

Guyana: Global prices of oil, rice impacting revenue

The Guyana government says the global environment is impacting the revenue of the oil and rice industries, but remain confident that the country's economic projections would be met.

Finance Minister Dr Ashni Singh during the first sitting of the Parliament following the September 1 regional and general election, tabled the mid-year economic report showing that the international environment was having an effect on the industries.

According to the report, the country's oil revenues barely increased during the first half of this year due to a reduction in international oil prices, even as the sector is projected to grow this year with the start of production by the floating production storage and offloading (FPSO) vessel at Yellowtail in the Stabroek Block.

"Crude oil prices are anticipated to come in at 15.7 per cent below the 2024 level, to average US\$68 per barrel in 2025, lower than the US\$71.9 per barrel projected at the time of preparing Budget 2025," according to the mid-year report.

The actual Brent crude futures on Monday rose 12 cents to US\$64.89 per barrel. Morgan Stanley raised its Brent crude forecast for the first half of 2026 to US\$60 a barrel from US\$57.50, citing the decision by OPEC+ to pause quota hikes in the first quarter of next year and recently on Russian oil assets.

The mid-year report notes that in addition to the overall projected 15.6 per cent growth in the oil sector due to earlier-than-anticipated production at Yellowtail, output would result in Guyana projecting to increase the number of lifts of profit oil from 31 to 33.

As a result of that, Guyana's petroleum deposits for the year are now projected to total US\$2,512.4 million, only marginally higher than the US\$2,503 million projected at the time of preparing the 2025 National Budget, "on account of lower crude oil prices".

In terms of the Natural Resources Fund (NRF), the mid-year report states that US\$2,463.9 million is expected to be withdrawn from the fund this year and as a result, the NRF closing balance is estimated to stand at US\$3,248.8 million at the end of this year.

The mid-year report states that the oil and gas industry is estimated to have expanded by 5.5 per cent in the first half of 2025.

Production in the first six months of the year totalled 115.7 million barrels, compared with 113.5 million barrels over the same period last year.

With the three producing projects in the Stabroek Block, the mid-year report states that the daily production averaged nearly 640,000 barrels per day (bpd) in the first half of this year, compared with approximately 624,000 bpd in the first half of last year.

It report further states that the moderation in the production rate on the Destiny FPSO from about 157,000 bpd last year, to 142,000 bpd this year, was offset by increased production rates on the Unity and Prosperity FPSOs to 246,000 bpd and 252,000 bpd, respectively.

With regard to the rice industry, the mid-year report notes that while efforts are continuing to secure markets in Mexico and Saudi Arabia, the international price of the grain is expected to slump far below government's projections.

According to the document, rice prices are also expected to decline, averaging US\$406 per metric tonne this year, 31 per cent lower year-on-year, and markedly lower than the US\$530 per metric tonne projected at the time of preparing the 2025 National Budget.

At the same time, the mid-year economic report states that the production target for the full year remains 804,000 tonnes of rice equivalent, with a growth target of 12.4 per cent, buttressed by continued support to farmers and renewed efforts to secure new and more attractive markets.

The mid-year economic report also states that rice prices declined by 30.5 per cent during January to June this year, averaging US\$434.2 per metric tonne, on account of growing production and unlocked inventories in major exporting countries such as India, with additional downward pressure from a new harvest in Vietnam.

According to the mid-year report, the rice growing industry is estimated to have grown by 13.9 per cent in the first half of 2025.

It said that the Guyana Rice Development Board (GRDB) reported production of 410,194 tonnes of rice equivalent in the first six months of this year, compared with 362,030 tonnes in the first half of 2024. (CMC)