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Government Policies on Labour, Oil and Climate change in
Guyana.

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A statistical and basic overview of the Guyanese Economy

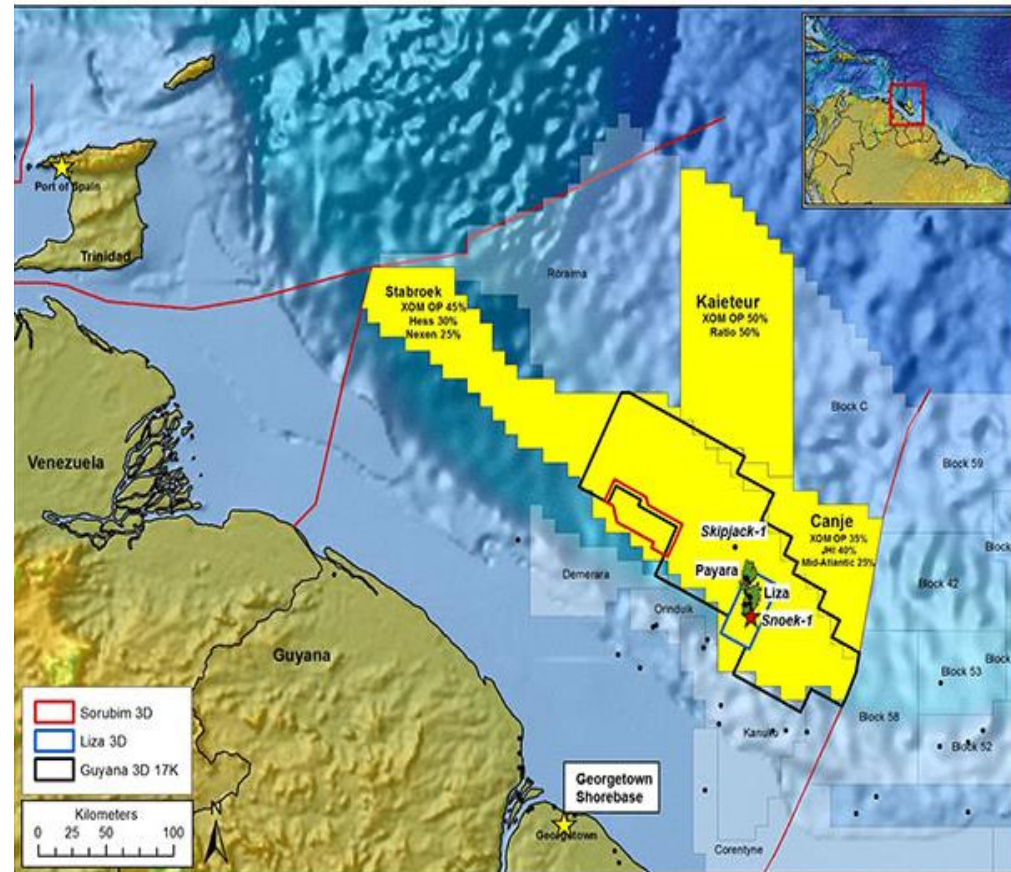


A Statistical and Basic Overview of the Guyanese Economy cont.

- ▶ Name: The Cooperative Republic of Guyana
- ▶ Language: English
- ▶ Size: Approximately 83000 sqr miles/ 214000 sqr kilometers
- ▶ Population size: Approximately 750,000 persons
- ▶ GDP 2018: \$3.68 Billion USD
- ▶ GDP per capita 2018: \$4906.67 USD
- ▶ Economic Growth 2018: 4.1%
- ▶ Economic Drivers: Gold, Timber, Rice, Sugar, and Services.
- ▶ Natural Resource Endowment: Precious Minerals, Arable land, Forestry, Vast water resource and Oil.

Guyana's Emerging Oil and Gas Sector

- ▶ In 2015 Exxon Mobile announced significant oil discovery offshore Guyana
- ▶ As at April 18 2019 the company announced 13 Oil discovery offshore Guyana



Guyana's Emerging Oil and Gas Sector

- ▶ Total Oil Discovery to date stands at an estimated 6.8 billion high quality oil-equivalent barrels.
- ▶ First Oil is expected in early 2020
- ▶ Exxon Mobil estimates that by 2025 they will be producing more than 750,000 barrels a day.

Guyana's Emerging Oil and Gas Sector Cont.

- ▶ The transformational impact of the Oil and Gas sector must be discussed in line with the contractual arrangements between the Gov. Guyana and Exxon Mobil.

Currently the Production Sharing agreement spells out that:

- ▶ 75% of Oil production will go to cost recovery for the company.
- ▶ Of the remaining 25%, half (12.5%) will go to the Gov of Guyana.
- ▶ After cost is recovered, production is split 50/50
- ▶ Gov. Guyana will receive 2% royalty on all Oil sold.
- ▶ **Training and hiring Guyanese Labour.**
- ▶ Exxon Mobile will be responsible for the clean up efforts should there be a spill as well as compensating affected communities.



Guyana's Emerging Oil and Gas Sector Cont.

- ▶ If managed properly, this oil find is expected to transform our economy into one of the richest countries in the Caribbean and South America region.
- ▶ Poverty is expected to decline significantly.
- ▶ Better Infrastructure.
- ▶ Improvements in Health and Education.
- ▶ Manufacturing/Value added production is expected to increase.

To ensure that Guyanese benefit from the Oil and Gas resource (Long and Short Term)

- ▶ A Sovereign Wealth Fund was set up.
- ▶ **The Local Content Policy was passed in Parliament.**
- ▶ The Gov. has partnered with the University to introduce new programmes.
- ▶ Learning from similar countries to avoid the resource curse.

Climate Change is Happening and we no longer have the luxury of not doing anything.



The Green State Development Strategy.



The Government of Guyana envisions that the “Green State Development Strategy” will be based on sustainable use of biodiversity and a decarbonized approach that endeavors to provide an inclusive and better quality of life for all Guyanese within the ecological limits of our country’s natural resources, and with the relevant, physical and human capital”.
H.E. President Granger

The Green State Development Strategy.

- ▶ Guyana's Green State Development Strategy is meant to be a national development plan, providing long-term vision and guidance for Guyana's economic, social and environmental development.
- ▶ The objective of the strategy is to reorient and diversify Guyana's economy, reducing reliance on traditional sectors and opening up new sustainable income and investment opportunities in higher value adding and higher growth sectors.

Framework of the Green State Development Strategy

- ▶ **Vision:** Guyana's Vision 2040 for an inclusive, green and prosperous State as the fundamental guide for the GSDS.
- ▶ **Principles:** In support of Vision 2040, the Framework identifies six supporting principles, delineating core values and objectives for the GSDS.
- ▶ **Central Themes:** The Framework next identifies seven central themes that the GSDS must address in order to support these principles, and ultimately, Vision 2040.
- ▶ **Finance mechanisms:** To finance the implementation of the GSDS, the Framework will set out a resource mobilization strategy; and describe the financing and resource mobilization necessary to support the implementation of the GSDS.
- ▶ **Monitoring and evaluating indicators:** In addition, the Framework includes a mandate to include the development of a monitoring and evaluation plan for the GSDS as part of the consultation and development process.

The Green State Development Strategy is in line with achieving the SDG's through its Central Themes.



A portion of the Oil Revenue will be directed towards achieving the Central Themes

Seven 'central themes' are identified with considerable potential to contribute to the transition to a Green State:

1. Green and Inclusive Structural Transformation: Diversifying the economic base, accessing new markets and creating decent jobs for all
2. Sustainable Management of Natural Resources and Expansion of Environmental Services: stewardship of natural patrimony
3. Energy - Transition to Renewable Energy and Greater Energy Independence
4. Resilient Infrastructure and Spatial Development
5. Human Development and Well-being
6. Governance and Institutional Pillars
7. International Cooperation, Trade and Investment

Guyana has enormous potential for Developing Green Sustainable Energy?



Policy Measures to achieve Sustainable Development.

Climate change response

- ▶ The Government has constructed a \$264 Million (1.3 million USD) Solar Farm in the town of Mabaruma and another to the tune of \$565 Million (2.6 Million USD) for the Town of Lethem.
- ▶ Construction of a US\$50 million, 25-megawatt wind farm project at Hope Beach on the East Coast of Demerara.
- ▶ Construction works on the 20KW Hosororo hydropower project is on track. This is expected to be completed by the end of July 2019
- ▶ Feasibility studies are currently being done for the construction of several hydro plants at the following falls: Moco Moco, Kumu and Amalia. Collectively, they will add over 400 Megawatts to the national grid. Providing electricity to over 80% of our household.



Policy Measures to achieve Sustainable Development.

Promoting Jobs

- ▶ In an effort to increase employment opportunities at the community level, the Government through the Sustainable Livelihood and Entrepreneurial Development (SLED) Initiative, has invested over G\$ 400 million (\$USD 1.9 Million) between 2016-2018. This investment covers community based projects across nine regions in areas such as agriculture, livestock and apiculture, added value products thereof, ICT and tourism. Estimated jobs created 120 directly and another 100 indirectly.

Reference

- ▶ Bank of Guyana Annual Report 2018. <https://www.bankofguyana.org.gy/bog/economic-financial-framework/publications/annual-reports>
- ▶ Budget Speech 2018. <https://finance.gov.gy/?cat=9>
- ▶ Exxon Mobile. <https://corporate.exxonmobil.com/en/locations/guyana>
- ▶ Framework of the Guyana Green State Development Strategy and Financing Mechanisms, Prepared by the Ministry of the Presidency. <http://www.greengrowthknowledge.org/sites/default/files/Framework%20for%20Guyana%20Green%20State%20Development%20Strategy%2028-03-17.pdf>
- ▶ Petroleum Agreement. <https://www.resourcecontracts.org/contract/ocds-591adf-1399550295/download/pdf>

An aerial photograph of a waterfall cascading over a dark rock ledge into a pool. The surrounding area is lush with green vegetation, including a large, flat, moss-covered rock formation on the right. The water is white and frothy as it falls, creating a misty spray at the base. The overall scene is vibrant and natural.

Muchas Gracias

Preguntas?