

# The Mineral Industry in Guyana

## SUMMARY

### Gold

In 2010 domestic mine production of gold increased to 308,438 ounces, 1 percent higher than the previous year's record output. Total exports of gold mainly to the United States and Canada decreased from 311,844 ounces in 2009 to 302,653.68 ounces in 2010, a 3 percent decrease. The average annual price for gold was US\$1,144.61, an increase of 26.7 per cent from 2009.

### Diamond

The diamond industry experienced a decrease in declarations compared to 2009. Diamond output declined 65.3 percent to 49,920 metric carats in 2010. The situation in the diamond sub-sector was not so much a fall in demand and prices in the world market but more a steady reallocation of resources from diamond production to gold production due to the attractive gold price. Average value per carat for Guyana's rough diamonds in 2010 was US\$156.09, an increase of 4.7 percent. For the last quarter of 2010 the average export price per carat was US\$188.46.

Overseas trade in diamonds in 2010 decreased significantly by 51.2 percent, from 94,831 metric carats in 2009 to 46,253.21 metric carats in 2010. The value of diamonds exported was US\$7 million, down from US\$14.1 million in 2009.

Belgium took 59.2 percent of all rough diamond exports from Guyana during 2010, and exports to other countries totaled only 16,168.79 metric carats. Total exports to Belgium in 2010 decreased by 49 percent to 30,084.42 metric carats from 58,991.26 metric carats in 2009. The other significant destination for diamonds was the United Arab Emirates who took 21 percent of exports in 2010, down from 31 percent in 2009.

### Bauxite

Bauxite production in 2010 was 1,099,880 metric tonnes, declining by 348,431 metric tonnes or 24 percent. **BCGI** experienced a fall in output of 29 percent or 347,759 metric tonnes due to challenging mining conditions throughout the year. **BCGI** produced 851,391 metric tonnes of bauxite which consisted of 162,230 metric tonnes of Chemical grade bauxite and 689,161 metric tonnes of Metallurgical grade bauxite.

**BMGGI** in contrast had a slight decrease of 0.3 percent in its output relative to 2009, producing 248,489 metric tonnes in 2010. This was due to increase prices for its products on the world market. **BMGGI** output consisted of 185,081 metric tonnes of Refractory “A” grade Super Calcined bauxite, 62,040 metric tonnes of Chemical grade bauxite and 7,471 metric tonnes of Other products.

Exports of bauxite decreased by 19.9 percent from 1,414,907 metric tonnes in 2009 to 1,133,526 metric tonnes in 2010. The value of bauxite exported in all forms totaled US\$93.7 million up from US\$79.5 million in 2009 due to favourable prices for **BMGGI**'s products.

## **Construction Materials**

### **Quarry stone**

Total recorded production of quarry stone increased from 340,016 metric tonnes, valued at G\$2,397 million in 2009 to 505,865 metric tonnes valued at G\$3,595 million in 2010. Guyana exported 100 metric tonnes of stone in 2010, valued at US\$3.5 thousand.

### **Sand**

Commercial sand production in 2010 was 569,151 metric tonnes, increasing by 18.9 percent from 478,572 metric tonnes in 2009. Exports of sand in 2010 were 71,690 metric tonnes, valued at US\$454.4 thousand.

## **Tenure**

Large Scale Prospecting Licences issued in 2010 were 136, a decrease of 47.8 % from 2009. One hundred and eighty eight Prospecting Licences are budgeted for 2011 covering 1,985,622 acres (803,552.7 hectares). In 2010 there were 7 Mining Licences in existence, 46.7% of the budget. Fourteen Mining Licences are budgeted for 2011, covering 44,198 acres (17,886.3 hectares).

There were 3 Reconnaissance permissions for Geological and Geophysical Surveys in existence in 2010, 60% of the budget. Five Reconnaissance permissions are budgeted for 2011.

Mining Permits in 2010 totaled 742, exceeding 2009's figure by 14.9%. Mining Permits however fell short of 2010's budgeted amount by 16.4%. Mining Permits projected for 2010 are 1,189 covering 713,400 acres (288,702.7 hectares).

Prospecting Permits (Medium Scale) in existence were 4,879, a decrease of 32.9% from 2009 and fell short 2010's budget by 36.8%. Projections for issuance of Prospecting Permits (medium scale) for 2011 are 5,879 covering 5,569,069 acres (2,253,722 hectares).

The total number of Claims (verified and unverified) for Small Scale mining operations (gold and diamond) in existence in 2010 was 14,335, of which 4,104 were River Location licences, an increase of 11.9 percent from 2009. For 2011, 11,000 are budgeted, of which 7,000 are Land Claims and 4,000 are River Locations.

TABLE 1:  
Physical Performance Data for 2009 and 2010, together with Projections for the Mineral Industry's 2011 Budget:

Minerals	Budget 2009	Actual 2009	Variance	% variance	Budget 2010	Actual 2010	Variance	% Variance	Budget 2011
Gold (ounces)	250,000	305,178	55,178	22	300,000	308,438	8,438	2.8	320,000
Diamonds (carats)	200,000	143,982	56,018	-28	168,000	49,920	-118,080	-70.2	60,000
Bauxite (m/t)	1,768,390	1,448,311	37,148	-2.5	1,620,000	1,099,880	-520,120	-32.1	-
Sand (m/t)	500,000	*334,155	165,845	-33	504,000	*569,151	65,151	12.9	600,000
Loam (m/t)	100,000	*2,000	-98,000	-98	1,500	-	-	-	1,500
Stone (m/t)	500,000	*340,016	159,984	-32	360,000	*505,865	145,865	40.5	400,000
<b>Tenure</b>									
Claims (Small Scale)	12,250	13,476	1226	10	11,000	14,335	3,335	30.3	11,000
Prospecting Licences ( l/s)	195	261	66	34	10	136	126		188
Mining Licences ( l/s)	15	11	4	27	15	7	-8	-53.3	14
Prospecting Permits (m/s)	6,800	7,273	473	7	7,731	4,879	-2,832	-36.8	5,879
Mining Permits (m/s)	691	646	-46	-7	888	742	146	-16.4	1,189
Reconnaissance	16	21	5	-33	5	3	-2	-40	5
Quarry Licences	8	3	-5	-62.5	6	1	-5	-83.3	7
Petroleum Licences	-	7	-	-	7	7	-	-	7

\* Declared amount  
(l/s) Large Scale  
(m/s) Medium Scale

## The Mineral Industry in the National Economy

Value added in mining and quarrying increased in 2010 and this was reflected by higher output in the Gold, stone and sand industries. The bauxite and diamond industries experienced decreased output in 2010.

TABLE 2: SOME INDICATORS OF GUYANA'S INDUSTRIAL MINING ACTIVITY

	2006	2007	2008	2009	2010
<b>Production</b>					
Gold ('000 ounces) . . . . .	205.9	246.2	260.4	305.2	308.4
Bauxite ('000 tonnes) . . . . .	1,453	2,239	2,109.2	1,448.3	1,099.9
Diamond ('000 m/carats) . . . . .	340	268.9	168.9	144	49.9
Quarry stone ('000 tonnes) . . . . .	204	368	449.5	340	505.9
Sand ('000 tonnes) . . . . .	285	715.5	683.9	478.5	569.1
Loam ('000 tonnes). . . . .	21	34.6	13.3	2	n/a

n/a: not available

Sources: Guyana Geology & Mines Commission; Bank of Guyana; Bureau of Statistics Guyana

The value of mineral production in 2010 in Guyana was estimated to be G\$95.9 billion, representing an increase of 23.6% from the value of G\$77.6 billion reported in 2009. The increase in the overall value of mineral production was due to the outstanding performance of gold, high bauxite prices and increases in output for quarry stone and sand.

TABLE 3:  
GUYANA MINERAL PRODUCTION:  
EX-MINE VALUE AND QUANTITY OF MINERALS PRODUCED

Mine product	Unit	2008		2009		2010	
		Quantity	Value G\$mill.	Quantity	Value G\$mill.	Quantity	Value G\$mill.
Gold	oz	260,387	42,867	305,178	56,090	308,438	71,843.7
Bauxite	m/t	2,109,188	21,746	1,448,311	14,335	1,099,880	18,316
Diamond	m/c	168,925	5,487	143,982	4,337	49,920	1,585.7
Quarry stone	m/t	449,565	2,340	340,016	2,397	505,865	3,595
Sand	m/t	683,815	670.2	478,572	469	569,151	592.4
Loam	m/t	13,292	3.1	2,000	0.5	nil	nil

n/a: not available

Source: Guyana Geology & Mines Commission; Bank of Guyana; Bureau of Statistics Guyana

**TABLE 4: Leading Minerals by Percentage Value of Output (\$ millions) in 2010**

GOLD	74.9%
Bauxite	19%
Diamond	1.7%
Quarry stone	3.7%
Sand	0.6%

Source: Guyana Geology & Mines Commission; Bank of Guyana; Bureau of Statistics Guyana

Gold mining maintained its position as the biggest producer of the mining industry in 2010, accounting for 74.9 percent of the total value of mine output. The value of gold produced (G\$71,843.7 million) increased by 28 percent over 2009.

Bauxite (G\$18,316 million) accounted for 19 percent of the total mine output, diamond (G\$1,585.7 million), 1.7 percent, quarry stone (G\$3,595 million), 3.7 percent and sand (G\$592.4 million), 0.6 percent.

**TABLE 5:  
Contributions of the sectors to Guyana's Mineral Production Value (2005 - 2010)  
[Percentage]**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Small and Medium Scale sector (gold and diamonds)</b>	49.6	69	64.3	66.2	77.8	76.6
<b>Large scale sector (bauxite)</b>	46.4	28.6	31.8	29.7	18.5	19
<b>Quarries(sand, stone, loam)</b>	4	2.4	3.9	4.1	3.7	4.4

Source: Guyana Geology & Mines Commission

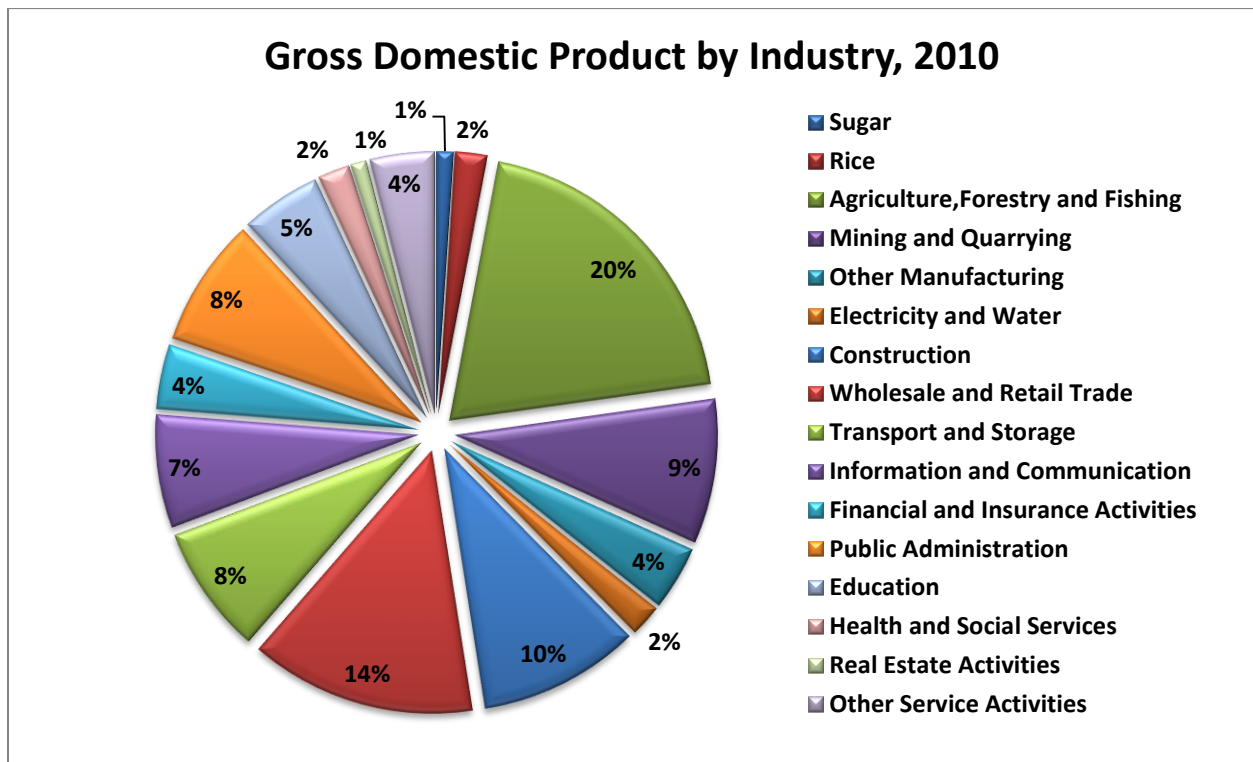
## MINING AND THE GROSS DOMESTIC PRODUCT

The total Guyana Gross Domestic Product (rebased at constant [2006] basic prices) reached G\$307.2 billion in 2010. The Mineral Industry contributed G\$29.1 billion. The mining and quarrying industry's contribution to the total Guyana GDP was 9 percent, decreasing from G\$32.2 billion in 2009.

Gold production accounted for 77.4% of the Mineral Industry's contribution to the GDP (equivalent to 7% of Guyana's GDP), all of which was contributed by the Small and Medium Scale gold miners. Diamond, bauxite and quarry products accounted for the remaining 22.6% of the Mineral Industry's contribution to the GDP (equivalent to 2% of Guyana's GDP).

The chart in Figure 1 shows the significant influence of mining activity. Although there has been an increase in the size of government and some economic diversification, mining activity remains one of the most important economic business sectors.

Figure 1:



Source: Bureau of Statistics

## MINING AND EMPLOYMENT

TABLE 6: NUMBER OF PERSONS EMPLOYED IN MINING (a)

<b>Sector</b>	<b>*2008</b>	<b>2009</b>	<b>2010</b>
Small and Medium scale Gold and Diamond mining	8,124	9,410	9,800
Large scale – Bauxite mining	1,282	1,112	1,073
Quarries (including sand and loam pits)	267	267	316
<b>Total</b>	<b>9,673</b>	<b>10,789</b>	<b>11,189</b>

Source: Guyana Geology & Mines Commission

(a) Average whole year

\* Revised

In 2010, the Mining Industry directly employed approximately 11,189 persons. If indirect and induced jobs are added in, a total of approximately 13,900 persons were employed in the Mining and Quarrying Industry. In addition, several hundred persons were employed by companies involved in exploration activities.



## Mining and Exports

The table below sets out the relative contributions of industrial groups to the value of exports in recent years. The value of exports from mining and quarrying increased from US\$375.3 million, or 48.8 percent of the total of US\$768.2 million in 2009 to US\$447.7 million or 50.2 percent of the total of US\$891.9 million in 2010.

TABLE 7: VALUE OF EXPORTS BY INDUSTRIAL GROUPS

	2006 (f.o.b. US\$ million)	%	2007 (f.o.b. US\$ million)	%	2008 (f.o.b. US\$ million)	%	2009 (f.o.b. US\$ million)	%	2010 (f.o.b. US\$ million)	%
<b>Industrial Groups-</b>										
Sugar	137	23.4	150.1	21.5	133.4	16.7	119.8	15.6	104	11.7
Rice	54.6	9.3	75.3	10.8	118	14.8	114.1	14.9	154.6	17.3
Timber	70.3	12	55.5	8	53.8	6.7	41.4	5.4	48	5.4
Mining and Quarrying	224.8	38.4	296.3	42.4	366.9	45.9	375.3	48.8	447.7	50.2
Molasses	4.6	0.8	2.8	0.4	0.2	0.03	6.3	0.8	n/a	n/a
Rum	4.3	0.7	4.3	0.6	0.8	0.1	n/a	n/a	n/a	n/a
Other	89.5	15.3	113.7	16.3	125.3	15.7	113.3	14.5	137.6	15.4
Total Guyana Produce	585.1	100	698	100	798.4	100	768.2	100	891.9	100

Sources: Guyana Geology & Mines Commission; Bank of Guyana; Bureau of Statistics Guyana

TABLE 8: EXPORTS OF MINERAL PRIMARY PRODUCTS

Commodity	Unit	2008		2009		2010	
		Quantity	Value US\$mill.	Quantity	Value US\$mill.	Quantity	Value US\$mill.
Gold	oz	251,811	203.7	311,884.4	281.7	302,653.7	346.4
Bauxite	m/t	2,116,462	131.1	1,414,907	79.5	1,113,526	93.7
Diamond	m/c	193,027	31.2	94,831	14.1	46,253.21	7.1
Quarry stone	m/t	137	0.024	n/a	n/a	100	0.0035
Sand	m/t	33,231	0.9	n/a	n/a	71,690	0.454
Clay	m/t	1,119	0.041	n/a	n/a	n/a	n/a

Sources: Guyana Geology & Mines Commission; Bank of Guyana; Bureau of Statistics Guyana

n/a: Not available

\*Revised

TABLE 9:  
EXPORT BY COMMODITY AND PERCENTAGE CHANGE

	2009	2010	% Change
<b>Gold</b>			
Volume (ozs)	311,884.4	302,653.68	-3
Value (US\$M)	281.7	346.4	23
<b>Bauxite</b>			
Volume (m/t)	1,414,907	1,133,526	-19.9
Value (US\$M)	79.5	93.7	17.9
<b>Diamonds</b>			
Volume (m/carats)	94,830.6	46,253.21	-51.9
Value (US\$M)	14.1	7	-54.8

Sources: Guyana Geology & Mines Commission; Bank of Guyana; Bureau of Statistics Guyana