



REVIEW OF
GUYANA BUDGET 2025

Jack A. Alli, Sons & Co. **JAS**

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Overview

The Senior Minister in the Office of the President, Honourable Dr. Ashni Singh, presented the 2025 Budget on 17 January 2025 under theme “A Secure, Prosperous, and Sustainable Guyana”.

Budget 2025 projects total expenditure of G\$1,382 billion (US\$6.6 billion) while total revenue is estimated at G\$1,354 billion (US\$6.5 billion) giving rise to a budget deficit for 2025 of G\$28 billion (US\$132 million).



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Author's Note

Budget Estimates 2025 were prepared in Guyana Dollars. For purposes of this article, United States Dollar equivalent amounts have been determined by applying an exchange rate of G\$208.5 to US\$1 and have been rounded to the nearest million in most cases. Figures in tables may not sum to the total due to rounding.

Performance of National Economy in 2024

Budget 2024 had projected that the national economy would have grown by 34 percent in 2024, with the non-oil sectors expected to have grown by 12 percent. Actual growth for 2024 was 43.6 percent, with the non-oil sectors growing by 13.1 percent.

National Output and Inflation

The gross domestic product at current prices was US\$23.4 billion in 2024 compared to US\$16.5 billion in 2023, while per capita GDP in 2024 was estimated at US\$30,655 compared to US\$21,513 in 2023.

The contributions to gross domestic product of the major sectors, as measured at 2012 prices, are shown in the table below.

	2024	2023	2022
Gross Domestic Product	US\$23.4 b	US\$16.5 b	US\$14.8 b
Sector Allocation	%	%	%
Petroleum	76	70	62
Agriculture, Fishing and Forestry	5	8	9
Mining and Quarrying	2	3	4
Manufacturing	1	2	2
Services:			
Real Estate	1	2	3
Construction	3	4	4
Wholesale and Retail Trade	1	3	3
Administrative and Support Services	1	2	3
Financial and Insurance Activities	1	2	2
Other	9	4	8

Source - Budget Speeches 2025, 2024, 2023

The petroleum sector continued to expand during 2024, producing 225.4 million barrels of crude oil in 2024 compared to 142.9 million barrels in 2023. The significant growth reflected the contribution of the third FPSO - Prosperity - which commenced production in late 2023, joining the Liza Destiny and Liza Unity in the Stabroek Offshore Block. The oil block is operated by ExxonMobil and jointly held with Hess Corporation and China National Offshore Oil Corporation. Overall, the sector expanded by 57.7 percent in 2024.

During 2023, the Government auctioned fourteen additional offshore blocks in shallow and deep-water areas. From among eight shortlisted blocks, three PSAs are expected to be finalised in the first half of 2025. Negotiations are continuing with remaining bidders from that auction. The Government is also planning to conduct seismic surveys offshore by 2026 to inform a second licensing round.

The gold industry recorded marginal growth of 0.5 percent during 2024 with total gold declarations of 434,067 ounces compared to 432,113 ounces. The lone large-scale operation at the Aurora mine, owned by Zijin Mining, grew by 32.2 percent to 144,593 ounces of gold. Another potential large-scale operator at Oko West announced its Preliminary Economic Assessment projecting recovery of 4.5 million ounces of gold over 12.7 years, or approximately 353,000 ounces annually.

The bauxite industry recorded growth of 48.4 percent growth in 2024 with estimated production of 1.7 million metric tonnes of bauxite. The larger producer, Bosai Mining located in Linden, ramped up production of metallurgical grade bauxite (MAZ) in addition to refractory grade bauxite (RASC), thereby contributing to the increase. The sand extraction and stone production sectors continued to grow strongly in tandem with the continuing national surge in construction activity. The construction sector is estimated to have grown by 30.8 percent in 2024 reflecting continuing massive public investment in infrastructure as well as significant private sector projects.

The agriculture, fishing and forestry sector is estimated to have grown by 11 percent in 2024 due primarily to increases in the rice, livestock and other crops sub-sectors. The rice industry grew in 2024 with total production of 725,282 metric tonnes, as compared to 653,706 metric tonnes in 2023, reflecting better yields. The sugar industry is estimated to have contracted by 21.8 percent in 2024 due to poor weather conditions and labour shortages.

Inflation in 2024 was 2.9 percent, compared to 2.0 percent in 2023.

Balance of Payments

The balance of payments recorded a surplus of US\$113.8 million compared to deficit of US\$34.2 million in 2023. The main contributors are highlighted below.

Account	2024 US\$mln	2023 US\$mln	2022 US\$mln
Current Account			
Merchandise			
Crude Oil	17,993.2	11,631.5	9,853.8
Gold	990.0	808.6	829.8
Rice	254.8	211.7	195.6
Bauxite	94.8	79.6	98.9
Sugar	19.4	24.9	17.4
Timber	20.0	20.5	27.6
Other and Re-exports	420.2	405.4	257.2
Fuel & Lubricants	(1,203.1)	(1,265.7)	(1,268.2)
Other Imports	(5,610.6)	(5,370.3)	(2,355.2)
Current – Services (Net)	(7,806.3)	(5,602.3)	(4,907.3)
Current – Transfers	893.2	1,036.9	1,056.3
Total Current Account Surplus	6,065.7	1,980.9	3,805.9
Total Capital Account (Deficit) / Surplus	(5,940.4)	(2,027.6)	(3,658.4)
Errors and Omissions	(11.5)	12.5	(25.9)
Overall Balance	113.8	(34.2)	121.5

Source – Budget Speeches 2025, 2024, 2023

The current account benefitted from increased earnings from crude oil, gold, rice and bauxite in 2024. Imports of fuel and lubricants decreased marginally while other imports of goods increased significantly on account of a rise in the imports of equipment parts and accessories, as well as imports of other durables and food for consumption. In 2024, there was no impact from transferred FPSOs as in 2023 when the FPSO Prosperity was completed. Net service payments also increased in 2024 reflecting higher net payments for services.

The capital account of the balance of payments ended with a higher deficit of US\$5.94 billion due largely to the absence of FPSO inward investment in 2024, to offset outward capital flows, as in 2023.

The balance of payments surplus resulted in an increase in net international reserves at the Bank of Guyana with a closing year-end balance of US\$1 billion compared to US\$896.4 million as at 31 December 2023.

Public and Guaranteed Debt

Total public and publicly guaranteed debt amounted to US\$6.0 billion at the end of 2024 with external debt and domestic debt amounting to US\$2.2 billion and US\$3.8 billion, respectively, compared to US\$1.8 billion and US\$2.7 billion at the end of 2023.

The largest external debt lenders are the Inter-American Development Bank and the EximBank of China with US\$852 million and US\$270 million, respectively, outstanding at the end of 2024. Domestic debt comprises treasury bills of US\$2.8 billion and debentures issued by the Bank of Guyana of US\$886 million.

The debt (including guaranteed debt) to GDP ratio at 2024 year-end was 24.3 percent compared to 27.3 percent at the end of the prior year.

Natural Resources Fund (NRF)

The NRF amounted to US\$3.10 billion at the end of 2024, compared to US\$1.97 billion at the end of 2023. Inflows to the NRF during 2024 comprised of US\$2.22 billion from Guyana's share of profit oil and US\$348 million from royalties, along with interest of US\$141 million. An amount of US\$1.59 billion was transferred from the NRF during 2024 to the Consolidated Fund for use on national development priorities.

Budget Revenue Projections for 2025

Of the total projected revenue of G\$1,354 billion (US\$6.5 billion) in Budget 2025, G\$1,024 billion (US\$4.9 billion) is from current sources while G\$330 billion (US\$1.6 billion) is from capital sources.

The major sources of current revenue of G\$1,024 billion are summarized in the table below.

Form of Current Revenue	2025 Budget G\$bln	2024 Budget G\$bln	2023 Budget G\$bln
Tax Revenue:	434.5	408.5	320.0
- Corporation tax	136.5	82.2	67.8
- Value-added tax	88.0	81.3	65.2
- Personal income tax	78.9	77.1	61.2
- Import duty	37.5	34.6	29.4
- Withholding tax	37.3	82.5	54.4
- Excise tax	32.0	29.6	23.4
- Other tax revenue	24.3	21.2	18.6
Withdrawal from Natural Resource Fund	512.4	240.0	208.9
Carbon Credit Inflow	41.1	43.7	31.3
Other Current Revenue	36.5	25.6	18.3
	1,024.5	717.8	578.5

Source - Budget Estimates 2025, 2024, 2023

The current revenue for 2025 includes withdrawals from the Natural Resource Fund of G\$512.4 billion (US\$2.5 billion). It also reflects Carbon Credit Inflows of G\$41.1 billion (US\$197 million). During 2022, almost 33.5 million carbon credits were issued to Guyana for the period 2016 to 2020 by the Architecture for REDD+ Transactions Environmental Excellence Standard (ART-TREES) Secretariat. Hess Corporation was the first buyer of Guyana's carbon credits, with a purchase of approximately one third of Guyana's carbon credits issued by ART-TREES. In 2024, Guyana's carbon credits became the first to be certified for Phase I of the UN's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

Tax revenue is projected to grow as economic activity expands in 2025. No new taxes were introduced in Budget 2025. However, certain fiscal measures were introduced or extended in Budget 2025, as highlighted below.

I. Excise Tax, Import Duty and VAT

- » Continued application of zero percent excise tax on fuel.
- » Continued application of the freight cost adjustment which utilises pre-pandemic freight values in the determination of CIF values for tax and duty purposes, up to 31 December 2025.
- » Removal of VAT on agricultural machinery and back-up generators.

II. Income Tax

- » Increase in monthly income tax threshold from G\$100,000 to G\$130,000.
- » Lowering of income tax rates from 28 percent and 40 percent to 25 percent and 35 percent, respectively.
- » Introduction of exemption of first G\$50,000 monthly earned from overtime.
- » Introduction of exemption of first G\$50,000 monthly earned from a second job.
- » Introduction of G\$10,000 deduction from taxable income for each child, to be claimed by one parent.

III. Public Assistance and Support:

- » Increase in “Because We Care” grant from G\$40,000 to G\$50,000 per child.
- » Increase in Old Age Pension from G\$36,000 to G\$41,000.
- » Increase in Public Assistance from G\$19,000 to G\$22,000.
- » Introduction of a G\$10,000 healthcare voucher.
- » Introduction of a G\$100,000 newborn baby grant.
- » Continued roll-out of G\$100,000 cash grant to every adult Guyanese.
- » Injection of G\$10 billion into the National Insurance Scheme to support a one-off grant to persons who made between 500 to 749 contributions and have attained age of 60 years.
- » An allocation of G\$9 billion to meet other cost of living interventions to be determined.

IV. Other

- » Removal of tuition fees for Guyanese citizens at the University of Guyana and all government technical and vocational training institutions.
- » Abolition of bridge tolls upon completion of the new Demerara River Bridge during 2025. Measure will also apply to the Berbice River Bridge and Wismar Bridge.
- » Allocation of G\$11 billion for the Government’s part-time job programme where one person per household can be employed with a public office in close proximity to their home for 10 days per month, earning G\$40,000 per month.
- » Accelerated tax depreciation on capital assets used by poultry farmers.

Capital revenue of G\$330 billion (US\$1.6 billion) is expected to be received principally through external loans of G\$300 billion (US\$1.4 billion). Significant project loans are expected from the People’s Republic of China – G\$31 billion (US\$153 million) and the United States of America - G\$39 billion (US\$187 million). A Support Loan of G\$71 billion (US\$340 million) is also expected from the United States of America.

Budget Expenditure Projections for 2025

Budget 2025 projects total expenditure of G\$1,382 billion (US\$6.6 billion) compared to G\$1,145 billion (US\$5.5 billion) in 2024. The table below analyses the allocation of total expenditure across responsible agencies, with comparative allocations from 2024 and 2023.

Responsible Authority	2025 Budget G\$bln	2024 Budget G\$bln	2023 Budget G\$bln
Ministry of Public Works	253	236	158
Office of Prime Minister (inc. Power Generation)	141	111	70
Ministry of Housing and Water	136	100	72
Ministry of Finance	131	111	56
Ministry of Health	121	110	67
Ministry of Education	100	74	45
Ministry of Agriculture	64	52	33
Ministry of Human Service and Social Security	58	48	40
Ministry of Home Affairs	50	45	34
Guyana Defence Force	50	42	20
Regional Authorities	93	80	68
Other Authorities	129	90	79
Public Debt	56	45	40
	1,382	1,145	782

Source - Budget Estimates 2025, 2024, 2023

Some of the policy and expenditure priorities highlighted in the Budget 2025 Presentation are listed below.

- » Completion in 2025 of a 300-megawatt gas power plant and integrated natural gas liquids plant, as part of the Gas to Energy Project (GtE) which will utilise the estimated 17 trillion standard cubic feet of recoverable natural gas reserves from offshore oil activities. The project is expected to lower the cost of electricity by 50 percent. Planning for Phase II of the GtE project, which envisages a 250-megawatt combined cycle power plant, has commenced.
- » Completion of the New Demerara River Bridge which will be a high-span, four-lane permanent concrete and cable-stayed structure. Budget 2025 provides G\$20.2 billion (US\$96.9 million) for ongoing works on the new bridge.
- » In addition to the New Demerara River Bridge, Budget 2025 also contains allocations for the following other important bridges:
 - › Corentyne River Bridge – G\$5 billion (US\$24 million)
 - › New Berbice River Bridge – G\$5 billion (US\$24 million)
 - › Wismar Bridge – G\$2.1 billion (US\$10 million)

- » Allocations for the following major transport links:
 - › Palmyra to Moleson Creek Highway – G\$15.5 billion (US\$74 million)
 - › Linden to Lethem Route– G\$12.9 billion (US\$62 million)
 - › Linden to Soesdyke Highway – G\$9 billion (US\$43 million)
 - › Railway Embankment from Sheriff Street to Mahaica River Bridge Highway – G\$17.5 billion (US\$84 million)
 - › Ogle to Eccles Highway – G\$7.7 billion (US\$37 million)
 - › Diamond to Busby Dam Highway – G\$4.3 billion (US\$21 million)
 - › Good Success to Timehri Road – G\$3.9 billion (US\$19 million)
- » Allocations totalling G\$28.1 billion (US\$135 million) for:
 - › Completion of a paediatric and maternal hospital in Ogle
 - › Completion of six regional hospitals at Bath, De Kinderen, Diamond, Enmore, Lima and No. 75 Village
 - › Construction of four regional hospitals at Moruca, West Demerara, New Amsterdam and Kato
 - › Upgrade of Lethem Regional Hospital
- » Upgrading and expanding educational infrastructure with a budgetary allocation of G\$36.2 billion (US\$174 million).
- » Infrastructure works in new and existing housing areas with a budgetary allocation of G\$112.6 billion (US\$540 million).
- » Construction of a new terminal at Cheddi Jagan International Airport with G\$7 billion (US\$34 million) allocated in Budget 2025 to commence works.
- » An allocation of G\$6.2 billion (US\$30 million) towards the Safe Country Initiative for deployment of smart technology in the fight against crime.

Projected Performance of National Economy in 2025

It is projected that the national economy will grow by 10.6 percent in 2025, with the non-oil sector expected to grow by 13.8 percent.

Oil production is expected to continue from three FPSOs – Liza Destiny, Liza Unity, Prosperity – augmented by the addition of the One Guyana FPSO in the latter half of 2025. By the fourth quarter of 2025, it is expected that total production will reach 786,000 bpd. The oil sub-sector is expected to grow by 9.5 percent in 2025. With preparations continuing for three additional projects – Uaru, Whiptail, Hammerhead – crude oil production is expected to exceed 1.3 million bpd by 2027.

Other key sectors of gold and bauxite are expected to grow in 2025 by 17.2 percent and 70.1 percent, respectively. Gold declarations are expected to increase in 2025 to approximately 501,000 ounces with higher production from the Aurora mine as well as small and medium-scale miners. The bauxite industry is expected to have higher production in 2025 with the Linden operator projecting 167.3 percent growth.

The rice sector is also expected to grow by 12.4 percent with more areas under cultivation and use of better and new productive varieties. Construction is expected to record growth of 24.8 percent with the continuation of the Government's public sector investment programme along with private sector investments in hotels and housing.

The balance of payments position is expected to record a surplus of US\$561 million. While import payments are expected to increase due to the completion of the One Guyana FPSO, higher earnings are expected from gold, bauxite and rice. Oil revenues are expected to decline by 2.1 percent due to lower market prices projected for 2025. The capital account is expected to record a lower deficit due to higher net investment and NRF inflows expected in 2025.

The NRF is expected to receive US\$2.5 billion during 2025, with an equivalent amount eligible for transfer to the Consolidated Fund in the year. The NRF is expected to close 2025 at US\$3.2 billion.

Inflation is projected at 2.8 percent as efforts continue to support growth through the domestic economy.