

# GUYANA BUDGET BULLETIN 2023



# Introduction

"...real GDP is projected to grow by 25.1% this year, a rate of growth which currently puts Guyana among the top five fastest growing economies in 2023"

~ Dr. Ashni Singh.

Despite global challenges including the war in Ukraine and continued effects of Covid-19, all of which had a direct impact on prices, Guyana earned the title of fastest growing economy in the world.

This year's budget was presented by Senior Minister of Finance, Dr. Ashni Singh under the theme "Improving lives today, building prosperity for tomorrow".

Bolstered by the first installment of Carbon Credit receipts and withdrawals from the Natural Resources Fund, Budget 2023 delivers a package of \$781.9 billion towards the creation of a strong foundation for the future.

## Budget Highlights

### REVENUE | 1

\$31.275 billion from sale of Carbon Credits



### ENERGY | 2

\$43.3 billion spend on Gas to Energy Project, expected to be completed in 2024



### WITHDRAWAL | 3

\$208.9 billion withdrawal from Natural Resources Fund



### REMOVAL | 4

Removal of VAT on residential properties and new electric vehicles



# Sector Spend



## Key Facts

Growth in Real GDP

↳ Non-oil economy

Inflation

↳ Food

Commercial banks' weighted average lending rate

91 day treasury bill rate

US\$ mid-market exchange rate

Oil Production (Millions of barrels)

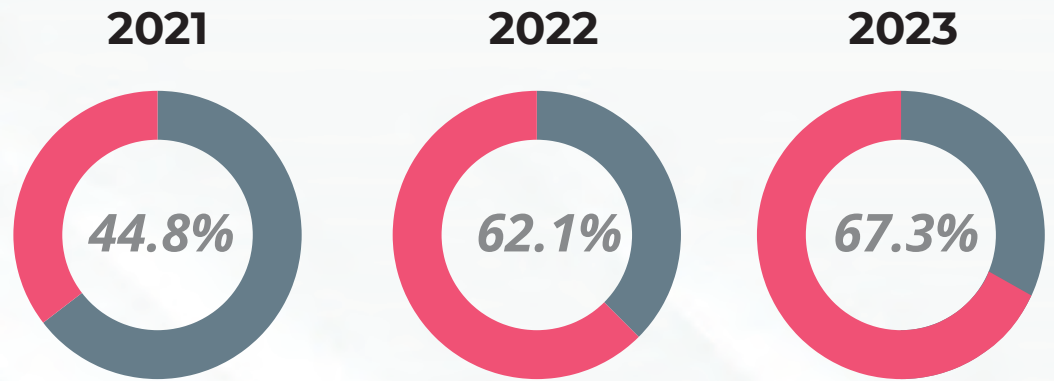
	2021	2022	2023
Growth in Real GDP	19.9%	62.3%	25.1%
↳ Non-oil economy	4.6%	11.5%	7.9%
Inflation	5.7%	7.2%	3.8%
↳ Food	11.6%	14.1%	
Commercial banks' weighted average lending rate	8.88%	8.36%*	
91 day treasury bill rate	1.54%	1.54%	
US\$ mid-market exchange rate	208.77	207.12*	
Oil Production (Millions of barrels)	42.7	101.4	136.5

\*at November

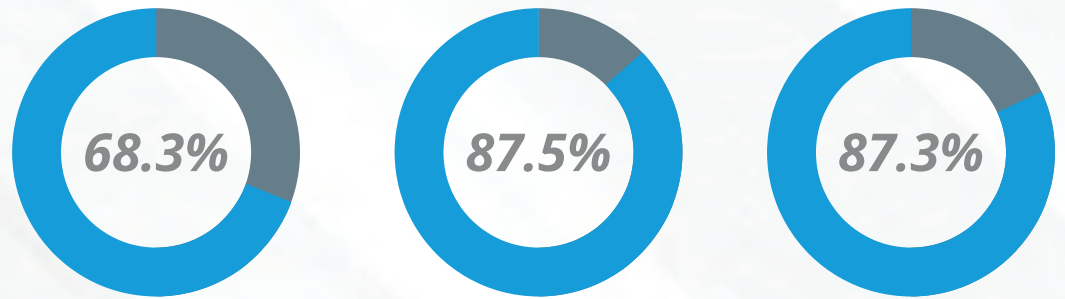
# Economic Transformation

## Oil Economy

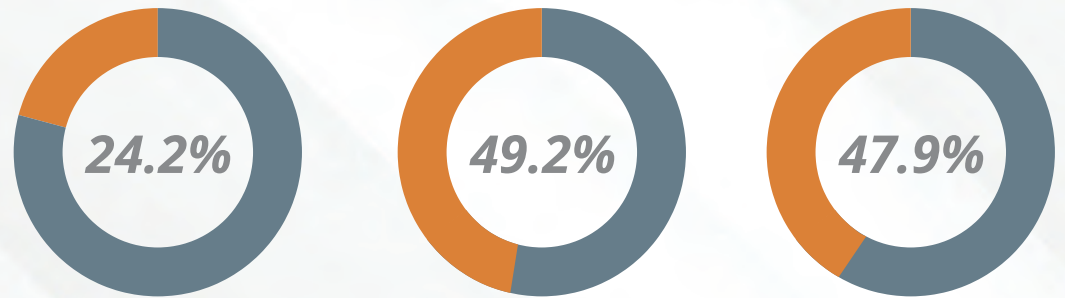
### SHARE OF GDP



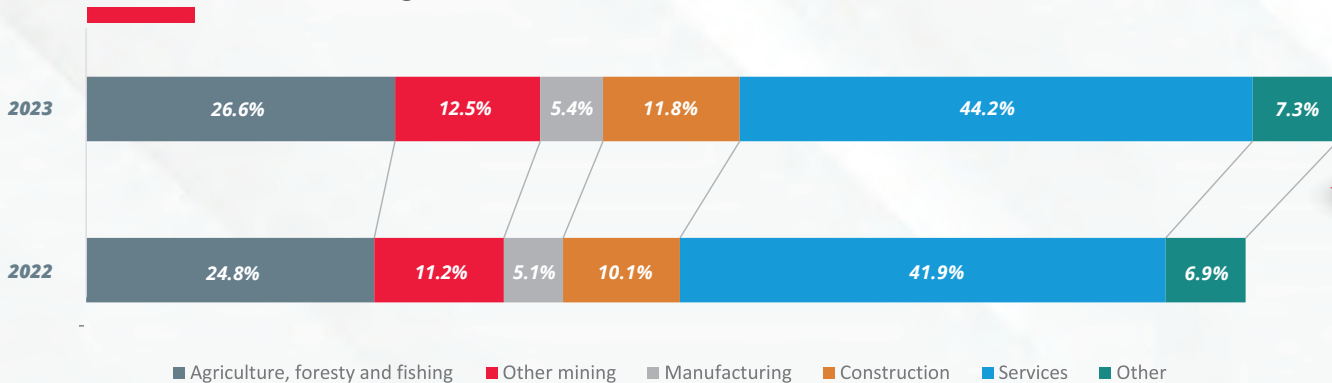
### SHARE OF EXPORTS



### SHARE OF REVENUE



## Non-oil Economy



**7.9%  
GROWTH**

■ Agriculture, forestry and fishing ■ Other mining ■ Manufacturing ■ Construction ■ Services ■ Other

## Personal Income Tax

### ALLOWANCES AND DEDUCTIONS

- ▶ Increase in income tax threshold (personal allowance) from \$75,000 to \$85,000 per month

### Remains unchanged

- ▶ Personal Income Tax rates of 28% and 40% on the next \$150,000 per month and the remainder, respectively
- ▶ Personal allowance of 1/3 of chargeable income, where this is higher than \$85,000

## Value-Added Tax

### REMOVAL

- ▶ New All-Electric Motor Vehicles (not hybrid) of any power rating
- ▶ Residential Properties

### Remains unchanged

- ▶ VAT Rate of 14%
- ▶ VAT Registration threshold of \$15,000,000
- ▶ Existing zero-rated/exempt items

## Wear & Tear Allowances

### NEW

- ▶ All-electric motor vehicles - 50% per annum

## Excise Tax

### RELIEF

- ▶ Used vehicles below 1500 cc, the current tax rate is replaced with a flat rate of \$800,000.
- ▶ Extension of relief on fuel as long as prices remain elevated

## Customs Duties

### REDUCTION

- ▶ New vehicles below 1500 cc, reduction from 45% to 35%

### RELIEF

- ▶ Extension of relief on freight charges in cost of imports to 31 December 2023

## Other Taxes

### WEAR & TEAR ALLOWANCES

- ▶ All-electric motor vehicles - 50% per Annum

### Remains unchanged

- ▶ Corporation tax
- ▶ Capital gains tax
- ▶ Property tax
- ▶ Withholding Tax
- ▶ Stamp Duties



# Personal Allowance Changes

Salary	Old Net	New Net	Savings
Up to \$79,450			-
<b>\$85,000</b>	<b>\$78,773</b>	<b>\$80,240</b>	<b>1,467</b>
Between \$90,050 and \$225,000			2,800
<b>\$235,000</b>	<b>\$181,658</b>	<b>\$183,525</b>	<b>1,867</b>
<b>\$245,000</b>	<b>\$189,388</b>	<b>\$190,322</b>	<b>934</b>
<b>\$255,000 and above</b>			-

Despite not being announced in the 2022 budget presentation, the 28% band for income taxes was adjusted in the legislation tabled in Parliament. These computations do not account for any potential changes in this band for 2023.



## Development initiatives

### RENEWABLE ENERGY

- ▶ 30,000 solar PV home lighting systems in hinterland and riverain areas
- ▶ 6 public electric vehicle charging stations
- ▶ Relaunch of request for proposals for Amaila Falls
- ▶ 1.5MW Hydropower Facility at Kumu
- ▶ 14 Oil blocks available on auction
- ▶ \$202.9 million for development of single window Information Technology Platform

## Other measures

### HEALTH

- ▶ \$15.7 billion allocated to infrastructural works, rehabilitation and construction of hospitals
- ▶ \$900 million allocated to addressing mental health and other non-communicable diseases
- ▶ \$500 million allocated to training of healthcare professionals

### INFRASTRUCTURE

- ▶ Allocation of \$136 billion to enhance roads and bridges, including \$10.3 billion for continued works on Ogle to Eccles road and \$5 billion for new Demerara River Bridge
- ▶ Allocation of \$19.7 billion for drainage and irrigation

### FINANCIAL SECTOR REFORM

- ▶ Simplify process of opening a bank account for low-risk customers
- ▶ Legal amendments to allow movable collateral and financial receivables to be pledged as security for financing



## Support

### EXISTING ENTITIES

- ▶ \$1.5 billion for construction of the new laboratory for Bureau of Standards
- ▶ \$4 billion for Guyana Sugar Corporation including new and expanded packaging plants at Albion and Blairmont respectively

## Home Ownership

- ▶ Increase in low-income mortgage loan ceiling from \$15 million to \$20 million

## Education

- ▶ Increase in "Because We Care" cash grant from \$25,000 to \$35,000 per student
- ▶ \$1.8 billion for GOAL scholarship program

## Pensioners

- ▶ Old age pensions of \$33,000 per month, increasing from \$28,000

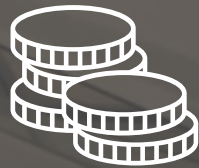
## Public Assistance

- ▶ Grants of \$16,000 per month to individuals living under distressed circumstances, increasing from \$14,000

# BDO GLOBAL STATISTICS 2022

## GLOBAL REVENUE

# US\$12.8 billion



## +12.1%\*

REVENUE INCREASE

\* (at constant exchange rates)

## PEOPLE

# 1,803 OFFICES

# 164 COUNTRIES & TERRITORIES



# 111,307

## PEOPLE +14.4%

## PERCENTAGE REVENUE BY REGION

ASIA PACIFIC

# 12%

AMERICAS

# 55%

EMEA

# 33%

## FEE SPLIT BY SERVICE LINE

A&A

# 42%

# 22% ADVISORY

TAX

# 22%

# 14% BSO



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