

Guyana's oil future and its recent March 2, 2020 presidential election dispute

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Disclaimer: The writer, Fisal Ally, have used publicly available articles and videos from the Internet during his research for this paper. If there are errors in this paper, once they are brought to his attention, he will continue to research and make the necessary changes.

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Introduction

Guyana is a small South American country that's located between Venezuela, Brazil, Suriname (Dutch Guiana) and the Atlantic Ocean and is sometimes said to be in Latin America or the Caribbean.

With Guyana's oil boom where Exxon began oil production in December 2019 in the Liza offshore oil field and is boosting production to 120,000 barrels per day (bpd) within months, this small South American country will live up to once again being called El Dorado. With the second phase of the Liza field expansion which is presently taking place where the output from the Stabroek Block expects to be 750,000 bpd by 2025, one would think that all Guyanese will prosper, but where there's corruption and fraud taking place, the whole nation suffers.

As Guyana continues to boost its oil production, not only have the coronavirus pandemic brought on many setbacks, but there has been a dispute with Guyana's recent general

election which took place on March 2, 2020 and thus a recount had taken place, where the win is in favor of the opposition party, the PPP. But as of July 21, 2020 the recount procedures are being reviewed and the recount must be taken seriously instead of looking for all kinds of faults and loopholes to dismiss the recount. Guyana is known for its gold, Guyana's recent oil production has placed Guyana on the world map along with the world's radar, and for the people of Guyana to prosper and for the country to transform from one of the poorest nations in the world to one of the richest, it's very important for Guyana's political system to be fair and without fraud and corruption. The election that took place on March 2, 2020 is very important for shaping Guyana's future and thus the recount must be taken very seriously.

Guyana is already moving forward, and according to Exxon from 2015 onwards more than 50% of its present staff is of local Guyanese where 1,700 jobs were created and were about \$180m was spent with Guyanese businesses.

Section 1 - 'Latin America's new crude' and its general election had taken place on Monday, March 2, 2020, and Guyana's location

Sometimes you'll read that Guyana is in Latin America even though its main language is English and not Spanish, and other times you'll read that this South American country, along with Belize in Central America are not in Latin America because its main language is English. I have seen encyclopedia(s) that includes Guyana as being a part of Latin America. Guyanese only refers to themselves as Guyanese or South Americans. In the article, 'The new frontier of oil': Latin America's newest crude- producing nation to hold pivotal election' states that Guyana's general election had taken place on Monday, March 2, 2020 which arrived 'at a time of heightened global intrigue, given the International Monetary Fund (IMF) has projected the country will record the fastest rate of economic growth worldwide this year.' Guyana will be producing oil for places in Latin America, the Caribbean and around the world.

References:

'The new frontier of oil': Latin America's newest crude- producing nation to hold pivotal election , published Friday, February 20, 2020 at 3:20 AM EST | UPDATED FRI, FEB 28 2020•7:10 AM EST, 20-07-16, 20:58 - Sam Meredith

Section 2 - Guyana in political turmoil after its election

According to the article Why Guyana's political stalemate matters By Ishaan Tharoor July 7, 2020 at 12:00 AM states that Guyana, which is 'entering its fifth month of political paralysis since the results of a March 2 presidential election were thrown into question by allegations of vote-rigging and fraud.' According to this article there was a recount, it shows a victory for the opposition, PPP party. Furthermore, the article states: 'The ruling multiparty coalition led by President David Granger has latched on to an observations report by the country's chief elections official, which said that as

many as 115,000 of the approximately 400,000 votes cast in the election should be invalidated and that emigrants and the deceased were registered as having voted. Granger's opponents reject the accusations as "baseless" and say their presidential candidate, Irfaan Ali, should be allowed to take the oath of office.' According to this article, 'Both OAS and Caricom observers certified the recount results and say there is enough evidence to justify Granger conceding defeat.'

Having lived in Guyana as a boy and while growing up in Canada, very often I've heard about Guyana's past political problems with its rigged elections. Today Guyana is big name on the world stage when it comes to oil and thus Guyana has to be very careful of having its government being labeled with fraud and rigged voting as places like Toronto and New York have very large Guyanese populations.

Reference:

Why Guyana's political stalemate matters
By Ishaan Tharoor July 7, 2020 at 12:00 AM EDT

Section 3 - Why is Guyana is also known for being in Latin America

Not only is Guyana located in South America, but sometimes you will hear that Guyana is in Latin America and at other times you will hear that Guyana is in the Caribbean. You cannot get away from this, so lets look at this closer. Often the regions south of America is considered to be in the region of Latin America which includes places like Mexico, Puerto Rico which is also in the Caribbean, Columbia etc... But back in the 1800s many areas in countries like Columbia did not speak Spanish, such as areas where the American Indians lived, but because they are in a regions called Latin America, they should all be considered as Latins. Then there's the Caribbean where many places speaks English and a few speaks Spanish, French and other languages. For me it's easier to refer to the whole regions as Latin America & the Caribbean, where I include Belize and Guyana in the region of Latin America, because Guyana is not in the Caribbean although it has a culture similar to some of the Caribbean islands such as Trinidad & Tobago, Barbados and Jamaica, but yet different from Puerto Rico and Haiti. Guyana is physically not in the Caribbean, but is in South America.

Let's look at the regions in Latin America, since the article speaks of Latin America. Originally the term Latin America was used for the regions in the Americas that were colonies of Spain, but then Napoleon added the French speaking countries such as French Guiana in South America (known as a district of France), Martinique, Guadeloupe and Haiti in the Caribbean. And somehow the Portuguese speaking Brazil is often included as being in Latin America. Spanish contains about 90% Latin, and French and Portuguese a litter lower. There are lots of people from India that arrived in places like Guadeloupe and Martinique in the Caribbean and lots of Chinese in Cuba, and because they speak French and Spanish they are also Latin Americans. English has lots of Latin vocabulary but the grammar is very different and thus Guyana and Belize can be considered to be in

Latin America based on vocabulary. In the 1800s Guyana had a large Portuguese population and Georgetown development originally started by the French, therefore Guyana can be classed as being in Latin America based on this. It was in 1831 when the British united the colonies of Essequibo, Demerara, and Berbice under British Guiana, and thus Guyana is known for speaking English as it's main language, although the locals often speak Creole Patois, where words from other languages and a lot of slang makes the English language sounds like a complete different language.

During the Guyana Rodeo, you will hear a lot of Portuguese and Spanish being spoken in Guyana, where the Brazilians enters Guyana for the rodeo.

In the United States of America, often Latinos / Latinas are only referred to people from the Spanish speaking countries in Latin America and not from the French colonies such as Haiti or not even from Portuguese Brazil. In America you don't often hear a person from Haiti saying that he/she is a Latino / Latina. But outside of America people from Haiti are also Latinos/Latinas.

There are other places in South America that speaks other languages and not Spanish, French and Portuguese in places like Argentina, but because they are in the regions of Latin America that means they are all still part of Latin America. It's much easier to just say Latin America and the Caribbean, although places in the Caribbean are considered to be in Latin America such as Puerto Rico.

Also even in the 1800s when places like Venezuela, Columbia were known for being in the regions of Latin America, some regions in those countries did not speak Spanish, as many large areas spoke Native American languages and other languages. So are they still in Latin America. Yes, because they are in the region known as Latin America.

Here is a reason why Guyana is in Latin America

Although Guyana's main language is English, today, there are many Brazilian and Venezuelan living in Guyana where they speak Portuguese and Spanish, and in school many Guyanese take Spanish and French, and a certain amount work in jobs where they have to speak Spanish or Portuguese to work and communicate with its other South American neighbors. And again back in the 1800s Guyana had lots of Portuguese speaking people and it was the French that originally started the development of Georgetown.

Another main reason why Guyana will always be consider a part of Latin America

Another main reason why Guyana is in Latin America is because throughout Guyana's history the Spaniards have been involved where Venezuela today claims that two-thirds of Guyana belongs to Venezuela, namely the Essequibo region which is two-thirds of Guyana. On some of the Venezuela's map, they include this territory as being theirs, and thus if Venezuela is in Latin America, they are including most of Guyana as a part of Latin America. Venezuela also has an area called Guayana (Guyana) and I've heard them saying in videos that Essequibo in Guyana belongs to them. A female whom I met from Venezuela even told me that Guyana belongs to Venezuela. Thus when we speak of a

region called Latin America, it does that mean that everyone speaks Spanish, or even Portuguese or French. Can you imagine all of the historical discussions that the Venezuelan government has been in with Spain and all the other Spanish countries and discussing Guyana as part of Latin America? Thus my conclusion is Guyana is also in Latin America based on different reasons, even though the main language is not Spanish.

Section 4 - Guyana's Transformation

Guyana is known to be one of the poorest countries in the world and is undergoing a major transformation, and thus the Guyanese people needs a government with party members that are honest, and looks out for the people's best interest and also sharing some of the wealth with the people while developing the country with social programs and good infrastructure. With this oil boom, there are many new businesses going up and many Guyanese from abroad are also returning to Guyana to go into businesses. Guyana only has a population of approximately 750,000, as its said that there are more Guyanese living outside of Guyana than in Guyana. There are also about 10,000 Brazilians living and working in Guyana and about 35,000 Venezuelans living in Guyana.

According to the article listed below: 'The first, small-scale oil exports started in January, and while the money that the government will see in 2020 will just be a fraction of what's coming when output reaches 1.2 million barrels day at the end of this decade, one-third of the state's budget this year still is expected to come from oil revenue.' The article also states: The International Monetary Fund projected that Guyana's tiny economy would grow by 86 percent this year, the fastest rate in the world.'

Due to the Coronavirus pandemic and the falling oil prices, thje Guyanese Government and people have many obstacles to face, and thus the transformation will not be easy, especially if a government is elected due to a rigged election.

Reference:

The New York Times

GUYANA DISPATCH

It Changed So Fast': Oil Is Making Guyana Wealthy
but Intensifying Tensions

In what was **once one of South America's poorest countries, a fraught transformation is underway**, as oil riches bring optimism but also intensify ethnic tensions and environmental concerns.

By Anatoly Kurmanav Published April 7, 2020 Updated April 8, 2020

Section 5 - Guyana's Oil Revenues

Guyana's oil production commenced in December 2019 and as of the months of May 2020, Guyana has received approximately \$60 million for its offshore oil operations and productions with ExxonMobil and Hess of the U.S. and Nexen of China. According to the agreements made for the year 2020, Guyana will have five shipments of a million barrels each of oil. According to the article listed below, Guyana's first shipment was sold in 'February through Shell Western Supply and Trading Limited, which traded the shipment to Middle Eastern traders and dealers in southern states in the U.S. It earned \$55 million from that shipment of sweet, light crude.' The article further states: 'Finance Minister Winston Jordan said Saturday that Guyana recently received an additional \$4.9 million representing royalty payments for oil sold by the consortium.'

This website link states: 'Analysts at Rystad Energy predict Guyana's oil output could reach 1.2 million bpd by 2030 – enough to rival neighbour, and Opec founding member (<https://www.nsenergybusiness.com/features/opec-oil-prices-crisis/>), Venezuela – generating national revenues of \$30bn in the process.

Reference:

Guyana says it has received \$60 million in oil revenues
Four months after Guyana became one of the world's newest crude oil exporters, the South American country on Saturday said it was already reaping the rewards with about \$60 million in payments
By The Associated Press 2 May 2020, 09:54

Section 6 - The World Bank has a hand in Guyana

In March 2019, the World Bank which have its hands everywhere around the world has provided Guyana \$20m to assist Guyana in its oil and gas industry which will assist in areas such as: 'development of legal frameworks, key institutions, financial management and project management.'

The World Bank has lent financial support to help prepare Guyana for the new business offshore oil exploration will bring (Credit: Flickr/Daniel_Afanador)

In 2018 a \$35m credit arrangement was also made to assist the country.

Section 7 - Coronavirus

During the coronavirus pandemic, crude oil prices has fallen to low levels not seen in decades and thus Guyana has many battles to face. For the Guyanese people to prosper, they need an honest government to represent them and not one that wins an election due to fraud and corruption.

Reference: (<https://www.nsenergybusiness.com/news/lowest-oil-prices-crude/>) – will undoubtedly disrupt Guyana's transformation from "frontier" oil minnow to significant exporting nation.

Section 8 - Environment

The report listed states: As ExxonMobil holds its 2020 Annual Meeting of Shareholders today, the Center for International Environmental Law (CIEL) calls on the company to stop flaring gas offshore in Guyana, the site of its biggest oil development outside the U.S. Permian Basin.’

According to the report, the flaring surpasses the levels authorized by the Guyanese government where these levels are dangerous, releasing ‘greenhouse gases and toxins, threatening the global climate, the local environment, and public health.’

According to the report Exxon asserts that the flaring was temporary and that the failures are because of ‘failures of equipment designed to reinject the gas into the ground.’

The report states: Exxon has flared an estimated 9 billion cubic feet of gas—not the 2 billion the company first claimed.’ Guyana is already making a bad name in the environment area where Guyana is now ‘among the top ten gas flaring countries in the world.’ The reports states that the ‘carbon dioxide emissions from that flaring are approximately equivalent to the amount generated by Guyana’s entire population over three months.’

Melinda Janki, who has worked as a lawyer in the oil industry, says: If Esso cannot operate safely without flaring billions of cubic feet of natural gas then the EPA must shut down Esso’s operations for the sake of the Guyanese people, especially Guyana’s young people who are entitled to an environmentally sustainable future.”

Reference:

Exxon’s Gas Flaring is Latest Sign that Oil May Turn Guyana from Carbon Sink to Carbon Bomb

May 27, 2020

The company’s biggest play outside the US Permian Basin presents significant climate risks