



December 6, 2019

Guyana: An Overview

Located on the north coast of South America, English-speaking Guyana has characteristics common of a Caribbean nation because of its British colonial heritage—the country achieved independence from Britain in 1966. Guyana participates in Caribbean regional organizations and forums, and its capital of Georgetown serves as headquarters for the Caribbean Community (CARICOM), a regional integration organization. Current congressional interest in Guyana is focused on the conduct of general elections planned for March 2020, at a time when the country is poised to become a major oil producer.

The opposition People’s Progressive Party/Civic (PPP/C), led by former Prime Minister Bharrat Jagdeo (1999-2011), has 32 seats in the National Assembly. Traditionally supported by Indo-Guyanese, the PPP/C governed Guyana from 1992 until its defeat in the 2015 elections.

Figure 1. Map of Guyana



Source: CRS.

Current Political Environment

Guyana has a hybrid republican/parliamentary form of government. The presidential candidate of the party or coalition receiving the most votes becomes president; the president in turn appoints the prime minister.

President David Granger leads a coalition that narrowly won in 2015, with 33 of 65 seats in the unicameral National Assembly. The coalition consists of Granger’s A Partnership for National Unity (APNU) and the Alliance for Change (AFC), led by Prime Minister Moses Magamootoo. The largest party in the APNU is the People’s National Congress Reform (PNCR), which dominated the political system from independence until the early 1990s; the party traditionally has had an Afro-Guyanese base of support. In contrast, the AFC identifies as a multiracial party.

Guyana at a Glance

Population: 782,000 (2018, IMF est.)
Ethnic groups: Indo-Guyanese, or those of East Indian heritage, almost 40%; Afro-Guyanese, almost 30%; mixed, 20%; Amerindian almost 11% (2012 est. CIA)
Area: 83,000 square miles, about the size of Idaho
GDP: \$3.9 billion (current prices, 2018 est., IMF)
Real GDP Growth: 4.1% (2018 est.); 4.4% (2019 est.) (IMF)
Per Capita GDP: \$4,984 (2018 est., IMF)
Life Expectancy: 69.6 years (2017, WB)
Sources: International Monetary Fund (IMF); Central Intelligence Agency (CIA), World Bank (WB).

March 2020 Elections

Originally due by September 2020, Guyana’s next national elections are now scheduled for March 2, 2020, because the ruling APNU/AFC coalition lost a no-confidence motion in December 2018. The coalition lost the motion by a vote of 33-32 when an AFC member crossed the aisle to oppose the government. A legal challenge to the no-confidence vote ensued and ultimately made its way to the Caribbean Court of Justice (CCJ). In June 2019, the CCJ ruled that the no-confidence vote was valid. The opposition had wanted elections to be held by September 2019, three months after the CCJ’s ruling. President Granger delayed announcement of the vote until the Guyana Elections Commission indicated in September 2019 that it would be ready to hold the elections by February 2020. The government has approved several international organizations to serve as electoral observers, including the Organization of American States.

President Granger is running for reelection as the presidential candidate of the APNU/AFC coalition, with AFC Member of Parliament and Minister of Security Khemraj Ramjattan the candidate for prime minister. Granger was diagnosed with non-Hodgkin’s lymphoma in November 2018 and received treatment in Cuba; in October 2019, Guyanese officials announced that Granger was in remission. The PPP/C has selected Irfan Ali as its presidential candidate. Ali currently serves as shadow finance minister and previously served as housing minister. Past general elections in Guyana suggest the 2020 race will be close, but some analysts contend the APNU/AFC’s

multiparty and cross-ethnic coalition is likely to sustain the Granger government in power.

Oil Changes Guyana's Economic Outlook

Guyana's economy traditionally has been based on agriculture (rice and sugar) and mining (gold and bauxite), but it is being bolstered by the discovery of significant amounts of offshore oil. ExxonMobil leads a consortium that includes Hess and China National Offshore Oil Corporation and has been involved in oil and gas exploration in Guyana since 2008. Since 2015, the consortium has identified 14 commercially viable discoveries in the Stabroek Block, about 120 miles offshore. Production is expected to begin in December 2019, reaching 120,000 barrels of oil per day (b/d) within several months and more than 750,000 b/d by 2025. Recoverable oil is estimated at more than 6 billion barrels.

The discovery of offshore oil vastly changes the economic development prospects of Guyana, which used to be one of the hemisphere's poorest countries. Economic growth averaged almost 3.2% from 2015 to 2018 and is forecast to be 4.4% this year, according to the International Monetary Fund (IMF). With the beginning of oil production, however, the IMF is forecasting almost 86% growth in 2020, with GDP almost doubling to \$8.1 billion and per capita income growing to over \$10,000.

Guyana's development of its oil resources has raised concerns about corruption and the tendency of some oil-rich countries to favor oil sector development over other economic sectors. In early 2019, Guyana's National Assembly approved legislation providing a framework for the establishment of a Natural Resource Fund for managing Guyana's oil wealth. The IMF welcomed the action but called for Guyana to take additional actions, including establishing a fiscal responsibility framework to avoid fiscal deficits; promoting effective, transparent management of the oil wealth; and strengthening anti-corruption efforts.

U.S.-Guyana Relations

U.S. relations with Guyana have improved since the early 1990s, when the government moved away from its socialist orientation and one-party domination of the political system and embraced a market economy and free and fair democratic elections. According to the State Department, U.S. policy toward Guyana centers on democracy promotion and civil society development, economic growth, and the promotion of security and stability.

Bilateral relations are characterized by close security cooperation through the Caribbean Basin Security Initiative (CBSI) and expanding trade and investment in the energy sector. As noted above, ExxonMobil and Hess are currently involved in the development of Guyana's offshore oil reserves. Reflecting growing U.S. commercial interest in Guyana, an American Chamber of Commerce in Guyana was launched in August 2018.

Trade. The United States ran a trade surplus of \$287 million with Guyana in 2018, with U.S. exports valued at \$540 million, up 43% from 2017 (led by machinery, iron/steel pipes for oil drilling, and electrical machinery)

and U.S. imports valued at almost \$253 million (led by gold, seafood, and aluminum ores). In 1988, Guyana became a beneficiary of the Caribbean Basin Economic Recovery Act (CBERA), a preferential trade program for Caribbean imports. In 2000, it became a beneficiary of the Caribbean Basin Trade Partnership Act (CBTPA), a program that provides enhanced tariff treatment for certain imports from the region, including goods made with U.S. yarns, fabrics, and threads. CBERA has no set expiration date; CBTPA expires in September 2020.

U.S. Foreign Aid. U.S. foreign assistance to Guyana includes a small bilateral aid program to improve the capacity of Guyana's security forces to police its border and provide security, as well as larger spigots of assistance through global and regional programs. According to the U.S. Agency for International Development (USAID), U.S. aid to Guyana amounted to \$5.4 million in FY2017 (latest full year available), with almost half of that for programs to combat HIV/AIDS. Guyana has received assistance to combat HIV/AIDS over the past 16 years under the President's Emergency Plan for AIDS Relief.

Guyana also receives U.S. assistance through the CBSI, a program begun in 2009 to help combat the drug trade and other transnational crime and improve citizen security. Support for Guyana under the CBSI has included

- the provision of patrol boats to increase the defense force's maritime operations capability;
- a community-based program to reduce crime and violence and increase opportunities for youth;
- support for effective criminal investigations; and
- workforce development and educational support for at-risk youth.

The Peace Corps has a program in Guyana currently staffed with over 60 volunteers working on education, health, and environmental projects.

According to USAID, the United States also provided almost \$3.6 million in humanitarian assistance from FY2017 to FY2019 through international organizations for Venezuelan migrants in Guyana. As of early 2019, there were over 36,000 Venezuelan refugees and migrants in Guyana, according to the United Nations.

Congressional Interest. As Guyana approaches its March 2020 elections, some Members of Congress have stressed the need for the plebiscite to be free, fair, and fully transparent, particularly as the next government is poised to gain considerable proceeds from oil. In addition, legislation has been introduced in both houses to extend the CBTPA until September 2030 (H.R. 991 and S. 2473).

Mark P. Sullivan, Specialist in Latin American Affairs
Angel Carrasquillo Benoit, Research Associate

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.