

Guyana New Frontier

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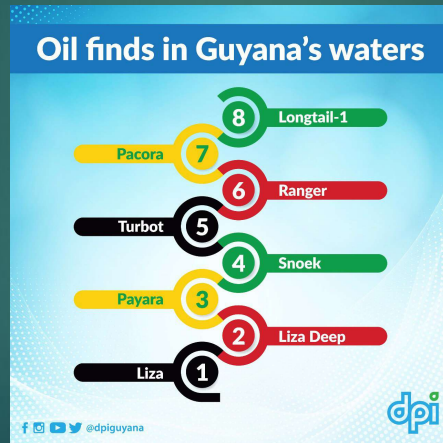
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- ▶ The United States Geological Survey ranks Guyana-Suriname as the world's second-most prospective, underexplored offshore basin, with an estimated 13.6 Bbbl of oil and 32 tcf of natural gas yet to be discovered.

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- ▶ Exxon Mobil said it estimates that it's discovered more than 4 billion barrels of recoverable oil equivalent in the region.
- ▶ Exxon Mobil and Hess, which have partnered in the country, could have up to five floating production, storage and offloading vessels producing more than 750,000 barrels per day by 2025, the companies said.

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- ▶ Guyana has been actively reaching out to its international partners for support and advice as the country continues to put systems in place for oil production, set to begin in 2020. One area where maximum support is needed is training and capacity building which would allow Guyanese to equip themselves with the skills required in the oil and gas industry.

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- ▶ At present there are four companies engaging in exploration work in Guyana Exxon Mobil (Joint venture of Exxon, Hess and Nexen), Repsol, Century Guyana Ltd. and CGX Energy Inc.
- ▶ Guyana became the latest member of the Extractive Industries Transparency Initiative (EITI), an international watchdog that partners with organizations like the World Bank and the International Monetary Fund

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- ▶ Guyana is still working to develop a local content policy. However, the Centre for Local Business Development (CLBD) provides a central hub for service providers.
- ▶ <https://clbdguyana.com/>

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- Skilled personnel
- Environmental & Waste Management -audits
- Laboratory facilities that can carry out related testing
- Corporate & investment services - Wealth management, etc
- We have five banks of which only two have international connections-banks that can provide extensive international trade and currencies
- Trucks, heavy equipment-Caterpillar & Hyundai are represented in Guyana. Toyota provides light vehicles
- High volume communication equipment

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- ▶ Catering services
- ▶ Supply boats
- ▶ Fabricators/welders
- ▶ Accreditation bodies to certify training agencies/personnel
- ▶ Occupational, Health & Safety Administration
- ▶ Civil, mechanical and electrical engineers
- ▶ Security

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- ▶ The Government is keen to develop alternative energy sources such as wind and solar power. The Guyana Energy Authority is currently facilitating a foreign investor to construct a wind farm which is expected to have an installed capacity of 12 MW.
- ▶ Natural gas power plant-the Power Company recently advertised for a 50 megawatts plant
- ▶ Sustainable forest harvesting

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They are a number of tax and non tax benefits for investing in Guyana including but not limited to:

- ▶ Exemptions of customs duties and taxes on machinery and equipment.
- ▶ Tax holiday
- ▶ VAT exemption for the consumption of goods and services for applicable business activities

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- ▶ Exemption from Customs Duty and zero rate of Value-Added-Tax (14%) on items approved under an Investment Agreement between the Government (Go-Invest) and the business

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- ▶ Accelerated depreciation (capital allowances) on plant and machinery for approval activities resulting in lower income taxes
- ▶ Benefits of double taxation treaties with the UK , Canada, and Caricom countries
- ▶ Exemption from Excise Tax on items (tax varies depending on the Import) approved under an Investment Agreement between the Government (Go-Invest) and the business
- ▶ Foreigners are allowed to work in Guyana with a permit

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- ▶ Export Allowances for non-traditional exports to markets outside Caricom. The actual amount deducted depends on the proportion of export sales to total sales. Does not include rice, lumber, timber, shrimp, rum, sugar, diamond, gold, bauxite, molasses, petroleum.

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% of export sales to total sales	% of export profit deductible from income tax.
10% or more – less than 21%	25%
Greater than 21% – less than 31%	35%
Greater than 31% – less than 41%	45%
Greater than 41% – less than 51%	55%
Greater than 51% – less than 61%	65%
Greater than 61%	75%

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Non tax advantage of doing business in Guyana.

- ▶ Minimum wage is G\$44,200 or US\$210 per month making Guyana competitive in the labour market
- ▶ Workforce literacy rate is 91.8% indicating trainable workforce
- ▶ Foreigners are allowed to work in Guyana with a permit
- ▶ An investor (foreign or domestic) is free to exit from a venture in accordance with the law

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Non tax advantage of doing business in Guyana.

- ▶ The Investment Act of Guyana 2004, reinforces the Government's commitment to neither discriminate between foreign and domestic investors, nor among foreign investors from different countries
- ▶ Rich Natural resources (Gold, Timber, potential for oil, etc)

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Non tax advantage of doing business in Guyana.

- ▶ The Government is interested in securing large-scale investors for the mining industry, especially in the areas of gold and bauxite, for exploration purposes and to improve the efficiency and productivity of operations. It should be noted, however, that foreign investors cannot hold small or medium scale properties (up to 1,200 acres) except in partnership with Guyanese firms.

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Non tax advantage of doing business in
Guyana.

- ▶ Adequate transportation of land, air and water.