

GUYANA SUGAR CORPORATION LIMITED



REPORT & ACCOUNTS 1983

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GUYSUCO'S MISSION

The Mission of Guysuco is to transform a monocultural organisation into a diversified agro-industry, which will not only contribute to the Nation's foreign exchange earnings, but will maximise the benefits of the foreign exchange cost of the Corporation by utilising its resources to produce crops which will help the Nation in its import substitution programme.

As an efficient agro-business, its Mission will be to demonstrate to the communities in which its operating units are located, the techniques developed for the cultivation of various crops. As a well developed agro-business the Corporation will also continuously strive to refine its products and to utilise the by-products of its operations for vertical integration and expansion.

In its activities the Corporation will work for greater participation and involvement of all the people who comprise its work force in achieving its objectives which have been set in consonance with the philosophy and aspirations of the Nation.

BOARD OF DIRECTORS

Chairman

H B Davis, CCH, MA, BSc.

Vice Chairman

Yesu Persaud, CCH, FCCA.

Directors

J S L Brownman, DECIAF, BSc, MSc, DPA.

B Chandra, DECIAF.

A Y Luck, AA, FCA

I A McDonald, MA

F Sukdeo, MA, BSc, D Phil.

W E H Tyrell

J R Vieira, AA

V M Young-Kong, BSc.

Secretary

C J Lawrence

CHAIRMAN'S STATEMENT



FINANCIAL RESULTS

As far as developmental growth is concerned, 1983 has proved no better than the previous year: production fell significantly, yields continued poor, prices continued to fall, the loss of skilled and experienced staff continued unabated. A depressing opening to my statement, but it is my hope that by the time I conclude I will have succeeded in bringing home to our readers a number of real and positive indicators which materialised and which have had a recuperation effect on the Industry and its workers,

to discount sugar proceeds in order to alleviate the acute foreign exchange problems which faced the Nation. The subsidy on local sugar sales borne by the Corporation amounted to \$39.1M, compared with \$32.2M in 1982, representing 32.7% of the year's operating deficit.

While no capital expenditure was approved for the Corporation in the 1983 National Budget, it was necessary to spend \$9.4M primarily on the completion of unfinished projects begun in 1982, as well as on emergencies which arose during the year. Borrowing at the end of the year stood at \$203.0M, \$126.5M more than that at the end of the preceeding year. Net interest charges for the year amounted to \$21.6 M. However, this amounted to \$10.8M. less than that of 1982. This reduction was attributable in the main, to the increased Equity participation by Central Government in 1982.

The foregoing very briefly highlights the key operating results of the Guyana Sugar Corporation Limited for the year just ended. What lies behind these figures and what the future holds for the Guyana Sugar Industry must be questions foremost in the minds of readers.

The poor state of our equipment, in both the cultivation and factories, due primarily to the wholly inadequate levels of capital expenditure available to the industry not only in 1983, but also in the immediate preceeding years was a particularly severe problem. This situation had reached the stage where, especially with regards to our fleet of very old agricultural equipment, very little improvement in performance was achieved, notwithstanding the heavy injection of spare parts. Keeping this fleet in operation

CHAIRMAN'S STATEMENT Continued

val, soil compaction, all of which when added to the low achievement in mechanical tillage have had an adverse effect on the Corporation's yields. The Industry's performance, should these weather conditions continue, could be enhanced with a better fleet of agricultural equipment, whereby performance, especially in field rehabilitation could be maximised during the few opportunity days.

The tons cane/tons sugar ratio has been a source of great concern. The deterioration in this productivity ratio, that for the second crop the highest on record, was perhaps the most disturbing feature of our 1983 operations. Causative factors include, in addition to the foregoing, the state of our cane transport facilities (tractors and punts) and factories, as well as the quality of cane cutting. A special committee has been appointed to look into this tons cane/tons sugar problem and it is hoped that 1984 would see some improvement in this area. Any positive movement in this ratio means additional sugar, increased revenue and improved productivity.

Prices continued to decline steadily since 1980; the average price for a ton of sugar in 1983 represented a 25.2% reduction over that received in 1980. During this period, the local selling prices remained constant, the problem therefore stemming solely from the export market. World prices, exchange rates, negative MCAs were all major problems.

Molasses prices showed some recovery in 1983.

Our factories were seriously hampered by the delayed receipt of spare parts. Whilst a mechanism was introduced

The Corporation continued to lose experienced staff both at junior and senior levels. As in the past, replacement continued through the medium of in-house training and development together with some external recruitment. This high turnover of staff necessitated even greater emphasis being placed on our internal training programmes, particularly with regards to technical training.

I must say however, notwithstanding the continued loss of personnel, those that remained have in more ways than one proven their mettle, they have overcome great odds and adversities in ensuring that the Corporation reached the end of the year as intact as it did. This was achieved against a background of no merit increments nor wage/salary increases for two consecutive years, very negligible replacement of capital equipment and great difficulty in locating spare parts when required.

Farmer's production was 12% lower than that of the preceding year. It would appear that poor sugar prices were resulting in some farmers moving out of sugarcane cultivation. No farmer expanded and very little rehabilitation of existing farms was done.

Inadequate capital investment also took a toll on the aspirations of our Other Crops Division, particularly with regards to the production of Palm Oil. While some work was done on the mill at San Jan estate, from which we should get some benefits in 1984, very little was done at Wauna. However, a new hydraulic press was installed at the latter location, and it is expected that 1984 would see some improvement in production.

CHAIRMAN'S STATEMENT Continued

THE FUTURE

The foregoing certainly paints a somewhat grim picture of the Guyana Sugar Corporation. However, as I had indicated at the beginning of my Statement, a number of developments have taken place which would certainly have a resuscitating effect on the Corporation and its workers. At the time of writing certain actual production indicators suggest that the "turn-around" cycle has commenced. My team and I are convinced that we are on our way.

The mechanism introduced early in 1983 whereby a percentage of the Industry's foreign exchange earnings is utilised for the purpose of procuring urgently needed spares, agri-chemicals and equipment is working effectively and both the first sugar crop of 1984 as well as the mid-year maintenance programme have benefitted significantly, particularly the latter. Spares, in hitherto unaccustomed quantities, are arriving, factory mechanical downtime has improved and the morale of both our managerial and non-managerial factory workers is heartening. The 1984 first crop production surpassed that of the years 1981 - 1983 and there is every reason to think that this trend would continue into the second crop and into 1985.

Of great significance is the provision in the National Budget of \$80.9M capital expenditure for the Corporation in 1984. No doubt, funding the import element may pose some problems; however, progress to date has been most encouraging. Financing of some \$16.5M has been approved under the Inter American Development Bank Agricultural Sector Loan. The Corporation is also endeavouring to utilise in some small measure, the afore-

blem and must be considered one of the reasons for the low level of production. This problem is most conspicuous at Diamond Estate. At the time of writing, the Corporation is in the process of installing on this location, a "punt dumper", the first of its kind in Guyana, and the first stage in our programme of mechanical harvesting. We hope to introduce the remainder of the equipment towards the middle of the 1984 second crop. Negotiation for the acquisition of this equipment is currently in train. Significant economies are anticipated as a result of this innovation and together with the existing labour force, a significant increase in Diamond Estate's production could be expected in 1985.

With regards to prices, prospects for 1984 are better. The most encouraging development is that, for only the second time in 33 years, the local selling prices of sugar have been raised to \$672 per ton for D.C. sugar and \$963 per ton for C.W. sugar. It has also been agreed that the local price should be indexed on a reasonable economic basis, which would mean a steadily growing income from this source. At the same time, the devaluation of the Guyana dollar in January 1984, since sugar is a large net earner of foreign exchange, means a considerable increase in Guysuco's income on the local scene.

Also, the molasses market is continuing to strengthen and this by-product should yield increased revenue in 1984.

On the other hand, there seems little prospect of the world sugar price improving in 1984. World stocks of sugar remain high. There is the prospect of further surplus production in 1984, and it seems unlikely that a strong and

CHAIRMAN'S STATEMENT Continued

the Management Committee for their guidance and support during the year just ended. Above all, I am extremely grateful to all of our workers for rallying together to see us through a difficult year. They have given of their support, loyalty and commitment, without which the task would have been even more difficult.

A great challenge lies before us. The Industry must survive and it will. With continued resourcefulness, dedication, loyalty and commitment so amply demonstrated in 1983, I am confident we will achieve our goals and objectives.

REVIEW OF OPERATIONS

AGRICULTURE

SUGAR

Production: 251,870 long tons of sugar, comprising 86,095 tons in the first crop and 165,775 tons in the second, were produced. This compares with 287,725 tons produced in 1982, 86,855 tons in the first crop and 200,870 tons in the second. Estates production in 1983 was 218,093 tons compared with 249,800 tons in 1982, whilst farmers produced 33,777 tons compared with 37,925 tons the previous year. This represented a production shortfall over 1982 of 12.5%.

The first crop commenced with good harvesting conditions, until the early onset of the mid-year rains which appeared in April. Rainfall during this period was well below the historical average, whilst April's rainfall, the highest for any month in 1983, was more than twice the long term average. It was evident that the poor weather conditions which prevailed during the first crop 1982 adversely affected the 1983 first crop, as the early growth of the crop endured water logged conditions. Consequently, the TC/A and TC/TS returned for the second successive year were the worst on record, surpassing the previous year's record low. It was unfortunate that an already debilitated first crop was again subjected to such unfavourable weather conditions so early in its regrowth period. As a result, the TS/A of the first crop was again the lowest on record and total sugar production some 760 tons below that of the 1982 first crop.

The actual first crop acreage reaped, exceeded that estimated by 1,400 acres or 3%, as a result of efforts to make good the under-achievement on projected yields.

The total production shortfall for the first crop was 14,775

the second crop contributed to good cane yields. Consequently, the overall TCA of 33.14 for the Industry exceeded the estimate by 3.92%. The TC/A in Demerara of 32.20 was higher than estimate by 5.06%, whereas the TC/A of 33.94 in Berbice surpassed the estimate by 2.29%. However, despite favourable maturation conditions, TC/TS during the second crop was disappointing. Berbice estates recorded TC/TS of 13.24, a 4% drop on estimate, with Demerara estates performing even worse, a TC/TS of 14.89 or 11% below target.

The performance of the 1983 first crop was influenced by a number of factors, not the least of which was the unfavourable rainfall patterns in the first crop during the past three years. The high proportion of wet days in the cropping period seriously affected the quality and level of the mechanical tillage programme and consequently, the level of replanting in two successive years. The effect of this reduction in the rehabilitation programme was manifested by the disproportionate TC/A contribution from the higher yielding plant and first ratoon crops. High TC/TS, a significant contributory factor to the poor TS/A yield of the first crop, continued to be a cause for concern. While weather conditions during most of the first crop may not have been ideal for optimal cane maturation, it was evident that there were other factors in the field, such as high extraneous matter and generally poor cane cutting standards which accounted in large measure for the unsatisfactory juice quality.

In this regard, factory performance cannot be completely exonerated, although there were problems due to economic constraints. The average burning/grinding interval which was partially a factor of factory downtime and the state of transport dams due to the weather, was in fact slightly better in

REVIEW OF OPERATIONS Continued

during the September to November period, the burning/ grinding interval for the second crop exceeded 2 days for 45% of the punts ground compared with 44% during the wetter first crop and was more than 3 days for 19% of the second crop compared with 18% for the first crop. Factory mechanical downtime during the second crop was comparatively high at 3,639 hours, compared with 3,249 hours in the second crop 1982, and was no doubt a significant factor in the overall protracted interval between burning and grinding the crop cane. The TC/TS ratio of 13.93 was the highest on record for a second crop.

Mechanical Tillage & Planting: The Corporation completed 14693.7 acres or 65.3% of the proposed mechanical tillage programme. This compared with 78.5% achieved during 1982. The main contributing factors for this underachievement included the poor weather conditions experienced in the first crop and of even greater importance, the poor state of our agricultural machinery fleet. 16,529.2 acres or 70.3% of the planting programme was achieved. More acres were planted than tilled in the first crop as a result of the higher planting rates achieved in the earlier part of the crop on land that was already prepared and held under flood fallow at the end of 1982. Planting, however, during the second crop did not keep pace with the tillage acreage completed.

Plant Cane Yields: Monitoring of plant cane yields continued. There was a slight improvement in plant yields for the first crop 1983. However, 70% of the plant canes reaped during this crop returned yields lower than the acceptable standard of 40TC/A.

The 1983 second crop exceeded yields of 40TC/A.

Demerara estates has been initiated.

Fertilizer Experimentation: Field and laboratory assessment of low grade phosphate rock as a major source of phosphate fertilizer continued. Laboratory investigations concentrated on the absorption of phosphate ions by some major sugar cane soils and the effect of rock phosphate amendments on soil phosphate availability. The data from other laboratory studies appeared to corroborate the field data and showed that adequate available P levels in soil resulted from higher rates (equivalent to 1 and 2 tons per acre) of low grade phosphate rock amendment.

Soil Investigations: A study is being carried out to determine the productive potential and identification of limitations to cultivation of the various sugar cane soils. It is hoped that an appropriate soil management classification system would evolve from this and subsequent works.

Crop Mechanisation and Internal Drainage: Due primarily to the unavailability of machines, there was no further progress with the evaluation of internal drainage systems in fields at the Diamond Pilot Project. Inspection of the experimental areas during rainy periods indicated that the tile drains were functioning while the mole drains had collapsed. Since infield drainage design catered for the removal of at least 60% of rainfall as surface runoff, it could not be expected that the sub surface nor the open surface infield drains would cope with the heavy rainfall experienced in the project area. It is hoped that work in this area would recommence in 1984.

Variety Development - Breeding and Selection:

Breeding & Selection

REVIEW OF OPERATIONS Continued

potting of 51,901 seedlings of which 47,351 were planted.

Selection: During the year, 129,568 new varieties were under examination. Of this, 55,574 were examined in Stage 1 as plants, 2,769 were advanced from Stage 1 to Stage 11 and 5,618 already in Stage 11 were tested. Similarly, 694 varieties were advanced from Stage 11 to Stage 111 and an additional 531 were tested at that stage. Selections were advanced to formal trials, which at the end of the year numbered thirty.

Estate Variety Trials: The best performing varieties in ten estate Variety Trials, were DB 66/113, DB 70/121, DB 70/172, DB 71/60, DB 69/19 and B 70571. Variety DB 70/121 was put into a further series of trials, while DB 69/19 and B 70571 would be compared against other heavy flowering varieties. Five new varieties were distributed to the estates for trials in the first crop of 1984.

Varietal Changes and Distribution: The major factors governing varietal change were the phased replacement of susceptible and relatively poor yielding varieties with better yielding disease-resistant ones and an increased acreage in heavy flowering varieties, until such time as the newly released ones achieved commercial status.

The area under variety B 41227 was reduced by 5,175 acres, while DB 66/113 was planted to an additional 5,854 acres. A further 4,016 acres were planted this year with B 63118, DB 67/1760 and the heavy flowering varieties, D 158/41 and D 141/46, replacing the disease susceptible varieties D 38/57, B 51116, D 42/58 and DB 5/55.

Two varieties, DB 72/261 and B 60177 were distributed to the estates for multiplication and field establishment. DB 71/

of diseased stools could delay or prevent an epidemic. Investigations were also being carried out to examine the differential behaviour of D 38/57 at Albion.

Screening against smut recommenced with Stages 1V and V selections. With a functioning spore bank, Stage 111 selections would be similarly screened in 1984.

Puccinia milanocephala-Rust: The long dry spells apparently reduced the spread and impact of this disease, even among susceptible varieties. At the Sugar Experimental Station Fields at Chateau Margot, no affected plant could be found among young canes during the dry second crop.

Mycovellosiella koepkie (Cercospora Koepkei syn) - Yellow Spot: Yellow spot remains a minor disease. During the rains, leaf infection reached its peak but was reduced to less than five percent during the dry season.

Entomology - General: The pests of importance recorded during this period were Fulmekiola serrata (thrips), Spodoptera frugiperda and Mocis Punctularis (leaf eating caterpillars), Aeneolamia flavilatera (frog hopper) and Castnia and Diatrea (moth borers). Holochilus brasiliensis (the savannah rat) achieved major importance in the Demerara region.

Fulmekiola serrata - Thrips This new pest of sugar cane in Guyana has now affected all estates. In Berbice, where local biological agents have not yet been established to the extent as in Demerara, the effect of the insect appeared worse.

Caterpillars: During the rains, with the resultant lush growth of grass, damage by leaf eating caterpillars, especially Mocis was severe. Spodoptera (and isolated damage by Agrotis) was

REVIEW OF OPERATIONS Continued

The Bagasse Baler which was commissioned at Albion estate had made the transfer of bagasse from Albion to other locations easier and formed the first phase of the Corporation's plans to further reduce its dependency on diesel fuel.



Compressed bagasse being conveyed for stacking.

MARKETING:

Sugar Marketing: 1983 was the third consecutive year of very difficult conditions in sugar marketing. Prices remained at an uneconomic level in the home market and the world price of sugar showed no sign of recovery from the very low levels it sunk to in 1981/82. As a result, GuySuco's average earnings per ton of sugar remained considerably below the cost of production. Average revenue per ton of sugar in 1983 was \$884.49, compared with \$935.53 in 1982.

In real terms, the world price of sugar remained extremely depressed; well below the cost of production of even very efficient sugar producers. The average I.S.A. daily price for 1983 was US 8.5c per lb., compared with US 8.3c per lb. in 1982 and US 16.8c per lb. in 1981. This comparison makes no allowance for inflation and if the 1983 price were to be de-

Specials	90
World	
Canada	28,968
U.S.A.	24,659
Tanzania	1,968
Losses	2,377
	251,870

Home Market: In 1983, the home market consumed 36,266 tons of sugar compared with 33,193 tons in 1982. Sales of D.C. sugar were 32,171 tons and of C.W. sugar 4,095 tons. The selling price of D.C. remained at \$260.85 per ton and of C.W. sugar \$560.00 per ton. The subsidy to the consumer in 1983 remained a charge on GuySuco and amounted to GS39.1M.

Caricom: Guyana's sugar exports to Caricom LDC's in 1983 were virtually nil - only 40 tons exported to Antigua. We remain committed to supply the small Caricom countries with Guyana's Annual quota of approximately 5,000 tons.

In 1983, Guyana negotiated the sale of bagged H.T.C. sugar to Trinidad and Tobago for direct consumption in that country. 6,449 tons were shipped at a price midway between the world price and the E.E.C. price. This trade has advantages for both Guyana, anxious to develop new outlets for its sugar, and Trinidad, whose recent production shortfalls make imports essential, and for the development of Caricom trade as a whole.

E.E.C. Quota: In 1983, Guyana fully met its 1982/83 E.E.C. quota commitments by 30th June and also took up its agreed share of the Trinidad shortfall re-allocated to other ACP countries.

The E.E.C. quota gives us a secure long-term outlet for more than 55% of our exportable sugar and continues to be fundamental to our marketing strategy. However, there is a con-

REVIEW OF OPERATIONS Continued

obtain compensation in this respect, the E.E.C. has not agreed. The E.E.C. continues to generate a very large sugar surplus. In recent years, there can be no doubt that this surplus has been a major factor in depressing the world price.

Our relations with Tate and Lyle, the refiners in the U.K. who take our sugar, remain satisfactory. Since the stabilising and strengthening of their cane sugar refining capacity in the U.K., Tate and Lyle have achieved greatly improved profits from sugar refining. It is hoped that this much improved profitability in marketing our sugar commercially in the U.K. will yield ACP suppliers better market premiums in the future.

U.S. Market: Since 1982, sugar has again been exported to the U.S. on a quota basis. Guyana has an annual quota of approximately 30,000 tons. It should be noted that this compares with sugar exports of 60,000 tons in 1980/81 and a quota of 91,000 tons in 1974, when quotas were last discontinued in the U.S. sugar market. What has happened is that the U.S. market for imported sugar has been steadily eroded and the market for all countries which export sugar to the U.S. has narrowed further and further. Sugar consumption in the U.S. has stagnated and alternative sweeteners, especially HFCS, have been taking a bigger and bigger share of the market. U.S. sugar producers have been able to defend their traditional share of the market by maintaining protectionist legislation. The price obtained for quota sugar in the U.S. is equivalent to the U.S. domestic price.

Guyana enjoys G.S.P. status for its sugar exports to the U.S. and therefore does not have to pay duty. G.S.P. arrangements are being reviewed in 1984 and there are indications that sugar may not remain a G.S.P. item after next year. However, designated beneficiary countries under the recent Caribbean

New Markets: GuySuco, in close co-operation with the Ministry of Economic Planning and Finance, remain on the lookout for developing markets for Guyana's sugar.

We shipped 2,000 metric tons to Tanzania in November, 1983. This was a gift from the Government and people of Guyana to the Government and people of Tanzania.

International Sugar Agreement: Guyana continued as a member of the International Sugar Agreement and fully observed all its provisions. Uncommitted special stocks of 5320 tonnes, as agreed by the International Sugar Organisation, were maintained. We played a full part in the administration of the Agreement, kept up-to-date in all requirements of statistical returns and payments of subscription, and participated in the negotiations for a new Agreement which were held during the year.

Sugar Quality: In a hard commercial world, especially in respect of a product like sugar, which is in surplus, the maintenance of quality standards are vital. Not only can extra money be gained or lost in individual shipments, but the quality of product supplied can make the difference between capturing a market or not in the longer term. The US refiners have established specific quality norms which we have to meet or suffer penalties. In Canada and the U.K. the refiners are also becoming much more demanding. We are therefore sparing no effort to deliver sugar with a high polarisation, at least 98^o and of good quality.

International Co-operation: Guyana and GuySuco Representatives were active in maintaining international links. Vice President Hoyte, and after him, Minister Carl Greenidge,

REVIEW OF OPERATIONS Continued

Seminar on Mill Maintenance during the year. It will always remain important that we maintain and strengthen these regular international contacts.

Molasses ; The Molasses Market began to strengthen in 1983. The average price received in 1983 was 33c per gallon compared with 13c per gallon in 1982 (but compared with 84c per gallon in 1981). Exports of molasses in 1983 were 15.7 million gallons compared with 16.3 million gallons in 1982. Sales to distilleries were 7.2 million gallons compared with 6.3 million gallons in 1982.

PERSONNEL:

ESTABLISHMENT:

Staff: The Corporation continued to lose experienced personnel at every level. The strategy for replacement continued to be training and development for upward mobility, along with some external recruitment to fill key positions, the skills for which were not readily available.

The Other Crops Division in particular continued to find difficulties in recruiting suitable persons to meet operational requirements.

Education and Training: Human Resources Development continued to play an important role in GuySuco's operations during 1983. This aspect of the organisation's operations became more pronounced in view of the rapidity with which the Corporation was losing its many trained, highly skilled and experienced employees, both at the managerial and non-managerial levels.

In the area of management and supervisory development, emphasis was placed more on on-the-job training than on class-



Female graduates of the 1979 batch of Apprentices of the G.A.T.C. who graduated in July 1983.

Cadets and other Sponsored Students: The Corporation continued its cadetship scheme at the local institutions for higher education, namely the University of Guyana and Guyana School of Agriculture and was also able to provide a number of other sponsorships to the University of Guyana, to pursue studies in Radiography and Medical Technology, as well as Marketing, among other areas of studies. As a result of the foreign exchange problem the overseas cadetship scheme has been suspended. There is however one cadet in his final year who the Corporation will continue to sponsor.

Factory. Department: The Factory Department conducted training for thirty-three members of its senior staff, twenty-one of whom completed training at the end of the year. A batch of five Diesel Fitters received training for the year. Twenty-four factory workers received training under the Adult Sugar Boilers Training Scheme.

Six newly appointed senior staff, including two ex-cadets completed training in 1983.

Other short courses were also conducted, as well as a Seminar

REVIEW OF OPERATIONS Continued

assist in training for outside agencies, such as the Guyana Defence Force, Sanata Textile Mill and Community High Schools.

Four persons from St. Vincent, two chemist/Shift Managers and two Sugar Boilers completed training attachments in 1983.

Development Education Programme: The Corporation participated in three development education courses conducted by the Government. A total of six persons attended.

Visits to Estates: GuySuco continues to provide students and other interested groups, the opportunity of observing Field and Factory operations on estates. Requests were received mainly from schools and other institutions of learning including the Technical Institute and the University of Guyana.

Management Training Centre - Ogle: Major rehabilitation of the Management Training Centre at Ogle has been completed. The Centre now boasts much improved facilities.

Industrial Welfare: The Central Welfare Committee continued to monitor welfare activities of the Corporation. This Committee was supported by the Sports Committee, Medical Services Committee and the Central Drug Committee at the central level.

Sports: With the help of co-opted members from the Workers Councils on estates and Sports Committees, all inter-departmental and inter estate competitions were completed with great interest, with Albion and Uitvlugt being named the champion estate in sports for their respective regions. The Corporation agreed to award the Champion Region with a

out through the established structural arrangements, involving the Diagnostic Centre at Ogle and Dispensers located on Sugar estates.

The staffing of health services continued to be through estate Medical Officers and Para-Medic staff who manned the Diagnostic Centre and Estates' Dispensaries. The Corporation was fully staffed with Medical Practitioners during 1983. 25,000 workers and their families were eligible for free medical attention through the Corporation's medical services.

The Corporation appointed a Safety/Industrial Environmental Officer during the year to continue and improve on its safety and environmental programmes.

Safety Competitions

Good Housekeeping and Safety Practices: Albion was adjudged the winner of this competition for the year 1983, the third time in succession.

Skeldon and Uitvlugt estates scored second and third places respectively, while Enmore was adjudged the "Most Improved Factory"

Factory Safety: At the end of July, 1983, there was an increase in the number of manhours worked compared with the same period in 1982 and a corresponding increase in the number of lost time accidents. However, there was no significant increase in the frequency rate.

Field Safety: At the end of July, 1983, there was a decrease in the manhours worked compared with an increase in the number of lost time accidents over the same period in 1982.

REVIEW OF OPERATIONS Continued

the Central Communications Committee which was established in 1978. The Committee continued to enlarge its initial functions through deliberation and consensus, in such areas as Worker Participation, Drama, and Cultural activities; relationship with external organisations such as the Local Democratic Organs and National Events, such as Mashramani and the National Exhibition.

During the year, the Committee focused attention on both the internal and external media of communications, the Honours Roll Scheme, Worker Participation, Mashramani Celebrations, Exhibitions, Drama and Culture

Non-Financial Incentive - Honours Roll Scheme: This Scheme continued to improve in all aspects of its organisation. It has provided a means of healthy competition and team spirit on and among estates.

Diamond estate was adjudged the Champion estate for 1983 while Albion/Port Mourant was named runner-up.

The Scheme also facilitated active worker participation, as Workers Councils, comprising both managerial and non-managerial workers, discussed and decided on their respective estate champion and other most productive workers.



REVIEW OF OPERATIONS Continued

During the year, the scheme was extended to include best shift in the Factory and best cane harvesting gang in the Field, on all estates.

Worker Participation: 1983 was a successful year for Worker Participation. Elections were held on all estates in December. Detailed work was done through standing sub-committees, such as Energy Conservation, Canteen, Good House-Keeping, Safety, Sports and Training.

In view of the successes achieved at the estate and Regional Board levels, the Corporation continues to assess the state of readiness for proceeding with Worker Participation at the Main Board level. Training in this area is an ongoing exercise.

INDUSTRIAL RELATIONS:

Industrial Relations were relatively stable during 1983; 146,936

man-days lost compared with 114,126 man-days lost in 1982, through stoppages of work and strikes. The result was loss in earnings of \$3.1M compared with \$2.8M in 1982. Of the total man-days lost in 1983, 42,107 related to non-industrial strikes with wages totalling \$0.8M lost.

As a result of agreement reached at the Ministry of Manpower and Co-operatives, under the chairmanship of the Minister, 5 days' pay Annual Production Incentive was awarded for the production achievement of 251,785 tons sugar.

Individual estates were awarded an additional days' pay, based upon their performance in relation to the projected production target of 280,000 tons. Diamond estate was awarded 12 days' pay; Wales 8 days' pay and Albion 7 days' pay.

REPORT OF THE AUDITORS

**TO THE MEMBERS OF
GUYANA SUGAR CORPORATION LIMITED**

We have examined the accounts set out on pages 22 to 32 which are in agreement with the books of the Company and have been prepared under the historical cost convention, including the revaluation of the fixed assets as explained in Note 8 on Page 30 . We have obtained all the information and explanations we have required.

In our opinion, these accounts give under the accounting convention stated above, a true and correct view of the state of affairs of the Company at 31 December 1983, and of the net deficit and source and application of funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The financial statements do not contain the current cost accounts required by Statement of Standard Accounting Practice No. 16.

THOMAS, STOLL, DIAS & CO.
Member Firm
TOUCHE ROSS INTERNATIONAL
5 America Street
Georgetown

STATEMENT OF NET DEFICIT

For the year ended 31 December, 1983

	Notes	1982
		G\$000
SALES	1	<u>231,140</u>
NET DEFICIT BEFORE TAXATION	2	(119,815)
TAXATION	3	—
		<u>(119,815)</u>
VALUATION SURPLUS ON DISPOSAL OF FIXED ASSETS TRANSFERRED FROM RESERVES		<u>103</u>
NET DEFICIT FOR THE YEAR		<u>(119,712)</u>

STATEMENT OF RESERVES

	Total	Operating	Sugar Industry Rehabilitation Fund	Valuation
	G\$000	G\$000	G\$000	G\$000
Balance at 1 January 1983	(121,699)	(185,689)	14,727	49,263
Net deficit for the year	(119,712)	(119,712)	—	—

NOTES ON THE ACCOUNTS

	1982
	<u>G\$000</u>
1. SALES	
Sugar and Molasses	274,232
Other Crops	<u>1,661</u>
	<u>275,893</u>
Export Sales Levy	126,725
Amount payable (provisional)	<u>(126,725)</u>
Remitted by Government	<u>—</u>
	<u>231,140</u>
	<u>275,893</u>

Under Section 6 (1) of the Financial Administration and Audit Act, the Government of Guyana has agreed to remit G\$103,239,619 (1982 - G\$126,725,062) of the Sugar Levy payable pending amendment of the Sugar Levy Act 1974.

	1982
	<u>G\$000</u>
2. NET DEFICIT BEFORE TAXATION	<u>(119,815)</u>
This amount is determined after the following items have been dealt with:	<u>(93,185)</u>
Depreciation	13,287
Audit fees and expenses	159
Gain on exchange	(1,018)
Interest expense - net	32,382
Property Tax	1,014
Research and Development	1,215
Provision for ex-gratia pensions (Note 4)	<u>3,729</u>

3. TAXATION

NOTES ON THE ACCOUNTS Continued

	1982	1983
	GS000	GS000

4. PROVISION FOR EX-GRATIA PENSIONS

	<u>4,113</u>	<u>3,729</u>
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The Company makes payments of ex-gratia pensions which are recoverable from the Sugar Industry Price Stabilisation Fund. The accounts of the Price Stabilisation Fund revealed that the amount recoverable from the Fund was greater than the balance in the Fund. A provision was therefore made for the difference.

The provision for 1983 represents the difference between ex-gratia pensions recoverable and contributions paid to the Fund

	1982	1983
	GS000	GS000
5. DEPOSIT ON SHARES	<u>225,000</u>	<u>225,000</u>

This represents amounts paid by the Government of Guyana for the purchase of further shares in the Company.

This will be transferred to share capital on completion of the formalities of increasing the authorised share capital.

	1982	1983
	GS000	GS000

6. DEFERRED LIABILITIES

Guyana Agricultural Products Corporation	1,597	4,733
Demerara Sugar Company Limited	<u>13,566</u>	<u>13,566</u>
	<u>15,163</u>	<u>18,299</u>

These liabilities will be settled by the issue of ordinary shares to the shareholders of these companies.

	1982	1983
	GS000	GS000

7. LOANS

The following loans are guaranteed by the Government of Guyana.

(a) NON CURRENT — repayable after one year

Lloyds Bank Limited

US\$ 1.0 million repayable in semi-annual instalments of

NOTES ON THE ACCOUNTS Continued

	G\$000	1982 G\$000
(b) CURRENT – REPAYABLE WITHIN ONE YEAR		
(i) Tennant Guaranty Limited		
Loan 11. A U.S. dollar loan repayable in December 1982. Interest is payable at the rate of 7.25% per annum and an additional 1.5% per annum on amounts due but unpaid.	1,725	1,725
Loan 111. A U.S. dollar loan repayable in equal half yearly instalments ending in September 1984. Interest is payable at the rate of 7.25% per annum and an additional 1.5% per annum on amounts due but unpaid	5,451	5,451
(ii) Citizens and Southern International Bank	–	224
(iii) Chase Bank International – Chicago		
A U.S. dollar loan repayable in equal half yearly instalments ending in April 1983. Interest is payable at the rate of 9% per month and an additional 1% per month on amounts due but unpaid.	456	456
(iv) Lloyds Bank Limited		
Loan 1. A Sterling loan repayable in equal half yearly instalments ending in October 1983. Interest is payable at the rate of 7.5% per annum on the outstanding balance.	1,418	1,578
(v) Guyana Co-operative Agricultural and Industrial Development Bank		
The loan is repayable in equal half yearly instalments. Interest is payable at the rate of 10% per annum.	103	253
(vi) Local Insurance Companies and others.	738	2,028
(vii) Loans repayable within one year (per (a) above)	<u>4,511</u>	<u>1,437</u>

NOTES ON THE ACCOUNTS Continued

8. FIXED ASSETS

	Total	LAND AND BUILDINGS			LAND EXPANSION COSTS	PLANT MACHINERY & EQUIPMENT
		Freehold	Leasehold	State Lands		
	GS000	GS000	GS000	GS000	GS000	GS000
COST OR VALUATION						
At 1 January 1983	210,014	38,379	2,635	18,799	10,295	139,906
Additions	9,448	1,464	—	—	176	7,808
Disposals	(4,249)	(2,033)	—	—	(6)	(2,210)
At 31 December 1983	<u>215,213</u>	<u>37,810</u>	<u>2,635</u>	<u>18,799</u>	<u>10,465</u>	<u>145,504</u>
Comprising:						
Valuation	110,099	32,611	2,549	18,799	6,553	49,587
Cost	<u>105,114</u>	<u>5,199</u>	<u>86</u>	<u>—</u>	<u>3,912</u>	<u>95,917</u>
	<u>215,213</u>	<u>37,810</u>	<u>2,635</u>	<u>18,799</u>	<u>10,465</u>	<u>145,504</u>
DEPRECIATION						
At 1 January 1983	73,041	2,048	604	—	5,659	64,730
Provision for the year	13,714	385	156	—	741	12,432
Retirements and disposals	(1,414)	(193)	—	—	(3)	(1,218)
At 31 December 1983	<u>85,341</u>	<u>2,240</u>	<u>760</u>	<u>—</u>	<u>6,397</u>	<u>75,944</u>
NET BOOK VALUES:						
AT 31 DECEMBER 1983	<u>129,872</u>	<u>35,570</u>	<u>1,875</u>	<u>18,799</u>	<u>4,068</u>	<u>69,560</u>
AT 31 DECEMBER 1982	136,973	36,331	2,031	18,799	4,636	75,176

NOTES ON THE ACCOUNTS Continued

	1982	
	GS000	GS000
9. INVESTMENTS		
ASSOCIATES		
Lochaber Limited —		
1,280 ordinary shares of \$20.00 each	23	23
Cane Farming Development Corporation Limited		
18,500 'B' ordinary shares of \$5.00 each (This Company is in liquidation and provision has been made for possible losses arising therefrom).	31	31
	<u>54</u>	<u>54</u>
OTHER		
Livestock Development Company Limited		
55,000 ordinary shares of \$1.00 each	50	50
Government of Guyana 7% equated annuity debentures repayable half yearly	1	1
Government of Guyana Defence Bonds	150	150
Emile Woolf College of Accountancy (Guyana) Limited		
10,000 ordinary shares of \$1.00 each	10	10
	<u>211</u>	<u>211</u>
	<u>265</u>	<u>265</u>
10. DEFERRED RECEIVABLES		

NOTES ON THE ACCOUNTS Continued

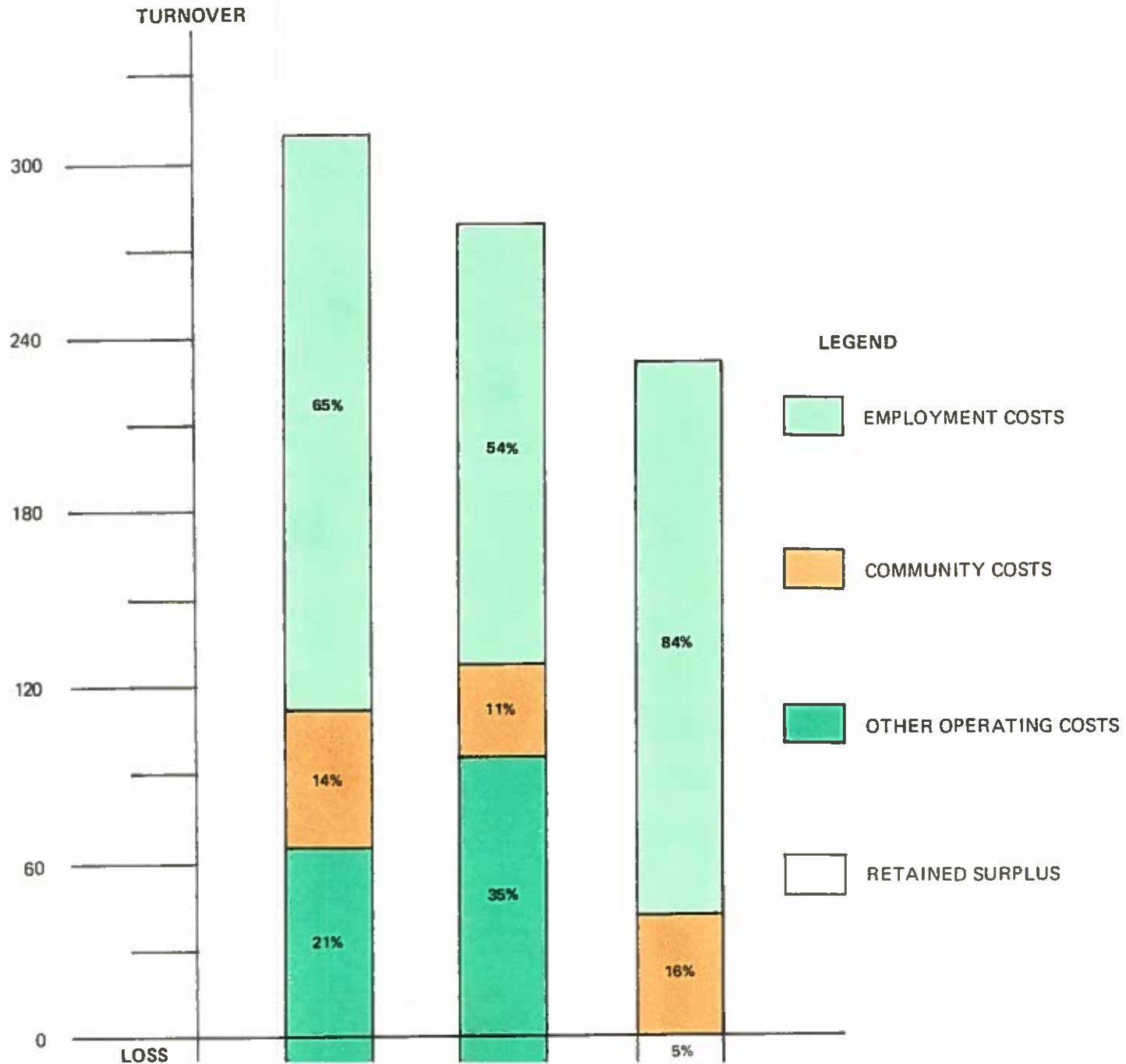
		1982
	G\$000	G\$000
11. NET CURRENT ASSETS/(LIABILITIES)		
Inventories	98,528	81,642
Unsold Produce	22,444	29,676
Debtors	34,126	22,552
*External payments deposits	7,685	258
Cash in hand and at bank :	250	265
	<u>163,033</u>	<u>134,393</u>
Less:		
Creditors	41,487	29,482
Loans repayable within one year (Note 7(b))	14,402	13,152
Bank overdraft	190,031	56,448
Taxation	693	693
	<u>246,613</u>	<u>99,775</u>
	<u>(83,580)</u>	<u>34,618</u>
*Represent monies deposited with the commercial banks pending approval from the Central Bank to remit to overseas creditors.		
12. FUTURE CAPITAL EXPENDITURE		
Expenditure authorised by the Directors and contracted	<u>—</u>	<u>49,026</u>
Expenditure authorised by the Directors but not contracted	<u>80,900</u>	<u>25,374</u>

13. POST BALANCE SHEET EVENT

STATEMENT OF EMPLOYMENT AND COMMUNITY COSTS

	1981	1982	1983
	SM	SM	SM
EMPLOYMENT COSTS			
Direct Employee Benefits			
Wages and Salaries	164.2	156.3	158.1
Incentives	10.1	12.6	6.2
Other Employee Benefits	21.7	20.4	21.4
Labour Transport Costs	9.7	8.3	8.6
	<u>205.7</u>	<u>197.6</u>	<u>194.3</u>
COMMUNITY COSTS			
Central Government Rates and Taxes	1.3	1.6	1.8
Local Government Rates and Taxes	1.0	1.0	1.0
Local Sales Subsidy	33.7	32.2	39.1
Sugar Industry Special Funds	7.0	6.7	5.6
Community Services	.6	.9	1.0
	<u>43.6</u>	<u>42.4</u>	<u>48.5</u>
TOTAL	<u>249.3</u>	<u>240.0</u>	<u>242.8</u>
NUMBER OF EMPLOYEES	31,374	28,077	28,403
TONS OF SUGAR PRODUCED	300,790	287,725	251,870

SHARING OF EARNINGS



GUYANA SUGAR CORPORATION LIMITED

22 Church Street, Georgetown, Guyana.

Telephone 66171. Cables 'SUGARCANE' Georgetown, Guyana. Telex GY 2265



Auditors

Thomas, Stoll, Dias & Co.
Member Firm
Touche Ross International
5 America Street
Georgetown.

Bankers

The Guyana National Co-operative Bank
The Royal Bank of Canada
Barclays Bank International Limited
Chase Manhattan Bank, N.A.

Marketing Agents

Bookers Sugar Company Limited
115/121 Tooley Street,
London, SE1 2HZ
England.

Solicitors

Clarke and Martin
7 Brickdam & Manget Place
Georgetown.



GUYANA SUGAR FOR EXPORT
EARNED THE COUNTRY \$779.3M IN THE FOREIGN EXCHANGE FOR THE YEARS 1981-1983