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Guyana: An Overview

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

Figure 1. Map of Guyana



Source: Congressional Research Service.

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

- After five months of discord between Guyana's two major political parties, the country's political crisis was resolved on August 2, and opposition candidate Mohamed Irfaan Ali of the People's Progressive Party/Civic (PPP/C) was sworn in as president.
- With regard to COVID-19, as of August 12, Guyana reported 22 deaths and 602 confirmed cases. The economic impact of COVID-19 on Guyana will not be as severe as in other Caribbean countries because of Guyana's recently begun offshore oil production.

Political Environment

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

Current President Ali defeated incumbent President David Granger (elected in 2015) who led a coalition consisting of Granger's A Partnership for National Unity (APNU) and the Alliance for Change (AFC). In the newly elected National Assembly, Ali's PPP/C took a majority of 33 seats, the APNU/AFC coalition won 31 seats, and a smaller party won the remaining seat. Ali appointed retired military leader Mark Phillips as prime minister and former President Bharrat Jagdeo (1999-2011) as vice president. Some observers contend that Jagdeo, who was constitutionally prohibited from seeking a third term, could play a key role in policy decisions.

Traditionally supported by Indo-Guyanese, the PPP/C governed Guyana from 1992 until its defeat in the 2015 elections. The largest party in the opposition APNU is the People's National Congress Reform (PNCR), which dominated the political system from independence until 1992; the party traditionally has had an Afro-Guyanese base of support. The AFC identifies as a multiracial party.

Guyana at a Glance

Population: 785,000 (2019, IMF est.)

Ethnic Groups: Indo-Guyanese, or those of East Indian heritage, almost 40%; Afro-Guyanese, almost 30%; mixed, 20%; Amerindian, almost 11% (2012, CIA est.)

Area: 83,000 square miles, about the size of Idaho

GDP: \$4.1 billion (2019, current prices, IMF est.)

Real GDP Growth: 4.7% (2019 est.); 53% (2020 est.); 6.3% (2021 est.) (constant prices, IMF)

Per Capita GDP: \$5,252 (2019, current prices, IMF est.)

Sources: International Monetary Fund (IMF), World Economic Outlook Database, Oct. 2019 and April 2020; and Central Intelligence Agency (CIA), World Factbook.

March 2020 Elections and Aftermath. Originally due by September 2020, Guyana held national elections on March 2, 2020, because President Granger's APNU/AFC coalition lost a no-confidence motion in December 2018. A legal challenge to the motion delayed elections until after the Caribbean Court of Justice (Guyana's highest court of appeals) ruled in June 2019 that it was valid.

Final election results were not issued until August 2, 2020, because of fraud allegations and numerous legal challenges. On March 6, several international election observer missions—from the Organization of American States, the Carter Center, the European Union (EU), and the Commonwealth—maintained that the tabulation of results was interrupted and incomplete. Legal challenges delayed a recount, but one was finally held between May 6 and June 8, overseen by a three-member CARICOM team.

Preliminary recount results showed the opposition PPP/C secured enough votes to win. The CARICOM team concluded that the recount, despite some irregularities, reflected the “will of the voters,” whereas Guyana’s chief election officer (CEO) maintained the vote was not free or fair because of numerous irregularities.

Multiple legal challenges by supporters of the Granger government further delayed the release of final election results. Ultimately, on July 20, 2020, Guyana’s acting chief justice ruled that the declaration of final results must be based on the recount process, and on July 30, Guyana’s Court of Appeal unanimously dismissed an appeal against that ruling. This led Guyana’s CEO to submit a report to the Guyana Elections Commission (GECOM) based on the recount, followed by GECOM’s Chairwoman Claudette Singh declaring Ali the winner.

Oil Changes Guyana’s Economic Outlook

Guyana’s economy traditionally has been based on agriculture (rice and sugar) and mining (gold and bauxite), but the discovery of significant amounts of offshore oil is bolstering the economy. ExxonMobil leads a consortium that includes Hess and China National Offshore Oil Corporation and has been involved in oil and gas exploration in Guyana since 2008. Since 2015, the consortium has identified 16 commercially viable discoveries in the Stabroek Block, about 120 miles offshore. Production began in December 2019 and is soon expected to reach 120,000 barrels of oil per day (b/d) and more than 750,000 b/d by 2026. Recoverable oil is estimated at more than 8 billion barrels.

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

U.S.-Guyana Relations

U.S. relations with Guyana improved in the early 1990s when the government moved away from one-party domination of the political system and embraced a market economy and free and fair elections.

After the March 2020 elections, U.S. Ambassador Sarah Ann Lynch joined the heads of mission from Canada, the United Kingdom, and the EU to issue a March 6 joint statement expressing “deep concern over credible allegations of electoral fraud.” The ambassadors called on President Granger to avoid a transition of government, maintaining it would be “unconstitutional” because the tabulation process “lacked credibility and transparency.”

The ambassadors subsequently expressed support for the recount and criticized the delay in issuing election results. Some Members of Congress also expressed strong support for the recount process (e.g., see H.Con.Res. 101).

As regional and international pressure was growing on Guyana to resolve its election crisis, Secretary of State Mike Pompeo, on July 15, 2020, announced visa restrictions on individuals involved in undermining democracy in Guyana. Visa restrictions against additional Guyanese officials were announced in late July.

On August 2, the U.S., UK, Canadian, and EU ambassadors issued a joint statement that congratulated President Ali, thanked President Granger for accepting the results, and looked forward to seeing the “government reach across political divisions to unite Guyanese of all ethnicities, races, and regions, around meaningful progress on constitutional reform and reconciliation.”

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

U.S. Foreign Aid. U.S. assistance includes a small bilateral aid program to improve the capacity of Guyana’s security forces to police its border and provide security and larger spigots of assistance through global and regional programs. According to the U.S. Agency for International Development, U.S. aid to Guyana amounted to \$4.7 million in FY2018 (latest full year available), with top sectors including HIV/AIDS and basic education and health. Guyana has received assistance since 2004 to combat HIV/AIDS and since 2009 to help combat the drug trade and improve citizen security through the Caribbean Basin Security Initiative. Before the suspension of a Peace Corps program due to COVID-19, Guyana had over 60 volunteers working on education, health, and environmental projects.

Among other U.S. aid spigots, the United States also has provided almost \$4.8 million in humanitarian assistance from FY2017 to FY2020 through international organizations for some 22,000 Venezuelan refugees and migrants in Guyana. Most recently, the United States is providing assistance to help respond to the COVID-19 pandemic through a portion of \$2.2 million in health funding for the Caribbean and \$350,000 in humanitarian assistance for Venezuelan refugees and host communities.

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