Guyana: An Overview

Located on the north coast of South America, English-speaking Guyana has characteristics of a Caribbean nation because of its British colonial heritage (the country became independent in 1966). Guyana participates in Caribbean regional organizations, and its capital Georgetown serves as headquarters for the Caribbean Community (CARICOM), a regional integration organization.

Figure 1. Map of Guyana

Guyana currently is facing two major challenges—a political crisis concerning the conduct of the March 2, 2020, elections, and a public health threat due to the Coronavirus Disease 2019 (COVID-19) pandemic.

- Guyana is facing increasing international pressure to finalize results from its March elections. U.S. officials and some Members of Congress have expressed support for the recount completed in June (see H.Con.Res. 101).

- With regard to COVID-19, as of July 13, 2020, Guyana reported 17 deaths and 297 confirmed cases. The economic impact of COVID-19 on Guyana will not be as severe as in other Caribbean countries because of Guyana’s recently begun offshore oil production.

Political Environment

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

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

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

March 2020 Elections

Originally due by September 2020, Guyana held national elections on March 2, 2020, because the ruling coalition lost a no-confidence motion in December 2018. A legal challenge to the motion delayed elections until after the Caribbean Court of Justice (CCJ, Guyana’s highest court of appeals) ruled in June 2019 that it was valid. Running for reelection, Granger is the presidential candidate of the APNU/AFC coalition, and the PPP/C’s candidate is Irfaan Ali, who previously served as housing minister.

Final election results have not been released because of fraud allegations. On March 6, several international election observer missions—from the Organization of American States, the Carter Center, the European Union (EU), and the Commonwealth—maintained that the tabulation of results was interrupted and incomplete. Legal challenges delayed a
recount, but it was finally held between May 6 and June 8, overseen by a three-member CARICOM team. Preliminary recount results showed the opposition PPP/C secured enough votes to win. The CARICOM team concluded that the recount, despite some irregularities, reflected the “will of the voters,” whereas Guyana’s chief election officer (CEO) maintained that the vote was not free or fair because of numerous irregularities.

Further hurdles have delayed the release of final election results. On June 16, the chairperson of the Guyana Elections Commission (GECOM) directed the CEO to prepare a final election report based on the recount, but a legal challenge ensued. On June 22, Guyana’s Court of Appeal ruled that the winner could be declared only on the basis of “more valid votes cast.” This led the CEO to submit a report to GECOM on June 23 removing more than 115,000 votes cast, which would result in an APNU/AFC victory. A subsequent legal challenge to the CCJ led to a July 8 decision invalidating the Court of Appeal ruling and the CEO’s June 23 report. On July 11, the CEO submitted another report to GECOM showing a victory for the ruling coalition, contrary to the recount results.

Oil Changes Guyana’s Economic Outlook

Guyana’s economy traditionally has been based on agriculture (rice and sugar) and mining (gold and bauxite), but the discovery of significant amounts of offshore oil is bolstering the economy. 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 16 commercially viable discoveries in the Stabroek Block, about 120 miles offshore. Production began in December 2019 and is soon expected to reach 120,000 barrels of oil per day (b/d) and more than 750,000 b/d by 2026. Recoverable oil is estimated at more than 8 billion barrels.

The discovery of offshore oil vastly changes the economic development prospects of Guyana, which used to be one of the hemisphere’s poorest countries. The International Monetary Fund (IMF) estimates that economic growth in 2019 reached 4.7% and for 2020, despite the recent decline in world oil prices and the economic consequences of the COVID-19 pandemic, is forecasting a 53% growth. Guyana’s development of its oil resources has raised concerns about corruption. In 2019, Guyana’s National Assembly approved legislation providing a framework for the establishment of a Natural Resource Fund for managing the country’s oil wealth. The IMF welcomed the action but called for Guyana to take additional steps, including establishing a fiscal responsibility framework to avoid fiscal deficits; promoting effective, transparent management of the oil wealth; and strengthening anti-corruption efforts.

U.S.-Guyana Relations

U.S. relations with Guyana 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. After the March 2020 elections, U.S. Ambassador Sarah-Ann Lynch joined the heads of mission from Canada, the United Kingdom, and the EU to issue a March 6 joint statement expressing “deep concern over credible allegations of electoral fraud.” The ambassadors called on President Granger to avoid a transition of government, maintaining it would be “unconstitutional” because the tabulation process “lacked credibility and transparency.” On June 5, the ambassadors commended Granger and opposition leader Jagdeo for supporting the recount and their commitment to abide by its results. In a June 24 statement, the ambassadors said that “election results are long overdue” and expected GECOM to meet “its constitutional duty” to issue an electoral declaration on the basis of the recount “to ensure the democratic choice of the people is fulfilled.” In a July 1 press briefing, Secretary of State Mike Pompeo stated that he instructed the State Department “to ensure those who undermine Guyana’s democracy are held accountable.”

Trade. The United States ran a trade surplus of $540 million with Guyana in 2019, with U.S. exports valued at $672 million, up 24% from 2018 (led by machinery and iron/steel pipes for oil drilling) and U.S. imports valued at $132 million (led by seafood, aluminum ores, and gold). In 1988, Guyana became a beneficiary of the Caribbean Basin Economic Recovery Act (CBERA), a preferential trade program for Caribbean imports. In 2000, it became a beneficiary of the Caribbean Basin Trade Partnership Act (CBTPA), a program that provides enhanced tariff treatment for certain imports from the region, including goods made with U.S. yarns, fabrics, and threads. CBERA has no set expiration date; CBTPA expires in September 2020. Legislation has been introduced in both houses (H.R. 991 and S. 2473) to extend the CBTPA to September 2030.

U.S. Foreign Aid. U.S. assistance includes a small bilateral aid program to improve the capacity of Guyana’s security forces to police its border and provide security and larger spigots of assistance through global and regional programs. According to the U.S. Agency for International Development, U.S. aid to Guyana amounted to $4.7 million in FY2018 (latest full year available), with top sectors including HIV/AIDS and basic education and health. Guyana has received assistance since 2004 to combat HIV/AIDS and since 2009 to help combat the drug trade and improve citizen security through the Caribbean Basin Security Initiative. Before the suspension of a Peace Corps program due to COVID-19, Guyana had over 60 volunteers working on education, health, and environmental projects. Among other U.S. aid spigots, the United States also has provided almost $4.8 million in humanitarian assistance from FY2017 to FY2020 through international organizations for some 22,000 Venezuelan refugees and migrants in Guyana. Most recently, the United States is providing assistance to help respond to the COVID-19 pandemic through a portion of $2.2 million in health funding for the Caribbean and $350,000 in humanitarian assistance for Venezuelan refugees and host communities.

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