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1. Introduction

1.1 In January of this year Budget 2011 was presented to the National Assembly under the theme *Together – Building Tomorrow’s Guyana –Today*. The Budget Speech highlighted the significant progress made to date in laying the foundation for tomorrow’s Guyana, and the collective efforts required to ensure continuation along the transformational trajectory already embarked upon.

1.2 Those efforts are built on the fundamental underlying principle of maintaining macroeconomic stability while expanding capacity for diversified and accelerated growth. The maintenance of momentum in this transformational effort, amid an often hostile global environment, stands testimony to the economic resilience achieved by this country as a result of a disciplined policy stance and sustained implementation of a sound and responsible policy framework.

1.3 Despite tentative signs of recovery, the global outlook at the start of the year was uncertain. At the mid-year downside risks have increased and global uncertainty appears greater than before, not least because of the protracted negotiations in the United States on the sovereign debt ceiling, the resolution of which brought with it a commitment to fiscal consolidation. Alongside this, the ongoing debt crisis in several countries in the Eurozone persisted, and was responded to by supportive external interventions accompanied by inevitable adjustment effort. Together, these developments compound the uncertainty of the outlook for the world economy.

1.4 Notwithstanding the persistence of global uncertainty and the emergence of even more testing external conditions than before, the domestic economy continued to achieve very robust real growth, with steady expansion in some sectors and a strong recovery in others that were previously challenged. Indeed some sectors achieved their most rapid increases in value added output in recent years. The result was continued positive growth in the domestic economy in the first half of 2011, and an upward revision to the outlook for the rest of the year.

1.5 In addition to the agenda for promoting economic diversification and growth, Budget 2011 reflected the continuation of poverty reduction initiatives which place emphasis on improving access to and quality of social services, along with targeted interventions and programmes in the social

sectors. Further, the role of information and communication technology as an influential and transformational catalyst in improving lives at an individual level and in driving growth at a national level was also highlighted.

1.6 Simultaneously, the implementation of Guyana's pioneering Low Carbon Development Strategy (LCDS) has advanced and is expected to further accelerate the pace of poverty reduction. Guyana qualified earlier this year for the second tranche of payments under the agreement with Norway, although bureaucratic impediments within other partners involved in the administrative mechanism continue to affect the timely availability of funding for the associated projects. That notwithstanding, Government is proceeding with priority LCDS projects that are at advanced stages of preparation, such as the hinterland electrification programme. As the rest of the year unfolds, the benefits of this visionary strategy are expected to start being delivered to communities across the country.

1.7 It is against this background that this fifth Mid-Year Report is presented, with Guyana's economic performance at the 2011 mid-year boding extremely well for the remainder of the year.

2. Global Economic Developments

2.1 Global output was projected to grow by 4.2 percent in 2011 at the time of budget presentation. Based on developments during the first half of the year, this projection has remained broadly unchanged at 4.3 percent. Underlying this maintained outlook for the global economy as a whole are upward revisions to projected growth in emerging and developing economies, and a somewhat more muted outlook for the advanced economies. Emerging and developing economies are now projected to grow by 6.6 percent compared with 6.4 percent at budget, with China and India continuing to lead the way with growth of 9.6 percent and 8.2 percent respectively. On the other hand, projected growth in advanced economies is maintained at the 2.2 percent anticipated at the time of Budget.

2.2 Notwithstanding the marginal upward revision in projected global growth, the updated outlook is subject to stronger downside risks than earlier, due the compromises reached on the raising of the sovereign debt ceiling in the United States, along with commitments to reduce the fiscal deficit, after extensive negotiations. In addition, global market confidence has also deteriorated and uncertainty exacerbated due to developments in Europe, with a number of countries in the Eurozone periphery either requiring, or appearing to be on the verge of requiring, fiscal rescue packages in order to overcome a looming debt crisis. In both the United States and Europe, a delicate balance will have to be struck in designing measures to achieve the targeted fiscal consolidation without negatively affecting near term confidence and growth prospects.

2.3 The Caribbean is now projected to grow in 2011 at 2.7 percent compared to the 2.2 percent projected at the time of budget presentation. This is mainly the result of the ongoing resurgence in commodity prices, which has bolstered growth in the commodity exporting countries of the Region, along with a nascent recovery in tourism and a resumption of some tourism-related foreign direct investment for the longer term.

2.4 On the downside, global inflation faced upward pressure due to the higher than expected commodity prices. Oil prices peaked at US\$116 per barrel in April 2011 then reverted to US\$106 at end June 2011, but still ended the period 17.5 percent higher than at the end of 2010. This was primarily attributed to supply concerns, including as a result of political events in the Middle East.

The metal index also increased under the review period, with gold prices increasing steadily to end June at US\$1,529 per ounce, 9.9 percent higher than at the end of 2010, a trend that sustained itself beyond the end of the half year. Aluminium prices ended the review period at US\$2,558 per tonne, some 8.5 percent higher than at the end of 2010. In addition, the food index also increased 2.8 percent under the review period, as harvests in some major food-producing centres were affected by floods while others faced drought conditions. During the first half of 2011, world market prices for wheat returned to levels attained during the commodity price spike of 2008, rice prices remained strong although not returning to 2008 levels, and sugar prices increased to levels previously seen thirty years ago, although towards the end of the half year some reversion was observed.

2.5 As the year advances, as suggested above, the fortunes of the global economy will depend heavily on the balance achieved in the major advanced economies between efforts at consolidation to restore fiscal and debt sustainability, and efforts to stimulate and accelerate real growth by bolstering consumer and investor confidence into the long term. In addition, the extent to which the major emerging economies are able to sustain their previously stellar growth performances notwithstanding developments in the advanced economies will play a critical role in defining overall global economic performance going forward.

3. Domestic Economic Developments

A. Real Economic Growth

3.1 In the first half of 2011, the Guyanese economy achieved real economic growth of 5.9 percent continuing its robust performance of recent years and, in particular, building on its previous achievement of five consecutive years of positive growth since 2006. Underlying this overall expansion in real gross domestic product in the first half was growth in the non-sugar sectors of 5 percent, while the sugar sector also contributed to the overall acceleration in growth.

3.2 As a result of this performance, and given updated outlooks for the various productive sectors, the economy is now projected to grow by 5.1 percent in 2011 with non-sugar growth projected at 3.4 percent, an upward revision from the original projections of 4.6 percent and 2.8 percent respectively at the time of Budget 2011.

3.3 In the first half of 2011, the sugar industry showed tentative signs that the path to recovery has commenced. The sector returned a 2011 first crop of 106,871 tonnes, reflecting a 30.5 percent increase over the first crop of 2010 and the best first crop performance since 2004. In a conscious strategy to realise the targets set for 2011, but beset by wet weather, lingering industrial relations challenges, and interruptions to harvesting, management decided to redeploy labour resources from non-harvesting estates to support harvesting activities in those estates that were still in operation. This yielded favourable returns. The industry continues to emphasise that if workers maximise the opportunity days available for harvesting for the second crop, the annual target of 298,879 tonnes is achievable. Recent agreements concluded with the industry's labour unions on wages and salaries for 2011 are likely to be helpful in this regard. The sector's projected growth for the full year therefore remains unrevised at 35.3 percent.

3.4 The rice industry continued its successes of recent years into the first half of 2011. Coming off a remarkable production performance in 2010, the 2011 first crop rice production at 207,514 tonnes was 23.3 percent higher than the corresponding period in 2010 and the highest first crop in the industry's history. This growth in production was attributed mainly to significantly improved drainage and irrigation as a result of government investments, the development of a new and more

tolerant rice strain by the Guyana Rice Development Board, higher yields and, most importantly, a higher acreage of paddy planted. The presence of favourable international prices served as a significant catalyst for increased paddy acreages by farmers, although timely payment by millers to farmers remains an industry concern. The industry at this point in time foresees no impediment to its attaining the second crop target which, when taken together with the stronger first crop production, results in an upward revision of projected growth in the industry from 4.9 percent to 12 percent.

3.5 Guyana can consider itself fortunate that, in an era of resurgent growth in food prices globally and in the Caricom region in particular, local food production and supplies continued to be effectively secured even in the face of adverse weather conditions. The other crops sector continues to benefit from Government's Agricultural Diversification Programme and the Grow More Food Campaign and at the end of the first half the industry recorded a 3 percent growth rate. Weather conditions are expected to be more favourable after July, which would augur well for production, and there is no revision to the projection of 2 percent growth.

3.6 Production in the livestock industry was targeted to remain stable through 2011. However, for the first half of the year overall production levels actually increased by 2.7 percent, with increased production evident in areas of poultry meat, table eggs, mutton and beef while pork production declined. As a result there is now a higher expectation of the eventual annual output and the original growth projections have been revised upwards to 0.6 percent.

3.7 At Budget the fisheries industry was targeted to grow just marginally by 0.4 percent over the production performance of 2010. However, during the first half of the year, the industry recorded a downward trend, with negative growth of 2.2 percent. A contributory factor in the reduced production was higher prices for fuel, a critical input in the industry. The industry is now projected to contract by 4.7 percent in the full year.

3.8 In the forestry sector, during the first half of 2011, production of logs, lumber and roundwood all contracted, resulting in an overall negative growth in the industry of 30.3 percent. Notwithstanding the resumed production of plywood manufacturing operations, sustained international demand for several of Guyana's traditional species now boosted by the penetration of

Guyana's lesser used species into the international market, and attendant improvement in international market prices, the sector is now projected to contract by 19.9 percent by year end compared to an earlier projected contraction of 1.4 percent.

3.9 In the mining and quarrying sector, production of bauxite reached a total of 815,505 tonnes at the half year, an increase of 38.6 percent compared to the same period in 2010. While both companies have posted higher production, the increases came largely from the two lower valued products. The composition of the industry's output, a higher proportion of lower grade to higher grade product, converts into a sub-sector growth of 13.8 percent. With this production mix expected to continue during the second half, the expected growth rate for value added in the bauxite industry is now projected at 13.4 percent.

3.10 Total gold production in the first half of 2011 was 163,413 ounces, an increase of 14.9 percent over 2010. With gold prices hovering firmly above US\$1,500 per ounce and approaching US\$1,800 per ounce in the post mid-year period, there is every incentive to invest and operate in the industry. Additionally, the weather in the first half of 2011 saw better conditions in terms of less adverse rainfall. Gold production for the year is now projected to reach 320,000 ounces, resulting in an upward revision in the industry's projected growth from 2.9 percent to 3.7 percent.

3.11 Mainly due to the continued weakening in the diamonds industry, the other mining sub-sector has shown an 18.6 percent decline in production for the first half. Production of diamonds for 2011 continued its downward trend in comparison to 2010, with declaration of 23,620 metric carats from the half year being 33.2 percent below the same period of 2010. This is mainly due to miners pursuing more lucrative opportunities by migrating to gold. While sand production showed positive growth when compared to 2010, there has been a decline in the production of stone.

3.12 The combined effect is a recorded mining and quarrying sector growth of 9.5 percent for the half year, and a revision of the sector's overall growth projection from 2.8 percent to 1.7 percent for the full year.

3.13 The manufacturing sector grew by 10.6 percent at the half year, driven largely by the manufacturing component in sugar and rice production, but with other manufacturing also

estimated to have grown by 2.3 percent. Particularly given the improved expectations for rice, and given that other manufacturing activities are expected at minimum to realise their budgeted growth performances by the end of the year, the annual growth target for the sector has been revised upwards from the budgeted 7.7 percent to a now expected 9.4 percent.

3.14 Consistent with the structural transformation achieved by the domestic economy in recent years, the services sectors now exert significant influence on growth and total national productive output.

3.15 The electricity and water sector is a growing sector especially in the context of expanding communities, new homes that are continuously being constructed and Government's policy to provide electricity and water countrywide. With the continued investments by Government in the provision of these services, it is estimated that the sector has grown by 2.6 percent for the comparative half-year and with investments in these services expected to be a continued priority, the annual growth rate has been revised upwards from 0.4 percent to 2 percent.

3.16 Engineering and construction activity expanded by 4.0 percent in the first half of 2011. Imports of building materials and construction-related public investment continued to reflect strong growth. In addition, the value of new mortgages issued also increased, consistent with private construction for residential purposes being a dominant factor driving construction activity. This is actively promoted and supported by Government's continued emphasis on housing programmes nationwide. These developments have resulted in an upward revision of the annual growth target for construction activity from 4.5 percent to 5.5 percent.

3.17 In the wholesale and retail sector, the forecast of 4.4 percent growth in 2011 was premised on expected increases in imports, the increased production in sugar, rice and light manufacturing. Expectations for the sector were exceeded with robust growth of 21.7 percent being recorded for the half year, buoyed by the growth in sugar, rice and light manufacturing which have fuelled the availability of supplies, increase in imports of food for final consumption, beverages and tobacco, fuels and lubricants, textiles and fabrics, and building materials, to name a few. In light of the expected performances to year end there has been an upward revision from 4.4 percent to 11 percent in the sector's growth projection.

3.18 In the transportation and storage sector, there were significant interruptions of road transport during the first half on account of severe weather especially between the coastland and Region 9 and within Region 9 itself. These developments, together with a steady decline in postal services and a lag in the effect of increased distribution activity, result in the sector's economic performance being estimated to have declined by 6.5 percent in the first half, and overall projected performance for the year being revised downwards from 3.9 percent to 3.7 percent.

3.19 The information and communication sector which has been recognised as an important emerging industry complements economic activity in all sectors and continues to expand throughout the country. Following on last year's growth performance of 7 percent, a growth target of 5 percent was set for this year. The sector is estimated to have grown by 5.5 percent in the first half and as a consequence the initial budget projection for the year of 5 percent is retained.

3.20 In the finance and insurance industry, estimates at the end of the first half indicate that the industry recorded a growth rate of 16 percent, with much of this driven by expansion in activity by the commercial banks. The industry is therefore projected to grow by 5.3 percent, somewhat higher than the original projection of 4 percent.

3.21 Of the remaining sectors, education and health and social services which both have a growing private sector component recorded estimated growth of 3 and 3.4 percent respectively for the first half. As a result their budget growth projections have been revised to 1.5 percent and 1.9 percent, respectively. Having recorded estimated growth of 2 and 4 percent, respectively at the half year, the real estate and other services sectors are kept at their budget targets of 1 percent and 4 percent.

3.22 It should also be noted that, at the time of preparation of Budget 2011 which was presented in mid-January 2011, overall real growth in gross domestic product for 2010 was estimated at 3.6 percent, with non-sugar growth estimated at 4.3 percent. As a result of final production data for the last months of 2010 becoming available subsequent to Budget presentation, real growth for 2010 is now measured at 4.4 percent, with non-sugar growth measured at 5.1 percent. A disaggregation by sectors is provided in the relevant Appendix to this Report.

B. Balance of Payments

3.23 At the time of Budget 2011, the balance of payments was projected to end the year with a surplus of US\$24.4 million. At the end of the first half of 2011, the balance of payments reflected a modest deficit of US\$19.6 million. This was primarily attributed to developments in the current account, particularly higher imports driven by escalating world market fuel prices, along with higher imports of capital goods mainly in the industrial, agricultural and mining sectors. This outweighed the combined increase in exports associated with higher volumes shipped and stronger world market prices for key commodities, and higher transfers. The balance of payments is now projected to end the year with an overall deficit of US\$36.1 million.

3.24 In the first half of 2011, export earnings expanded by 34.6 percent to US\$533.1 million, reflecting stronger output performance in the commodity producing sectors of the economy, along with improvement in world market prices for most export commodities.

3.25 Export earnings from sugar increased by 32.4 percent to US\$50.1 million, reflecting a 30.4 percent increase in quantity shipped to 99,738 tonnes, and some improvement in prices due to world market conditions. Rice export earnings also expanded by 35.1 percent to US\$92.6 million, mainly attributed to a 26.4 percent increase in average export price to US\$551.4 per tonne coupled with a 6.8 percent increase in export volume to 167,945 tonnes. Gold continued to benefit from prevailing conditions in the global marketplace, and the average export prices witnessed a 29.1 percent increase to US\$1,370.3 per ounce, contributing to a 56.4 percent increase in export earnings to US\$229.5 million in the first half of the year. In addition, the bauxite industry earned US\$65.2 million, 15 percent more than in the corresponding period in the previous year due to higher production levels at both bauxite operations, with export volume increasing to 864,570 tonnes compared to 620,776 tonnes. Timber exports amounted to US\$18.2 million, a decline of 25.7 percent due to a decline in export volume as plywood operations ceased, coupled with a fall in other timber exports.

3.26 Merchandise imports expanded by 25.7 percent to US\$859.5 million. This was primarily attributed to a 51.9 percent increase in the value of fuel and lubricants imported. In addition, other imports also increased by 15.8 percent, with capital and consumption goods increasing by 48.8

percent and 9.7 percent, respectively, while imported non-fuel intermediate goods contracted by 2.2 percent.

3.27 Net current transfers increased by 20 percent to US\$216 million, due to higher inward transfers by the financial sector and increased worker remittances.

3.28 Net payment of services amounted to US\$74.3 million compared to US\$36.6 million due to a US\$19.4 million increase in non-factor services mainly as a result of higher transport and freight costs. Factor services recorded a net payment of US\$9.9 million due to lower portfolio investment income.

3.29 Foreign direct investment increased by 9.2 percent in the first half of 2011, driven principally by the upsurge in activity in the mining and telecommunications sectors, and enabling the capital account to record a surplus of US\$163.8 million compared to US\$165.4 million in the corresponding period last year.

3.30 Taken together, these developments resulted in the Bank of Guyana ending the half year with US\$779 million of external reserves.

C. Monetary Developments

3.31 During the first half of 2011, the stock of broad money expanded by 4.3 percent to \$243.5 billion, mainly on account of an expansion in time and savings deposits, while narrow money contracted by 1.4 percent.

3.32 The deposits of the private, public and non-bank financial institutions increased during the review period and led to total resident deposits expanding by 7 percent to \$253.2 billion. Private sector deposits which accounted for 77.9 percent of total resident deposits increased by 8 percent compared to the 4.6 percent expansion in the corresponding period in 2010, attributed to an 8.5 percent increase in business deposits to \$35.5 billion and a 7.9 percent increase in individual customer deposits to \$161.8 billion. Non-bank financial sector deposits increased by 10.2 percent to

\$17.2 billion reflecting higher bank balances by such institutions as the microfinance companies and the New Building Society.

3.33 Net domestic credit by the banking system is estimated to have expanded by 15.2 percent to \$64 billion at end June 2011, attributed primarily to a 6.7 percent expansion of credit to the private sector.

3.34 Private sector credit amounted to \$119.8 billion at end June 2011. This outturn is attributed to a 20.3 percent increase in credit to agriculture, a 10.3 percent increase in real estate mortgages, followed by a 9.4 percent increase in the distribution sector, a 7 percent increase in other services, a 4.7 percent increase in mining and quarry sector and a 2.2 percent and a 1 percent increase in credit to other manufacturing and rice milling, respectively. Commercial bank portfolios remained well diversified, with exposure amounting to 31.1 percent to the real estate sector, 17.1 percent to personal, 15.8 percent to distribution, 10.2 percent to other services, 9.8 percent to other manufacturing, 6.8 percent to agriculture, 5.8 percent to other, 2.3 percent mining and quarrying and 1.2 percent to rice milling. The public sector remained a net depositor of funds with the banking system at end June 2011.

3.35 Net foreign assets of the banking system grew by 2.4 percent to US\$871.3 million attributed to increased holdings of foreign assets by commercial banks mainly due to increased holdings of foreign securities and a reduction in liabilities.

3.36 The commercial banks' weighted average lending rate declined from 11.95 percent to 11.65 percent, while the small savings rate declined by 16 basis points to 2.51 percent.

3.37 Liquid assets of the commercial banks totalled \$108.6 billion, an increase of 3.4 percent above the December 2010 level. Total reserves deposited with Bank of Guyana amounted to \$40.4 billion. The required statutory reserves of the banks amounted to \$31.5 billion, with reserves in excess of the minimum reserve requirement amounting to \$9 billion at end June 2011.

D. Inflation

3.38 Notwithstanding global price pressures, movement in the domestic consumer price index remained modest at 3 percent in the first six months of 2011. The principal factor underlying this movement was fuel prices, which in turn affected transportation costs. With the world market price for crude oil moving by 17.5 percent in the first half of the year, price movement at the domestic pump was contained by Government's lowering of the applicable excise tax rates. At the end of the half year, concessional rates of 15 and 10 percent were being charged on gasoline and diesel, compared to the standard rate of 50 percent, while no excise tax was being charged on kerosene. Reflecting these developments, the inflation projection for the end of the year is revised to 4.8 percent.

E. Fiscal Position

3.39 The non-financial public sector registered a deficit of \$149.6 million during the first half of 2011.

3.40 Central Government revenue for the first half of 2011 amounted to \$61.5 billion, 12.8 percent higher than in the corresponding period for 2010, bearing testimony to the growth momentum in the economy, as well as the reforms made to improve the efficiency and effectiveness of tax administration capabilities. Tax revenue collections for the period amounted to \$57 billion, 11.4 percent above 2010 collections.

3.41 Internal revenue collections amounted to \$26.5 billion, 10.2 percent over 2010 first half collections. This reflected the continued expansion of private sector activity in the productive sector, with corporation taxes amounting to \$10.6 billion, an increase of 8.2 percent, while income taxes collected from the self employed registered an 11.6 percent increase to \$1.5 billion. Withholding tax collections amounted to \$3 billion, an increase of \$1.3 billion over 2010. In contrast, income tax collected under the pay-as-you-earn system grew more slowly by 3.1 percent to \$8.3 billion as a result of the increase in the income tax threshold introduced in Budget 2011.

3.42 Collections from value added and excise taxes during the first half of 2011 increased by 10.7 percent to \$25.7 billion. Of this amount, value added tax collections totalled \$14.6 billion reflecting increased imports and domestic trading activity, while excise taxes totalled \$11.1 billion notwithstanding the lower of fuel tax rates.

3.43 Customs and trade tax collections totalled \$4.8 billion for the first half of 2011, representing a 23.4 percent increase over 2010 primarily attributed to higher import duties collected, again consistent with the higher level of imports of most categories of goods.

3.44 Non-tax revenue collections for the period amounted to \$4.5 billion, compared to \$3.3 billion in 2010. This is primarily attributed to a \$1 billion increase in transfers from Bank of Guyana profits, coupled with higher dividends from equity holdings.

3.45 As a result of these developments, projected current revenue for 2011 has been revised upwards to \$119.7 billion from \$112 billion.

3.46 In the first half of 2011, non-interest current expenditure amounted to \$38.3 billion, and increase of 16.2 percent.

3.47 Expenditure on personal emoluments totalled \$14 billion, reflecting the incorporation into the wage bill of the salary increases awarded to teachers, public servants, and members of the disciplinary services, at the end of 2010. Under the other goods and services category, \$12.5 billion was expended. Growth in this category of expenditure can be primarily attributed to the earlier commencement of programme implementation in several sectors along with programme acceleration in others. Two particular factors contributing to the growth in expenditure were higher costs incurred by the Guyana Elections Commission in connection with preparations for the 2011 general and regional elections, along with accelerated payment of electricity charges by the Central Government to the Guyana Power and Light Inc. to alleviate the impact of that company's higher fuel bill. Transfer payments amounted to \$11.7 billion in the first half of the year, partly due to increased activities by entities funded through transfer payments, along with the increases granted to the beneficiaries of the national old age pension and public assistance programmes. Total non-interest current expenditure is now projected at \$89.9 billion, revised upwards from \$87.7 billion.

3.48 Capital expenditure amounted to \$17 billion compared to \$13.7 billion in the corresponding period in 2010. Underlying this were a 12.9 percent increase in spending on the Central Government public sector investment programme, along with an increase in capital transfers to public enterprises driven almost entirely by a \$3.1 billion transfer to the Guyana Power and Light Inc. to offset expenditure on the new generators to expand the capacity of the Kingston power plant. The projection of capital expenditure for the full year is therefore revised from \$62.1 billion to \$63 billion.

3.49 Total grants received by the Central Government in the first half of the year amounted to \$3.4 billion, a 7.6 percent increase over the previous year, and total grants for the year are projected to remain broadly at the level originally projected.

3.50 The overall performance of the public enterprises as at the end of the first half of 2011 amounted to a deficit of \$5.4 billion as compared to a deficit of \$5 billion during the corresponding period in 2010. This was largely due to the impact of high and rising fuel prices on the operations of the Guyana Power and Light Inc. This is expected to feed through to the full year, and the projected overall balance of public enterprises for the full year is revised to a deficit of \$5.2 billion.

3.51 Taking all of these developments into account, the deficit of the non-financial public sector is projected to end the year at \$18 billion, equivalent to 3.5 percent of gross domestic product, broadly in line with the projected deficit at the time of the budget.

F. Debt

3.52 At end June 2011, Guyana's total external public debt amounted to US\$1,110.9 million compared to US\$1,042.7 million at the end of December 2010. This increase in the external debt stock by 6.5 percent reflects new disbursements of US\$69.3 million, of which US\$67.5 million was obtained from the IDB and Venezuela. External debt service payments totalled US\$18.4 million compared to US\$12.3 million for the same period in 2010. The increase in debt service payments is due mainly to continued servicing of obligations to Venezuela under the Petrocaribe arrangement, together with principal repayments on some IDB loans for the first time.

G. Key Sector Highlights

a. Education

3.53 Government has entered its third year of implementation of the Education Strategic Plan 2008-2013, and funding in the sector continues to be directed towards improving access to and the quality of education. Of the \$24.3 billion allocated to the sector, over \$10 billion has been expended during the first half of 2011, representing a 6.3 percent increase over spending in the corresponding period in 2010.

3.54 Making the Guyana Learning Channel operational by putting in place infrastructure for transmitting to the coastal population was a key priority for the sector. Additionally, the development of local content and acquisition of relevant content from other sources commenced and is ongoing, and setting up of the countrywide network is estimated to be completed before the end of August. A feedback workshop was held by the Ministry of Education to review the content aired to date on the Guyana Learning Channel at which 100 students and teachers from Regions 2, 4, 5 and 6 lauded the learning channel for airing programmes for all age groups and noted that the programmes are informative, while complementing and reinforcing classroom teaching.

3.55 In the area of teacher education, the Guyana Improving Teacher Education Project was officially launched in the first half, an important policy initiative aimed at improving progress toward the national target of 70 percent trained teachers at the primary level by 2013. A key achievement has been the enrolment of the first batch of 461 students in the Associate Degree in Education, which is currently being offered at coastal training centres, while hinterland centres will continue to offer the Trained Teachers Certificate in Education programme for the next three years.

3.56 Over 47,000 students benefited from the National School Feeding Programme with students in coastal regions receiving a biscuit and juice snack, and hinterland students receiving a cassava bread with peanut butter and juice snack. Moreover, in Regions 1, 7, 8, and 9 in cases where schools are equipped with kitchens and the necessary trained staff, over 16,000 children in 92 primary schools received a daily school meal at a cost of \$251 million. In addition, 158,000 uniform vouchers have been distributed towards achieving government's aim of ensuring every school child is

provided with one school uniform, while another 8,000 will be allocated to new intake at the nursery level in the third quarter. The school uniform programme along with the school feeding programme are intended to increase school enrolment and attendance among children giving every child, regardless of socio-economic status, the best possible opportunity to achieve their full potential through equal access to quality education.

3.57 In addition to ongoing maintenance and rehabilitation of schools, several new construction activities during the period served to expand the range of facilities and improve access in the sector. Construction continued on the two new Technical Institutes located at Leonora and Mahaicony Park, at a combined cost of \$852 million, and should be completed in September, while the student dormitory at the Essequibo Technical Centre is scheduled to be completed subsequently. Work is also ongoing on the Leonora Secondary School which is scheduled to be completed and opened in September.

b. Health

3.58 The Government continues to make strides in improving the provision of health care services available for all citizens. The Health Sector was budgeted to spend \$14 billion, of which \$7.2 billion was expended in the first half of the year. This level of expenditure reflected earlier and accelerated implementation of the National Health Programmes.

3.59 In keeping with Government's commitment to strengthening the skilled workforce and human resource systems of the health sector, over \$121 million has been expended for the continued capacity development of the nation's health care professionals. During the first half of the year over 150 clinical and technical health personnel graduated in key fields, and have been deployed to the various health institutions countrywide. Additionally, 28 clinical coordinators from hinterland areas, and 42 tutors and part-time lecturers benefited from capacity building workshops to improve their clinical skills and delivery of learning materials, while 157 health professionals completed the Management Development Programme, and 14 health sciences tutors from across the three nursing schools completed the Health Sciences Management Programme. Moreover, work is ongoing to merge the professional nurses and midwifery curricula into a single curriculum. The sector currently has over 920 students in training and the division intends to train another 135 professional nurses,

90 nursing assistants and 120 clinical and technical personnel to meet the growing demand for quality health care across the country's health facilities.

3.60 In an effort to further strengthen the quality of maternal and child health services offered, the Ministry of Health has just completed a new Maternal, Perinatal Strategy and Integrated Child Health Strategy 2011-2015, while the Health Qual initiative has been extended to 21 health facilities including HIV and MCH wellness sites. This was further complemented by the nutrition education sessions conducted at 35 health clinics in Regions 3, 4, and 5 benefiting over 7,000 persons, aimed at addressing issues of maternal nutrition.

3.61 The sector continued to expand the cervical cancer screening program through its mobile clinics across the country. During the first half of the year 1,449 women benefited from VIA screening at the 17 locations across the country, while Lethem Hospital, East La Penitence and Dorothy Bailey Health Centres are expected to offer these services in the second half of the year.

3.62 Government continues to place emphasis on health facilities across the country, expending over \$227 million for the construction, rehabilitation and maintenance of health facilities in the first half of the year. This includes the construction of the new 214 bed in-patient facility which is scheduled to be completed in the second half of the year and the completion of a new emergency ward at Fort Wellington Hospital. Additionally, works are ongoing on the general improvement of the water distribution and electrical systems of the maternity and medical buildings at the West Demerara Regional Hospital, while expansion of the maternity ward has commenced at the Georgetown Public Hospital. The Hospital has also invested in a new waste disposal facility which is expected to come on stream during the second half of the year and will be utilised by all surrounding hospitals. With regards to the construction of a 150 bed specialty hospital, the design specifications are currently being finalised.

c. Housing

3.63 In 2011, Government approved \$3.6 billion to be utilised with the objective of improving living conditions for citizens by providing access to affordable housing. In the first half of the year

\$2.1 billion was expended, representing approximately a 50 percent increase in expenditure over the first half of the previous year, and generating some key accomplishments.

3.64 During the first half of the year citizens continued to receive their house lots and titles, with 2,249 lots allocated of the 7,500 house lots targeted and 1,042 titles processed and issued.

3.65 The first half of the year saw the resumption of the One Stop Shop outreach, in Regions 3, 4, 5 and 6 in the communities of Belle West, Eccles, Bath and Block 5 Ankerville respectively. This is in keeping with Government's objective to stimulate the housing sector and to provide a more integrated approach to the population's housing needs. The One Stop Shop outreaches will continue in the second half of the year with a focus on communities in Regions 3, 4, 7, 9 and 10. Additionally, as part of the initiative to create and advance linkages among stakeholders in the building and housing sector, Government hosted the second building exposition in July.

3.66 Under the Housing Programme for Infrastructural Development and Building, \$1.3 billion was expended in the first half of 2011, of which \$1 billion was spent in the acquisition of land for housing purposes while the remainder was spent on infrastructural works, which contributed significantly to the development of 2,124 new house lots.

3.67 Under the Second Low Income Settlement (LIS II) Programme \$543 million was expended during the first half of the year on the completion of infrastructural works in Section EE Non Pariel, Tuschen Phase 2, No. 76 village and Ordnance Fortlands. In addition, works have commenced in Belle West and are expected to be completed in the second half of the year.

3.68 The review period also saw the construction of the first batch of core houses under the Core House Pilot component of the LIS II. This resulted in the completion of 16 core houses and construction of 41 of the targeted 148 core houses this year, while the remainder will be completed by the end of the year. In the Housing Subsidies component 10 homes have been selected for renovation with the objective of giving support to increase access to affordable housing for the most vulnerable in society. Further, during the second half, it is projected that 50 houses will be constructed under the Hinterland Housing Pilot Programme.

d. Water

3.69 In 2011, \$1.5 billion has been allocated to the water sector to ensure improved water supply to the population. The sum of \$504 million has been expended in the first half of the year and key accomplishments include the construction of 40 kilometers of transmission, the distribution of pipe lines - 60 percent completed and progressing well, and the rehabilitation of 5 treatment plants at Central Ruimveldt, Lima, Vernenoegen, Cotton Tree and Queenstown.

3.70 The community outreach and awareness programme, H₂O Kids 'N' Action Campaign has continued from 2010 benefiting a total of 1,000 students from 11 schools, and is expected to extend to 24 additional schools in the second half of the year.

3.71 With respect to the Investment Programme, \$227 million was expended under the Coastal, Linden and Hinterland Programme in support of improvement of water quality, and service to the public. Works are underway on the Coastal Water Supply Programme as well as the Hinterland Water Programme and the Linden Water Supply Programme where communities are benefiting from rehabilitation and construction works to ensure more reliable supplies of water.

3.72 The borehole construction activities in Onderneeming Scheme, Hope and Cotton Tree are projected to be completed in the second half of 2011. The second half of this year will also see the installation of 10 solar panels, the construction of 10 water trestles and the installation of 3,000 new water meters.

e. Sanitation

3.73 The Georgetown Sanitation Improvement Programme, designed to improve the performance of the Georgetown sewerage system, has commenced. Under this programme pipes and sewer tanks were procured during the first half of the year. In the area of waste management works have advanced on the construction of the Haags Bosch sanitary landfill which came into operation in the first half of the year.

f. Agriculture

3.74 Government remains committed in its effort to advance the agricultural sector with the aim of promoting and developing the non-traditional sub-sectors through the continuation of the Rural Enterprise and Agriculture Development (READ) project and the Agriculture Diversification programmes. To this end, over \$680 million was spent from the budgeted allocation of \$1.5 billion in the first half of the year.

3.75 In the first half of the year, the credit facility under the READ project was officially launched with the aim of providing support to producer groups to expand their productive capacity and thus generate higher income. In this regard, preparation of business plans and training have commenced with Community Based Organisations. This initiative will continue over the remaining period and will see a number of producer groups benefiting from the facility. The credit facility under the Agriculture Export Diversification Programme (AEDP) will also allow farmers to secure funds for the expansion of farming activities. Business plans were prepared for the three clusters, namely fruits and vegetables, livestock and aquaculture, and will become operational later this year.

3.76 Infrastructural works continued on the construction of a genetic bank at the National Dairy Development Programme, and rehabilitation of control structures and access roads at Canals Polder. The rehabilitation of the germplasm laboratory at the National Agricultural Research and Extension Institute (NAREI) has been completed, while the procurement process for the field, inspection and laboratory equipment has commenced for the operationalisation of the lab later this year. The remaining period will also see the rehabilitation of quarantine stations and construction work on the abattoir. In addition, plant, animal health and seed legislation have been passed while food safety legislation and the upgraded pest and disease control regulations will be finalised later this year.

g. Drainage and Irrigation

3.77 In the first half of 2011, over \$2.6 billion was spent from the budgeted sum of \$6.6 billion to improve drainage and irrigation structures countrywide. Construction and rehabilitation works continued on the national drainage and irrigation system. Works are also progressing on the EDWC

northern relief structure at Hope Dochfour where over 600 meters of canal have already been cleared. Additional infrastructural works such as the construction of a drainage sluice at Cottage, and at Abary, rehabilitation of the sluice at Lonsdale as well as rehabilitation and installation of pumps at Greenfield have commenced and will continue over the remaining period.

h. Transport Infrastructure

Roads and Bridges

3.78 A total of \$10.1 billion was budgeted for roads and bridges in 2011, of which \$8.2 billion was allocated to roads and \$1.9 billion was allocated to bridges. At the end of the first half of the year a total of \$2.5 billion has been expended for the continued construction, rehabilitation and maintenance of our transport network.

3.79 For 2011 the sum of \$1.7 billion was allocated for the completion of 34.5 kilometres of all-weather roads in the Black Bush Polder area and 19 kilometres of all-weather roads in the East and West Canje areas. At the end of the first half, 1.8 kilometres and 5.7 kilometres of paved roads were completed respectively.

3.80 Preparatory works have been completed for the new access road to the Cheddi Jagan International Airport (CJIA), with the commencement of the construction of the additional two lanes for the CJIA access road, and major asphalted works for the resurfacing of the current access road.

3.81 The design for the rehabilitation and improvement of the Sheriff Street – Mandela road is currently under review, while the continuation of the four lane highway from Providence to Diamond is at the evaluation stage. Also, the four lane highway from Better Hope to Golden Grove is currently at the tendering stage for preparatory works.

3.82 A sum of \$3 billion was allocated for the reconstruction, rehabilitation and maintenance of urban, rural and hinterland roads in all regions. At the end of the first half work has commenced on

a total of 250 roads. Further, a sum of \$494 million was awarded for the maintenance of over 276 rural roads in Georgetown, and works are ongoing.

3.83 A total of \$953 million has been budgeted for completion of works on 16 critical structures along the East Bank and East Coast highways. During the first half a total of 11 structures were substantially completed while the others are under construction. Further, installation of street lighting was completed in Regions 5 and 6 and installation of lights in Region 2 has commenced.

Air and River Transport

3.84 Of the \$40 million budgeted for the maintenance of aerodromes \$12.1 million was spent during the first half for the maintenance of 42 domestic aerodromes in Regions 1, 2, 7, 8 and 9.

3.85 Physical works on the Parika and Supenaam stelling and construction of the Kumaka wharf will commence during the second half of the year. The works on Parika and Supenaam stelling are in anticipation of the two roll on roll off ferry vessels expected at the end of the year.

Sea and River Defence

3.86 The sum of \$3 billion was budgeted for protection of the sea defence structures of which \$896 million was expended at the end of the first half of 2011. Critical and emergency works are ongoing in areas such as La Bagatelle, Craig, Vergenoegen and Orangestien.

3.87 The mangrove management committee continued work under the Guyana Mangrove Restoration Project and several workshops were conducted. Additionally, the replanting of mangrove seedlings was done in Mon Repos, Kitty and Profit.

i. Electricity

3.88 In 2011, a sum of \$11.4 billion was allocated to the electricity sector to finance activities that included the commencement of the Guyana Power and Light's US\$42 million Infrastructure Development Project. In the first half of 2011, a total of \$675 million was expended and the basic

designs were completed under this project. It is expected that when the final construction designs are completed in the third quarter, the contractor will proceed with site preparations.

3.89 In addition, in the first half of 2011, an amount of \$3.1 billion was expended by Government to support the Guyana Power and Light Inc. in meeting the cost of installing two new 7.8 megawatt Wartsila generating sets to augment existing capacity at Kingston. The two new sets are expected to come into operation during the second half of the year and will make a significant addition to the company's ability to meet peak demand.

3.90 Also during the review period, significant progress was made with the hinterland electrification programme. The procurement process was initiated to secure the supply and delivery of solar home systems, and shortly after the half year, this process was concluded and the contract awarded in an amount of US\$2.46 million. When implemented, this project will see approximately 11,000 solar systems distributed to hinterland homes. It is expected that the first batch of 2,750 panels will arrive in November and the remaining 8,250 in January. Distribution is expected to begin soon after the arrival of the first batch.

j. Information and Communication Technology

3.91 Information and communication technology continues to be a major thrust of Government's modernisation efforts. Interventions in this sector include installation of infrastructural capacity for e-Government applications, promoting more affordable access to ICT, and building human capacity.

3.92 Towards these ends, work continued on the installation of the fibreoptic cable from Lethem to Georgetown, with the aim of establishing a high-capacity terrestrial link. The cable has been laid for the vast majority of the installation length, and it is expected that the remaining work will be completed by the end of the year.

3.93 Further, preparatory work commenced in the first half of the year on the One Laptop Per Family (OLPF) Programme, for which an amount of \$1.8 billion is budgeted to be spent in 2011.

This programme will see a total of 27,000 laptops acquired and distributed to the most vulnerable families before the end of 2011, thereby creating access and enhancing capacity.

3.94 In addition, work continued apace on preparing the infrastructure and acquiring hardware for more than 70 secondary schools to be equipped with fully functional ICT laboratories before the end of the year. Efforts also continued to strengthen capacity within the teaching corps to deliver ICT education to the student population.

4. Conclusion

4.1 Despite the protraction of a very unfavourable and unpredictable external environment, the Guyanese economy recorded strong positive growth during the first half of 2011 to build on its previous five years of steady and uninterrupted expansion. This consistent favourable performance reflects the results of deliberate policy choices made over the years to build a more resilient economy, one that is more diversified, and better equipped to withstand external shocks. Notwithstanding the results achieved to date, Government's current policy framework aims to more deeply entrench this resilience, especially in the face of the persistent external uncertainty.

4.2 As in recent years, the growth achieved was generated both by the traditional productive sectors and those that are relatively new and emerging. The broad base on which this sustained performance is built provides much cause for an optimistic outlook. That notwithstanding, the tasks of continuing to expand and modernise the country's physical infrastructure, and further improving the social services, require considerable investment in the near and medium term. This is reflected in the budgetary choices currently being made, with the result being that the country is well on its way to achieving the modernisation and developmental goals it has set itself.

4.3 On the more immediate economic performance of the first half of 2011, the economy can be described as having recorded yet another period of strong positive growth, despite the background of ongoing external challenges, a most commendable result on the domestic front.



APPENDICES

APPENDIX A1

MID-YEAR GDP GROWTH RATES BY SECTOR

| ITEM | 2010 ACTUAL | 2011 BUDGET | 2010 H1 | 2011 H1 | 2011 REVISED |
|-------------------------------------------|----------------|----------------|-------------|-------------|-----------------|
| Agriculture, Fishing and Forestry | 2.3 | 8.3 | 0.3 | 3.8 | 5.4 |
| Sugar | -5.5 | 35.3 | -1.8 | 30.5 | 35.3 |
| Rice | 0.4 | 4.9 | 4.6 | 23.3 | 12.0 |
| Other Crops | 2.5 | 2.0 | 1.5 | 3.0 | 2.0 |
| Livestock | 0.3 | 0.0 | -14.2 | 2.7 | 0.6 |
| Fishing | 8.4 | 0.4 | 2.0 | -2.2 | -4.7 |
| Forestry | 11.8 | -1.4 | 11.8 | -30.3 | -19.9 |
| | | | | | |
| Mining and Quarrying | -5.4 | 2.8 | -4.1 | 9.5 | 1.7 |
| Bauxite | -9.6 | 13.8 | -19.6 | 13.8 | 13.4 |
| Gold | 2.9 | 2.9 | 8.1 | 14.9 | 3.7 |
| Other | -29.8 | -10.5 | -25.8 | -18.6 | -21.1 |
| | | | | | |
| Manufacturing | 0.3 | 7.7 | 1.5 | 10.6 | 9.4 |
| Sugar | -5.5 | 35.3 | -1.8 | 30.5 | 35.3 |
| Rice | 0.3 | 5.2 | 4.6 | 23.3 | 12.1 |
| Other Manufacturing | 2.0 | 1.0 | 1.0 | 2.3 | 1.0 |
| | | | | | |
| Electricity and Water | 1.0 | 0.4 | 3.6 | 2.6 | 2.0 |
| Construction | 10.7 | 4.5 | 9.5 | 4.0 | 5.5 |
| Wholesale and Retail Trade | 10.9 | 4.4 | 7.0 | 21.7 | 11.0 |
| Transportation and Storage | 6.9 | 3.9 | 7.1 | -6.5 | 3.7 |
| Information and Communication | 7.0 | 5.0 | 5.7 | 5.5 | 5.0 |
| Financial and Insurance Activities | 12.9 | 4.0 | 6.0 | 16.0 | 5.3 |
| Public Administration | 0.0 | 0.0 | 0.5 | 0.0 | 0.0 |
| Education | 4.6 | 1.0 | 1.8 | 3.0 | 1.5 |
| Health and Social Services | 8.4 | 1.0 | 6.8 | 3.4 | 1.9 |
| Real Estate Activities | 2.0 | 1.0 | 2.0 | 2.0 | 1.0 |
| Other Service Activities | 6.0 | 4.0 | 2.0 | 4.0 | 4.0 |
| | | | | | |
| TOTAL | 4.4 | 4.6 | 2.8 | 5.9 | 5.1 |
| | | | | | |
| Non-Sugar GDP Growth Rate | 5.1 | 2.8 | 3.1 | 5.0 | 3.4 |

Note: The 2010 actual numbers reported in these Appendices reflect updated information available subsequent to the compilation of the 2010 revised numbers previously reported.

APPENDIX B1

MID-YEAR BALANCE OF PAYMENTS
ANALYTICAL SUMMARY

| ITEM | 2010 ACTUAL | 2011 BUDGET | 2010 H1 | 2011 H1 | 2011 REVISED |
|----------------------------------------------------------|----------------|----------------|----------------|----------------|-----------------|
| A Current Account | (232.5) | (385.6) | (144.3) | (184.8) | (381.6) |
| 1.0 Merchandise (Net) | (520.2) | (616.9) | (287.6) | (326.4) | (590.7) |
| 1.1 Exports (f.o.b.) | 884.5 | 922.3 | 396.2 | 533.1 | 1,029.3 |
| 1.1.1 Bauxite | 114.5 | 127.4 | 56.7 | 65.2 | 127.4 |
| 1.1.2 Sugar | 101.5 | 138.5 | 37.8 | 50.1 | 155.7 |
| 1.1.3 Rice | 151.3 | 122.4 | 68.6 | 92.6 | 156.0 |
| 1.1.4 Gold | 346.4 | 341.5 | 146.8 | 229.5 | 410.0 |
| 1.1.5 Timber | 48.5 | 52.0 | 24.5 | 18.2 | 35.6 |
| 1.1.6 Other | 110.9 | 125.0 | 56.4 | 67.0 | 125.0 |
| 1.1.7 Re - exports | 11.3 | 15.5 | 5.5 | 10.5 | 19.6 |
| 1.2 Imports (c.i.f.) | (1,404.7) | (1,539.2) | (683.7) | (859.5) | (1,620.0) |
| 1.2.1 Fuel & Lubricants | (381.1) | (449.7) | (188.0) | (285.5) | (480.0) |
| 1.2.2 Other | (1,023.6) | (1,089.5) | (495.7) | (573.9) | (1,140.0) |
| 2.0 Services (Net) | (83.0) | (147.0) | (36.6) | (74.3) | (169.2) |
| 2.1 Factor | 12.8 | (12.0) | 8.4 | (9.9) | (34.2) |
| 2.2 Non Factor (Net) | (95.8) | (135.0) | (45.0) | (64.4) | (135.0) |
| 3.0 Transfers | 370.8 | 378.3 | 179.9 | 216.0 | 378.3 |
| 3.1 Official | | | | | |
| 3.2 Private | 370.8 | 378.3 | 179.9 | 216.0 | 378.3 |
| B Capital Account | 339.2 | 410.0 | 165.4 | 163.8 | 345.5 |
| 1.0 Capital Transfers | 27.1 | 20.7 | 9.7 | 5.6 | 20.7 |
| 2.0 Medium and Long Term Capital (Net) | 309.3 | 425.2 | 160.2 | 179.2 | 353.5 |
| 2.1 Non - Financial Public Sector Capital (Net) | 39.6 | 218.0 | 2.2 | 16.6 | 98.7 |
| 2.1.1 Disbursements | 142.0 | 213.5 | 43.9 | 122.7 | 301.5 |
| 2.1.2 Amortization | (52.9) | (59.6) | (23.5) | (28.3) | (59.6) |
| 2.1.3 Other | (49.5) | 64.1 | (18.1) | (77.8) | (143.2) |
| 2.2 Private Sector (Net) | 269.7 | 207.2 | 158.0 | 162.6 | 254.8 |
| 3.0 Short Term Capital | 2.9 | (35.9) | (4.5) | (21.0) | (28.7) |
| C Errors and Omissions | 9.8 | 0.0 | 13.5 | 1.4 | (0.0) |
| D OVERALL BALANCE | 116.5 | 24.4 | 34.6 | (19.6) | (36.1) |
| E Financing | (116.5) | (24.4) | (34.6) | 19.6 | 36.1 |
| 1.0 Bank of Guyana net foreign assets | (154.9) | (74.6) | (52.6) | 0.4 | (14.5) |
| 2.0 Change in Non-Financial Public Sector Arrears | - | - | - | - | - |
| 3.0 Exceptional Financing | 38.4 | 50.2 | 18.0 | 19.2 | 50.6 |
| 3.1 Debt Relief | 4.3 | 13.7 | 2.1 | 1.8 | 13.7 |
| 3.2 Balance of Payments Support | - | - | - | - | - |
| 3.3 Debt Forgiveness | 34.7 | 37.5 | 16.1 | 17.8 | 37.9 |
| 3.4 Debt Stock Restructuring | (0.6) | (1.0) | (0.3) | (0.5) | (1.0) |

APPENDIX C1

MID-YEAR MONETARY SURVEY

| | 2010 December | 2010 H1 | 2011 H1 |
|------------------------------------------|-------------------|-------------------|-------------------|
| 1.0 Total Money & Quasi Money | 233,361.6 | 206,674.3 | 243,483.9 |
| 1.1 Money | 80,832.1 | 65,489.8 | 79,707.2 |
| 1.1.1 <i>Currency</i> | 45,999.4 | 36,812.2 | 44,093.7 |
| 1.1.2 <i>Demand Deposits</i> | 34,832.6 | 28,677.5 | 35,613.5 |
| 1.2 Quasi Money | 152,529.5 | 141,184.6 | 163,776.7 |
| 1.2.1 <i>Time Deposits</i> | 19,879.9 | 19,769.9 | 21,604.8 |
| 1.2.2 <i>Savings Deposits</i> | 132,649.7 | 121,414.6 | 142,171.9 |
| 2.0 Domestic Credit (Net) | 55,446.5 | 47,323.8 | 63,897.5 |
| 2.1 Public Sector (Net) | (41,280.3) | (38,935.6) | (38,741.1) |
| 2.1.1 <i>Central Govt. (Net)</i> | (8,004.4) | (4,669.5) | (6,744.2) |
| 2.1.2 <i>Public Enterprises (Net)</i> | (24,123.3) | (20,344.7) | (20,589.5) |
| 2.1.3 <i>Other Public Sector (Net)</i> | (9,152.7) | (13,921.4) | (11,407.4) |
| 2.2 Private Sector | 112,333.4 | 101,048.7 | 119,821.7 |
| 2.2.1 <i>Agriculture</i> | 6,755.2 | 6,853.7 | 8,126.7 |
| 2.2.2 <i>Other Manu. & Process.</i> | 11,461.4 | 10,843.1 | 11,717.3 |
| 2.2.3 <i>Rice Milling</i> | 1,399.8 | 1,619.6 | 1,414.4 |
| 2.2.4 <i>Distribution</i> | 17,287.4 | 13,420.9 | 18,905.2 |
| 2.2.5 <i>Personal</i> | 20,505.1 | 17,648.7 | 20,484.0 |
| 2.2.6 <i>Mining & Quarrying</i> | 2,582.0 | 1,776.7 | 2,704.2 |
| 2.2.7 <i>Other Services</i> | 11,400.3 | 11,827.1 | 12,202.3 |
| 2.2.8 <i>Real Est. Mortg. loans</i> | 33,810.1 | 30,217.4 | 37,303.9 |
| 2.2.9 <i>Other</i> | 7,132.0 | 6,841.6 | 6,963.7 |
| 2.3 Financial Insts. | (15,606.6) | (14,789.4) | (17,183.1) |
| 3.0 Foreign Assets (Net) | 173,121.3 | 153,988.1 | 177,746.4 |
| 3.1 Assets | 205,860.4 | 185,248.9 | 209,679.1 |
| 3.2 Liabilities | (32,739.1) | (31,260.9) | (31,932.7) |
| 4.0 Other Items (Net) | 4,793.8 | 5,362.4 | 1,840.1 |

APPENDIX D1

MID-YEAR CONSUMER PRICE INDEX

| | 2010 | 2010 | 2011 |
|---------------------------------|-------|-------|-------|
| | DEC | JUNE | JUNE |
| ALL ITEMS | 104.5 | 102.0 | 107.6 |
| FOOD | 110.4 | 105.5 | 113.1 |
| CLOTHING | 99.3 | 100.4 | 98.9 |
| FOOTWEAR AND REPAIRS | 100.5 | 100.5 | 102.5 |
| HOUSING | 99.7 | 99.9 | 100.7 |
| FURNITURE | 99.2 | 100.3 | 99.8 |
| TRANSPORT & COMMUNICATION | 104.8 | 99.6 | 115.4 |
| MEDICAL & PERSONAL CARE | 101.4 | 100.7 | 86.7 |
| EDUC., RECR. AND CULTL. SERVICE | 102.0 | 102.3 | 102.9 |
| MISC. GOODS & SERVICES | 102.0 | 101.9 | 103.6 |

APPENDIX E1

MID-YEAR CENTRAL GOVERNMENT FINANCIAL OPERATIONS

| | 2010 ACTUAL | 2011 BUDGET | 2010 H1 | 2011 H1 | 2011 REVISED |
|--------------------------------------|-------------------|-------------------|------------------|------------------|-------------------|
| Total Revenue | 108,045.4 | 126,986.1 | 54,515.9 | 61,486.4 | 133,072.1 |
| Revenue | 107,875.6 | 112,048.4 | 54,400.9 | 61,486.4 | 119,681.3 |
| Tax | 100,958.9 | 104,356.9 | 51,145.7 | 56,987.1 | 110,217.0 |
| Income taxes | 39,243.0 | 39,745.8 | 21,492.7 | 23,658.0 | 42,473.1 |
| Consumption taxes | 48,363.3 | 50,218.5 | 23,235.3 | 25,717.8 | 52,562.3 |
| Trade taxes | 9,731.7 | 10,300.0 | 4,077.8 | 4,831.3 | 10,908.2 |
| Other | 3,620.9 | 4,092.6 | 2,339.9 | 2,780.0 | 4,273.4 |
| Non-tax | 6,916.7 | 7,691.5 | 3,255.2 | 4,499.3 | 9,464.3 |
| Private sector | 4,853.4 | 4,431.1 | 1,691.6 | 1,982.8 | 5,288.9 |
| Public enterprise & BOG | 2,063.3 | 3,260.4 | 1,563.6 | 2,516.5 | 4,175.4 |
| GRIF Inflows | - | 14,350.0 | - | - | 12,802.3 |
| Total expenditure | 133,105.1 | 157,658.5 | 51,212.4 | 59,619.6 | 161,373.8 |
| Current expenditure | 86,386.4 | 95,516.0 | 37,531.0 | 42,668.0 | 98,334.5 |
| Non-interest expenditure | 78,506.8 | 87,651.0 | 32,948.7 | 38,277.9 | 89,941.4 |
| Personal emoluments | 28,367.4 | 31,523.2 | 13,442.0 | 14,049.8 | 31,509.1 |
| Other goods and services | 26,811.4 | 31,271.3 | 9,211.1 | 12,530.5 | 32,483.2 |
| Transfer Payments | 23,328.0 | 24,856.5 | 10,295.6 | 11,697.6 | 25,949.1 |
| Interest | 7,879.6 | 7,865.0 | 4,582.3 | 4,390.1 | 8,393.1 |
| External | 3,919.8 | 4,066.5 | 1,849.7 | 2,007.9 | 4,028.0 |
| Domestic | 3,959.8 | 3,798.5 | 2,732.6 | 2,382.2 | 4,365.0 |
| Primary balance | 29,368.8 | 24,397.4 | 21,452.2 | 23,208.5 | 29,739.9 |
| Current balance | 21,489.2 | 16,532.4 | 16,869.9 | 18,818.4 | 21,346.8 |
| Capital Revenue | 169.8 | 587.7 | 115.0 | - | 588.5 |
| Capital Expenditure | 46,718.7 | 62,142.5 | 13,681.4 | 16,951.6 | 63,039.3 |
| Overall Balance before Grants | (25,059.7) | (30,672.4) | 3,303.5 | 1,866.8 | (28,301.7) |
| Grants | 11,651.0 | 15,648.5 | 3,118.0 | 3,355.4 | 15,539.4 |
| HIPC relief | 2,155.9 | 2,384.5 | 1,079.1 | 928.4 | 2,380.0 |
| Original | - | - | - | - | - |
| Enhanced | 698.7 | 816.6 | 349.5 | 406.1 | 814.4 |
| CMCF | - | 518.8 | - | - | 518.8 |
| MDRI | 1,457.2 | 1,049.1 | 729.6 | 522.3 | 1,046.9 |
| Other | 9,495.1 | 13,264.0 | 2,038.9 | 2,427.1 | 13,159.4 |
| Projects | 5,510.1 | 4,245.3 | 2,038.9 | 1,145.8 | 4,245.3 |
| Non-projects | 3,985.0 | 9,018.7 | - | 1,281.3 | 8,914.1 |
| Overall Balance after Grants | (13,408.7) | (15,024.0) | 6,421.6 | 5,222.3 | (12,762.3) |
| Financing | 13,408.7 | 15,024.0 | (6,421.6) | (5,222.3) | 12,762.3 |
| Net External Borrowing | 12,988.7 | 20,508.0 | 4,171.9 | 7,122.8 | 19,847.7 |
| Disbursements of Loans | 15,427.5 | 31,949.0 | 8,292.8 | 7,305.5 | 25,666.2 |
| Debt Repayments | 3,714.6 | 4,528.7 | 1,505.3 | 2,123.9 | 4,436.2 |
| Rescheduling | 870.6 | 746.3 | 437.9 | 375.0 | 744.9 |
| Guysuco - Escrow A/C | - | - | - | - | - |
| Overseas Deposit | 405.1 | (7,658.6) | (3,053.5) | 1,566.2 | (2,127.1) |
| Net Domestic Borrowing | 420.3 | (5,484.0) | (10,593.4) | (12,345.1) | (7,085.4) |
| Net Divestment Proceeds | - | - | - | - | - |

APPENDIX E2

MID-YEAR FINANCIAL OPERATIONS OF THE NON - FINANCIAL PUBLIC SECTOR

| ITEM | 2010 ACTUAL | 2011 BUDGET | 2010 H1 | 2011 H1 | 2011 REVISED |
|---------------------------------------------|------------------|------------------|-----------------|-----------------|------------------|
| Non-Financial Public Sector Revenues | 109,257.4 | 134,282.1 | 51,496.1 | 56,902.6 | 134,233.3 |
| Central Government | 108,045.4 | 126,986.1 | 54,515.9 | 61,486.4 | 133,072.1 |
| Public Enterprises | 1,212.0 | 7,296.0 | -3,019.8 | -4,583.8 | 1,161.2 |
| Total Expenditure | 137,276.5 | 167,209.9 | 53,219.4 | 60,407.7 | 167,765.1 |
| Current Expenditure | 86,386.4 | 95,516.0 | 37,531.0 | 42,668.0 | 98,334.5 |
| <i>Non-Interest Expenditure</i> | <i>78,506.8</i> | <i>87,651.0</i> | <i>32,948.7</i> | <i>38,277.9</i> | <i>89,941.4</i> |
| Personal Emoluments | 28,367.4 | 31,523.2 | 13,442.0 | 14,049.8 | 31,509.1 |
| Other Goods and Services | 26,811.4 | 31,271.3 | 9,211.1 | 12,530.5 | 32,483.2 |
| <i>Transfer Payments</i> | <i>23,328.0</i> | <i>24,856.5</i> | <i>10,295.6</i> | <i>11,697.6</i> | <i>25,949.1</i> |
| Transfers to the Private Sector | 23,328.0 | 24,856.5 | 10,295.6 | 11,697.6 | 25,949.1 |
| Transfers to the public sector | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest | 7,879.6 | 7,865.0 | 4,582.3 | 4,390.1 | 8,393.1 |
| External | 3,919.8 | 4,066.5 | 1,849.7 | 2,007.9 | 4,028.0 |
| Domestic | 3,959.8 | 3,798.5 | 2,732.6 | 2,382.2 | 4,365.0 |
| Current Balance | 22,871.0 | 38,766.1 | 13,965.1 | 14,234.6 | 35,898.8 |
| Capital Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital Expenditure | 50,890.1 | 71,693.9 | 15,688.4 | 17,739.7 | 69,430.6 |
| Central Government | 46,718.7 | 62,142.5 | 13,681.4 | 16,951.6 | 63,039.3 |
| Public Enterprises | 4,171.4 | 9,551.4 | 2,007.0 | 788.1 | 6,392.3 |
| Overall Balance before Grants | -28,019.1 | -32,927.8 | -1,723.3 | -3,505.1 | -33,531.8 |
| Grants | 11,651.0 | 15,648.5 | 3,118.0 | 3,355.4 | 15,539.4 |
| HIPC Relief | 2,155.9 | 2,384.5 | 1,079.1 | 928.4 | 2,380.0 |
| Other | 9,495.1 | 13,264.0 | 2,038.9 | 2,427.1 | 13,159.4 |
| Overall Balance after Grants | -16,368.1 | -17,279.3 | 1,394.8 | -149.6 | -17,992.4 |
| Financing | 16,368.1 | 17,279.3 | -1,394.8 | 149.6 | 17,992.4 |
| Net External Borrowing | 14,842.9 | 21,542.7 | 7,430.6 | 9,314.8 | 20,064.4 |
| Net Domestic Borrowing | -552.8 | -5,263.3 | -8,825.3 | -10,333.2 | -3,240.0 |
| Net Divestment Proceeds | 2,078.0 | 1,000.0 | 0.0 | 1,168.0 | 1,168.0 |

APPENDIX E3

MID-YEAR PUBLIC ENTERPRISE
CASH FLOW

| ITEM | 2010 ACTUAL | 2011 BUDGET | 2010 H1 | 2011 H1 | 2011 REVISED |
|----------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Receipts | 95,814.8 | 109,487.5 | 44,598.1 | 53,121.9 | 126,345.4 |
| Enterprises | 84,567.3 | 97,575.1 | 39,269.6 | 47,497.3 | 114,428.1 |
| NIS | 11,247.4 | 11,912.4 | 5,328.5 | 5,624.6 | 11,917.2 |
| Contributions | 10,046.6 | 10,838.2 | 5,070.0 | 5,355.2 | 10,870.4 |
| Investment Revenue | 1,200.8 | 1,074.2 | 258.5 | 269.4 | 1,046.8 |
| Total Expenditure | 98,604.4 | 111,155.2 | 49,509.9 | 58,493.7 | 130,987.9 |
| Total non-interest expenditure | 93,980.1 | 100,726.6 | 47,274.9 | 57,584.4 | 123,722.6 |
| Non-financial public enterprise | 81,749.3 | 86,810.0 | 41,650.6 | 51,529.2 | 109,620.0 |
| Wages and Salaries | 19,303.3 | 21,194.8 | 9,632.8 | 10,033.6 | 21,384.2 |
| Goods and Services | 62,333.2 | 65,325.8 | 31,936.4 | 41,397.9 | 87,986.8 |
| Local taxes | 112.8 | 289.5 | 81.4 | 97.7 | 249.0 |
| The NIS | 10,533.2 | 11,813.2 | 4,889.0 | 5,575.9 | 11,812.6 |
| Taxes to central government | 1,222.6 | 1,298.4 | 735.3 | 479.3 | 887.5 |
| Dividends and transfers | 475.0 | 805.0 | 0.0 | 0.0 | 1402.5 |
| Primary surplus or deficit (-) | 1,834.7 | 8,760.9 | (2,676.6) | (4,462.6) | 2,622.7 |
| Interest | 452.9 | 877.3 | 228.2 | 121.2 | 873.0 |
| External | 161.5 | 299.9 | 62.4 | 2.0 | 300.1 |
| Internal | 291.4 | 577.4 | 165.8 | 119.2 | 572.9 |
| Current surplus or deficit (-) | 1,381.8 | 7,883.7 | (2,904.8) | (4,583.8) | 1,749.7 |
| Capital Expenditure | 4,171.4 | 9,551.4 | 2,007.0 | 788.1 | 6,392.3 |
| Enterprises | 4,083.6 | 9,461.4 | 2,002.5 | 779.3 | 6,302.3 |
| NIS | 87.7 | 90.0 | 4.5 | 8.8 | 90.0 |
| Less Government transfers | | | | | |
| Overall surplus or deficit before special transfers (-) | (2,789.6) | (1,667.7) | (4,911.8) | (5,371.9) | (4,642.6) |
| Special Transfers | (169.8) | (587.7) | -115.0 | 0.0 | -588.5 |
| Overall surplus or deficit after special transfers | (2,959.4) | (2,255.4) | (5,026.8) | (5,371.9) | (5,231.1) |
| Financing | 2,959.4 | 2,255.4 | 5,026.8 | 5,371.9 | 5,231.1 |
| External | 1,854.2 | 1,034.7 | 3,258.7 | 2,192.0 | 216.7 |
| Domestic | (972.8) | 220.6 | 1,768.1 | 2,011.9 | 3,846.4 |
| Divestment Proceeds | 2,078.0 | 1,000.0 | 0.0 | 1,168.0 | 1,168.0 |

APPENDIX E4

**MID-YEAR CENTRAL GOVERNMENT ABSTRACT OF
NON-INTEREST CURRENT EXPENDITURE BY CHART OF ACCOUNT**

| Acct Cod | Chart of Account | 2010 Actual | 2011 Budget | H1 2010 | H1 2011 | 2011 Revised |
|----------------------------------------|------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Statutory Expenditure | | 3,016,297,109 | 2,913,882,000 | 1,376,762,652 | 1,207,367,691 | 2,913,882,000 |
| 601 | Total Statutory Employment Expenditure | 2,979,237,109 | 2,874,182,000 | 1,376,762,652 | 1,207,367,691 | 2,874,182,000 |
| 6011 | Statutory Wages and Salaries | 493,057,631 | 513,813,000 | 231,372,413 | 244,577,959 | 513,813,000 |
| 6012 | Statutory Benefits and Allowances | 174,872,257 | 187,569,000 | 82,570,999 | 81,891,655 | 187,569,000 |
| 6013 | Statutory Pensions and Gratuities | 2,311,307,221 | 2,172,800,000 | 1,062,819,240 | 880,898,077 | 2,172,800,000 |
| 602 | Statutory Payment to Dependants Pension Funds | 37,060,000 | 39,700,000 | - | - | 39,700,000 |
| 6021 | Statutory Payments to Dependants Pension Funds | 37,060,000 | 39,700,000 | | | 39,700,000 |
| Total Appropriation Expenditure | | 75,490,450,437 | 84,737,118,000 | 31,571,934,325 | 37,070,496,928 | 87,027,491,044 |
| 601 | Total Employment Costs | 28,031,631,200 | 31,170,918,000 | 13,298,481,349 | 13,924,306,451 | 31,156,784,400 |
| 611 | Total Wages and Salaries | 21,247,277,039 | 23,079,567,000 | 10,885,655,812 | 11,368,860,773 | 23,068,994,209 |
| 6111 | Administrative | 3,224,350,734 | 3,579,156,000 | 1,684,437,817 | 1,798,336,733 | 3,578,746,771 |
| 6112 | Senior Technical | 4,140,720,515 | 4,501,287,000 | 2,207,211,559 | 2,229,212,228 | 4,503,128,765 |
| 6113 | Other Technical and Craft Skilled | 2,938,210,437 | 3,200,959,000 | 1,496,209,052 | 1,581,479,754 | 3,213,317,430 |
| 6114 | Clerical and Office Support | 3,043,130,581 | 3,221,814,000 | 1,552,955,010 | 1,599,628,630 | 3,216,506,210 |
| 6115 | Semi-Skilled Operatives and Unskilled | 2,771,350,628 | 2,892,909,000 | 1,388,469,945 | 1,384,942,045 | 2,884,605,721 |
| 6116 | Contracted Employees | 4,651,675,440 | 5,144,485,000 | 2,324,123,698 | 2,570,083,749 | 5,132,709,892 |
| 6117 | Temporary Employees | 477,838,704 | 538,957,000 | 232,248,731 | 205,177,634 | 539,979,420 |
| 613 | Overhead Expenditure | 4,346,321,516 | 4,630,406,000 | 2,412,825,537 | 2,555,445,678 | 4,626,845,191 |
| 6131 | Other Direct Labour Costs | 702,026,846 | 756,755,000 | 348,255,632 | 345,101,412 | 758,795,995 |
| 6132 | Incentives | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| 6133 | Benefits and Allowances | 2,063,987,561 | 2,181,725,000 | 1,260,460,927 | 1,353,597,276 | 2,174,799,512 |
| 6134 | National Insurance | 1,237,926,317 | 1,332,826,000 | 633,656,303 | 655,726,813 | 1,334,149,684 |
| 6135 | Pensions | 332,380,792 | 349,100,000 | 170,452,675 | 201,020,177 | 349,100,000 |
| 614 | Revision of Wages and Salaries | 2,438,032,645 | 3,460,945,000 | - | - | 3,460,945,000 |
| 6141 | Revision of Wages and Salaries | 2,438,032,645 | 3,460,945,000 | - | - | 3,460,945,000 |
| 620 | Total Other Charges | 47,458,819,237 | 53,566,200,000 | 18,273,452,976 | 23,146,190,477 | 55,870,706,644 |
| 621 | Expenses Specific to the Agency | 206,236,495 | 212,460,000 | 90,952,668 | 95,568,944 | 212,460,000 |
| 6211 | Expenses Specific to the Agency | 206,236,495 | 212,460,000 | 90,952,668 | 95,568,944 | 212,460,000 |
| 622 | Materials, Equipment and Supplies | 5,072,515,152 | 5,778,957,000 | 1,843,008,366 | 3,086,335,866 | 6,286,730,180 |
| 6221 | Drugs and Medical Supplies | 2,849,502,053 | 3,056,772,000 | 1,251,590,348 | 2,481,141,920 | 3,556,772,000 |
| 6222 | Field Materials and Supplies | 849,249,326 | 961,975,000 | 194,945,601 | 200,255,291 | 961,975,000 |
| 6223 | Office Materials and Supplies | 522,663,768 | 763,118,000 | 185,914,989 | 198,899,200 | 760,922,800 |
| 6224 | Print and Non-Print Materials | 851,100,005 | 997,092,000 | 210,557,428 | 206,039,455 | 1,007,060,380 |
| 623 | Fuel and Lubricants | 1,651,182,318 | 1,864,900,000 | 712,511,056 | 834,160,481 | 2,440,123,330 |
| 6231 | Fuel and Lubricants | 1,651,182,318 | 1,864,900,000 | 712,511,056 | 834,160,481 | 2,440,123,330 |
| 624 | Rental and Maintenance of Buildings | 2,638,733,594 | 2,870,900,000 | 682,693,248 | 898,468,414 | 2,872,018,000 |
| 6241 | Rental of Buildings | 521,799,205 | 623,023,000 | 245,372,764 | 274,847,570 | 623,543,000 |
| 6242 | Maintenance of Buildings | 1,785,663,876 | 1,874,772,000 | 313,069,618 | 478,469,513 | 1,875,370,000 |
| 6243 | Janitorial and Cleaning Supplies | 331,270,513 | 373,105,000 | 124,250,866 | 145,151,331 | 373,105,000 |
| 625 | Maintenance of Infrastructure | 1,956,114,354 | 2,173,200,000 | 453,167,687 | 639,114,734 | 2,190,200,000 |
| 6251 | Maintenance of Roads | 443,622,421 | 524,913,000 | 139,854,044 | 173,922,394 | 524,913,000 |
| 6252 | Maintenance of Bridges | 154,700,562 | 176,250,000 | 31,180,905 | 33,404,507 | 176,250,000 |
| 6253 | Maintenance of Drainage and Irrigation Works | 511,271,438 | 539,239,000 | 142,204,831 | 176,937,223 | 556,239,000 |
| 6254 | Maintenance of Sea and River Defenses | 181,497,748 | 215,700,000 | 22,835,605 | 48,216,995 | 215,700,000 |
| 6255 | Maintenance of Other Infrastructure | 665,022,185 | 717,098,000 | 117,092,302 | 206,633,615 | 717,098,000 |

Figures: G \$
Source: Ministry of Finance

APPENDIX E4

**MID-YEAR CENTRAL GOVERNMENT ABSTRACT OF
NON-INTEREST CURRENT EXPENDITURE BY CHART OF ACCOUNT**

| Acct Cod | Chart of Account | 2010 Actual | 2011 Budget | H1 2010 | H1 2011 | 2011 Revised |
|--------------------|-------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 626 | Transport, Travel & postage | 2,526,475,193 | 2,950,943,000 | 897,714,952 | 1,068,218,248 | 3,009,856,200 |
| 6261 | Local Travel and Subsistence | 1,047,097,006 | 1,193,142,000 | 389,973,201 | 465,843,543 | 1,246,675,200 |
| 6262 | Overseas Conferences and Official Visits | 263,268,927 | 285,500,000 | 77,327,028 | 84,049,973 | 285,500,000 |
| 6263 | Postage, Telex and Cablegrams | 35,053,870 | 33,832,000 | 9,861,047 | 12,493,859 | 33,862,000 |
| 6264 | Vehicle Spares and Service | 616,673,526 | 697,031,000 | 214,288,732 | 281,178,484 | 695,781,000 |
| 6265 | Other Transport, Travel and Postage | 564,381,864 | 741,438,000 | 206,264,944 | 224,652,389 | 748,038,000 |
| 627 | Utility Charges | 5,043,091,713 | 5,633,500,000 | 1,572,021,854 | 2,524,084,912 | 5,633,430,000 |
| 6271 | Telephone Charges | 410,406,201 | 467,800,000 | 150,538,965 | 170,138,790 | 467,730,000 |
| 6272 | Electricity Charges | 3,905,502,181 | 4,411,800,000 | 1,219,532,996 | 2,141,890,193 | 4,411,800,000 |
| 6273 | Water Charges | 727,183,331 | 753,900,000 | 201,949,893 | 212,055,929 | 753,900,000 |
| 628 | Other Goods and Services Purchases | 3,686,509,669 | 4,814,601,000 | 1,452,354,650 | 1,622,947,214 | 4,843,283,420 |
| 6281 | Security Services | 1,547,134,877 | 1,988,284,000 | 685,360,787 | 728,445,695 | 1,986,365,000 |
| 6282 | Equipment Maintenance | 769,946,718 | 857,922,000 | 302,033,344 | 277,354,746 | 857,922,000 |
| 6283 | Cleaning and Extermination Services | 232,064,052 | 274,026,000 | 84,474,136 | 95,184,651 | 274,367,000 |
| 6284 | Other | 1,137,364,022 | 1,694,369,000 | 380,486,383 | 521,962,122 | 1,724,629,420 |
| 629 | Other Operational Expenses | 4,030,614,407 | 4,971,839,000 | 1,506,702,908 | 1,761,589,409 | 4,995,119,000 |
| 6291 | National and Other Events | 329,777,872 | 342,568,000 | 144,229,396 | 168,244,668 | 342,568,000 |
| 6292 | Dietary | 2,067,051,698 | 2,491,769,000 | 785,401,834 | 859,225,107 | 2,511,369,000 |
| 6293 | Refreshment and Meals | 163,684,493 | 194,888,000 | 61,062,611 | 75,113,967 | 194,888,000 |
| 6294 | Other | 1,470,100,344 | 1,942,614,000 | 516,009,067 | 659,005,667 | 1,946,294,000 |
| 630 | Education Subvention and Training | 2,763,886,934 | 3,201,439,000 | 1,246,778,360 | 1,282,729,660 | 3,201,439,000 |
| 6301 | Education Subventions and Grants | 1,360,484,510 | 1,496,996,000 | 700,257,213 | 736,292,697 | 1,496,996,000 |
| 6302 | Training (Including Scholarships) | 1,403,402,424 | 1,704,443,000 | 546,521,147 | 546,436,963 | 1,704,443,000 |
| 631 | Rates and Taxes and Subventions to Local Authorities | 189,880,877 | 194,400,000 | 51,162,357 | 80,417,087 | 221,648,537 |
| 6311 | Rates and Taxes | 172,224,189 | 176,865,000 | 43,312,674 | 46,301,427 | 176,865,000 |
| 6312 | Subventions to Local Authorities | 17,656,688 | 17,535,000 | 7,849,683 | 34,115,660 | 44,783,537 |
| 632 | Subsidies and Contributions to Local & Int Org | 11,673,776,930 | 12,166,003,000 | 5,106,970,772 | 6,436,309,911 | 13,231,340,977 |
| 6321 | Subsidies and Contributions to Local Organisations | 10,833,181,571 | 11,299,387,000 | 4,703,200,921 | 5,818,774,583 | 12,343,684,977 |
| 6322 | Subsidies and Contributions to International Organisations | 840,595,359 | 866,616,000 | 403,769,851 | 617,535,328 | 887,656,000 |
| 633 | Refunds of Revenue | 5,251,708 | 10,700,000 | 2,915,872 | 2,173,000 | 10,700,000 |
| 6331 | Refunds of Revenue | 5,251,708 | 10,700,000 | 2,915,872 | 2,173,000 | 10,700,000 |
| 634 | Pensions | 6,014,549,893 | 6,722,358,000 | 2,654,498,226 | 2,814,072,597 | 6,722,358,000 |
| 6341 | Non-Pensionable Employees | 77,342,245 | 80,800,000 | 40,683,858 | 29,777,631 | 80,800,000 |
| 6342 | Pension Increases | 2,103,266,239 | 2,106,258,000 | 875,967,363 | 803,375,086 | 2,106,258,000 |
| 6343 | Old Age Pensions and Social Assistance | 3,833,941,409 | 4,535,300,000 | 1,737,847,005 | 1,980,919,880 | 4,535,300,000 |
| 635 | Other Public Debt | - | - | - | - | - |
| 6351 | Other Public Debt | - | - | - | - | - |
| Grand Total | | 78,506,747,546 | 87,651,000,000 | 32,948,696,977 | 38,277,864,619 | 89,941,373,044 |

APPENDIX E5

MID-YEAR CENTRAL GOVERNMENT
ABSTRACT OF REVENUE BY HEAD

| ITEM | 2010 ACTUAL | 2011 BUDGET | 2010 H1 | 2011 H1 | 2011 REVISED |
|---------------------------------------------|--------------------|--------------------|-------------------|-------------------|--------------------|
| TOTAL REVENUE | 134,831,179 | 166,108,461 | 62,523,742 | 73,307,575 | 171,723,346 |
| TOTAL CURRENT RECEIPTS | 107,875,473 | 126,398,554 | 54,400,875 | 61,486,543 | 132,483,691 |
| CURRENT RECEIPTS TAXES | | | | | |
| I CUSTOMS AND TRADE TAXES | 9,272,149 | 10,001,161 | 3,852,279 | 4,752,369 | 10,753,765 |
| II VALUE-ADDED AND EXCISE TAXES | 48,363,325 | 50,218,555 | 23,235,305 | 25,717,833 | 52,562,458 |
| III INTERNAL REVENUE | 43,323,337 | 44,137,349 | 24,058,030 | 26,516,986 | 46,900,884 |
| IV STAMP DUTIES | 460,989 | 425,132 | 243,956 | 188,941 | 445,540 |
| V OTHER TAX REVENUE | 352,138 | 350,080 | 159,032 | 226,658 | 390,060 |
| FEES, FINES, ETC. | | | | | |
| XI FINES, FEES, ETC. | 1,006,098 | 1,099,622 | 501,886 | 596,441 | 1,155,295 |
| REVENUE FROM PROPERTY AND ENTERPRISE | | | | | |
| XII INTEREST | 80,708 | 257,625 | 54,800 | 1,241 | 258,433 |
| XIII RENTS, ROYALTIES, ETC. | 8,678 | 8,120 | 2,489 | 3,167 | 8,850 |
| XV DIVIDENDS AND TRANSFERS | 2,438,742 | 3,005,000 | 1,963,742 | 3,116,482 | 4,662,482 |
| MISCELLANEOUS RECEIPTS | | | | | |
| XVI MISCELLANEOUS RECEIPTS | 2,569,309 | 16,895,910 | 329,355 | 366,425 | 15,345,924 |
| TOTAL CAPITAL RECEIPTS | 26,955,706 | 39,709,907 | 8,122,868 | 11,821,032 | 39,239,655 |
| CAPITAL RECEIPTS | | | | | |
| XXI MISCELLANEOUS CAPITAL REVENUE | 1,626,959 | 2,155,563 | 844,587 | 522,328 | 2,154,202 |
| XXII EXTERNAL GRANTS | 9,495,039 | 13,263,944 | 2,038,906 | 2,427,053 | 13,546,371 |
| XXIV EXTERNAL LOANS | 15,833,708 | 24,290,400 | 5,239,375 | 8,871,651 | 23,539,081 |

MID YEAR GOVERNMENT SUMMARY OF
CAPITAL EXPENDITURE BY SECTOR AND TYPE OF FINANCING

| SECTOR AND SOURCE | | 2010 ACTUAL | 2011 BUDGET | 2010 H1 | 2011 H1 |
|-------------------|--------------------------------------|------------------|-------------------|------------------|------------------|
| 1.0 | Agriculture | 4,688.145 | 6,859.800 | 1,418.532 | 2,780.073 |
| | 1.1 Specific | 2,110.935 | 4,050.000 | 718.719 | 1,518.837 |
| | 1.2 Non-Specific | 2,577.210 | 2,809.800 | 699.813 | 1,261.236 |
| 3.0 | Fishing | 25.571 | 12.000 | 0.000 | 0.723 |
| | 3.1 Specific | 0.000 | 0.000 | 0.000 | 0.000 |
| | 3.2 Non-Specific | 25.571 | 12.000 | 0.000 | 0.723 |
| 5.0 | Power Generation | 3,346.729 | 11,114.631 | 771.491 | 3,104.903 |
| | 5.1 Specific | 2,848.535 | 2,891.845 | 455.941 | 3,097.504 |
| | 5.2 Non-Specific | 498.194 | 8,222.786 | 315.551 | 7.399 |
| 6.0 | Manufacturing | 339.957 | 452.300 | 85.257 | 206.959 |
| | 6.1 Specific | 246.581 | 300.000 | 83.257 | 102.344 |
| | 6.2 Non-Specific | 93.376 | 152.300 | 2.000 | 104.615 |
| 7.0 | Construction | 9,951.779 | 13,032.591 | 2,979.395 | 3,595.957 |
| | 7.1 Specific | 3,423.846 | 6,714.000 | 849.098 | 1,214.316 |
| | 7.2 Non-Specific | 6,527.934 | 6,318.591 | 2,130.297 | 2,381.641 |
| 8.0 | Transport & Communication | 2,753.965 | 7,481.200 | 912.234 | 399.299 |
| | 8.1 Specific | 224.358 | 2,905.000 | 142.791 | 31.595 |
| | 8.2 Non-Specific | 2,529.607 | 4,576.200 | 769.443 | 367.704 |
| 9.0 | Housing | 9,435.799 | 3,232.000 | 1,280.323 | 1,972.564 |
| | 9.1 Specific | 1,916.692 | 1,400.000 | 810.564 | 592.345 |
| | 9.2 Non-Specific | 7,519.108 | 1,832.000 | 469.759 | 1,380.218 |
| 10.0 | Environment and Pure Water | 3,520.932 | 2,050.500 | 1,293.895 | 625.330 |
| | 10.1 Specific | 2,511.514 | 975.000 | 1,037.558 | 221.359 |
| | 10.2 Non-Specific | 1,009.418 | 1,075.500 | 256.337 | 403.971 |
| 11.0 | Education | 2,981.932 | 4,049.396 | 1,290.490 | 1,591.238 |
| | 11.1 Specific | 1,100.578 | 1,750.511 | 556.934 | 647.517 |
| | 11.2 Non-Specific | 1,881.354 | 2,298.885 | 733.556 | 943.721 |
| 12.0 | Health | 1,924.576 | 1,260.623 | 481.639 | 356.818 |
| | 12.1 Specific | 1,235.361 | 569.044 | 343.287 | 147.641 |
| | 12.2 Non-Specific | 689.215 | 691.579 | 138.352 | 209.177 |
| 13.0 | Culture/Youth | 587.011 | 871.400 | 234.740 | 144.332 |
| | 13.1 Specific | 0.000 | 0.000 | 0.000 | 0.000 |
| | 13.2 Non-Specific | 587.011 | 871.400 | 234.740 | 144.332 |
| 14.0 | National Security and Defence | 434.949 | 420.000 | 71.127 | 104.892 |
| | 14.1 Specific | 0.000 | 0.000 | 0.000 | 0.000 |
| | 14.2 Non-Specific | 434.949 | 420.000 | 71.127 | 104.892 |

**MID YEAR GOVERNMENT SUMMARY OF
CAPITAL EXPENDITURE BY SECTOR AND TYPE OF FINANCING**

| SECTOR AND SOURCE | | 2010 ACTUAL | 2011 BUDGET | 2010 H1 | 2011 H1 |
|-------------------|----------------------------|-------------------|-------------------|-------------------|-------------------|
| 15.0 | Public Safety | 1,683.213 | 3,497.155 | 432.387 | 824.345 |
| | 15.1 Specific | 977.445 | 2,500.000 | 304.534 | 518.965 |
| | 15.2 Non-Specific | 705.768 | 997.155 | 127.853 | 305.380 |
| 16.0 | Tourist Development | 9.692 | 95.785 | 0.100 | 3.988 |
| | 16.1 Specific | 0.000 | 80.264 | 0.000 | 0.000 |
| | 16.2 Non-Specific | 9.692 | 15.521 | 0.100 | 3.988 |
| 17.0 | Administration | 1,183.135 | 2,852.084 | 244.367 | 369.057 |
| | 17.1 Specific | 109.191 | 180.000 | 39.544 | 34.055 |
| | 17.2 Non-Specific | 1,073.944 | 2,672.084 | 204.823 | 335.002 |
| 18.0 | Financial Transfers | 1,858.079 | 520.940 | 1,578.279 | 195.288 |
| | 18.1 Specific | 1,804.000 | 440.000 | 1,537.000 | 195.288 |
| | 18.2 Non-Specific | 54.079 | 80.940 | 41.279 | 0.000 |
| 19. | Social Welfare | 1,993.251 | 4,340.131 | 607.123 | 675.807 |
| | 19.1 Specific | 808.463 | 500.000 | 399.055 | 76.983 |
| | 19.2 Non-Specific | 1,184.788 | 3,840.131 | 208.068 | 598.824 |
| 20 | Overall Total | 46,718.725 | 62,142.536 | 13,681.378 | 16,951.573 |
| | 20.1 Specific | 19,317.497 | 25,255.664 | 7,278.281 | 8,398.750 |
| | 20.2 Non-Specific | 27,401.218 | 36,886.872 | 6,403.098 | 8,552.823 |

APPENDIX F1

MID-YEAR EXTERNAL DEBT STOCK SUMMARY

| ITEM | 2010 ACTUAL | 2011 BUDGET | 2010 H1 | 2011 H1 | 2011 REVISED |
|--------------------------------------|-----------------|-----------------|---------------|-----------------|-----------------|
| TOTAL EXTERNAL DEBT | 1,042.71 | 1,188.01 | 966.16 | 1,110.92 | 1,188.01 |
| 1.0 Multilateral | 588.09 | 634.54 | 543.74 | 611.94 | 634.54 |
| IBRD | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| IDA | 9.41 | 9.20 | 9.10 | 9.71 | 9.20 |
| IADB | 316.90 | 402.12 | 274.36 | 340.92 | 402.12 |
| CDB | 130.63 | 133.36 | 130.40 | 130.27 | 133.36 |
| CMCF | 31.10 | 0.00 | 31.10 | 31.10 | 0.00 |
| IMF | 55.65 | 47.90 | 54.81 | 54.86 | 47.90 |
| IFAD | 9.44 | 9.98 | 9.04 | 9.64 | 9.98 |
| Others 2/ | 34.96 | 31.98 | 34.94 | 35.43 | 31.98 |
| 2.0 Bilateral | 434.26 | 533.44 | 401.94 | 478.79 | 533.42 |
| 2.1 Paris Club Creditors: | 51.80 | 49.22 | 52.86 | 50.66 | 49.22 |
| USA | 0.91 | 0.91 | 0.96 | 0.91 | 0.91 |
| -PL 480 | 0.91 | 0.87 | 0.96 | 0.91 | 0.87 |
| UK | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Canada | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Germany | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| -KFW | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Netherlands | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Denmark | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Norway | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Sweden | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| France | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Japan | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| T&T | 46.39 | 43.31 | 47.77 | 44.91 | 43.31 |
| Russia | 0.28 | 0.00 | 0.28 | 0.28 | 0.00 |
| Italy | 4.22 | 5.04 | 3.85 | 4.56 | 5.04 |
| Others 2/ | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2.2 Non-Paris Club Creditors: | 382.46 | 484.22 | 349.08 | 428.13 | 484.21 |
| Venezuela | 187.69 | 248.61 | 163.55 | 231.08 | 248.61 |
| Argentina | 12.85 | 13.19 | 12.68 | 13.01 | 13.19 |
| Kuwait | 65.42 | 69.31 | 62.03 | 68.25 | 69.31 |
| Libya | 40.91 | 41.20 | 41.14 | 41.18 | 41.20 |
| China | 44.68 | 73.41 | 38.10 | 44.08 | 73.41 |
| India | 20.08 | 27.12 | 20.71 | 19.45 | 27.12 |
| UAE | 7.00 | 7.13 | 7.00 | 7.13 | 7.13 |
| Others 4/ | 3.83 | 4.25 | 3.88 | 3.94 | 4.25 |
| 3.0 Private Creditors | 20.36 | 20.05 | 20.47 | 20.19 | 20.05 |
| 3.1 Suppliers 5/ | 13.41 | 13.49 | 13.45 | 13.39 | 13.49 |
| 3.2 Financial Markets/Bonds 6/ | 6.95 | 6.56 | 7.02 | 6.80 | 6.56 |

Notes:

- 1/ Takes into account debt relief granted under the Enhanced HIPC initiative and the Multilateral Debt Relief initiative.
- 2/ Includes EEC, EIB, OPEC FUND and IFC Loans.
- 3/ Includes CDC Loans.
- 4/ Includes DPRK, Brazil, Bulgaria and Serbia (ex-Yugoslavia) Loans.
- 5/ Includes ITT, Caterpillar Americas, Nissho Iwai/Komatsu, Boskalis, GPL (Banco de Credito, Panama) and EPDS debts.
- 6/ Includes Booker plc, Bonds, Bank of Nova Scotia, Lloyds Bank (O/Draft), GPL (NBIC/RBTT Debenture) and Barclays Bank debts.

APPENDIX G1

MID-YEAR EXPENDITURE OF KEY SECTORS

| SECTOR | 2010 Actual | 2011 Budget | 2010 H1 | 2011 H1 |
|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Education | 21,800,127,917 | 24,333,229,196 | 9,516,842,153 | 10,116,494,295 |
| Health | 13,358,256,000 | 13,964,700,000 | 5,421,073,706 | 7,216,620,902 |
| Agriculture | 8,756,204,898 | 10,747,825,000 | 2,959,401,652 | 4,705,775,156 |
| Infrastructure | 11,387,338,185 | 20,827,139,000 | 3,964,682,856 | 4,018,619,511 |
| Housing and Water | 13,027,642,000 | 4,259,240,000 | 2,471,611,878 | 2,625,843,391 |
| GRAND TOTAL | 68,329,569,000 | 74,132,133,196 | 24,333,612,245 | 28,683,353,255 |

