



GUYANA : PUBLIC POLICIES FOR THE PROMOTION OF EXPORTS AND NATIONAL EXPERIENCES FOR THE INTERNATIONALIZATION OF SMALL AND MEDIUM-SIZED ENTERPRISES

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Definition of Small Business: Guyana

"small business" means any person or persons, including a body corporate or unincorporate, carrying on business in Guyana for gain or profit and satisfying the criteria listed hereunder, but does not include any business having as its principal object the furtherance of a charitable or political purpose – (*Small Business Act 2004*)

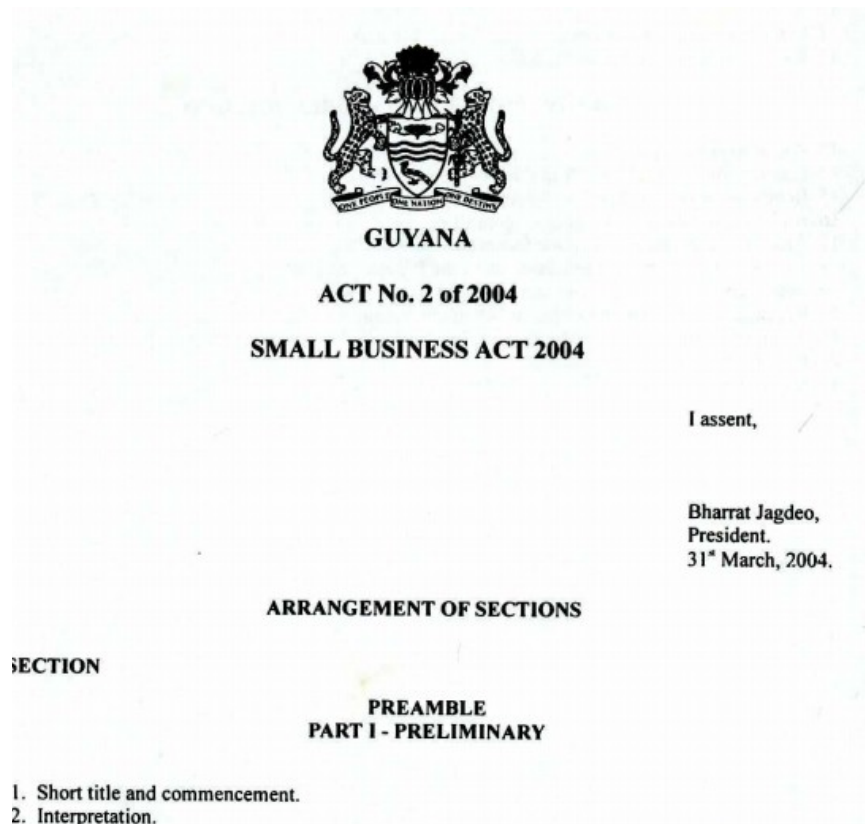


Background:

- SMEs may not generate as much money as large corporations, they are a critical component of and major contributors to the strengthening of local economies.
- SMEs present new employment opportunities and serve as the building blocks of the largest corporations.
- However, in Guyana SMEs tend to be lacking innovation by some small business entrepreneurs especially in the rural areas.

SMEs Policies

Guyana has a legal & regulatory framework that govern SMEs -



Guyana is similar to other CARICOM member states in passing laws to regulate SMEs.

Small Business Act 2004

- Establishment of the Small Business Council
- Establishment and functions of the Small Business Bureau
- Establishment and management of the Small Business Development Fund.
- Policies, borrowing, accounts and records of Council
- Financial year estimates, expenditure and accounts of Council
- Procurement by the Government from Small Business
- Fiscal Incentives for Small Business

Procurement by the Government from Small Business



Small Business Bureau

2012-15 the Small Business Bureau received a total amount of USD\$10 million from GRIF.

The Guyana REDD+ Investment Fund (GRIF) is a multi-contributor trust fund for the financing of activities identified under the Government of Guyana's Low Carbon Development Strategy (LCDS)



- This fund allows for collateral support up to 40 % to SMEs who are looking to approach the banks for capital funding.
- Loan Interest Subsidy

Small Business Bureau

The Small Business Bureau is a semi-autonomous Government agency that was created to fulfill and execute the mandate set out in the Small Business Act No. 2 of 2004.



SMALL BUSINESS
BUREAU

The Bureau is required to fulfill its mandate through four distinct functional areas:

- Access to Financing for Small Business,
- Entrepreneurial/Business Development Services,
- A guarantee and commitment of 20% Government procurement from small businesses,
- And advocacy – (Policy and regulatory review for the assessment of their impacts on small businesses)

Small Business Bureau

The Small Business Bureau's strategic focus and objectives are as follows:

- To raise the visibility of small businesses and the SBB
- To make it easier for small businesses to access government services and permits
- Policy advocacy for an improved environment for small businesses
- To implement programs to encourage small businesses to grow and develop, providing more value-added and jobs
- To serve as a point agency for expertise and data on small businesses
- To establish and facilitate sector clusters and networks for business development and innovation



SMALL BUSINESS
BUREAU

Structure of Trade Agencies

Overall responsibility for trade policy formulation in Guyana rests with the Ministry of Foreign Affairs.

- ❑ In addition to the Ministry of Foreign Affairs, there are a number of other ministries/agencies responsible for formulating and implementing trade and related policies (e.g. Ministry of Tourism, Industry and Commerce; the Guyana Revenue Authority; the Guyana Livestock Development Authority).
- ❑ Inter-institutional coordination between ministries on trade policy issues is undertaken by the National Advisory Committee on External Negotiation (NACEN), chaired by the Ministry of Foreign Affairs. Representatives from the public and private sectors, labour, and academia participate in the NACEN.
- ❑ The NACEN advises the Government and helps it to prepare for and participate in trade negotiations, including through input into the CARICOM Office of Trade Negotiation.

Trade policy environment for SMEs

- **IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT (EPA)** - In January 2011, Guyana commenced implementation of its tariff liberalization commitments under the Economic Partnership Agreement (EPA) between the European Union and the CARIFORUM Group of States.
- **ECONOMIC INFRASTRUCTURE AND DIVERSIFICATION**
- **INFORMATION AND COMMUNICATION TECHNOLOGIES (ICT)**
- **SERVICES AND INVESTMENT** - In Guyana, production of services exceeds 60% of GDP but accounts for less than 12% of exports. The potential, therefore, for the development of the services sector and the expansion of services exports is immense
- **NEW MARKETS**- Guyana's export trade has traditionally been concentrated in the developed markets of Europe and North America, in addition to the regional CARICOM market.

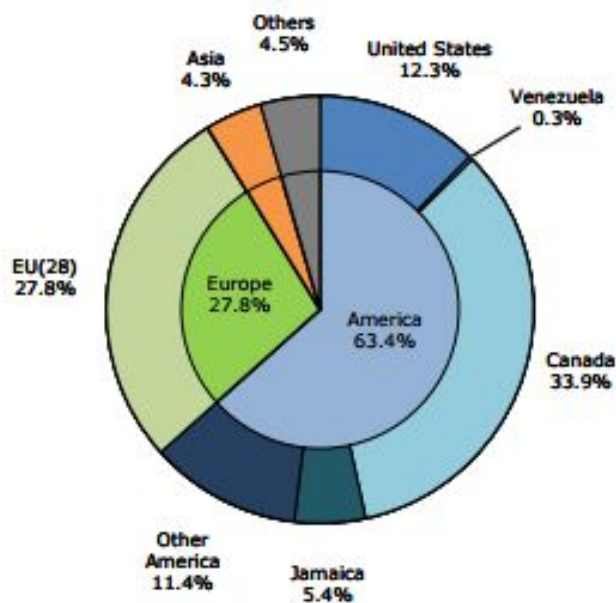
Trade policy environment for SMEs

Chart 1.2 Merchandise trade, by main origin and destination, 2009 and 2014

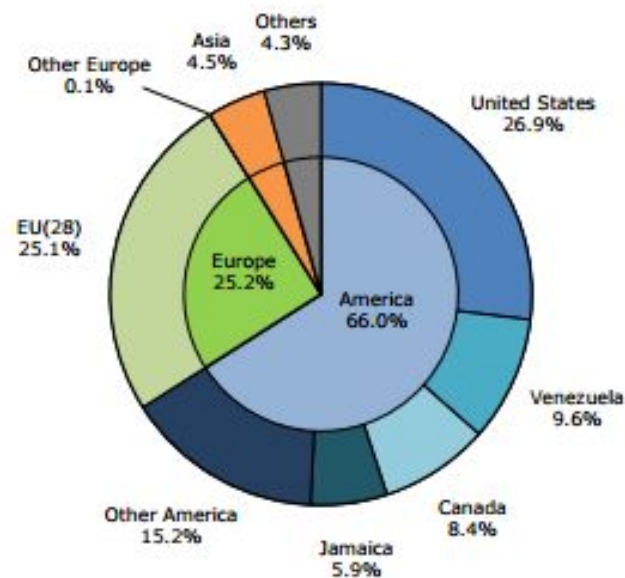
2009

2014

(a) Exports and re-exports



Total: US\$788 million



Total: US\$1,147 million

Guyana Marketing Corporation (GMC)

Guyana Marketing Corporation is the agency of the Ministry of Agriculture that provides marketing services to stakeholders in the non-traditional agricultural sector.

The screenshot displays the website's interface with a green and white color scheme. At the top, a navigation bar includes links for Home, About Us, Marketing, Services, Guyana Shop, Media Library, and Contact Us. Below this, a 'Related Links' section indicates the current location is 'Home'. The main content area features a welcome message and a list of services: Advisory, Agri-Business Development, Agricultural Field Crates, Brokerage, Cold Storage Facilities, Market Extension, Packaging Facilities, Promotion, and Refrigerated Trucking Service. A sidebar on the right contains a search bar, a 'Latest Market Prices' section with a link to 'Market Prices', and a 'Did you know?' section highlighting 'GMC's Brokerage Service'.

Amerindian Development Fund - IDB

- There are in excess of 180 Indigenous communities located across Guyana but concentrated in a geographic space referred to as the rural interior/hinterland.
- The population of those communities range between 150 and 5,000 inhabitants.
- Agriculture including processing, Village Infrastructure, Tourism, Manufacturing, Village Business Enterprise, and Transportation.



The main aim of the ADF is geared at exporting products produced or manufactured by the local indigenous communities.

SANTA FE: A MODEL OF SUCCESS



PRESIDENT David Granger and Barbados Prime Minister Freundel Stuart visited the Santa Fe Mega Farm located in the North Rupununi, Upper Takutu-Upper Essequibo (Region Nine). The thriving agricultural business venture is a major investment by prominent Barbadian investor Sir Kyffin Simpson in Guyana's agriculture sector

SANTA FE: A MODEL OF SUCCESS



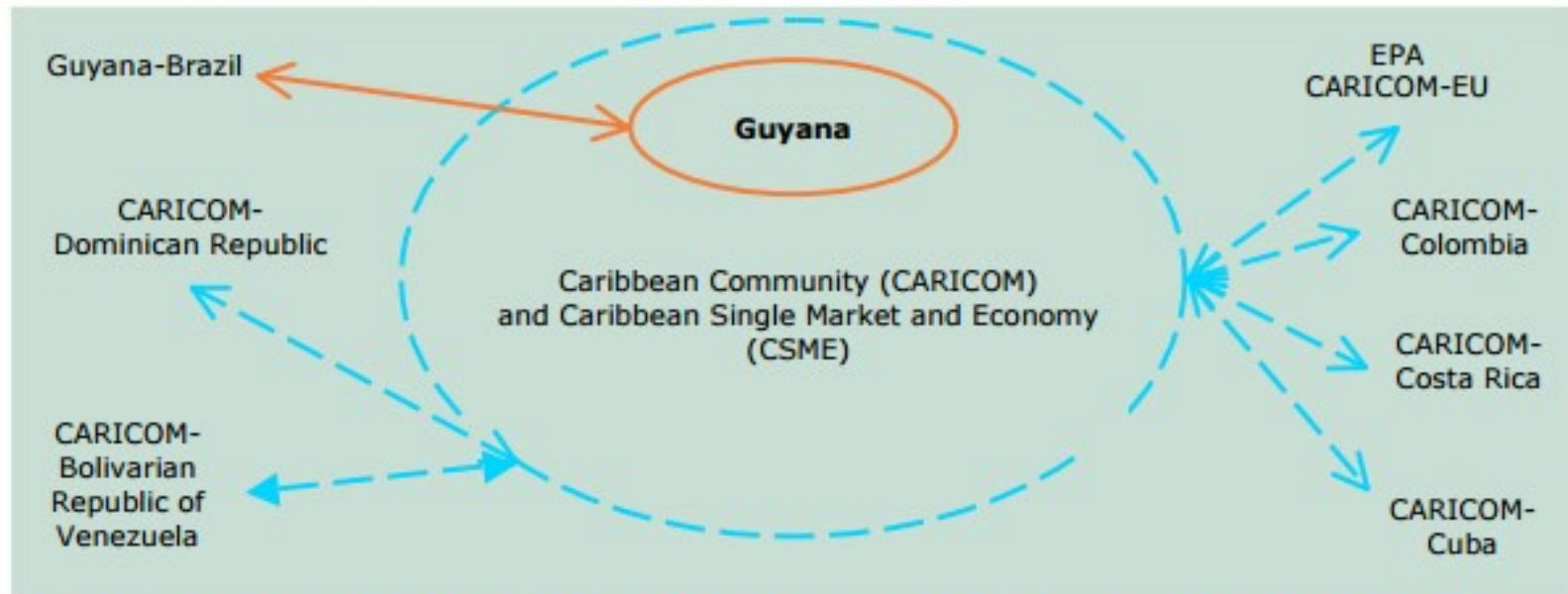
Guyana is looking to improve its sheep population with the importation of Black Belly rams from Barbados as part of the second phase of a multi-million dollar integrated agriculture project led by businessman Sir Kyffin Simpson

Challenges: Guyana's Experience

- Start-ups, small and micro enterprises (MSEs) and vulnerable groups all carry a high degree of lending risk
- Capacity Development – Bookkeeping, Management and debt servicing, Training
- SMEs not knowing what trade agreements Guyana has with other LAC countries.
 - CARICOM- Costa Rica
 - CARICOM – Venezuela
 - CARICOM – Colombia
 - CARICOM – Canada
 - CARIFORUM- EU
 - Partial Scope Agreement between Guyana and Brazil

Reciprocal trade agreements, 2015

Chart 2.1 Reciprocal trade agreements, 2015



Note: The CARICOM consists of 14 countries including Guyana; Bahamas and Haiti are the CARICOM members that opt out of the CSME.

The EPA is an agreement between the European Union and CARIFORUM (CARICOM plus the Dominican Republic).

Source: WTO Secretariat.

Challenges: Guyana's Experience



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Geographic Indicators



thank you!