

GUYANA

WORLD RANK: REGIONAL RANK:

91

19

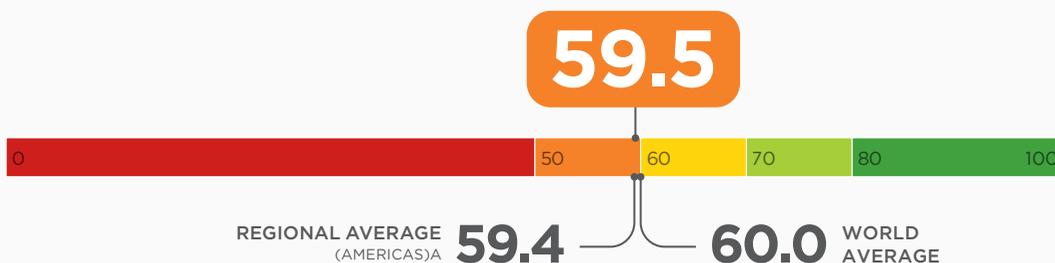
ECONOMIC FREEDOM STATUS:
MOSTLY UNFREE

Guyana's economic freedom score is 59.5, making its economy the 91st freest in the 2022 *Index*. Guyana is ranked 19th among 32 countries in the Americas region, and its overall score is above the regional average but below the world average.

Over the past five years, Guyana's economic growth accelerated as the offshore oil boom gathered speed and propelled investment and reforms. Economic freedom fluctuated over the same period but began to grow in 2020 and improved again in 2021. Driven by higher scores for rule of law (**property rights**, **judicial effectiveness**, and **government integrity**), Guyana has recorded a 1.0-point overall gain of economic freedom since 2017 and has neared the top of the "Mostly Unfree" category. Monetary freedom and **trade freedom** are relatively strong, but rule of law and **financial freedom** remain weak.

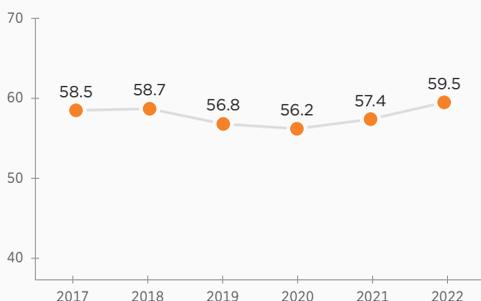
IMPACT OF COVID-19: As of December 1, 2021, 997 deaths had been attributed to the pandemic in Guyana, and the government's response to the crisis ranked 27th among the countries included in this *Index* in terms of its stringency. The economy grew 43.4 percent in 2020.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +13.8

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
0.8 million

GDP (PPP):
\$15.5 billion
43.4% growth
in 2020
5-year compound
annual growth 12.1%
\$19,684 per capita

UNEMPLOYMENT:
15.8%

INFLATION (CPI):
0.7%

FDI INFLOW:
\$1.8 billion

PUBLIC DEBT:
43.9% of GDP

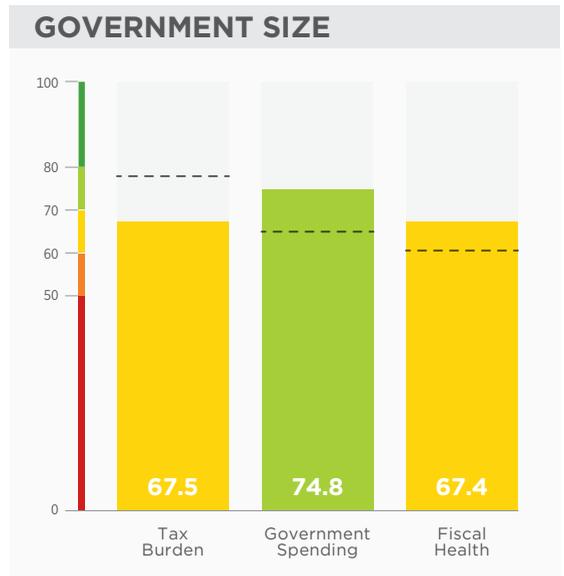
2020 data unless otherwise noted. Data compiled as of September 2021

BACKGROUND: After former slaves in British Guyana settled in urban areas, indentured servants from India were recruited to work on plantations. Guyana's ethno-cultural divide has led to a history of political turmoil and electoral violence that stretches back to its independence from the United Kingdom in 1966. Irfaan Ali of the leftist People's Progressive Party/Civic became president in 2020 after months of uncertainty over disputed election results. Ali has pursued an agenda focused on creating local jobs and negotiating with foreign oil companies. Petroleum production from recently discovered offshore oilfields has transformed Guyana's economy and is expected to raise GDP substantially. Venezuela claims more than two-thirds of Guyana's territory and has pursued annexation unsuccessfully in international courts.

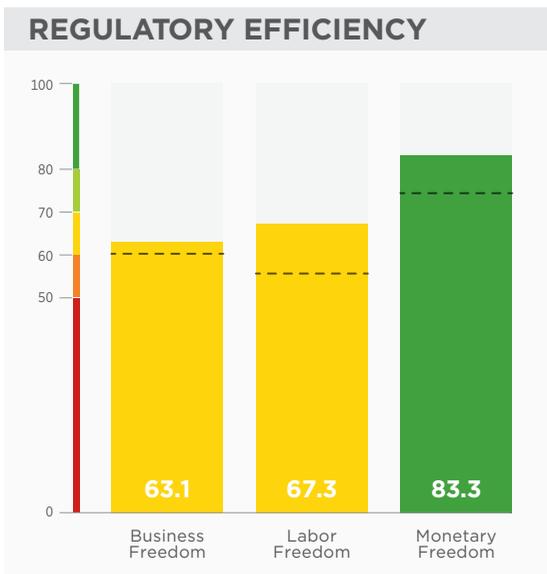
12 ECONOMIC FREEDOMS | GUYANA



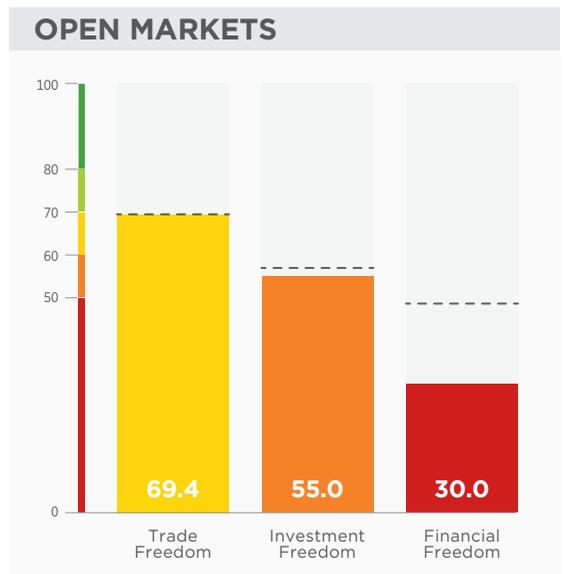
Protection of property rights is weakened by an overly bureaucratic, opaque, and complex system with overlapping, competing, and nontransparent regulations. Although the judiciary is independent, the understaffed and inadequately resourced judicial system is generally perceived as slow and ineffective in enforcing legal contracts. There are widespread concerns about inefficiencies and corruption in the awarding of contracts.



The top individual income tax rate is 33.3 percent, and the top corporate tax rate is 40 percent. The overall tax burden equals 23.2 percent of total domestic income. Government spending has amounted to 29.0 percent of total output (GDP) over the past three years, and budget deficits have averaged 4.2 percent of GDP. Public debt is equivalent to 43.9 percent of GDP.



Guyana's newfound oil wealth made it the world's fastest-growing economy in 2020. Being the only English-speaking country in South America creates the potential for call centers and other service industries. New revenue from oil production will permit the government to fund a vast expansion of its state-run enterprises (SOEs); it already subsidizes 10 SOEs in such sectors as electricity, sugar, rice growing, and shipping.



Guyana has four preferential trade agreements in force. The trade-weighted average tariff rate is 5.3 percent, and 32 non-tariff measures are in effect. Most new foreign investments are screened. The approval process for investments can be burdensome and nontransparent. The banking sector, characterized by inefficiency and a poor institutional framework, has become more fragile.