



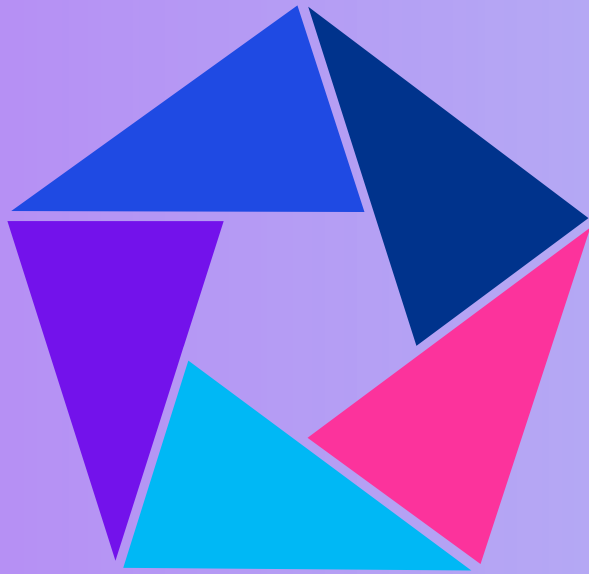
2024 Guyana budget highlights

“Staying the course – building prosperity for all”

January 15, 2024

Kaieteur Falls, Guyana

KPMG values



KPMG is committed to quality and excellent service in all that we do, helping to bring our best to clients, and earning the public's trust through our actions and behaviors both professionally and personally. Our Values guide our behaviors day-to-day, informing how we act, the decisions we make, and how we work with each other, our clients, and all of our stakeholders.

Our Values are:



Integrity

We do what is right.



Excellence

We never stop learning and improving.



Courage

We think and act boldly.



Together

We respect each other and draw strength in our differences.



ForBetter

We do what matters.



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Budget 2024 highlights



Value - added production

- Five (5) out of the nine (9) proposals submitted were short-listed to construct a refinery in the Berbice region. The investment commitment of the short-listed firms is expected to exceed US\$1B.
- The evaluation of the short-listed proposals are expected to be completed in the first quarter of 2024. The top ranked contender will undertake an Environmental and Social Impact Assessment at Crab Island for a facility designed to process at least 30,000 bpd.



Legal, regulatory & institutional framework

- In 2023, the Government enacted the Petroleum Activities Act 2023, which introduced a regulatory foundation for licensing pipeline operations and carbon dioxide storage, comprehensive provisions on decommissioning, stronger and more up to date penalties for non-compliance and statutory provisions on a suite of fees.
- The main coordinating and oversight agencies within the Government have implemented systems that allow for both physical and remote monitoring of the offshore activities in real time.
- In 2024, the Government intends to undertake key survey studies on the offshore blocks to better assess the potential petroleum resources available for development and production.



Exploration

- Subsequent to the completion of Guyana's inaugural licensing round in 2023, as well as the review of the global best practice mechanism on making block sizes attractive for investment while simultaneously promoting an accelerated rate of exploration and development, eight (8) of the fourteen (14) blocks that were offered for bidding, were short-listed.
- Awards and exploration activities and the issuing of licenses of the eight (8) shallow and deep-water areas are expected to begin early in 2024.
- In 2023, there were three (3) oil discoveries; two (2) in the Starbroek Block and one (1) in Corentyne Block.



Oil production

- Production from Destiny and Unity platforms and Prosperity FPSO is expected to continue in 2024. Encouraging accelerated production is integral to ensuring that Guyana optimise its resource potential and development agenda in a net-zero world.
- Advancements in development on the Yellowtail Project are likely to support the start-up staying on track for 2025.
- Whiptail is progressing as Government started reviewing the Field Development Plan submitted last year.
- Collectively, production could climb above 1.3M bpd beyond 2023 making Guyana the single largest non-OPEC contributor to global supplies.



Gas reserves


- Significant advancements in the civil works required for setting up the integrated plants was completed, along with the Material Offloading Facility and the construction of the heavy-haul road was completed and is now in use.
- Onshore and offshore pipeline installation activities will continue in 2024 to support the start-up of the integrated powerplant by December 2024. The plant's construction is anticipated by the second quarter this year.
- The Government requested proposals by February 2024 from prospective private investors to design, finance, construct and operate a centralised gas connection, storage and transport facility for all natural gas accessed and produced by oil companies operating in Guyana with the aim of supporting upstream development. This project is expected to be fully financed by the private sector.

Budget 2024 snapshot


All amounts are in GY\$ unless otherwise stated

(for context we have quoted below the US / GYD exchange rate as at 16 January 2024)


* USD / GYD	Buy 207.98	Sell 210.45
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\$718 B Budgeted total revenue 2024



\$1.1 T Budgeted expenditure 2024

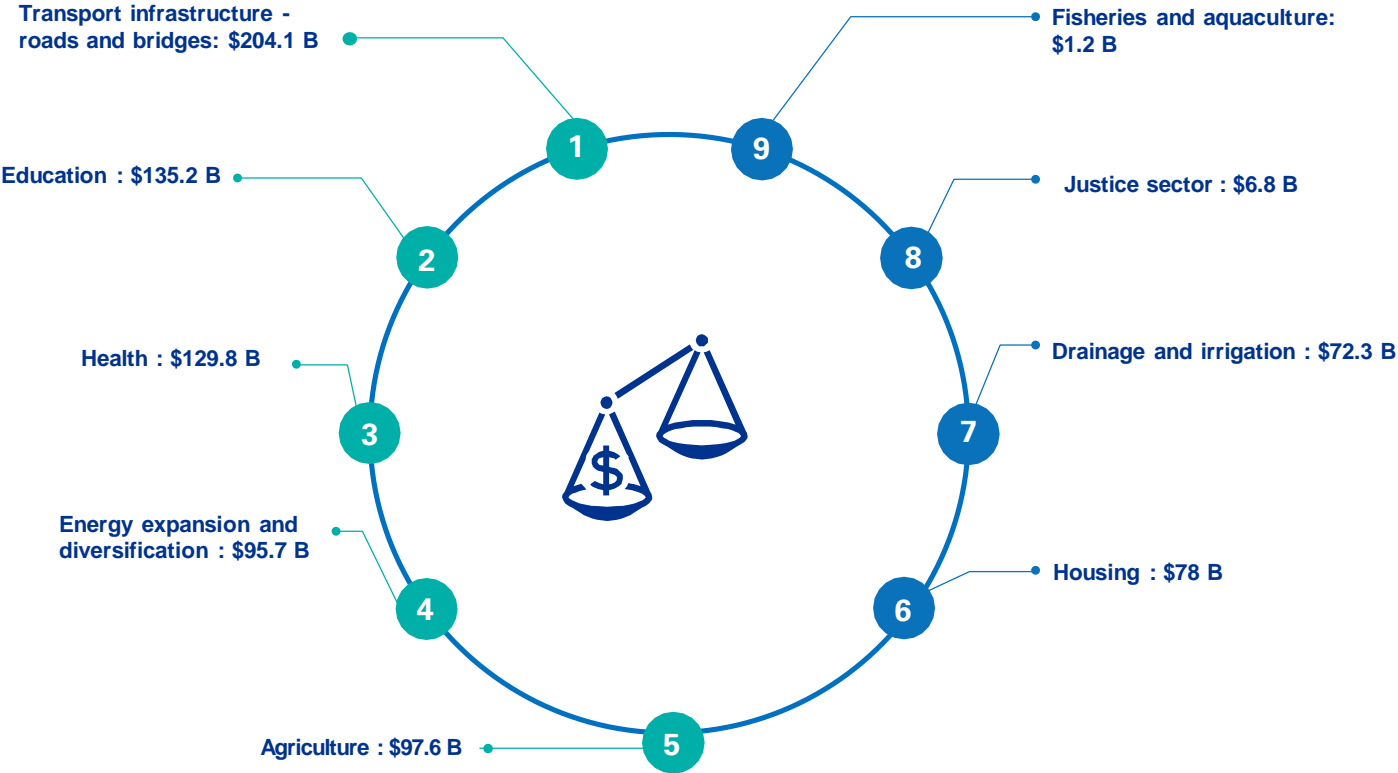


34.3% Projected real GDP growth 2024



27% Publicly guaranteed debt to GDP end of 2023

Key allocations of projected expenditure:



*Source: bank of Guyana exchange rate as at 2024-01-16.



Drilling down

Oil and gas magazine

Third edition

Articles include:

- Transition planning for oil and gas companies
- Oil and gas opportunities in balanced portfolios
- Proving environmental performance in natural gas markets
- Capitalizing on energy policies and regulations

Visit: kpmg.com/drillingdown



KPMG International



Proposed measures

Proposed measures

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(for context we have quoted below the US / GYD exchange rate at January 16, 2024)

*

*USD / GYD	Buy 207.98	Sell 210.45
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*Source: Bank of Guyana exchange rate

Reduction in freight charges

Proposal	The government will extend the application of freight cost adjustment for a 12 month period.
KPMG's view	Freight charges were previously adjusted to pre-pandemic levels of March 31, 2020, for the purpose of computing import taxes. These adjusted freight charges would be extended for an additional 12 month period from January 1 to December 31, 2024. This is an excellent initiative to cushion the transmission of increased freight costs to consumers.
Who are affected	Corporate and individuals
Timing	January 1, 2024 to December 31, 2024

Expansion of part-time job programme

Proposal	GY \$10B is proposed to be allocated for the continuation and expansion of the part – time job programme.
KPMG's view	The continuation and expansion of this programme is commendable, giving employment opportunities for one person per household in public offices close to their home. Since its launch in 2022 over 15,000 persons were employed in the programme in the various Regions. This programme will allow for development of skills and also benefits those who may require flexible work schedules due to family responsibilities or health conditions, as its for 10 days per month.
Who are affected	Individuals who may be seeking part time employment opportunities
Timing	January 1, 2024

Support to small businesses – lower interest rates

Proposal	The Government will partner with Commercial banks to lower the interest rates on loans up to GY \$5M.
KPMG's view	This will allow qualifying small businesses to reduce their costs of financing which traditionally tends to be at higher interest rates. This can facilitate borrowings for expansion and technological updates, for example. The specifics of this reduction would be valuable to determine qualifying criteria, term of loan, etc.
Who are affected	Small and medium sized enterprises
Timing	January 1, 2024

Proposed measures (cont'd)

Removal of duty and VAT on sports equipment; technology and fire extinguishers	
Proposal	Removal of 14% VAT and duty on sports equipment, fire extinguishers and smoke alarms. Removal of VAT on essential cell phone accessories, such as chargers, charging cables, and headphones, along with phone components for repairs.
KPMG's view	The removal of VAT and customs duties on these key supplies is commendable given the importance of technology and social activities for the population.
Who are affected	All individuals
Timing	To be determined

Increase in old age pension	
Proposal	Increase in old age pension from GY\$33,000 per month to GY\$36,000 per month.
KPMG's view	Another critical initiative to support the vulnerable with the effects of inflation.
Who are affected	76,000 old age pensioners will benefit from this initiative
Timing	January 1, 2024

Increase in public assistance	
Proposal	An increase from GY \$16,000 monthly to GY \$19,000.
KPMG's view	The increase of GY \$3,000 is commendable and is in line with the Government's goal of mitigating the high cost of living for the vulnerable citizens.
Who are affected	Qualifying persons and those with disabilities
Timing	January 1, 2024

Proposed measures (cont'd)

Supporting the vulnerable	
Proposal	<ul style="list-style-type: none"> • GY \$8,000 Cervical Cancer Testing voucher. • GY \$3,000 Eye test vouchers • GY \$15,000 vouchers for spectacles • Increase in “Because We Care” Student Grant to GY \$40,000
KPMG’s view	This will support the well-being of citizens of Guyana in critical areas of eye-care and Cancer screening.
Who are affected	<ul style="list-style-type: none"> • Women ages 21 to 65 to benefit from cervical cancer testing • Over 205,000 students and 76,000 pensioners to benefit from the Eye care initiatives • School children in public and private schools
Timing	To be determined

NIS – increases in minimum pension; survivor’s pension and invalidity pension	
Proposal	<ul style="list-style-type: none"> • Increase in current Minimum Pension paid by NIS from GY \$35,000 to GY \$43,075 per month • Increase the minimum pension paid to survivors by NIS from GY \$17,500 to GY \$21,537 monthly • Increase the minimum invalidity pension to GY \$43,075 per month
KPMG’s view	Critical initiatives to support these individuals so that they can continue to enjoy a decent standard of living recognizing impact of inflation.
Who are affected	Qualifying individuals
Timing	January 1, 2024

Support to University of Guyana graduates	
Proposal	First phase - eliminating outstanding student loans owed by graduates of the University of Guyana. By 2025 there is a promise to make tertiary education free.
KPMG’s view	Offers financial relief for young professionals.
Who are affected	Graduates of the University of Guyana who are employed / self-employed in Guyana
Timing	January 1, 2024

Proposed measures (cont'd)

Allowance for life and medical insurance premiums paid	
Proposal	To further incentivize citizens to obtain life and medical insurance, the Minister announced an increase in the deductible ceiling to GY \$50,000 monthly or 10% of income, whichever is lower.
KPMG's view	Allows for individuals to insure these critical risks and gain personal security whilst getting some tax relief for the expenditure.
Who are affected	All individuals paying for life and medical insurance
Timing	January 1, 2024

Increase in personal allowance	
Proposal	Increase of the annual personal allowance to GY \$1.2M
KPMG's view	This will increase the disposal income for individuals which should offer some relief given the inflation rates.
Who are affected	13,000 more individuals will be removed from income tax roll
Timing	Year of income 2024

Guyana tax rates

Individuals	
Income Tax Rates	<ul style="list-style-type: none"> • 28% on 1st GY \$2.04M of chargeable income • 40% on balance
Allowance	Annual Personal Allowance - increased to GY \$1.2M

Companies	
Telephone Companies	45%
**Commercial Company	40% or 2% of turnover, whichever is higher
Other-non-commercial (includes petroleum activities)	25%

Withholding tax	
Income Tax Act	20%
Corporation Tax Act	10%

Double tax treaties
United Kingdom
Caricom
Canada

Value add tax	
Standard Rate	14%

** "Commercial company" means a company at least 75% of the gross income of which is derived from trading in goods not manufactured by it and includes any commission agency, any telecommunication company, any body corporate licensed or otherwise authorized by law to carry on banking business in Guyana and any company carrying on insurance business, other than long term insurance business.

Environmental, Social and Governance

Embed ESG into your operations and governance



What is ESG?

ESG is the broad group of issues - environmental, social and governance - that have been grouped and used in the capital markets and by investors to evaluate and measure a company's total impact on the planet and on society.

Why should you care about ESG?

By aiming to improve ESG performance, companies can enhance long term value creation and support the achievement of the UN's Sustainable Development Goals. We believe that sustainable growth is the only way to build a successful business and have a positive impact on our environment and society:

- Consumers are choosing brands for their ethical behavior and their record on climate change
- Investors are favoring businesses with robust ESG frameworks
- Regulators are requiring organizations to increase transparency in areas such as diversity, equal pay, carbon emissions and modern slavery

This makes your ESG efforts crucial to long-term value creation, growth and remaining relevant in a fast changing world.

Our Journey

We've launched a \$1.5 bn investment programme globally, to drive expertise and solutions that support our clients with managing the risks and opportunities of ESG. This investment includes industry-leading training through joint ventures with the University of Cambridge and technology alliances with ServiceNow and Microsoft, to give our clients access to the unique insights they bring.

We're also leading by example. KPMG is driving ESG within our organization — striving to minimize the harm to the planet and making a positive contribution to society.

[Our Impact Plan](#) sets out the collective ESG commitments KPMG is making, and the actions that are being taken across the firm to fulfill them, thereby helping to make a more positive impact on the world. It's about our impact, the progress we're making and where we're holding ourselves accountable.

How we can help?

Our ESG team is leveraged across the KPMG Regional and Global network and comprises of specialists in **transformation, finance, climate risks and reporting**. We'll help you with:



Risks and opportunities



Transform your business

We've designed our services to put ESG at the core of your operations - where it should be.



ESG strategy



Measure and report

Our ESG service lines



ESG Advisory – Vision and Strategy



Sustainable finance and ESG Due Diligence



Climate risk and decarbonization - strategy and stress testing



Sustainable Tourism



ESG reporting and assurance



ESG in tax and legal services



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Cyber defence and data privacy - in a hyper connected world

How can we help

In our rapidly transforming and hyperconnected digital world, preventing or mitigating cyber attacks can appear nearly impossible, especially when it appears hackers are finding it increasingly easy to breach systems and data.

To help you deal with the cyber threat, our experts give you the right blend of business understanding and technical expertise. We provide you with contextual visibility of the vulnerabilities, risks and weaknesses associated with defending your critical systems and information from hackers.

We assist you with securing the competitive advantage associated with brand trust.

Furthermore, we provide you with the understanding of privacy risks and weaknesses associated with the data lifecycle so as to better protect the collection, use and consent of your customer's personal data.

KPMG member firms have advised on some of the most complex and high profile cyber defence and privacy best practices around the world.

The first 72 hours of a cyber attack are the most critical but also the most difficult for decision makers in an organization. While mishandling personally identifiable information can lead to significant regulatory fines. We bring the experience of a team of teams who operate in that world day in day out.

Our cyber defence and privacy services

KPMG's Cyber practice helps corporations identify cyber threats so that they can respond and recover from a cyber attack, as well as identify privacy risks so that they can respond and recover from data breaches. Some of our services include:



Technical security assessments



Privacy by Design assessments



Cyber Awareness training; Simulated Phishing campaigns



Active Directory & Secure Configuration assessments



Designing and implementing data privacy solutions



ICS / OT / IIoT Security assessments



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KPMG in Caricom

KPMG in Caricom forms part of the international network of member firms that operate in 143 countries and territories, with more than 273,000 partners and employees. These professionals collaborate across industry, service and national boundaries to deliver professional services for the benefit of their clients, KPMG people and the capital markets.

Member firms are located in Jamaica, Trinidad and Tobago, and Barbados (also servicing St. Lucia, Antigua and Barbuda, Anguilla, Dominica, Grenada, Guyana, Montserrat, St. Kitts and Nevis, and St. Vincent and the Grenadines). Our practice has strong professional contacts with the KPMG member firms in the Bahamas, Bermuda, Cayman Islands, all of which have similar cultures and operating environments.

KPMG Caricom operates across the region with a specific understanding of the cultural, economic and political facets of each individual economy. In-depth industry knowledge is available through the global KPMG network which provides access to skilled member firm professionals, across a wide range of industry sectors.

Our people

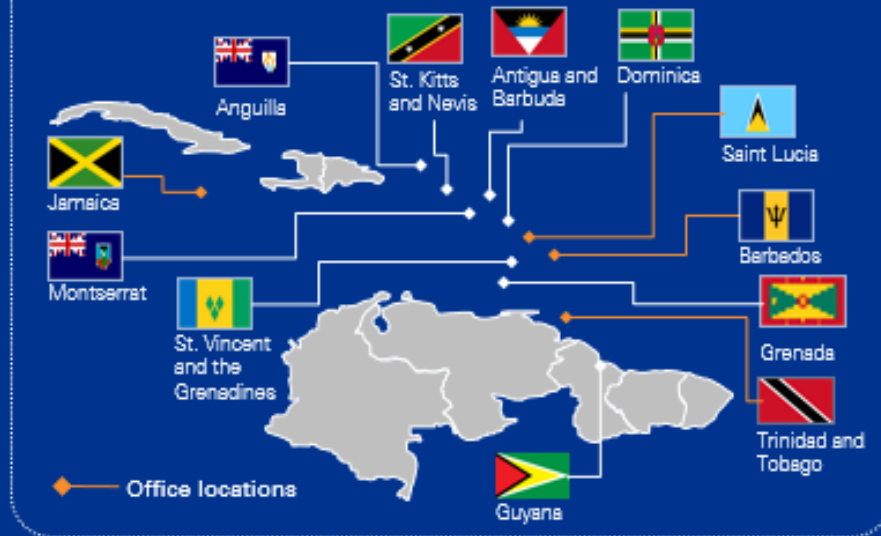
46
Partners
and
Directors



1,200+
Professionals

70% | 30%
Gender split (F | M)

Our member firms



KPMG Caricom at a glance

Servicing **12 countries**

- Anguilla
- Antigua and Barbuda
- Barbados
- Dominica
- Grenada
- Guyana
- Jamaica
- Montserrat
- Saint Lucia
- St. Kitts and Nevis
- St. Vincent and the Grenadines
- Trinidad and Tobago

4 physical offices

- Barbados
- Jamaica (two offices)
- Trinidad and Tobago

Celebrating,
100+ years
of service

KPMG in Caricom



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