims to move Guyana’s electricity sector to nearly 100% renewable energy based. Schemes such as the Unserved Areas Electrification Programme (2004 to 2010) have resulted in 40,000 new connections to the electric utility and 1,750 solar systems installed in buildings³.
- ❖ The Guyanese environment and landscape has considerable untapped potential for a wide range of renewable energy projects. It has a low population density and an abundance of land and water resources for Hydroelectric and Biofuel developments. It also has all the benefits of a Caribbean destination for solar developments receiving an average of 7 hours of sunshine per day⁴ and has an average daily solar irradiation 5.1 kilowatts per square metre⁵.



¹ fDi Intelligence from the Financial Times based on Towers Watson Global Remuneration Planning Report 2014/15 and national statistics, 2014

² World Bank Doing Business, 2015

³ Guyana Energy Agency, Draft Strategic Plan 2014-2018

⁴ fDi Intelligence from the Financial Times based on World Climate Guide

⁵ fDi Intelligence from the Financial Times based on Renewable Energy System Design Tool: Solar power calculator

Incentives

Guyana offers a wide range of incentives to foreign investors. These include:

- ❖ Exemption from Customs Duty on most plant machinery and equipment
- ❖ Exemption from Customs Duty on raw materials and packaging materials used in the production of goods by manufacturers
- ❖ Exemption from Customs Duty and zero rate of Value-Added-Tax on raw materials and packaging for manufactures who export 50 percent or more of their products
- ❖ Unlimited carryover of losses from previous years
- ❖ Accelerated depreciation on plant and machinery for approved activities
- ❖ Full and unrestricted repatriation of capital, profits and dividends
- ❖ Benefits of double taxation treaties with the UK , Canada, Kuwait and Caricom countries
- ❖ Exemption from Customs Duty and zero rate of Value-Added-Tax on items approved under an Investment Agreement between the Government and the business
- ❖ Exemption from Excise Tax on items approved under an Investment Agreement between the Government and the business
- ❖ Zero rate of Value-Added-Tax on exports.

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