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Guyana: An Overview

Located on the northern coast of South America between Suriname and Venezuela, English-speaking Guyana has characteristics similar to other Caribbean nations because of a common British colonial heritage (Guyana became independent in 1966). The country participates in Caribbean regional organizations, and its capital, Georgetown, serves as headquarters for the Caribbean Community (CARICOM), a regional integration organization. Once one of the poorest countries in the hemisphere, Guyana's development prospects have shifted significantly since the discovery of large offshore oil deposits in 2015.

Figure 1. Map of Guyana



Source: Congressional Research Service.

Political and Economic Environment

Guyana has a hybrid republican/parliamentary form of government, with a 65-member unicameral National Assembly. The presidential candidate of the party or coalition receiving the most votes becomes president, and the president appoints the prime minister and Cabinet.

Current President Dr. Mohamed Irfaan Ali of the People's Progressive Party/Civic (PPP/C) won the country's March 2020 elections, defeating incumbent President David Granger, who led a coalition consisting of A Partnership for National Unity (APNU) and the Alliance for Change (AFC). In the National Assembly, Ali's PPP/C took a majority of 33 seats, the APNU/AFC coalition won 31 seats, and a smaller party won the remaining seat. Marred by allegations of fraud, final elections results were delayed until August 2020 after a recount by a CARICOM team and

multiple legal challenges by supporters of the previous Granger government.

After his inauguration, President Ali appointed retired military leader Mark Phillips as prime minister and former President Bharrat Jagdeo (1999-2011) as vice president. Some observers contend that Jagdeo, who was constitutionally prohibited from seeking a third term, plays a key role in policy decisions. Guyana's next national elections are not due until 2025, but local elections are expected to be held in late 2022 and could serve as a referendum on the ruling PPP/C's performance.

Guyana at a Glance

Population: 789,000 (2021 est., IMF)
Ethnic Groups: Indo-Guyanese, or those of East Indian heritage, almost 40%; Afro-Guyanese, almost 30%; mixed, 20%; Amerindian, almost 11% (2012 est., CIA)
Area: 83,000 square miles, about the size of Idaho
GDP: \$7.6 billion (2021, current prices, IMF)
Real GDP Growth: 5.4% (2019); 43.5% (2020); 19.9% (2021 est.); 47.2% (2022 forecast) (constant prices, IMF)
Per Capita GDP: \$9,644 (2021 est., current prices, IMF)
Sources: International Monetary Fund (IMF), World Economic Outlook Database, April 2022; and Central Intelligence Agency (CIA), World Factbook.

Political affiliations in Guyana often fall along ethnic lines. The ruling PPP/C, which traditionally has been supported by Indo-Guyanese, governed Guyana from 1992 to 2015. The largest party in the opposition APNU coalition is the People's National Congress Reform (PNCR), which dominated the political system from independence until 1992 and draws support from an Afro-Guyanese base. The other main opposition party, AFC, identifies as a multiracial party. In the aftermath of the 2020 election crisis, some experts expressed concern about an increase in ethnic tension and called for the adoption of a more ethnically inclusive approach toward governing.

COVID-19 in Guyana

Since the Coronavirus Disease 2019 (COVID-19) pandemic began, Guyana has reported 1,262 deaths from the virus, with a mortality rate of 160 per 100,000 people as of July 12, 2022, according to Johns Hopkins University. The country also reported a vaccination rate of almost 47%, with vaccine hesitancy a challenge; in June 2022, the government began rolling out vaccines for children aged 5 to 11. Guyana has benefited from vaccine donations through the COVID-19 Vaccines Global Access (COVAX) Facility, a mechanism developed by global health

organizations to facilitate equitable distribution of vaccines. It also has received vaccine donations bilaterally outside of COVAX, including from the United States (see below).

Oil Changes Guyana's Economic Outlook

Guyana's economy traditionally was based on agriculture (rice and sugar) and mining (gold and bauxite), but the discovery of significant amounts of offshore oil, bolstered the country's development prospects. The U.S. Geological Survey estimates reserves of 13.6 billion barrels of oil and 32 trillion cubic feet of gas. ExxonMobil leads a consortium that includes Hess and China National Offshore Oil Corporation and has been involved in oil and gas exploration in Guyana since 2008. Since 2015, the consortium has identified numerous commercially viable discoveries in the Stabroek Block, about 120 miles offshore. Production began in December 2019, reached 120,000 barrels of oil per day (b/d) in 2021, is expected to reach 340,000 b/d in 2022, and could reach 1.2 million b/d by 2027, according to ExxonMobil. ExxonMobil is also the operator in two other offshore oil blocks in Guyana, and the government plans to auction new blocks for offshore oil exploration later in 2022.

Guyana's oil production has enabled the country to withstand much of the economic fallout from the pandemic. In 2020, despite a global recession, Guyana's economy grew almost 44%, according to the International Monetary Fund (IMF). In 2021, it grew almost 20%, and the forecast for 2022 is 47% growth. In 2019, Guyana's National Assembly approved legislation establishing the Natural Resource Fund (NRF), a sovereign wealth fund for managing the country's oil wealth. In December 2021, the government approved legislation amending the NRF's regulatory framework, maintaining the action would ensure greater transparency and accountability. Guyana's 2022 budget is the first benefitting from NRF financing, which the government maintains will support infrastructure investments, including in energy and transportation, and social expenditures in health and education.

U.S.-Guyana Relations

U.S. relations with Guyana improved in the early 1990s when the government moved away from one-party domination of the political system and embraced a market economy and free and fair elections. Today, according to the State Department, U.S. policy toward Guyana seeks to support robust and sustainable democratic institutions, an empowered civil society, economic growth and development, and stability and security.

In the aftermath of the March 2020 elections, U.S. Ambassador Sarah-Ann Lynch and the heads of mission from Canada, the United Kingdom (UK), and the European Union (EU) played a major role in supporting a recount and pressing for a resolution. In July 2020, the State Department imposed visa restrictions on several unnamed Guyanese individuals for undermining democracy. Upon the resolution of the crisis in August 2020, the U.S., UK, Canadian, and EU ambassadors issued a joint statement that congratulated President Ali, thanked President Granger for accepting the results, and looked forward to seeing the new government "reach across political divisions to unite Guyanese of all ethnicities, races, and regions."

In June 2022, President Biden and Vice President Harris met with President Ali and other Caribbean leaders at the Ninth Summit of the Americas in Los Angeles, CA. Discussions centered on the impact of climate change; food and energy insecurity; lack of access to financing; and security cooperation and engagement, including on small arms trafficking. At the summit, Vice President Harris announced the U.S.-Caribbean Partnership to Address the Climate Crisis (PACC 2030), a new initiative aimed at facilitating renewable energy infrastructure development and bolstering resilience to climate-based natural disasters.

Trade. As Guyana has become an oil-producing nation, trade with the United States has increased significantly. The United States ran a trade deficit of \$1.25 billion with Guyana in 2021, with U.S. exports valued at \$991 million, up 51% from 2020, and U.S. imports valued at \$2.2 billion, up 200% from 2020 (oil and gas accounted for almost 93%). Since 1988, Guyana has been a beneficiary of the Caribbean Basin Economic Recovery Act (P.L. 98-67, as amended, with no expiration), a preferential trade program for Caribbean imports. Since 2000, it has been a beneficiary of the Caribbean Basin Trade Partnership Act (Title II of P.L. 106-200, extended through September 2030), which provides enhanced tariff preferences for certain imports, including goods made with U.S. yarns, fabrics, and threads.

U.S. Foreign Aid. The United States provided \$7.8 million in assistance to Guyana in FY2020 from all U.S. agencies (<https://foreignassistance.gov/cd/guyana/>, latest full-year available). The top categories included support for health, education, and environmental programs; strengthening government institutions and civil society; military education and training; and humanitarian assistance for Venezuelan migrants (estimated to number 24,500 as of May 2022).

Among U.S. aid programs, Guyana received assistance between FY2004 and FY2020 to combat HIV/AIDS through the President's Emergency Plan for AIDS Relief program. Since 2009, it has benefited from aid provided through the Caribbean Basin Security Initiative (CBSI), a U.S. regional aid program to combat the drug trade and improve citizen security. CBSI support has provided patrol boats, training, and equipment for police and customs units and assistance for youth programs and juvenile justice reform. Before the suspension of a Peace Corps program due to COVID-19, Guyana hosted over 60 volunteers working on education, health, and environmental projects.

The United States has provided assistance to help Guyana respond to the COVID-19 pandemic, including vaccination tents, freezers for vaccine storage, personal protective equipment, and support to combat vaccine hesitancy. To date, the United States has donated almost 302,000 vaccine doses (about half through COVAX and half bilaterally), including a recent shipment of almost 13,000 vaccine doses in July 2022.

For additional information, see CRS In Focus IF10789, *Caribbean Basin Security Initiative*.

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