



Invest in Guyana

MANUFACTURING

LOCALLY MADE FOR GLOBAL TRADE





About Guyana's Manufacturing Sector

Contributes **4.24 %** to Guyana's National GDP

The Manufacturing sector is estimated to have grown by **3.5 percent** in 2021.

Total Exports Receipts
US\$ 2 billion (2021)

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

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

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

World Bank Doing Business 2020



Growth Strategy for Manufacturing

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



Targets for 2022

- Improved performance is anticipated for all manufacturing industries in 2022. Sugar, rice and other manufacturing are expected to expand by 11.8 percent, 28.6 percent and 8.5 percent, respectively.
- Further expansion in the manufacturing of non-metallic products like cement and chemical products, as well as in the manufacturing of fabricated metal products.

Why Invest?

Strategic Placement

Guyana enjoys favorable geographic, economic and cultural linkages with the Caribbean and South American markets.

Enabling Investment Environment

Guyana's leaders have declared Guyana 'open for business' and are taking steps to improve the investment climate.

Natural Resources

Rich mineral deposits, productive land, forests, seas and rivers which present robust and diverse investment opportunities.

Competitive Labour Market

Economical wage rates and diverse, trainable labour force with enhanced strategies established for capacity building and human resource development.

Duty-Free Market Access

Over 75% of Guyana's exports enter destination markets duty-free.

Stability

Predominantly English-speaking with Latin-American ties

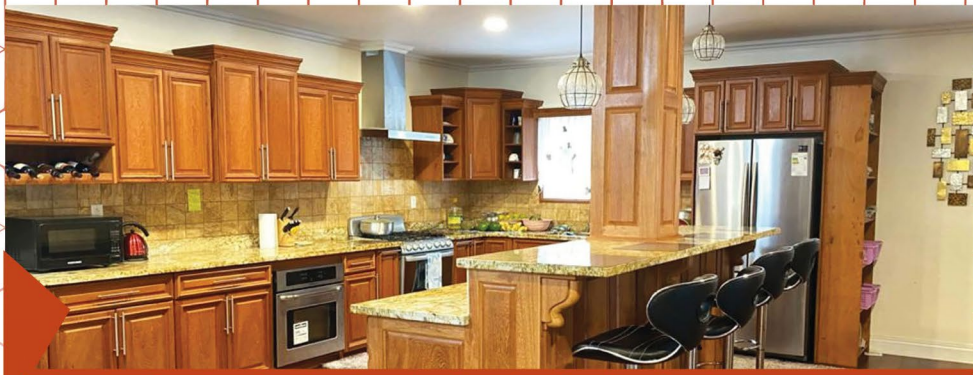
Language

Predominantly English-speaking with Latin-American ties.

Guyana's Comparative Advantage

Low 'time to market' / lead-time: Guyana's proximity to the U.S. Caribbean and Latin-American markets allows for shorter transit time vis-à-vis other exporting countries. This lead-time advantage is useful for companies aiming to find suppliers to meet their just-in-time delivery requirements.

Access to local inputs: Guyana's natural resources provide manufacturers with an abundance of locally available and affordable inputs for value-added products within varied industries including agro-processing, forestry, construction and mining.



Competitive cost of labour: Guyana has one of the lowest manufacturing wage rates in the Caribbean and Central America. Additionally, the workforce is highly diverse and trainable.

Availability of industrial parks: The Government of Guyana has invested in a number of industrial parks with installed infrastructure available at G\$1.00/US\$0.005 per square foot per annum and investment concessions for materials, vehicles, plant and machinery.

Budget 2022 Tax Measures

1. Parity in Tax Treatment for Local Content

- Ensuring that Guyanese business are not in a disadvantageous position relative to international counterparts in competing for contracts within the oil & gas sector.
- Ensuring Guyanese business can compete successfully under the new Local Content framework, improve competitiveness, secure business opportunities and create jobs for Guyanese nationals.

2. Support Renewal of the Industrial and Commercial Fleet

- Removal of the 10 percent excise tax as well as the 14 percent VAT on the importation of new motor trucks of any tonnage for transport.
- Removal of the VAT of 14 percent on the importation of new haulers for pulling containers or similar vehicles for pulling.
- Removal of 10% excise tax on the importation of new double-cab pickups below 2000 cc.
- Reduction of excise tax from 110% to 75% for new double-cab pickups between 2000 and 3000 cc.
- Removal of 10% excise tax on the importation of new single cab pickups below 3000 cc.

3. Reducing the Cost of Cranes, Safety Equipment, and Oil Spill Equipment

- Removal of the 14 percent VAT on cranes, safety equipment, and oil spill response equipment

4. Advance Tax on Resident Contractors

- Removal of the 2 percent withholding tax on resident contractors.

Investment Projects

Traditional:

- Agricultural Products - Rice, Sugar
- Forest Products
- Extractive – Gold, Bauxite, Diamonds
- Pharmaceutical Industry
- Food & Beverage Industry
- Basic Consumer Items
- Jewelry Manufacturing

Value-added, Export-oriented Industries:

- Agro-industry products - processing, canning and bottling of agricultural produce
- Value-added/manufactured forest products - furniture, flooring, doors, plywood, veneer, etc.
- Construction
- Chemical Industry - fertilizers and insecticides; paints; soaps
- Paper related Products
- Building Materials - stone, cement, clay blocks, tiles, glass, glass products
- Sand - beach sand, golf sand, glass sand etc.
- Industrial Materials - counter tops, fiber glass
- Leather and Allied Product Manufacturing
- Printing and Publishing
- Packaging
- Metal Fabrication
- Foundry
- Machine-Related Products
- Household Products
- Water Suppliers
- Livestock Feed Industry
- Garment Industry
- Apparel Industry
- Restaurants
- Craft
- Ceramics
- Energy

Other Investment Opportunities include:

► The manufacture of

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

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

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

- Manufacturers, to the satisfaction of the Commissioner General that export more than 50% of all its products qualify for the exemption from the payment of Customs Duty and zero-rating of Value-Added Tax.
- Manufactures of flour and poultry feed also qualify for Customs Duty exemption and zero-rating of Value-Added Tax.
- All other approved manufacturers are exempted from Customs Duty on import raw and packaging materials.

Economic Incentives for Trade

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

Incentives for Trade include:

- Exemption from Custom Duty on a wide range of process machinery and equipment, including packaging equipment and raw materials for manufacturing companies registered under the VAT Act.
- Exemption from import duty and VAT on packaging materials for the manufacturing of exempt items by manufacturers registered under the VAT Act.
- Exemption from Custom Duty on a wide range of process machinery and equipment including packaging equipment, fruit processing, sewing machines, food processing and poultry feed.
- Exempt from Custom Duty on a wide range of auxiliary equipment- boiler, fork-lifts, scales for continuous weighing, conveyors.
- Exemption from Customs Duty on raw materials and packaging materials used in the production of goods by manufacturers.
- Zero rate VAT on bags for packaging of goods.
- Exemptions from duties and taxes for items covered under an Investment Agreement.
- Exemption from Custom Duty and zero rate VAT on raw materials and packaging for manufacturers who export 50% or more of their products.
- Removal of VAT on Building and Construction Materials, on Electricity and Water and Machinery and Equipment.
- For businesses registered with the Small Business Bureau, a reduced rate of income and corporate tax rates of 25% on taxable profits.
- For businesses registered with the Small Business Bureau, support through various initiative including small business grants, training opportunities and incubator centres.
- Ease of doing business through the digitization of the licensing process and the reduction of processing of export/import licenses.
- Export allowance extended to exporters of non-traditional products who are paid in a recognized tradable currency.



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