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GUYANA

May 2025

2025 ARTICLE IV CONSULTATION—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR GUYANA

Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. In the context of the 2025 Article IV Consultation with Guyana, the following documents have been released and are included in this package:

- A **Press Release** summarizing the views of the Executive Board as expressed during its May 2, 2025, consideration of the staff report that concluded the Article IV Consultation with Guyana.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on May 2, 2025, following discussions that ended on March 7, 2025, with the officials of Guyana on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on April 15, 2025.
- An **Informational Annex** prepared by the IMF staff.
- A **Debt Sustainability Analysis** prepared by the staffs of the IMF and the World Bank.
- A **Staff Statement** updating information on recent developments.
- A **Statement by the Executive Director** for Guyana.

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PRESS RELEASE

PR 25/132

IMF Executive Board Concludes 2025 Article IV Consultation with Guyana

FOR IMMEDIATE RELEASE

Washington, DC – May 7, 2025: The Executive Board of the International Monetary Fund (IMF) concluded the Article IV Consultation with Guyana.[1]

Guyana's economic transformation is advancing strongly and broadening in scale. Rapidly expanding oil production, strong non-oil output, and large-scale public infrastructure investment supported the highest real GDP growth rate in the world, averaging 47 percent per year since 2022. Real oil GDP increased by nearly 58 percent in 2024, while real non-oil GDP expanded over 13 percent, reflecting a solid broad-based performance across sectors. Inflation reached 2.9 percent by end-2024, from 2 percent at end-2023, driven largely by higher food prices (affected by international food prices and earlier floods). The overall fiscal deficit widened from 5.1 percent of GDP (11.7 percent of non-oil GDP) in 2022 to 7.3 percent of GDP (21 percent of non-oil GDP) in 2024 reflecting a large increase in capital expenditure. Driven by higher oil exports, Guyana's current account surplus more than doubled in 2024, reaching about 24½ percent of GDP. By end-2024, gross international reserves surpassed US$1 billion, while the Natural Resource Fund (NRF) accumulated over US$1.1 billion in 2024, reaching US$3.1 billion (over 12½ percent of GDP).

The economic outlook remains highly favorable. The economy is expected to grow on average 14 percent per year over the next five years, driven by robust oil production and strong non-oil GDP growth. Positive spillovers from the oil sector and improvements in infrastructure, productivity, and resilience are expected to boost the real non-oil GDP growth to an average of 6¾ percent over the medium term, about 3 percentage points higher than the pre-oil decade average. While inflation is projected to edge up to around 4 percent in 2025, the overall fiscal deficit and the current account surplus are expected to narrow in 2025. Over the medium term, the continued expansion of oil production will further strengthen the external position, with substantial savings accumulation in the NRF.

Risks to the outlook are broadly balanced. On the upside, additional oil discoveries and productivity-enhancing investments, including to strengthen energy resilience would further bolster Guyana's long-term economic prospects, while expanding construction activity would support higher short-term non-oil GDP growth. Downside risks stem from overheating pressures which, if not contained, would lead to higher inflation and a real exchange rate appreciation beyond the level consistent with a balanced expansion of the economy. Commodity price volatility in a highly uncertain global environment, including from trade policy and climate shocks could also adversely affect inflation and alter the macroeconomic outlook.

[1] Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board.

Executive Board Assessment[2]

Executive Directors agreed with the thrust of the staff appraisal. They welcomed Guyana's remarkable economic progress to attain high-income status, supported by rapidly expanding oil production and robust non-oil growth. They noted that Guyana's economic outlook remains highly favorable with balanced risks, strong fundamentals, and a strong external position supported by substantial accumulation of oil revenue in the Natural Resource Fund. They commended the authorities' commitment to balancing development needs with prudent policies to entrench macroeconomic and fiscal stability.

Directors concurred that the current fiscal stance is appropriate given development needs. They welcomed the authorities' commitment to eliminate the overall fiscal deficit over the medium term and further narrow the non-oil primary deficit to levels consistent with ensuring intergenerational equity and preserving fiscal and macroeconomic sustainability. They highlighted the need for a comprehensive medium-term fiscal framework with an explicit anchor and an operational target, along with regular assessments of expenditure related to reaching development objectives. They positively noted the authorities' continued efforts to strengthen public financial management as well as the low risk of debt distress given low public debt.

Directors considered the monetary policy stance as appropriately tight to help contain inflation, while noting the need for further tightening if inflation risks escalate. They saw merit in enhancing the monetary policy toolkit and deepening financial markets to help strengthen the effectiveness of monetary policy transmission. They emphasized the need for maintaining consistent policies to support the stabilized exchange rate arrangement, which remains appropriate, and saw merit in assessing whether transitioning to a more flexible exchange rate regime over the medium term could be beneficial as Guyana's economy continues to transform.

Directors welcomed the authorities' commitment to maintain financial stability and continue enhancing financial supervision, including monitoring sectoral lending exposures and related-party lending. They supported the authorities' efforts to further strengthen risk monitoring, strengthen the macroprudential framework, broaden regulatory coverage, and enhance statistics on balance sheets and real estate prices.

Directors welcomed the authorities' efforts to foster inclusive growth and economic diversification, improve the business environment, strengthen climate and energy resilience, and enhance labor market skills. They commended progress in strengthening governance, anti-corruption, official statistics, AML/CFT frameworks, fiscal transparency, and transparency in extractive industries, and supported the continued efforts to strengthen them in line with international standards.

It is expected that the next Article IV consultation with Guyana will be held on the standard 12-month cycle.

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[2] At the conclusion of the discussion, the Managing Director, as Chair of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings up can be found here: http://www.IMF.org/external/np/sec/misc/qualifiers.htm.

Table 1. Guyana: Selected Social and Economic Indicators

I. Social Indicators

Population, 2023 (thousands)	814
Life expectancy at birth (years), 2022	66
Under-five mortality rate (per 1,000 live births), 2023	14
Human Development Index rank, 2022	95

II. Economic Indicators

		Prel.	Proj.
	2023	2024	2025
	(Year-over-year percent change)		
Production and Prices			
Real GDP	33.8	43.6	10.3
Real non-oil GDP	12.3	13.1	12.9
Real oil GDP	46.8	57.7	9.5
Consumer prices (end of period)	2.0	2.9	4.2
	(Percent of non-oil GDP)		
Central Government			
Revenue	39.3	43.7	49.9
Grants	0.2	0.2	0.4
Expenditure	52.7	64.9	63.4
Current	25.1	28.9	30.5
Capital	27.7	36.0	32.9
Overall balance (after grants)	-13.3	-21.0	-13.2
Non-oil primary balance (after grants)	-26.2	-38.4	-37.5
	(Percent of GDP)		
Revenue	17.0	15.3	18.6
Grants	0.1	0.1	0.1
Expenditure	22.8	22.6	23.7
Current	10.8	10.1	11.4
Capital	12.0	12.6	12.3
Overall balance (after grants)	-5.7	-7.3	-4.9
Total public sector gross debt	26.7	24.3	28.0
External	10.5	9.0	13.6
Domestic	16.2	15.2	14.4

Table 1. Guyana: Selected Social and Economic Indicators (Concluded)

	2023	Prel. 2024	Proj. 2025
	(Year-over-year percent change)		
Money and Credit			
Broad money	27.6	25.3	17.7
Domestic credit of the banking system	24.1	39.7	4.9
External Sector			
Current account balance (US$ million)	1,679.9	6,067.9	2,306.2
(Percent of GDP)	9.9	24.6	8.9
Gross official reserves (US$ million)	896.4	1,010.1	1,571.4
(Percent of GDP)	5.3	4.1	6.1
Crude oil production (million barrels)	142.3	225.4	246.0
Memorandum Items:			
Nominal GDP (GY$ billion)	3,527.5	5,141.3	5,383.9
Nominal non-oil GDP (GY$ billion)	1,524.6	1,793.7	2,010.7
GDP per capita (US$)	21,307.2	30,962.3	32,326.3
Guyana dollar/U.S. dollar (period average)	208.5	208.5	…

Sources: Guyana's authorities; UNDP Human Development Report; World Bank; and IMF staff calculations and projections.

INTERNATIONAL MONETARY FUND

GUYANA

STAFF REPORT FOR THE 2025 ARTICLE IV CONSULTATION

April 15, 2025

KEY ISSUES

Context. Guyana's economy has grown rapidly over the past two decades, progressing from low-middle-income to high-income status—the only Heavily Indebted Poor Countries (HIPC) Initiative participant to achieve this milestone. Oil production is fast ramping up and, together with strong non-oil growth and large-scale infrastructure investment, it is supporting the highest real GDP growth rate in the world at a recorded average of 47 percent in 2022–24. The government is making significant investments, funded by oil revenue, to promote inclusive and sustainable development while striving for resilient growth. Fundamentals remain strong, with no clear signs of overheating, amid substantial accumulation of the oil revenue windfall in the Natural Resource Fund (NRF).

The outlook remains highly favorable. Oil production will continue expanding rapidly, and non-oil real GDP growth is expected to remain strong, largely supported by the government's efforts to invest in infrastructure, including for climate change adaptation, promote economic diversification, and improve welfare. Elevated public capital spending will largely be funded through transfers from the NRF, whose balance is projected to reach over 32 percent of GDP by 2030, along with a gradual build-up in foreign exchange reserves to cover over five months of non-oil imports.

Risks to the outlook are broadly balanced. On the upside, further oil discoveries and productivity-enhancing investment would improve Guyana's long-term economic prospects, while expanding construction activity may support higher short-term non-oil GDP growth. On the downside, overheating pressures, if not contained, would lead to higher inflation and real exchange rate appreciation beyond the level consistent with a balanced expansion of the economy, negatively impacting medium-term growth. In addition, commodity price volatility in a highly uncertain global environment and climate shocks could adversely affect food inflation and alter the macroeconomic outlook.

Focus. Policy discussions focused on ensuring that Guyana's exceptional resource potential—related to both oil and climate services from forests—is best harnessed to support the implementation of the authorities' ambitious low-carbon development plans while ensuring macroeconomic stability and achieving inclusive and resilient growth.

Policy recommendations. Maintaining macroeconomic stability remains the overarching policy priority given the sheer size of the expected oil revenue inflows and fiscal spending. Enhancing the monitoring of macrofinancial developments and proactively responding through tighter fiscal, monetary, and macroprudential policies, as needed, will be essential to ensure that the economy avoids overheating and the adverse effects commonly associated with "Dutch disease."

- **Fiscal policy**. Gradually closing the overall fiscal deficit to achieve a balanced budget by 2031 remains appropriate and should be followed by a narrowing of the non-oil primary deficit over the (conservatively) projected lifespan of oil reserves to levels consistent with ensuring intergenerational equity. This path would support the government's ambitious investment goals, given also the higher NRF withdrawal rule introduced in 2024, while preserving fiscal sustainability and macroeconomic stability. Developing and implementing a medium-term fiscal framework with an explicit anchor and further modernizing public financial management systems will help strengthen fiscal discipline and transparency and enhance efficient capital and labor allocation in the economy. To guide public investment decisions, spending can be aligned with peer countries by costing the achievement of various development indicators (e.g., health, education, infrastructure). The recent one-off transfer to all adults should target the poor, and together with other targeted transfers, be integrated into a medium-term fiscal framework.

- **Monetary and exchange rate policy**. Keeping broad money growth in line with non-oil GDP growth and tightening monetary policy further if signs of overheating or imbalances emerge will help stem inflationary pressures. Maintaining consistent policies will continue supporting the current stabilized exchange rate regime, which remains appropriate. Reducing excess liquidity in the banking system where needed and deepening financial markets will help further strengthen effectiveness of monetary policy transmission.

- **Financial sector**. To continue ensuring financial sector stability, efforts should focus on further improving systemic risk monitoring and strengthening financial sector supervision.

- **Structural transformations**. Inclusive, resilient, and low-carbon development requires continued implementation of ambitious structural reforms to reduce poverty, enhance labor market skills, improve the business environment, and diversify the economy. Efforts to strengthen governance, anti-corruption, and AML/CFT frameworks, and transparency in extractive industries in line with international standards and recommendations should continue. Critical data gaps should be addressed to support effective policy making.

Approved By
Ana Corbacho (WHD) and Geremia Palomba (SPR)

Discussions took place during February 24–March 7, 2025, virtually and in person, in Georgetown, Guyana. The mission met with Vice-President Jagdeo, Finance Minister Singh, Central Bank Governor Ganga, other senior public officials, private sector representatives, and other stakeholders. The team included Lusine Lusinyan (incoming head), Alina Carare (outgoing head), Alun Thomas, Manuk Ghazanchyan, Diego Calderon, and Abreshmi Nowar (all WHD). Mr. Roncaglia and Ms. Roberts (both OED) also participated in the discussions. Joan Thangaraj (WHD) provided editorial assistance.

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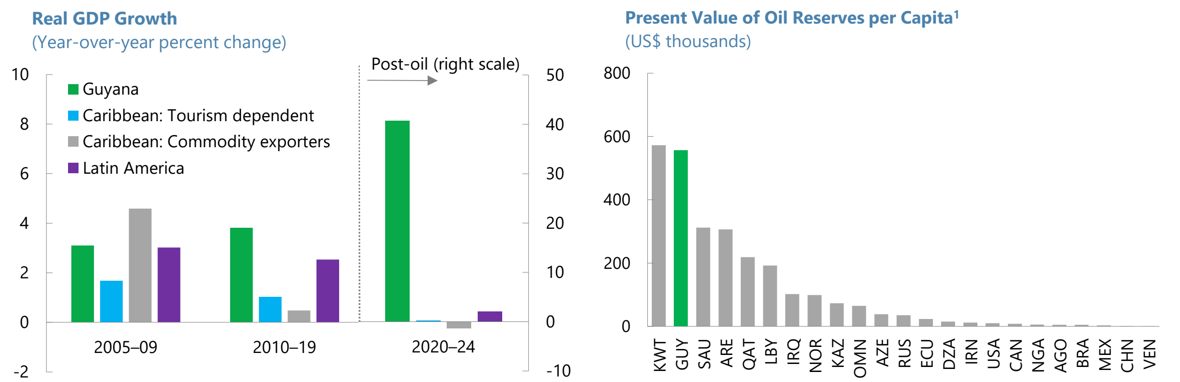
CONTEXT

1. **Over the past 15 years, Guyana's economic growth has outpaced its neighbors across the region, with the advent of oil accelerating its transition into a high-income economy** (Figure 1).[1] Prudent policies, including a strengthening fiscal position supported the good economic performance. Holding one of the highest per capita oil reserves in the world, Guyana has rapidly expanded crude oil production since its debut at end-2019 (Annex I). As a result, together with an expanding non-oil economy, Guyana's growth has registered the highest rates in the world, averaging 47 percent per year since 2022.

Guyana: Growth and Oil Reserves



Sources: IMF, World Economic Outlook Database; U.S. Energy Information Administration; Organization of the Petroleum Exporting Countries (OPEC); Bureau of Statistics, Guyana; and IMF staff calculations.
Note: Aggregates are purchasing-power-parity GDP-weighted averages. Tourism-dependent Caribbean includes Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Dominica, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines. Commodity exporters Caribbean includes Suriname and Trinidad and Tobago. The data from the OPEC does not include other small developing oil-producing states.
[1] Estimated based on the assumptions of a future oil price increase of 2.2 percent per year and a discount rate of 5 percent. Oil production data for Kuwait, Iran, and Iraq as of 2021.

2. **The authorities' development strategy focuses on leveraging oil resources to improve the wellbeing of people and build a transformed and prosperous Guyana.**[2] Policy priorities include addressing key development needs, particularly in light of Guyana's gaps in several Sustainable Development Goals (SDGs), despite recent progress (Figure 2). Commendably, the development goals are pursued as part of the Low Carbon Development Strategy (LCDS) 2030 that, among its key objectives, envisages preserving Guyana's vast forests while growing the economy fivefold over a decade.

[1] According to the World Bank, based on the Gross National Income per capita criterion, Guyana reached the upper-middle-income status in 2016 and high-income status in 2023. Guyana is classified as an emerging market and middle-income economy by the IMF.

[2] The next general elections are to be held by December 2025. The current government led by the People's Progressive Party/Civic (PPP/C) holds 33 of the 65 seats in the National Assembly and at the local level controls most local authorities but does not control the three largest cities.

3. Fiscal rules govern the transfer of oil revenue to the Natural Resource Fund (NRF) and its withdrawal from the NRF to annual budgets. The NRF Act 2019—replaced by the NRF Act 2021 that strengthened accountability and transparency—established a sovereign wealth fund to delink public spending from volatile natural resource revenues, ensure that such revenues do not lead to a loss of economic competitivenes, fairly transfer natural resource wealth across generations, and finance national development priorities or emergency expenditures associated with a major natural disaster. The withdrawal rule was modified in 2024 to increase the ceiling for withdrawals (Box 1).[3]

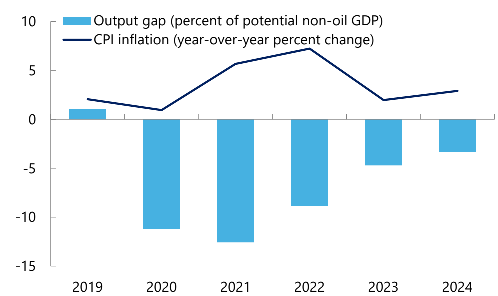
4. Managing large resource revenue inflows while preserving macroeconomic stability and supporting economic transformation and intergenerational equity remains the key policy challenge. Guyana's massive public investment program aims to improve its economic and social outcomes, including those aligned with the SDGs, paving the way for stronger and climate-friendly long-term growth. This macroeconomic balancing act calls for continuous vigilance and agility to adjust policies to avert a build-up of imbalances while fostering lasting prosperity.

RECENT DEVELOPMENTS AND POLICIES

5. Robust oil and non-oil sector performance further strengthened real GDP growth to about 43½ percent in 2024, up from nearly 34 percent in 2023 (Figure 3, Tables 1 and 2). Real oil GDP increased by nearly 58 percent in 2024 (from about 47 percent in 2023), while real non-oil GDP expanded over 13 percent. The latter reflects a solid broad-based performance across sectors, especially construction driven by government infrastructure investment and private housing.

6. Inflation increased in 2024, from very low levels in 2023, amid a still negative non-oil output gap (Figure 3). Largely driven by higher food prices (affected also by earlier floods), inflation reached 2.9 percent by end-2024, up from 2 percent at end-2023. The non-oil economy appears to still be operating below potential, but the output gap is closing. Various sectors face labor and skills shortages, and annual salary increases run in low double digits.[4]

Guyana: Inflation and Non-Oil Output Gap
(Percent)



Sources: Bureau of Statistics, Guyana; and IMF staff calculations.

7. The surge in capital expenditure since 2022, when the first transfers of the oil revenue from the NRF to the budget took place, led to an increase in the fiscal deficit (Figure 4). The overall fiscal deficit widened from 5.1 percent of

[3] The schedule implies a larger share of withdrawals in the initial years that will progressively decline as the oil production increases and more revenues are saved in the NRF, allowing for relatively stable withdrawals and building savings for next generations while avoiding overheating of the economy.

[4] More updated and detailed data would help with a more comprehensive assessment of demand pressures in the economy (see also section Data and Capacity Development and Annexes IV and VIII).

GDP (11.7 percent of non-oil GDP) in 2022 to 7.3 percent of GDP (21 percent of non-oil GDP) in 2024. With non-oil revenues (about 26 percent of non-oil GDP) covering about 90 percent of primary current expenditure, the increase in the non-oil primary deficit to about 38 percent of non-oil GDP in 2024 reflects the sharp increase in capital expenditure, partly financed by NRF withdrawals.

8. **Driven by higher exports, Guyana's current account surplus more than doubled in 2024, reaching about 24½ percent of GDP** (Figure 5). This surge was largely driven by a strong increase in oil exports and some slowdown in capital imports, while non-oil exports also grew 16 percent (14 percent in volume). The financial account reported a large increase in net outflows in 2024, led primarily by cost recovery flows to oil companies, despite steady oil FDI inflows.

9. **Guyana's external position at end-2024 is assessed to be stronger than the level implied by fundamentals and desirable policies** (Annex II). The real effective exchange rate remained broadly stable in 2024,[5] and gross international reserves (GIR) increased, surpassing US$1 billion. Import coverage, while relatively low in terms of total imports, remained broadly adequate at 1.9 months of non-oil imports given the large oil-related investment imports. Reflecting strong external sector dynamics, the stock of NRF assets reached US$3.1 billion by end-2024 (12½ percent of GDP), which would be equivalent to an improvement in the import coverage of 2.4 (6.6) months of total (non-oil) imports and 110 percent in terms of the Assessing Reserve Adequacy (ARA) metric. The current account gap is estimated at 3.8 percent of GDP, driven mainly by high growth prospects in the near term.[6]

10. **Robust credit growth continued supporting economic activity** (Figure 6, Table 5). In 2024, private and public sector credit grew about 20 percent and 58 percent (from 16 percent and 32 percent in 2023), respectively, helping partly absorb excess liquidity in the system. Credit to households increased 22 percent, driven by mortgage loans and vehicle credit. Bank lending to private enterprises in services, agriculture, and mining and quarrying also notably increased, at a rate of about 20 percent during 2024.

11. **The banking sector remains well capitalized and highly liquid** (Figure 7, Table 6). Banks' capital adequacy ratio remains well above the regulatory requirement, and average excess reserves stood at 1½ percent of GDP in 2024. The stock of non-performing loans (NPLs) declined to 0.8 percent of total assets as of September 2024, and provisioning reached 80 percent of NPLs.

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[5] Guyana's *de jure* exchange rate arrangement is floating but its *de facto* exchange rate arrangement is classified as stabilized arrangement. Most oil-exporting emerging market economies implement various forms of hard and soft pegs, except for Kazakhstan and Yemen which follow a floating exchange rate regime. Similarly, most small developing states use the exchange rate as the nominal anchor and follow fixed exchange rate regimes.

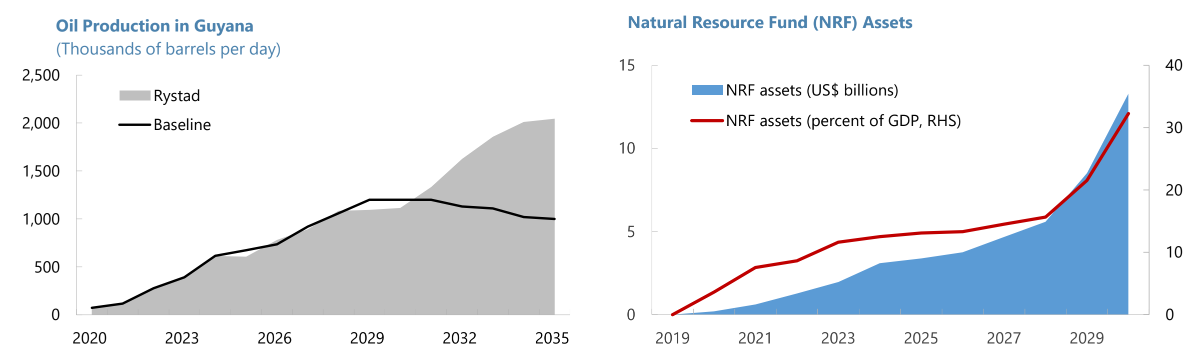
[6] Given the importance of the oil sector in Guyana, the assessment of the current account position uses the Consumption Allocation Rules model which incorporates higher expenditures over time.

OUTLOOK AND RISKS

12. The near- and medium-term growth outlook remains highly favorable. The economy is expected to grow on average 14 percent per year over the next five years, driven by robust oil production and a growing share of the non-oil sector in the economy, especially construction, supported by private investment and moderating but still-high public capital spending.[7] Positive spillovers from the oil sector and improvements in infrastructure, productivity, and resilience are expected to boost the real non-oil GDP growth to an average of 6¾ percent over the medium term, about 3 percentage points higher than the pre-oil decade average. Inflation is projected to increase in 2025 and rise to 5½ percent over the medium term, reflecting pressures on non-tradeable prices, including expected wage pressures.

13. The external position is expected to further improve as oil production expands, sustaining large current account surpluses and building buffers. The current account surplus is projected to moderate to about 9 percent of GDP in 2025 reflecting the purchase of an additional oil production (FPSO) vessel before surging again thereafter. In the staff's baseline, assuming a fiscal path consistent with reaching a balanced budget over the medium term and the current NRF schedule, GIR will reach about 10½ percent of GDP by 2030, along with improving import coverage. The assets in the NRF will amount to about US$13.3 billion (over 32 percent of GDP) reflecting a gradual decrease in cost recovery outflows to oil companies (Annex II).

Guyana: Oil Production and Natural Resource Fund



Sources: Guyana's authorities; Rystad Energy; IMF, World Economic Outlook Database; and IMF staff calculations.

14. Risks to the outlook are broadly balanced (Annex V). On the upside, additional oil discoveries[8] and productivity-enhancing investment would further bolster Guyana's long-term

[7] Staff's oil production projections include data for six oil fields: Liza Phases I and II, Payara, Yellowtail, Uaru, and Whiptail, of which the first three are currently producing oil. The seventh oil field Hammerhead is expected to receive an environmental impact assessment in 2025.

[8] The government received 8 offers for its auction of 14 new blocks in September 2023. The blocks' fiscal terms, which are more advantageous to Guyana than the Stabroek block, include: (i) increased royalties from 2 to 10 percent, (ii) 10 percent lower cost recovery ceiling (65 percent); and (iii) the introduction of a corporate tax of 10 percent of profits. There is no indication yet of the amount of commercially viable resources from these blocks.

economic prospects, while stronger construction activity would lift non-oil GDP growth in the near term. On the downside, overheating pressures, if not contained, would result in higher inflation and a real exchange rate appreciation beyond the level consistent with a balanced expansion of the economy. In addition, volatile commodity prices in a highly uncertain global environment, including from trade policy and climate shocks could negatively impact food inflation and alter the macroeconomic outlook.

Authorities' Views

15. The authorities concurred that the growth prospects were highly favorable. They emphasized that the extraordinary growth was the result of sound and sustainable policies and, as such, they expected growth to remain strong. The authorities remained mindful of the risks to the economy and emphasized that the implemented policies were supporting a balanced growth path and building the prerequisites for a globally competitive non-oil economy. To this end, they are addressing historical impediments to productivity, diversification, and industrialization which would support higher non-oil GDP growth rates in the medium term than in the past. They noted that the concerted effort through policy coordination and intervention kept and would continue to keep inflation low, and that they were vigilant and working toward mitigating potential downside risks, including the main risks arising from overheating which could lead to inflationary pressures and appreciation of the real exchange rate beyond the level implied by a balanced expansion of the economy.

POLICY DISCUSSIONS

Policy discussions focused on ensuring that Guyana's exceptional oil revenue windfall is best utilized to support the authorities' ambitious plans to boost Guyana's development, address poverty, further strengthen governance and anti-corruption frameworks, and adapt to climate change while ensuring macroeconomic and financial stability.

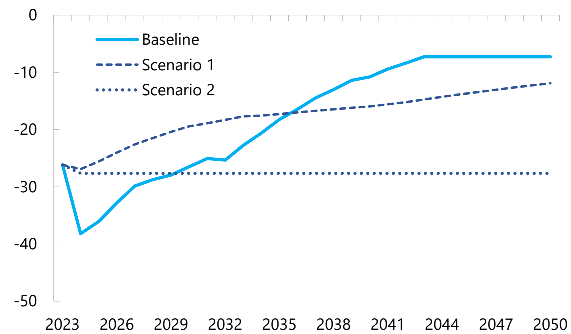
A. Fiscal Policy

16. The 2025 budget channels rising oil revenues into targeted transfers and high investment expenditures. Measures include raising the old age pension, public assistance, child support, and a one-off GY$100,000 transfer for about 600,000 adults. For taxpayers, measures include a rise in the tax allowance and a reduction in the personal income tax rate by 3 percent to 25 percent. All measures are estimated to cost 1 percent of GDP in 2025. Focusing on human capital and physical investment, the government is delivering free university education starting this year (0.3 percent of GDP) and further expanding public investment. Staff estimates that the fiscal deficit will decline to 4.9 percent of GDP in 2025, from 7.3 percent of GDP in 2024, with investment broadly unchanged and in line with spending on SDG sectors in countries with an average SDG performance (Annex III).

17. Fiscal policy follows self-imposed limits, ensuring an accumulation of substantial savings in the NRF. The fiscal framework includes rules on withdrawals from the NRF to the budget (approved by parliament) and statutory debt limits. A higher ceiling for withdrawals was introduced in 2024, which would allow to maintain high capital spending while closing the overall fiscal deficit over the medium term as oil revenues increase (driven by rising oil production and declining investment costs). Assuming that NRF withdrawals (subject to the higher ceiling) equate to capital spending and that the non-oil primary deficit (in percent of non-oil GDP) declines over time to the levels consistent with ensuring intergenerational equity, NRF assets will peak at about 360 percent of non-oil GDP in 2042. This path supports the government's ambitious investment goals while preserving fiscal sustainability and macroeconomic stability.

Guyana: Non-Oil Primary Balance 1/

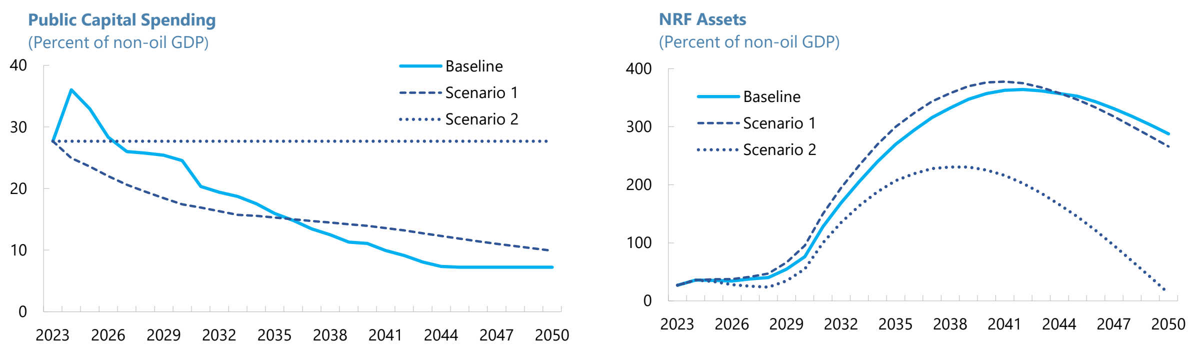
(Percent of non-oil GDP)



Sources: Guyana's authorities; and IMF staff calculations.

1/ The baseline profile follows the NRF schedule through 2032 and then smooths the oil transfers over time; scenarios 1 and 2 assume equal per capita real investment spending and equal investment spending in percent of non-oil GDP through time, respectively.

Guyana: Public Capital Spending and the NRF: Baseline and Scenarios 1/



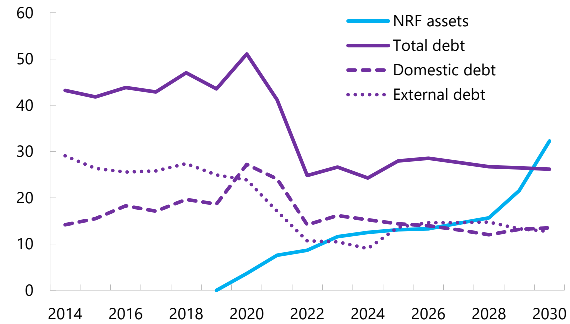
Sources: Ministry of Finance; and IMF staff calculations.
1/ The baseline profile follows the NRF schedule through 2032 and then smooths the oil transfers over time; scenarios 1 and 2 assume equal per capita real investment spending and equal investment spending in percent of non-oil GDP through time, respectively.

18. Gross public debt remains low, vulnerabilities to large shocks are mitigated by very large buffers, and the assessment of the risk of debt distress has been upgraded to low risk in the current debt sustainability analysis (DSA). Total gross public debt is projected to gradually rise from 24 percent of GDP in 2024 to about 28 percent by 2026, still below the statutory debt limits which, for both domestic and external debt were increased from 19 percent of GDP to 32 percent of GDP each in early 2024. The large size of NRF savings further mitigates vulnerabilities to large shocks.[9] Applying judgement to account for ongoing structural transformations of the economy, the assessment of the risk of overall and external debt distress has been upgraded to low from moderate in previous DSAs.

19. While robust to oil price risks, the current framework would be tested by significant appreciation pressures. Since capital expenditures equate to the NRF transfers (based on past oil revenues), these would decline in the event of a large negative oil price shock. However, an excessively expansionary fiscal stance could lead to higher prices for non-tradables, persistent inflation, and loss of external competitiveness, jeopardizing macroeconomic stability and economic diversification. The symptoms of overheating should be closely monitored (Annex IV), and public spending should further align with capacity constraints, while monetary policy supports a balanced expansion of the economy.

Guyana: NRF Assets and Debt

(Percent of GDP)



Sources: Guyana's authorities, and IMF staff calculations.

20. A comprehensive medium-term fiscal framework with an explicit anchor would help strengthen fiscal discipline and transparency. A commitment, underpinned by clear policy initiatives and well-defined assumptions, to reach a zero overall fiscal balance over the medium term (by 2031) remains appropriate, followed by a narrowing of the non-oil primary deficit over the projected lifespan of oil reserves to levels consistent with ensuring intergenerational equity. Strengthening multi-year budgeting remains a priority, and ongoing efforts to modernize public financial management—including through medium-term investment programs for key spending sectors with World Bank support and building capacity in project monitoring and evaluation—can support this strategy (for more on fiscal transparency, see section Structural Policies).

21. To guide public spending decisions, expenditure could be anchored on investment needs and outcomes, such as linked to achieving the SDG levels of benchmark countries (Annex III). Performance-based budgeting is increasingly informing policy discussions, but the recent surge in current and capital expenditures merits regular expenditure reviews and household surveys to better assess the effectiveness of public spending and align policies with the needs and wellbeing of the population. Investments in education and health contain a significant current expenditure future liability (e.g., wages, maintenance), further underlying the importance of a properly costed and comprehensive medium-term expenditure framework. While investment expenditure has historically been associated with boosting activity in the non-oil sector (Box 2), strengthening investment efficiency would help maximize its impact on sustainable growth.

[9] The NRF is already at the level of the external debt and could be used to cover payments already committed, although legislation changes would be needed to trigger its use.

Authorities' Views

22. The authorities are committed to balancing the need to invest in development with policies to ensure macroeconomic stability, fiscal sustainability, and intergenerational equity. They noted that the increase in the NRF withdrawal ceiling in 2024 was providing greater room to finance national development priorities, including expanded infrastructure, as well as improving access to education and health services. They agreed with the need to gradually close fiscal deficits over the medium term (by 2031), to be followed by a narrowing of the non-oil primary deficit to levels consistent with ensuring intergenerational equity. The authorities highlighted the ongoing reforms to continue enhancing PFM frameworks, including through a PFM Action Plan for 2025–30 expected to be finalized by mid-2025, expansion of internal audit capabilities, and robust implementation of performance budgeting in line with medium-term costed sector strategic plans.

B. Monetary and Exchange Rate Policies

23. Monetary policy has been appropriately tight, helping moderate the effects of expansionary fiscal policy in 2024 and contain inflation. In 2024, broad money grew 25¼ percent, driven mainly by an expansion in net domestic assets. The gap between the official and market exchange rates has been rising since early 2023, reaching almost 4 percent in late 2024. In response, the Bank of Guyana (BoG) sold about $318 million in foreign currencies in 2024 and continued to do so in early 2025.[10] As foreign exchange demand remains strong, monetary policy should remain vigilant, by maintaining broad money growth in line with non-oil GDP growth while providing sufficient foreign exchange to stabilize the market exchange rate. If signs of overheating or imbalances become evident, further tightening of monetary policy, along with macroprudential policies as needed, would be necessary. To react more effectively to potential overheating pressures, the BoG should continue enhancing its monetary policy toolkit beyond open market operations and reserve requirements, including by strengthening the interest rate channel. Reducing excess liquidity, where needed, and deepening financial markets to ensure effective functioning of the interbank, domestic debt, and foreign exchange markets would also enhance monetary transmission.

24. The current exchange rate regime of stabilized arrangement has served well as the nominal anchor. Given the underdeveloped domestic financial markets, weak monetary policy transmission mechanism, limited economic diversification, and accumulation of substantial foreign exchange buffers in the NRF, the de facto stabilized arrangement, acting as a currency peg that minimizes foreign exchange uncertainty about the oil related flows, is appropriate at this time. In the future, as Guyana's economy continues to transform, consideration could be given to whether a more flexible exchange rate regime—supported by suitable policy frameworks—could best serve the economy in facilitating adjustment to terms-of-trade changes and helping maintain macroeconomic stability.

[10] The Bank of Guyana occasionally intervenes in the foreign exchange market to balance maintaining the level of reserves, stabilizing the exchange rate, and controlling liquidity.

Authorities' Views

25. The authorities agreed that the policy mix was appropriate. Remaining vigilant to inflationary pressures, the authorities concurred with the need to further tighten monetary policy if signs of overheating or imbalances emerge, using all available instruments, including through selling central bank securities and foreign exchange (FX) intervention. While the BoG continued to provide FX to the market in 2025, it expected FX reserves to rise considerably later in the year largely on account of increased external disbursements. The current stabilized exchange rate arrangement continued to serve the economy well, but the BoG would be interested in assessing, with IMF support, the merits of a more flexible exchange rate regime in the medium term.

C. Financial Sector Policy

26. Financial stability risks remain largely contained. The authorities maintain a set of indicators, including credit-to-GDP measures, banking stability index, and a systemic risk matrix to assess developments and monitor financial stability. As of end-June 2024, stress tests showed no amplification in the level of systemic or financial stability risks. However, the stress tests revealed increased vulnerabilities in the banks' credit portfolios, mainly related to the agricultural and mining sectors, and foreign investment portfolios.

27. The authorities continue to implement financial sector recommendations from the 2016 FSSA report. Progress is ongoing in updating Crisis Management and Supervision Guidelines to a broader industry level, closely monitoring sectoral lending exposures and related-party lending. Improving data collection and statistics on corporate and household balance sheets and real estate prices will also be critical to support strengthening banking supervision and monitoring of systemic risks.

28. To continue safeguarding financial stability, efforts should continue to improve risk monitoring, develop macroprudential tools, and broaden the regulatory coverage. In 2024, the BoG further enhanced Guyana's payments system through legal and regulatory amendments, encouraging innovation and promoting awareness of digital payments (such as Guyana Automated Clearing House (G-ACH) System and Guyana Electronic Funds Transfer (G-EFT) Sub-System). The current macroprudential framework could be enhanced to link it to the banking supervisory framework, including by developing macroprudential tools. The authorities continue engaging in technical assistance to improve systemic risk monitoring and supervisory functions, working also to widen the supervisory perimeter to include quasi-financial institutions and credit unions.

Authorities' Views

29. The authorities reaffirmed their commitment to maintain financial stability and continue enhancing financial supervision. They noted continued strong asset growth within the highly liquid banking system, improvements in NPLs, and increased profitability. The results of recent stress tests, which indicated potential credit vulnerabilities under extreme shocks, reaffirmed the robustness of the financial system. They reiterated ongoing efforts in strengthening borrower pre-assessment and monitoring of ML/CF risks. While internal frameworks for crisis management and supervision have been updated in line with the FSAP recommendations, industry-level guidelines and monitoring of sectoral lending exposures and related party lending are being strengthened. The authorities expressed interest in developing macroprudential tools for supervision and enhancing statistics, such as developing a residential property price index, including with IMF support, and noted reform efforts to deepen domestic capital market and foster financial inclusion.

STRUCTURAL POLICIES

A. Social, Economic Diversification, and Labor Market Policies

30. The authorities' efforts to improve the welfare of large segments of the population are welcome. Staff assesses that the targeted transfer policies since 2022 have helped increase disposable income and reduced the poverty rate. While the recent one-off universal social transfer (1.2 percent of GDP) provides sizeable support to population, making it more targeted and integrated into a medium-term fiscal framework could significantly contribute to further reducing poverty. Given that the last household survey was conducted in 2019, it will be critical to conduct regular household surveys for timely monitoring of poverty and distributional trends and for assessing the current system of social assistance to better inform the government's policies.

31. Guyana continues implementing ambitious structural reforms to foster inclusive and resilient growth, including diversifying the economy and reducing gender gaps (Annex VII). The authorities' recent efforts have aimed at: (i) improving infrastructure and energy supply; (ii) supporting the expansion of sectors such as construction, hospitality, tourism, light manufacturing, agribusiness, and financial services; (iii) addressing potential labor shortages and skill mismatches through training and vocational education and targeted immigration of skilled labor; and (iv) enhancing opportunities for women by improving access to jobs, education, and healthcare services to help reduce the gender gaps. While these policies are leading to noticeable improvements, incentivizing use of free training and interregional mobility face challenges. Reform efforts should continue to durably lift Guyana's growth by boosting productivity through investment in education, lowering electricity cost (through the Gas-to-Energy project), increasing export diversification through high value-added products in agriculture and manufacturing, while expanding the tourism sector, and addressing remaining gender gaps, especially in labor force participation.[11]

Authorities' Views

32. The authorities highlighted the important progress made in recent years to reduce poverty through social transfers and to incentivize employment. They emphasized significant

[11] According to International Labour Organization's estimates, the female labor force participation gap in Guyana is 26 percentage points. While the gap is in line with the average in Latin America and the Caribbean, Guyana's participation rates for men and women (66 and 40 percent) are considerably lower than the regional averages (80 and 56 percent).

improvements in access to services and infrastructure in recent years to be taken into account when measuring poverty. The authorities stressed their focus on effective and easily verifiable execution of social programs. While open to assessing the system of social assistance, they noted that transfer programs to specific groups (children, newborn, disabled, workers, and retirees) were supporting the vulnerable and that work incentives (higher personal income tax thresholds, lower tax rates) were supporting increased production and productivity.

33. The authorities agreed that labor shortages presented a challenge and underscored that various initiatives were helping address it. They highlighted success of the Local Content Act in stimulating employment opportunities along with training and other active labor market policies aimed to reduce skills mismatch and increase labor force participation, including of women.

B. Climate and Energy Policies

34. Guyana remains a global pioneer in monetizing forest conservation and is enhancing and diversifying its energy mix. Its development strategy combines a low-carbon pathway with earnings from preserving Guyana's vast forest coverage. In 2022, Guyana sold 37.5 million carbon credits (earned for the period 2016–20) for US$750 million, to be paid during 2022–32, one of the largest carbon credit transactions in the world. Fifteen percent of Guyana's carbon credits were used to support over 200 Amerindian communities in 2023–24.[12] In early 2024, Guyana announced the issuance of the world's first carbon credits (7.1 million) eligible for use by airlines under the UN Carbon Offsetting and Reduction Scheme for International Aviation, and some credits have already been sold. The authorities are also actively enhancing the country's energy mix toward cleaner and more renewable sources over the longer term, strengthening macroeconomic resilience and creating new growth opportunities.

Authorities' Views

35. The authorities are advancing the implementation of their LCDS 2030 strategy, focusing on sustainable forestry and biodiversity, climate adaptation and resilience, and clean and renewable energy, aligned with the SDGs. They emphasized the pioneering approach in monetizing forest conservation through the sale of carbon credits, as well as strong efforts to transition toward a cleaner renewable energy mix, including through the Gas-to-Energy project.

C. Governance and Anti-Corruption Reforms

36. Progress made in enhancing governance of the NRF and strengthening transparency in fiscal outcomes, procurement, and public sector services is welcome. The NRF and Public Accountability and Oversight Committee 2023 Annual Reports have been presented to the National Assembly, regular notifications of receipts of petroleum revenues, as mandated by law, are

[12] The support to the Amerindian communities (who hold land titles covering about 13 percent of Guyana's forest surface area) is provided for agriculture, village infrastructure, tourism, manufacturing, and transportation and amounted to 0.3 percent of GDP in 2023.

published in the Official Gazette, and the BoG publishes monthly and quarterly reports of the NRF's financial performance. The authorities have also made good progress in modernizing Guyana Revenue Authority (GRA) and developing operational programs, closing data gaps, including with data analysis, risk management, program monitoring and reporting, upgrading the IT systems, and building audit capacity. The procurement framework has been upgraded, improving public access to information about procurement opportunities and processes and building capacity among public officials. As part of ongoing digitalization effort to enhance the delivery of public sector services and transparency, a single window system was launched in mid-2024 to facilitate doing business and streamline regulations, particularly related to building permit.

37. There is scope to further enhance fiscal transparency and accountability. Internal audit capabilities are being enhanced, and additional efforts are needed to continue to ensure a more comprehensive reporting of fiscal operations, including a timely publication of audit reports of some public companies and local authorities. The authorities have made considerable efforts to upgrade the operations of the National Procurement and Tender Administration. The envisaged development of an electronic procurement system and strengthening the appraisal process and project management capacity through training and peer reviews could further raise efficiency.

38. The governance and anti-corruption frameworks are being enhanced, and further efforts are needed to address the remaining gaps, including in extractive industries transparency. The 2024 Sixth Round of review of the Mechanism for Follow-up on the Implementation of the Inter-American Convention against Corruption (MESICIC) from the Organization of American States acknowledges Guyana's progress across various recommendations, and the authorities are working to strengthen the Integrity Commission to improve reporting mechanisms and compliance framework for the submission of asset declarations.[13] In line with the recommendations of the Extractive Industries Transparency Initiative (EITI) (Guyana EITI Report 2022 published in November 2024), further steps are needed to meet the beneficial ownership transparency requirement (as also outlined in the 2024 Roadmap) and remove confidentiality constraints to allow public disclosure of EITI data. Strengthening regulatory compliance in the non-oil mining sector remains a key priority. Ongoing efforts to hire more magistrates and judges and modernize the judicial system should help improve its efficiency, reduce case backlog, and strengthen the rule of law.

39. Staff welcomes Guyana's continued efforts to strengthen its AML/CFT framework. Guyana's Mutual Evaluation Report (MER) by the Caribbean Financial Action Task Force (CFATF), published in 2024, found a significant improvement in Guyana's efforts to improve its understanding of ML/FT risks via the conduct of multiple ML/FT risk assessments, including a 2023 sectoral risk assessment on the Extractive Industries. In line with the MER and Guyana's recognition of high ML vulnerabilities in the extractive industries sector (National Risk Assessment Report, 2021), priority actions include improving the transparency of beneficial ownership of legal persons and legal

[13] The Integrity Commission has achieved a significant increase in the submission of declarations by public officers and expanded its public engagement since May 2022.

arrangements.[14] Building on these reform programs and implementing the MER recommendations with strong political commitment will be key going forward.

Authorities' Views

40. The authorities remain firmly committed to further strengthening governance and anti-corruption frameworks. Focusing on building institutional capacity in line with the international standards, they welcomed staff's acknowledgement of the progress being made since the creation of the multi-agency National Coordinating Committee on Anti-Corruption in 2021 to modernize legislation, reduce corruption risks, digitalize public services (e.g., e-procurement), strengthen the rule of law through hiring more magistrates and judges, and engage with private sector. Strengthening the Integrity Commission remains a priority for the authorities, including the compliance framework for the submission of declarations. In extractive industries, the authorities remained committed to compliance with the EITI Standard recommendation on beneficial ownership transparency as well as to strengthen regulatory compliance in the non-oil mining sector with emphasis on larger operators.

DATA AND CAPACITY DEVELOPMENT

41. Enhancing macroeconomic statistics is critical to support effective policymaking (Annex VIII). Updating the National Accounts and price statistics to capture the rapidly evolving economy remains an immediate priority. The external sector statistics should also be further enhanced. Improving the timeliness of labor market data and publishing the 2022 census results would help assess welfare improvements and refine policies.

42. Capacity development (CD) should continue to ensure effective implementation of the ambitious reform agenda. The IMF CD, based on the authorities' requests, has focused on revenue administration, statistics (national accounts, prices, external sector), banking supervision, debt management, and AML/CFT. Staff discussed further capacity development needs in debt sustainability analysis and management. The authorities expressed interest in receiving Fund support to develop macroprudential tools and a residential property price index, and to help reassess the exchange rate framework.

Authorities' Views

43. The authorities are continuing to modernize the official statistics, especially to capture the rapidly evolving structural changes in the economy. They have already begun to work on enhancements to the national accounts, prices, and external sector statistics, including with IMF support as needed. The authorities are finalizing the national census, preparing the rollout of a new household survey in 2026, and undertaking the Labor Force Survey.

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[14] Guyana completed two AML/CFT/PF (Proliferation Financing) National Risk Assessments, and the third assessment is expected to be completed in the first half of 2026.

STAFF APPRAISAL

44. Guyana's economic transformation is advancing strongly and broadening in scale. Rapidly expanding oil production, strong non-oil output, and large-scale public infrastructure investment supported the highest real GDP growth rate in the world, averaging 47 percent per year since 2022. Total and non-oil growth are projected at 10¼ percent and 13 percent in 2025, respectively while inflation edges up to around 4 percent by end-2025. Following a strong fiscal impulse in 2024, the budget deficit is expected to narrow in 2025 reflecting higher oil revenues. In 2024, GIR increased by about US$114 million, surpassing US$1 billion, while the NRF accumulated over US$1.1 billion, reaching US$3.1 billion. The external position is assessed to be stronger than the level implied by fundamentals and desirable policies and is expected to improve considerably further as oil production expands.

45. The economic outlook remains highly favorable with balanced risks. The economy is expected to grow on average 14 percent per year over the next five years, driven by robust oil production and strong non-oil real GDP growth. Upside risks include further oil discoveries and productivity gains, while downside risks stem from overheating pressures and volatile commodity prices amid elevated uncertainty in the global environment. Accounting for ongoing structural transformations, the assessment of Guyana's risk of debt distress has been upgraded to low risk in the DSA.

46. Given Guyana's development and investment needs, the fiscal policy stance is appropriate, and fiscal deficits should gradually close over the medium term. The increase in the withdrawal ceiling from the NRF in early 2024 provided substantial room to expand capital expenditure. The overall fiscal deficit is expected to gradually close by 2031 and should be followed by a narrowing of the non-oil primary deficit over the (conservatively) projected lifespan of oil reserves consistent with ensuring intergenerational equity and preserving fiscal and macroeconomic sustainability. Implementing a comprehensive medium-term fiscal framework with an explicit anchor and an operational target, further modernizing public financial management systems, and conducting regular expenditure reviews to assess spending efficiency and effectiveness in reaching the SDGs will also further strengthen fiscal discipline.

47. Monetary policy remains appropriately tight, helping contain inflation. Maintaining broad money growth in line with non-oil GDP growth, continuing to carefully liquidity, and tightening monetary policy further if signs of overheating emerge remain key to guarding against inflationary pressures. Enhancing the monetary policy toolkit, including through strengthening the interest rate channel and deepening financial markets would help strengthen the effectiveness of monetary policy transmission. Maintaining consistent policies will support the current stabilized exchange rate regime, which remains appropriate. As Guyana's economy transforms, a reassessment of the exchange rate framework could be beneficial.

48. Scope exists to strengthen macroprudential framework to effectively respond to potential shocks to financial stability by linking it to the banking supervisory framework.

Improving statistics on corporate and household balance sheets and real estate prices will be critical to support strengthening banking supervision and the move towards broad-based risk-based financial supervision.

49. Staff supports the authorities' efforts to foster inclusive growth, economic diversification, and skill upgrading. Addressing labor shortages and skill mismatches through training and vocational education is key to supporting the ongoing economic expansion and increasing female labor participation. Staff commends the authorities for reforms and investments to boost productivity, trade connectivity, and export diversification.

50. Guyana remains a global pioneer in monetizing forest conservation, and is enhancing its energy matrix, strengthening macroeconomic resilience. Against climate change vulnerabilities stemming from sea level rise and flooding, the authorities are working to build resilience, further promote sustainable forestry, and enhance biodiversity conservation (LCDS 2030). The Gas-to-Energy project is expected to secure reliable electricity provision countrywide as a transition toward cleaner energy sources over the longer term.

51. The authorities are enhancing governance of the NRF and modernizing public sector operations. NRF reports have been presented to the National Assembly, and the Bank of Guyana publishes regular reports of the NRF's financial performance. The authorities are modernizing their revenue administration capacity and upgrading the procurement framework.

52. Staff supports Guyana's continued efforts to strengthen its AML/CFT and anti-corruption frameworks and enhance fiscal transparency. Recent assessments by CFATF and MESICIC highlight progress in Guyana's understanding of ML/FT risks and advancing anti-corruption measures. The authorities are strengthening the Integrity Commission, expanding internal audit capabilities, and working to implement the EITI recommendation on beneficial ownership transparency. More effort is needed to ensure a timely publication of all audit reports and to strengthen regulatory compliance in the non-oil mining sector.

53. Staff welcomes ongoing efforts to modernize official statistics. Further enhancements to the national accounts and price statistics to capture the rapidly evolving economy remain a key priority. The household budget survey and regular labor force surveys will also help shape and refine government policies.

54. It is proposed that the next Article IV consultation takes place on the standard 12-month cycle.

Box 1. Natural Resource Fund Withdrawal Rules and Capital Expenditures

The schedule for withdrawals from the NRF was revised in 2024 to allow for higher transfers to the budget in the short term, as oil production ramps up and development needs remain large. The new rules raise the maximum amount that can be transferred to the budget from the NRF in a given fiscal year for each additional one billion U.S. dollar deposits paid into the NRF in the year preceding the fiscal year. As an illustration, assume various flows to the NRF in year T-1 ranging from US$1 billion to US$5 billion. If US$5 billion flows into the NRF, the maximum amount that can be transferred to the budget the following year is US$4.2 billion compared to U$1.35 billion under the previous ruling.

Maximum Amount That Can be Withdrawn from the NRF in Year T 1/
(Billions of U.S. dollars)

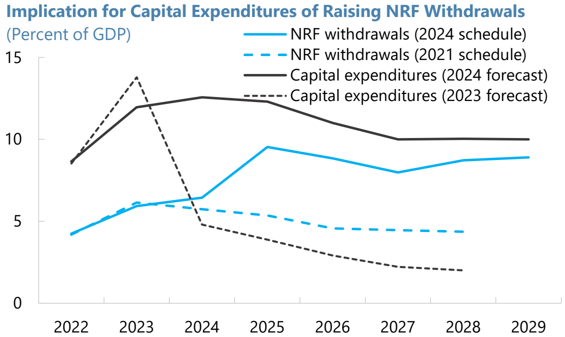
NRF inflow in Year T-1	December 2021 Schedule	January 2024 Schedule
1.000	0.875	1.000
2.000	1.250	1.950
3.000	1.290	2.850
4.000	1.320	3.700
5.000	1.350	4.200

1/ Schedule of annual withdrawals from the NRF as amended by the Fiscal Enactments Amendment Bill 2024, January 2024.

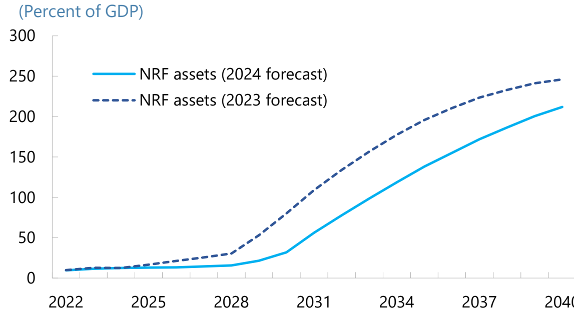
The added financing provides room for a substantial increase in capital expenditures. Assuming the maximum annual budget transfer from the NRF, capital expenditures remain strong at about 12 percent of GDP in 2025 and by 2029, the transfer almost equates to capital expenditures. Since non-oil revenues broadly cover current primary expenditures, there is limited recourse to debt financing over the medium term.

The revised NRF withdrawals remain consistent with the non-oil primary deficit narrowing over time and do not materially affect debt sustainability and savings accumulation. The higher withdrawal rule results in a lower build-up of the NRF, thereby lowering it in relation to GDP compared to the profile using the 2021 withdrawal rule used in the 2023 Article IV Consultation analysis. However, the NRF assets still reach over 210 percent of GDP by 2040 and are far higher in terms of GDP than the estimates of the sovereign wealth funds of comparator countries, such as the regional peers Chile (4 percent of GDP in 2029) and Trinidad and Tobago (32 percent of GDP in 2040) and other small states such as Timor-Leste (zero by 2040). Moreover, the debt profile is only slightly higher in the updated scenario because a balanced budget is not achieved until 2031 (2028 previously).

Implication for Capital Expenditures of Raising NRF Withdrawals
(Percent of GDP)



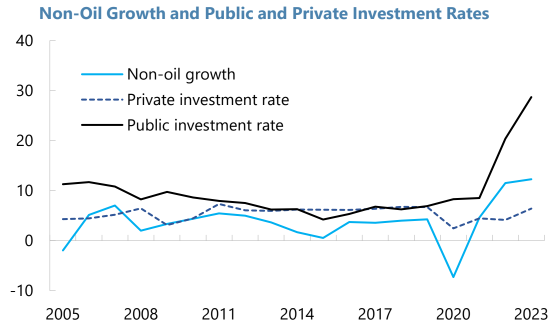
Implication for the NRF of Raising NRF Withdrawals
(Percent of GDP)



Sources: Guyana's authorities, and IMF staff calculations.

Box 2. Does Public Investment Stimulate Non-Oil Growth in Guyana?

Public investment expenditures in Guyana have historically boosted real non-oil growth, providing support for the use of oil receipts to stimulate investment. The text chart shows a strong relationship between public investment and non-oil growth over 2003–23. Public investment has historically been higher than private investment in Guyana and shot up once the government started receiving oil revenues.

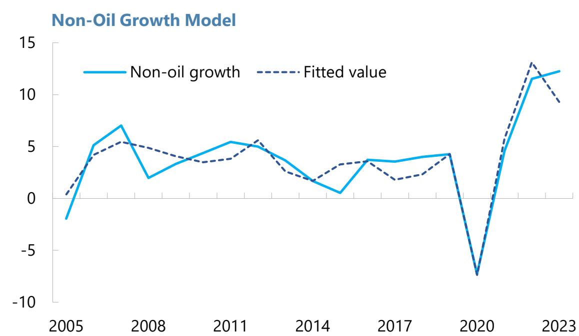


A linear OLS regression relationship between real non-oil GDP growth, investment ratios to GDP, and real export growth demonstrates significant explanatory power. Both public and private investment ratio coefficients are significant, showing that they are associated with real non-oil GDP growth. It is important to note that the public investment coefficient declines in the oil boom period suggesting absorptive capacity constraints, but the effect is insignificant. Export growth, to proxy the oil boom, is highly significant, supporting the benefits of an export-led growth. The fitted relationship closely matches historical data and is used to gauge the non-oil growth forecast.

Relationship between Investment and Non-Oil Growth in Guyana

Determinants of Non-Oil Growth Rate	Coefficient	P-value
Public investment in percent of GDP (-1)	0.55	0.02
Private investment in percent of GDP (-1)	0.59	0.09
Public investment post-oil (-1)	-0.01	0.98
Real export growth	0.07	0.01
Dummy for 2020 (Covid effect)	-0.15	0.00

Source: IMF staff calculations.



From the model estimates, a one percent of non-oil GDP boost to Guyana's public investment is associated with a ½ percent growth, comparable to the estimate for the OECD and emerging market economies (but slightly higher than the estimates for small states in Asia-Pacific and oil exporters). Most other studies on the topic have focused on output level impacts from model simulations and panel data estimations. In these studies, the output impact is between 0.2–0.4 percent for developing economies, 0.1–0.5 for small Asian-Pacific states, 0.2–0.3 for oil exporters, and 0.4–0.8 percent for advanced OECD economies.[1] While the presented estimates are subject to endogeneity and model specification caveats, they illustrate that, in general, the impact of public investment on growth is positive, with the size of the impact dependent on efficiency and leakages.

[1] Furceri and Li, 2017, "he Macroeconomic (and Distributional) Effects of Public Investment in Developing Economies" IMF WP 17/217; OECD Working Paper 1351/2016; Abiad, Furceri, Topalova, 2016, Journal of Macroeconomics; Dodzin and Bai in "Resilience and Growth in the Small States of the Pacific," eds. Khor, Kronenberg and Tumbarello; Senhadji and Espinoza, 2011, "How strong are fiscal multipliers in the GCC?" IMF WP/11/61.

Box 3. Country Engagement

Guyana's medium-term policy objectives and priorities are enshrined in its Low Carbon Development Strategy (LCDS) 2030. The strategy—which builds on its pioneering LCDS 2009 for a climate-focused sustainable development—envisages preserving Guyana's standing forests and using its vast oil resources to invest in urban and rural development, protecting the coast and hinterland from climate change, promoting efficiency water use, aligning the education and health sectors with low carbon development, and, as a result, raising GDP fivefold over a 10-year period.

The main challenges in implementing this strategy are related to capacity constraints that can pose risks to macroeconomic stability and sustained growth. Significant resources on the revenue side are easing financing constraints, including to import capital for domestic infrastructure and other projects. However, labor shortages can slow economic expansion and lead to high wage inflation. While labor market data (although not recent) suggests considerable labor availability in the country, building the required skills would take time.

Fund staff engages the authorities through the Article IV Consultation process, supporting them with policy advice and capacity development. Staff's policy advice aims to ensure that Guyana's exceptional revenue windfall is best harnessed to support the implementation of the authorities' ambitious development plans while ensuring macroeconomic stability and achieving inclusive and resilient growth. These policies should help to boost productivity and enhance the skill level of the workforce. To this end, staff supports the authorities' strategy and recommends increasing expenditure on education, health, and infrastructure while guided by a longer-term fiscal anchor to ensure fiscal sustainability. Staff also supports the authorities' plans to reduce the high poverty rate, recommending adopting more targeted transfers to the poor, included in the medium-term fiscal framework. To be able to better monitor the outcome of government policies and quickly assess skill and other bottlenecks, it would be essential to conduct regular household and labor surveys and improve the quality and timeliness of statistics.

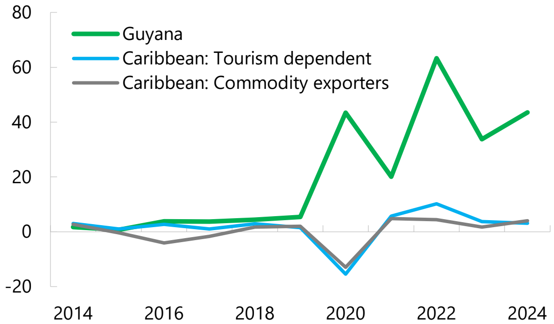
The authorities' strategy to enhance economic opportunities for women is welcome given the low level of female labor participation in the economy. Closing gender gaps would require improving access to jobs, education, health and childcare services, reducing wage disparities, ending child marriage, and tackling gender violence. Making the labor market more inclusive through boosting female labor force participation would also help address labor shortages to facilitate economic expansion.

To support the authorities' development plans, the Fund is providing CD in several areas, including statistics and revenue administration. Efforts should continue to strengthen fiscal transparency and conduct regular public investment (and climate) assessments which would further help to enhance the efficient use of resources and achieve higher economic gains.

Figure 1. Guyana: Comparative Regional Developments 1/

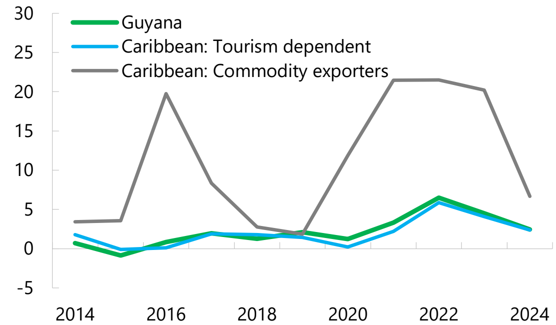
Guyana has been growing faster than its regional peers before and especially after the oil production, …

Real GDP Growth
(Year-over-year percent change)



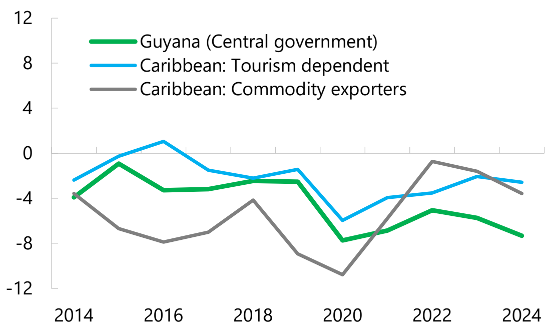
… while inflation remained contained.

Inflation
(Year-over-year percent change; period average)



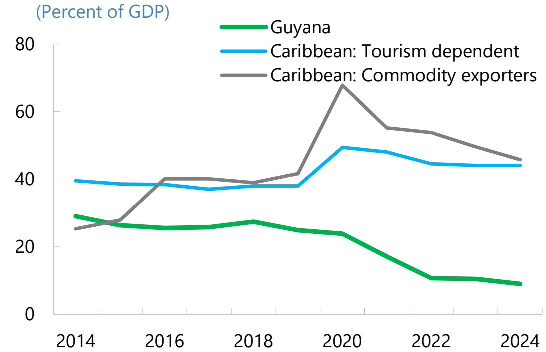
Guyana's fiscal deficit has widened recently reflecting growing public investment, …

Public Sector Balance
(Percent of GDP)



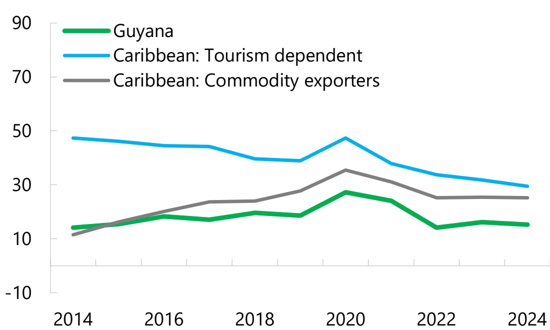
… but external debt continued its pre-oil decline, falling to 9 percent of GDP in 2024.

External Debt
(Percent of GDP)



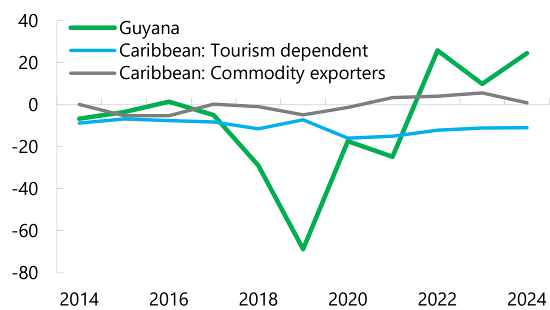
After peaking in 2020, domestic debt has stabilized recently.

Domestic Debt
(Percent of GDP)



Since 2022, Guyana's external position significantly improved, recording high current account surpluses.

Current Account Balance
(Percent of GDP)

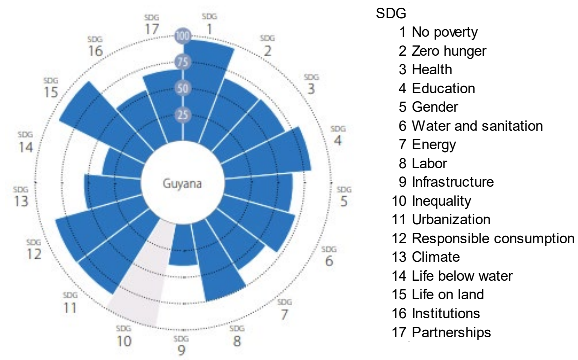


Sources: Country authorities; and IMF staff calculations.
1/ The Caribbean regional aggregates are measured as simple averages of corresponding variables. Tourism-dependent Caribbean includes Antigua and Barbuda, The Bahamas, Barbados, Dominica, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines; commodity-exporting Caribbean includes Suriname and Trinidad and Tobago.

Figure 2. Guyana: Performance on Sustainable Development Goals

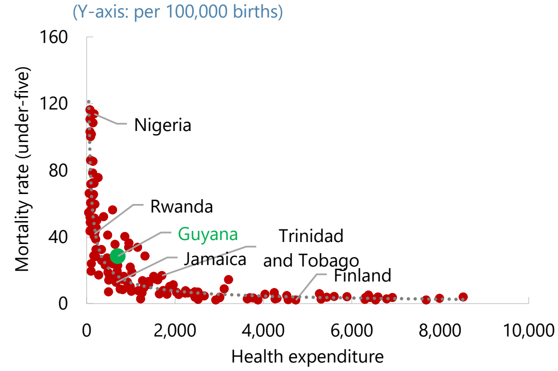
Guyana has made progress on the SDGs, but gaps remain in several areas, especially infrastructure.

Average Performance by SDG, 2024



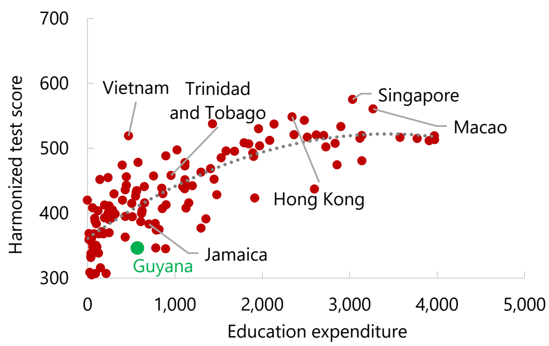
Relative to the sectoral spending levels, Guyana's health outcomes are in line with its peers, …

Mortality Rate vs. Health Expenditure 1/
(Y-axis: per 100,000 births)



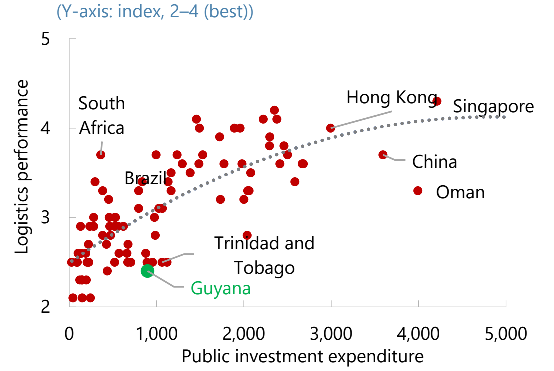
… but education achievement is lower, …

Harmonized Test Scores vs. Education Expenditure 1/
(Y-axis: test score range 300–625 (highest))



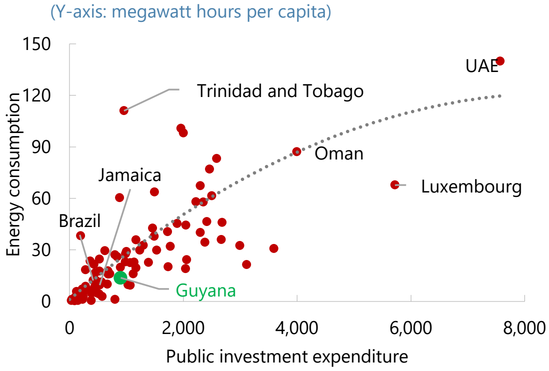
… and so is the quality of trade and transport related infrastructure.

Logistics Performance vs. Public Investment Expenditure 1/
(Y-axis: index, 2–4 (best))



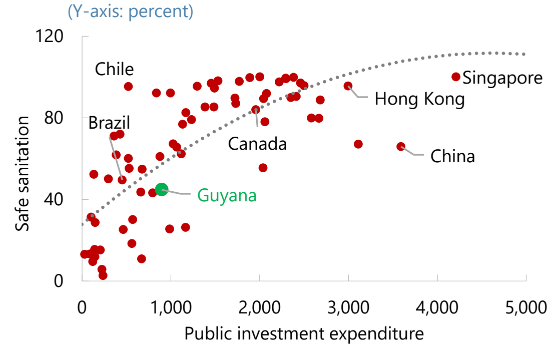
Guyana's energy consumption is comparable to peers, …

Energy Consumption vs. Public Investment Expenditure 1/
(Y-axis: megawatt hours per capita)



… as is the use of clean water and sanitation.

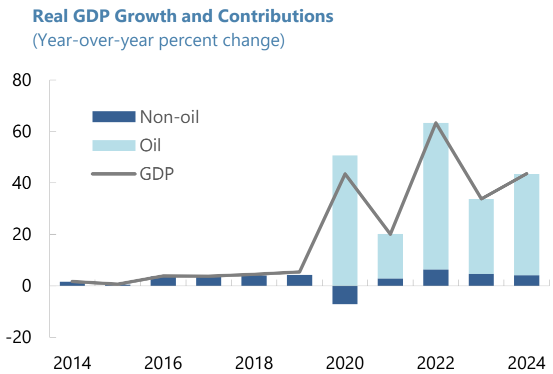
Population Share Using Safely Managed Sanitation vs. Public Investment Expenditure 1/
(Y-axis: percent)



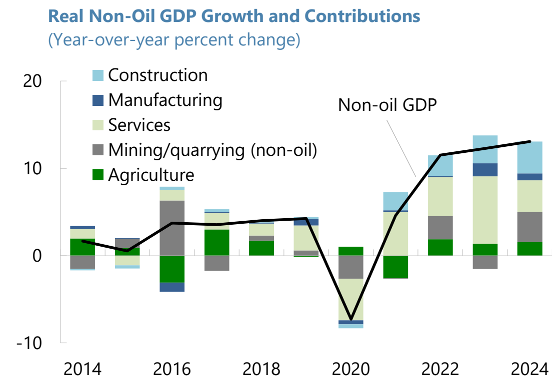
Sources: Guyana: SDG Progress – Common Country Analysis Update 2023; Sustainable Development Report 2024; World Bank; and IMF staff calculations.
Note: Guyana's SDG performance data is from 2024. All cross-country data from 2020, except for logistics performance index data (2023) and energy consumption and population share of safely managed sanitation data (2021). The "no poverty" SDG is based on a threshold of $3.65 per day.
1/ X-axis is international $ per capita GDP PPP.

Figure 3. Guyana: Real Sector Developments

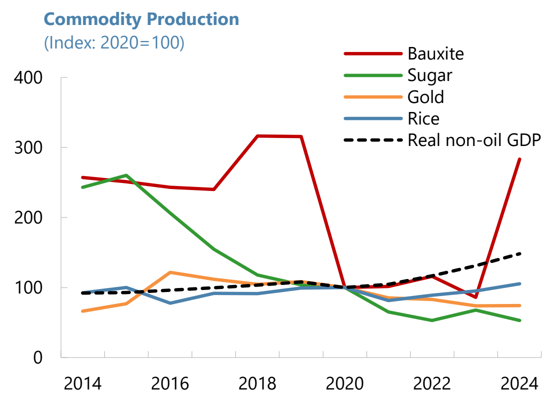
Economic growth is driven by the oil sector, ...



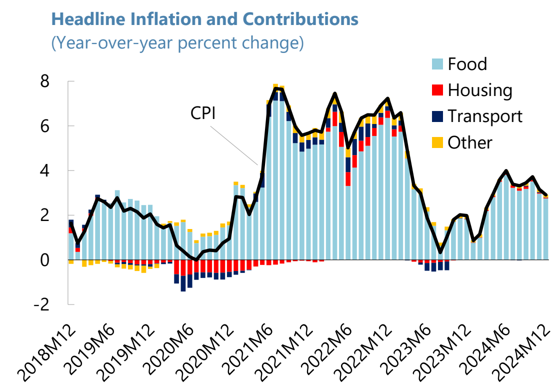
... supported also by a largely broad-based growth in non-oil sectors, ...



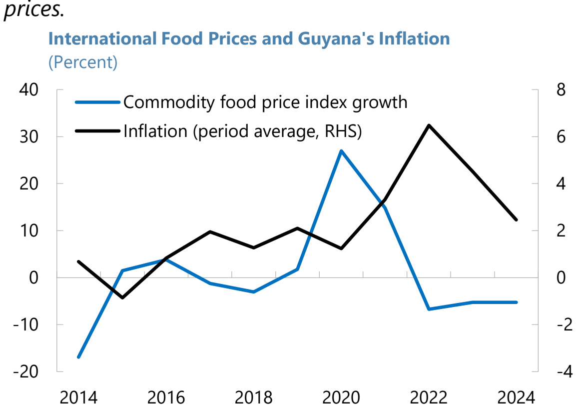
... although non-oil commodity production remained subdued.



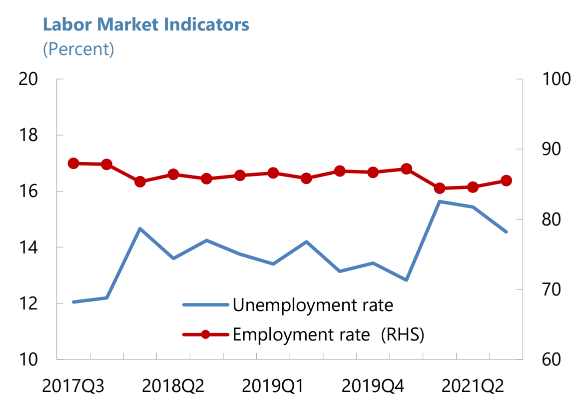
Inflation has increased recently but remains low, ...



... continuing to be driven in part by international food prices.



Labor market slack persisted (so far in available data).

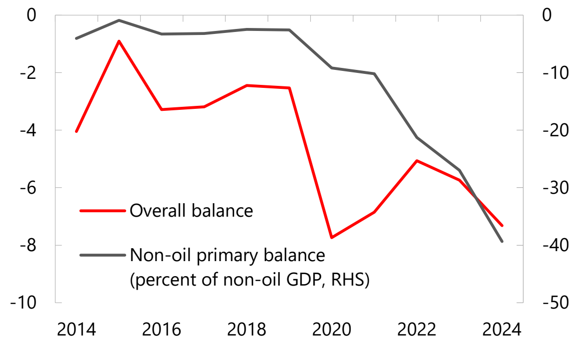


Sources: Bank of Guyana; Ministry of Finance; IMF, World Economic Outlook database; and IMF staff calculations.

Figure 4. Guyana: Fiscal Sector Developments

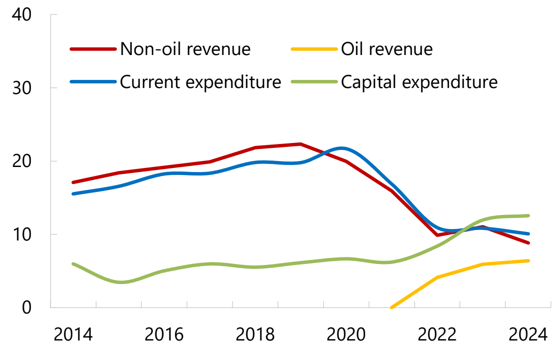
The overall fiscal deficit and non-oil primary deficit continued to widen, …

Fiscal Overall Balance
(Percent of GDP)



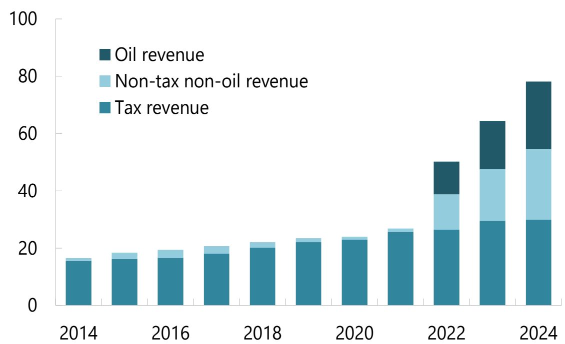
Current expenditure has been tracking non-oil revenue, with capital expenditure partly financed by oil revenue.

Revenue and expenditure
(Percent of GDP)



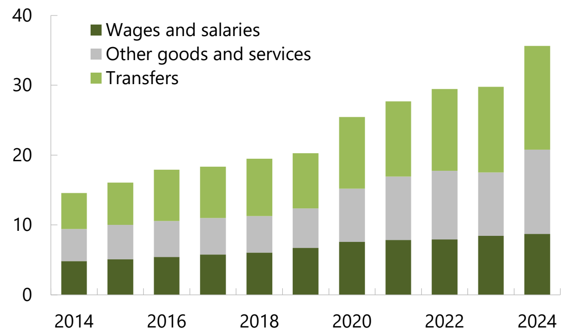
Non-tax revenues are major additions to Guyana's revenue stream.

Revenue
(Percent of non-oil GDP)



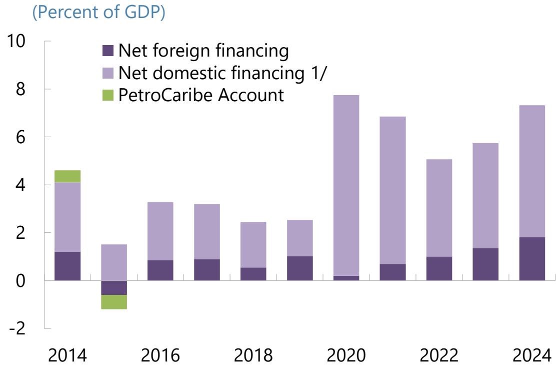
Current expenditure increased in 2024, reflecting higher than budgeted cash grants and other transfers.

Current Expenditure
(Percent of non-oil GDP)



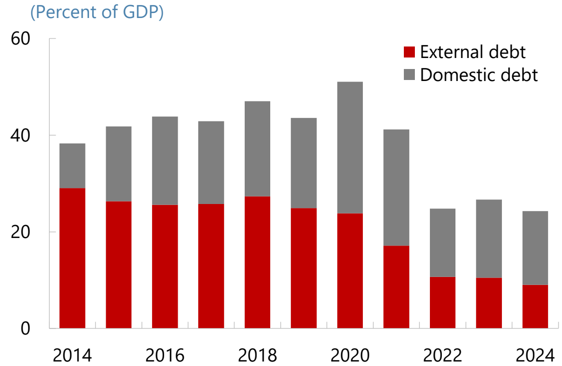
The deficit continued to be financed mainly by domestic borrowing.

Net Financial Transactions
(Percent of GDP)



Total public debt, as a share of GDP, declined in 2024.

Government Debt
(Percent of GDP)

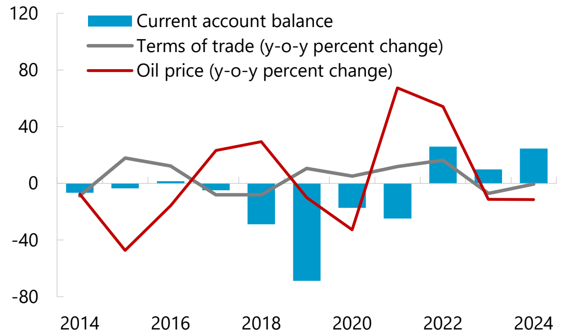


Sources: Ministry of Finance of Guyana; and IMF staff calculations.
1/ Net domestic financing includes privatization proceeds from central government and public enterprises.

Figure 5. Guyana: External Sector Developments

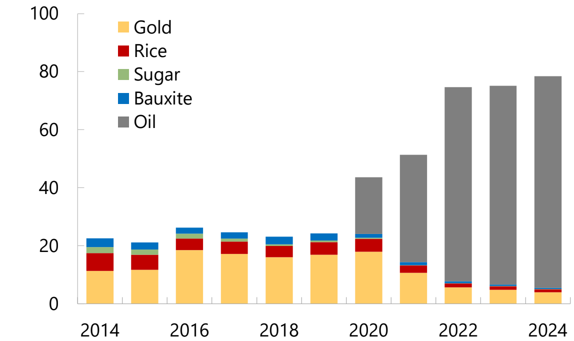
The large current account surplus persisted, despite weakening oil prices, …

Current Account
(Percent of GDP)



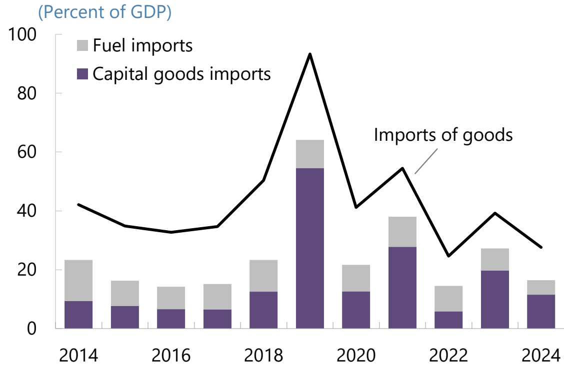
… as oil production surged, and higher volumes and favorable prices supported non-oil exports…

Exports of Goods
(Percent of GDP)



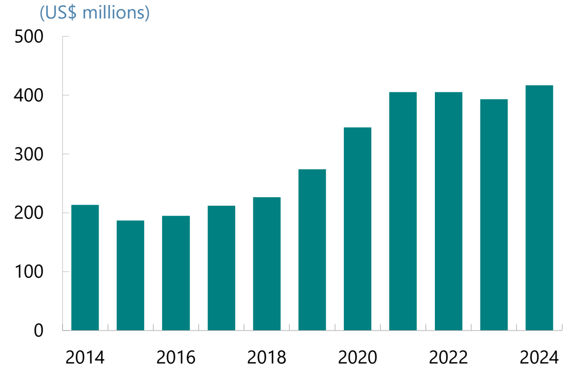
… while imports moderated in 2024, with the decline in oil-related capital goods broadly offset by the increase in intermediate and consumption goods.

Imports of Goods
(Percent of GDP)



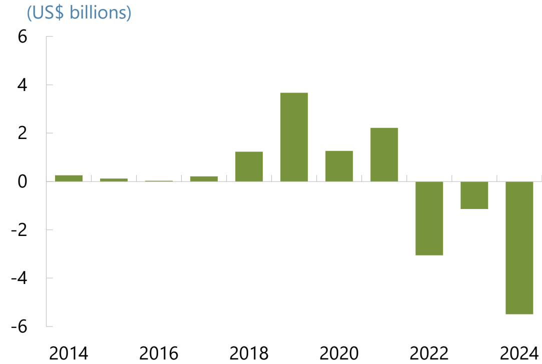
Remittances remain stable.

Remittances
(US$ millions)



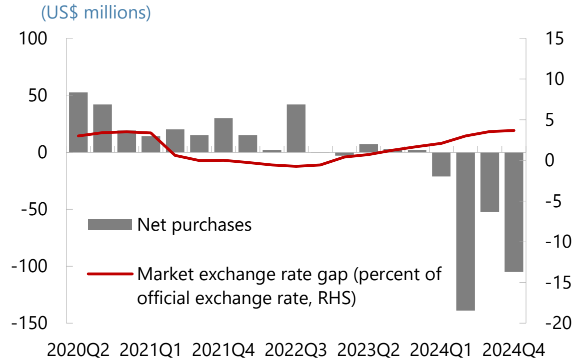
Net FDI remained negative reflecting cost recovery outflows to oil operators.

Net Foreign Direct Investment
(US$ billions)



Foreign exchange (FX) interventions helped contain pressures on the exchange rate, balancing the build-up of external buffers with growing FX demand.

Foreign Exchange Interventions and Exchange Rate Gap
(US$ millions)

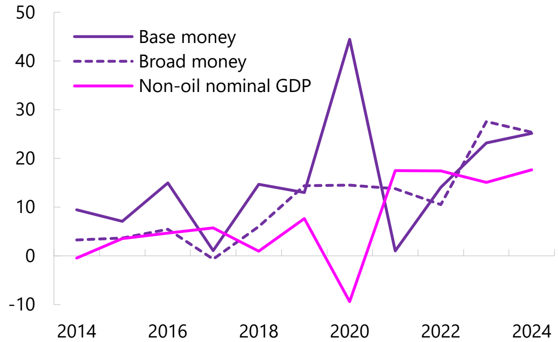


Sources: Bank of Guyana; and IMF staff calculations.

Figure 6. Guyana: Monetary Sector Developments

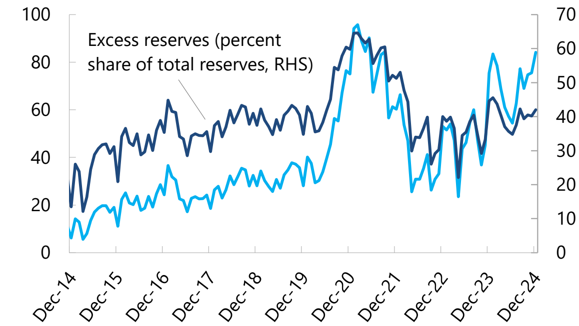
In 2024, the base and broad money expanded at a rate slightly higher than the growth rate of nominal non-oil GDP, driven by higher net domestic assets.

Money
(Year-over-year percent change)



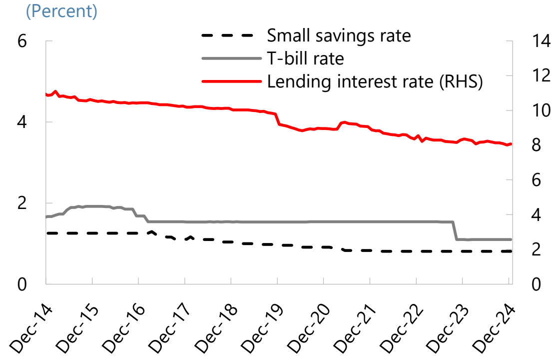
The share of excess to total reserves returned to the pre-pandemic levels as the pandemic related (reduced) reserve requirement expired in mid-2022 but remains high.

Excess Reserves
(G$ billions)



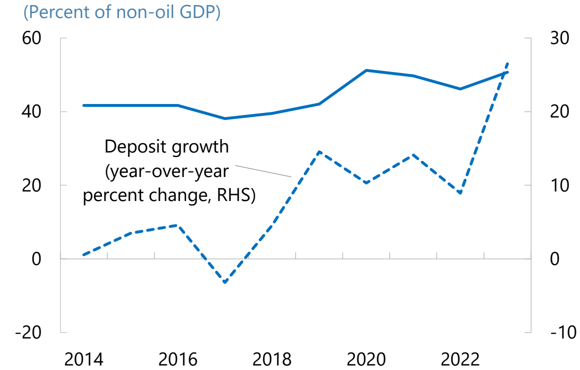
Interest rates have been trending down over time but remained largely stable in 2024.

Interest and Treasury Bill Rates
(Percent)



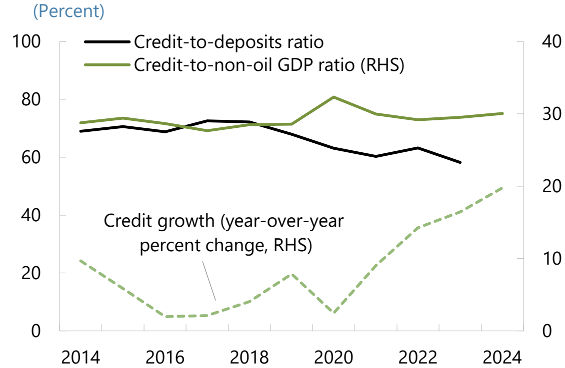
Bank deposits continued rising.

Bank Deposits
(Percent of non-oil GDP)



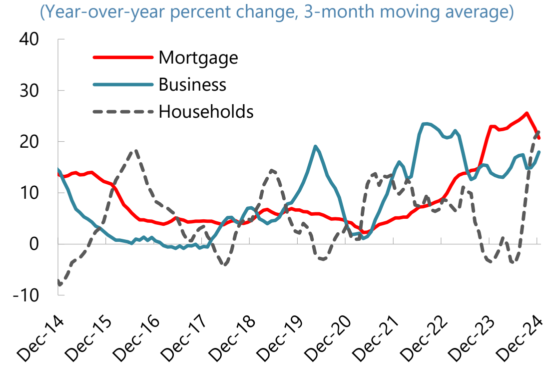
Robust growth in private credit continued…

Private Sector Credit
(Percent)



… reflecting a largely broad-based demand for credit.

Private Sector Credit by Sector
(Year-over-year percent change, 3-month moving average)

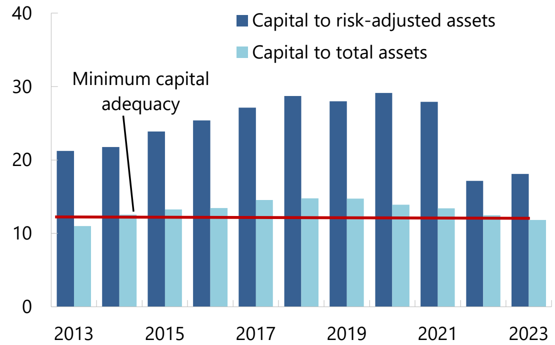


Sources: Bank of Guyana; and IMF staff calculations.

Figure 7. Guyana: Financial Soundness Indicators

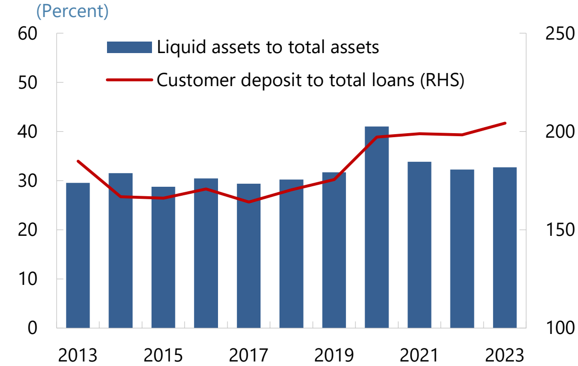
The financial system remains well capitalized, …

Capital Adequacy
(Percent)



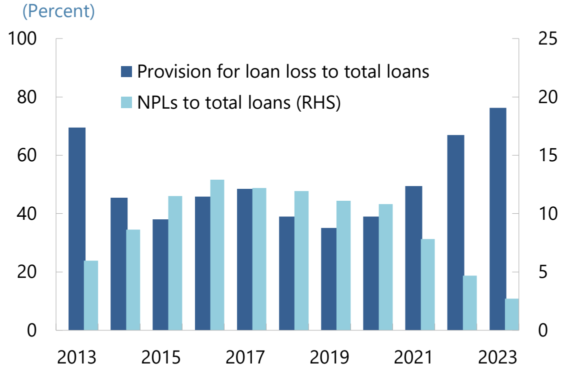
… with the share of liquid assets remaining around 30 percent of total assets and rising deposit-to-loan ratio.

Liquidity
(Percent)



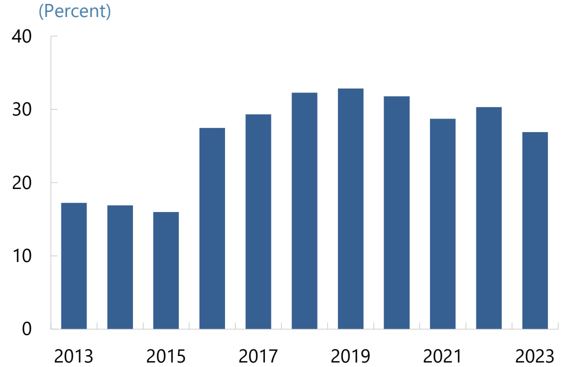
Asset quality has improved, with the share of non-performing loans in total loans continuing to decline, …

Asset Quality
(Percent)



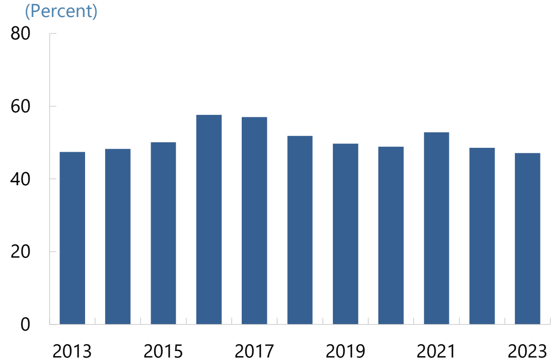
… while the exposure of loan portfolios to the top 20 borrowers remains high.

Top 20 Borrowers to Total Loans
(Percent)



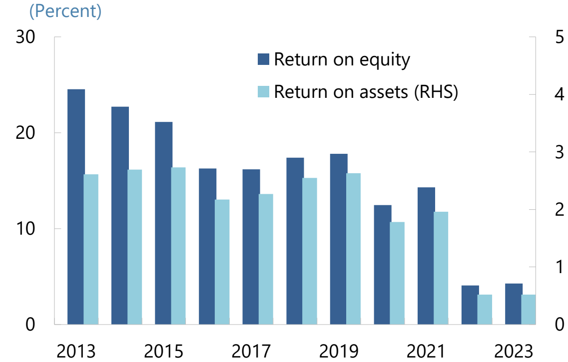
Amid largely unchanged operating expenses…

Operating Expense
(Percent)



… bank profitability remained low.

Earnings and Profitability
(Percent)



Sources: Bank of Guyana; and IMF staff calculations.

Table 1. Guyana: Selected Social and Economic Indicators, 2022–30

I. Social Indicators

Population, 2023 (thousands)	814	Population not using an improved water source (percent), 2020	3.2
Life expectancy at birth (years), 2022	66	Access to electricity (percent), 2021	93
Under-five mortality rate (per 1,000 live births), 2023	14	Gini index, 2019	47
Population living below the poverty line (percent), 2000–06	35		
HDI rank, 2022	95		

II. Economic Indicators

			Est.	Proj.					
	2022	2023	2024	2025	2026	2027	2028	2029	2030
				(Year-over-year percent change)					
Production and Prices									
Real GDP	63.3	33.8	43.6	10.3	23.0	21.0	13.3	11.8	1.1
Real non-oil GDP	11.5	12.3	13.1	12.9	7.8	7.4	6.2	6.1	6.1
Real oil GDP 1/	127.2	46.8	57.7	9.5	28.1	24.9	15.0	13.0	0.0
Real GDP per capita	62.8	33.4	43.1	10.0	22.6	20.6	12.9	11.4	0.8
Consumer prices (average)	6.5	4.5	2.5	3.6	4.4	5.0	5.5	5.6	5.4
Consumer prices (end of period)	7.2	2.0	2.9	4.2	4.5	5.5	5.5	5.5	5.5
				(Percent of non-oil GDP)					
Central Government									
Revenue	32.4	39.3	43.7	49.9	45.9	44.0	45.9	46.0	48.1
Grants	0.6	0.2	0.2	0.4	0.3	0.2	0.2	0.2	0.2
Expenditure	44.8	52.7	64.9	63.4	57.5	54.3	53.3	52.5	50.2
Current	25.3	25.1	28.9	30.5	29.2	28.3	27.5	27.1	25.7
Capital	19.5	27.7	36.0	32.9	28.3	26.0	25.8	25.4	24.5
Overall balance (after grants)	-11.7	-13.3	-21.0	-13.2	-11.3	-10.1	-7.2	-6.2	-1.9
Non-oil primary balance (after grants)	-20.6	-26.2	-38.4	-37.5	-32.6	-29.7	-28.5	-27.7	-25.6
				(Percent of GDP)					
Revenue	14.0	17.0	15.3	18.6	17.8	16.9	17.9	18.1	20.4
Grants	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Expenditure	19.3	22.8	22.6	23.7	22.3	20.9	20.7	20.7	21.3
Current	10.9	10.8	10.1	11.4	11.3	10.9	10.7	10.7	10.9
Capital	8.4	12.0	12.6	12.3	11.0	10.0	10.0	10.0	10.4
Overall balance (after grants)	-5.1	-5.7	-7.3	-4.9	-4.4	-3.9	-2.8	-2.5	-0.8
Total public sector gross debt	24.8	26.7	24.3	28.0	28.6	27.6	26.7	26.5	26.2
External	10.7	10.5	9.0	13.6	14.6	14.6	14.7	13.3	12.7
Domestic	14.2	16.2	15.2	14.4	13.9	13.0	12.0	13.2	13.5
				(Year-over-year percent change)					
Money and Credit									
Broad money	10.5	27.6	25.3	17.7	18.1	17.7	17.9	18.1	17.4
Domestic credit of the banking system	12.7	24.1	39.7	4.9	14.6	14.5	10.0	17.4	9.9
Public sector (net)	11.1	32.3	58.0	-5.4	11.2	14.3	9.7	24.4	9.7
Private sector	14.2	16.4	19.8	19.8	18.5	14.8	10.2	10.1	10.0
External Sector									
Current account balance (US$ million)	3,805.2	1,679.9	6,067.9	2,306.2	4,201.9	7,868.1	10,854.5	8,872.6	9,607.3
(Percent of GDP)	25.9	9.9	24.6	8.9	14.9	24.4	30.4	22.4	23.3
Gross official reserves (US$ million)	932.4	896.4	1,010.1	1,571.4	2,009.1	2,511.9	3,072.7	3,214.1	4,300.8
(Percent of GDP)	6.3	5.3	4.1	6.1	7.1	7.8	8.6	8.1	10.4
(In months of imports of goods and services) 2/	1.0	0.8	0.7	1.1	1.4	1.7	1.8	2.2	4.3
(In months of non-oil imports of goods and services) 2/	2.2	3.0	1.9	2.9	3.5	3.9	4.6	4.9	5.4
Crude oil production (million barrels)	101.4	142.3	225.4	246.0	268.3	335.8	386.9	438.0	438.0
Oil price (US$ per barrel)	99.0	82.3	79.9	72.9	69.1	67.9	67.5	67.2	67.1
Memorandum Items:									
Nominal GDP (G$ billion)	3,068.8	3,527.5	5,141.3	5,383.9	5,872.8	6,714.6	7,441.6	8,244.7	8,586.5
Nominal GDP, non-oil (G$ billion)	1,325.1	1,524.6	1,793.7	2,010.7	2,280.9	2,583.9	2,897.8	3,246.6	3,638.4
Per capita GDP (US$)	18,591.9	21,307.2	30,962.3	32,326.3	35,156.0	40,075.2	44,281.2	48,913.3	50,788.8
Guyana dollar/U.S. dollar (period average)	208.5	208.5	208.5	…	…	…	…	…	…

Sources: Guyanese authorities; UNDP Human Development Report; World Bank; and IMF staff calculations and projections.
1/ Oil fields under development beyond Whiptail are not included in the IMF staff projections, resulting in the zero real oil GDP growth in 2030.
2/ Gross reserves in months of projected imports of goods and services. From 2017, these are affected by high value imports of oil goods and services.

Table 2. Guyana: Medium-Term Macroeconomic Framework, 2022–30
(Percent change, unless otherwise indicated)

			Est.	Proj.					
	2022	2023	2024	2025	2026	2027	2028	2029	2030
				(Year-over-year percent change)					
Production and Prices									
Real GDP	63.3	33.8	43.6	10.3	23.0	21.0	13.3	11.8	1.1
Non-oil real GDP	11.5	12.3	13.1	12.9	7.8	7.4	6.2	6.1	6.1
Oil real GDP	127.2	46.8	57.7	9.5	28.1	24.9	15.0	13.0	0.0
GDP deflator	12.1	-14.1	1.5	-5.1	-11.3	-5.5	-2.1	-0.9	3.0
Non-oil sector	5.3	2.5	4.1	-0.7	5.2	5.4	5.6	5.6	5.6
Oil sector	40.0	-21.7	6.0	-7.9	-16.9	-7.9	-4.4	-2.7	-1.0
Terms of trade	16.4	-7.1	-0.5	-5.3	-3.7	-2.0	-0.7	-0.6	-0.2
				(Percent of GDP)					
Central Government									
Revenue	**14.0**	**17.0**	**15.3**	**18.6**	**17.8**	**16.9**	**17.9**	**18.1**	**20.4**
Tax revenue	9.5	10.4	8.2	7.8	8.2	8.1	8.2	8.3	8.9
Non-tax revenue	4.4	6.4	6.8	10.0	9.4	8.6	9.4	9.6	11.3
of which: Oil-related revenue	4.1	5.9	6.4	9.5	8.8	8.0	8.7	8.9	10.5
Capital revenue	0.0	0.2	0.3	0.8	0.2	0.2	0.2	0.2	0.2
Grants 1/	**0.3**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
Expenditure	**19.3**	**22.8**	**22.6**	**23.7**	**22.3**	**20.9**	**20.7**	**20.7**	**21.3**
Overall balance (before grants)	-5.3	-5.8	-7.4	-5.1	-4.5	-4.0	-2.9	-2.5	-0.9
Overall balance (after grants)	**-5.1**	**-5.7**	**-7.3**	**-4.9**	**-4.4**	**-3.9**	**-2.8**	**-2.5**	**-0.8**
Non-oil primary balance (after grants)	-8.9	-11.3	-13.4	-14.0	-12.7	-11.4	-11.1	-10.9	-10.8
Financing	**5.1**	**5.7**	**7.3**	**4.9**	**4.4**	**3.9**	**2.8**	**2.5**	**0.8**
Net external financing	1.0	1.4	1.8	5.6	2.8	2.2	1.6	-0.6	-0.7
Net domestic financing	4.0	4.4	5.5	-0.6	1.6	1.7	1.2	3.1	1.5
Total Public Sector Gross Debt	**24.8**	**26.7**	**24.3**	**28.0**	**28.6**	**27.6**	**26.7**	**26.5**	**26.2**
External	10.7	10.5	9.0	13.6	14.6	14.6	14.7	13.3	12.7
Domestic	14.2	16.2	15.2	14.4	13.9	13.0	12.0	13.2	13.5
				(Year-over-year percent change)					
Money and Credit									
Broad money	10.5	27.6	25.3	17.7	18.1	17.7	17.9	18.1	17.4
Domestic credit of the banking system	12.7	24.1	39.7	4.9	14.6	14.5	10.0	17.4	9.9
Public sector (net)	11.1	32.3	58.0	-5.4	11.2	14.3	9.7	24.4	9.7
Private sector	14.2	16.4	19.8	19.8	18.5	14.8	10.2	10.1	10.0
				(Percent of GDP)					
National Saving	**35.7**	**24.6**	**38.3**	**24.0**	**28.7**	**36.7**	**42.7**	**34.9**	**35.6**
Public sector	8.7	11.3	9.3	8.0	7.4	8.6	9.3	14.5	20.5
Private sector	27.0	13.4	29.0	16.0	21.3	28.1	33.4	20.4	15.1
Gross Domestic Investment	**9.8**	**14.7**	**13.7**	**15.1**	**13.8**	**12.2**	**12.3**	**12.4**	**12.3**
Public sector	8.2	11.8	12.4	12.2	10.9	10.2	10.3	10.2	10.6
Private sector	1.7	2.9	1.2	2.8	2.9	2.0	2.1	2.2	1.6
Savings-Investment Balance	**25.9**	**9.9**	**24.6**	**8.9**	**14.9**	**24.4**	**30.4**	**22.4**	**23.3**
Public sector	0.5	-0.5	-3.2	-4.3	-3.5	-1.6	-0.9	4.3	9.8
Private sector	25.4	10.4	27.8	13.2	18.4	26.1	31.3	18.1	13.5
				(Percent of GDP, unless otherwise indicated)					
External Sector									
Current account balance, incl. off. transfers	25.9	9.9	24.6	8.9	14.9	24.4	30.4	22.4	23.3
Gross official reserves (US$ million)	932	896	1,010	1,571	2,009	2,512	3,073	3,214	4,301
Months of imports of goods and services 2/	1.0	0.8	0.7	1.1	1.4	1.7	1.8	2.2	4.3

Sources: Guyanese authorities; and IMF staff calculations and projections.
1/ Includes debt service savings under HIPC and MDRI.
2/ Gross reserves are in months of projected imports of goods and services.

Table 3. Guyana: Balance of Payments, 2022–30 1/

(Millions of U.S. dollars, unless otherwise indicated)

			Est.	Proj.					
	2022	2023	2024	2025	2026	2027	2028	2029	2030
				(In millions of U.S dollars)					
Current Account (incl. official transfers)	**3,805**	**1,680**	**6,068**	**2,306**	**4,202**	**7,868**	**10,854**	**8,873**	**9,607**
Current Account (excl. official transfers)	3,805	1,679	6,066	2,306	4,195	7,868	10,854	8,873	9,607
Merchandise Trade (net)	**7,656**	**6,496**	**12,979**	**10,770**	**12,358**	**17,558**	**20,281**	**22,744**	**23,335**
Exports (f.o.b.)	**11,280**	**13,132**	**19,792**	**19,782**	**21,276**	**25,589**	**29,067**	**32,560**	**32,662**
Bauxite	99	80	95	214	271	278	285	291	298
Sugar	17	25	19	39	45	45	47	48	50
Rice	196	212	255	325	237	234	247	243	257
Gold	830	809	990	1,132	1,671	1,718	1,866	2,010	2,131
Timber	28	21	20	22	20	20	21	21	22
Oil	9,854	11,582	17,993	17,609	18,534	22,798	26,110	29,450	29,405
Other	257	405	420	440	498	495	492	496	499
Imports (c.i.f.)	**3,623**	**6,636**	**6,814**	**9,012**	**8,919**	**8,030**	**8,787**	**9,816**	**9,327**
Capital goods	862	3,335	2,846	4,767	5,077	4,462	5,039	5,853	5,123
Fuel and lubricants	1,268	1,266	1,203	1,318	1,121	1,107	1,110	1,125	1,159
Other	1,493	2,035	2,764	2,927	2,721	2,461	2,637	2,838	3,044
Services (net)	**-3,565**	**-4,407**	**-5,411**	**-6,947**	**-6,816**	**-7,931**	**-7,297**	**-9,468**	**-6,769**
Primary Income (net)	**-1,342**	**-1,580**	**-2,395**	**-2,467**	**-2,258**	**-2,668**	**-3,036**	**-5,303**	**-7,847**
of which: Repatriated oil earnings	-1,253	-1,456	-2,217	-2,083	-1,946	-2,394	-2,742	-4,992	-7,494
Secondary Income (net)	**1,056**	**1,171**	**895**	**950**	**918**	**909**	**907**	**900**	**888**
Financial Account	**-3,802**	**-1,684**	**-6,119**	**-2,336**	**-4,231**	**-7,901**	**-10,885**	**-8,903**	**-9,638**
Nonfinancial public sector (net)	-587	-376	-536	1,337	403	-149	-125	-2,652	-4,378
Net official borrowing	58	230	446	1,437	601	588	552	0	-25
Other public sector (net) 2/	-645	-606	-982	-100	-199	-737	-676	-2,652	-4,354
Private sector (net)	-3,094	-1,344	-5,469	-3,111	-4,196	-7,250	-10,199	-6,110	-4,173
Foreign direct investment (net) 3/	-3,054	-1,142	-5,497	-3,019	-3,821	-6,766	-9,576	-5,418	-3,444
Portfolio investment (net)	-56	-68	-61	-63	-72	-81	-91	-102	-115
Other (net)	16	-135	90	-29	-303	-402	-532	-590	-614
Errors and Omissions	**-42**	**-11**	**37**	**0**	**0**	**0**	**0**	**0**	**0**
Overall Balance	**122**	**-36**	**114**	**561**	**438**	**503**	**561**	**141**	**1,087**
Memorandum Items:									
Exports (in percent of GDP)	76.6	77.6	80.3	76.6	75.5	79.5	81.4	82.3	79.3
Imports (in percent of GDP)	24.6	39.2	27.6	34.9	31.7	24.9	24.6	24.8	22.6
Foreign direct investment (net) (in percent of GDP)	-20.7	-6.7	-22.3	-11.7	-13.6	-21.0	-26.8	-13.7	-8.4
Current account, incl. off. transfers (in percent of GDP)	25.9	9.9	24.6	8.9	14.9	24.4	30.4	22.4	23.3
Overall balance (in percent of GDP)	0.8	-0.2	0.5	2.2	1.6	1.6	1.6	0.4	2.6
Gross international reserves	932.4	896.4	1,010.1	1,571.4	2,009.1	2,511.9	3,072.7	3,214.1	4,300.8
(Percent of GDP)	6.3	5.3	4.1	6.1	7.1	7.8	8.6	8.1	10.4
(In months of imports of goods and services) 4/	1.0	0.8	0.7	1.1	1.4	1.7	1.8	2.2	4.3
(In months of imports of non-oil goods and services)	2.2	3.0	1.9	2.9	3.5	3.9	4.6	4.9	5.4
End of year balance of the NRF 5/	1,272	1,973	3,100	3,380	3,748	4,672	5,582	8,513	13,292
(Percent of GDP)	8.6	11.7	12.6	13.1	13.3	14.5	15.6	21.5	32.3
(Percent of non-oil GDP)	20.0	27.0	36.0	35.1	34.3	37.7	40.2	54.7	76.2
Oil price assumption (US$ per barrel)	99.0	82.3	79.9	72.9	69.1	67.9	67.5	67.2	67.1
Gold price assumption (US$ per troy ounce)	1,718	1,850	2,273	2,807	2,958	2,897	2,997	3,074	3,104
HIPC and MDRI debt service relief	10.4	9.8	9.3	8.9	8.4	8.0	7.6	7.2	6.8
GDP (US$ million)	14,718	16,919	24,659	25,822	28,167	32,204	35,691	39,543	41,182
Guyana dollar/U.S. dollar (period average)	208.5	208.5	208.5	…	…	…	…	…	…
Guyana dollar/U.S. dollar (end-of-period)	208.5	208.5	208.5	…	…	…	…	…	…
				(Year-over year percent change)					
Growth of Value of Exports	148.5	18.7	50.5	1.0	7.8	19.9	13.5	12.0	0.8
of which exports of goods (excl re-exports)	159.9	15.1	51.3	-0.1	7.4	20.6	13.8	12.1	0.3
Growth of Value of Imports	2.4	56.0	12.3	30.4	-0.6	2.2	1.6	19.3	-14.4
of which Imports of goods	-17.2	83.1	2.7	32.3	-1.0	-10.0	9.4	11.7	-5.0
Growth of Volume of Exports	100.4	39.2	54.2	7.1	10.3	23.5	14.4	12.6	0.1
Growth of Volume of Imports	6.7	23.6	11.3	19.5	-3.0	8.1	-4.2	15.6	-15.9
Terms of trade (Goods)	16.4	-7.1	-0.5	-5.3	-3.7	-2.0	-0.7	-0.6	-0.2
Goods Export Price Index	31.5	-14.4	-1.2	-7.1	-4.2	-1.7	-0.3	-0.2	0.0
Goods Import Price Index	13.0	-7.9	-0.7	-2.0	-0.5	0.3	0.4	0.4	0.1

Sources: Bank of Guyana; and IMF staff calculations and projections.
1/ Table has been revised to BPM6 presentation.
2/ Includes oil receipt flows to and from the Natural Resource Fund.
3/ Includes cost recovery by oil operators for approved projects and projects in development.
4/ Gross reserves are in months of projected imports of goods and services. For 2017 onward, these are affected by high value imports of oil goods and services.
5/ Projections based on flows to the NRF based on the authorities' BOP presentation.

Table 4a. Guyana: Public Sector Operations, 2022–30
(Percent of GDP)

			Est.			Proj.			
	2022	2023	2024	2025	2026	2027	2028	2029	2030
Central Government Revenue	**14.0**	**17.0**	**15.3**	**18.6**	**17.8**	**16.9**	**17.9**	**18.1**	**20.4**
Tax revenue	9.5	10.4	8.2	7.8	8.2	8.1	8.2	8.3	8.9
Income taxes	5.3	6.0	4.8	4.5	4.7	4.7	4.7	4.8	5.1
Consumption taxes	2.8	2.9	2.2	2.1	2.2	2.2	2.2	2.3	2.4
Trade taxes	1.0	1.1	0.8	0.9	0.9	0.9	0.9	0.9	1.0
Other	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Non-tax revenue	4.4	6.4	6.8	10.0	9.4	8.6	9.4	9.6	11.3
Of which:									
Oil revenue	4.1	5.9	6.4	9.5	8.8	8.0	8.7	8.9	10.5
Net revenue from PE and statutory bodies	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Capital revenue & GRIF, carbon credit Inflows	0.0	0.2	0.3	0.8	0.2	0.2	0.2	0.2	0.2
Grants	**0.3**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
Central Government Expenditure	**19.3**	**22.8**	**22.6**	**23.7**	**22.3**	**20.9**	**20.7**	**20.7**	**21.3**
Current expenditure	10.9	10.8	10.1	11.4	11.3	10.9	10.7	10.7	10.9
Wages and salaries	2.9	3.0	2.4	2.7	2.8	2.8	2.8	2.8	2.9
Other goods and services	3.5	3.2	3.3	3.5	3.6	3.6	3.6	3.6	3.6
Transfers	4.2	4.3	4.1	4.7	4.4	4.1	4.0	3.8	3.9
Interest 1/	0.3	0.3	0.3	0.5	0.6	0.4	0.4	0.5	0.4
Domestic	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3
External	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.1
Capital expenditure	8.4	12.0	12.6	12.3	11.0	10.0	10.0	10.0	10.4
Overall Balance (before grants)	**-5.3**	**-5.8**	**-7.4**	**-5.1**	**-4.5**	**-4.0**	**-2.9**	**-2.5**	**-0.9**
Overall Balance (after grants)	**-5.1**	**-5.7**	**-7.3**	**-4.9**	**-4.4**	**-3.9**	**-2.8**	**-2.5**	**-0.8**
Primary Balance (after grants)	**-4.8**	**-5.4**	**-7.0**	**-4.5**	**-3.8**	**-3.5**	**-2.4**	**-2.0**	**-0.4**
Non-Oil Primary Balance (after grants)	**-8.9**	**-11.3**	**-13.4**	**-14.0**	**-12.7**	**-11.4**	**-11.1**	**-10.9**	**-10.8**
Non-Oil Overall Balance (after grants)	**-9.2**	**-11.7**	**-13.7**	**-14.5**	**-13.2**	**-11.8**	**-11.5**	**-11.4**	**-11.3**
Financing	**5.1**	**5.7**	**7.3**	**4.9**	**4.4**	**3.9**	**2.8**	**2.5**	**0.8**
Net foreign financing	1.0	1.4	1.8	5.6	2.8	2.2	1.6	-0.6	-0.7
Net domestic financing 2/	4.0	4.4	5.5	-0.6	1.6	1.7	1.2	3.1	1.5
Memorandum Items:									
Total public debt	24.8	26.7	24.3	28.0	28.6	27.6	26.7	26.5	26.2
Domestic	14.2	16.2	15.2	14.4	13.9	13.0	12.0	13.2	13.5
External	10.7	10.5	9.0	13.6	14.6	14.6	14.7	13.3	12.7

Sources: Ministry of Finance; and IMF staff calculations and projections.
1/ Reflects interest and amortization after total debt relief.
2/ Includes statistical discrepancies.

Table 4b. Guyana: Public Sector Operations, 2022–30
(Billions of Guyana dollars, unless otherwise indicated)

			Est.	Proj.					
	2022	2023	2024	2025	2026	2027	2028	2029	2030
Central Government Revenue	**430**	**598**	**785**	**1,003**	**1,047**	**1,137**	**1,330**	**1,495**	**1,751**
Tax revenue	292	367	420	423	482	546	612	685	768
Income taxes	163	212	249	242	277	314	352	394	442
Consumption taxes	85	104	113	116	131	149	167	187	209
Trade taxes	30	39	44	48	55	62	70	78	88
Other	13	12	15	16	18	21	23	26	29
Non-tax revenue	136	224	347	537	551	577	703	795	969
Of which:									
Oil revenue	127	209	330	513	519	536	648	734	900
Net revenue from PE and statutory bodies	4	4	4	5	5	6	7	8	9
Capital revenue & GRIF, carbon credit Inflows	1	7	17	43	15	15	15	15	15
Grants	**8**	**3**	**3**	**8**	**7**	**6**	**6**	**6**	**6**
Central Government Expenditure	**593**	**804**	**1,164**	**1,275**	**1,312**	**1,403**	**1,544**	**1,704**	**1,827**
Current expenditure	335	382	518	613	666	732	798	879	934
Wages and salaries	88	105	123	146	165	187	206	231	252
Other goods and services	109	113	169	190	212	240	264	296	308
Transfers	130	152	209	252	256	277	296	315	336
Interest 1/	9	12	17	25	33	28	32	37	38
Domestic	4	4	7	10	13	16	19	25	28
External	5	8	10	15	20	11	13	12	10
Capital expenditure	258	422	646	662	646	671	746	824	893
Overall Balance (before grants)	**-163**	**-206**	**-379**	**-273**	**-265**	**-266**	**-214**	**-209**	**-75**
Overall Balance (after grants)	**-155**	**-202**	**-376**	**-265**	**-258**	**-260**	**-208**	**-202**	**-69**
Primary Balance (after grants)	**-146**	**-190**	**-359**	**-240**	**-225**	**-232**	**-176**	**-165**	**-31**
Non-Oil Primary Balance (after grants)	**-273**	**-399**	**-689**	**-753**	**-744**	**-768**	**-825**	**-898**	**-931**
Non-Oil Overall Balance (after grants)	**-282**	**-411**	**-706**	**-778**	**-777**	**-795**	**-856**	**-936**	**-969**
Financing	**155**	**202**	**376**	**265**	**258**	**260**	**208**	**202**	**69**
Net foreign financing	31	48	93	300	164	147	119	-50	-63
Net domestic financing 2/	124	154	283	-34	95	113	89	252	132
Memorandum Items:									
Total public debt	762	940	1,248	1,506	1,677	1,855	1,989	2,183	2,249
Domestic	434	570	783	773	819	875	893	1,087	1,158
External	328	370	465	733	858	981	1,096	1,096	1,091
Oil Price (US$/Barrel)	99	82	80	73	69	68	67	67	67
Nominal GDP at market prices (G$ billion)	3,069	3,528	5,141	5,384	5,873	6,715	7,442	8,245	8,587
Nominal non-Oil GDP at market prices (G$ billion)	1,325	1,525	1,794	2,011	2,281	2,584	2,898	3,247	3,638

Sources: Ministry of Finance; and IMF staff calculations and projections.
1/ Reflects interest and amortization after total debt relief.
2/ Includes statistical discrepancies.

Table 4c. Guyana: Public Sector Operations, 2022–30
(Percent of non-oil GDP)

	2022	2023	Est. 2024	Proj. 2025	2026	2027	2028	2029	2030
Central Government Revenue	**32.4**	**39.3**	**43.7**	**49.9**	**45.9**	**44.0**	**45.9**	**46.0**	**48.1**
Tax revenue	22.1	24.0	23.4	21.0	21.1	21.1	21.1	21.1	21.1
Income taxes	12.3	13.9	13.9	12.1	12.2	12.2	12.2	12.2	12.2
Consumption taxes	6.4	6.8	6.3	5.8	5.8	5.8	5.8	5.8	5.8
Trade taxes	2.3	2.6	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Other	1.0	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Non-tax revenue	10.3	14.7	19.4	26.7	24.1	22.3	24.3	24.5	26.6
Of which:									
Oil revenue	9.6	13.7	18.4	25.5	22.8	20.7	22.4	22.6	24.7
Net revenue from PE and statutory bodies	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Capital revenue & GRIF, carbon credit Inflows	0.1	0.5	1.0	2.1	0.6	0.6	0.5	0.4	0.4
Grants	**0.6**	**0.2**	**0.2**	**0.4**	**0.3**	**0.2**	**0.2**	**0.2**	**0.2**
Central Government Expenditure	**44.8**	**52.7**	**64.9**	**63.4**	**57.5**	**54.3**	**53.3**	**52.5**	**50.2**
Current expenditure	25.3	25.1	28.9	30.5	29.2	28.3	27.5	27.1	25.7
Wages and salaries	6.6	6.9	6.8	7.2	7.2	7.2	7.1	7.1	6.9
Other goods and services	8.2	7.4	9.4	9.5	9.3	9.3	9.1	9.1	8.5
Transfers	9.8	10.0	11.6	12.6	11.2	10.7	10.2	9.7	9.2
Interest 1/	0.7	0.8	0.9	1.3	1.4	1.1	1.1	1.2	1.1
Domestic	0.3	0.3	0.4	0.5	0.6	0.6	0.7	0.8	0.8
External	0.4	0.5	0.6	0.8	0.9	0.4	0.4	0.4	0.3
Capital expenditure	19.5	27.7	36.0	32.9	28.3	26.0	25.8	25.4	24.5
Overall Balance (before grants)	**-12.3**	**-13.5**	**-21.1**	**-13.6**	**-11.6**	**-10.3**	**-7.4**	**-6.4**	**-2.1**
Overall Balance (after grants)	**-11.7**	**-13.3**	**-21.0**	**-13.2**	**-11.3**	**-10.1**	**-7.2**	**-6.2**	**-1.9**
Primary Balance (after grants)	**-11.0**	**-12.5**	**-20.0**	**-11.9**	**-9.9**	**-9.0**	**-6.1**	**-5.1**	**-0.8**
Non-oil Primary Balance (after grants)	**-20.6**	**-26.2**	**-38.4**	**-37.5**	**-32.6**	**-29.7**	**-28.5**	**-27.7**	**-25.6**
Non-oil Overall Balance (after grants)	**-21.3**	**-27.0**	**-39.4**	**-38.7**	**-34.1**	**-30.8**	**-29.6**	**-28.8**	**-26.6**
Financing	**11.7**	**13.3**	**21.0**	**13.2**	**11.3**	**10.1**	**7.2**	**6.2**	**1.9**
Net foreign financing	2.3	3.1	5.2	14.9	7.2	5.7	4.1	-1.5	-1.7
Net domestic financing 2/	9.4	10.1	15.8	-1.7	4.1	4.4	3.1	7.8	3.6
Memorandum Items:									
Total public debt	57.5	61.7	69.6	74.9	73.5	71.8	68.6	67.2	61.8
Domestic	32.8	37.4	43.6	38.4	35.9	33.8	30.8	33.5	31.8
External	24.7	24.3	25.9	36.4	37.6	38.0	37.8	33.8	30.0

Sources: Ministry of Finance; and IMF staff calculations and projections.
1/ Reflects interest and amortization after total debt relief.
2/ Includes statistical discrepancies.

Table 5. Guyana: Summary Account of the Bank of Guyana and Monetary Survey, 2022–30
(Billions of Guyanese dollars, end of period, unless otherwise indicated)

			Est.	Proj.					
	2022	2023	2024	2025	2026	2027	2028	2029	2030
	(Billions of Guyanese dollars, end of period)								
Bank of Guyana									
Net foreign assets (NFA)	113.3	115.0	139.5	256.5	347.7	452.6	569.5	599.0	825.6
Foreign assets	191.7	193.4	217.9	334.9	426.2	531.0	648.0	677.4	904.0
Foreign liabilities	78.4	78.5	78.5	78.5	78.5	78.5	78.5	78.5	78.5
Net domestic assets (NDA)	224.4	299.8	379.6	838.5	1,413.3	2,078.0	2,916.9	4,040.5	5,273.9
Of which:									
Credit to public sector (net)	224.1	309.4	301.4	293.4	285.4	277.4	269.4	261.4	253.4
Liabilities to commercial banks	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2
Other items (net)	-5.1	-8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency in circulation	211.0	275.5	355.2	911.3	1,552.7	2,294.6	3,221.8	4,343.0	5,767.2
Base money	336.7	414.8	519.0	1,094.9	1,761.0	2,530.5	3,486.4	4,639.4	6,099.4
Monetary Survey									
NFA	197.2	226.0	286.6	451.4	605.9	794.5	1,022.5	1,199.0	1,620.3
Bank of Guyana	113.3	115.0	139.5	256.5	347.7	452.6	569.5	599.0	825.6
Commercial banks	83.8	111.1	147.1	194.9	258.1	341.9	452.9	600.0	794.7
NDA	613.1	806.6	1,008.2	1,072.4	1,193.3	1,323.9	1,476.1	1,752.9	1,845.2
Credit to public sector (net)	370.8	490.5	775.3	733.6	815.5	932.5	1,023.4	1,272.8	1,396.9
Private sector credit	386.5	450.0	539.0	645.8	765.3	878.4	967.9	1,065.7	1,172.5
Other items (net)	-144.2	-134.0	-306.1	-307.0	-387.6	-486.9	-515.2	-585.6	-724.2
Broad money	809.4	1,032.5	1,294.2	1,523.2	1,798.8	2,118.0	2,498.1	2,951.4	3,465.1
	(Year-over-year percent change)								
NFA	8.0	14.6	26.8	57.5	34.2	31.1	28.7	17.3	35.1
NDA	11.4	31.6	25.0	6.4	11.3	10.9	11.5	18.7	5.3
Domestic credit	12.7	24.1	39.7	4.9	14.6	14.5	10.0	17.4	9.9
Of which:									
Private sector credit	14.2	16.4	19.8	19.8	18.5	14.8	10.2	10.1	10.0
Public sector net	11.1	32.3	58.0	-5.4	11.2	14.3	9.7	24.4	9.7
Broad money	10.5	27.6	25.3	17.7	18.1	17.7	17.9	18.1	17.4
	(Contribution to changes in base money, 12–month basis)								
Base money	14.1	23.2	25.1	111.0	60.8	43.7	37.8	33.1	31.5
NFA	6.4	0.5	5.9	22.5	8.3	6.0	4.6	0.8	4.9
Other including net credit to public sector	7.7	22.7	19.2	88.4	52.5	37.7	33.2	32.2	26.6
Memorandum Items:									
Bank of Guyana's NFA (millions of U.S. dollars)	543.6	551.4	668.8	1,230.1	1,667.8	2,170.7	2,731.5	2,872.9	3,959.6
Commercial banks' NFA (millions of U.S. dollars)	402.1	532.7	705.6	934.7	1,238.1	1,640.0	2,172.4	2,877.6	3,811.7
Money multiplier	2.4	2.5	2.5	1.4	1.0	0.8	0.7	0.6	0.6
Income velocity of broad money	1.6	1.5	1.4	1.3	1.3	1.2	1.2	1.1	1.1
Non-oil nominal GDP	1,325.1	1,524.6	1,793.7	2,010.7	2,280.9	2,583.9	2,897.8	3,246.6	3,638.4
Growth rate (percent)	17.4	15.1	17.7	12.1	13.4	13.3	12.1	12.0	12.1

Sources: Bank of Guyana, and IMF staff calculations and projections.

Table 6. Guyana: Financial Soundness Indicators, 2019–24
(Percent, unless otherwise indicated)

	2019	2020	2021	2022	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3
Capital Adequacy											
Capital to risk-adjusted assets	28.0	29.1	27.9	17.2	18.5	18.4	17.5	18.1	19.3	16.2	17.4
Tier I capital to risk-weighted assets	28.2	29.3	29.7	17.7	19.1	18.9	17.8	18.3	19.6	16.5	16.5
Capital to total assets	14.7	13.9	13.4	12.5	12.5	12.2	12.4	11.8	11.2	11.6	12.5
Lending to Connected Parties											
Related party loans to total loans	3.1	3.5	3.8	5.0	5.0	5.2	4.9	5.1	5.1	6.0	5.6
Related party loans to capital base	10.9	11.4	13.3	19.2	18.7	21.1	20.8	20.5	20.6	25.3	23.0
Director exposure to related party exposure	2.6	3.1	5.5	7.7	7.7	1.2	1.8	1.6	7.7	8.7	3.7
Asset Composition											
Business enterprises to total loans	49.9	49.3	51.6	53.2	53.1	53.5	56.0	53.4	52.6	54.0	53.2
Agriculture to total loans	4.9	5.4	5.8	5.8	5.1	5.7	6.3	5.7	6.0	5.9	6.3
Mining and quarry to total loans	1.7	1.8	1.5	1.3	1.3	1.5	1.6	1.4	1.4	1.6	1.5
Manufacturing to total loans	10.4	8.4	9.5	11.1	11.4	11.5	11.5	11.1	10.5	10.3	9.8
Services to total loans	32.9	33.7	34.9	35.0	35.2	34.9	36.7	35.1	34.7	36.2	35.7
Households to total loans	12.7	13.1	12.5	11.8	11.5	11.3	9.7	9.9	10.3	9.8	13.3
Asset Quality											
Nonperforming loans to total loans	11.1	10.8	7.8	4.7	4.3	3.4	3.1	2.7	2.4	2.1	2.0
Nonperforming loans to total assets	5.1	4.5	3.2	1.9	1.8	1.4	1.3	1.1	0.9	0.9	0.8
Gross loans to deposits	57.0	50.7	50.3	50.4	49.3	49.7	49.8	49.0	46.7	48.9	49.0
Gross loans to gross assets	45.6	41.3	41.2	41.5	40.9	41.6	41.5	40.9	39.7	41.4	41.0
Earnings and Profitability											
Return on assets	0.7	0.6	0.5	0.5	0.5	0.6	0.6	0.5	0.5	0.6	0.8
Return on equity	4.9	4.2	3.7	4.8	4.1	4.5	4.7	4.3	4.6	5.1	6.3
Net interest income to gross income	64.6	64.9	67.5	68.0	66.3	67.8	63.8	65.6	69.2	63.1	56.2
Noninterest expenses to gross income	28.3	40.7	25.4	25.4	27.8	26.3	29.5	28.8	25.3	31.1	38.7
Operating expense to total income	49.7	48.9	52.9	48.5	50.6	49.4	46.0	47.1	52.0	44.9	40.5
Liquidity											
Interest expense to average earning assets	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Net interest income to average earning assets	1.9	1.5	1.5	1.4	1.4	1.4	1.3	1.4	1.5	1.3	1.3
Liquid assets to total assets	31.7	41.0	33.8	32.3	28.8	27.6	28.9	32.7	33.2	32.9	35.3

Source: Bank of Guyana.

Table 7. Guyana: Indicators of External and Financial Vulnerability, 2022–30
(Percent, unless otherwise indicated)

			Est.			Proj.			
	2022	2023	2024	2025	2026	2027	2028	2029	2030
Financial Indicators									
Public sector debt-to-GDP	24.8	26.7	24.3	28.0	28.6	27.6	26.7	26.5	26.2
NPV of public sector debt-to-GDP	18.9	18.4	20.5	21.0	20.5	19.8	20.5	20.7	20.8
NPV of public sector debt-to revenue	111.2	120.7	110.0	117.6	120.9	111.0	113.0	101.2	107.4
CPI-inflation (end of period)	7.2	2.0	2.9	4.2	4.5	5.5	5.5	5.5	5.5
External Indicators									
Exchange rate (per US$, end of period)	208.5	208.5	208.5	...	...	...	...	...	...
Current account balance-to-GDP	25.9	9.9	24.6	8.9	14.9	24.4	30.4	22.4	23.3
Gross official reserves (in millions of U.S. dollars)	932.4	896.4	1,010.1	1,571.4	2,009.1	2,511.9	3,072.7	3,214.1	4,300.8
Gross official reserves in months of imports 1/	1.0	0.8	0.7	1.1	1.4	1.7	1.8	2.2	4.3
External public sector debt to GDP	10.7	10.5	9.0	13.6	14.6	14.6	14.7	13.3	12.7
NPV of external public debt (in millions of U.S. dollars)	...	459.6	788.0	1,583.1	1,978.8	2,394.9	2,797.1	2,883.6	2,950.0
NPV of external public sector debt to exports	3.4	3.8	7.6	8.8	8.9	9.2	8.5	8.6	8.3
NPV of external public debt-to-GDP	2.7	3.2	6.1	7.0	7.4	7.8	7.3	7.2	6.8

Sources: Bank of Guyana; and IMF staff calculations and projections.

1/ Gross reserves are in months of projected imports of goods and services. For 2017 onward, these are affected by high value imports of oil goods and services.

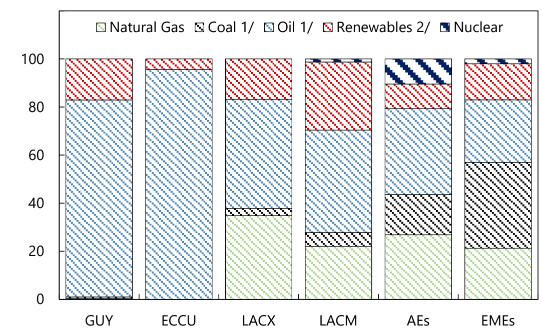
Annex I. Overview of the Energy Sector in Guyana[1]

Guyana's energy sector is at a pivotal moment in its history. The discovery of vast oil reserves is already transforming the nation's economy and improving the quality of life for its citizens. At the same time, the commitment to renewable energy ensures a diversified and sustainable energy future. With careful planning, effective management, and a focus on environmental and social responsibilities, Guyana is poised to emerge as a leading energy producer in South America and a model for sustainable development in the global energy landscape.

A. Historical Context

1. For much of its history, Guyana has struggled with energy shortages and inefficiencies. The country's energy needs were primarily met through fossil fuels and, to a less extent, hydropower and biomass, with some parts of the population lacking access to reliable electricity. The Demerara River has been a central focus for hydroelectric projects, but progress has been slow and faced challenges such as the risk of flooding. The cost to produce electricity is currently $0.32 per KWH, which is amongst the highest in the region.[2] The high cost of electricity continues to affect businesses' operating performance and has historically limited the country's ability to provide value added processing. As outlined in the 2024 and 2025 Budget Speeches, the government expects that the cost of electricity will be reduced by half by fostering the development of alternative energy resources and appropriate investments to boost energy infrastructure.

Guyana: Total Energy Supply
(Percent of total, average 2010–2021)



Sources: UN Energy Statistics Database; UN Comtrade; Worldwide Electricity Pricing (cable.co.uk); and IMF staff estimates.
Notes: GUY = Guyana; ECCU = Eastern Caribbean Currency Union, which includes Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines; AEs = advanced economies; EMEs = emerging market economies; LACX = Latin American and Caribbean net energy exporters, LACM = Latin American and Caribbean net energy importers. LACX and LACM are grouped based on their average energy exports and imports in the period 2010–2022, based on UN Comtrade data SITC rev 3.
1/ Coal is comprised of primary production and related products and peat; oil is comprised of crude oil and oil products.
2/ Renewables include biofuels and waste, electricity, and heat.

2. Guyana primarily relies on heavy fuel oil for electricity generation. The vertically integrated, state-owned company Guyana Power and Light (GPL) holds a monopoly on power generation. Despite Guyana's potential in hydropower and bagasse-based power generation, Guyana's installed capacity comes primarily from diesel-engine-driven generators. This high use of fossil fuels makes the electric power sector expensive and unreliable. Electricity is unstable in many areas, and constant power outages affect business operations. Also, investors interested in renewable

[1] Prepared by Manuk Ghazanchyan.

[2] International Trade Administration, US Department of Commerce, 2024.

energy opportunities in Guyana face challenges because of current energy laws that give GPL a monopoly on power generation.

B. Energy Sources of Guyana

Hydropower

3. Hydropower has long been seen as a viable solution to Guyana's energy needs, given its abundance of rivers, rainfall, and waterfalls in the hinterland that could be harnessed for hydroelectric power.[3] The Amaila Falls Hydropower Project (AFHP) has been one of the most ambitious initiatives, aiming to provide sustainable and renewable energy to Guyana. Despite its potential, the project has faced numerous delays and financial hurdles, slowing its progress.[4]

4. Two hydropower projects, including the Amaila Falls project, are expected to add 370 megawatts (MW) to Guyana's power generation matrix by 2035 to supply electricity for residential, commercial and industrial users. The plan for two hydropower projects is included in the government's Low Carbon Development Strategy 2030 (LCDS). Works on 1.5 MW and 0.72 MW mini-hydropower facilities at Kumu and Moco Moco, respectively, were substantially completed by end 2024. Additionally, works advanced on the upgrading of the primary distribution networks at Ituni, Kumaka and Kwakwani, which are expected to be completed by the end of 2025 and will improve the reliability of electricity to these communities and provide access to electricity to households.

Oil Discoveries

5. The discovery of significant oil reserves in the Stabroek Block by ExxonMobil and its partners in 2015 was a game-changer for Guyana. With estimated recoverable oil and natural gas resources of more than 11 billion barrels of oil equivalent (boe), these discoveries have catapulted Guyana onto the global stage.[5] Oil exploration in Guyana began in earnest in the early 2000s, but it was not until 2015 that ExxonMobil made a significant discovery in the Stabroek Block. In May 2015, the ExxonMobil announced a significant oil find at a depth of 17,825 feet (5,719 feet of water), 120 miles off the coast of Guyana. The well, named Liza 1, has since been followed by 45 other discoveries in the Stabroek Block alone, and 6 in other blocks (Table 1). The only unsuccessful well drilled was Skipjack. All the wells successfully drilled to date contain high-quality or "sweet "crude,

[3] "Guyana" is an Amerindian word meaning "many waters."

[4] Amaila was planned by the 2012 administration. But talks fell apart with contractors. The project was awarded to the China Railway Group Limited in January 2022, however, it ran into financing issues, causing the government of Guyana and China Railways to part ways in July 2022 (https://www.trade.gov/country-commercial-guides/guyana-renewable-energy). The state utility, Guyana Power and Light Inc. (GPL), now envisions a 2029 start-up date for Amaila. The second hydropower project is expected to be identified by 2025, according to LCDS 2030.

[5] Guyana's estimated oil reserves vary from less than 11 billion boe to about 13 billion boe depending on the sources of estimations. ExxonMobil has the largest share in Guyana's oil (about 45 percent) and estimates Guyana's oil reserves at about 11 billion boe comparable to Algeria (12 billion boe which ranks 9th in the OPEC; end-2023).

which fetches a premium because it is easier and less costly to refine. With the three currently producing projects, Guyana's daily production is over 600,000 barrels per day and doubling by 2029.

Natural Gas and Natural Gas Liquids

6. **Guyana's proved natural gas reserves are estimated to be 16 trillion cubic feet (Tcf) as of January 2024**. The Gas-to-Energy project aims to transport the associated natural gas production from Liza Destiny and Liza Unity FPSOs to the coast through a 140-mile-long natural gas offshore pipeline to feed a 300-megawatts (MW) combined-cycle power plant and a natural gas liquids processing facility. Among other goals, this project aims to reduce carbon emissions and diversify Guyana's energy mix. The new power plant would be the first to use the associated gas produced from the oil field that, to date, has been reinjected underground. The first phase of the project will power a 300 MW power plant. The outline for phase 2, which adds a 250 MW power plant, alters the government's transition plan, particularly the emissions profile. Proposals have been sought by the government for a phase 2 developer. The government believes phase 2 could take two years to develop, providing a stand-in for the delayed 165 MW Amaila Falls hydropower project.

Annex I. Table 1: Remaining Technical Resources by Company, in Millions boe

	Total	ExxonMobil	Hess	CNOOC	Frontera Energy Corporatior	Eco Atlantic Oil & Gas	CGX Energy	Relinquished	Guyana Government
Stabroek Future Phases, GY	6,623.39	2,980.52	1,987.05	1,655.82					
Greater Liza (Liza), GY	1,333.86	600.26	400.15	333.45					
Greater Liza (Uaru), GY	1,300.17	585.06	390.05	325.06					
Greater Turbot (Whiptail), GY	1,175.89	529.17	352.74	293.98					
Yellowtail (Stabroek), GY	1,102.90	496.30	330.88	275.72					
Greater Liza (Payara), GY	726.45	326.90	217.93	181.62					
Kawa, GY	260.42				187.51		72.91		
Jethro, GY	76.43					76.43			
Carapa, GY	17.89								17.89
Karanambo, GY	11.11							11.11	
Hammerhead (Stabroek), GY	289.29		157.79	131.50					
Total	12,917.80	5,518.22	3,836.59	3,197.14	187.51	76.43	72.91	11.11	17.89

Source: Rystad Energy.

Solar Energy

7. **Guyana's geographical location offers significant potential for solar energy**. While oil has taken center stage, Guyana remains committed to diversifying its energy portfolio and promoting renewable energy sources. The government has outlined ambitious plans for solar, wind, and biomass projects to complement the country's energy mix. Guyana experiences an average of 12 hours of daily sunlight throughout the year, making it ideal for solar development. The government, with support from international partners, has initiated several solar projects aimed at providing clean energy to remote and underserved communities. These initiatives are not only environmentally friendly but also help reduce the country's dependence on fossil fuels. Solar projects are focused on providing power to remote indigenous communities with larger scale wind and solar projects contributing more substantially to the energy matrix between 2027 and 2032.

8. **The GEA (Guyana Energy Agency) reported significant progress in solar projects in 2023, when it distributed 26,398 solar units**. Solar energy is gradually alleviating remote rural

energy demands with Solar PV Home Energy Systems project to add 30,000 solar photovoltaic (PV) units and PV mini grids already installed in some regions (providing renewable electricity to over 245 communities) plus the ongoing build-up of solar farms. At the household level in the off-grid hinterland and riverain communities, 26,398 solar panels were delivered, bringing electricity to many of these households for the first time. The government also plans to invest US$72.4 million in solar photovoltaic plants starting in 2025.

Wind and Biomass

9. Wind energy and biomass are other areas of focus for Guyana's renewable energy strategy. As of May 2024, Guyana had only one operational biomass power plant—the Skeldon Biomass Power Plant in East Berbice-Corentyne. The power plant became operational in 2008 and is equipped with two steam turbines with 30 MW of generating capacity. Bagasse, a residue of sugarcane, is used as the primary fuel source for this power plant. These efforts are part of a broader strategy to enhance energy security and sustainability.

10. Guyana's biofuels sector is still in its early stages of development and accounts for 0.02 percent of total energy production. According to a study by CEPAL, Guyana has high biofuel potential, especially from sugarcane, which is a source of significant economic output in the country. In September 2023, Guyana became a member of the Global Biofuels Alliance (GBA). The GBA is a collaborative effort comprising 19 countries and 12 international organizations, including both G20 members and non-member countries. The goal of the alliance is to promote the use of biofuels. It was launched at the G20 Summit in India in September 2023, with India leading the effort along with the United States and Brazil.

C. Guyana's Energy Policy and Infrastructure

11. To support the burgeoning oil industry, substantial investments have been made and continue to be made in energy infrastructure that recently improved Guyana's energy efficiency. This includes the development of offshore drilling platforms, pipelines, and onshore processing facilities. The government has also focused on improving the national grid to ensure that the benefits of oil wealth translate into enhanced energy access and reliability for its citizens. GEA is responsible for developing Guyana's national energy policy and securing its implementation. MNR (the Ministry of Natural Resources) oversees the GGMC (Guyana Geology and Mines Commission), GFC (Guyana Forestry Commission), and the Guyana Gold Board. The MNR is responsible for the development, implementation, and oversight of policies in Guyana regarding the exploration, development, utilization, and conservation of natural resources.

12. Guyana's electricity transmission lines and power grid need modernization. Guyana has an installed electrical capacity of 337 MW, based on a mix of fossil fuels (85.27 percent), biomass (12.46 percent), solar (2.26 percent) and wind energy (0.01 percent). In 2018, electricity demand was 124.9 MW. As of 2020, 89.7 percent of the urban population and 80.3 percent of the rural population had access to electricity. Having said these, over a quarter of electricity in Guyana is lost during transmission and distribution due to poor energy infrastructure. Inefficient grid systems mean that the GPL, which controls most of the electricity production, loses approximately 25 percent of its produced electricity, and the government is embracing microgrids as a potential clean energy solution to meet the energy needs of remote areas by reducing grid congestion and peak loads on the main grid. Guyana's officially stated goal is to double its energy efficiency by 2030 and to approach 100 percent renewable energy generation by 2040, though development of the country's recently discovered fossil fuel resources could interfere with these targets.

13. Government interventions are expected to improve the stability and reliability of electricity supply and address immediate generation shortfalls. To proactively address growing electricity demand in the short term, 28.9 megawatt (MW) of emergency power was installed at the Columbia substation along with two power ships rented to provide 96 MW of electrical power. With respect to medium-term goals, works are progressing on the construction of the flagship Gas-to-Energy project. The sum of $40.8 billion was spent to advance works, including the installation of 9,018 of 9,614 joints of a deepwater natural gas pipeline. Additionally, works are underway for the installation of transmission lines. Looking ahead, the installation of transformers is expected to be completed by the end of 2025 to supply an additional 300 MW of power to the grid.

14. Government's objectives are to balance immediate and short-term energy needs and invest in doubling the generating capacity for the medium term. The government also advances the transition towards cleaner and more renewable energy, rebuilding the transmission and distribution (T&D) network to offtake the projected increases in generating capacity and investing in mini-grid systems for remote communities by deploying household level solutions for the less densely populated communities in the hinterland. To prepare Guyana's offtake capacity for increased generation from multiple sources the government replaced and upgraded over 4,000 transformers, constructed approximately 2,800 km of distribution network, and advanced works on a new 69 kilovolt (kV) transmission line from Kingston to Sophia. In the 2024 Budget, works were also expected to be completed on the upgrading of substations at Columbia, Good Hope, No.53 Village, and Sophia.

Regulatory Framework and Governance

15. Effective energy production and distribution management is essential to harness the full potential of Guyana's energy sector. The government has been working on strengthening regulatory institutions, improving transparency, and ensuring that the benefits of energy resources are shared widely among its population. The government adopted, among other measures, changes to the wear and tear schedule of the Income Tax Act in 2019 for capital investments in renewable and alternative energy and further tax exemptions for hybrid or electric cars and electric motorcycles. The absence of grid tie-in legislation to allow for the resale of power to the state-owned entity may affect feasibility studies unless a public-private partnership is brokered, which GPL has done with private energy firms using fossil fuel-based power generators.

Environmental and Social Considerations

16. As Guyana develops its energy sector, it also takes into account environmental and social considerations. To this end, the authorities' focus to protect Guyana's rich biodiversity and ensure the rights and well-being of local communities is welcome. The envisaged transition from heavy oil to domestically produced natural gas would have environmental benefits (although methane emissions from natural gas development may also increase). The government, alongside international partners, is developing strategies to balance economic growth with environmental stewardship.

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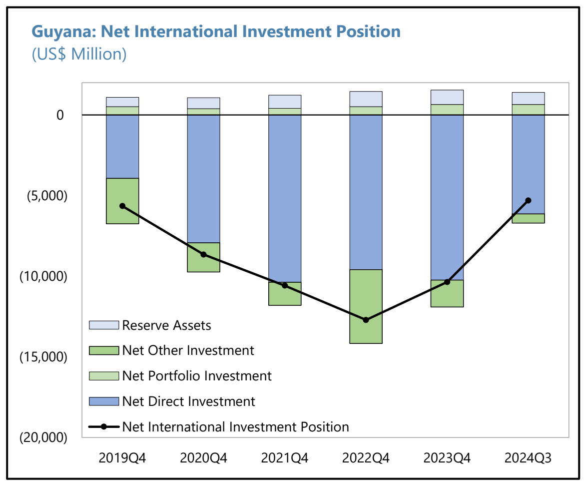
Annex II. External Sector Assessment

Overall Assessment. *The external position of Guyana at end-2024 was stronger than the level implied by fundamentals and desirable policies. The real effective exchange rate (REER) against currencies of trading partners remained largely unchanged in 2024. Gross international reserves (GIR) increased by US$114 million, reaching US$1 billion. Reserve adequacy remains broadly adequate at 1.9 months of non-oil imports, but relatively low in months of total imports (0.7) and the Assessing Reserve Adequacy Emerging Markets metric (34 percent) as deposits to the Natural Resource Fund (NRF) keep growing fast. As oil production surges, the external position becomes stronger, allowing a further accumulation of GIR and resources in the NRF. The outlook remains favorable, without clear inflationary and appreciation pressures as of now, but close monitoring is needed as the oil sector expands. The current exchange rate regime of stabilized arrangement has served well as the nominal anchor, reducing foreign exchange uncertainty from oil related flows.*

Potential Policy Responses. *Over the medium term, as the oil and non-oil economy expands and the gradual REER appreciation helps close the current account gap, policies should focus on continuing structural reforms to reduce poverty, enhance labor market skills through investment in education, and improve the business environment to promote private investment, increase productivity, and foster diversification in the economy.*

Foreign Asset and Liability Position and Trajectory

Background. Guyana's NIIP has increased in recent years due to persistent current account surpluses. In 2024, the high current account surplus (24.6 percent of GDP) improved the NIIP by around US$5 billion until the third quarter. The NIIP has averaged about -96 percent of GDP since 2019, increasing to -21.4 percent at end-2024, supported by an increase in assets together with a strong decline in liabilities. Assets increased by 16.3 percent to US$5,531 million in 2024 mainly from increases in deposits to the NRF (US$828 million), while liabilities declined by 19.3 percent to US$10,830 million owing to oil cost recovery by oil companies.



Assessment. Guyana's NIIP is expected to increase over the medium term due to projected CA surpluses, the accumulation of assets in the NRF, and the gradual reduction of cost recovery by the oil companies. Strengthening the investment and risk management of the NRF would help to support the NIIP in the long term through higher returns.[1]

[1] Currently, the NRF assets are held at the Federal Reserve Bank of New York earning overnight deposit interest at the prevailing federal funds rate.

2024 (% GDP)	NIIP: -21.4	Gross Assets: 22.4	Debt Assets: 2.6	Gross Liab.: 43.8	Debt Liab.: n/a

Current Account

Background. Guyana's current account increased its surplus to 24.6 percent of GDP in 2024, after moderating to 9.9 percent in 2023**.** Rampant increase in oil production of 58 percent drove an increase of 55 percent in total exports despite lower oil prices. The current account surplus remains larger than the previous year due to a temporary halt in oil-related imports as no floating facilities (FPSOs) were completed in 2024. National savings increased to 38 percent of GDP, from 25 percent of GDP in 2023, while aggregate investment remained at 14 percent of GDP driven by its public component. Going forward, while oil related imports will continue to lead to fluctuations in the current account, the steadily increasing oil production will sustain structural current account surpluses in the short and medium term. In terms of the saving-investment balance, while private saving surplus is driving the current account in the near term, the contribution of public sector will increase over time reflecting the accumulation of NRF assets and improvements in fiscal balances.

Assessment. Staff's assessment is that the external position in 2024 was stronger than the level implied by fundamentals and desired policies. Given the predominant and increasing role of the oil sector in Guyana's economic structure, the assessment of the current account position uses the Consumption Allocation Rules model.[1] This module is better suited for economies committed to distribute wealth across generations, as it is the case of Guyana, and considers the medium-term projections of savings in the NRF. Given that medium-term investment needs are funded within the NRF transfer rule limits (Box 1), the investment module is less suited to Guyana and is not used in the assessment. The Consumption Allocation Rules in real per capita terms suggest a CA norm of 20.8 and a CA gap of 3.8 percent of GDP. Although, in recognition of uncertainties given Guyana's significant structural transformation, staff assesses that the external position was stronger than the level implied by fundamentals and desired policies.

Guyana: EBA-lite Model Results, 2024

	Consumption Model 1/	**Investment Model** 2/	**REER Model** 3/
CA-Actual	**24.6**	**24.6**	
CA Norm (from model)	**20.8**	**10.4**	
Adjustments to the norm (+)			
CA Gap	**3.8**	**14.2**	**1.2**
o/w Relative policy gap			
Elasticity	-0.4	-0.4	-0.4
REER Gap (in percent)	**-8.9**	**-33.3**	**-2.8**

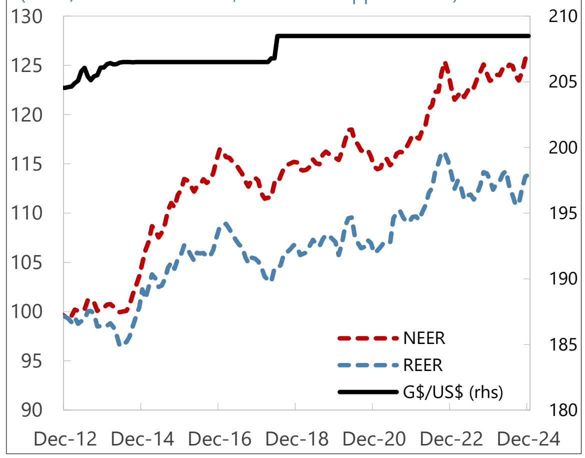
1/ Consumption Allocation Rules. See Bems, R., and I. de Carvalho Filho, 2009, "Exchange Rate Assessments: Methodologies for Oil-Exporting Countries," IMF Working Paper 09/281.
2/ Araujo, J.D., B.G. Li, M. Poplawski-Ribeiro. and L. F. Zanna, 2016, "Current account norms in natural resource rich and capital scarce economies," Journal of Development Economics, Vol. 120, pp. 144- 156.
3/ Based on the EBA-lite 3.0 methodology

[1] The Consumption Allocation Rules model of the commodities module includes intertemporal smoothing concerns based on the permanent income hypothesis and emphasizes the nonrenewable nature of the resources as it ponders the net present value of oil reserves, financial and investment income (wealth), and of imports of goods and services net of non-oil exports (see Bems and Carvalho, 2009).

Real Exchange Rate

Background. The real effective exchange rate (REER) remained broadly stable in 2024 (appreciating 0.1 percent), driven by low domestic inflation relative to main trading partners, despite an appreciation of the nominal effective exchange rate (NEER). The NEER appreciated by 1.2 percent in 2024, after appreciating 1.4 percent in 2023, led mostly by developments of the U.S. dollar vis-à-vis other currencies (mainly Japan and China). Guyana's main trading partners are the United States, Trinidad and Tobago, China, and Japan. In 2024, inflation in Guyana was lower than in the United States and Japan, and slightly above Trinidad and Tobago and China, which on balance, contributed to broadly maintain the level of modest appreciation of the REER.

Guyana: Real and Nominal Effective Exchange Rates
(REER/NEER 2010 = 100, increase = appreciation)



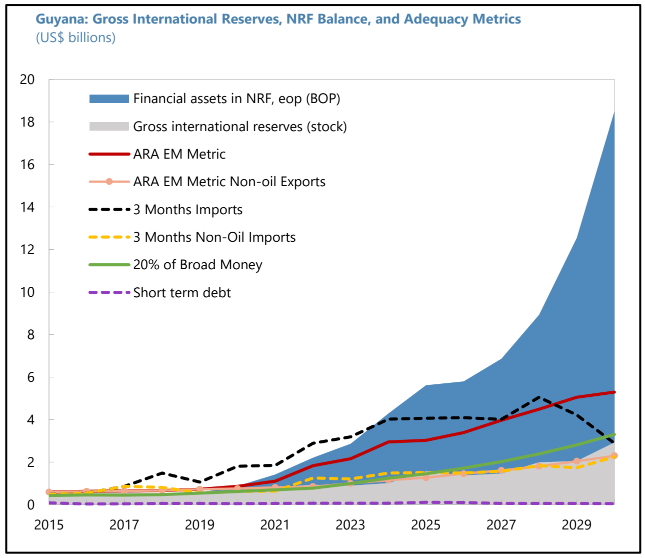
Assessment. Based on the Consumption Allocation Rules model, the REER in 2024 was undervalued by 8.9 percent. Although the Consumption Allocation Rules model suggests an undervalued REER, there are currently few signs of inflationary pressures (Annex IV). However, over the medium term, as the oil sector and the non-oil economy expand, the appreciation of the REER is expected to gradually narrow the CA gap.

Capital and Financial Accounts

Background. Led by oil foreign direct investment (FDI) flows, the capital and financial accounts recorded a net outflow equivalent to 24.1 percent of GDP at end-2024. *Net* FDI recorded an outflow of US$5,497 million in 2024 compared with US$1,141 million in outflows in 2023 (7 percent of GDP). The large increase in outflows in 2024 is the result of the expected rise in repatriation of investment by oil operators of US$13,208 million (54 percent of GDP) which more than offset oil FDI *inflows,* equivalent to around US$7,487 million (30 percent of GDP). Non-oil *net* FDI increased to US$224 million in 2024 from US$111 million in 2023, reaching 1 percent of GDP. On the public sector side, the financial account recorded *inflows* of government oil revenue into the NRF, equal to US$2,568 million (10 percent of GDP) and *withdrawals* from the NRF to the fiscal budget of US$1,586 billion (6.4 percent of GDP). As the new NRF *withdrawal* rule became operative in 2024, both *inflows* and *withdrawals* to the NRF are expected to grow as oil revenues increase and the authority's development plans occur. Public external debt, mostly to multilateral institutions, increased in 2024 along with disbursements of US$498 million (2 percent of GDP), however new borrowing of around US$1.4 billion is expected in 2025 from bilateral lenders.

Assessment. As oil production will continue expanding, pockets of vulnerability might emerge in the financial account if external shocks materialize. In the medium term, the expansion of the oil sector will remain funded by FDI, supporting the stability of the external position. However, as the share of oil exports in total exports increases, external shocks to oil prices and production could affect oil related FDI and government revenues from oil. Buffers against external shocks are projected to strengthen, as the fiscal deficit aligns with the gradual elimination of the non-oil fiscal deficit by 2030, and external debt remains constrained by statutory ceilings. NRF savings are also projected to continue increasing, providing an alternative source of funding for capital spending and expenditures associated with major natural disasters.

Reserves Level and FX intervention



Background. Guyana's gross international reserves (GIR) at end-2024 reached US$1 billion, equivalent to 4.1 percent of GDP. The level of GIR remains broadly adequate in terms of non-oil imports (1.9 months) but relatively low in terms of total imports (0.7 months) due to the large oil-related investment imports. Reserves accumulation in 2024 was driven mainly by the increase in oil FDI outflows and deposits to the NRF, together with FX interventions of around US$318 million to accommodate the demand for FX as the market exchange rate with respect to the U.S. dollar depreciated by around 4 percent. As of end-2024, GIR were 34 percent of the Assessing Reserve Adequacy (ARA) Emerging Markets (EM) metric, 16.3 percent of broad money (M2), and about 1,300 percent of short-term debt. Driven by strong external sector dynamics, the stock accumulated in the NRF increased to US$3.1 billion (12.5 percent of GDP) in 2024. While not included in the calculation in the GIR, the stock of the NRF assets in 2024 would be equivalent to an improvement in reserves coverage of 2.2 (6.3) months of total (non-oil) imports and 104 percentage points in terms of the ARA metric.

Assessment. The NRF is expected to accumulate substantial buffers by 2030, whereas Guyana's level of GIR is projected to gradually exceed most adequacy metrics in the near term. Under the new *withdrawal* rules from the NRF to government's budget, the NRF savings are projected to reach about US$13.3 billion (32.3 percent of GDP) by 2030. Currently, GIR level is below the recommended coverage in months of imports and the ARA EM metric. However, both metrics improve significantly when computed using non-oil exports and non-oil imports, respectively, reaching adequate coverage by end-2025. Adequacy across other metrics indicates that the current level of GIR provides adequate buffers against capital flight and limited market access in the event of adverse shocks.

Annex II. Table 1. Guyana: Ratio of Reserves to Optimal Reserves Based on Various Measures

(In percent)

		ARA EM Metric 1/	ARA EM Metric Non-oil	3 Months Imports 2/	3 Months Non-oil Imports 1/	20% of Broad Money	Short Term Debt
2010		164.9	164.9	141.6	141.6	260.4	4627.9
2011		143.0	143.0	126.5	126.5	235.4	2962.4
2012		134.8	134.8	145.0	145.0	225.7	2933.2
2013		118.4	118.4	143.6	143.6	192.8	424.1
2014		106.1	106.1	138.9	138.9	160.8	439.5
2015		100.8	100.8	124.2	124.2	139.5	734.9
2016		95.3	95.3	109.6	109.6	131.9	1653.1
2017		90.8	90.8	68.0	68.0	130.0	1453.1
2018		79.2	79.2	35.6	65.1	112.1	958.8
2019		79.6	79.6	54.3	104.4	106.8	1054.1
2020		78.7	89.8	37.6	109.7	110.2	1297.4
2021		73.3	100.2	43.8	127.3	115.4	1413.3
2022		50.9	110.1	32.3	74.3	120.1	1467.1
2023		41.4	89.9	28.1	74.4	90.5	1339.1
2024		34.2	87.7	25.1	68.2	81.4	1423.3
2025	Proj.	51.9	124.1	38.7	104.2	108.1	1464.5
2026	Proj.	40.7	94.7	33.7	92.8	80.3	1310.9
2027	Proj.	37.0	91.2	36.6	93.6	72.6	2716.9
2028	Proj.	44.5	110.4	39.5	108.9	83.8	3666.0
2029	Proj.	40.6	100.6	48.6	118.1	72.9	3799.6
2030	Proj.	55.2	127.1	101.1	130.1	88.4	5531.9
Adequate Range		100-150	100-150	100	100	100	100

Source: IMF staff calculations

1/ Gross reserves are in terms of projected ARA Metric. For 2020 onward, these are affected by high value of oil exports.

2/ Gross reserves are in months of projected imports of goods and services. For 2017 onward, these are affected by high value imports of goods and services in the oil sector.

Annex III. How to Gauge Guyana's Capital Investment Needs

This annex assesses Guyana's investment needs to achieve selected Sustainable Development Goal (SDG) outcomes by aligning their costing with the countries with average SDG performance. Reaching the desired expenditure levels by 2030 is consistent with Guyana's current investment path once controlling for the cost of public service provision given Guyana's low population density.

1. To assess Guyana's investment needs in support of its sustainable development objectives a benchmarking exercise can link expenditures with SDG outcomes. Using the SDGs as an expenditure anchor is consistent with the authorities' priorities as also outlined in the Guyana's Low Carbon Development Strategy (LCDS 2030). The specific sector choice is also motivated by IMF work on SDG costing and includes education, health, infrastructure, water/sanitation, and energy.[1] For a comparator group, all the countries are divided into three equally sized groups based on SDG performance in these five sectors and the middle group is selected as the benchmark. The latter includes Guyana's regional peers (Antigua and Barbuda, Jamaica, Trinidad and Tobago), other geographical neighbors (Brazil), and countries from Central America (Costa Rica, Honduras, Panama) and Eastern Europe (Georgia, Bosnia, Bulgaria, Romania, Hungary, Slovak Republic).

2. The analysis estimates cost functions for the various sectors with per capita costs the product of sector GDP ratios and real GDP per capita in PPP terms. The choice of using cost functions is motivated by the literature on state and district analysis of sector costs in the United States and Canada that regress sector costs on various input and output determinants.[2] According to the principle of duality in production, the cost function summarizes the economically relevant information about the process of transforming inputs into outputs and only requires the assumption of cost minimization rather than the standard profit maximization assumption embedded in the production function approach.

3. The analysis is based on the following assumptions:

- Guyana's education and health costs are projected forward through 2024 based on budget outcomes, and the 2020 per capita GDP is extended using annual real per capita growth rates. Beyond 2024, Guyana's sectoral expenditures are assumed constant in relation to total public investment except for energy (see below), and the public investment total is driven by the Natural Resource Fund schedule.

[1] Carapella et al. (2023) "How to assess spending needs of the sustainable development goals." The outcome measure is the harmonized test score in education from various international standardized achievement tests (PISA, TIMMS, PIRLS). In 2020, the average test score for the middle performance group is 435, about 90 points above Guyana's score of 346. Similar values are calculated for the other four SDG sectors with infant mortality chosen for health, the World Bank logistics index for infrastructure, the share of the population using improved sanitation services for water and sanitation and per capita consumption of energy for the energy sector.

[2] Mattson (2021) "Relationship between density and per capita municipal spending in the United States," Urban Science 69 is a typical example.

- For the comparator country, expenditures are assumed to remain constant in percent of GDP and per capita GDP is assumed to grow by the average per capita growth rate among emerging markets.

- For infrastructure, the Guyana data is based on public works expenditures from the budget in percent of GDP and applied to the per capital PPP based output value. For the comparator country, the public investment to GDP ratio is projected forward using the average per capita growth rate.

- For sanitation, the average of capital expenditures in the water sector in percent of GDP is used up to the highest sanitation indicator for the middle performing group (World Bank database) multiplied by real GDP per capita. For 2021–24, the analysis uses actual water and sanitation (WASH) public expenditures for Guyana from budget outcomes, and for the middle performance country the expenditures are assumed to rise in relation to per capita GDP.[3]

- For energy, departing from the assumption of a constant ratio to investment or GDP, the analysis uses the latest cost per kilowatt hour for Guyana at 29 cents and, for the middle performance country, it uses IMF's SDG costing framework (26 cents per kwh). In Guyana, energy consumption is assumed to rise over time by per capita non-oil GDP growth and for the middle performance country by emerging market per capita growth.

4. **The innovation in the analysis is to assume that population density is a significant determinant of the unit cost of providing services in these sectors**. The inclusion of population density has previously been used in cross-country work on investment efficiency and in regional cost functions with the finding that higher population density raises investment efficiency in education and health and significantly affects the cost of providing utilities and services in municipalities in North America. The cost of providing services also depends on the efficiency with which the services are provided, proxied by estimates of efficiency levels in education, health, and infrastructure obtained from the World Economic Forum (WEF) database.

Health and Education (Test Scores) – Constrained SUR

	Health expenditure per capita		Education expenditure per capita
Under five mortality rate	-0.828***	Test scores	3.406*
	(-5.79)		(2.55)
Population density	0.0732	Population density	0.0732
	(1.14)		(1.14)
Health care efficiency	-0.905*	Education Efficiency	-0.236
	(-2.16)		(-0.33)
Population density*mortality rate	-0.0532*	Population density*test score	-0.0185
	(-2.12)		(-1.09)
High income dummy variable	0.411***	High income dummy variable	0.543
	(3.47)		(1.41)
Low income dummy variable	-0.645***	Low income dummy variable	-1.286**
	(-4.39)		(-2.85)
		Private education dummy variable	1.214***
			(3.61)
Constant	11.06***	Constant	-12.09
	(10.01)		(-1.55)
Correlation (health and education)		0.210	
Breusch-Pagan Chi2		7.771***	
N	177		
R^2(health)	0.8848		
R^2(education)	0.3249		

T statistics in parentheses
** p<0.05, **p<0.01, ***p<0.001*

5. **A unit cost function for education, health and infrastructure is estimated** using sector specific expenditures per capita as the

[3] All observations for the middle performing group are used because the number of observations are small (only 35 observations) and this limits the impact of outliers.

dependent variable, separate outcome measures for the four sectors and add population density and the WEF efficiency indexes as additional cost measures. The seemingly unrelated regression (SUR) model is used to control for unexplained factors that are correlated and test for the correlation of the error terms.[4]

6. The constrained SUR coefficients in the health and education relationships have the expected signs: lowering the mortality rate and raising test scores is costly and countries with lower population density spend more to achieve comparable increases in health and education services.[5] Efficiency improvements lower costs controlling for the output measure in both sectors with the impact on health spending significant. The assumption of constraining the population density coefficients to be equal is accepted at the 5 percent level of confidence.

Health and Infrastructure (Logistics)

	Health expenditure per capita		Public investment per capita
Under five mortality rate	-1.02***	Logistics Index	-0.44
	(-11.81)		(-0.58)
Population density	0.06	Population density	-1.04***
	(1.34)		(-4.77)
Health care efficiency	-0.88**	Infrastructure efficiency	2.21***
	(-3.30)		(10.08)
Population density*mortality rate	-0.06***	Population density*logistics index	0.63***
	(-3.68)		(4.05)
Constant	11.75***	Constant	4.36***
	(16.71)		(4.33)
Correlation (health and infrastructure)		0.108	
Breusch-Pagan Chi2		Chi = 5.457**	
N	466		
R^2*(health)*	0.8597		
R^2*(education)*	0.5327		

T statistics in parentheses
** p<0.05, **p<0.01, ***p<0.001*

7. For infrastructure, the magnitude of the population density effect on costs is higher and increased efficiency raises infrastructure costs. The infrastructure efficiency variable has a positive impact on costs suggesting that the component being picked up in the infrastructure relationship is a measure of quality separate from the logistics service. Replacing the logistics index with energy consumption and using public investment per capita as a proxy for energy spending reveals that a 1 percent increase in energy consumption costs 0.4 percent in per capita investment costs. The population density coefficient remains negative but is smaller than the other specifications and the efficiency coefficient is positive, like the result for logistics services.

Health and Infrastructure (Energy)

	Health expenditure per capita		Public investment per capita
Under five mortality rate	-0.784***	Energy consumption per capita	0.410***
	(-13.39)		(11.44)
Population density	0.0518	Population density	-0.349***
	(1.86)		(-5.15)
Health care efficiency	-0.613***	Quality of infrastructure	0.619***
	(-3.47)		(6.09)
Population density*mortality rate	-0.0504***	Population density*energy consumption	0.0299***
	(-5.23)		(4.49)
High income dummy variable	0.508***	High income dummy variable	0.162**
	(11.19)		(3.16)
Low income dummy variable	-0.586***	Low income dummy variable	-0.0421
	(-9.58)		(-0.56)
Constant	10.34***	Constant	1.781***
	(21.70)		(5.11)
Correlation (health and infrastructure)		0.0413	
Breusch-Pagan Chi2		Chi2 =1.819	
N	1064		
R^2*(health)*	0.8766		
R^2*(infrastructure)*	0.7951		

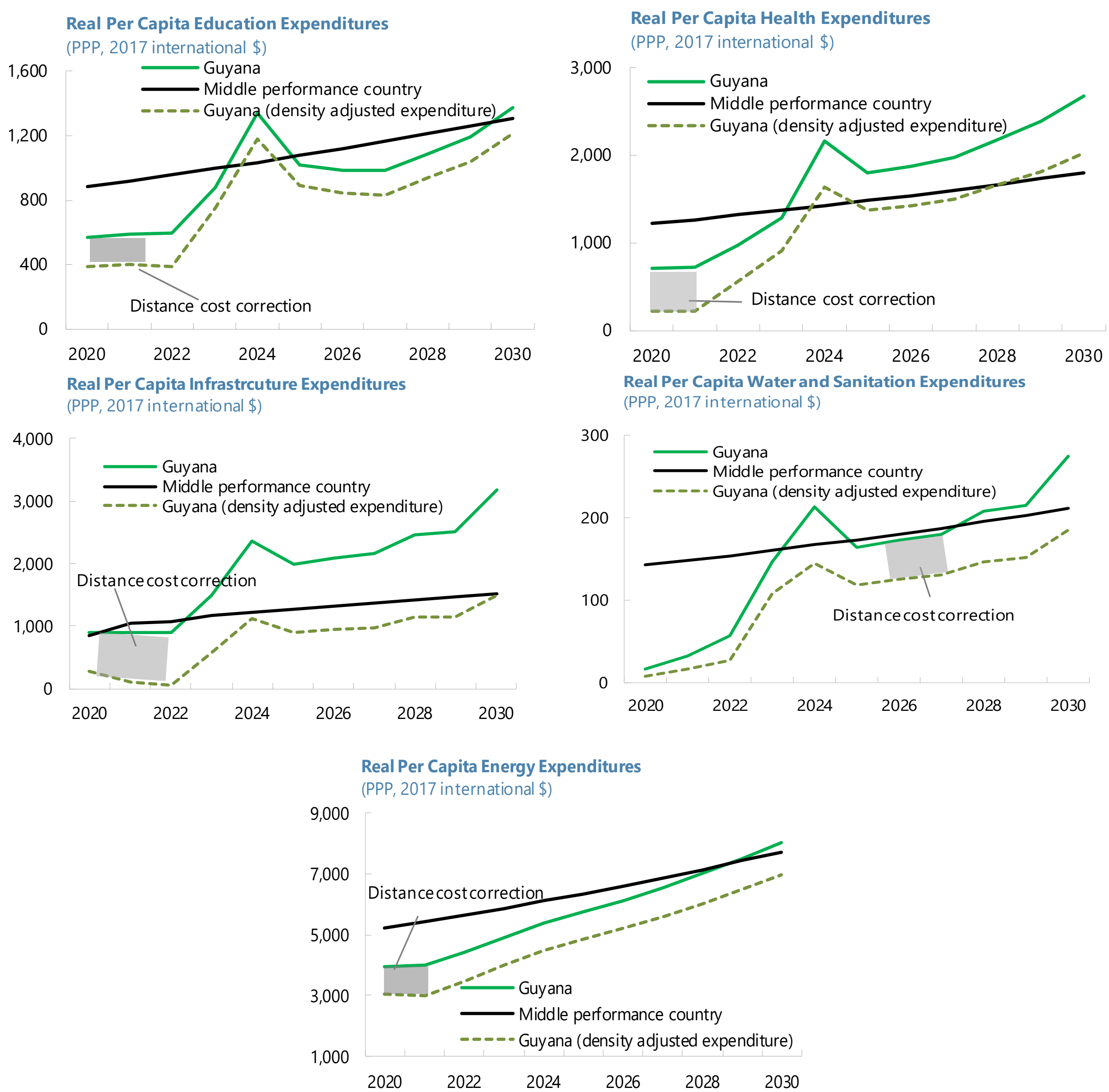
T statistics in parentheses
** p<0.05, **p<0.01, ***p<0.001*

[4] The data covers all countries over the period 2008–17. The period is limited by the availability of data on sector efficiency.

[5] The null hypothesis of no correlation is rejected by the Breusch pagan (BP) Chi square test.

8. Controlling for Guyana's low population density, its per capita expenditures for education, health, WASH, and infrastructure reach benchmark country levels by 2028–30. Except for infrastructure expenditures, Guyana's expenditure level was considerably below the benchmark country in 2020. However, since then, per capita expenditures on education, health, infrastructure, and WASH have surpassed benchmark country levels. For energy, per capita expenditure is converging. Adjusting Guyana's expenditure profile for the high costs of its low population density shifts it downward for each category so that expenditure parity with the benchmark country occurs in 2028–30 for all categories except for WASH and energy.

Guyana and Peer Countries: Cost Profile Comparisons



Sources: World Bank; and IMF staff calculations.

Annex IV. A Framework to Analyze Possible Symptoms of Dutch Disease[1]

This annex proposes a multisector framework for monitoring potential symptoms of Dutch disease based on a comprehensive set of indicators using sectoral and survey data for Guyana. While clear signs of Dutch disease are not yet evident, reflecting also government policies to mitigate them, continued monitoring of high frequency indicators within the proposed framework, in addition to inflation and the real exchange rate, is recommended as an early warning tool.

A. Introduction

1. Guyana is projected to remain one of the fastest growing economies by 2029 driven mainly by the oil sector. The economy is expected to continue growing at double-digit rates in the medium term, with the oil sector accounting for 60 percent of GDP and oil production doubling by 2029 (reaching 1.2 million barrels per day). Persistent and rapid growth in both the oil and non-oil economy could imply macroeconomic distortions related to Dutch disease such as high inflation, appreciation of the real exchange rate (RER), and a reallocation of capital and labor that weakens the non-oil economy.

2. Assessing potential symptoms of Dutch disease requires a comprehensive understanding of the impact and economic mechanisms of an oil boom. Such a boom can manifest as crowding out the traditional exports sector in favor of the non-tradable sector through the spending and resource movement effects (e.g., Corden and Neary, 1982).[2] To assess the symptoms of Dutch disease, a framework is proposed to monitor recent economic developments and trends and detect the potential for resource-driven economic distortions by comparing a specific set of key sectoral indicators against the predictions described in the Dutch disease literature.[3]

- *Real sector indicators*. Early symptoms of Dutch disease can manifest in a decline in manufacturing or agriculture shares in GDP, indicating sectoral shifts, and through excessive increases in real estate prices and services. These changes can be accompanied by economic concentration in the resource sector, weakening competitiveness in traditional exports (agriculture, manufacturing, and non-oil natural resources), and shifting resources to the non-tradable sector (services, infrastructure, and real estate), increasing wages and price levels and

[1] Prepared by Diego Calderon and Manuk Ghazanchyan.

[2] The spending effect refers to an increase in income that leads to a higher demand for non-tradables (and to an increase in the money supply in a fixed exchange rate regime) that causes higher domestic prices and an appreciation of the real exchange rate, which in turn, shrinks the traditional exports sector. The resource movement effect refers to weakening of the traditional exports sector due to the shift of capital and labor towards the booming and non-tradable sectors.

[3] While the empirical evidence provides a range of negative outcomes after natural resource discoveries, there are also successful country cases that are associated with economic diversification, good resource governance, and institutional quality (Sachs and Warner, 1997, 2001; Robinson and others, 2006; van der Ploeg, 2011; Venables, 2016; and IMF, 2023).

employment vis-a-vis the tradable sector. Higher domestic spending can lead to higher prices in non-tradables and persistent inflation; however, improvements in infrastructure can have positive effects in the non-oil economy.

- *External sector indicators*. Shifts in sectoral composition of exports with a declining share of non-oil exports as well as shifts in the composition of imports towards consumption goods would be an early symptom of Dutch disease. Current account surpluses driven solely by oil exports can signal imbalances and weak growth together with a decline in non-oil exports. In a stabilized exchange rate arrangement, higher demand for non-tradables would increase the money supply and domestic prices as flows of foreign currency from oil exports are converted into local currency, leading to a real exchange rate appreciation. However, the effects on money supply and demand could be mitigated if foreign currency is spent entirely on imports or saved in a sovereign wealth fund.

- *Monetary and financial sector indicators*. In the short term, excessive growth in monetary aggregates, usually compared to non-oil GDP growth rates, can be a signal of Dutch disease. Similarly, sectoral shifts in credit allocation towards non-tradable sectors would serve as an early warning sign.

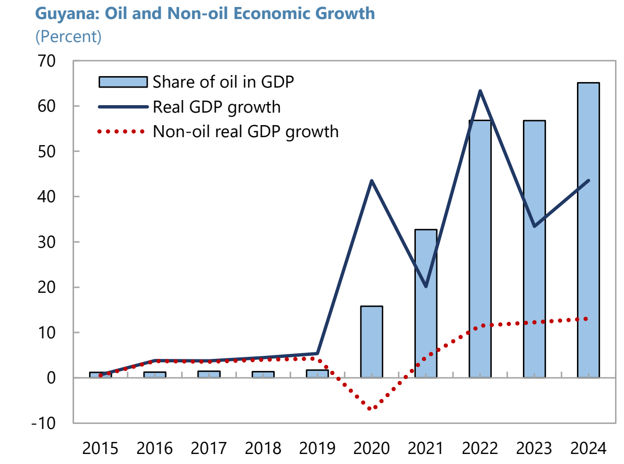
- *Fiscal sector indicators*. Increasing reliance on oil revenues and rapid spending during oil booms can overheat the economy. In the short to medium term, higher oil revenues can quickly translate into higher public spending. An increase in current spending would lead to an increase in the demand for non-tradables and domestic prices, while an increase in efficient capital spending could boost the supply side of the economy. In the medium to long term, the government can save oil revenues to smooth out consumption and to preserve intergenerational equity, leading to a sustainable spending path.

- *Governance indicators*. Governing natural resources requires strong institutions to benefit from resource extraction and allocation. In the medium to long run, improving governance and structural indicators such as rule of law, regulatory quality, data disclosures, and enhanced business environment will be key to avoid or mitigate Dutch disease symptoms.

B. Analysis of Key Sectoral Indicators for Guyana

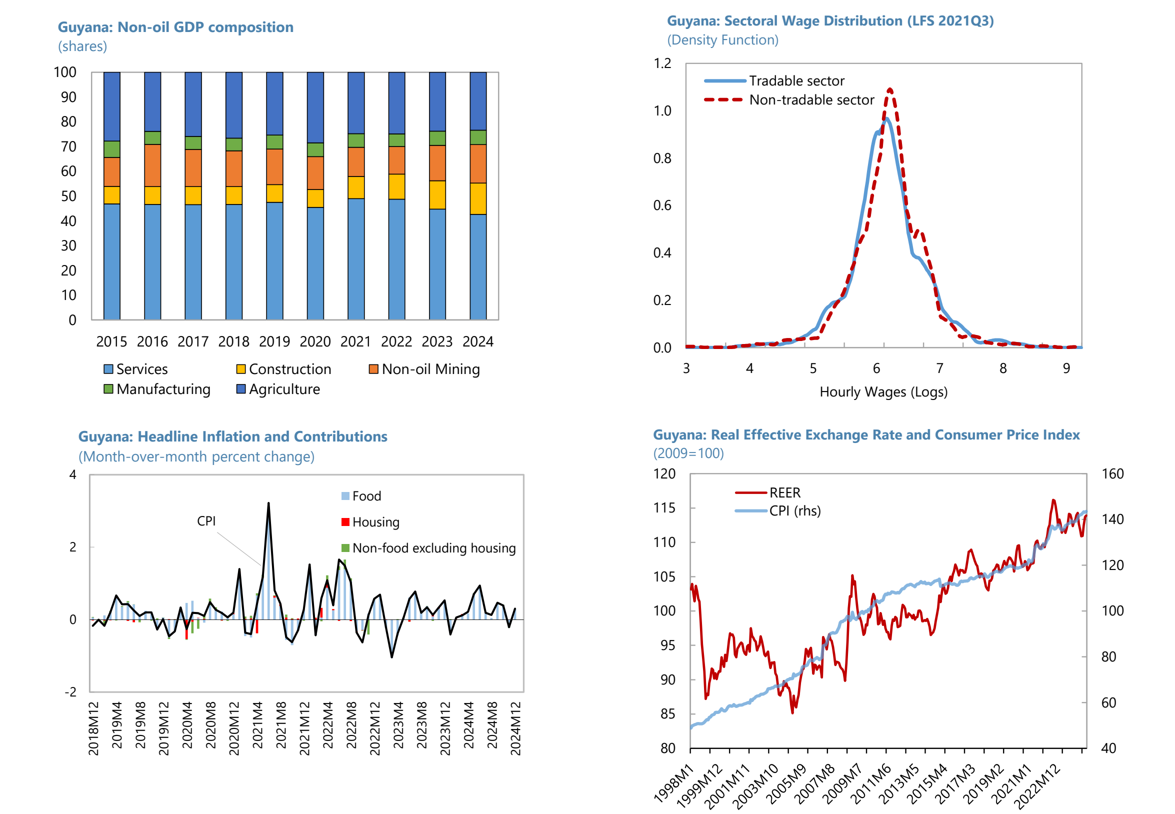
3. **Given data constraints, a specific set of key indicators for Guyana is selected to assess potential macroeconomic distortions predicted by Dutch disease**. Using aggregate and survey data, the above-outlined five groups of indicators for Guyana are analyzed, contrasting these with the predictions of Dutch disease. Data constraints in terms of frequency, coverage, and timeliness, together with a short time span since the start of oil production limit the possibilities of using the full range of statistical tools available and make definitive inferences, and therefore a heuristic approach to analyze the data is adopted.

4. **The analysis suggests that Guyana's economy does not yet show clear symptoms of Dutch disease**.



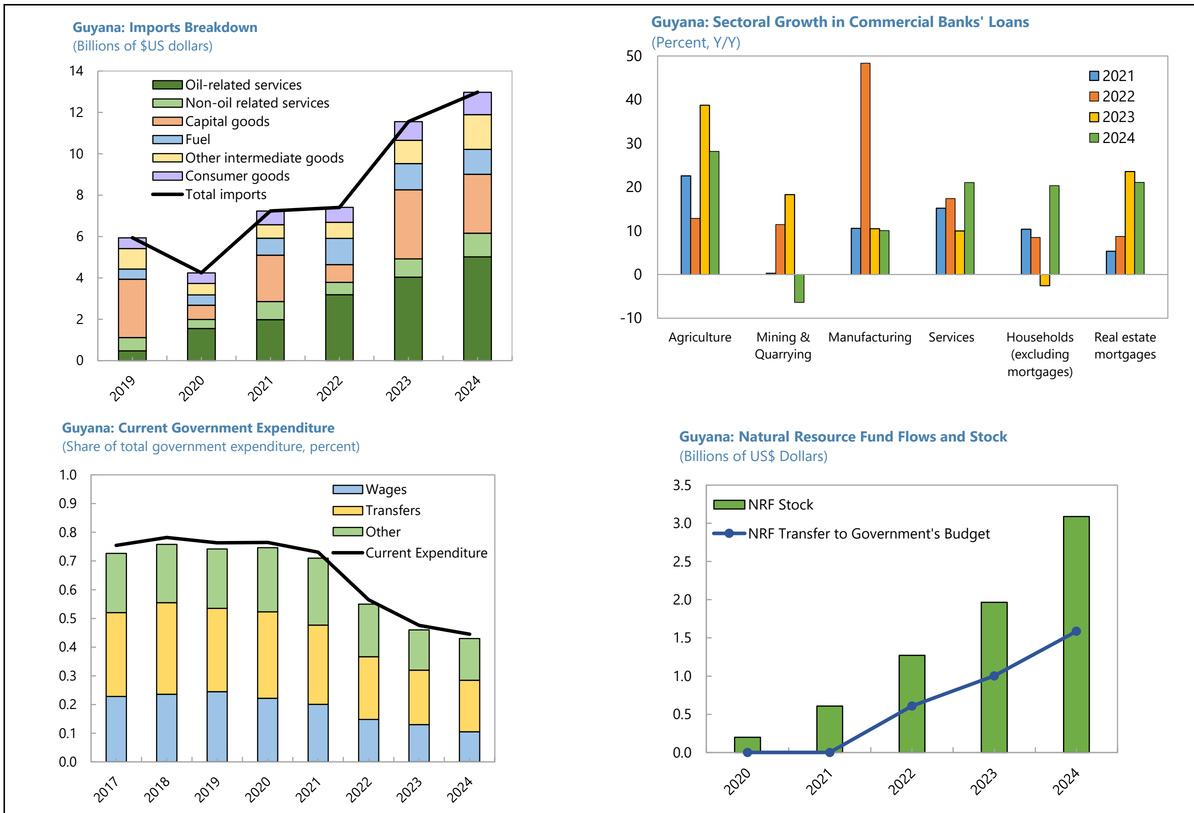
Source: Guyana's authorities and IMF staff calculations.

- *Real sector*. Before the oil discovery, Guyana's economy relied mainly on services and agriculture, with a small food-related manufacturing sector. Since the oil boom, the agricultural sector has declined as a share of non-oil GDP despite government's efforts to increase its value added. Traditional services have decreased as a share of non-oil GDP, while manufacturing and non-oil traditional mining have remained stable together with a slight expansion in production. Although the construction sector has steadily increased its share in the context of rapid growth in the non-oil economy, the reduction in services suggests an overall moderate increase towards the non-tradable sector. Inflationary pressures remain moderate, driven mainly by (internationally determined) food prices and contained by government policies. While anecdotical evidence suggest an increase in real estate values, the housing component of inflation have not contributed significantly to recent inflation.



Sources: Guyana's authorities, and IMF staff calculations.

Data limitations allow for only a partial assessment of the labor market developments since the Labor Force Survey (LFS) covers the period of 2017Q3–2021Q3. During this period, the mean hourly nominal wage in the tradable and non-tradable sector grew by 17 and 19.4 percent, respectively, while the CPI grew by 12 percent. A comparison of the wage distribution between tradables and non-tradable using the latest round of the LFS shows no clear signs of wages pressures in the non-tradable sector and the share of non-tradable employment in total employment remained stable, around 55 percent, between 2017Q3–2021Q3. The regression analysis did not find statistically significant differences in wages between the tradable and non-tradable sector but suggests a wage premium in the public sector. Unemployment and labor force participation rates were 14.5 and 49.6 percent in 2021Q3, respectively, with the youth unemployment rate being at 31.9 percent, suggesting that Guyana's economy has capacity to expand its labor supply, especially among women (Annex VII).



Sources: Guyana's authorities, and IMF staff calculations.

- *External sector.* The real effective exchange rate (REER) does not show strong signs of appreciation nor a break in trend after the start of oil production and remains in line with the CPI trend.[4] In contrast to some potential effects of Dutch disease, in 2024 the (market) nominal exchange rate with respect to the US dollar depreciated despite FX interventions by the Central

[4] The appreciation of the REER since the start of oil production in 2019 versus the period 2010-2018 amount 6.3 and 8.9 percent, respectively. While the REER shows high volatility for oil exporting countries, developments since 2019 in Guyana are similar to countries like Saudi Arabia, Kuwait, Qatar, Algeria, and, to a lesser extent, Timor-Leste.

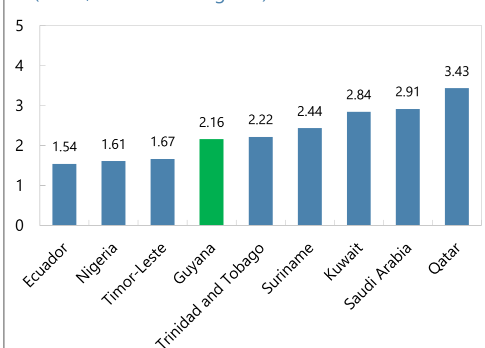
Bank while the REER remained broadly unchanged as a result of relative low domestic inflation. Similarly, increasing imports in recent years have been mostly driven by oil related services and capital goods and funded by FDI, suggesting no direct impact on domestic inflation nor in the money supply through foreign exchange.

- *Monetary and financial sectors*. Broad money and credit growth are now higher than nominal non-oil GDP growth with broad money growth in 2024 being at 25.3 percent, about 7 percent higher than the nominal non-oil nominal GDP growth, while FXI have contributed to the tightening of the monetary policy stance. Credit has shown a rapid expansion in recent years, with an increase of 19.8 percent in 2024, mostly through real estate mortgage loans and motor cars. However, the agricultural and manufacturing sector have also benefited from the strong credit expansion, suggesting some signs of sectoral credit diversification.

- *Fiscal sector*. While higher income from oil exports have translated in higher revenues, current expenditure as a share of total government expenditure has decreased in favor of capital spending, containing demand pressures on the non-tradable sector. Government spending growth is expected to align with non-oil GDP growth in the medium term, avoiding excessive spending while accumulating savings in the NRF. The current transfer rule from the NRF to the governments' budget suggests further accumulation of resources while constraining its use to development priorities or natural disasters. The government should continue to be mindful of long-term capital spending needs, including capital efficiencies and the economy's absorption capacity.

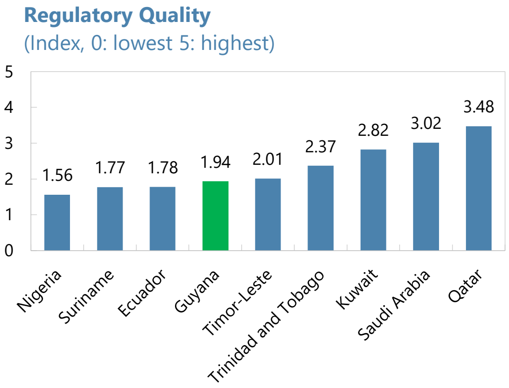
- *Governance framework*. Guyana has shown important progress in improving governance.[5] Political stability and the adoption of best practices based on UN principals of good governance, including improving rule of law, boosting up effective and efficient institutions will be necessary to harvest significant development opportunities and continue improving in natural resources wealth management (Bhattacharya and Park, 2024). Based on the Worldwide Governance Indicators (WGI), Guyana appears within the medium range of values for the categories of rule of law, regulatory quality, and government effectiveness when compared with other oil exporting countries, suggesting that there is room for improvement in these dimensions.

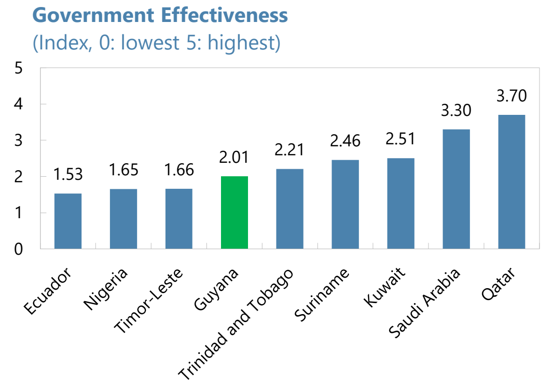
Rule of Law
(Index, 0: lowest 5: highest)



Source: World Governance Indicators, World Bank

[5] Guyana established the NRF in 2019, before oil production started, and modified the NRF Act in 2021 strengthening accountability and transparency of the framework, including a transparent rule for withdrawing funds from the NRF to the budget to facilitate the gradual scale up of public spending. The rule specifies that annual transfers to the budget will be done only to finance spending to support development needs, and savings for future generations.





Source: Worldwide Governance Indicators, World Bank.

5. Going forward, close monitoring and an expansion of key indicators will be key to assess potential symptoms of Dutch disease. Guyana's initial economic conditions—limited food-related manufacturing sector, relatively flexible labor markets, operating SWF, and still considerable slack in the economy—can help mitigate the immediate symptoms of Dutch disease and manage them in the medium term. Recent high growth rates in the construction and service sectors would require timely and continuous monitoring to foresee and proactively address inflationary pressures, while a medium-term strategy to provide diversified and broad-based economic growth, including by boosting human capital and rapidly enhancing the country's institutional framework would be needed to appropriately manage any emerging symptoms of Dutch disease. Going forward, the government should continue strengthening its Dutch disease mitigation policies towards (i) developing and implementing medium-term fiscal framework to smooth spending; and (ii) supporting the diversification of the economy, including export diversification strategies and the expansion of the manufacturing sector through structural reforms and investment programs while enhancing productivity in non-oil tradable sectors by improving business environment, including through investing in resilient infrastructure, ensuring reliable and affordable energy supply, investing in human capital, and strengthening governance.

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Annex V. Risk Assessment Matrix

Risks	Likelihood	Impact	Policy Response
		Global Risks	
Trade policy and investment shocks. Higher trade barriers or sanctions reduce external trade, disrupt FDI and supply chains, and trigger further U.S. dollar appreciation, tighter financial conditions, and higher inflation.	**High**	**Medium.** Supply and demand volatility increase commodity price volatility. Excessive volatility reduces confidence and adversely affects growth and spending plans. Higher commodity prices increase inflation but strengthen external and fiscal balances.	Tighten monetary policy, if needed, to contain inflationary pressures. Tighten the fiscal framework to build buffers and use them, if necessary, to avoid sudden adjustment if oil revenues fall. Further strengthen safety nets and provide temporary targeted support to vulnerable households. Continue investing in renewable energy and domestic production to reduce exposure to international prices.
Commodity price volatility. Supply and demand volatility (due to conflicts, restrictions, trade restrictions, OPEC+ decisions, advanced economies' energy policies, or green transition) increase commodity price volatility, external and fiscal pressures, social discontent, and economic instability.	**Medium**	**Medium.** Higher commodity prices increase inflation. While higher oil prices strengthen the external and fiscal balances, excessive volatility reduces confidence and adversely affects growth and spending plans.	Tighten monetary policy, if needed, to contain inflationary pressures. Tighten the fiscal framework to build buffers and use them, if necessary, to avoid sudden adjustment if oil revenues fall. Further strengthen safety nets and provide temporary targeted support to vulnerable households. Continue investing in renewable energy and domestic production to reduce exposure to international prices.
Regional conflicts. Intensification of conflicts (e.g., in the Middle East, Ukraine, Sahel, and East Africa) or terrorism disrupt trade in energy and food, tourism, supply chains, remittances, FDI and financial flows, payment systems, and increase refugee flows.	**Medium**	**Medium.** Higher commodity prices increase inflation but also support the external and fiscal balances. Trade disruptions weigh on domestic activity.	Tighten monetary policy, if needed, to contain inflationary pressures. Make investments to diversify supply chains. Continue investing in domestic production and renewable energy to reduce exposure to international prices.
Climate change. Extreme climate events driven by rising temperatures cause loss of life, damage to infrastructure, food insecurity, supply	**Medium**	**High.** Damage to infrastructure, agriculture, and mining results in economic, social, and fiscal costs.	Continue implement the Low Carbon Development Strategy. Build resilience, including through resilient infrastructure, disaster insurance, and access to contingent credit facilities. Use fiscal framework buffers, such as the Natural

Risks	Likelihood	Impact	Policy Response
disruptions, lower growth, and financial instability.			Resource Fund to support the economy.
Cyberthreats. Cyberattacks on physical or digital infrastructure (including digital currency and crypto assets), technical failures, or misuse of AI technologies trigger financial and economic instability.	**High**	**Medium.** Disruption is widespread, including to socioeconomic activities and financial market stability.	Strengthen financial stability and resilience frameworks, including AMF/CFT framework.
		Domestic Risks	
Political tensions could lead to social unrest and political instability. Political uncertainty could recur, especially in the runup to and during the 2025 elections. Perceived unfairness in the use of oil revenues could lead to ethnic tensions.	**Medium**	**High.** Political tensions worsen governance. Social unrest and political instability adversely affect growth. A political crisis delays policy implementation (like the budget approval in 2020).	Increase efforts to continue improving governance. Ensure strength of political institutions. A precautionary stabilization buffer could be set up to finance essential expenditures.
Adverse Dutch disease effects. Rapid ramping up of public spending results in inflationary pressures and appreciation pressures on the real exchange rate.	**High**	**High.** Excessively expansionary fiscal stance boosts domestic spending, leads to higher prices for non-tradables and persistent inflation. Appreciation pressures reduce external competitiveness. High government spending crowds out private credit and raises efficiency and governance concerns.	Gradually scale up public spending to not exceed capacity constraints. Embed fiscal plans in a medium-term framework to ensure sustainability. Tighten monetary policy, along with macroprudential policies as needed, to stem overheating pressures. Continue structural reforms in public procurement and anti-corruption frameworks.

Annex VI. Progress on Previous Article IV Policy Recommendations

IMF 2022 and 2023 Article IV Policy Recommendations	Authorities' Response
Fiscal policy Complement the Natural Resource Fund Act with a fiscal responsibility framework to ensure effective management of the oil wealth. Design a comprehensive fiscal policy framework that guides spending decisions based on a medium-term fiscal framework for a resource-rich country. Set a path for the non-oil primary balance consistent with the withdrawal ceilings from the NRF which aim to ensure intergenerational equity.	**Broadly consistent** The Natural Resources Fund Bill, No. 21, was signed into law by the President at the end of 2021 and included a new rule for withdrawals from the NRF to the budget based on a simplified step formula that allows for increasing savings accumulation in the NRF. The withdrawal rule was amended in 2024. Recent budgets have not spelled out a medium-term anchor for fiscal policy (beyond the debt limits).
Monetary and exchange rate policies Continue containing inflationary pressures by keeping increases in broad money below non-oil GDP growth and tightening monetary policy further if signs of overheating or imbalances arise. Increase efforts to deepen financial markets and review the exchange rate framework to ensure that it best serves the economy in the medium term.	**Broadly consistent** Monetary policy was appropriately tight, helping moderate the effects of expansionary fiscal policy and contain inflation. Deepening the financial markets to strengthen the monetary policy transmission and allowing increased exchange rate flexibility, if needed, remain areas for future action.
Financial sector policy Continue to improve systemic risk monitoring through stress testing and strengthen financial sector supervision.	**Broadly consistent** The authorities have made good progress in implementing recommendations from the 2016 Financial System Stability Assessment (FSSA), including by passing: amendments to the Bank of Guyana's Act to provide emergency liquidity assistance (ELA) to deposit taking financial institutions; amendments to Part VIII of the Financial Institutions Act (FIA) for orderly resolution of a failing institution; the National Payment System (NPS) law to facilitate the establishment, regulation and oversight of a modern national payment system; and the Deposit Insurance Act to foster financial stability by protecting depositors and by contributing to the resolution of member institutions. Work is ongoing in updating Crisis Management and Supervision Guidelines to a broader industry level, closely monitoring sectoral lending exposures and related-party lending.

IMF 2022 and 2023 Article IV Policy Recommendations	Authorities' Response
Structural reforms Structural reforms and infrastructure investment are needed to support economic diversification and higher and inclusive growth.	**Broadly consistent** The authorities continue implementing ambitious structural reforms aimed at improving infrastructure and energy supply; supporting economic diversification; addressing potential labor shortages and skill mismatches through training and vocational education and targeted immigration of skilled labor; and enhancing opportunities for women to help reduce the gender gaps. They are also actively enhancing the country's energy mix toward a cleaner and more renewable energy mix over the longer term, strengthening macroeconomic resilience.
Governance Continue to strengthen governance, anti-corruption and AML/CFT frameworks, in line with international standards, including the Financial Action Task Force standards, United Nations Convention Against Corruption, and following up on implementation of the Extractive Industries Transparency Initiative recommendations.	**Broadly consistent** The authorities continue efforts to strengthen its AML/CFT and anti-corruption frameworks in line with its international commitments. Guyana's MER by CFATF found a significant improvement in Guyana's efforts to improve its understanding of ML/FT risks, and the latest review of MESICIC acknowledged Guyana's progress in anti-corruption efforts. The authorities are strengthening the Integrity Commission, particularly the compliance framework for the submission of declarations. Internal audit capabilities are expanding, and more effort is needed to ensure a timely publication of audit reports of some public companies and local authorities. Following the latest EITI report, the authorities are working to implement the beneficial ownership transparency recommendation.

Annex VII. An Assessment of Gender Gaps in Guyana[1]

Despite progress over the past decades, gender gaps in labor market participation remain high in Guyana. The authorities are implementing various policies to reduce gender gaps and foster female and youth participation in the labor market. Boosting female labor force participation would require continuing to increase women's access to healthcare and childcare services, improving access to jobs and education, ending child marriage, and tackling gender violence. More inclusive labor markets would be key to increasing the workforce as Guyana's economy continues to rapidly expand.

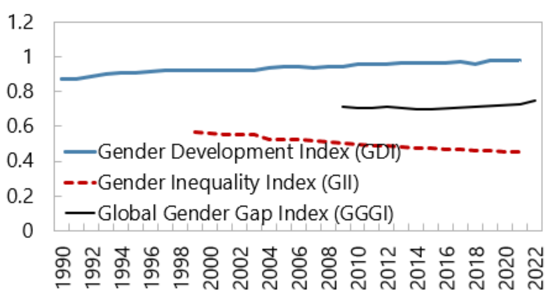
A. Introduction

1. Measures of gender disparities in Guyana show some progress in the last decades, reaching similar levels than regional peers, but higher than comparable countries. Composite measures of gender inequality—such as the Gender Development Index (GDI), the Gender Inequality Index (GII), and the Global Gender Gap Index (GGGI), which assess various aspects of gender disparities such as equality in opportunities, outcomes, and representation—indicate that overall gender inequality remains below regional averages but exceed those observed in most countries with comparable levels of development. [2]

Guyana: Composite Indicators of Gender Inequality

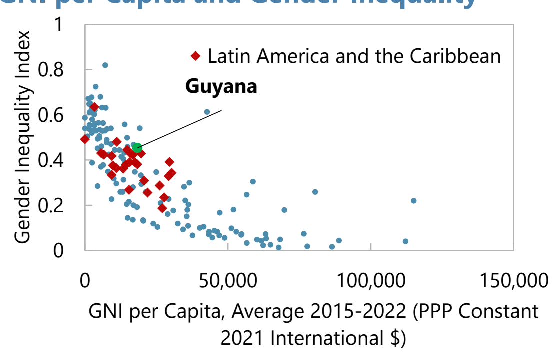
Composite Gender Indices

(Index, 0-1; GII: higher value, lower equality; GDI/GGGI: higher values, higher equality)



Source: UNDP and World Economic Forum, and IMF staff calculations.

GNI per Capita and Gender Inequality



Sources: UNDP, World Bank World Development Indicators, IMF staff calculations.

2. Ongoing Guyana's structural transformation provides great opportunities to close gender gaps in education, labor markets, and access to infrastructure and public services. The rapid expansion of the Guyanese economy is sustaining the implementation of ambitious structural

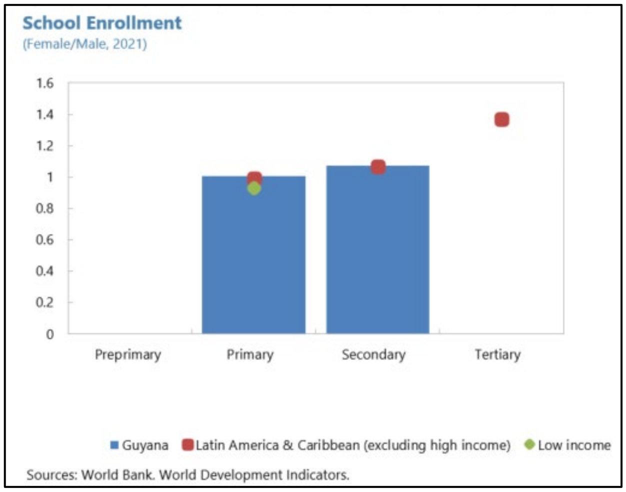
[1] Prepared by Diego Calderon with the support of the Gender and Inclusion Unit in the Strategy, Review, and Policy Department.

[2] The GDI captures health (female and male life expectancy at birth), education (female and male expected years of schooling for children; female and male mean years of schooling for adults), and female and male estimated earned income. The GII captures reproductive health (maternal mortality, adolescent fertility), empowerment (education, political representation), and gender gaps in labor force participation. The GGGI benchmarks the state and evolution of gender parity across economic participation and opportunity, educational attainment, health and survival, and political empowerment.

reforms to foster inclusive growth. Authorities' efforts should focus on boosting human capital, increasing female labor force participation, addressing gender wage gaps, improving access to infrastructure and public services such as reproductive and healthcare services, ending child marriage and addressing violence against woman.

B. Education Attainment

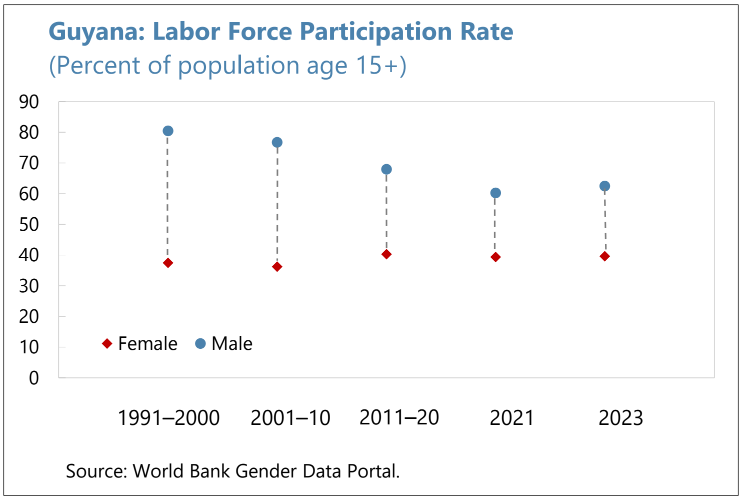
3. Females show higher enrollment rates than males in secondary education but a larger gap with respect to the regional average. Gross enrollment rates in primary school in Guyana are slightly below Latin America and the Caribbean, and virtually equal between male and females in 2022. While females have higher years of education than males (8.7 versus with 8.5 years) and a higher gross enrollment rate in secondary education (88.6 versus 82.5 percent), they also face a more pronounced gap with respect to the region of 9.5 percentage points versus an 8.7 percentage points difference for males. Available data from 2012 shows that gross enrollment rates in tertiary education are 15.5 and 7.6 percent for females and males, respectively, showing a significant difference between genders but an overall substantially lower rate than the region (42.1 percent in 2012).



Sources: World Bank. World Development Indicators.

C. Labor Markets

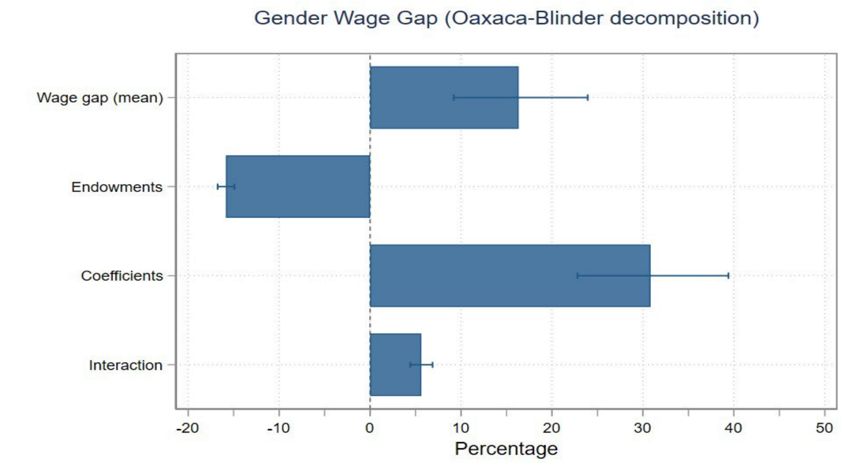
4. Despite higher educational outcomes for females, the gender gap in labor force participation remains high. While the gap between male and female labor force participation has decreased in the last decades, it remains sizeable at around 23 percentage points in 2023. Moreover, most of this decline is explained by a decreasing participation of males rather than by a significant increase in females entering the labor market. Similarly, unemployment rates are more pronounced for females. While the overall unemployment rate is 12.4 percent in 2022, females show a rate of 14 percent versus 11.4 percent for males. Youth unemployment rates follow the same pattern with 32 percent for females and 21.4 percent for males, with an overall rate of 25.7 percent, suggesting an important slack in the labor market.



Source: World Bank Gender Data Portal.

5. The gender wage gap in Guyana was similar to the regional values and estimated around 16 percent in 2021. Guyana's Labor Force Survey (LFS) shows that the mean hourly wage was GY$325.2 for females and GY$378.3 for males, respectively, accounting for a 16 percent wage gap.[3] To analyze the gender wage gap, the Oaxaca-Blinder decomposition is used, which decompose the mean difference in the variable of interest between two groups into the fraction of the difference that can be attributed to observable features, and the remaining fraction that is unexplained by them.[4] Results show that the gender wage gap is mostly explained by differences in the coefficients and the interaction term. However, the contribution from the observable features (endowments) goes in the opposite direction, as females in the sample are more educated and experienced than males, therefore partially offsetting the difference implied by the other two terms.[5]

Guyana: Gender Wage Gap



Note: The top bar represents gender wage gap in percentage. The bottom three bars represent the coefficients in exponential form and correspond to the percentage change in female wages of adjusting the respective component to the level of males (See footnote 4).

Source: IMF's Staff calculation based on Guyana's LFS.

6. Women are mainly employed in the service sector which show lower average wages. Despite being more educated on average, women employment is concentrated in sectors with lower productivity and wages, which translates into higher sectoral wage gender gaps. Female employment in Guyana is concentrated mainly in wholesale and retail trade, education, public administration, accommodation and food services, and administrative and household services,

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[3] According to Urquidi and Chalup (2023), the regional average in LAC is 20 percent, with a median of 15 percent. Bellony et al. (2010) suggest similar estimates for Barbados and lower estimates for Jamaica.

[4] The mean difference in the outcome variable can be decomposed into three terms: i) endowments (E), which measures differences in observable features, ii) coefficients (C), which accounts for differences in the treatment of same observable features, and the interaction term of endowments and coefficients (CE), which measures the joint contribution of the previous two terms (Jann, 2008). To control for selection bias in the decision to participate in the labor market, this method allows for a Heckman-type correction based on standards predictors of labor status such as education, marital status, and relation to the head of the household.

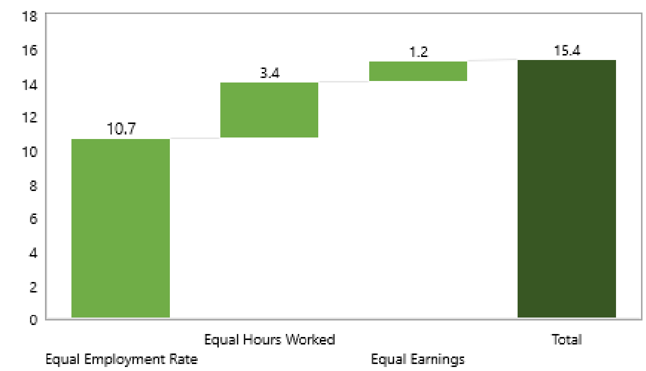
[5] The Oaxaca-Blinder decomposition suggests that adjusting female's endowments levels to the levels of males would reduce females' wages by 15.8 percent, while adjusting female's coefficients to the levels of males' coefficients would increase females' wages by 30.8 percent. This means that if females have the same average endowments as males, the gender wage gap would be even larger.

jointly accounting for 73 percent of female employment. Male employment is concentrated in agriculture, manufacturing, construction, mining, transportation, jointly accounting for 61 percent of male employment. Although representing a smaller fraction in employment, there were more female than male employees in highly skilled occupations, while more male than female employees held jobs with medium levels of skill (ILO, 2023).

D. Potential Gains from Closing Labor Market Gender Gaps

7. Gains from closing gender gaps in outcomes alone could be substantial. A decomposition of GDP losses from gender gaps in employment, hours worked and earnings in Guyana in 2019, suggests that closing gender gaps in the labor market could yield potential GDP gains of 15.4 percent. This accounting exercise attributes most of this increase to closing gender gaps in employment (10.7 percent GDP gain) and closing gaps in hours worked (3.4 percent GDP gain).

Guyana: GDP Gains from Closing Gender Gaps in the Labor Market

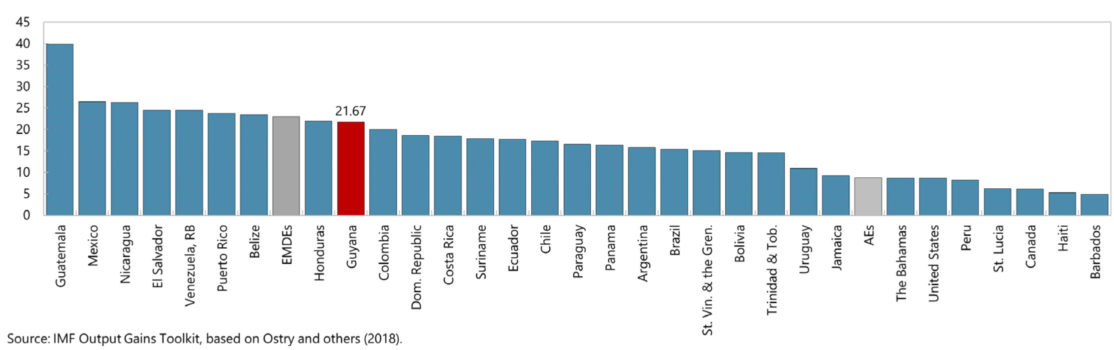


Source: IMF Equity Gains Toolkit.

Note: Based on 2019 data.

8. Considering the complementarity of female and male labor suggests that gains from closing gender gaps in labor force participation rates could be even higher. Following Ostry et al. (2018), which considers the complementarity of female and male skills, suggest that fully closing the gender gap in labor force participation alone could boost GDP by about 22 percent, similar to the gains expected for the average emerging market and developing economy.

GDP Gains from Closing Labor Force Participation Gaps

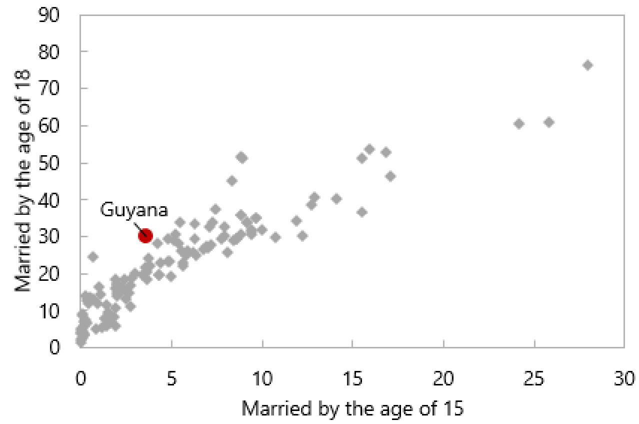


Source: IMF Output Gains Toolkit, based on Ostry and others (2018).

9. Early marriage remains prevalent in Guyana. More than 30 percent of girls are married by the age of 18 in Guyana. High rates of early marriage are associated with high rates of adolescent (and risky) pregnancy—increasing the risk of maternal death and putting pressure on the health sector. Additionally, they also result in lower secondary enrollment rates for girls. Following Mitra et al. (2020), ending early marriage in Guyana could potentially increase per capital growth by 1.2 percentage points.

Guyana: Early Marriage

(Percent of Women aged 20-24 first married by age 15 or 18)



Source: UNFPA.

E. Policies to Reduce Barriers and Increase Incentives to Entry

10. Policies are tackling key barriers to entry and incentivize productivity. Low participation rates in Guyana, especially for the youth and women, appear related with higher rates of teenage pregnancy and reproductive health, early marriage, lower tertiary education completion rates and skills mismatch, and household and care responsibilities, while lower wages associated with female employment may also disincentivize entry.

11. Guyana has developed a national plan to address gender inequality and expand female labor force participation. Ambitious structural ongoing reforms in key sectors together with high public spending plans are correctly targeting some of the key barriers associated with gender inequality and fostering better opportunities for woman. Authorities have published the National Gender Equality and Social Inclusion (GESI) policy aimed to address exclusion and promote gender equality. Recent policies include:

- *Health access:* Authorities are developing infrastructure to expand the coverage and access to health services including construction of a world class pediatric and maternal hospital in Ogle, and a new hospital in New Amsterdam, and ongoing work in six regional hospitals. In addition, the plan of action for the elimination of cervical cancer by 2030 has been launched, aimed to screen over 211,000 women between the ages of 21-60 years. The school health program expanded to primary schools and aims to reach over 7,000 students in the nursery and primary levels.

- *Tertiary education and skill mismatch*: Authorities have expanded access to tertiary education through initiatives like the University of Guyana Student Loan Write-Off Program, benefiting 3,500 students, and the Guyana Online Academy of Learning (GOAL) scholarship program, which has awarded to women over 21,400 scholarships since 2021, representing 72 percent of total awardees. In 2024, approximately 4,000 individuals joined Technical and Vocational Education Training (TVET) programs, focusing on skills such as agro-processing, fiber optics, and construction. To boost tourism, Guyana's first National Hospitality Training Institution is being built in Berbice. Additionally, the Women Innovation and Investment Network (WIIN) and the Board of Industrial Training (BIT) have trained over 23,700 women since 2020.

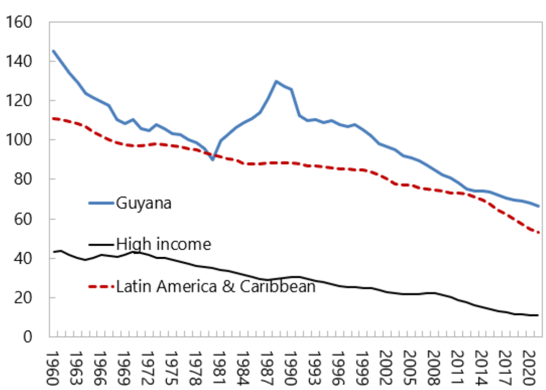
- *Household and care responsibilities:* The Ministry of Health has provided home-based care over 1,500 elderly in different regions and expects to expand in the following years. In terms of childcare, the Working Parents Childcare Subsidy is expected to benefit around 700 children in 2024, while the total licensed childcare facilities increased to 336 and two new day and night care centers are expected to be completed by end-2024.

- *Gender violence and social norms:* Authorities are doing several efforts to address gender violence and to foster the inclusion of females. The Family Violence Bill was passed in the National Assembly. The Gender Equality Seal Program was completed in 2024, offering a training manual to guide organizations on how to eliminate gender-based gaps, increase women's roles in decision-making, eradicate sexual harassment at work, and promote inclusive communication. Additionally, the Gender Affairs Bureau trained more than 3,000 senior government officials and community leaders in social inclusion and gender mainstreaming.

Guyana: Health and Access to Services

Adolescent Fertility Rate

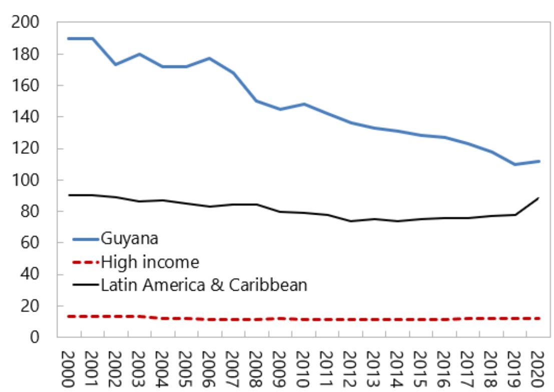
(Births per 1,000 women ages 15-19)



Sources World Bank. World Development Indicators.

Maternal Mortality Ratio

(Per 100,000 live births)



Source: World Bank. World Development Indicators.

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Annex VIII. Data Issues

Annex VIII. Table 1. Guyana: Data Adequacy Assessment for Surveillance

Data Adequacy Assessment Rating 1/							
B							
Questionnaire Results 2/							
Assessment	National Accounts	Prices	Government Finance Statistics	External Sector Statistics	Monetary and Financial Statistics	Inter-sectoral Consistency	Median Rating
	C	C	B	B	B	B	B
Detailed Questionnaire Results							
Data Quality Characteristics							
Coverage	C	C	B	B	B		
Granularity 3/	C		B	C	B		
			B		C		
Consistency			B	B		B	
Frequency and Timeliness	B	B	B	B	B		

Note: When the questionnaire does not include a question on a specific dimension of data quality for a sector, the corresponding cell is blank.
1/ The overall data adequacy assessment is based on staff's assessment of the adequacy of the country's data for conducting analysis and formulating policy advice, and takes into consideration country-specific characteristics.
2/ The overall questionnaire assessment and the assessments for individual sectors reported in the heatmap are based on a standardized questionnaire and scoring system (see IMF *Review of the Framework for Data Adequacy Assessment for Surveillance*, January 2024, Appendix I).
3/ The top cell for "Granularity" of Government Finance Statistics shows staff's assessment of the granularity of the reported government operations data, while the bottom cell shows that of public debt statistics. The top cell for "Granularity" of Monetary and Financial Statistics shows staff's assessment of the granularity of the reported Monetary and Financial Statistics data, while the bottom cell shows that of the Financial Soundness indicators.

A	The data provided to the Fund is adequate for surveillance.
B	The data provided to the Fund has some shortcomings but is broadly adequate for surveillance.
C	The data provided to the Fund has some shortcomings that somewhat hamper surveillance.
D	The data provided to the Fund has serious shortcomings that significantly hamper surveillance.

Rationale for staff assessment. The data provided by the authorities has been broadly adequate for surveillance, especially in terms of timeliness and fiscal and monetary and financial sector statistics. In the context of Guyana's rapidly evolving economy, immediate enhancements are needed to the National Accounts and CPI statistics, in particular to improve the compilation of GDP, treatment of oil production, CPI coverage and breakdown and to update the National Accounts and CPI base year, including using the available recent surveys and other relevant data sources. There have been several CARTAC technical assistance (TA) missions to the Bureau of Statistics, Guyana (BOS) in recent years, including on: (i) CPI recommending to update the CPI at a two-digit COICOP level using the most recent Household Budget Survey in 2018/19; and (ii) the National Accounts focusing on the development of annual/quarterly chained volume estimates of GDP by economic activity, future development of Supply and Use Tables (SUT) for 2019 and other improvements. Progress on following up and implementing these recommendations has however been slow. In addition, timeliness of labor force and household surveys would need to be improved. In government finance statistics, the analysis of debt developments would benefit from the provision of more granular data on new external borrowing, amortization, and debt service by creditor in budget documents. Using actual data inputs to balance-of-payments surveys, instead of estimates, would improve the external sector statistics.

Changes since the last Article IV consultation. No relevant changes since last Article IV Consultation.

Corrective actions and capacity development priorities. The authorities acknowledged the need to continue modernizing the official statistics, especially to capture the rapidly evolving structural changes in the economy. They agreed to work on the enhancements to the national accounts, prices, and external sector statistics, including with the IMF support as needed. Given the large gap since the last household and labor force surveys, the authorities are preparing the rollout of a new household survey in 2026 and the publication of the Q4 2024 Labor Force Survey.

Use of data and/or estimates different from official statistics in the Article IV consultation. None.

Other data gaps. In addition to further enhancements to the National Accounts, including to produce GDP by expenditure components, timely provision of updated data on labor market indicators, poverty and distributional accounts, National Population and Housing Census, and high-frequency data related to Sustainable Development Goals would support surveillance.

Annex VIII. Table 2. Guyana: Data Standards Initiatives

Guyana participates in the Enhanced General Data Dissemination System (e-GDDS) and publishes the data on its National Summary Data Page since December 2019.

Annex VIII. Table 3. Guyana: Table of Common Indicators Required for Surveillance

(As of March 31, 2025)

	Data Provision to the Fund				Publication under the Data Standards Initiatives through the National Summary Data Page			
	Date of Latest Observation	Date Received	Frequency of Data[6]	Frequency of Reporting[6]	Expected Frequency[6,7]	Guyana[8]	Expected Timeliness[6,7]	Guyana[8]
Exchange Rates	31/03/2025	31/03/2025	M	M	D	M	...	1M
International Reserve Assets and Reserve Liabilities of the Monetary Authorities[1]	31/12/2024	15/03/2025	M	M	M	...	1M	...
Reserve/Base Money	31/12/2024	15/03/2025	M	M	M	M	2M	1M
Broad Money	31/12/2024	15/03/2025	M	M	M	M	1Q	1M
Central Bank Balance Sheet	31/12/2024	15/03/2025	M	M	M	M	2M	1M
Consolidated Balance Sheet of the Banking System	31/12/2024	15/03/2025	M	M	M	M	1Q	1M
Interest Rates[2]	31/12/2024	15/03/2025	M	M	M	M	...	1M
Consumer Price Index	2025M1	2025M3	M	M	M	M	2M	1M
Revenue, Expenditure, Balance and Composition of Financing[3]–General Government[4]	31/12/2024	15/01/2025	A	A	A	...	3Q	...
Revenue, Expenditure, Balance and Composition of Financing[3]–Central Government	31/12/2024	15/01/2025	A	A	Q	Q	1Q	1Q
Stocks of Central Government and Central Government-Guaranteed Debt[5]	31/12/2024	15/01/2025	A	A	Q	Q	2Q	2Q
External Current Account Balance	2024Q2	2024Q4	Q	Q	Q	A	1Q	1Q
Exports and Imports of Goods and Services	2023Q1	2025Q1	Q	Q	M	M	12W	2M
GDP/GNP	31/12/2023	15/01/2025	Q	Q	Q	A	1Q	1Q
Gross External Debt	31/12/2023	15/01/2025	A	A	Q	Q	2Q	2Q
International Investment Position	31/12/2024	15/01/2025	Q	Q	A	...	3Q	...

[1] Includes reserve assets pledged or otherwise encumbered, as well as net derivative positions.

[2] Both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

[3] Foreign, domestic bank, and domestic nonbank financing.

[4] The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

[5] Including currency and maturity composition.

[6] Frequency and timeliness: ("D") daily; ("W") weekly or with a lag of no more than one week after the reference date; ("M") monthly or with lag of no more than one month after the reference date; ("Q") quarterly or with lag of no more than one quarter after the reference date; ("A") annual.; ("SA") semiannual; ("I") irregular; ("NA") not available or not applicable; and ("NLT") not later than;.

[7] Encouraged frequency of data and timeliness of reporting under the e-GDDS and required frequency of data and timeliness of reporting under the SDDS and SDDS Plus. Any flexibility options or transition plans used under the SDDS or SDDS Plus are not reflected. For those countries that do not participate in the IMF Data Standards Initiatives, the required frequency and timeliness under the SDDS are shown for New Zealand, and the encouraged frequency and timeliness under the e-GDDS are shown for Eritrea, Nauru, South Sudan, and Turkmenistan.

[8] Based on the information from the Summary of Observance for SDDS and SDDS Plus participants, and the Summary of Dissemination Practices for e-GDDS participants, available from the IMF Dissemination Standards Bulletin Board (https://dsbb.imf.org/). For those countries that do not participate in the Data Standards Initiatives, as well as those that do have a National Data Summary Page, the entries are shown as "..."

INTERNATIONAL MONETARY FUND

GUYANA

STAFF REPORT FOR THE 2025 ARTICLE IV CONSULTATION—INFORMATIONAL ANNEX

April 15, 2025

Prepared By | Western Hemisphere Department

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FUND RELATIONS

(As of March 31, 2025)

Membership Status: Joined: September 26, 1966; Accepted the obligations under Article VIII.

General Resources Account:	**SDR Million**	**%Quota**
Quota	181.80	100.00
IMF's Holdings of Currency (Holdings Rate)	181.80	100.00
Reserve Tranche Position	0.00	0.00

SDR Department:	**SDR Million**	**%Allocation**
Net cumulative allocation	261.33	100.00
Holdings	1.34	0.51

Outstanding Purchases and Loans: None

Latest Financial Commitments:

Arrangements:

Type	Date of Arrangement	Expiration Date	Amount Approved (SDR Million)	Amount Drawn (SDR Million)
ECF [1/]	Sep 20, 2002	Sep 12, 2006	54.55	54.55
ECF [1/]	Jul 15, 1998	Dec 31, 2001	53.76	24.88
ECF [1/]	Jul 20, 1994	Apr 17, 1998	53.76	53.76

[1/] Formerly PRGF.

Overdue Obligations and Projected Payments to Fund [2/]
(SDR Million; based on existing use of resources and present holdings of SDRs):

	Forthcoming				
	2025	**2026**	**2027**	**2028**	**2029**
Principal					
Charges/Interest	6.03	8.03	8.03	8.03	8.03
Total	**6.03**	**8.03**	**8.03**	**8.03**	**8.03**

[2/] When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.

Safeguards Assessment

The most recent safeguards assessment of the Bank of Guyana (BoG) was completed in May 2007 in respect of the then expected PRGF arrangement. Overall, the assessment noted capacity constraints, including in the internal audit function. Recommendations were made to enhance internal audit reporting and to improve external audit quality to enable compliance with International Standards on Auditing (ISA) and IFRS. In the reserves management area, staff recommended the establishment of an investment committee. The latter has been implemented. The BoG continues to be audited by the Audit Office of Guyana and the reports state compliance with ISA. The BoG's financial statements refer to IFRS and are published.

Exchange Rate Arrangements

The de jure exchange rate regime is floating, and the de facto exchange rate regime is a stabilized arrangement. The currency of Guyana is the Guyana dollar (GY$). The exchange rate was GY$208.5 per U.S. dollar as of March 14, 2025. Guyana has accepted the obligations of Article VIII—Section 2, 3, and 4 of the IMF's Articles of Agreement, and maintains an exchange system free of multiple currency practices and restrictions on the making of payments and transfers for current international transactions, with the only exception of certain exchange restrictions for the preservation of national and international security.

Article IV Consultation

Article IV Consultation Guyana is on the standard 12-month Article IV Consultation cycle. The previous Article IV consultation discussions were held during August 28–September 11, 2023, virtually and in-person in Georgetown, Guyana. The Executive Board concluded the Article IV Consultation (IMF Country Report 23/379) on November 3, 2023.

Resident Representative

The office was closed in end-January 2009.

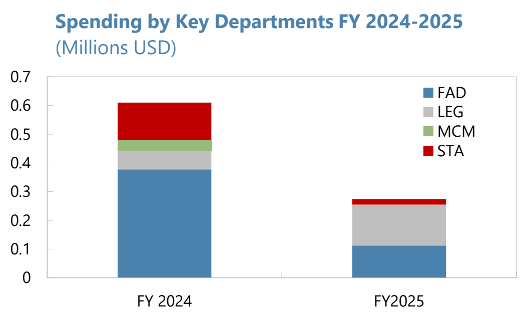
ROSC, FSAP, EPA Participation

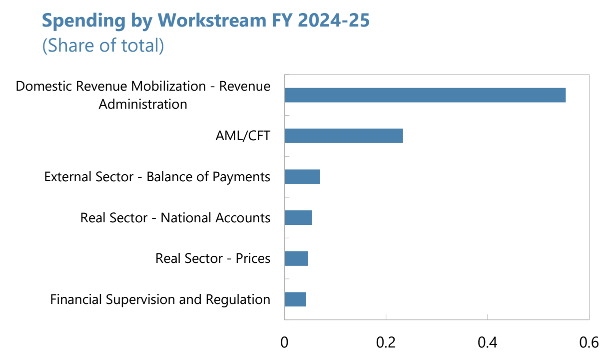
- The ROSC on Fiscal Transparency Module was undertaken in July 2002.
- A WB/IMF FSAP took place in November 2005 and concluded in September 2006.
- Ex-Post Assessment findings were discussed with the authorities in June 2006 and concluded on October 23, 2006.
- A WB/IMF FSAP took place in May 2016 and concluded in March 2017.

TECHNICAL ASSISTANCE

Guyana received well-tailored technical assistance (TA) in FY2024, led by Fiscal Affairs Department (FAD), followed by Statistics Department (STA), Legal Department (LEG), and Monetary and Capital Markets Department (MCM). Most of the spending was allocated for TA provided by experts based in the Caribbean Regional Technical Assistance Centre (CARTAC). The resource use closely follows the capacity development (CD) strategy and was concentrated on the workstreams of revenue and customs administration, AML/CFT, external and real sector statistics, and financial supervision and regulation, all of which largely enter FY2025.

Guyana: CD Delivery by Department and Workstream





Source: IMF, CD Hub (2025).

The following list of TA has been delivered since 2022:

Fiscal Affairs Department

May 2022	Strengthening Performance Management in Customs
Jun 2022	Developing Data Analysis Capacity in Customs
Sep 2022	Trusted Trader Program Assessment and AEO Preparation
Oct 2022	Petroleum Tax Administration
Nov 2022	Strengthening Risk Management in Customs
Mar 2023	Strengthening Customs Control of Bonded Warehouses in the Petroleum Sector
Sep 2024	Customs Administration
Sep 2024	Revenue Administration (Natural Resources)
Nov 2024	Customs Administration

Monetary and Capital Markets Department

Jan 2022	Stress Testing
Nov 2022	CARTAC (Risk-based supervision)
Jul 2023	CARTAC (Internal Capital Adequacy Assessment Process)
Mar 2025	Internal capital adequacy process
Jun 2025	Multi-country seminar including Guyana on local currency bond market development

Statistics Department

Mar 2022	CARTAC (External sector statistics)
Nov 2022	CARTAC (National Accounts)
Apr 2023	CARTAC (External sector statistics)
Jun 2023	CARTAC (Prices – CPI)
Nov 2023	CARTAC (National Accounts – SUT)

Legal Department

Apr 2025	CARTAC (AML/CFT)

RELATIONS WITH OTHER INTERNATIONAL FINANCIAL INSTITUTIONS

- As of April 11, 2025, Guyana has collaborations with The World Bank Group, Inter-American Development Bank, and Caribbean Development Bank.

- Further information can be obtained from the following hyperlinks:

International Financial Institution	Hyperlink
The World Bank Group	https://www.worldbank.org/en/country/guyana
Inter-American Development Bank	https://www.iadb.org/en/who-we-are/country-offices/guyana
Caribbean Development Bank	https://www.caribank.org/countries-and-members/borrowing-members/guyana

GUYANA

April 15, 2025

STAFF REPORT FOR THE 2025 ARTICLE IV CONSULTATION—DEBT SUSTAINABILITY ANALYSIS

Approved By
Ana Corbacho (WHD) and Geremia Palomba (SPR), Manuela Francisco (IDA) and Oscar Calvo-Gonzalez (IDA)

Prepared by the Staff of the International Monetary Fund and the International Development Association based on the Low-Income Country Debt Sustainability Framework (LIC-DSF), implemented since July 2018.

Risk of external debt distress	Low[1]
Overall risk of debt distress	Low
Granularity in the risk rating	Tool not applicable
Application of judgment	Yes. Application of customized stress scenario to account for transitional dynamics of expanding oil production.

Guyana is at a low risk of overall and external debt distress with application of judgement, improved from the 2023 Article IV debt sustainability analysis when it was assessed at a moderate risk of overall and external debt distress. The use of judgement is based on a customized scenario that accounts for the ongoing structural transformation of the economy since the start of oil production. The present value of the external debt-to-GDP ratio rises through 2028 reflecting continued external borrowing but falls to current levels by 2034 as external borrowing is replaced by using receipts from the growing stock of assets in the Natural Resource Fund (NRF). Public debt starts to decline after 2026 and stabilizes at about 25 percent through 2034. There are considerable upside risks from higher future oil production which will help build additional foreign exchange buffers.

[1] The LIC-DSF is used to assess debt sustainability for Guyana given its eligibility for World Bank's IDA financing and access to concessional financing terms. Guyana's debt-carrying capacity (DCC) assessment is based on the value of the Composite Indicator (CI) of 2.53 estimated using the 2023 Country Policy and Institutional Assessment (CPIA) score and data from the October 2024 World Economic Outlook (WEO), indicating a weak DCC. The latter, as discussed in this debt sustainability analysis, does not account for potentially beneficial factors specific to Guyana beyond the standard CI methodology, including the accumulation of large foreign exchange buffers in the NRF. Debt and debt service projections are based on staff's macroeconomic update for the 2025 Article IV Consultation.

PUBLIC DEBT COVERAGE

1. **The coverage of public sector debt is central government and central government guaranteed (PPG) debt, including state-owned enterprise (SOE) debt since SOEs are not allowed to borrow directly** (Text Table 1). External debt is defined based on the principle of residency. Between 2020 and 2024, central government domestic debt also included a central government-guaranteed five-year syndicated loan amounting to G$16.5 billion (2.1 percent of GDP) raised by the National Industrial and Commercial Investments Limited (NICIL) for the purpose of restructuring state-owned Guyana Sugar Corporation (GuySuCo), which has now been paid off. The central government does not issue explicit or implicit guarantees on sub-national and local government debts, and these are excluded from the debt sustainability analysis (DSA). Borrowing by the Social Security Administration is included in this report's coverage of debt. The authorities have indicated no public-private partnership debt (PPP) as of end-2024. Assets being accumulated in the Natural Resource Fund (NRF) are outside the perimeter of the DSA, but this has a considerable bearing on the assessment of risks of debt distress as discussed below.

Text Table 1. Guyana: Coverage of Public Debt

	Subsectors of the public sector	Check box
1	Central government	X
2	State and local government	
3	Other elements in the general government	
4	o/w: Social security fund	X
5	o/w: Extra budgetary funds (EBFs)	
6	Guarantees (to other entities in the public and private sector, including to SOEs)	X
7	Central bank (borrowed on behalf of the government)	
8	Non-guaranteed SOE debt	

2. **The contingent liability stress test settings are customized** (Text Table 2). The default shock to contingent liabilities from SOEs debt is set at 2 percent of GDP given uncertainties regarding the inclusion of all government guaranteed debt in the public debt stock. Since the authorities have confirmed that the PPP debt stock is zero, this stress test is not used.

Text Table 2. Guyana: Coverage of Public Debt and Design of Contingent Liabilities Stress Tests

1	The country's coverage of public debt	The central government plus social security, government-guaranteed debt		
		Default	Used for the analysis	Reasons for deviations from the default settings
2	Other elements of the general government not captured in 1.	0 percent of GDP	0.0	
3	SoE's debt (guaranteed and not guaranteed by the government) 1/	2 percent of GDP	2.0	
4	PPP	35 percent of PPP stock	0.0	The authorities and IDA confirmed that PPP stock is zero
5	Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	5.0	
	Total (2+3+4+5) (in percent of GDP)		7.0	

1/ The default shock of 2% of GDP will be triggered for countries whose government-guaranteed debt is not fully captured under the country's public debt definition (1.). If it is already included in the government debt (1.) and risks associated with SoE's debt not guaranteed by the government is assessed to be negligible, a country team may reduce this to 0%.

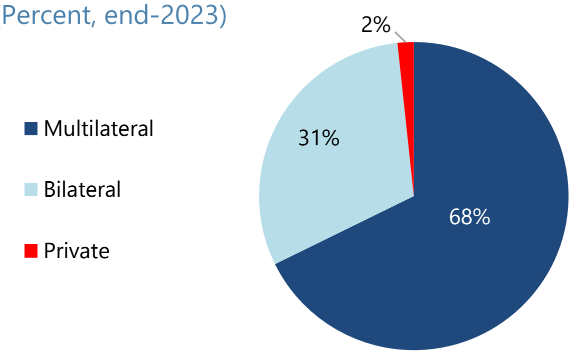
3. **The Government of Guyana has been working closely with the World Bank on issues related to debt transparency and management in the context of Sustainable Development Finance Policy (SDFP)**. This included increasing the periodicity and coverage of debt statistics, strengthening the policy framework for debt management, and the publication of a comprehensive fiscal risk statement, audited financial statements for key SOEs, and primary and secondary market data on treasury bills. The government also made progress on public investment management (PIM) by introducing sectoral medium-term public investment planning and pre-appraisal of new capital investments.[2]

BACKGROUND ON DEBT

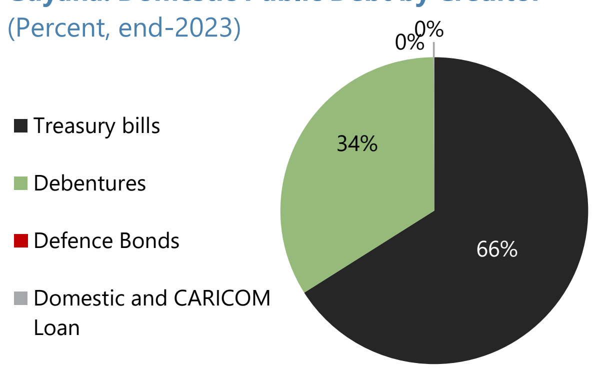
4. **Total public gross debt has fallen considerably since 2020 following the start of oil production, but the pace has moderated recently associated with the sharp rise in investments partly financed by debt**. Over the past two years, public sector borrowing has been dominated by domestic debt since some of the foreign exchange investment costs have been covered by withdrawals from the NRF, reducing external debt financing needs. The external debt is fully covered by the current NRF stock, thereby limiting foreign exchange financing risks.

5. **External debt accounts for about 40 percent of total public sector debt, mostly to multilateral institutions**. These creditors accounted for about 68 percent of total external debt at end 2023. The IDB is the largest multilateral creditor while China is the largest bilateral creditor. Private credit comprises suppliers' credit and bonds but is a small share of the total. Domestic debt mostly consists of treasury bills with a large surge over the past two years purchased by the central bank. The debentures represent the securitization of the inherited overdraft at the Bank of Guyana during 2015–20 which currently totals about 4 percent of GDP but is declining over time as it is paid off.

Guyana: External Public Debt by Creditor
(Percent, end-2023)



Guyana: Domestic Public Debt by Creditor
(Percent, end-2023)



[2] The new PIM framework has been gradually rolled out to eight sectors—agriculture, public works (FY23), education, health (FY24), Home Affairs, Human Services, Security, Housing and Water, and Energy (FY25), supported under the performance and policy actions (PPAs).

6. The authorities are committed to ensuring fiscal prudence by reducing the fiscal deficit over time and contracting external loans on concessional terms. The recent increase in the maximum amount that can be transferred from the NRF to finance growing public investment expenditure remains consistent with a gradual elimination of the fiscal deficit and a declining gross public debt ratio over the medium term, while the NRF assets continue to increase. Most of Guyana's external debt is issued at concessional rates. Although the authorities raised the statutory ceilings on domestic and external debt to about 32 percent of GDP (2024 values) each in 2024, both domestic and external debt are projected to remain well below this limit, with total public debt peaking at slightly above 28 percent of GDP in 2026 under baseline assumptions.

MACROECONOMIC ASSUMPTIONS

7. Since the start of oil production at end-2019, Guyana's economy has boomed, registering the highest growth rate in the world over 2022–24, averaging 47 percent per year. Robust oil and non-oil developments strengthened real GDP growth to 43½ percent in 2024, up from nearly 34 percent in 2023. Oil production has more than doubled since 2022 and is now at about 660 thousand barrels per day, and real oil GDP increased by 58 percent in 2024. The non-oil economy is also performing strongly averaging 12 percent growth over the last three years and expanded at about 13 percent in 2024. The latter reflects a solid broad-based performance across sectors, especially construction driven by government infrastructure investment and private housing.

8. The economic outlook remains highly favorable. The economy is expected to grow above 14 percent on average over the next five years, driven by robust oil production and strong non-oil sector growth, especially construction, supported by private investment and moderating but still-high public capital spending. Positive spillovers from the oil sector and improvements in infrastructure, productivity, and resilience are expected to boost the real non-oil GDP growth to an average of 6¾ percent over the medium term, about 3 percentage points higher than the pre-oil decade average. Inflation is projected to increase in 2025 and rise to 5½ percent over the medium term, reflecting pressures on non-tradeable prices, including expected wage pressures while fiscal impulses moderate and capacity constraints ease.

9. Guyana's favorable economic prospects are accompanied by upside and downside risks. On the upside, additional oil discoveries will improve Guyana's long-term economic prospects, and the investment boom financed by the associated oil revenues could support non-oil growth above the current baseline assumptions.[3] Downside risks relate to the possible emergence of price pressures from the rapid economic expansion leading to higher inflation and exchange rate appreciation. This outcome could affect the competitiveness of the non-oil sector and raise questions about the durability of the strong non-oil growth profile. Adverse climate shocks and highly volatile commodity prices could negatively impact food inflation and alter the macroeconomic outlook.

[3] Guyana is estimated to hold more than 11 billion barrels of oil equivalent recoverable oil and natural gas resources. .

10. The authorities use oil proceeds to fund ambitious investment plans grounded in the Low Carbon Development Strategy 2030. The authorities recently increased the annual ceiling of oil funds transferred from the NRF to cover the nation's growing development needs, but the transfer remains consistent with NRF assets rising to over 32 percent of GDP by 2030. Since Guyana is below the median country on many development indicators, a strong case exists for high investment spending to help advance on these indicators provided the spending can be done efficiently. In the staff scenario, capital expenditures through 2030 are aligned with the expenditures for education, health, infrastructure, energy, and water and sanitation of middle performing countries. This group is derived by categorizing countries from weakest to strongest according to the outcomes of the five Sustainable Development Goal categories and choosing the middle group of each ranking.[4] Beyond 2030, capital expenditures are projected to follow a smoothed version of the current NRF transfer rule. Since the NRF transfer rule is determined by historical oil revenues accruing to the government, this imparts an automatic lagged adjustment to expenditures if oil prices suddenly fall.

11. The debt sustainability analysis is based on the macroeconomic projections underlying the 2025 Article IV Consultation. The main macroeconomic assumptions are as follows (Text Table 3):

Text Table 3. Guyana: Macroeconomic Assumptions—Baseline Scenario
(Percent of GDP unless otherwise stated)

			Projection						
	2023	2024	2025	2026	2027	2028	2029	Avg 2025-29	Avg 2025-34
Real GDP growth									
2025 DSA - current	33.8	43.6	10.3	23.0	21.0	13.3	11.8	15.9	7.3
2023 DSA -previous	38.4	26.6	18.8	21.2	21.2	13.5	11.9	17.3	7.8
Real Non-oil GDP growth									
2025 DSA - current	12.3	13.1	12.9	7.8	7.4	6.2	6.1	8.1	7.2
2023 DSA -previous	9.1	6.6	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Consumer prices (eop) 1/									
2025 DSA - current	2.0	2.9	4.2	4.5	5.5	5.5	5.5	5.1	4.8
2023 DSA -previous	3.8	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Central Government overall balance 2/									
2025 DSA - current	-5.7	-7.3	-4.9	-4.4	-3.9	-2.8	-2.5	-3.7	-2.3
2023 DSA -previous	-6.7	-5.0	-3.0	-2.0	-1.0	0.0	-0.6	-1.3	-0.8
External current account balance									
2025 DSA - current	9.9	24.6	8.9	14.9	24.4	30.4	22.4	20.2	21.9
2023 DSA -previous	18.0	20.0	18.1	25.3	38.6	45.8	45.8	34.7	37.7
Oil Price 3/									
2025 DSA - current	82.3	79.9	72.9	69.1	67.9	67.5	67.2	68.9	
2023 DSA -previous	82.4	81.2	77.4	74.3	71.6	69.3	68.1	72.1	

Sources: Guyanese authorities, IMF staff calculations and projections.

1/ Measured as percent (y/y) change.
2/ After grants.
3/ Oil price for 2025 DSA is IMF Brent forecast from January 2025 WEO update

[4] The outcome indicators for the SDG categories are as follows: test scores (education); infant mortality rate (health); logistics performance index (infrastructure); per capita kilowatt hours (energy); and share of the population with improved sanitation (sanitation).

- **Real GDP growth** of over 7 percent over 2025–34, with oil growth broadly flat over the period and non-oil growth about 7 percent. Oil GDP growth projections are driven by new production from the Yellowtail, Uaru, and Whiptail oil fields. Combined, these fields will raise daily oil production to 1.2 million barrels per day by 2029, representing almost a doubling of the 2024 level. Non-oil growth is positively impacted by the strong oil growth through the large impulse it gives to consumption and investment from oil revenues accruing to the government.

- **Inflation** (measured by the CPI) is projected to average 5 percent over 2025–34, rising from current levels to reflect the impact of higher fiscal spending on domestic demand and prices in the medium term.

- **The fiscal deficit** has risen in recent years to over 7 percent of GDP in 2024. In line with the government's intentions, the deficit is assumed to improve over the medium term to gradually reach overall balance, and the non-oil primary deficit gradually narrows over the projected lifespan of oil reserves. Recent changes to the NRF transfer rule allow additional financing for investment over the medium term, with current primary expenditures (assumed to grow in line with non-oil GDP) broadly covered by non-oil tax revenues.

- **The current account surplus** generally rises over time to around 20–22 percent of GDP by the end of the decade as the Uaru and Whiptail fields come on stream and oil investment expenditures level off. Gross international reserves demonstrate a steady build up from 2024 to about $4.3 billion (over 10 percent of GDP) by 2030.

- **Medium-term financing of the fiscal deficit** is achieved through a combination of domestic and foreign funding.

- **The projections are supported by the realism tools**. Forecast errors are low, and staff's fiscal policy recommendation to preserve some of the oil wealth generates a fiscal adjustment that is not an outlier in terms of the cross-country distribution.

    - Forecast errors (Figure 3): Forecast errors of past external debt projections are low and comparable to the average of low-income countries. Debt forecasts have been slightly higher than outcomes associated with stronger than expected growth (lowering the debt ratio) more than offsetting the more depreciated exchange rate outcome compared to staff's assumptions (that raises the debt ratio). The large residuals associated with explaining movements in the external debt stock comprise the buildup in the NRF, and this buildup continues through the forecast period.

    - Realism of fiscal adjustment (Figure 4): The primary balance path is consistent with the staff's recommendation to use some oil revenue accumulation for improving Guyana's Sustainable Development Goal indicators and physical infrastructure, taking account of absorptive capacity constraints. The steady elimination of the primary fiscal deficit is driven by the reduction in public capital spending that levels out at around 10 percent of GDP, while oil revenues used to finance the budget remain stable in the same range. Projected growth over the medium term is lower than implied by standard fiscal multipliers, partly associated with the exogenous decline in the growth of oil production and a cautious view of the non-oil growth benefits of the large investment boom going forward.

COUNTRY CLASSIFICATION AND DETERMINATION OF SCENARIO STRESS TESTS

12. Based on the April and October 2024 WEO data and the 2023 Country Policy and Institutional Assessment score, the country's Composite Indicator (CI) for 2024 is 2.53 (Text Table 4). The assessment is based on the application of the standard DCC methodology that does not account for potentially beneficial factors specific to Guyana beyond the common set of indicators that enter the CI calculations. These include the large size of the stock of NRF assets (which reached over 12 percent of GDP in end-2024) and oil-related imports associated with oil production that are fully privately financed. Moreover, the current relatively low level of reserves, which influenced the CI score calculation, is expected to be a transitory phenomenon before oil production picks up later in the decade while public capital spending financed in part by NRF transfers gradually declines from its peak in 2024.

Text Table 4. Guyana: Debt Carrying Capacity and Thresholds

Country	Guyana
Debt Carrying Capacity	Weak

Final	Classification based on the: Current vintage	Previous vintage	Previous two vintages
Weak	Weak	Weak	Weak
	2.53	2.50	2.56

Reference: Thresholds by Classification

EXTERNAL debt burden thresho	**Weak**	**Medium**	**Strong**
PV of debt in % of			
Exports	140	180	240
GDP	30	40	55
Debt service in % of			
Exports	10	15	21
Revenue	14	18	23
TOTAL public debt benchmark	**Weak**	**Medium**	**Strong**
PV of debt in % of GDP	35	55	70

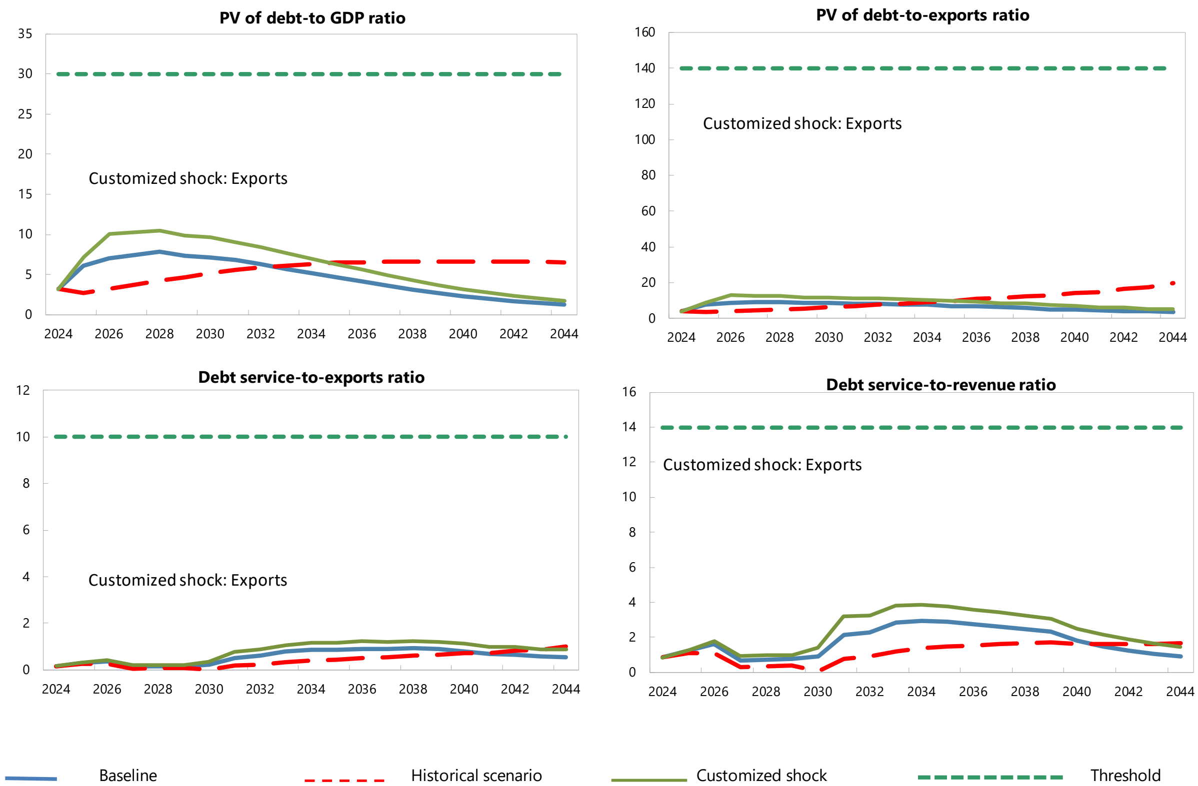
Source: IMF staff calculations.

DEBT SUSTAINABILITY ANALYSIS

A. External Debt Sustainability Analysis

13. All external PPG debt indicators remain below the policy relevant thresholds for the next 10 years under the baseline scenario (Figure 1). The PV of external PPG debt rises through 2028 reflecting continued external borrowing and falls afterwards to current levels by 2034 as existing debt is amortized and little additional debt is incurred because of the large financing available from oil revenues. By the end of the decade, the fiscal deficit is fully financed by domestic borrowing. The large residuals over the medium term reflect the buildup of part of the annual current account surplus in the NRF (which reaches over 210 percent of GDP by 2040).

Text Figure 1. Guyana: Indicators of Public and Publicly Guaranteed External Debt Under a Customized Scenario 1/



Sources: Country authorities; and staff estimates and projections.

1/ The customized shock uses an export growth standard deviation pre 2019 and applies a 0.145 weight to it corresponding to the government's oil export revenue share.

14. Considering large structural changes in the economy associated with oil, which constitute a structural break, a customized scenario is used to better capture Guyana's specific circumstances both in terms of their effects on key macroeconomic aggregates and accumulation of savings from oil revenue. Although the mechanical risk assessment of external debt distress remains moderate in the baseline scenario based on historically calibrated standardized stress tests,[5] the shocks under the stress tests are likely overestimated as they are derived from historical macroeconomic paths that capture significant volatility linked to Guyana's structural economic shift and do not fully account for the medium-term benefits from ongoing structural changes in Guyana's economy. These changes include significant investments to raise productivity, support diversification, and increase the economy's climate resilience while building significant

[5] The ramp-up in oil production since 2020 has led to very high standard deviation estimates for exports and growth which amplify the impact of standardized shocks. Such standardized stress tests, calibrated on historical paths, show a deteriorating debt trajectory associated with an export shock, with the four external debt burden indicators eventually breaching their respective thresholds.

foreign exchange buffers in the NRF which could also be used for emergency funding in case of a major natural disaster.[6] The customized scenario relies on excluding the years 2019–23 from the calculation of the standard deviations used in the external debt stress tests and scaling the size of the export shock by the government's share of oil export revenues under the current Production Sharing Agreement. This scenario reveals no breaches in the external sustainability indicators from the export shock (Text Figure 1).[7]

B. Public Debt Sustainability Analysis

15. The PV of the public debt-to-GDP ratio also remains well below the benchmark of 35 percent of GDP under the baseline scenario (Figure 2). It oscillates around 20 percent of GDP through 2032 before rising slightly at the end of the 10-year forecast period. As in the case of external public debt, the standardized stress tests for the shocks to growth, exports, and commodity prices likely overestimate the effects on debt dynamics, reflecting large standard deviations for these variables caused by the recent structural changes in the economy. Indeed, adopting the same customized scenario as in the external debt analysis, the public debt threshold is not breached in response to the export shock (Text Figure 2). However, the analysis underscores the need for reforms to continue diversifying the economy and reducing reliance on the oil sector over time.

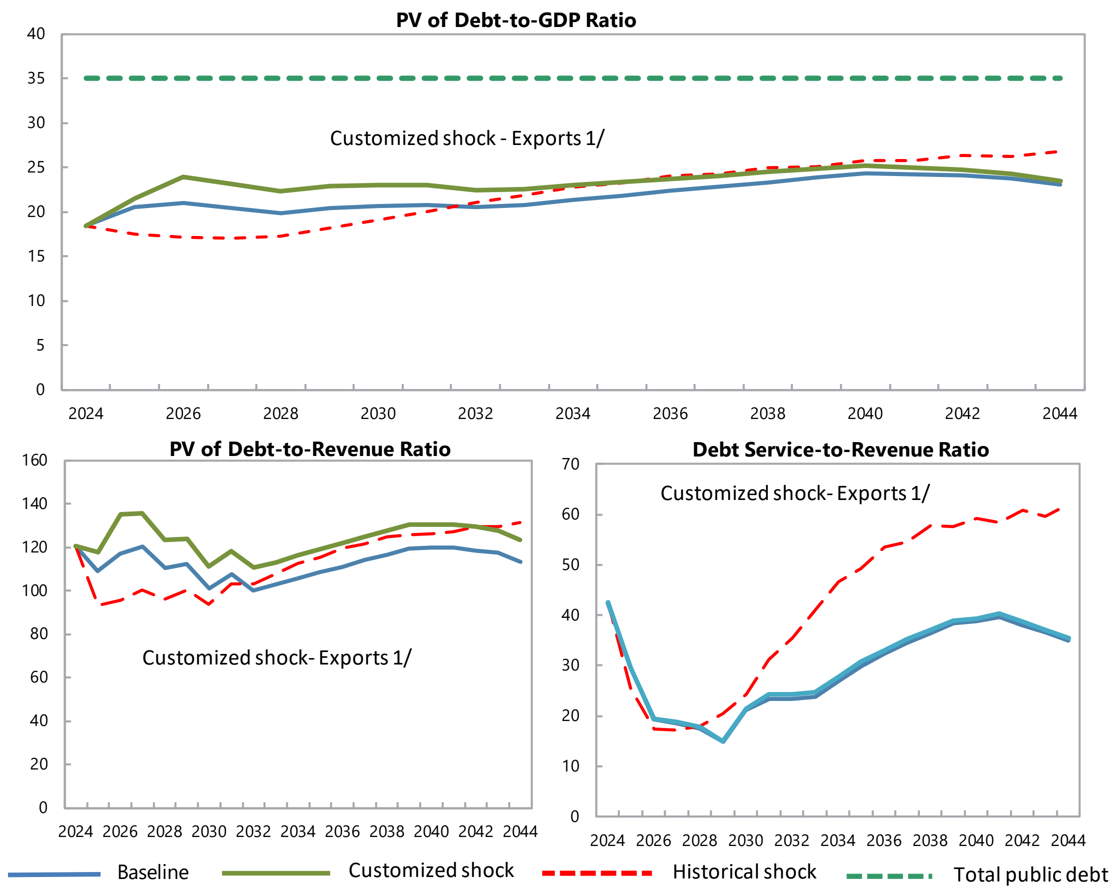
16. Medium-term domestic financing risks are extremely limited. The domestic debt ratio rose considerably between 2019 and 2021 to prefinance development spending before the arrival of substantial oil revenues in 2022 (Figure 5). Since then, domestic debt issuance has fallen in relation to GDP and to the debt stock and is broadly stable over the medium term as the projected fiscal deficit declines to zero.[8] Financing assumptions for future domestic debt issuance are conservative since the real interest rate on new borrowing is assumed to be about 4 percent whereas it is negative currently.

[6] The 2021 NRF Act provides clear rules for the use of NRF funding for "essential projects that are directly related to ameliorating the effect of a major natural disaster."

[7] The standard deviation of the export shock is adjusted by a factor of 0.145 which corresponds to the sum of the government's royalty payment at 2 percent of oil exports revenues and the government's profit share (50 percent) once costs of up to 75 percent of oil revenues are deducted.

[8] The negative domestic debt financing in 2025 is associated with the large availability of external financing that is more than enough to finance the fiscal deficit.

Text Figure 2. Guyana: Indicators of Public Debt Under a Customized Scenario 1/



Sources: Country authorities; and staff estimates and projections.

1/ The customized shock uses an export growth standard deviation pre 2019 and applies a 0.145 weight to it corresponding to the government's oil export revenue share.

RISK RATING AND VULNERABILITIES

17. **While Guyana's mechanical debt risk rating remains moderate under standardized stress tests (as in the 2023 AIV DSA), judgement is applied to upgrade the assessment of risk to low risk given the debt dynamics under the customized scenario**. This scenario, which excludes the volatility caused by the structural economic shift during the initial years of oil production and control for the limited impact of an export shock on government oil revenues (as discussed above), supports an improved debt risk rating. Moreover, the projected very high ratio of assets to GDP in Guyana and automatic expenditure reductions from oil price shocks offer large buffers against debt vulnerabilities. The baseline profile of the NRF reaches 213 percent of GDP by 2040—this is far higher than the sovereign wealth funds in most other oil-exporting countries: the sovereign wealth funds of comparator countries range from 4 percent of GDP (Chile in 2029) to 32

percent of GDP (Trinidad and Tobago), far lower than Guyana's NRF stock over the medium term. In addition, the oil production profile assumed in the baseline is highly conservative as it only covers fields that have already received a positive environmental impact assessment, and this profile is only half of the projection of private sector oil analysts (e.g., Rystad Energy). If a higher oil production profile is assumed, the stock of NRF assets in relation to GDP would likely double. Since transfers to the budget are a function of previous oil receipts, they automatically decline in line with falling oil prices, putting a limit on the expenditure envelope in such circumstances.

18. Guyana has a history of prudent debt management policy and is continually strengthening its public financial and investment management practices and could expand data availability. In line with higher oil revenues, current and capital expenditures are rising rapidly and therefore going forward, it is essential to continue modernizing public financial management and public investment management practices. On debt management, Guyana uses debt tracking software supported by the Commonwealth and issues debt updates twice yearly in the context of the annual budget and the six-month budget update. The authorities are working to upgrade the software to a more advanced debt recording and management system, The Commonwealth Meridian, to be used to generate quarterly debt statistics. While detailed domestic and external debt data is provided, debt monitoring would further benefit from the authorities' publishing the data on new external borrowing, amortization, and debt service by creditor.

Authorities' Views

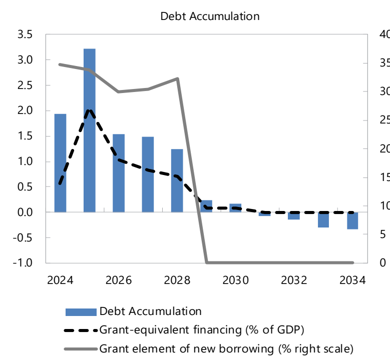
19. The authorities broadly shared Fund staff's assessment, emphasizing factors pointing to potentially stronger debt carrying capacity for Guyana. These include the growing size of the NRF (already larger than the public external debt) and the temporary nature of large self-financed oil investment imports.

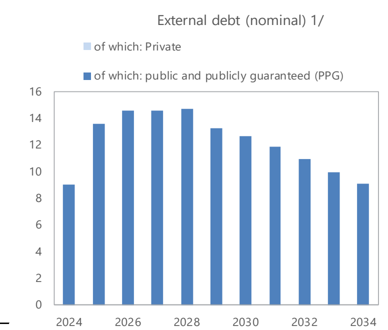
Table 1. Guyana: External Debt Sustainability Framework Baseline Scenario, 2021–44

(Percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 8/	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2034	2044	Historical	Projections
External debt (nominal) 1/	17.1	10.7	10.5	9.0	13.6	14.6	14.6	14.7	13.3	9.1	2.9	22.1	12.2
of which: public and publicly guaranteed (PPG)	17.1	10.7	10.5	9.0	13.6	14.6	14.6	14.7	13.3	9.1	2.9	22.1	12.2
Change in external debt	-6.7	-6.4	-0.2	-1.5	4.6	1.0	0.0	0.1	-1.4	-0.9	-0.4		
Identified net debt-creating flows	-10.4	-12.9	-4.6	-5.5	1.9	-4.2	-6.1	-5.3	-10.3	-20.1	-8.1	-4.0	-12.2
Non-interest current account deficit	24.5	-26.0	-10.2	-24.6	-9.0	-15.0	-24.5	-30.5	-22.6	-21.9	-8.1	11.4	-22.3
Deficit in balance of goods and services	32.4	-27.8	-12.3	-30.7	-14.8	-19.7	-29.9	-36.4	-33.6	-45.2	-17.0	19.2	-36.9
Exports	57.5	78.1	80.6	83.3	80.3	79.4	83.3	85.3	86.3	68.3	33.3		
Imports	89.9	50.3	68.3	52.6	65.5	59.7	53.4	48.9	52.7	23.1	16.3		
Net current transfers (negative = inflow)	-13.1	-7.2	-6.9	-3.6	-3.7	-3.3	-2.8	-2.5	-2.3	-1.8	-0.8	-10.2	-2.6
of which: official	-0.3	-0.3	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0		
Other current account flows (negative = net inflow)	5.2	8.9	9.1	9.7	9.5	7.9	8.2	8.4	13.3	25.2	9.7	2.4	17.1
Net FDI (negative = inflow)	-27.6	20.7	6.7	22.3	11.7	13.6	21.0	26.8	13.7	1.2	-0.1	-13.4	11.1
Endogenous debt dynamics 2/	-7.3	-7.6	-1.1	-3.1	-0.9	-2.8	-2.6	-1.6	-1.4	0.6	0.1		
Contribution from nominal interest rate	0.3	0.2	0.3	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0		
Contribution from real GDP growth	-3.3	-5.9	-3.1	-3.1	-0.9	-2.9	-2.7	-1.7	-1.6	0.4	0.1		
Contribution from price and exchange rate changes	-4.4	-1.8	1.7	...	...	...	...	...	...	...	...		
Residual 3/	3.7	6.4	4.4	4.0	2.7	5.2	6.1	5.4	8.9	19.2	7.7	2.1	12.1
of which: exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators													
PV of PPG external debt-to-GDP ratio	...	...	2.7	3.2	6.1	7.0	7.4	7.8	7.3	5.2	1.2		
PV of PPG external debt-to-exports ratio	...	...	3.4	3.8	7.6	8.8	8.9	9.2	8.5	7.6	3.7		
PPG debt service-to-exports ratio	1.7	2.8	1.0	0.2	0.3	0.4	0.1	0.1	0.2	0.9	0.6		
PPG debt service-to-revenue ratio	6.3	15.5	4.9	0.9	1.3	1.6	0.7	0.7	0.7	2.9	0.9		
Gross external financing need (Billion of U.S. dollars)	-0.2	-0.5	-0.4	-0.5	0.8	-0.3	-1.1	-1.3	-3.5	-9.9	-6.7		
Key macroeconomic assumptions													
Real GDP growth (in percent)	20.1	63.3	33.8	43.6	10.3	23.0	21.0	13.3	11.8	-4.7	-2.8	18.0	10.6
GDP deflator in US dollar terms (change in percent)	22.4	12.1	-14.1	1.5	-5.1	-11.3	-5.5	-2.1	-0.9	9.0	9.9	-0.3	0.5
Effective interest rate (percent) 4/	1.8	1.8	2.9	0.0	0.3	0.8	0.9	1.0	1.0	1.1	0.8	1.8	0.8
Growth of exports of G&S (US dollar terms, in percent)	65.8	148.5	18.7	50.5	1.0	7.8	19.9	13.5	12.0	-4.0	-6.0	30.9	9.4
Growth of imports of G&S (US dollar terms, in percent)	70.6	2.4	56.0	12.3	30.4	-0.6	2.2	1.6	19.3	0.0	3.5	22.4	1.2
Grant element of new public sector borrowing (in percent)	...	...	...	34.8	33.8	29.9	30.4	32.3	0.0	0.0	0.0	...	14.6
Government revenues (excluding grants, in percent of GDP)	15.9	14.0	17.0	15.3	18.6	17.8	16.9	17.9	18.1	20.2	20.4	18.5	18.7
Aid flows (in Billion of US dollars) 5/	0.2	0.4	0.3	0.2	0.6	0.3	0.3	0.3	0.0	0.0	0.0		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	0.6	2.1	1.0	0.8	0.7	0.1	0.0	0.0	...	0.5
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	37.1	35.4	32.5	33.0	35.2	100.0	...	...	...	53.3
Nominal GDP (Billion of US dollars)	8	15	17	25	26	28	32	36	40	49	83		
Nominal dollar GDP growth	47.0	83.0	14.9	45.7	4.7	9.1	14.3	10.8	10.8	3.9	6.8	17.3	10.7
Memorandum items:													
PV of external debt 7/	...	...	2.7	3.2	6.1	7.0	7.4	7.8	7.3	5.2	1.2		
In percent of exports	...	...	3.4	3.8	7.6	8.8	8.9	9.2	8.5	7.6	3.7		
Total external debt service-to-exports ratio	1.7	2.8	1.0	0.2	0.3	0.4	0.1	0.1	0.2	0.9	0.6		
PV of PPG external debt (in Billion of US dollars)			0.5	0.8	1.6	2.0	2.4	2.8	2.9	2.6	1.0		
(PVt-PVt-1)/GDPt-1 (in percent)				1.9	3.2	1.5	1.5	1.2	0.2	-0.3	-0.1		
Non-interest current account deficit that stabilizes debt ratio	31.2	-19.6	-10.0	-23.2	-13.5	-16.0	-24.5	-30.7	-21.1	-21.0	-7.8		

Definition of external/domestic debt	**Residency-based**
Is there a material difference between the two criteria?	**No**





Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as [r - g - ρ(1+g) + Ɛα (1+r)]/(1+g+ρ+gρ) times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, ρ = growth rate of GDP deflator in U.S. dollar terms, Ɛ=nominal appreciation of the local currency, and α= share of local currency-denominated external debt in total external debt.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief); changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Current-year interest payments divided by previous period debt stock.

5/ Defined as grants, concessional loans, and debt relief.

6/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

7/ Assumes that PV of private sector debt is equivalent to its face value.

8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

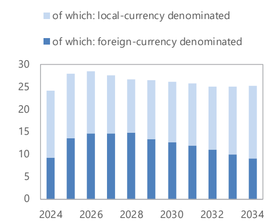
Table 2. Guyana: Public Sector Debt Sustainability Framework, Baseline Scenario, 2021–44

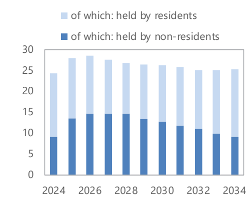
(Percent of GDP, unless otherwise indicated)

	Actual			Projections											Average 6/	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2044	Historical	Projections
Public sector debt 1/	**41.2**	**24.8**	**26.7**	**24.3**	**28.0**	**28.6**	**27.6**	**26.7**	**26.5**	**26.2**	**25.9**	**25.1**	**25.0**	**25.2**	**24.7**	**40.6**	**26.3**
of which: external debt	**17.1**	**10.7**	**10.5**	**9.0**	**13.6**	**14.6**	**14.6**	**14.7**	**13.3**	**12.7**	**11.9**	**11.0**	**9.9**	**9.1**	**2.9**	**22.1**	**12.2**
			16.2	15.2	14.4	13.9	13.0	12.0	13.2								
Change in public sector debt	-9.9	-16.3	1.8	-2.4	3.7	0.6	-0.9	-0.9	-0.2	-0.3	-0.3	-0.8	-0.1	0.2	-0.9		
Identified debt-creating flows	**-9.4**	**-13.6**	**2.6**	**-1.4**	**2.9**	**0.1**	**-0.8**	**-0.6**	**-0.7**	**-0.3**	**-0.2**	**-0.3**	**0.1**	**0.8**	**-0.7**	**-0.8**	**0.0**
Primary deficit	**6.4**	**4.8**	**5.4**	**7.0**	**4.5**	**3.8**	**3.5**	**2.4**	**2.0**	**0.4**	**0.4**	**-0.2**	**0.7**	**0.7**	**0.0**	**3.7**	**2.3**
Revenue and grants	16.2	14.3	17.1	15.3	18.8	17.9	17.0	18.0	18.2	20.5	19.4	20.4	20.2	20.2	20.4	**19.2**	**18.7**
of which: grants	0.3	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0		
Primary (noninterest) expenditure	22.6	19.0	22.4	22.3	23.2	21.8	20.5	20.3	20.2	20.8	19.8	20.3	20.9	20.9	20.4	**22.9**	**21.0**
Automatic debt dynamics	**-15.8**	**-18.4**	**-2.8**	**-8.4**	**-1.6**	**-3.8**	**-4.3**	**-3.0**	**-2.7**	**-0.6**	**-0.7**	**-0.1**	**-0.6**	**0.1**	**-0.7**		
Contribution from interest rate/growth differential	-12.7	-17.5	-4.4	-8.4	-1.6	-3.8	-4.3	-3.0	-2.7	-0.6	-0.7	-0.1	-0.6	0.1	-0.7		
of which: contribution from average real interest rate	-4.2	-1.6	1.9	-0.3	0.7	1.4	0.7	0.2	0.1	-0.3	-0.4	-1.1	-0.5	-1.1	-1.4		
of which: contribution from real GDP growth	-8.5	-16.0	-6.3	-8.1	-2.3	-5.2	-5.0	-3.2	-2.8	-0.3	-0.3	0.9	0.0	1.2	0.7		
Contribution from real exchange rate depreciation	-3.1	-0.8	1.6	...	...	...	...	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Privatization receipts (negative)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Debt relief (HIPC and other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Residual	**-0.5**	**-2.7**	**-0.7**	**-1.0**	**0.8**	**0.5**	**-0.1**	**-0.3**	**0.5**	**0.0**	**-0.1**	**-0.5**	**-0.2**	**-0.6**	**-0.2**	**-1.1**	**-0.1**
Sustainability indicators																	
PV of public debt-to-GDP ratio 2/	**...**	**...**	**18.9**	**18.4**	**20.5**	**21.0**	**20.5**	**19.8**	**20.5**	**20.7**	**20.8**	**20.5**	**20.8**	**21.4**	**23.0**		
PV of public debt-to-revenue and grants ratio	**...**	**...**	**110.6**	**120.3**	**109.2**	**116.9**	**120.2**	**110.5**	**112.5**	**100.9**	**107.4**	**100.3**	**102.7**	**105.5**	**113.2**		
Debt service-to-revenue and grants ratio 3/	**129.0**	**83.9**	**44.3**	**42.5**	**29.5**	**19.4**	**18.5**	**17.6**	**14.8**	**21.1**	**23.3**	**23.4**	**23.7**	**26.9**	**34.9**		
Gross financing need 4/	27.3	16.7	12.9	7.3	10.0	7.3	6.6	5.5	4.7	4.7	4.9	4.6	5.4	6.1	7.1		
Key macroeconomic and fiscal assumptions																	
Real GDP growth (in percent)	20.1	63.3	33.8	43.6	10.3	23.0	21.0	13.3	11.8	1.1	1.1	-3.4	0.0	-4.7	-2.8	**18.0**	**10.6**
Average nominal interest rate on external debt (in percent)	1.8	1.8	2.9	0.0	0.3	0.8	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.1	0.8	**1.8**	**0.8**
Average real interest rate on domestic debt (in percent)	-17.4	-9.9	17.6	-0.6	6.7	14.4	7.8	4.3	3.0	-0.7	-1.0	-5.6	-2.4	-5.8	-5.9	**2.9**	**1.8**
Real exchange rate depreciation (in percent, + indicates depreciation)	-15.9	-8.1	19.9	...	...	...	...	...	...	...	...	...	...	...	...	**4.5**	**...**
Inflation rate (GDP deflator, in percent)	22.4	12.1	-14.1	1.5	-5.1	-11.3	-5.5	-2.1	-0.9	3.0	3.4	8.6	5.1	9.0	9.9	**-0.2**	**0.5**
Growth of real primary spending (deflated by GDP deflator, in percent)	-2.5	37.4	57.7	42.7	14.8	15.3	13.8	12.4	11.1	4.2	-4.0	-1.0	3.0	-4.5	-4.0	**20.0**	**9.8**
Primary deficit that stabilizes the debt-to-GDP ratio 5/	16.3	21.1	3.6	9.4	0.8	3.2	4.4	3.3	2.2	0.6	0.7	0.6	0.8	0.4	0.9	**13.7**	**2.4**
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Definition of external/domestic debt	**Residency-based**
Is there a material difference between the two criteria?	**No**

Public sector debt 1/





Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The central government plus social security, government-guaranteed debt . Definition of external debt is Residency-based.

2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.

3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

4/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.

5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio ((-): a primary surplus), which would stabilizes the debt ratio only in the year in question.

6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Table 3. Guyana: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2024–34

(Percent)

	Projections 1/										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
PV of debt-to GDP ratio											
Baseline	3	6	7	7	8	7	7	7	6	6	5
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	3	3	3	4	4	5	5	6	6	6	6
B1. Real GDP growth	3	9	14	15	16	15	15	14	13	12	11
B2. Primary balance	3	7	8	9	10	9	9	9	8	8	7
B3. Exports	3	**44**	**112**	**104**	**99**	**94**	**91**	**85**	**78**	**72**	**66**
B4. Other flows 3/	3	24	**42**	**39**	**38**	**36**	**35**	**32**	30	27	25
B5. Depreciation	3	8	10	10	11	10	10	9	9	8	7
B6. Combination of B1-B5	3	**31**	**46**	**44**	**42**	**40**	**38**	**36**	**33**	30	28
C. Tailored Tests											
C1. Combined contingent liabilities	3	8	9	10	10	10	10	10	9	9	8
C2. Natural disaster	3	8	10	11	11	11	11	11	11	11	10
C3. Commodity price	3	15	24	23	23	22	22	21	21	20	19
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	30	30	30	30	30	30	30	30	30	30	30
PV of debt-to-exports ratio											
Baseline	4	8	9	9	9	8	9	8	8	8	8
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	4	3	4	5	5	5	6	7	8	8	9
B. Bound Tests											
B1. Real GDP growth	4	8	9	9	9	8	9	8	8	8	8
B2. Primary balance	4	9	11	11	11	10	11	11	11	10	11
B3. Exports	4	75	**299**	**265**	**247**	**230**	**232**	**219**	**217**	**206**	**205**
B4. Other flows 3/	4	30	53	47	44	41	41	39	39	37	37
B5. Depreciation	4	8	10	10	10	9	9	9	9	8	8
B6. Combination of B1-B5	4	40	39	60	57	53	52	50	49	46	46
C. Tailored Tests											
C1. Combined contingent liabilities	4	10	11	12	12	11	12	12	12	12	12
C2. Natural disaster	4	10	13	13	13	13	14	14	15	15	15
C3. Commodity price	4	23	35	31	30	27	27	27	28	27	28
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	140	140	140	140	140	140	140	140	140	140	140
Debt service-to-exports ratio											
Baseline	0	0	0	0	0	0	0	1	1	1	1
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	0	0	0	0	0	0	0	0	0	0	0
B. Bound Tests											
B1. Real GDP growth	0	0	0	0	0	0	0	1	1	1	1
B2. Primary balance	0	0	0	0	0	0	0	1	1	1	1
B3. Exports	0	1	3	5	4	4	10	**19**	**20**	**21**	**22**
B4. Other flows 3/	0	0	1	1	1	1	2	3	4	4	4
B5. Depreciation	0	0	0	0	0	0	0	1	1	1	1
B6. Combination of B1-B5	0	0	1	1	1	1	3	4	4	5	5
C. Tailored Tests											
C1. Combined contingent liabilities	0	0	0	0	0	0	0	1	1	1	1
C2. Natural disaster	0	0	0	0	0	0	0	1	1	1	1
C3. Commodity price	0	0	1	1	0	0	1	2	2	2	3
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	10	10	10	10	10	10	10	10	10	10	10
Debt service-to-revenue ratio											
Baseline	1	1	2	1	1	1	1	2	2	3	3
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	1	1	1	0	0	0	0	1	1	1	1
B. Bound Tests											
B1. Real GDP growth	1	2	3	1	1	2	2	4	5	6	6
B2. Primary balance	1	1	2	1	1	1	1	3	3	4	4
B3. Exports	1	2	7	10	9	9	**19**	**39**	**36**	**35**	**34**
B4. Other flows 3/	1	1	3	4	4	3	8	**14**	13	13	13
B5. Depreciation	1	2	2	1	1	1	1	3	3	4	4
B6. Combination of B1-B5	1	2	5	4	4	4	11	**15**	**15**	**15**	**15**
C. Tailored Tests											
C1. Combined contingent liabilities	1	1	2	1	1	1	1	2	2	3	3
C2. Natural disaster	1	1	2	1	1	1	1	2	3	3	3
C3. Commodity price	1	1	3	3	2	2	5	8	8	9	9
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	14	14	14	14	14	14	14	14	14	14	14

Sources: Country authorities; and staff estimates and projections.
1/ A bold value indicates a breach of the threshold.
2/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.
3/ Includes official and private transfers and FDI.

Table 4. Guyana: Sensitivity Analysis for Key Indicators of Public Debt, 2024–34 1/

(Percent)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
					PV of Debt-to-GDP Ratio						
Baseline	18	20	21	20	20	20	21	21	20	21	21
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	18	17	17	17	17	18	19	20	21	22	23
B. Bound Tests											
B1. Real GDP growth	18	21	23	23	23	24	26	27	27	29	30
B2. Primary balance	18	22	24	23	22	23	23	23	23	23	23
B3. Exports	18	**45**	**81**	**76**	**72**	**69**	**68**	**65**	**61**	**58**	**56**
B4. Other flows 3/	18	**38**	**56**	**52**	**50**	**49**	**48**	**46**	**44**	**42**	**41**
B5. Depreciation	18	18	17	16	15	15	14	13	12	12	11
B6. Combination of B1-B5	18	20	21	18	17	18	18	19	18	19	19
C. Tailored Tests											
C1. Combined contingent liabilities	18	27	26	24	23	24	24	24	24	24	25
C2. Natural disaster	18	30	29	27	26	26	27	27	27	27	28
C3. Commodity price	18	22	23	25	26	28	29	30	31	32	34
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL public debt benchmark	35	35	35	35	35	35	35	35	35	35	35
					PV of Debt-to-Revenue Ratio						
Baseline	120	109	117	120	111	112	101	107	100	103	105
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	120	93	95	100	96	100	94	103	103	108	112
B. Bound Tests											
B1. Real GDP growth	120	112	128	135	129	135	125	138	134	142	150
B2. Primary balance	120	118	135	136	123	124	111	118	111	113	116
B3. Exports	120	242	454	444	400	381	334	336	300	288	276
B4. Other flows 3/	120	204	311	307	277	268	235	238	215	209	203
B5. Depreciation	120	95	95	93	81	80	68	69	60	58	56
B6. Combination of B1-B5	120	105	114	105	97	100	90	96	90	92	95
C. Tailored Tests											
C1. Combined contingent liabilities	120	141	144	143	130	130	116	123	116	118	121
C2. Natural disaster	120	159	160	159	145	144	130	139	132	135	140
C3. Commodity price	120	131	146	167	159	161	145	154	150	157	166
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
					Debt Service-to-Revenue Ratio						
Baseline	43	29	19	19	18	15	21	23	23	24	27
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	43	26	17	17	18	20	24	31	36	41	47
B. Bound Tests											
B1. Real GDP growth	43	30	25	26	27	26	34	40	42	44	51
B2. Primary balance	43	29	29	34	29	24	28	30	30	30	33
B3. Exports	43	29	22	24	22	19	31	44	43	42	45
B4. Other flows 3/	43	29	21	22	20	17	28	35	34	34	37
B5. Depreciation	43	27	21	17	16	14	19	21	21	21	23
B6. Combination of B1-B5	43	28	22	18	17	14	21	23	23	24	27
C. Tailored Tests											
C1. Combined contingent liabilities	43	29	45	38	32	26	29	31	30	30	33
C2. Natural disaster	43	29	55	47	39	33	36	38	37	37	40
C3. Commodity price	43	32	24	20	31	36	44	51	52	53	59
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

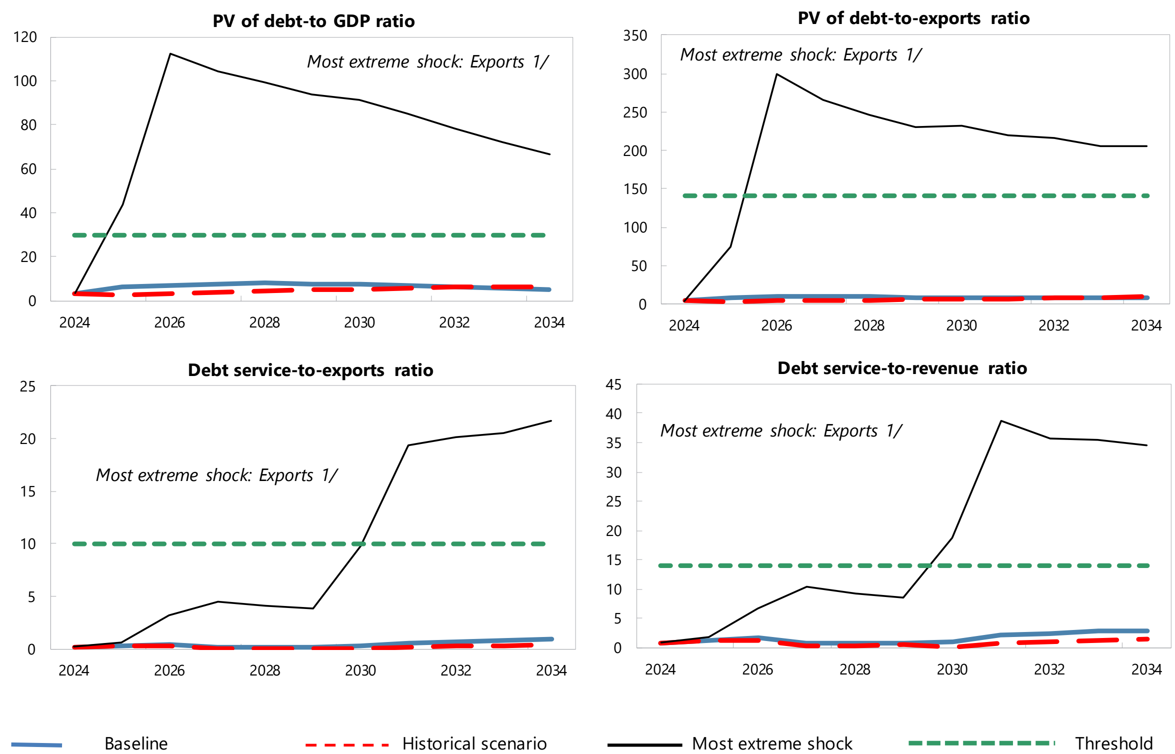
Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the benchmark.

2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.

3/ Includes official and private transfers and FDI.

Figure 1. Guyana: Indicators of Public and Publicly Guaranteed External Debt Under Alternative Scenarios, 2024–34



Customization of Default Settings	Size	Interactions
Tailored Stress		
Combined CL	No	
Natural disaster	n.a.	n.a.
Commodity price	No	No
Market financing	n.a.	n.a.

Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

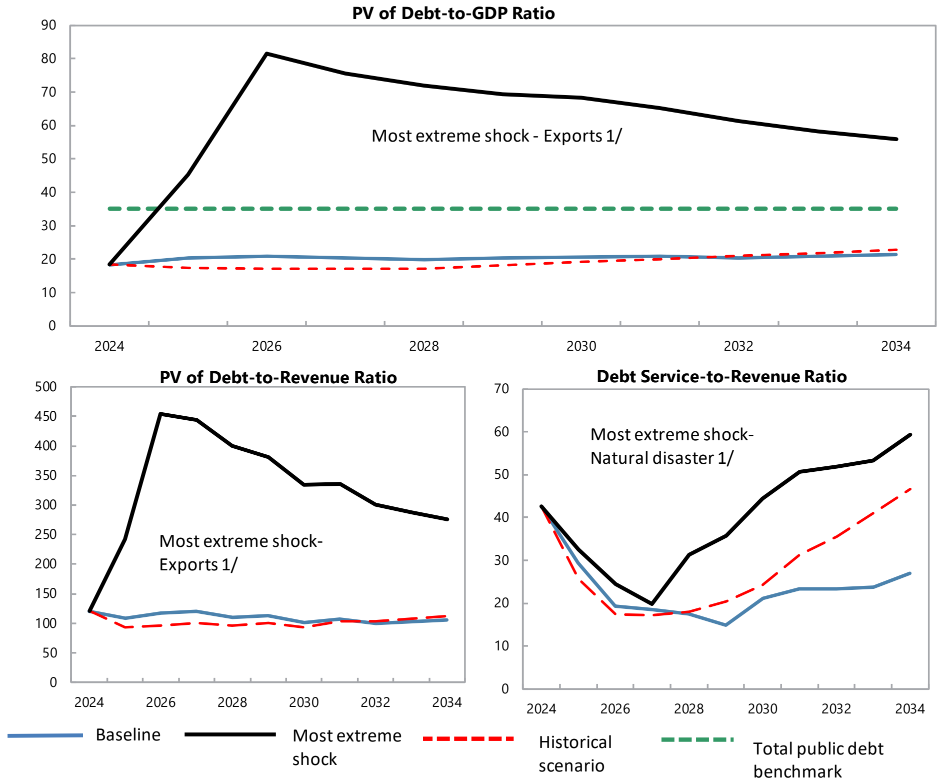
Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	1.2%	1.2%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	22	22
Avg. grace period	4	4

* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2034. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.
department.

Figure 2. Guyana: Indicators of Public Debt under Alternative Scenarios, 2024–34



Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	19%	19%
Domestic medium and long-term	11%	11%
Domestic short-term	70%	70%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	1.2%	1.2%
Avg. maturity (incl. grace period)	22	22
Avg. grace period	4	4
Domestic MLT debt		
Avg. real interest rate on new borrowing	3.9%	3.9%
Avg. maturity (incl. grace period)	2	2
Avg. grace period	1	1
Domestic short-term debt		
Avg. real interest rate	1.7%	1.7%

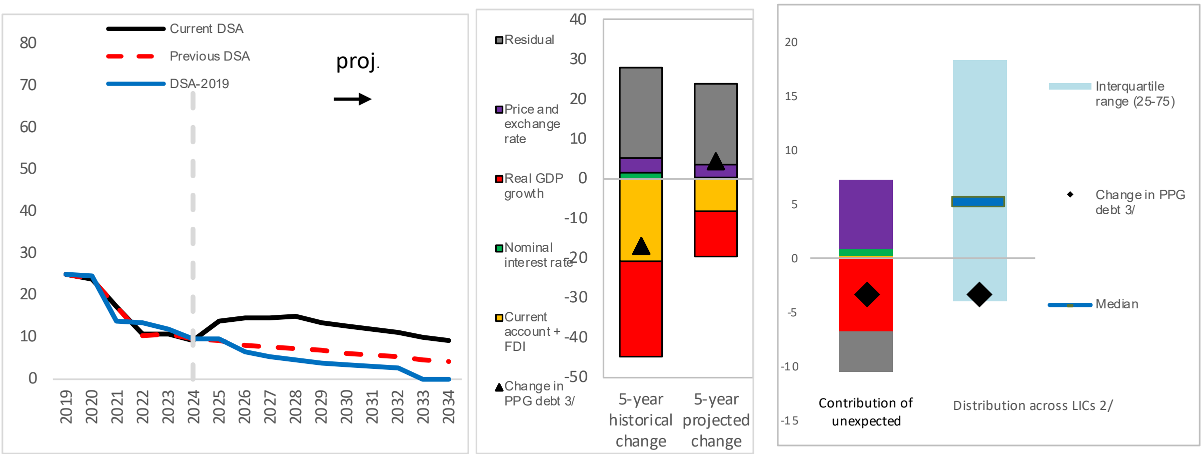
* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2034. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

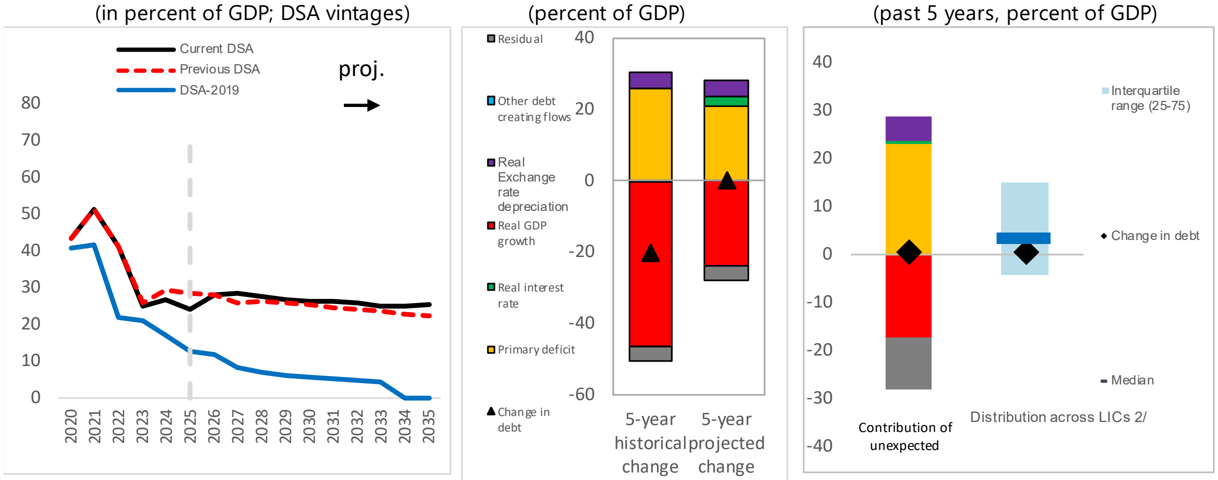
Figure 3. Guyana: Drivers of Debt Dynamics – Baseline Scenario External Debt

Gross Nominal PPG External Debt (in percent of GDP; DSA vintages) | Debt-creating flows (percent of GDP) | Unexpected Changes in Debt 1/ (past 5 years, percent of GDP)



Public debt

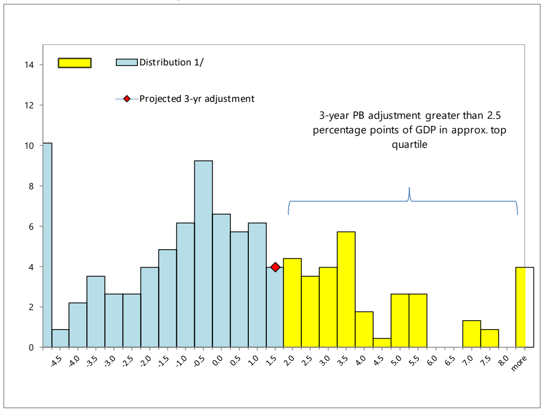
Gross Nominal Public Debt (in percent of GDP; DSA vintages) | Debt-creating flows (percent of GDP) | Unexpected Changes in Debt 1/ (past 5 years, percent of GDP)



1/ Difference between anticipated and actual contributions on debt ratios.
2/ Distribution across LICs for which LIC DSAs were produced.
3/ Given the relatively low private external debt for average low-income countries, a ppt change in PPG external debt should be largely explained by the drivers of the external debt dynamics equation.

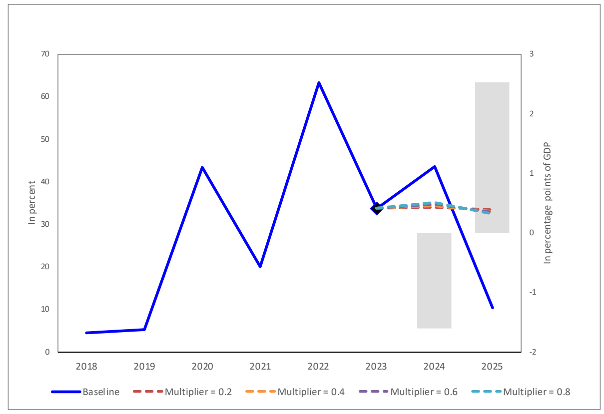
Figure 4. Guyana: Realism Tools

3-Year Adjustment in Primary Balance
(Percentage points of GDP)



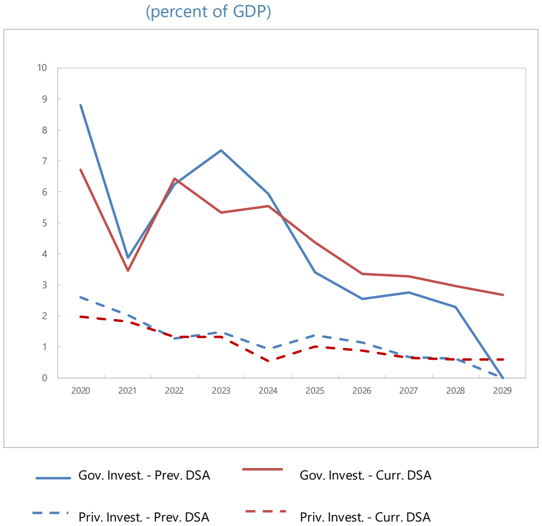
1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

Fiscal Adjustment and Possible Growth Paths 1/



1/ Bars refer to annual projected fiscal adjustment (right-hand side scale) and lines show possible real GDP growth paths under different fiscal multipliers (left-hand side scale).

Public and Private Investment Rates
(percent of GDP)



Contribution to Real GDP growth
(percent, 5-year average)

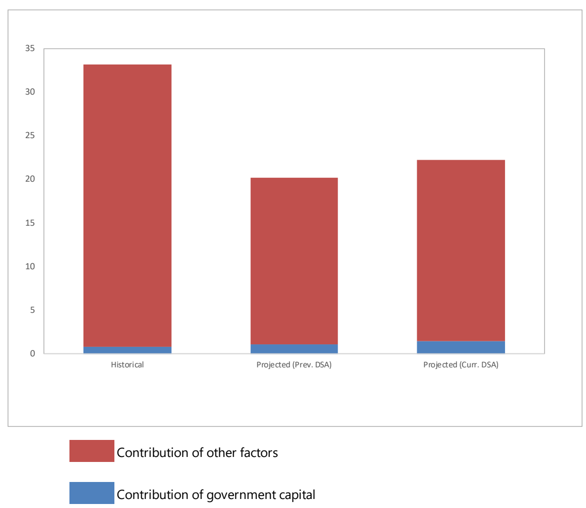
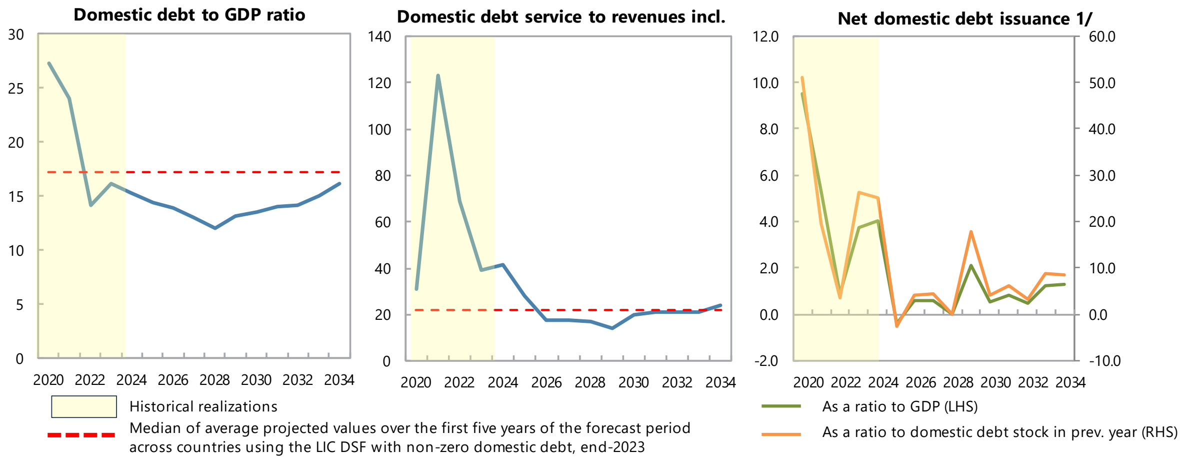


Figure 5. Guyana: Indicators of Domestic Public Debt, 2020–34

(Percent)



Borrowing Assumptions (average over 10-year	Value
Shares in new domestic debt issuance	
Medium and long-term	14%
Short-term	86%
Borrowing terms	
Domestic MLT debt	
Avg. real interest rate on new borrowing	3.9%
Avg. maturity (incl. grace period)	2
Avg. grace period	1
Domestic short-term debt	
Avg. real interest rate	1.7%

Sources: Country authorities; and staff estimates and projections.

1/ Net domestic debt issuance is an estimate based on the calculated public gross financing need net of gross external financing, drawdown of assets, other adjustments and domestic debt amortization. It excludes short-term debt that was issued and matured within the calendar year.

Statement by the IMF Staff Representative
May 2, 2025

This staff statement provides an update to the staff report on recent developments and does not alter the thrust of the staff appraisal. Risks to the outlook from a highly uncertain global environment are discussed in the staff report.

1. **Recent tariff announcements are expected to have a limited direct impact on Guyana amid increased external risks**. Under the April 2nd U.S. tariffs (paused for 90 days on April 9), Guyana will face a 38 percent tariff on its exports to the United States. However, only 2 percent of GDP in exports is subject to the tariff, as 90 percent of Guyana's exports to the United States—comprising almost entirely petroleum, with small shares of gold and aluminum—is exempt from the April 2nd tariffs (although aluminum faces a 25 percent tariff as per Section 232 of the Trade Expansion Act).

2. **A temporary oil price decline would have a limited impact on macroeconomic projections**. Compared to the staff report, the April 2025 WEO assumes on average about 5 percent lower oil prices over the medium term, with prices converging to the original projections by 2030. As discussed in the staff report, upside risks to oil production, Guyana's strong external position, the policy framework that smooths the oil price impact, the long-term nature of oil production plans, and Guyana's low breakeven oil price would largely limit the price effects.

3. **Recent developments do not alter the thrust of the staff appraisal**.

Statement by Mr. André Roncaglia, Executive Director for Guyana, Mr. Felipe Antunes, Alternate Executive Director, and Ms. Kimberly Roberts, Senior Advisor to Executive Director
May 2, 2025

On behalf of our Guyanese authorities, we thank the team led by Ms. Lusine Lusinyan and Ms. Alina Carare for their open and constructive dialogue during the 2025 Article IV consultation. The authorities also wish Ms. Carare all the best in her endeavors, as she completes her last Article IV consultation with Guyana and fully hands over to Ms. Lusinyan. The authorities look forward to working very collaboratively with Ms. Lusinyan.

The authorities welcome the report's recognition of Guyana's exceptional economic performance, sound macroeconomic management, and commitment to inclusive and sustainable development. The positive assessment of Guyana's fiscal institutions, financial system stability, and ongoing structural reform agenda is also appreciated. The report's indication that Guyana shows no clear evidence of Dutch disease underscores the government's firm stance on effectively and prudently managing the country's resource revenue. In this regard, authorities reiterate their commitment to pursuing sound macroeconomic management, sustainable development and inclusive growth.

Recent Macroeconomic Developments and Outlook

Guyana is undergoing a remarkable economic transformation. Previously one of the poorest countries in South America, experiencing very modest growth and exceptionally high debt, Guyana has emerged as the first Heavily Indebted Poor Country (HIPC) to reach high-income status. Between 2022 to 2024, the country recorded the highest average growth globally, reflecting not only substantial increases in oil production but also a steadfast focus on ensuring a competitive non-oil economy.

Economic performance continues to reflect strong momentum. Real GDP growth climbed to 43.6 percent in 2024, driven by a 57.7 percent expansion in real oil GDP and 13.1 percent increase in non-oil activity. The overall growth in the economy reflects expanding oil production, and robust performance in the construction, services, and agriculture sectors. Growth in the non-oil sector is being supported by strong domestic demand, rising private sector activity, increased public investment, and targeted interventions in key sectors such as agriculture and tourism.

The medium-term outlook remains highly favorable, underpinned by the government's emphasis on economic diversification. Guyana's growth strategy is supported by a clear policy framework focused on long-term savings, significant investments in critical areas, economic diversification, private sector development, and climate and forest conservation. As a result, growth is projected to remain robust. The authorities, however, remain vigilant to any emerging risks, particularly those associated with inflationary pressures, commodity price volatility, and climate-related shocks. To this end, Guyana continues to build macroeconomic buffers, maintain fiscal discipline, and foster resilience through structural transformation and diversification.

Fiscal Policy and Natural Resource Management

Narrowing the non-oil primary deficit in the medium term remains a priority. Guyana's current fiscal expansion is deliberate, reflecting strategic investment in infrastructure, human capital, and climate resilience, which is aligned with the Low Carbon Development Strategy 2030 (LCDS 2030). While this fiscal strategy is currently sustainable, the government will be making efforts to gradually reduce the deficit over time, bearing in mind the need to strike a balance between critical social spending and fiscal consolidation.

Guyana is committed to maintaining a disciplined fiscal stance with careful integration of oil revenues through the Natural Resource Fund (NRF). The revised NRF withdrawal rule, enacted in 2024, provides increased flexibility to support national development priorities. This approach is embedded in Guyana's 2025 national budget, which prioritizes targeted social transfers, including enhancements to old-age pensions, public assistance, and childcare, alongside major initiatives in education, healthcare and infrastructure. At the same time, Guyana continues to further strengthen its public financial management (PFM) systems and debt management strategy.

Debt sustainability remains robust, with low risk of debt distress and debt carrying capacity significantly strengthened. At 24.3 percent of GDP, Guyana's gross public debt is among the lowest globally, despite a significant ramping up of capital spending on critical infrastructure and social development. The accumulation of substantial NRF savings, which reached US$3.1 billion by the end of 2024 – covering the country's total external debt – also serves as a critical buffer against external shocks, further enhancing fiscal resilience. Accordingly, the IMF's customized stress test scenario demonstrates no breach of any external debt thresholds when these realities are reflected. We regret that the debt carrying capacity (DCC) assessment does not similarly capture this fundamental transformation underway in Guyana, thus unreasonably assessing Guyana's DCC as 'weak'. We see, therefore, room to reconsider the rigidity of the DCC assessment methodology, especially for countries with exceptional economic circumstances such as Guyana.

Monetary Policy and Financial Stability

The Bank of Guyana continues to implement a prudent monetary policy aimed at containing inflation and supporting economic stability. In 2024, the money supply expanded by 25.3 percent, primarily due to growth in net domestic assets, while inflation remained moderate at 2.9 percent. Authorities acknowledge the need to keep broad money growth more closely aligned with non-oil GDP, to manage excess liquidity and the potential for inflationary pressures. Accordingly, the Bank of Guyana continues to closely monitor for signs of overheating and inflationary risks, particularly in the context of broad money, wage growth, and increased demand for non-tradables. Should the need arise, further monetary tightening through open market operations and reserve requirements will be implemented.

The current de facto stabilized exchange rate regime has served Guyana very well and remains appropriate. The regime has supported price stability and investor confidence during a period of transformative growth. In the medium term, this framework will continue to provide an effective nominal anchor and mitigate volatility associated with oil flows. Looking ahead, authorities are open to studying a possible transition to a more flexible exchange rate arrangement that might support macroeconomic adjustment and competitiveness. However, any future adjustment will have to be carefully considered and weighed against domestic policy objectives, institutional readiness, and robust analytical support.

Guyana's financial sector remains sound, well capitalized, and liquid. The capital adequacy ratio exceeds regulatory requirements, non-performing loans have declined, and provisioning levels remain strong. The banking sector continues to play a critical role in supporting private sector credit growth, particularly in housing, agriculture and services.

To further safeguard financial stability, the authorities are enhancing supervisory tools and reforming the regulatory framework. The supervisory perimeter is being expanded to include non-bank financial institutions, and data collection on households and corporate balance sheets is being improved. Reforms are also underway to strengthen financial inclusion, digital payments infrastructure, and crisis management frameworks. Notable progress has been made in modernizing the payments system, including the expansion of the Guyana Automated Clearing House and the development of digital transfer mechanisms. These innovations are supporting greater efficiency, transparency, and access to financial services.

Structural Reforms and Inclusive Growth

Guyana is leveraging its growth momentum to build a diversified and resilient economy. Inclusive and resilient growth is on course to be achieved with ongoing broad- based structural reforms. In this regard, the government remains focused on reducing poverty; enhancing labor market participation; improving education, healthcare and infrastructure; and addressing gender disparities. In terms of infrastructure, major construction projects such as highways, bridges, hospitals, and schools are underway. These will help connect communities, boost trade, and lay a strong foundation for diversification.

Recent social transfer programs and tax reforms have been the most effective short- term measures in helping to address cost-of-living pressures. These measures have bolstered household incomes, enhanced equity, reduced vulnerability, and supported consumption. The authorities are working on further strengthening the targeting and efficiency of social transfers and look forward to working with development partners to enhance data quality and delivery systems.

Human capital development remains a priority. Guyana is actively delivering on its commitment to address labor shortages and skill mismatches. The government is actively addressing human capital gaps and delivering on its promise to provide free university education, roll out tuition-free technical and vocational training, and expand digital and physical infrastructure. The Local Content Act has also been instrumental in increasing employment and capacity-building within the domestic workforce. Acknowledging the importance of gender equity, the authorities continue to implement measures to increase women's labor force participation, improve childcare access, and close wage gaps.

Guyana is modernizing its financial sector to facilitate more inclusive economic participation and attract global investment. The legal and institutional framework of financial institutions is being modernized to be in closer alignment with international standards, improve efficiency, and attract foreign investment. Authorities have been taking steps to improve access to financing for small and medium-sized enterprises (SME). These reforms will ensure that entrepreneurs can access the capital needed to innovate, expand, and succeed. One of Guyana's main banks is leading the way on digital banking solutions, setting a precedent for other financial institutions.

Climate and Environmental Stewardship

Guyana continues to be a global leader in low-carbon development. The country's LCDS 2030 sets a blueprint for preserving Guyana's forests, building climate resilience, and promoting sustainable growth. The successful monetization of carbon credits, including the sale to private sector actors, has provided critical funding to Amerindian communities and sustainable development initiatives.

Guyana is making transformational investments in sustainable energy through the Gas-to-Energy Project. Supported by a $526 million loan, this initiative will more than double Guyana's energy generation capacity while significantly reducing the country's carbon footprint and dependence on fossil fuels. The Gas-to-Energy project is also set to significantly reduce electricity costs, expand access, and facilitate the transition to a cleaner energy mix. These efforts are integral to the government's strategy to reduce emissions while enhancing economic competitiveness.

Governance, Transparency, and Capacity Development

The government remains firmly committed to further strengthening governance, enhancing transparency, and combating corruption. Measures to continue modernizing revenue administration and public procurement systems are advancing. The publication of

NRF reports underscores Guyana's commitment to accountability and transparency. The government has also made notable strides toward achieving full compliance with the Extractive Industries Transparency Initiative (EITI) recommendations, including beneficial ownership transparency. The anti-money laundering and counter-financing of terrorism (AML/CFT) frameworks are also being enhanced, in alignment with the findings of the Caribbean Financial Action Task Force (CFATF). Moreover, Guyana is transitioning to digital governance platforms to enhance public procurement and service delivery, while reducing administrative burdens and the risk of fraud.

Capacity development will be a supporting pillar for Guyana's transformation. The Fund's technical assistance in statistics, revenue administration, and macroprudential policy is welcomed. In the near term, the authorities look forward to further collaboration on strengthening data, enhancing and developing tools to assess risks and protect the stability of Guyana's financial system, and reassessing the exchange rate framework.

Conclusion

Guyana is determined to utilize its natural resource revenue as a catalyst for sustainable, inclusive, and resilient development. The authorities recognize that this transformation must be underpinned by strong institutions, sound macroeconomic policies, and continued engagement with development partners. The government also remains cognizant of the challenges that accompany rapid resource-driven growth. As such, Guyanese authorities reiterate their commitment to maintaining a stable macroeconomic environment and ensuring that their resource endowment translates into tangible improvements in living standards for all Guyanese, while avoiding the pitfalls associated with resource dependency. As a valued partner in its development, the authorities look forward to collaborating very closely with the IMF, through capacity development and strong surveillance and policy support.