

2) Monetary Information; Guyana Co-operative Bank; Visited by Sharon A. Tin Carr, Karen Layton, Richard Janero, & Deb. T. We spoke to the General Manager, he said, if Guyana devalues the exchange rate would change. At this point it is fixed. He said the Guyana dollar is not so stable. Sharon asked what securities were they're in Guyana? He said we could buy govt. securities. (ref. to bonds) & asked him about a fixed account, frozen at the exchange rate when the account was open. He said they had fixed accounts at 5.5 percent, but they were still effective by any devaluation. Sharon asked about purchasing an object outside of Guyana, registered outside of

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outside of Guyana, when the seller is Guyanese? He said, "In a case where a Guyanese would prefer to have funds abroad, we can do that, but Guyanese are not allowed to have accounts abroad unless it is declared, but the problem lies with him, it's not your responsibility. He said, "Bonds or a fixed income were securities in terms of Guyana money. Banks used to hold funds at the exchange rate in foreign currency in speculation of change, but that's not done anymore," he said. "Hardly any room for speculation, only 50,00 Guyana dollars are allowed to be sent out per year as a gift, he said. To walk out of the country (airport), you can carry only 15,00 Guyana dollars w/out special permission from the bank. He said we should see Mr. Padmore or Mr. Fraser in the exchange control dept. at the Bank of Guyana. He didn't think the IMF would alter situations much, and didn't think it would interfere with the exchange control rate, the funds would be kept in. Guyana has certain conditions they have to satisfy, (ref. to the IMF) redeployment, all of that was part of the conditions being laid down. They felt Guyana wasn't making practical use of the available skills. He said, "When a country devalues, they must be certain there will be an increase in production. Production is falling in sugar, bauxite, rice, we wouldn't benefit by a devaluation. One U.S. dollar gives 2.56 Gy dollar, one pound sterling you get 4.50 Gy. Should it devalue it would be 6. something per pound sterling and that would mean more dollars in circulation. But Guyana would prosper if there was a production increase. As it looks Guyana will not come out. He didn't see production increase. Tim pointed out that Jamaica was told to devalue, the IMF demanded it. He agreed that was true, said Jamaica's situation may be different than ours. He said, "They may be exporting more, showing tendencies for increase in production. Foreign investments is one of the conditions the IMF would require. He said he saw no outward indication the government would give up on their stand previously made. He would like to believe each country is treated separately." Bank of Guyana; Visited by Richard Janero, Karen Layton, Deborah T. & Sharon Amos. Richard asked about setting up an external account? (he didn't see where we had one already) Mr. Fraser said, "Why don't you hold it in U.S. dollars? This is my advise. There's no regulation in speculation of devaluation in Guyana. Sharon asked what the regulations were on purchasing outside the country (ref. to the boat), although she didn't mention the boat. He asked us, "like a ship for an example? It has to be an investment and/or it has to be approved. A sale has to be done locally. If it's investment, say like the IMF... If buying outside the country, you have to get an import license to bring things in, probably pay duty from external acct. If it's a situation of funds in another country, the purchase is made and brought to Guyana. You still need an import license. If your buying from Guyana outside, it's ticklish. If the object is owned by a Guyanese and funds are made by the boat, the funds should be brought in. It's the law. It's a domestic purchase, he must be paid in Guyana currency. It's illegal for a Guyanese to hold an account outside the country. There may be one or two situations but it's unusual. We would have to check it out if the person said he had permission. He said investment of funds is a security measure. Treasury bills - a one year thing at 8%, it's almost the safest thing. Sharon asked where we should do this at. He said anyone of those commercial banks. You won't have to worry about not getting paid on that. He said if it's in U.S. dollars, you should get permission in order to receive it without any trouble when it matures, you won't have any trouble getting it in U.S. dollars, apply to Guyana Bank.

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Bank. Mortgages, there's investment in house buildings. 4 to 5%. they've been doing that for a long time, it's expanding there alright, check it out. They make Agricultural Loans. They can lend to farmers because no one can come back the next year and ask for it. Sharon asked if he thought there would be a devaluation in Guyana. He said he wouldn't know if devaluation would happen, it would be a secret. There would be some stipulation. It's devaluation is something always considered. That is something I can't answer.

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