

Highlights from the AFC's Action Plan for Change and Development for Guyana

Moving Guyana Into the Future....

The Alliance For Change is pleased to release part six of our Action Plan for Change and Development for Guyana, which provides, highlights from our plan for Job Creation and Wealth Generation. Although this is the final release in this format, a complete document will be published shortly. We look forward to continuing to hear suggestions from Guyanese to further strengthen our plan. Copies of the published parts of our Action Plan can be obtained from our office.

Taxation

Personal Taxes

- ♦ Reduce income tax rates on a phased basis to 25% for individuals and increase the tax free threshold to \$40,000.00 per month.

- ♦ Tax allowances for education, child care, medical expenses, legal fees and home renovations.

Corporate taxes

- ♦ Reduce and clarify corporate taxes so that rates are similar to corporate tax rates in Barbados and Trinidad (25%).

- ♦ Allow tax credits for purchases of new issues on the stock market to encourage investment.

- ♦ Allow tax credits to businesses making contributions to technical training institutions that have programmes to train people in fields where they are needed.

- ♦ Abolish the revenue stamp system for receipts pertaining to business transactions.

- ♦ Reduce the duty applicable to companies incorporating with a share capital of over \$500,000.00

Value Added Tax (VAT)

- ♦ Considering the difficulty that developed countries have had in implementing VAT the AFC will defer VAT implementation until the GRA has the institutional capacity and is prepared for implementation.

- ♦ Carefully examine the VAT rate structure with the intention of reducing it from 16% to a level that is comparable with other CARICOM countries.

- ♦ The AFC will charge no tax (including VAT) on basic food items, meat and fish products and prescription drugs

Improved Government Efficiency

- ♦ Cut excessive government by reducing the number of ministries and departments and making agencies more accountable.

- ♦ Increase public servants salaries using savings from consolidation and cost cutting measures.

- ♦ Develop a reformed, customer friendly public service in which pay is more closely aligned to performance by a programme of voluntary redundancy payments and early retirement buyouts.

- ♦ Rotate Public Service staff to ensure a better match between skills and government needs, and improve efficiency.

- ♦ Introduce legislation to manage the revenue from the Lottery funds to ensure compliance with the Laws of Guyana, transparency and accountability in appropriate and approved spending.

- ♦ Establish Trade and Investment Offices (TIO) in countries where there are large Guyanese populations so as to benefit from the skills and resources of Guyanese in the Diaspora.

- ♦ Implement the National Development Strategy (NDS) Recommendations

Private Sector Led Development

- ♦ Establish Guyana as a sea outlet for northern Brazil by constructing roads and a low maintenance deep water harbour, and continue upgrading the existing international airport.

- ♦ Establish a Municipal Airport in the central region of Guyana to be linked by a network of roads connecting other hinterland communities.

- ♦ Work with the private sector to improve and lower costs of hinterland travel.

- ♦ Reform the energy sector by encouraging private investors to invest in infrastructural works for the development of alternative energy including electricity generation and distribution through solar power, wind generation and bio mass.

- ♦ Lower electricity rates by exploiting opportunities both for export and import of electrical power in a nationally and regionally interconnected grid.

- ♦ Negotiate with existing telecommunications providers for the modernisation and expansion of the telecommunications sector in order to lower telephone and internet rates and improve telecommunications services throughout Guyana.

- ♦ Open for exploration the petroleum and natural gas sector and accelerate the resolution of territorial border disputes to expedite exploration.

- ♦ Make Guyana the outsourcing capital of the region.

- ♦ Provide special incentives to encourage young qualified Guyanese to remain in Guyana.

Development of the Rupununi Savannahs

Implement the recommendations of the Organisation of American States 1995 feasibility study for the development of the savannahs. The AFC will:

- ♦ Introduce a phased development of an initial seventy, six-hundred acre farming units. Three hundred acres of each unit to be used for row/orchard crops, and three hundred for pasture.

- ♦ Introduce at least one large scale (3,000 acre) citrus plantation and at least two new ranches.

- ♦ Ensure that the developments include the establishment of roads and wharves, health, education and other support services such as processing units (factories), a feedlot-cum-abattoir complex that meets international standards and a milk collection network.

- ♦ Establish a special authority to secure financing for and oversee the development of the intermediate and Rupununi savannahs.

Mining

- ♦ Develop the industry so that it shifts from exporting raw materials to exporting finished products such as jewellery and precious and semi precious stones.

- ♦ Ensure that modern and environmentally friendly techniques are employed by miners.

- ♦ Guarantee that small-claims miners are protected and given incentives to prospect and exploit precious metals and stones.

Manufacturing

- ♦ Provide tax credits for down stream processing of agricultural products, precious metals and alternative energy producing equipment among others.

- ♦ Provide soft loans for new plants and expansion and re-tooling of existing plants.

Tourism and Hospitality

- ♦ Training schools to improve services in the industry funded in partnership with the private sector and government.

- ♦ Provide tax holidays and incentives for investors in the hospitality industry.

- ♦ Lower costs and improve access to tourism sites by road water and air.

- ♦ Provide soft loans to develop tourism infrastructure.

- ♦ Develop a special programme for the Essequibo Islands, in particular Leguan, Wakenaam, Hogg Island and Fort Island including an educational centre to meet specific island needs, special incentives to investors, development of tourism, recreation and boating sectors and establishing shipping port facilities and more frequent, state of the art ferry systems.

- ♦ Implement an open sky policy to encourage more airlines to feed the tourist industry

Diversification of the Economy

Agriculture

- ♦ Development of new approaches and products to include aquaculture projects, processed foods, canned goods and packaged meats among others.

- ♦ Increase micro financing for small entrepreneurs managed by NGOs or other non-banking financial institutions.

- ♦ Establish specialised agencies to develop export markets for agricultural products.

- ♦ Duty free concessions on chemicals, fertilisers, spare parts and other products used in the agricultural sector.

- ♦ Allow tax credits on agricultural exports.

- ♦ Increase the number of feeder roads to enable farmers to transport their goods more easily

Sugar

- ♦ Re-configure the sugar industry so that Guyana becomes a producer of alcohol and ethanol for energy production.

Rice

- ♦ Reduce transportation costs by developing export facilities including bulk loading and bond facilities for rice in Georgetown, Essequibo, Corriverton and Rosignol.

- ♦ Revamp the Drainage and Irrigation Authority to ensure better management and use of water and efficient drainage during periods of heavy rainfall.

- ♦ Diversify the rice industry and encourage rice producers to establish processing plants to produce value-added products such as rice flakes, popped rice, rice straw and for the use of hulls as a fuel and in concrete production.

Banking

- ♦ Work with banks to modernise the banking sector so that it is comparable to what is available in the region.

- ♦ Reduce “red tape” so that local and foreign investors can set up and manage projects quickly and easily.

- ♦ Create a National Insurance Protection Scheme to protect customers who deposit money in banks.

- ♦ Work with financial institutions including development banks to mobilise and make resources available to private sector and individuals for manufacturing, low and middle income housing and the services sector.

- ♦ Establish a Financial Services Commission to regulate the practices of non bank financial intuitions including cambios.

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