



GUYANA
OFFICE FOR INVESTMENT
OFFICE OF THE PRESIDENT
GOVERNMENT OF GUYANA

Manufacturing Investment Portfolio





Hon. Oneidge Walrond, Minister of Tourism, Industry and Commerce

Guyana's Manufacturing Sector

Contributes **1.94%** to Guyana's National GDP and **5.1%** of non-oil GDP.

(Ministry of Finance, Budget 2023. Appendix 2)

The Manufacturing sector is estimated to have grown by **3.9%** in 2022 and is projected to grow by **5.7%** in 2023.

(Ministry of Finance, Budget 2023.)

Non-Traditional Exports
US\$ 102.4 Million (2021)

Total Exports Receipts
US\$ 2 billion (2021)

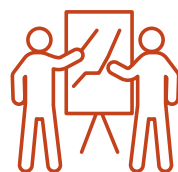
Job Creation -
Employs approximately **12%** of the population

Guyana is ranked **134th** out of **190** countries in terms of ease of doing business.

World Bank Doing Business 2020

Growth Strategy for Manufacturing

- Provide the business sector with low-cost, reliable and stable power
- Reduce processing time for applications and licenses
- Provide tax incentives for new investments, re-tooling and technological improvements
- Establish Industrial Parks/Estates for manufacturing in Coastal and Hinterland Regions
- Establish accessible funding programs to stimulate innovation and new businesses
- Create a National Entrepreneurship Body and increase grants to SMEs and young entrepreneurs
- Provide tailored incentive packages to address industry and business-specific requirements



Targets for 2023

- Manufacturing is anticipated to increase by 5.7 percent in 2023. It is projected that the production of sugar will increase by 29.3 percent. The production of rice and other goods is anticipated to expand by 6.1 percent and 4 percent, respectively. (Ministry of Finance ,Budget Speech 2023)
- Further expansion in the manufacturing of non-metallic products like cement and chemical products, as well as in the manufacturing of fabricated metal products and plastic products.

Why Invest?

- Strategic Placement: Guyana enjoys favorable geographic, economic and cultural linkages with the Caribbean and South American markets.
- Competitive Labour Market: Economical wage rates and diverse, trainable labour force with enhanced strategies established for capacity building and human resource development.
- Enabling Investment Environment: Guyana's leaders have declared Guyana 'open for business' and are continually taking steps to improve the investment climate.
- Duty free Market Access: Over 75% of Guyana's exports enter destination markets duty-free.
- Natural Resources: Rich mineral deposits, productive land, forests, seas and rivers which present robust and diverse investment opportunities.
- Stability: A secure and stable socio-economic climate in which to do business.
- Language: Predominantly English-speaking with Latin-American ties.



Guyana's Comparative Advantage

- Low 'time to market' / lead-time: Guyana's proximity to the U.S. Caribbean and Latin-American markets allows for shorter transit time vis-à-vis other exporting countries. This lead-time advantage is useful for companies aiming to find suppliers to meet their just-in-time delivery requirements.
- Access to local inputs: Guyana's natural resources provide manufacturers with an abundance of locally available and affordable inputs for value-added products within varied industries including agro-processing, forestry, construction and mining.
- Competitive cost of labor: Guyana has one of the lowest manufacturing wage rates in the Caribbean and Central America. Additionally, the workforce is highly diverse and trainable.
- Availability of industrial parks: The Government of Guyana has invested in a number of industrial parks with installed infrastructure available at G\$1.00/US\$0.005 per square foot per annum and investment concessions for materials, vehicles, plant and machinery.

Budget 2023 Tax Measures.

(Ministry of Finance, Budget Speech 2023)

1. Maintaining Freight Charges

- The Budget allows for freight charges to remain at pre-pandemic levels. This measure was instituted in 2022 and will further last until Dec 31,2023.

2. Containing Cost of fuel

- The zero excise taxes on fuel will be maintained as long as fuel prices remain elevated.

3. Support Renewal of the Industrial and Commercial Fleet

- The removal of the 14 percent VAT on new electric motor vehicles (not hybrid)
- An increase in the writing down allowance applicable to all-electric motor vehicles to 50 % annually.
- Reduction of duty from 45% to 35% for the importation of new motor vehicles below 1500cc.
- Used Vehicles below 1500cc will incur a flat rate tax of \$800,000.

Investment Projects

Traditional



- Agricultural Products - Rice, Sugar
- Forest Products
- Extractive – Gold, Bauxite, Diamonds
- Pharmaceutical Industry
- Pharmaceuticals and Cosmetics - Producing Medicines and Cosmetics from natural herbs and vegetation found in Guyana.
- Food & Beverage Industry
- Basic Consumer Items
- Jewelry Manufacturing

Value-added, Export-oriented industries



- Agro-industry products - processing, canning and bottling of agricultural produce
- Value-added/manufactured forest products - furniture, flooring, doors, plywood, veneer, etc.
- Construction – Pre Fab Houses and Eco - Lodges
- Chemical Industry - fertilizers and insecticides; paints; soaps
- Paper related Products
- Building Materials - stone, cement, clay blocks, tiles, glass, glass products
- Sand - beach sand, golf sand, glass sand etc.
- Industrial Materials - counter tops, fiber glass
- Leather and Allied Product Manufacturing

- Printing and Publishing
- Packaging
- Metal Fabrication
- Foundry
- Machine-Related Products
- Household Products
- Water Suppliers
- Livestock Feed Industry
- Garment Industry
- Apparel Industry
- Craft
- Ceramics
- Energy

Other investment opportunities include



- The manufacture of quality wooden furnishings
- The manufacture of plywood and veneers
- The manufacture of parquet material and floor tiles
- The manufacture of doors, windows and kitchen and other household fittings
- The processing and canning/bottling of agricultural produce
- The manufacture of chemical products e.g. fertilisers, insecticides and weedicides
- The manufacture of packaging materials
- The manufacture of jewelry and items of gold, diamond and other semi-precious stones
- The manufacture of leather craft and souvenirs
- The manufacture of articles of clay, kaolin and silica sand
- The manufacture of textiles and garments

These guidelines apply to persons who are requesting fiscal incentives and manufacturers that export more than 50% of their manufactured products. These categories of persons/businesses will also qualify for the zero-rating of value-added tax.

Applicants qualifying for tax exemptions on raw and packaging materials are required to have a registered manufacturing establishment. They must apply in writing to the Commissioner General of GRA and submit a list of the raw or packaging material used in their manufacturing operations. The GRA will conduct a verification of the manufacturing process to determine the eligibility of the items in the form of an approval letter. As such, manufacturers may qualify for the following based on the criteria below:

Manufacturers, to the satisfaction of the Commissioner General that export more than 50% of all its products qualify for the exemption from the payment of Customs Duty and zero-rating of Value-Added Tax.

Manufactures of flour and poultry feed also qualify for Customs Duty exemption and zero-rating of Value-Added Tax.

All other approved manufacturers are exempted from Customs Duty on import raw and packaging materials.

Economic Incentives for Trade

In addition to fiscal incentives, investors in the manufacturing sector benefit from duty free access to foreign markets under preferential trade arrangements such as the Caribbean Basin Initiative (USA), the Lomé Convention (Europe), Caribcan (Canada), the Caribbean Single Market and Economy (CSME) and special arrangements with Colombia and Venezuela.

Incentives for Trade include:

- Exemption from Custom Duty on a wide range of process machinery and equipment, including packaging equipment and raw materials for manufacturing companies registered under the VAT Act.
- Exemption from import duty and VAT on packaging materials for the manufacturing of exempt items by manufacturers registered under the VAT Act.
- Exemption from Custom Duty on a wide range of process machinery and equipment including packaging equipment, fruit processing, sewing machines, food processing and poultry feed.
- Exempt from Custom Duty on a wide range of auxiliary equipment-boiler, fork-lifts, scales for continuous weighing, conveyors.
- Exemption from Customs Duty on raw materials and packaging materials used in the production of goods by manufacturers.
- Zero rate VAT on bags for packaging of goods.
- Exemptions from duties and taxes for items covered under an Investment Agreement.

- Exemption from Custom Duty and zero rate VAT on raw materials and packaging for manufacturers who export 50% or more of their products.
- Removal of VAT on Building and Construction Materials, on Electricity and Water and Machinery and Equipment.
- For businesses registered with the Small Business Bureau, a reduced rate of income and corporate tax rates of 25% on taxable profits.
- For businesses registered with the Small Business Bureau, support through various initiative including small business grants, training opportunities and incubator centres.
- Ease of doing business through the digitization of the licensing process and the reduction of processing of export/import licenses.
- Export allowance extended to exporters of non-traditional products who are paid in a recognized tradable currency.

***Note: Not all investment projects are eligible for fiscal concessions.**





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