

GUYANA

By Bernard Crawford

The year under review saw some positive developments even though there would be some time before the hoped-for thaw in relations between the government and the main Opposition Party would be achieved – an eventuality which seems very likely in 2003.

The Guyana economy again recorded positive growth in real GDP, this time of 1.1% as compared with 1.9% in 2001, due mainly to enhanced productivity of sugar and the appreciation of the euro against the US dollar. Output of rice, on the other hand, which grew by 10% in 2001 decreased by 10.7% in 2002. Forestry appears to have held its own during the period under review. Manufacturing increased by 2% as against 0.2% in 2001.

During 2002 *per capita* GDP increased to US\$797 compared with US\$777.5 in 2001. The Guyana dollar depreciated against the US dollar by 1.2% as against 2.6% in 2001. The inflation rate was said to be 6.1%, up from a target of 5.0% and an actual rate of 2.6% in the previous year. Relations with the private sector continued, in general, to be good in spite of worrying levels of crime and even though there is, as yet, no settled position on the National Development Strategy. It was agreed that the draft Investment Code needed to be revised.

Mining and Quarrying declined by 7.0% in 2002 reflecting decreased gold production from Omai and others, and in spite of an increase of some 35% in the extraction of gem-quality diamonds. Medium-scale gold operations have continued to be a significant participant. Omai has been making great efforts to identify new gold reserves but so far without any major breakthroughs. The mine contributed approximately 319,000 oz or 73% of total Guyana gold production in 2002 as against some 354,000 oz or 78% in 2001.

Diamond production increased by some 38% in 2002 once again due largely to technology first introduced from Brazil.

Vanessa Ventures of Canada continued reconnaissance in 2002 in the Marudi Mountain area and has been seriously assessing its results. The company's operation at Maple Creek using 'heavy media separation' has been yielding good results both technologically and in terms of production. Very promising results have also occurred during the Migrate (South Africa) programme in the southern part of Guyana. In addition, North American Resources (NARIL) as well as BHP (in association with Golden Star Resources and Barama, as contractors) continued to operate during the period under review.

Regarding bauxite, faced with a significant slump in prices and very strong competition worldwide, Aroaima Bauxite Co. (formerly a 50:50 joint venture between the Guyana Government and Alcoa and now wholly state-owned) as

well as the other two Guyana bauxite companies (Linden Mining Enterprise and Berbice Mining Enterprise, respectively) faced considerable challenges during 2002. Omai (a subsidiary of Cambior of Canada) pursued stripping and mining of bauxite (mainly calcined refractory) under contract with Linden Mining Enterprise Ltd (Linmine) while negotiations continued with a view to Cambior becoming managing partner of a restructured Linmine.

During the period under review Berbice Mining Enterprise Ltd (Bermine) was restructured and put under Aroaima management (with the general manager of Aroaima being made Managing Director of Bermine), the eventual aim being to effect a complete merger (and not merely a management merger) of the two companies in the interest of greater synergy and financial control, as well as enhanced viability.

Guyana Mineral Production

	2000	2001	2002
Bauxite ('000 t)			
-metallurgical	2,386	1,682	1,534
-calcined refractory	106	91	62
-other	195	238	105
TOTAL	2,687	2,011	1,701
Gold (oz)	435,248	456,090	436,671
Diamonds (ct)	85,127	179,463	248,437