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THE INDUSTRIAL DEVELOPMENT OF GUYANA

prepared by the
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Note: The original Spanish text of this document has been distributed as an official document of the International Symposium on Industrial Development.

EXPLANATORY NOTE

Resolution 250 (XI) of 14 May 1965, adopted by the Economic Commission for Latin America (ECLA) at its eleventh session, requested the Latin American Governments "to prepare national studies on the present status of their respective industrialization processes for presentation at the regional symposium". With a view to facilitating the task of the officials responsible for the national studies, the ECLA secretariat prepared a guide, which was also intended to ensure a certain amount of uniformity in the presentation of the studies with due regard for the specific conditions obtaining in each country.

Studies of the industrial development of fourteen countries were submitted to the Latin American Symposium on Industrial Development, held in Santiago, Chile, from 14 to 25 March 1966, under the joint sponsorship of ECLA and the Centre for Industrial Development, and the Symposium requested ECLA to ask the Latin American Governments "to revise, complete and bring up to date the papers presented to the Symposium".

The work of editing, revising and expanding the national monographs was completed by the end of 1966 and furthermore, two new studies were prepared. The ECLA secretariat attempted, as far as possible, to standardize the presentation of the reports, in order to permit comparison of the experience of the different countries with regard to specific problems, particularly in the field of industrial policy.

The national studies on industrial development, to be presented to the International Symposium relate, in alphabetical order, to the following countries: Argentina, Bolivia, Brazil, Central America, Chile, Colombia, Cuba, Ecuador, Guyana, Mexico, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay and Venezuela.

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FOREWORD

The development of the manufacturing sector of the economy of Guyana has been noticeable since the early 1950's. The Symposium required a broad and detailed picture of the process of its development, an indication of the problems experienced and the perspective for the future. It had not been practicable to fulfil this requirement, completely. While the broad outline has been indicated to some extent, the details have been patchily worked out. This has been marked in the section on industrial financing and those relating to the development of major sectors which form the basis of ECLA's industrial studies. The scantiness of available data is most striking here.

There has been no manufacturing census, as such, in this country. The Statistical Bureau in association with the Manpower Survey Office will soon be launching the first of such censuses. This would add, significantly, to the existing stock of data on industry. With periodic reviews, the situation should be kept well in hand. A Manpower Sample Survey, carried out in March 1965 made certain enquiries on the industrial process. This had been one of the main sources of information for this report; but it is restricted in scope.

Another deficiency is reflected in the report. The format suggested by the Secretariat was not completely followed. Questions of industrial credit policy, for instance, were treated under problems and characteristics of manufacturing industry instead of under Chapter 3, the former arrangement was more convenient. However, these shortcomings apart, the report would be useful at this juncture of the country's economic history in focussing attention on the magnitude of the problems to be overcome in industrializing an essentially agricultural economy; with a labour force growing at a pace and the provision of employment opportunities not such an easy matter, as it might superficially appear to be.

The manufacturing sector excludes the calcining and alumina processing of bauxite. These are bracketed under mining and quarrying. Construction and Engineering activities, too, have been excluded. The series available are discontinuous and inadequately grouped to be useful in this enquiry.

U.S. Currency unit had been used for international comparisons at Table 1 in the text. (US\$1 = W1\$1.69). Otherwise, W1\$ have been used.

I am grateful to a number of persons for assistance. Mr. Gavin B. Kennard, General Manager, Guyana Development Corporation, Mr. O.C.J. Francis, U.N. Statistician of the Manpower Survey Office and Mr. Hope of the Statistical Bureau for assistance on statistical data and conversations. Mr. Eric Rodrigues (Manager of Royal Bank of Canada) and Mr. J.K. Christie (Manager of Barclays Bank) facilitated interviews on the role of the commercial Banks in industrial financing. Mr. I.P. Andren, Chief Planning Officer for papers on finance, and a number of local industrialists for discussions on various aspects of industrial problems. Mrs. Olga L. Price and Miss Sybil Williams performed all the typing and compilation of the report.

The bias and error, which may still be found in this report, despite the assistance received, is solely my responsibility.

Sydney A. Goring.

/Chapter I

Chapter I

SUMMARIES OF PROBLEMS AND SUGGESTIONS

The process of industrial development, as reflected in the growth of the manufacturing sector, has not shown any significant change in 1964 compared with what the situation had been in the 1950's. Over the past two years, the Guyana Development Corporation has sponsored a number of manufacturing enterprises. Many of these are still in the formative and construction stage, consequently their impact upon the existing industrial structure has, until now, being hardly felt. However, given the indications of new products to be manufactured locally, and the hope that their manufacturing becomes a reality, definite changes in the existing structure could be expected in the future.

The failure of the manufacturing sector to expand in keeping with a rapidly growing labour force is aggravating the general and special cases of localized unemployment. The need to grapple quickly with the situation is pressing. But in terms of long-term viability of the economy, the problems have to be properly conceived and solved. The industrial mission now in the country has this objective in view.

Recent efforts to sponsor manufacturing enterprises have revealed a number of inhibiting factors on manufacturing growth. The problem of markets for processed items of a traditional nature - rice for instance, is recognized. However, while by itself it is controlled within bounds, the general problem of markets for a wider range of manufactured products when these would have become available, is still to be planned for. Guyana's trading pattern has been changing in recent years, traditional markets are contracting but new ones are not substituting these so readily. Effort would have to be intensified in this direction.

The existing financial institutions and other credit facilities are not geared to cope with the financial requirements of the "small man". There is need for a special institution to be established for this purpose. Perhaps, this implies an additional measure of subsidisation for industry.

The problem of utilizing a level of technology in keeping with the level of development of the economy, is a moot one, indeed. Again, the experience of the recent past has indicated the difficulty, in many instances, of applying highly productive equipment within manufacturing, in relation to the small market size. Unless the markets would grow, a deterrent against new enterprises establishing themselves would always exist. The situation is pointing to the need for a research institute within the Latin American region as a whole, where machines of appropriate sizes could be invented and developed. The same consideration would hold for the investigation of complex chemical processes associated with the establishment of new products.

To develop the breed of industrial craftsmen and management personnel required to expand the manufacturing sector is a costly business which also takes time. There is the need too, of providing infrastructural facilities and more liberal incentives to the private sector. These imply a rise in the level of communal subsidies to industry. Where Governments depend on popular votes, expenditure on social services have to be provided at the same time. Recent experience in many developing countries do not fail to indicate what is likely to happen to Governments which ride rough-shod over this factor. If all these demands are to be satisfied, then the volume of investment capital required is large, indeed. There would appear to be a limit above which the developing country with slender resources could go. Perhaps, some form of collaborated assistance fund within the region could provide some contribution to the solution of the problem.

Chapter II

PAST TRENDS

1. Recent phases of economic growth

(a) Output at current prices

The period 1954-1964 as a whole indicated an average annual growth rate of 6 per cent for the gross domestic product. There had been, however, significant variations in the rate of economic growth over the different years. (Table 1)

The irregular rates of annual increases suggest a four-phased division of the decade with the economy wavering between periods of growth, stagnation and regression. The first phase - the pre-1957 period - showed a performance almost as high as the average annual level, of about 5.5 per cent, concentrated over the three years, 1955-1957. The year 1954-1955 indicated stagnation. In the second phase 1957-1959, the situation worsened from what it was in 1954 into a regression. However, a significant period 1959-1961 followed, with expansion reflecting a growth rate of almost 20 per cent over 1959-1960. Finally, came the period 1961-1964 with the level of average increase no higher than about 3 per cent per annum.

The phases mainly reflect changes in the volume and prices of the principal export commodities, as well as periods of industrial strikes and political uncertainty. Sugar benefitted from assured markets under the Commonwealth Sugar Agreement and from new outlets in the U.S.A. The West Indian Market bought rice at a price about 25 per cent above the world price. The international markets for bauxite and alumina were booming. (See tables 2 and 3.)

(b) Output in real terms and growth of sectors

Deflators of national income series are available only from 1960 through to 1964. From the table below, the gross domestic product in real terms showed an average rate of increase of 2.1 per cent annually.

Table 1

GROSS DOMESTIC PRODUCT AND PER CAPITA GROSS DOMESTIC
PRODUCT AT FACTOR COST 1954-1964

(US\$ at current prices)^{a/}

Year	Total gross domestic product		Per capita gross domestic product (dollars at current prices)
	(millions of dollars at current prices)	(millions of dollars at 1960 prices)	
1954	114.7	-	-
1955	114.7	-	-
1956	124.0	-	254
1957	134.1	-	266
1958	126.9	-	244
1959	130.1	-	242
1960	155.9	155.9	285
1961	171.4	166.0	306
1962	181.2	169.7	316
1963	160.8	143.9	309
1964	184.0	165.4	334

Source: Guyana: Statistical Bureau.

a/ W1\$1.69 = US\$1.

Table 2

GUYANA: VOLUME OF PRODUCTION OF SPECIFIC COMMODITIES

Products	Unit	1955	1957	1959	1960	1961	1962	1963	1964
Sugar	Tons	250	285	284	334	325	326	317	258
Rum	Millions of gallons	2.80	3.50	2.90	2.90	2.79	2.75	2.54	3
Rice	Thousands of lbs.	87	78	104	126	124	130	103	156
Bauxite	Millions of tons	2.44	2.20	1.67	2.47	2.37	3.04	2.34	2
Alumina	Thousands of tons	-	-	-	-	120	277	222	292
Manganese	Thousands of tons	-	-	-	-	212	271	140	117
Gold	Ounces	24	17	3.4	2.4	1.7	1.9	2.8	2
Diamonds	Thousands of carats	33	29	62	101	113	100	100	107
Timber	Millions of cubic feet	7.10	7.18	6.63	6.79	7.14	6.27	5.26	6
Cigarettes	Thousands of pounds	630	688	703	743	776	773	636	792
Matches	Thousands of gross bxs.	165	126	160	190	191	136	169	203
Margarine	Millions of pounds	0.24	1.32	1.53	1.67	1.71	1.71	1.56	1
Soap	Millions of pounds	4.12	4.78	3.75	4.09	4.00	4.06	4.07	4
Beer	Thousands of gallons	-	360	733	874	760	853 ^{a/}	681	862
Edible oil	Thousands of gallons	768	680	445	682	925	816	619	878

Source: Statistical Bureau.

^{a/} Includes Stout.

/Table 3

Table 3

EXPORTS OF SPECIFIC COMMODITIES 1956-1964

Year	Sugar		Rice		Bauxite		Alumina		Diamonds		Rum		Timber		Molasses	
	Quantity (000 tons)	Value (\$m)	Quantity (000 lbs.)	Value (\$m)	Quantity (000 tons)	Value (\$m)	Quantity (000 tons)	Value (\$m)	Quantity (000 carat)	Value (\$m)	Quantity (000 glns.)	Value (\$m)	Quantity (000 c.ft)	Value (\$m)	Quantity (000 cwt.)	Value (\$m)
1956	246	41.6	92 670	9.9	2 108	29.3	-	-	30	1.3	2 616	3.8	1 418	3.2	776	1.0
1957	256	53.6	85 485	9.2	2 021	29.5	-	-	28	1.4	2 816	4.10	1 600	3.5	1 154	2.2
1958	300	54.7	39 596	4.8	1 364	20.6	-	-	31	1.4	2 455	3.5	1 664	3.6	1 566	2.6
1959	255	46.4	111 839	12.5	1 515	24.8	-	-	61	3.0	2 192	3.5	1 488	3.3	1 544	2.3
1960	309	57.5	141 524	15.4	2 095	29.5	-	-	92	4.8	1 901	3.0	1 584	3.5	1 971	2.7
1961	313	56.8	202 153	22.6	1 617	28.5	120	12.1	121	5.1	1 898	3.1	1 356	3.0	1 764	2.7
1962	310	59.3	178 009	20.5	1 832	31.1	215	22.7	91	3.7	1 823	3.2	1 600	3.0	1 818	3.0
1963	273	73.6	160 543	20.1	1 363	28.5	216	22.3	99	3.6	1 873	3.1	1 170	2.6	1 822	5.7
1964	235	53.9	173 770	21.8	1 319	30.2	245	26.7	104	4.5	1 871	3.3	1 430	2.6	1 771	4.0

Source: Guyana, Statistical Bureau.

The country's population, on the other hand, was accelerating at a pace. An estimate of about 3 per cent per annum is the average between 1954 and 1961. Allowing for the high rate of outward migration between 1962 and 1964, population increase is estimated at 2.5 per cent per annum between 1963 and 1965.^{1/} On this basis, the indications point to a failure of real output increases to keep abreast of population growth in recent years.

The "Agriculture" sector showed an average annual rate of growth of almost 2 per cent. This was confined to rice padi and live-stock as sugar-cane and other crops experienced a decline.

The average annual rate of increase for the "extractive" sector was 12 per cent. This had been the highest rate recorded for any sector, and it was mining with 16 per cent annual average increase and fishing with 9 per cent, which were outstanding. There was hardly any change in the forestry sector.

The "manufacturing" sector as a whole held a static position; the three per cent average growth rate for "other manufacturing" was off-set by the regression which existed in the "processing of food and tobacco" sector. (See table 4 which reflects the changes described above.)

2. Present stage of industrial process

The contributions to the gross domestic product by each of the main sectors of the economy between 1954 and 1964 are tabulated in Table 5. Compared with either the "service" sector or the "primary" sector, the "manufacturing" sector made the smallest contribution. The position in 1964 is almost as identical to what it was in 1954.

^{1/} Guyana: Survey of Manpower Requirements and the Labour Force, 1965, page 172.

Table 4

GROSS DOMESTIC PRODUCT ORIGINATING IN MAIN
SECTORS AT FACTOR COST 1960-1964

(1960 prices WIS\$ million)

	1960	1961	1962	1963	1964
Agriculture:					
Sugar cane	35.2	34.8	34.9	34.0	32.7
Padi	11.7	13.1	13.1	10.0	14.5
Other crops	8.8	10.3	10.1	6.7	7.8
Livestock	3.4	7.8	9.1	6.9	8.4
Fishing	4.2	5.4	5.8	4.0	5.7
Forestry	6.6	6.9	6.1	5.1	6.2
Mining	29.1	36.5	46.0	38.3	47.6
Processing:					
Sugar	11.1	10.8	10.8	10.5	9.1
Rice	2.2	2.4	2.6	1.9	2.7
Food and tobacco	5.7	5.9	6.2	5.5	6.2
Other manufacturing	8.2	8.7	8.7	8.0	9.2
Engineering and construction	25.0	20.0	16.7	12.1	13.4
Services:					
Distribution	37.2	39.8	37.3	28.7	38.4
Transport and communication	19.8	20.7	20.9	16.7	18.1
Rent of dwellings	8.2	8.4	8.5	8.7	8.3
Financial services	8.5	9.1	8.8	8.4	9.1
Other services	13.1	13.2	13.4	12.3	13.9
Government	25.6	27.7	27.7	25.4	28.2
<u>Total</u>	<u>263.5</u>	<u>280.6</u>	<u>286.8</u>	<u>243.1</u>	<u>279.5</u>

Source: Statistical Bureau.

Table 5

GROSS DOMESTIC PRODUCT ORIGINATING
IN MAIN SECTORS

Sectors	Value at current prices (\$W1 millions)		Percentage contribution	
	1954	1964	1954	1964
Agriculture	45.7	68.0	23.6	21.9
Forestry	4.4	7.4	2.3	2.4
Fishing	4.3	6.0	2.2	1.9
Mining	24.5	53.3	12.6	17.2
Manufacturing	24.0	36.7	12.4	11.8
Engineering and construction	16.1	16.0	8.3	5.2
Government service	20.9	32.0	10.8	10.3
Other services	54.0	91.5	27.8	29.4
<u>Total</u>	<u>193.9</u>	<u>310.9</u>		

Source: Guyana: Statistical Bureau.

/There is

There is another observation of significance over the period. The rise by 1 per cent in the share of the "service" sector is matched by a corresponding fall in the contribution from the group of remaining sectors. However, within this latter group, the mining share rose by 5 per cent absolutely, while the contribution from agriculture and fishing declined slightly, and that for forestry remaining static.

If the industrial process is indicated by the growing prominence of the "manufacturing" sector within the economy and associated at the same time with the necessary transfer of products between primary industries (producing food and raw materials) and secondary (processing and manufacturing) industries, and involving as well an expansion of the "service" sector - commerce, transport and finance, then the process of industrial development in Guyana is still in the earlier stages.

Chapter III

RELATIVE IMPORTANCE, STRUCTURE AND GENERAL CHARACTERISTICS
OF MANUFACTURING INDUSTRY

1. Importance of manufacturing activities

(a) Gross manufacturing product as proportion of total gross national product

Gross manufacturing output occupied about 12 per cent of the gross domestic product in 1964. In money terms, this represented \$36.7 million. The same proportion, in 1954, was reflected by \$24.0 million; and throughout the decade the tendency of deviations from this proportion was not significant.

The processing of food and tobacco sector makes the dominant contribution to manufacturing output. The variations in the size of its share throughout the period were similar to the behaviour of the annual output series for manufacturing as a whole. Its significant level of output reflects, in the main, increases from sugar as well as the production of new commodities like beer and stout and margarine since 1957.

The share of "other manufacturing" remained almost constant at 3 per cent for every year except 1961. This is explained mainly by either the non-establishment of new enterprises or the failure of existing enterprises to expand their productive capacity to any large extent. The points emphasized above are revealed in table 6.

/Table 6

Table 6

GUYANA: MANUFACTURING OUTPUT IN RELATION TO
GROSS DOMESTIC PRODUCTS

Year	Gross output current prices (\$WI millions)	Gross domestic products shares (per cent)
1954	24.0	12.5
1955	26.0	13.6
1956	23.3	11.2
1957	29.5	13.0
1958	29.6	13.8
1959	28.7	13.1
1960	27.2	10.2
1961	31.5	10.9
1962	35.6	11.6
1963	40.4	14.9
1964	36.7	11.8

Output from within manufacturing sectors in percentages:

	Other manufacturing	Food processing and tobacco			Total food and tobacco
		Sugar	Rice	Other	
1954	3.2	-	-	-	9.3
1955	3.3	-	-	-	10.3
1956	3.2	-	-	-	8.0
1957	3.4	5.6	0.7	2.1	8.4
1958	3.4	5.3	0.9	1.9	8.1
1959	3.6	4.8	0.7	1.8	7.3
1960	3.1	4.2	0.8	2.1	7.1
1961	2.9	4.8	0.9	2.3	8.0
1962	3.1	5.5	0.7	2.3	8.5
1963	3.3	8.7	0.6	2.3	11.6
1964	3.3	5.5	0.7	2.3	8.5

Source: Guyana: Statistical Bureau.

(b) Size of labour force

The census estimates reflect a constancy in the manufacturing share of the national labour force between 1946 and 1960. Tables 7 and 8 make comparison with other sectors of economic activity. Available information of the current situation, from the sample survey on industrial establishment estimates 13,387 persons to be in the manufacturing sector. (See table 9.) This represents under 25 per cent of the economically active labour force. Comparison with the position in 1960 would be misleading as the survey coverages are dissimilar. However, it would be surprising to discover the present situation varying considerably from that in 1960.

Table 7

GUYANA: EMPLOYMENT BY INDUSTRY

(Number of persons employed)

	1946	1956	1960
Total active population	146 164	135 000	161 202
Manufacturing industry ^{a/}	23 216	17 400	27 230
Percentage	15.9	12.9	16.9

Sources: Census of Population, 1946.
Report of Employment, unemployment and underemployment, 1956.
Census of Population, 1960.

^{a/} Including electricity, gas, water and sanitary services, which altogether employed 922 persons in 1964.

(c) Industrial investment in gross capital formation

The volume of investment in fixed assets (machinery, buildings, vehicles) showed a rising tendency over the last decade. Compared with WI\$48.1 million invested by "all industry" in 1956, investment by the manufacturing sector accounted for about 7 per cent. For the years 1963 and 1964, WI\$24.4 million were spent by the main enterprises in sugar and rice, food and tobacco, and by Government for the expansion of electricity power supplies. (See table 10.)

Table 8

ECONOMICALLY ACTIVE POPULATION BY SEX AND SECTOR OF
ECONOMIC ACTIVITY ACCORDING TO 1960 CENSUS

	Male	Female	Total
Agriculture } Forestry } Hunting } Fishing }	50 334	9 456	59 790
Mining and quarrying	5 983	80	6 063
Manufacturing	21 275	5 033	26 308
Construction	12 751	105	12 856
Electricity, gas water and sanitary Services	902	20	922
Commerce	12 534	5 764	18 298
Transport, storage	7 411	289	7 700
Services	13 201	15 896	29 097
Others	145	18	163
<u>Total</u>	<u>124 541</u>	<u>36 661</u>	<u>161 202</u>

Source: Guyana: Census of Population 1960.

Table 9

ECONOMICALLY ACTIVE POPULATION SECTOR OF ECONOMIC ACTIVITY
ACCORDING TO SAMPLE SURVEY, MARCH 1965

(Number of persons)

Agriculture	
- Sugar Estate	16 827
Forestry and logging	1 739
Mining and quarrying	5 446
Food manufacturing	
- Rice milling	1 426
Sugar	6 866
Bakery	546
Manufacture of footwear)
Wearing apparel and made-)
up textile goods) 2 748
Manufacture of baskets, hats of straw, and other vegetable fibres	135
Manufacture of wood and cork except furniture	1 666
Construction	712
Commerce	6 033
Financial services	384
Transportation	1 769
Other services	11 742
<u>Total</u>	<u>58 038</u>

Source: Guyana: Manpower Survey Unit.

/Table 10

Table 10

GROSS CAPITAL FORMATION BY INDUSTRY

Year	All industry WI\$ m	Manufacturing WI\$ m	Percentage
1952	26.5	1.7	6.4
1953	24.5	2.6	10.6
1954	38.4	2.9	7.6
1955	46.0	3.1	6.7
1956	48.1	3.3	6.9
1963	N.A.	13.0	-
1964	N.A.	11.4	-

Source: Guyana: Statistical Bureau.

The Guyana Development Corporation, established in October 1963, sponsored 36 new manufacturing enterprises over 1964 and 1965. The volume of investment represented is about \$11.3 million. In many cases, construction of the factories is still in progress. A petroleum oil refinery involving an expenditure of WI\$34 million, has been sponsored in 1966. (See table 11.)

2. Structure of manufacturing sector

(a) Share of all manufacturing by major branches

Reference has been made at table 6 in global terms, of the main branches of the manufacturing sector, with their percentage shares in gross manufacturing output. The "other manufacture" sector includes the production of matches, oxygen, acetylene and carbon dioxide gas; pharmaceutical products; soap; clothing; printing materials, sawn lumber; stockfeeds; paperboard products; furniture; concrete blocks; jewellery and electricity power.

Table 11

INVESTMENT CAPITAL AND EMPLOYMENT BY INDUSTRY GROUP OF
MANUFACTURING ENTERPRISES SPONSORED BY GUYANA
DEVELOPMENT CORPORATION, 1964-1965

Industry group	1964			1965		
	Number of enterprises	Employment estimate	Total investment W/\$m	Number of enterprises	Employment estimate	Total investment W/\$m
Food	4	160	0.95	4	100	1.87
Tobacco	1	-	0.04	-	-	-
Lumber	-	-	-	1	98	0.38
Chemicals	2	42	0.54	3	150	0.17
Rubber and plastics	2	66	0.46	2	92	0.80
Pulp and paper board	2	26	0.28	4	92	0.35
Textiles	-	-	-	1	38	0.35
Clay products	-	-	-	1	40	0.22
Glass Products	-	-	-	1	102	1.89
Jewellery	-	-	-	2	150	0.83
Furniture (wood and metal)	-	-	-	1	42	0.30
Other metal products	3	90	0.39	-	-	-
Clothing	-	-	-	2	56	0.14
Storage batteries	2	27	0.13	-	-	-
Footwear	-	-	-	1	160	1.00
Miscellaneous	-	-	-	2	50	0.20
<u>Total</u>	<u>16</u>	<u>411</u>	<u>2.79</u>	<u>25</u>	<u>1 170</u>	<u>8.50</u>

Source: Guyana Development Corporation.

/Data to

Data to express the relation of these branches to manufacturing as a whole in terms of production, value added, labour, Capital and Capital formation, and exports and imports are not available in detailed form. An attempt has recently been made to improve this situation with the launching of an industrial census. From this base, will follow, as a consequence, regular periodic enquiries (in sample form or otherwise) to maintain the series.

(b) Foreign trade in manufactured goods

(1) Imports structure and evolution

Imported manufactured products valued 74.5 million dollars in 1964. This represents almost 50 per cent of the value of total retained imports for that year. Consumer goods - non durable and durable, finished petroleum products and metallic goods were the main items involved. Consumer non-durable goods have easily taken the lion's share, just over 60 per cent. The following table sets out the general imports position.

Table 18

GUYANA: DISTRIBUTION OF IMPORTS

	<u>Total</u>	<u>Consumer goods</u>					
	Imports	Non	Durable	Fuels	Raw materials		Capital
	retained	durable			Metallc	Inter-	goods
						mediate	
						products	
			Wl\$ m				
1964	149.2	46.39	8.52	14.49	5.12	29.53	45.22

On the very risky bases of current prices (no reliable quantity index being available to measure real changes) it would appear over the past decade that Capital goods were being imported at a much faster rate than either total imports or consumer goods. On the average, capital goods imports increased at almost 11 per cent per annum compared with total imports at 9 per cent or consumer goods at about 5,6 per cent. It is, therefore, difficult to resist coming to the conclusion that the productive capacity of the economy had been broadening.

/On the

On the other hand, comparing the rate at which the gross domestic product grew on the average, the indications point to the growing openness and vulnerability of the economy to international forces. In other words, a slowness in the pace of import substitution is implied. (See table 13.)

A shift in the dependence for imports from the various trading regions of the world represents another significant change in the evolution of the structure of imports. The British Commonwealth in general and the United Kingdom in particular were traditionally the main external sources of supply on which Guyana depended. The dependence on those two sources was reduced over the last ten years. While the share of the Commonwealth as a whole declined from 78.3 per cent to 61.2 per cent, that of the United Kingdom dropped from nearly one half to 38.4 per cent. Trinidad and Tobago was the only Commonwealth country to have increased its share over the period by doubling its exports of manufactured goods to Guyana.

The shift away from the Commonwealth benefitted the United States of America and the European Common Market countries. Latin America remained an insignificant supplier though it increased its small share in 1953 (0.4 per cent) sixfold. These changes are all tabulated in table 14.

(11) Exports structure and evolution

The value of total exports was WI\$87.6 million in 1953. In 1961, it was \$146.5 million - representing an increase of 67 per cent. The rise, however, is not an indication of real growth of exports since the problem of current prices not deflated is present.

Table 13

CATEGORIES OF TOTAL RETAINED IMPORTS 1954-1964

(WIS millions)

	Consumer goods		Raw materials			Capital goods			
	Non-durable	Durable	Fuels	Metallic	Others and intermediate products	Construction materials	Agricultural equipment	Industrial equipment	Transportation equipment
1954	29.99	5.10	6.52	1.93	14.62	4.23	2.03	11.37	4.07
1955	33.10	7.76	7.62	2.19	17.70	7.19	1.88	11.88	5.14
1956	33.44	7.80	8.40	3.17	18.56	7.11	2.17	13.78	5.41
1957	36.35	8.10	9.42	4.81	20.35	11.85	2.52	17.28	7.65
1958	36.58	9.30	8.36	3.27	10.14	11.91	2.41	16.32	7.64
1959	35.30	7.37	9.17	3.51	19.41	10.64	2.64	14.54	7.87
1960	44.08	11.34	11.18	4.49	21.82	11.34	4.81	29.17	8.90
1961	42.84	11.61	12.93	4.51	25.59	9.76	4.60	25.68	8.92
1962	39.48	8.19	13.08	3.22	25.80	6.04	3.02	20.23	6.08
1963									
1964	46.39	8.52	14.49	5.12	29.53	7.71	4.82	25.73	6.94

Source: Guyana: Statistical Bureau.

- Note:
- (i) Non-durable consumer goods include food, tobacco, paper products, textiles, fabrics, footwear and metal manufactures.
 - (ii) Durable consumer goods - manufactures of leather and rubber goods, textiles other than clothing, glass, pottery, and metal products, electrical goods, road motor vehicles, furniture, travelling bags, music instruments and phonograph records.
 - (iii) Fuels - mainly petroleum refined products.
 - (iv) Metallic raw materials - nails, bolts, rivets, chains, etc.
 - (v) Other raw materials and intermediate (products include unrefined sugar, cacao, and coffee beans, hops, etc.); manufactured tobacco; hides and skins; rubber; timber; wood pulp; most paper board and paper; industrial fats and oils; acids and other chemicals, etc.

Table 14

SHIFTS IN THE IMPORTS STRUCTURE, 1953-1961 ^{a/}

Trading regions	Year	Food		Beverages and tobacco		Crude materials		Mineral fuels etc.		Mineral and vegetable oil		Chemicals		Manufactured goods		Machinery and Trans. Equip.	
		Wt\$m	%	Wt\$m	%	Wt\$m	%	Wt\$m	%	Wt\$m	%	Wt\$m	%	Wt\$m	%	Wt\$m	%
United Kingdom	1953	2.853	18.7	.752	39.0	.183	31.1	.367	6.1	.08	10.0	4.150	87.1	11.190	65.8	10.699	61.9
	1961	4.054	16.3	1.099	46.2	.258	31.8	.859	6.6	.28	30.7	5.625	41.9	16.014	48.2	20.871	49.8
Canada	1953	6.834	44.9	.215	11.1	.159	27.1	.001	-	.008	0.9	.193	4.1	.884	5.2	1.252	7.2
	1961	4.940	17.5	.234	9.8	.219	27.0	.007	-	-	-	.615	4.6	1.937	5.8	2.010	4.8
Trinidad and Tobago	1953	.301	2.0	.94	4.9	.26	4.4	5.375	89.7	.16	20.1	.089	1.9	.327	1.9	.002	-
	1961	.462	1.9	.11	0.5	.77	9.5	11.533	89.2	-	-	1.588	11.8	1.092	3.7	.086	.2
Other West Indies	1953	.374	2.5	.5	0.3	.59	10.0	-	-	.067	8.3	.025	0.5	.091	0.5	-	-
	1961	.121	0.5	.6	0.3	.94	11.6	-	-	.130	9.6	.216	1.6	.309	0.9	.002	-
Other Commonwealth	1953	1.129	7.4	.20	1.0	.46	7.8	-	-	.319	48.3	.014	0.3	1.870	11.0	.018	0.1
	1961	1.696	6.8	.381	16.0	.13	1.6	-	-	.156	11.5	.019	0.1	1.797	5.4	.113	0.3
Total of whole Commonwealth	1953	11.491	75.4	1.086	56.3	.473	80.4	5.743	95.8	.605	87.6	4.471	93.9	14.362	84.4	11.971	69.2
	1961	10.681	42.9	1.731	72.8	.661	81.5	12.398	95.8	.566	41.8	8.063	60.0	21.149	64.0	23.082	55.1
United States of America	1953	.878	5.8	.522	27.1	.38	6.5	.246	4.5	.010	1.2	.135	2.8	1.080	6.31	4.895	28.3
	1961	7.565	30.4	.296	12.5	.45	5.5	.414	3.2	.404	29.9	3.876	29.8	3.201	9.6	10.834	25.6

^{a/} Category heads are according to SITC classification.

Table 14 (Cont'd)

Trading regions	Year	Food		Beverages and tobacco		Crude materials		Mineral fuels etc.		Mineral and vegetable oil		Chemicals		Manufactured goods		Machinery and Trans. Equip.	
		Wt\$m	%	Wt\$m	%	Wt\$m	%	Wt\$m	%	Wt\$m	%	Wt\$m	%	Wt\$m	%	Wt\$m	%
Latin America	1953	.139	0.9	-	-	.049	8.3	-	-	.077	10.5	.008	0.2	.009	.05	-	-
	1961	.430	1.7	.001	-	.084	10.4	-	0.5	-	-	.035	0.3	.621	2.0	2.190	5.2
Africa	1953	.174	1.1	-	-	.003	0.5	-	-	-	-	-	-	-	-	-	-
	1961	.241	1.0	-	-	.003	0.4	-	-	-	-	-	-	-	-	-	-
Asia	1953	.013	0.8	-	-	.001	0.2	-	-	-	-	.002	-	.135	0.0	.004	-
	1961	.044	0.2	-	-	.001	0.1	-	-	-	-	.018	0.1	2.793	8.4	.339	0.8
Middle East	1953	.078	0.5	-	-	-	-	-	-	.002	0.2	-	-	-	-	-	-
	1961	.116	0.5	-	-	.001	-	-	-	.003	0.3	-	-	.018	-	.001	-
European Common Market	1953	2.094	13.1	.309	16.0	.019	3.2	.001	-	.004	0.5	.140	2.9	1.049	6.2	.282	1.6
	1961	5.026	20.2	.316	13.3	.015	1.8	.048	0.4	.225	16.6	1.267	9.4	3.015	9.1	4.967	11.8
Other European	1953	.368	2.4	.009	0.5	.001	0.2	-	-	.002	0.2	.006	0.1	.366	2.1	.136	0.8
	1961	.778	3.1	.32	1.3	.001	0.1	-	-	.155	11.5	.128	0.9	2.347	7.0	.519	1.2
Total	1953	15.235	100.0	1.926	99.9	.584	99.3	5.990	100.3	.733	100.1	4.762	0.9	17.000	99.0	17.288	99.9
	1961	24.881	100.4	2.376	99.9	.811	99.8	12.861	99.9	1.553	100.1	13.388	99.5	39.204	100.1	41.932	99.9

Table 14 (Cont'd)

Trading regions	Year	Miscellaneous manufactures		Miscellaneous trans.		Total	
		Wl\$m	%	Wl\$m	%	Wl\$m	%
United Kingdom	1953	4.748	63.5	.141	50.5	35.164	49.3
	1961	7.083	48.7	.250	42.4	56.393	38.7
Canada	1953	.482	6.4	.037	13.2	10.065	14.1
	1961	1.005	6.9	.069	11.7	10.444	.2
Trinidad and Tobago	1953	.103	1.3	.011	3.9	6.495	9.7
	1961	.253	1.7	.036	6.1	15.137	10.4
Other West Indies	1953	.069	0.9	.016	5.7	.706	1.0
	1961	.037	0.4	.020	5.6	.782	.7
Other Commonwealth	1953	.693	.3	.001	0.4	4.182	5.9
	1961	1.310	9.0	.007	1.2	5.492	4.7
Total of whole Commonwealth	1953	6.095	81.4	.206	73.7	56.612	79.4
	1961	9.681	66.7	.382	67.0	88.248	61.7
United States of America	1953	.394	53	.065	23.3	8.263	11.6
	1961	1.818	12.5	.160	27.1	28.613	14.4
Latin America	1953	.001	-	.004	1.4	.286	.4
	1961	.032	0.2	.026	4.4	3.545	2.4
Africa	1953	-	-	-	-	.177	0.2
	1961	-	-	-	-	.246	0.2
Asia	1953	.022	0.3	-	-	.177	0.2
	1961	.732	5.0	-	-	3.927	2.7
Middle East	1953	-	-	-	-	.080	0.1
	1961	-	-	-	-	.138	0.1
European Common Market	1953	.478	6.4	.004	1.4	4.380	6.1
	1961	1.078	7.5	.004	0.7	15.970	10.9
Other European	1953	.485	6.5	-	-	11.373	1.9
	1961	1.170	8.0	.003	0.5	5.133	3.5
Total	1953	7.475	99.9	.279	99.8	71.348	99.9
	1961	14.521	99.9	.575	99.7	145.820	99.9

Source: Guyana: Annual Accounts relating to external trade.

/The main

The main commodities exported, comprised food products - sugar and rice, and crude materials (timber, bauxite and alumina). Over the period there has been no significant change in their proportion to total exports value. Their combined share is over 90 per cent. "Manufactured goods" and "miscellaneous manufactured articles" apparently made some progress in 1961 as the total exported value was about \$5.5 million, with an increase of almost \$4 million on the 1953 position. This change in absolute values does not signify the emergence of new products. Products already established since 1953 were probably being sold in larger volumes and higher prices in 1961. The main items are garments, matches, soap, paper or cardboard containers and printed materials.

The interesting corollary to this situation on the other hand, is, while in fact new products were produced over the period their consumption was mainly in the domestic market. Beer and stout and a range of household plastic goods are appropriate examples.

Regional trading patterns have been similar to those for imports. The contraction of exports to Commonwealth countries is compensated for by an expansion from the non-Commonwealth group of countries. The United States of America more than doubled in value, its share of imports from the country. Cuban purchases of food items represented the most important single factor of change in the Latin American market; though it is doubtful whether this recent development reflects the initiation of a new trend. Among the newly emerged Caribbean Commonwealth countries - Trinidad and Tobago and Jamaica - substantial gains were made. A similar development has been experienced with Canada. Table 15 outlines the pattern of the period.

In recent years, Cuba has withdrawn from trading with Guyana. This development apart, the structure of the export trade remains broadly on traditional lines.

Table 15

STRUCTURE AND EVOLUTION OF EXPORTS, 1953-1961 AND 1964

Trading regions	Year	Food		Beverages and tobacco		Crude materials inedible except fuels		Mineral fuels, lubricants and related materials	
		WISm	%	WISm	%	WISm	%	WISm	%
United Kingdom	1953	27.74	56.1	1.16	57.1	1.66	6.2	-	-
	1961	26.96	31.4	2.79	88.0	3.33	6.7	-	-
	1964	23.21	27.6	3.00	89.7	4.03	6.0	-	-
Canada	1953	11.20	22.7	0.69	34.0	18.09	67.5	-	-
	1961	15.34	17.9	0.18	5.7	22.55	45.1	-	-
	1964	27.05	31.8	0.19	4.5	21.15	32.0	-	-
Barbados	1953	2.46	5.0	-	-	0.24	0.9	-	-
	1961	2.02	2.4	-	-	0.18	0.3	*	*
	1964	2.30	2.6	-	-	0.18	0.2	-	-
Trinidad and Tobago	1953	4.79	9.7	0.04	2.0	0.09	.	*	*
	1961	7.53	8.8	0.02	-	5.76	11.5	-	-
	1964	9.07	11.0	-	-	4.11	6.1	-	-
Other West Indies	1953	2.40	4.8	0.06	3.0	0.15	0.6	-	-
	1961	5.54	6.5	0.10	-	0.36	0.7	-	-
	1964	5.69	6.8	-	0.16	0.12	-	-	-
Other Commonwealth countries	1953	0.02	-	0.07	3.4	-	-	-	-
Total Commonwealth	1953	48.61	98.3	2.02	99.5	20.23	75.5	-	-
	1961	57.44	66.9	3.13	98.7	32.22	64.3	-	-
	1964	67.32	78.4	-	-	29.67	45.5	-	-

Table 15 (Cont'd)

Trading regions	Year	Food (percentage)		Beverages and tobacco (percentage)		Crude materials inedible except fuels (percentage)		Mineral fuels, lubricants and related materials (percentage)	
		Wt\$m		Wt\$m		Wt\$m		Wt\$m	
European Common market countries	1953	0.09	-	-	-	0.77	2.9	-	-
	1961	0.22	-	-	-	4.13	8.2	-	-
	1964	0.13	-	-	-	5.99	9.5	-	-
Other European countries	1953	0.03	-	-	-	-	-	-	-
	1961	-	-	-	-	2.25	4.5	-	-
	1964	0.47	0.5	-	-	11.28	17.5	-	-
Middle East	1953	-	-	-	-	-	-	-	-
	1961	-	-	0.08	2.5	0.08	0.1	-	-
	1964	-	-	-	-	0.03	-	-	-
Asia	1953	-	-	-	-	-	-	-	-
	1961	-	-	-	-	0.83	1.60	-	-
	1964	-	-	-	-	-	-	-	-
Latin America	1953	-	-	-	-	0.13	0.05	-	-
	1961	8.15	9.5	-	-	0.94	1.9	-	-
	1964	5.64	6.8	-	-	1.22	1.5	-	-
United States of America	1953	0.55	1.1	-	-	5.52	20.6	-	-
	1961	19.73	23.0	-	-	9.34	18.6	-	-
	1964	11.50	13.4	-	-	13.29	20.0	-	-
<u>Total</u>	1953	49.43	99.4	2.03	99.5	26.80	99.7	-	-
	1961	85.84	99.4	3.17	101.2	50.05	99.2	-	-
	1964	85.52	99.1	3.37	94.2	64.55	94.0	-	-

Table 15 (Cont'd)

Trading regions	Year	Animal and vegetable oils and fats			Chemicals		Manufactured goods classified chiefly by materials		Machinery and transport equipment	Miscellaneous manufactured articles		Miscellaneous transactions		Total	
		WI\$m		%	WI\$m	%	WI\$m	%	WI\$m	WI\$m	%	WI\$m	%	WI\$m	%
United Kingdom	1953	-	.01	1.3	1.26	90.0	-	-	-	.45	46.4	32.28	39.6		
	1961	-	.01	0.8	28.8	54.8	-	-	-	-	-	35.96			
	1964	-	.05	2.53	54.4	54.4	-	-	-	-	-	N.A.	N.A.		
Canada	1953	-	-	-	-	-	-	-	-	-	-	29.99	36.8		
	1961	-	-	-	-	-	-	-	-	-	-	38.08	26.0		
	1964	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.		
Barbades	1953	-	.08	10.9	-	-	-	.04	22.2	-	-	2.84	3.5		
	1961	-	.14	11.2	.01	0.2	-	.04	10.3	-	-	2.40	1.6		
	1964	-	.15	-	.11	2.2	-	.015	19.2	-	-	N.A.	N.A.		
Trinidad and Tobago	1953	-	.29	39.7	.02	1.4	-	.02	11.1	.21	21.6	5.47	6.7		
	1961	-	.45	36.0	.07	1.3	-	.11	28.2	-	-	14.03	9.5		
	1964	-	.49	-	-	-	-	.01	4.0	-	-	N.A.	N.A.		
Other West Indies	1953	-	.18	24.6	.03	2.1	-	.11	61.1	-	-	2.82	3.5		
	1961	-	.49	50.0	.05	0.9	-	.17	43.7	-	-	6.70	4.1		
	1964	-	.59	-	.05	1.6	-	.17	65.4	-	-	N.A.	N.A.		
Other Commonwealth countries	1953	-	.08	10.9	-	-	-	-	-	-	-	.13	0.1		
	1961	-	.04	3.2	-	-	-	-	-	-	-	.16	-		
	1964	-	.05	-	-	-	-	-	-	-	-	N.A.	N.A.		
Total Commonwealth	1953	-	.64	88.0	-	93.5	-	-	-	-	-	73.53	90.1		
	1961	-	.13	90.4	3.01	57.2	-	.32	82.1	-	-	96.70	66.0		
	1964	-	.19	74.2	2.69	57.2	-	-	-	-	-	-	-		

Table 15 (Cont'd)

Trading regions	Year	Animal and vegetable oils			Chemicals		Manufactured goods classified chiefly by materials		Machinery and transport equipment		Miscellaneous manufactured articles		Miscellaneous transactions		Total	
		and fats		%	WI\$m	%	WI\$m	%	WI\$m	%	WI\$m	%	WI\$m	%	WI\$m	%
		WI\$m	WI\$m													
European common market countries	1953	-	-	-	-	-	-	-	-	-	-	-	-	.87	1.1	
	1961	-	-	-	.63	12.0	-	-	-	-	-	-	-	5.03	3.4	
	1964	-	-	-	.79	16.2	-	-	-	-	-	-	-	N.A. ^{a/}	N.A.	
Other european countries	1953	-	-	-	-	-	-	-	-	-	-	-	-	.04	-	
	1961	-	-	-	-	-	-	-	-	-	-	-	-	2.26	1.5	
	1964	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	
Middle East	1953	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	1961	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	1964	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	
Asia	1953	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	1961	-	-	-	-	-	-	-	-	-	-	-	-	.08	-	
	1964	-	-	-	-	-	-	-	-	-	-	-	-	N.A.	N.A.	
Latin America	1953	-	-	-	-	-	-	-	-	-	-	-	-	.14	.02	
	1961	-	-	-	.31	6.0	-	-	-	-	-	-	-	9.62	6.5	
	1964	-	-	-	.30	6.4	-	-	-	-	-	-	-	N.A.	N.A.	
United States of America	1953	-	.09	12.2	.09	6.4	-	-	-	.30	30.9	6.54	8.0			
	1961	-	-	-	1.24	23.6	-	-	-	.22	84.6	30.57	20.9			
	1964	-	-	-	.76	16.6	-	-	-	-	-	N.A.	N.A.			
Total	1953	-	.73	100.0	1.41	99.9	.1	.18	94.0	98.9	98.9	81.56	99.3			
	1961	-	1.25	90.4	5.25	98.2	-	.39	82.1	.26	84.6	146.50	98.3			
	1964	-	1.52	-	4.64	96.4	-	.26	-	-	-	N.A.	N.A.			

Source: Guyana: Annual Account Relating to External Trade. Category heads are according to SITC Classification.

Note: Totals would not necessarily equalise summation of individual categories. Values to nearest decimal recorded.

^{a/} Not available.

3. Principal characteristics and problems of manufacturing industry

(a) Finance

Private limited liability companies are not compelled by legislation to publish annual balance sheets and other trading accounts. This enables them to maintain some measure of secrecy against competitors. Public limited liability companies have to comply with legal requirements and issue annual balance sheet statements and so on. The practice of private companies limits the scope of information on financial matters available to the public. This is a big problem against providing the broad and detailed picture which an enquiry of this nature requires. Available statistical data would need much supplementing by qualitative information to provide some general indication on the problem of industrial financing.

Information from the Deeds Registry indicates about 35 companies were registered as manufacturing enterprises between January 1952 and October 1964, prior to the establishment of the Industrial Development Corporation (now referred to as Guyana Development Corporation). The total volume of nominal share capital involved was about WI\$10 millions.

The branches of manufacture with their respective investment shares over this period are numerated in table 16.

Table 16

Categories	Number of enterprises	Nominal share capital WI\$ million
Food, beverage and alcohol	10	5.755
Lumber	5	1.210
Chemicals	3	0.775
Pulp and paperboard	1	0.050
Brick and clay products	3	0.050
Furniture (wood and metal)	2	0.350
Other metal products	1	0.050
Clothing and garments	3	0.160
Leather	2	0.150
Engineering	1	0.080
Printing	4	0.263
<u>Total</u>	<u>35</u>	<u>8.893</u>

Source: Guyana: Deeds Registry.

/Compared with

Compared with table 11 already mentioned, there does not appear to be a wide variation in terms of number of manufacturing enterprises registered and established, and also in terms of magnitude of equity capital involved. However, the point of real significance is the accelerated pace at which these enterprises are sponsored and established in the short period of under two years since the Development Corporation was established.

The factors to explain this differential in the rate of growth in establishing manufacturing enterprises include:

- (i) easy or difficult accessibility to investment funds,
- (ii) relatively more attractive returns from equity investment compared with other avenues of investment,
- (iii) the presence of new emergent groups of entrepreneurs willing to meet the challenges of risks from equity investment and finally,
- (iv) the emphasis in recent years of Government's policy in the direction of greater stimulation to private enterprise via the setting up of new institutions to publicize and expedite the implementation of incentives and concessions for industrial growth.

Directly or indirectly these factors bear upon industrial financing. For instance, the Government's policy might operate indirectly via the granting of protection of local production against cheaper imports, or by the reduction or non-payment of customs duties on machinery and equipment and raw materials; or by the award of depreciation and investment allowances and tax holidays. In substance, all these measures involve a subsidy by the Community in favour of industry. This implies scope for the new enterprise to accumulate funds for future investment. A certain measure of self-financing exists here.

Evidence of further indirect Government influence could exist by the establishment of special credit institutions to service loans to industry directly or via Central Bank directives to the Commercial banking system to reallocate their portfolios more to the needs of manufacturing industry.

/Direct means

Direct means of finance would be reflected in the entrepreneurial groups themselves forming Companies and mobilizing private savings for investment. To some extent, it is implied here that necessary legal safeguards against the confiscation of private property belonging to investors within and without the country, are provided. The absence of this institutional background could present a hazard against easy mobilization of funds for equity investment.

How were these various factors co-operating over the past decade or so to influence the financing of the manufacturing sector?

(i) Easy or difficult access to equity funds

Of the 35 companies established over the 12 year period, six^{1/} of them were floated as public limited liability companies. The remaining 29, representing a little over 80 per cent were private limited liability companies accounting for about \$16 million of the total authorized equity capital.

For the more recent period (see again table 11) 41 companies were floated and all of these are private limited liability companies.

The shares of the public companies were fully subscribed in almost all of the cases. In some instances, B.G. Stockfeeds Ltd., for example, an oversubscription of issues was experienced while in the case of Banks Breweries Limited, its successful operation during the first year introduced a favourable climate to encourage further public participation in other companies. The rapidity with which the shares of Timber Development (B.G.) Ltd. was taken up by the public, coming on the scene after Banks Breweries Limited had made its stamp on the business world, is often cited to substantiate the point.

^{1/} These include:

Sterling Products Ltd.	\$200,000	authorized	Share	Capital.
Banks Breweries Ltd.	\$1,500,000	"	"	"
Timber Development (BG) Ltd.	1,000,000	"	"	"
New Guiana Co. Ltd.	100,000	"	"	"
Food Manufactures (B.G.) Ltd. (now defunct)	200,000	"	"	"
B.G. Stockfeeds Ltd.	500,000	"	"	"
				/The tale

The tale on public companies has not been a glorious one all the way. On the other hand, there have been instances of failure to produce profitable commercial results, Timber Development (B.G.) Limited and Food Manufactures (B.G.) Limited are evidences. The available evidence on the situation seems to suggest inefficient management as the problem here. A presumption, linking the non-appearance of further public companies in recent years with these results, seems to have some justification.

Nevertheless, taking the picture as a whole, public limited liability companies have made the point that given the appropriate environment, there would appear to be easy access to equity capital in Guyana.

The evidence has indicated a predominance of these enterprises. Recent experience points to a broadening out of investment opportunities, compared with the longer 12-year period. For instance, new enterprises are being established within existing manufacturing categories - food, lumber, chemicals, pulp and paper-board, clay products, furniture, clothing and garments. New industrial branches are also appearing - rubber and plastics, textiles, glass products, polishing of jewellery, metal products, and footwear.

In all of these directions, the indications on the participation of equity finance are quite clear. The growing share in recent years reflects, to some extent, easy access and availability.

4 (ii) Stock Exchange mechanism

The Stock Exchange mechanism as it is established in developed western countries does not exist in Guyana at the present time. However, there does exist a machinery to mobilize equital capital for investment; though this is not an argument against the development of a more sophisticated and efficient arrangement. The point is, however, the necessity for a more complicated system would pave the way for its introduction.

The commercial banking system and the direct promotional activities of the person or group of persons desirous of floating a public or private limited liability company are the principal media of obtaining equity capital for manufacturing enterprises in Guyana. To a very limited extent, the commercial banks assist in the transference of equity capital among individual concerns. In so far as the floatation of new companies are concerned, they facilitate the process by receiving shares subscriptions from purchasers and arrange for payment into the accounts of the new companies. All in all, important as these functions might appear, they represent a small contribution to the floatation process.

/Obviously, the

Obviously, the more fundamental contributor to the process is the person or group of persons directly concerned with establishing the new enterprise. The results of floatation would depend by a considerable extent on personal factors which inspire confidence in subscribers that their savings would not only be safe, but would be profitably invested as well. These conclusions have been based on the experience of company promoters of the past 15 years; and represent strong forces to influence access to equity capital.

The extent to which the above existing arrangements operate in accordance with the requirements and needs of the manufacturing sector, would require further information, to be clearly indicated. However, on the basis of what is already known, there would appear to be much justification for presuming that the development of a more organized equity market could provide more scope for more efficient mobilization of the securities.

(iii) Commercial bank loans

Total authorized or subscribed share capital does not adequately reflect either the maximum investment requirements or the total value of assets of companies, though equity finance is an important contributor to either of these. It makes also for sound financial structuring of companies. Compared with loans from commercial banks or other sources, it is a much riskier form of investment. Loans are usually secured on mortgages of fixed assets and are given preference in repayment, in the event of liquidation of a company. Provided, therefore, the creditor is convinced that the size of loans or debt in relation to the total value of assets in a company would provide for the redemption of the loans, another and a more flexible medium of finance is available here to companies.

Between 1954 and 1964, loans and advances from the local commercial banks ranged between 25 per cent and 60 per cent of their total assets. In 1954, almost 56 per cent of these, represented by WIS\$6.2 million went to finance all industry. Except for 1960 and 1961 when the proportion was 26 per cent and 35 per cent respectively, and for the period 1962-1964 for which there is no available information, the ratio since 1954 through to 1958 kept above 50 per cent. During the second and third quarters of 1965, manufacturing enterprises obtained WIS\$5.05 million and WIS\$4.86 as loans and advances. More statistical information on the flow of funds to this sector is not available at the moment; though, qualitative evidence does suggest a tangible contribution of short - and medium - term finance by the banks, had been made to this sector in the past.

(iv) Guyana Credit Corporation Loans

Over the period June 1954 - June 1962, this institution lent WI\$3.5 million to all industry. This amount represented about 15.5 per cent of total loans it advanced to the economy. During 1964 and 1965 the Corporation contributed WI\$0.08 million to 10 enterprises in the manufacturing sector. These have mainly been medium-term loans for the purchase of machinery and equipment to expand and modernise the productive capacity of enterprises already established in the printing, clothing and garments, and wood-working business.

The ten enterprises were recommended by the Guyana Development Corporation, and represented about 7 per cent of the total of 150 applications received from manufacturing concerns. This small percentage of approved loans has much significance, as it reflects the need for a group of efficient small entrepreneurs. Many of the applications received were for the establishment of small manufacturing concerns. Most of these have very inadequate tangible security to repay the loans in the event of defaulting. In other cases, there were new entrants with very little expertise for running an enterprise; both on the organizational and technical side.

A situation like this is a good example of the conflict which could arise in pursuing social policy objectives. On the one hand, efforts are made to observe strict banking and commercial practices to ensure efficiency in the allocation of resources. On the other hand, there is the objective of implementing measures to broaden the industrial base of the economy by inviting the entry of new enterprises. But the point, implicitly assumed in the latter instance, is that the enterprises seeking loans from the Credit Corporation would be those which could obtain credit from the banks or other sources. In other words, they would have already made some impression on the local business world. The case of the small to medium sized enterprise that is now on the scene and which is practically unknown to the manufacturing world, is not provided for by this arrangement.

/(v) Financing

(v) Financing via undistributed profits

Undistributed profits of companies have played a part though it is difficult to quantify what this was. Available data is limited in this field. The influence of undistributed profits could be felt in any of the three directions. In the company or companies where they accumulate, they could be used to absorb the unsubscribed portion of the nominal share capital. They could assist the expansion of productive capacity of their existing parent company and finally they could provide equity capital or loans to float new enterprises.

All of these possibilities have been experienced in this country over the past decade. Groups of companies (the sugar companies, for instance), have been traditional examples here. However, among the more recently established enterprises, there has been a noticeable trend towards backward and forward integration of productive processes over the years. The textiles, clothing and garments furniture and pulp and paper board industries are the main examples.

(vi) Foreign credits and finance

These, too, have made a contribution, though apparently a relatively limited one, when the local subsidiaries of foreign holding companies are excluded. In recent years, as is shown in table 17, foreign finance is earmarked to provide WI\$ 2 millions or almost 10 per cent of the total capital requirements of the enterprises sponsored by the Guyana Development Corporation.

About WI\$1 million of the amount is expected to come from the United States of America into food (shrimp freezing), glass and pulp paper industries from the United Kingdom, about WI\$500,000 into the footwear and plastics; from Canada, about WI\$500,000 into footwear, furniture and under WI\$20,000 from the West Indies. These are all examples of international joint ventures.

Table 17

CAPITAL STRUCTURE OF GUYANA DEVELOPMENT
CORPORATION SPONSORED MANUFACTURING
ENTERPRISES, 1964-1965

Industry Group	Local sources			WISm	
	Shares issue	Credit corpor- ation loans	Commercial bank loans	Foreign finance	Total
Food	2.20	-	0.02	0.60	2.82
Tobacco	0.04	-	-	-	-
Lumber	-	-	0.38	-	-
Chemicals	0.63	-	0.05	-	0.68
Rubber and plastics	0.87	-	-	0.39	1.26
Pulp and paperboard	0.54	-	-	0.09	0.63
Textiles	0.20	-	0.15	-	0.35
Clay products	0.09	0.05	0.08	-	0.22
Glass products	0.53	-	1.02	0.34	1.89
Jewellery	0.39	-	0.36	0.08	0.83
Furniture (wood and metal)	0.24	-	-	0.06	0.30
Other metal products	0.38	-	-	0.01	0.39
Clothing	0.08	0.06	-	-	0.14
Storage batteries	0.09	-	0.01	0.03	0.13
Footwear	0.45	-	0.15	0.40	1.00
Miscellaneous	0.19	-	-	0.01	0.20
<u>Total</u>	<u>6.92</u>	<u>0.11</u>	<u>2.22</u>	<u>2.01</u>	<u>11.26</u>

Source: Guyana: Guyana Development Corporation.

/The general

The general picture would appear to be that manufacturing enterprises were having relatively easy access to investment funds from equity sources, the commercial banking system, and undistributed profits. The contribution of the Credit Corporation was small and so would appear, that from foreign sources. From the indications shown in table 17 the three main sources of finances in the past will continue to be predominant, though the contribution from foreign sources is likely to perform a significant role. The Credit Corporation, unless there is a distinct change in its credit policy, is not expected to improve upon its past performance.

(vii) Government policy and industrial financing

Reference has been made earlier on to the role of Government policy in influencing industrial finance. Concessions and incentives to private enterprise are regulated by two important ordinances promulgated since 1951.

The details of these Ordinances, as contained in the Revised Laws of Guyana are enumerated elsewhere. Briefly, their main provisions are as follows:

Chapter 109, referred to as the Industries Aid and Encouragement Ordinance, provides for the granting of a licence to an industrialist to import duty-free, such items as machinery, equipment vehicles and building materials for construction of factory buildings; provided the intention is to establish a new industry or to develop an existing industry. The concession is enjoyed over a 5-year period, in the case of manufacturing industries.

Chapter 300, provides Income Tax concessions (In Aid of Industry) - allowing a 5-year tax holiday period to the establishment of new manufacturing industries which are wholly of a developmental and risk-bearing nature. In addition, initial and annual allowances for wear and tear are allowed on constructed buildings, and installed machinery and plant. Protection of the local market, via increasing existing tariff against the imported finished product, is another aspect of Aid to Industry.

Chapter 300 provides a Schedule,^{2/} specifying the categories of trades to benefit from the income tax concessions. The interesting point emerging from a close examination of the schedule is that while some of its categories had enterprises firmly established before 1964, since this time, the indications of enterprises still entering these categories as well as those for the categories that were unoccupied through the years before 1964, have been most significant. Glass, footwear, rubber and plastics, textiles, polishing of jewellery are some of the main examples of recent indications. The growth in size of the domestic market for consumer non-durable goods, the access to technical expertise from abroad to establish many of these complex processes and the establishment of the Guyana Development Corporation, are three important explanations of this trend.

The Guyana Development Corporation has been mandated to stimulate, facilitate and undertake industrial development. One of its main techniques has been the implementation of a high-level propaganda campaign, publicizing the concessions and incentives available for new industries. This exercise, has so far been very successful, as it has given rise to an attitude of awareness to the institutional framework encouraging or inhibiting industrial development. As a result, new incentives and other concessions are in the framing process to include not only the establishment of other import-substitution industries but also more manufacturing industries based on indigenous raw materials. An additional aid to industrial financing also exists by the "Consultant" services it brings available to industry. The large and well established enterprise has available funds for research into new market and production. There are many other enterprises which are unable to do this. The Corporation fills the gap here.

^{2/} Refining of sugar and its by-products, rum distillation; the working of a mine (except gold and diamond), oil well, or other mineral deposits and the manufacture, refining and processing of oil and other minerals and their derivatives; manufacture of glass, paper, nails, screws, belts, etc.; plastic goods, hosiery, textiles, hats, leather, leathergoods and footwear, cement, fertilizers, bricks, tiles and concrete blocks, packages and crates, ice, edible oils, fats, soaps and allied products, spirits compounds, bay rum and perfumed spirits, furniture, matches, fibre, gas and flavouring extracts, tobacco, cigarettes, cans, radios, condiments, preserves, plywood, veneers, woodpulp, bags and twine, breweries; sawmills, milling of rice; canning industry.

The completion of the banking system with the establishment of a Central Bank is an important factor to facilitate more funds flowing into the manufacturing sector. By the directives it will give to the commercial banks in connexion with the size and distribution of their assets among sectors of the economy, another means are available here to influence industrial financing.

(b) Other characteristics and problems

(i) Size of manufacturing establishments

Available data is very limited in this field and points to the need for a census on manufacturing industries. The manpower sample survey,^{3/} using the number of paid employees in the enterprise as the criterion of size, has indicated the general structure of having relatively numerous small establishments, employing less than 10 employees compared with large establishments, employing more than 100 employees.

(ii) Employment in industry

Tables 8 and 9 have classified industrial labour force by industry. According to the 1960 Census, i.e. table 8, Agriculture, Mining and quarrying accounted for 40 per cent of the total labour force; manufacturing, 17 per cent; construction 9 per cent; tertiary services 34 per cent. Female employment is relatively small, represented by about 23 per cent. Most of these had been within the tertiary services. The pattern reflects a typically underdeveloped economy with a distorted occupational structure.

The results of the Sample Survey in table 9, shows Agriculture, Mining and Quarrying to have maintained their 40 per cent share of the total sample but manufacturing to have increased by 6 per cent. However, these results must be taken with caution lest misleading conclusions be arrived at.

^{3/} Survey of Manpower Requirements and the Labour Force, op.cit., p.29.

(iii) Levels of skill of employed labour force

The levels of skill acquired by a labour force are reflected, to a considerable extent by its efficiency. Objective criteria to measure efficiency include: output, its quantity, quality and economy; accidents; absence, strikes; labour turnover, and unemployment. Their use for our purpose would be limited because the available information is partly scant and partly too general. There are, however, three indicators that could usefully be applied here. The extent and quality of vacancies existing, the opinions of employers, and the suitability of training institutions to the needs of industry in general and, to the manufacturing sector, in particular.

(iv) Vacancies

The manpower Sample Survey attempted a coverage of the issue, as it affects the large enterprise - from the geographical, industrial and occupational aspects; and summarizes the situation as follows:

"there were about 350 to 400 vacancies but their distribution was by no means uniform. About 45 per cent were located in Georgetown, 17 per cent in Mackenzie, 13 per cent in the East Coast of Demerara and 10 per cent in both the North West District and Essequibo. The demand in Georgetown was fairly well distributed amongst the various occupations, but with some emphasis on special types of clerical and accounting personnel, salesmen, persons having experience in management methods and industrial relations, and servicemen for domestic electrical appliances. Vacancies in Mackenzie were distributed exclusively to special types of professional personnel (geologists, mining engineers, etc.) operators and technicians familiar with working of Bauxite and Alumina Plant equipment, and operators and repairers of heavy earth moving equipment.

Skilled sawmill workers, machinists, fitters, welders and operators of heavy earth moving equipment were in demand in the North West District, while vacancies in the Essequibo were mainly for skilled workers associated with Forestry and Logging (mechanics and drivers of heavy vehicles)."^{4/}

^{4/} Survey of Manpower Requirements and the Labour Force, op. cit., page 52.

The vacancies, in the main, have been long standing, being unfilled for three months and over. The real shortage of suitably qualified persons is the primary explanation of this situation. The requirements for Georgetown, more or less, represent the demands of the manufacturing sector. Data to substantiate this point exist in the arrangements by many of the new applicants for industrial concessions, to have supervisory and technical personnel from abroad to train their new labour force.

(v) Employers' opinions

The problem to bear in mind here, is the likelihood of biased judgement since the evaluation on a worker's performance would largely be based on subjective factors. This reservation made, there is still some useful evidence on the quality of the labour force in industry to be obtained from this indicator. The report records as follows:

"Several of the employers expressed satisfaction with their present employees, and many were also of the opinion that the performance of some of their employees were not up to expectations."^{5/}

Table 18 has summarized workers performing unsatisfactorily by occupation groups and location. The concentration of dissatisfaction among categories (2) (3) (4) is significant.

^{5/} Op. cit., p. 63.

Table 18

GUYANA: CLASSIFICATION BY EMPLOYMENT AND LOCATION OF WORKERS
WHOSE OUTPUT IS CONSIDERED UNSATISFACTORY

Occupation Group	Georgetown	New Amsterdam	Other areas
(0) Professional	3	-	-
(1) Non-professional with specialized training	1	-	-
(2) Administrative executive and supervisory personnel	6	-	4
(3) Clerical and sales	31	-	3
(4) Craftsmen and technicians	100	3	59
(5) Service workers	19	26	1
(6) Manual workers	17	-	14

(vi) Training facilities for industry

The manpower sample survey attempted an assessment of the total volume and adequacy of the training being undertaken in private establishments and also provided an indication as to whether training is taking place in those fields where shortages of workers exist.

The findings reveal that:

(a) The larger employers (Demerara Bauxite Company and the Booker Group of Companies) have formal and well-established training schemes within their organizations to ensure available and an adequate supply of skilled manpower.

(b) The Demerara Foundry and Messrs. Sprostons Foundry have well organized and co-ordinated training schemes partially implemented by the Government Technical Institute. There are no trade schools attached to these two firms.

(c) For the small workshops which are recognized as Licenced Masters by the Board of Industrial Training, the facilities of the Government Technical Institute are available, either on a part-time day release system or at evening classes.

/(d) Apart

(d) Apart from the schemes described above, training seems to be carried on only to a limited extent in private establishments as a whole. There are several occupations in which there is a demand for skilled workers and in which there are no persons receiving training.

The general position would seem to indicate significant deficiencies in the available quantity and quality of skill of the labour force required by industry. There is urgent need for a reorganization of the entire schemes of training to bring them more in line with present and future trends. A productivity centre is in the formation stage. This should go some way towards easing the problem.

(c) Location of industry

(i) Existing pattern

There are some 800 ^{6/} large establishments of all types in the country. About 300 of these are manufacturing enterprises. Georgetown and its suburbs is an area of the heaviest concentration. It accounts for 48 per cent of the total establishments. The North-West District and the Bartica-Cuyuni-Mazaruni areas each has the lowest concentration. Within this limit the pattern of distribution is irregular. The Corentyne area has 87; East Coast Demerara and Essequibo each has 66; New Amsterdam, 52; East Bank Demerara and West Demerara, with 32 each; and Berbice (excluding New Amsterdam and the Corentyne) and Mackenzie, 26 and 25 establishments respectively.

The pattern of distribution of manufacturing establishments is somewhat different. Georgetown and its suburbs has maintained its position. Mackenzie has one. This is the lowest concentration and reflects the predominantly mining activity of the region. The Corentyne region has 67; East Coast Demerara 44, while Essequibo has 39; East Bank Demerara and West Demerara with 18 each; Berbice excluding Corentyne and New Amsterdam 15; New Amsterdam, North-West District and the Bartica-Cuyuni-Mazaruni region has 7, 6, and 5 manufacturing enterprises respectively.

The share of the total establishments taken by manufacturing within each region, is summarized in table 19.

6/ Op.cit.: A Directory of Large Establishments.

Table 19

GUYANA: PERCENTAGE DISTRIBUTION OF MANUFACTURING ESTABLISHMENTS, BY REGIONS

Regions	Share (per cent)
Georgetown and Greater Georgetown	19.7
New Amsterdam	13.5
Berbice (remaining)	58.0
Mackenzie	4.0
Corentyne	77.0
East Coast Demerara	66.7
East Bank Demerara	56.3
West Demerara	56.3
Essequibo	58.2
North West District	42.8
Bartica/Cuyuni/Mazaruni	35.7
<u>Total</u>	<u>38.3</u>

Over all, manufacturing enterprises represent just over one-third of the total. This is in keeping with the size of the manufacturing sector described earlier on. Regions within this general frame differ. The Corentyne and East Demerara have manufacturing activity most pronounced. Sugar refining and rice milling dominate here. To a lesser extent, the explanation holds for Berbice, other than New Amsterdam, and for West Demerara. East Bank Demerara has a fairly high ratio. The diverse activities within the Industrial Estate at Ruimveldt would explain this.

Rice and sawmilling are significant for Essequibo. Georgetown and Greater Georgetown and New Amsterdam emphasize more "service" activity, while North-West District and Bartica-Cuyuni-Mazaruni, sawmilling.

/The reasons

The reasons to explain the location patterns above are many. The crucial ones are the population concentration transportation and other facilities of Georgetown. These could easily be utilized to dispose services and non-durable consumer goods. The available surplus labour of the Albuoystown and La Penitence area is recorded as a consideration in locating the industrial estate at Ruimveldt. Experience has not given much support to this view. The high mobility of semi-skilled labour in the country, and the relatively lower earnings he will accept, give the rural worker the advantage over his counterpart around Georgetown.

New Amsterdam would also be explained by market considerations. The bulky nature of the raw materials in rural areas is a factor explaining their processing in the regions where this done. Inadequate transportation facilities is also an associated factor in some cases.

The existing location pattern is largely the result of economic considerations. Conscious planning of locations was insignificant.

(ii) Recent trends

Sponsored Guyana Development Corporation Enterprises

Georgetown and its environs and areas along East Bank Demerara continue to attract new enterprises. Requests for additional sites and buildings at the Ruimveldt site have been on the increase. Government is giving attention to making more of these facilities available in this area. Some indications of new locations on the East Coast of Demerara, at New Amsterdam and its surrounding areas, and the Corentyne have been observed. These are not really significant in number. The Essequibo and other remaining regions are, more or less, at a standstill.

Unemployment concentrations

Meanwhile, there have been evidence of a 21 per cent level of unemployment in the economy.^{7/} A survey in 1956 estimated the level then to be 18 per cent of the labour force. As aggregates, these are

^{7/} Op. cit., page 178.

disturbing indications indeed. However, from the point of view of locating new enterprises, the more important consideration is the distribution of this unemployment pool, in relation to the labour force and regional concentrations.

Georgetown and its surrounding areas, Demerara East and West, Eastern and Western Berbice and Kwakwani account for 86 per cent of the labour force. The North West District and Bartica have 1.5 per cent; New Amsterdam 2 per cent; Mackenzie-Wismar area 4 per cent; the Essequibo Coast and Islands 7 per cent. Table 20 gives, in addition, the breakdown according to sex.

The regional concentration of unemployment follows identical pattern to the distribution of the labour force though, the proportions vary slightly. Table 21 supports this.

Female unemployment shows some interesting indications. Taken for the economy as a whole, the level is less than that for males, in all the regions but Bartica. However, Georgetown, New Amsterdam, Mackenzie-Wismar, Demerara East and West reflect a higher level of female unemployment than it is the case for Berbice, Essequibo and the North West District.

The twin problem of general and localized unemployment referred to above, reflect two important trends in the economy. The rapid pace at which the population grew and ultimately, the labour force and the failure of the rate employment opportunities to keep abreast of the labour force rate. This explains the general problem. The localized problem could partly be explained by the general reason. More fundamental causes would be the accelerated pace of mechanization in the sugar industry and the drift of rural labour to Georgetown and its suburbs. Employment in the Sugar Industry (field and factory workers) was 28,352 in 1952. For 1963, it stood at 17,844. The average annual rate of contraction being 3.4 per cent.

Table 20

REGIONAL LABOUR FORCE IN RELATION TO TOTAL
LABOUR FORCE ACCORDING TO THE MANPOWER
SAMPLE SURVEY, 1965

Regions	Persons in labour force			Percentage of total
	Males	Females	Total	
Georgetown	33 570	19 260	52 830	30.3
New Amsterdam	2 370	1 590	3 960	2.2
<u>Berbice</u>				
East	24 570	5 240	29 810	21.9
West	6 440	1 750	8 190	
Kwakwani	262	60	322	
Mackenzie-Wismar	4 630	1 620	6 250	3.6
<u>Demerara</u>				
East	28 090	8 610	36 700	33.4
West	15 070	6 410	21 480	
<u>Essequibo</u>				
Coast	6 870	1 970	8 840	7.2
Islands	3 020	690	3 710	
<u>North West District</u>				
Matthews Ridge				
Port Kaituma	463	60	523	
Mabaruma -				
Morawhanna	270	50	320	0.5
Bartica	1 200	490	1 690	0.9
<u>Total</u>	<u>126 825</u>	<u>47 800</u>	<u>174 625</u>	<u>100.0</u>

Source: Guyana: Manpower Survey Office.

Table 21

REGIONAL UNEMPLOYMENT IN RELATION TO TOTAL UNEMPLOYMENT,
ACCORDING TO THE MANPOWER SAMPLE SURVEY, 1965

Regions	Persons unemployed			Percentage of females unemployed by regional total	Regional un-employment as percentage of total
	Males	Females	Total		
Georgetown	4 770	4 060	8 830	46.0	24.2
New Amsterdam	420	370	790	46.9	2.2
<u>Berbice</u>					
East	4 980	1 400	6 380		
West	1 990	670	2 660		
Kwakwani	19	15	34		22.9
Mackenzie - Wismar	640	410	1 050	39.0	2.8
<u>Demerara</u>					
East	5 900	3 520	9 420		
West	2 520	2 040	4 560	39.9	38.4
<u>Essequibo</u>					
Coast	1 550	460	2 010		
Islands	220	130	350	25.0	6.5
<u>North West District</u>					
Matthews Ridge					
Port Kaituma	34	21	55		
Mabaruma - Morawhanna	55	10	65	25.8	0.3
Bartica	100	140	240	58.3	0.7
<u>Total</u>	<u>23 198</u>	<u>13 246</u>	<u>36 444</u>		<u>100.0</u>

Source: Guyana: Manpower Survey Unit.

/Obviously, the

Obviously, the remedies would be to create more job opportunities in both cases. Both the public and the private sectors would have to do this. The Government has indicated its determination to improve and expand the infrastructural requirements, (both physical and social) and to provide more inducements to the private sector.^{8/}

The following paragraph is a crisp projection of the problem with its complexities and the effort made to resolve it.

"The Government is giving immediate priority to industrial development with emphasis on the establishment of light manufacturing in areas of high population density and cottage industries in rural areas where considerable unemployment exists. However, there are serious obstacles to the realization of this objective, for example, manufacturing experience and entrepreneurship is limited; local financial institutions do not provide credit on the terms needed for the creation of manufacturing enterprises; there is a lack of local expertise for planning and running new industries: the tax structure and existing industrial concessions need to be revised to encourage a greater flow of local and foreign/private investment into industry; and there is little tradition in cottage industries."^{2/}

Within the context of the problem sketched above, a four-man United Nations Industrial Mission is presently in the country, advising the Government, via the Guyana Development Corporation on the formation of a programme of industrial development.

^{8/} Guyana: Development Programme 1966-1972.

^{2/} Guyana: Memorandum by General Manager, Guyana Industrial Development Corporation on Technical Assistance in Industrial Development, January 6, 1965.

Chapter IV

THE MAJOR SECTORS OF MANUFACTURING INDUSTRY

1. Aluminium smelting

None of the activity exists in Guyana, though, Bauxite (dry and calcined) and alumina operations are firmly established. Production of dry Bauxite increased by about 7 per cent from 2,310,000 long tons in 1954 to 2,468,000 in 1964. Calcined and alumina production started in 1961, was 120,000 tons and grew to 245,000 tons in 1964. The availability of cheap hydro-electricity required for smelting purposes is one of the reasons to explain the absence of aluminium production. The country's hydro-electric resources are under active investigation at the present time to demonstrate whether the generation of cheap hydro-electricity is a feasible proposition.

2. Chemicals and pharmaceutical products

The range of products include inorganic compounds, methylated spirits, other organic compounds, dyeing extracts, vitamins and vitamin preparations, pain relieving drugs, anaesthetics, salves and ointments, antiseptics, tonics, blood purifiers and nerve foods, cough and cold preparations, medicinal spirits and tinctures, medicinal products, lime oil, bay rum, cosmetics, soaps, wood polishes, insecticides, fungicides and disinfectants, starches, starchy substances, gluten and gluten flour, glue; paints and varnishes. Production is for both the local and foreign market, especially in the Caribbean. The value of exports was WI\$1.5 million in 1964.

3. Pulp and Paper

Imported flat cardboard sheets are assembled into cartons and boxes for storage and packaging of food products and garments in the distribution trade. A similar process exists for paper bags. Small export trade in containers with the Caribbean and United Kingdom exists. Newspapers and periodicals exported in 1964, valued about WI\$2 000.

4. Textiles

The garment industry is based on imported fabrics. The finished products are consumed locally, as well as by many Caribbean South American

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territories. The value of exports in 1964 was WI\$178 568. The industry has indicated a stage of vertical integration. A dyeing and finishing enterprise would soon be commencing operations.

5. Footwear

Repairs and maintenance activities are the main operations. By their nature, it is the domestic market, fed by imported finished products, which is served. Two new enterprises would soon commence operations in the manufacturing business.

6. Food processing

The country is still dependent to a considerable degree, upon outside sources for food supplies. (See again table 14.) Sugar and rice processing are important activities. Sugar, (unrefined) over the last decade, expanded production, raised efficiency, reduced unit costs and increased the real wages of its workers significantly. The following table shows recent trends in sugar cane acreage, sugar production and exports.

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Acreage	98	107	100	97	95
Production (000 tons)	334	324	326	317	258
Exports (000 tons)	309	313	319	275	235

The pace at which the labour force employed in the sugar factories, had been contracting over the decade partly reflects the trend in efficiency in the industry. Mechanical labour was substituting manual labour.

For rice, the pace of mechanization was less rapid. Multi-stage mills are more efficient than the single-stage ones; but the rate at which the former are being introduced are not matching the requirements. However, acreage expansion, production and export trends have been on the increase in recent years.

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Acreage	220	261	246	201	311
Production (000 tons)	126	124	130	103	155
Exports (000 tons)	63	72	89	78	85