

# GUYANA

## BUDGET BULLETIN

---

2024



AUDIT | TAX | PAYROLL | SUSTAINABILITY

**BDO**

# Introduction

"... the Guyanese economy is set to expand at an even faster pace in 2024, with **real GDP growth projected at 34.3 percent.**"

Guyana's National Budget was presented in Parliament by the Hon. Minister of Finance, Dr. Ashni Singh, on 15 January 2024. Under the theme "Staying the Course: Building Prosperity for all", budget 2024 surpasses the \$1 trillion mark and is financed with no new taxes.

## Budget Highlights

Increase in revenue from \$597.9 billion to \$717.8 billion, growth of 20%.

01

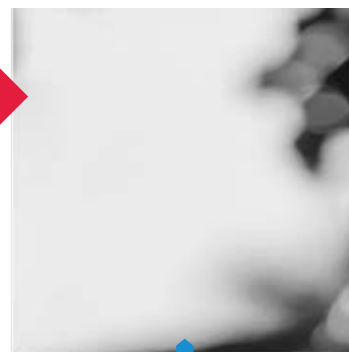
### REVENUE



\$80.0 billion to be spent on gas-to-energy project of which 50% will be financed by loans.

03

### ENERGY



Ended 2023 with \$411.5 billion; projected earnings of \$511.6 billion; withdrawals of \$240.1 billion (46.9% of earnings); closing balance of \$683.0 billion.

02

### NRF



Minimum personal allowance increased to \$1,200,000 per annum. Maximum life and health insurance premium deductible increased to \$600,000 per annum.

04

### INCOME TAX

# Sector Spend



## Key Projects

■ Demerara River Bridge  
■ Gas to energy project

\$19.7 billion  
 \$80 billion

## Key Facts

|                                                | 2021   | 2022   | 2023    | 2024  |
|------------------------------------------------|--------|--------|---------|-------|
| GDP growth                                     | 19.9%  | 62.3%  | 33%     | 34.3% |
| ↳ Non oil economy                              | 4.6%   | 11.5%  | 11.7%   | 11.9% |
| Inflation                                      | 5.7%   | 7.2%   | 2.0%    | 2.5%  |
| ↳ Food                                         | 11.6%  | 14.1%  | 3.8%    |       |
| Commercial banks weighted average lending rate | 8.88%  | 8.54%  | *8.29%  |       |
| 91 day treasury bill rate                      | 1.54%  | 1.54%  | *1.10%  |       |
| US\$ mid market exchange rate                  | 208.77 | 207.76 | *212.11 |       |
| Oil production (million barrels)               | 42.7   | 101.4  | 142.9   | 206.8 |

\* At November

# Economic Transformation

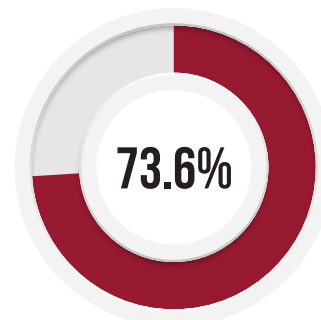
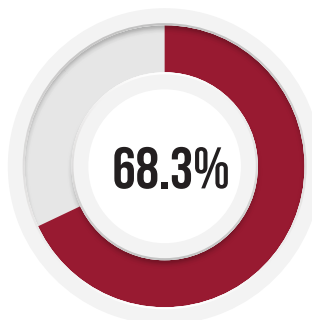
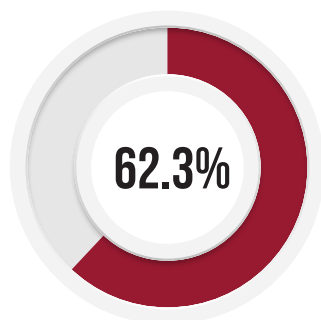
## Oil Economy

2022

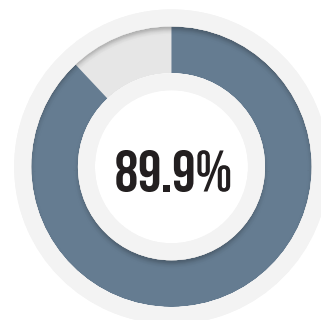
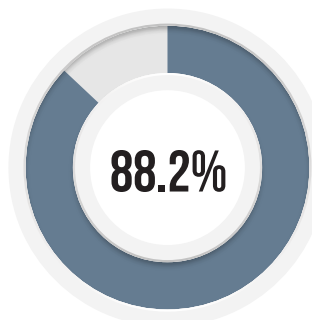
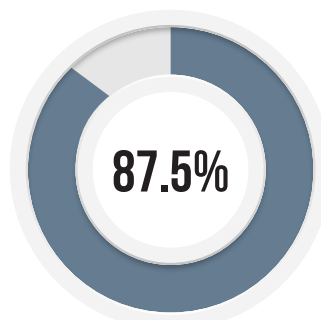
2023

2024

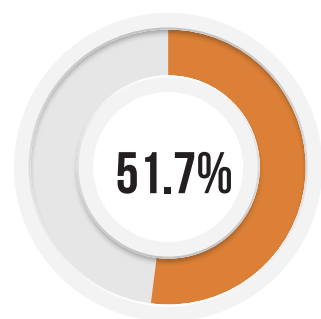
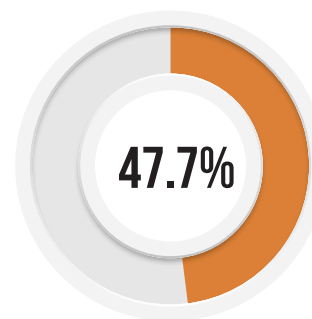
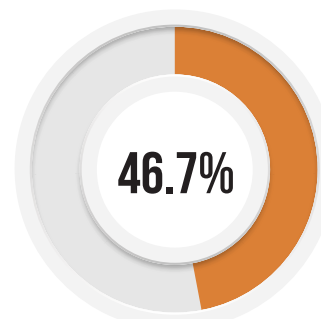
### SHARE OF GDP



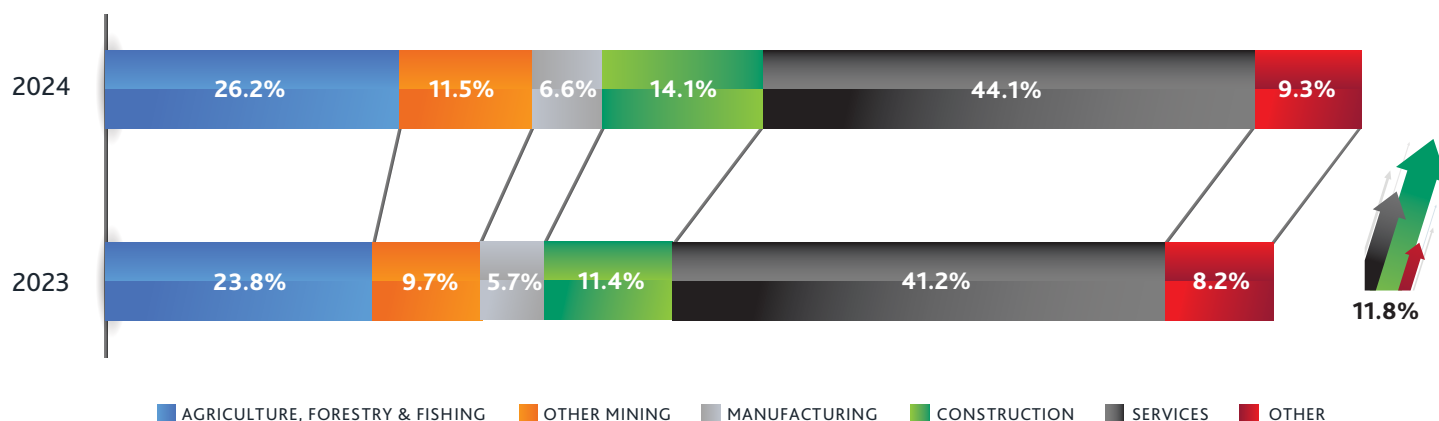
### SHARE OF EXPORTS



### SHARE OF REVENUE



## Non-oil Economy





## Personal Income Tax

### ALLOWANCES AND DEDUCTIONS

- ▶ Increase in income tax threshold (personal allowance) from \$85,000 to \$100,000 per month. Expected to be accompanied by an increase in the amount taxed at 28% from \$170,000 to \$200,000 per month.
- ▶ Life and Medical Insurance: increase from the lower of 10% of income or \$30,000 per month to the lower of 10% of income or \$50,000 per month.

### Remains unchanged

- ▶ Personal Income Tax rates of 28% and 40%
- ▶ Personal allowance of  $\frac{1}{3}$  of chargeable income, where this is higher than the fixed \$100,000

## NIS

### Remains unchanged

- ▶ NIS rates of 5.6% [employee]; 8.4% [employer]; 12.5% [self-employed]
- ▶ NIS ceiling of \$280,000 per month

## Value-Added Tax

### REMOVAL

- ▶ Sports equipment
- ▶ Essential cell phone accessories, along with phone components for repairs
- ▶ Fire extinguishers and smoke alarms

### Remains unchanged

- ▶ VAT rate of 14%
- ▶ VAT Registration threshold of \$15,000,000 per annum

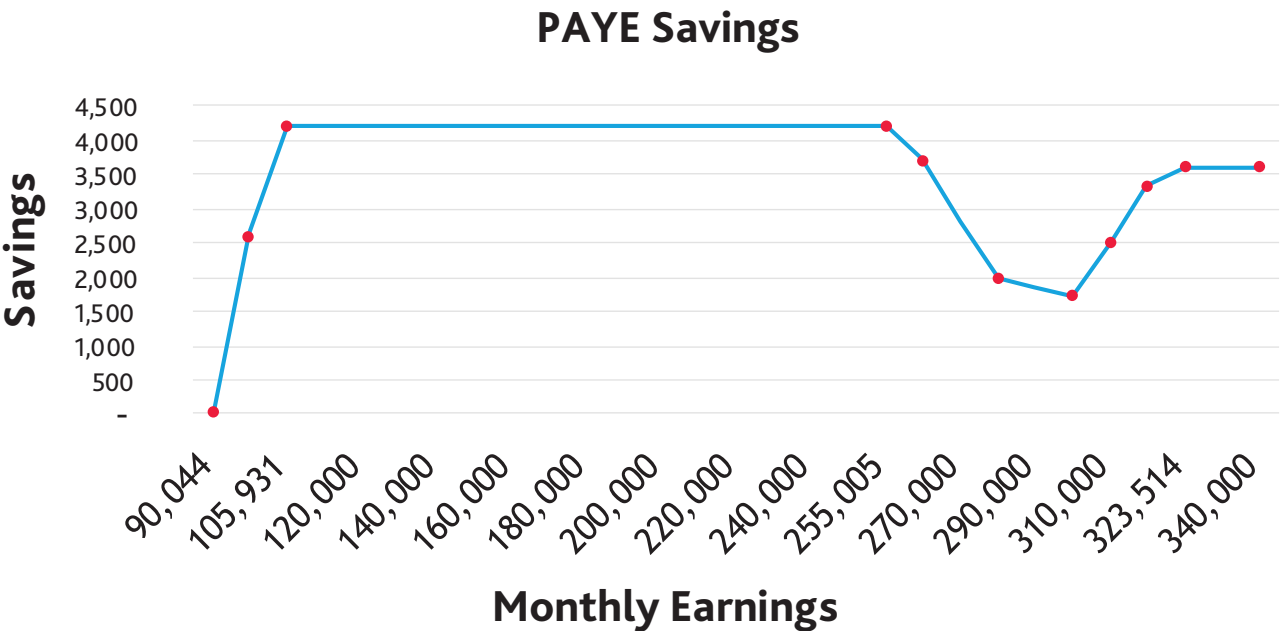
## Other Tax

### Remains Unchanged

- ▶ Corporation tax rates of 25% non-commercial companies/activities, 40% commercial companies/activities, 45% telephone companies
- ▶ Capital gains tax rate of 20% on the net chargeable gains
- ▶ Property tax rates and bands of 0% on the first \$40,000,000; 0.50% on the next \$20,000,000; and 0.75% on the remainder
- ▶ Withholding tax rates of 20% on income arising in Guyana for gross payments to non-residents and for gross distributions under the Income Tax Act, subject to double taxation treaties, and 10% for payments to contractors under the Corporation Tax Act.



# Personal Allowance Changes



Salary

Old Net

New Net

Savings

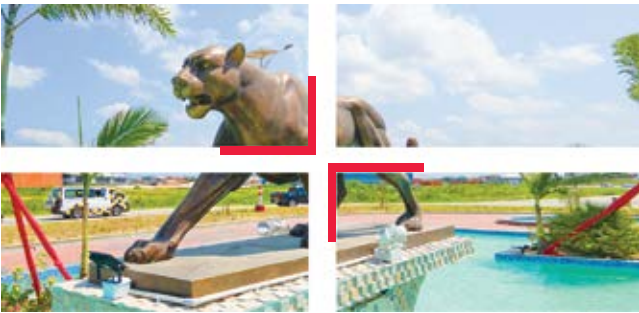
|                                 |         |         |       |
|---------------------------------|---------|---------|-------|
| Up to \$90,044                  |         |         |       |
| \$100,000                       | 91,768  | 94,400  | 2,632 |
| Between \$105,931 and \$255,005 |         |         | 4,200 |
| \$270,000                       | 208,714 | 211,514 | 2,800 |
| \$300,000                       | 230,992 | 232,710 | 1,718 |
| \$323,514                       | 248,236 | 251,835 | 3,600 |

## Infrastructure

- ▶ \$204.1Bn to upgrade and expand roads and bridges including \$53Bn for key four lane roads/highways and \$19.7Bn for the Demerara River Bridge
- ▶ \$80Bn to advance Gas-to-Energy project

## Health

- ▶ \$129.8Bn allocated to the health sector, including
- ▶ Construction of a pediatric and maternal hospital in Ogle
- ▶ New world class hospital in New Amsterdam



## Subventions

- ▶ \$17Bn for National Drainage and Irrigation Authority
- ▶ \$6Bn for Guyana Sugar Corporation
- ▶ \$5.4Bn for National Data Management Authority
- ▶ \$4Bn for Linmine (community power generation)

## Development support

- ▶ Partnership with commercial banks to lower interest rates on loans up to \$5Mn to small and medium enterprises
- ▶ 15% of carbon credits sale to be transferred to Amerindian villages for developmental programs

## Education

- ▶ Increase in Because We Care cash grant from \$35,000 to \$40,000 per student along with a \$5,000 uniform voucher allowance
- ▶ \$4 billion to GOAL scholarship program to support 10,000 new and continuing students
- ▶ Commence write-off of University of Guyana student loans based on conditions to be defined

## Old Age Pensions and Public Assistance

- ▶ Increase in Old Age Pension from \$33,000 to \$36,000 per month
- ▶ Increase in Public Assistance from \$16,000 to \$19,000 per month

## NIS benefits

- ▶ The minimum pension paid to survivors increased from \$17,500 to \$21,537
- ▶ Invalidity pension increased from \$35,000 to \$43,075
- ▶ NIS pension increased from \$35,000 to \$43,075

## Other support

- ▶ \$3,000 voucher to support eye testing for children and pensioners
- ▶ \$15,000 voucher towards the cost of spectacles for children and pensioners
- ▶ \$8,000 voucher to be given to women between the ages of 21 to 65 to aid testing for cervical cancer

# BDO Global Statistics 2023



## Revenue

↑ +12.8%\*

# US\$14 billion



## By region

57% Americas  
32% EMEA  
11% Asia Pacific



## By service line

42% Audit & Assurance  
21% Advisory  
23% Tax  
14% Business Services  
& Outsourcing



## People

115,661  
↑ +3.9%



## Presence

1,776 offices  
166 countries &  
territories

\* At constant exchange rates.  
Data 1 October 2022 to 30 September 2023.



## Contact us



### **RAKESH LATCHANA**

Managing Partner  
+592 691 0256  
rlatchana@bdo.gy



### **RIAZ ALI**

Director  
+1 868 622 6875  
rali@bdo.tt



### **NADIA LATCHANA**

Director  
+592 647 3114  
nlatchana@bdo.gy

## About BDO

BDO Guyana is a professional audit, tax, accounting and business consulting firm serving small and medium-sized enterprises, large privately- held businesses and multinational companies across a wide spectrum of industries.

We are a member of the fifth largest accounting and consulting network in the world. BDO is at its optimum, offering you the best of both worlds - a strong local presence in Guyana with the support, opportunities and resources of being part of a cohesive global network.

## CONNECT WITH US.

Like us, follow us, engage us through our social media channels:



**[www.bdo.gy](http://www.bdo.gy)**

*This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO Professional Services Inc. to discuss these matters in the context of your particular circumstances. BDO Professional Services Inc., its directors, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.*

*BDO Professional Services Inc., a Guyana company, is a member of BDO International Limited, a UK company limited by guarantee and forms part of the international BDO network of independent member firms.*

*BDO is the brand name for the BDO network and for each of the BDO Member Firms.*

© 2024 BDO Professional Services Inc. All rights reserved.