

THE SIGNIFICANCE OF COMMERCIAL BANKS
IN THE DEVELOPMENT OF FINANCIAL
INSTITUTIONS IN GUYANA, 1965 - 1979

BY

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THE SIGNIFICANCE OF COMMERCIAL BANKS IN THE DEVELOPMENT
OF FINANCIAL INSTITUTIONS IN GUYANA: 1965-1979

Financial development relates to the expansion and elaboration of financial structure over time. Most of the empirical and theoretical studies on financial structure and its development have concentrated on the hypothesis that improvements in the financial intermediation process is a precondition for, or at least influences economic growth.¹ Empirical observations relating to the developed market economies in particular, identify rapid development of the financial structure and financial intermediation as economic development occurs. A more general view of the process of financial development given by J. Gurley and E. Shaw is that at any point in time² an economy, particular saving-investment technologies may exist for, historical, political, social or economic reasons, but as these technologies produce a diminishing net yield² experiments with alternative technologies marginally superior will occur.³

A useful index of financial development is the ratio of financial assets to gross national product, which is expected to rise as the intensity of financial inter-relationships within an economy increases.⁴

¹J. Gurley and E. Shaw (1967); R. Goldsmith (1969; 1971)
R. McKinnon (1973).

²Net yield is the difference between present value returns and costs and variables involved would ultimately depend on the specific, institutional, political and other forces which determine societal objectives.

³J. Gurley and E. Shaw "Financial Structure and Economic Development", Economic Development and Cultural Change, 15, No. 3 (April 1967) pp. 257-268.

⁴Based on the observed correlation between such intensity and specialization, economies of scale.

Table 1-1 indicates a substantial rise in this ratio between 1965 and 1979. At the same time what is noticeable is the increasing significance of the issue of state sector debt as a component of the debt asset system.

TABLE 1-1

FINANCIAL STRUCTURE : SELECTED YEARS

<i>Cr. m.</i>	1965	1970	1975	1979
State Sector Bonded Debt	(38.0)	(98.3)	(397.2)	(1316.6)
Private Shares and Bonds	(4.2)	(8.8)	(7.5)	(12.0)
Primary Securities	42.2	107.1	404.7	1328.6
Instruments from Inter- mediation	139.5	256.3	743.4	1330.6
Total Financial Assets	181.7	363.4	1148.1	2659.2
AS PERCENT OF GNP				
State Sector Bonded Debt	11.2	20.0	34.9	105.3
Instruments from Inter- mediation	41.2	52.2	65.2	106.4
Total Financial Assets	53.7	74.1	100.8	212.7

Sources: Table I

The issues of financial intermediaries have also increased considerably growing at an average annual rate of 16 per cent. As a first step in the analysis of the commercial banking system, the principal concern at this stage would be to ascertain the significance and path of development of commercial banks in relation to other financial institutions within the economy over the period 1965-1979. The rest of the section is devoted to this issue.

THE GROWTH OF FINANCIAL INSTITUTIONS:

During the period 1965-1979 the growth of financial institutions has been considerable, whether measured by the nominal value of issues of financial instruments, whether these are adjusted for price level increases⁵ or whether measured by the nominal value of credit supplied. From Table 1-2 it is seen that in nominal terms credit expanded much more rapidly than the issues of financial instruments and that whereas the annual average rates of growth of financial issues increased in the periods 1965-1969 and 1970-1974, then declined in 1975-1979, the annual average rate of growth of credit increased steadily over these periods. The possible explanations for the marked differences in growth rates between financial issues and credit^{use} in 1975-1979, firstly that the only component of central bank issues considered in the compilation of total financial institutions issues is the issuance of currency, whereas other sources of credit supply namely, the deposits of international organizations and commercial banks have increasingly accounted for a larger share of total liabilities of the central bank, ranging from 31 percent in 1975 to about 50 per cent in 1979. Secondly, over the years there has been an increasing tendency for resources derived from the issue of financial instruments domestically, to be channelled to borrowers within the country, as a result of measures instituted by the state such as portfolio constraints on insurance companies since 1971^{*}

⁵ Price index 1970=100. Table 1-7

^{*} This was in the form of an Act in 1970 which became effective in 1971.

which required them to invest at least 95 per cent of their local liabilities in local assets as well as exchange control being applied to Sterling Area countries since December 1971. A look at the ratio of commercial banks domestic credit to total issues for instance illustrates this tendency since it moved from 0.63 in 1965 to 0.94 in 1979.

TABLE 1-2

GROWTH OF FINANCIAL INSTITUTIONS ISSUES AND CREDIT
SUPPLIED IN GUYANA 1965-1979
(Per cent per year)

	Financial Institutions (Current Prices)	Issues (Constant Prices)	Credit Supplied (Current Prices)
1965-1969	10.7	8.6	12.9
1970-1974	18.0	11.3	14.6
1975-1979	8.7	2.2	24.7
1965-1979	16.0	8.9	21.0

Sources: Tables II, V.

Eliminating price level changes from the total issues of financial institutions at current prices does not alter the basic pattern of an upward trend in the issue of financial institutions over the period 1965-1979 though, it does emphasise the marked decline in the average rate of growth during 1975-1979 in real terms. In a general sense, then the figures do indicate a definite rise in the significance of financial institutions in the economy by 1979 relative to 1965.

THE COMPOSITION OF AGGREGATE ISSUES BY FINANCIAL INSTITUTIONS:

As a step towards an assessment of the significance of commercial banks in the financial structure, it is worthwhile to consider the levels and trends of average rates of growth of issues of the main types of financial institutions. This is shown in Table 1-3.

TABLE 1-3

AVERAGE GROWTH OF ISSUES OF MAIN TYPES OF FINANCIAL INSTITUTIONS (Per cent per year)
CURRENT PRICES

	All Financial Institutions	Commercial Banks	Central Bank	Thrift Institutions	Pension & Insurance Org.	Other Institutions
1965-1969	10.7	8.2	1.9	8.5	5.9*	10.8
1970-1974	18.0	14.5	11.7	11.4	28.3	28.2
1975-1979	8.7	10.2	9.7	19.8	11.0	19.6
1965-1979	16.0	14.1	10.2	11.8	16.5**	26.8

*1966-1969

**1966-1979

SOURCES: Table V.

Issue growth rates were highest for the category, other institutions which comprises social security funds and development and mortgage banks, for the entire period, as well as for the shorter period, 1965-1969; and main categories of financial institutions experienced higher average rates of growth than the commercial banks, the result was that commercial banks ranked third in importance among all main types of financial institutions in terms of contribution to an annual average rate of growth of total financial issues of 16 per cent over the period 1965-1979.

Only in the case of thrift institutions, we observe a consistent pattern of rising average issue growth for all the shorter periods. All the other types of institutions experienced rising average issue growth up to the 1970-1974 period then a decline in the 1975-1979 period. Since the overall pattern was the same for the average issue growth of all financial institutions, it is evident that the increase in issues of thrift institutions were not significant to offset the pattern of the total issues growth rate over the shorter periods.

The pattern that emerges is that commercial banks have not been eliciting savings as fast as some of the other types of financial institutions in existence, namely, insurance organizations, pension organizations and social security funds, over the entire period 1965-1979.

To measure the absolute significance of main types of financial institutions a look at the distribution of issues of main types of financial institutions in aggregate issues is necessary. This is indicated in Table 1-4.

TABLE 1-4

DISTRIBUTION OF ISSUES OF FINANCIAL INSTITUTIONS FOR
SELECTED YEARS (per cent of total issues)

	Commercial Banks	Central Bank	Thrift Institu- tions	Insurance & Pension Organizations	Other Institu- tions
1965	56.7	28.8	11.2	16.7*	5.2
1970	49.7	15.8	9.5	15.5	9.3
1975	47.3	13.7	4.5	20.1	14.2
1979	43.0	12.1	6.3	19.0	19.4

*1966

SOURCES: Table V.

Clearly, commercial banks have dominated the other types of financial institutions in terms of the magnitude of their issues over the period 1965 to 1979. A discernible feature however, is the steady decline in the importance of the commercial banks' issues to the total issues of financial institutions, and the rise in importance of the issues of the category 'other institutions'.

From Tables 1-3 and 1-4 the general conclusion to be drawn in relation to commercial banks is that they do constitute the single most important type of financial institution within the financial system in terms of issues of financial instruments but their importance has been steadily declining over the period 1965 to 1969.

Although there is no necessary one to one relationship between the growth of issues of financial institutions and the rate of growth of a broad measure of economic activity such as gross national product, there is the general assumption of some causation in the theory of financial intermediation.⁶ On the basis of this hypothesis, analyses of the role of financial institutions in the economy are expected to reveal some relationship between the growth of financial institutions and national wealth.⁷ In the absence of data on national wealth, national product has been used as a proxy in a measure called the new issue ratio

⁶Some of the earlier studies based on this notion are: R.W. Goldsmith, *Financial Structure and Development* (New Haven, 1969). J. Gurley and E. Shaw, "Financial Aspects of Economic Development", *American Economic Review*, (Sept. 1955), H. Patrick, "Financial Development and Economic Growth", *Economic Development and Cultural Change*, 14 (Jan. 1966). More recent writings include R. McKinnon, *Money and Capital in Economic Development*, (The Brookings Institution, 1973). E.S. Shaw, *Financial Deepening in Economic Development*, (New York, 1973).

⁷R.W. Goldsmith, "The Development of Financial Institutions During the Post War Period", *Banca Nazionale del Lavoro Quarterly Review*, No. 97 (June 1971) and (2) R. Goldsmith, *Financial Structure and Development* Chapters 4 and 5 pp. 178-281, provide the basic analytical concepts.

to indicate the importance of financial institutions in total economic activity. Variants of this ratio exist in stock and flow dimensions and each will be used to examine the significance of financial institutions, weighted by national product, over the period 1965-1979.

LEVEL AND MOVEMENTS OF THE AGGREGATE ISSUE RATIO
OF FINANCIAL INSTITUTIONS:

Using the data on total issues of financial institutions, and gross national product, we can compute the new issue ratio (ϕ) where $\phi_F = \frac{\Delta I_f}{Y}$; I_f is the change in total issues of financial institutions between two years and Y is the aggregated gross national product over the specified period. The results are shown in Table 1-5.

TABLE 1-5

ISSUE RATIOS OF FINANCIAL INSTITUTIONS (Per-cent
of Aggregate GNP)

1965-1969	4.69
1970-1974	10.60
1975-1979	10.30
1965-1979	11.04

SOURCES: Table VI.

The significance of the new issue ratio for issues of financial institutions, is that it seeks to relate the volume of new issues of financial institutions made to non-financial sectors to economic activity.

The data used to compile the total issues of financial institutions are not derived from total asset figures of the financial institutions

ERRATA

(1) Second sentence in paragraph should read: However, the rates rose sharply from the 1965-1969 to the 1970-1974 period and declined slightly during the 1975-1979 period.

(2) Beginning second paragraph Page 9: From table 1-6 it is seen that of the main sources of funds---

but from recorded liabilities. As a result the figures are much closer to the true figure of new issues to non-financial sectors, though there exists duplication, because of the inclusion of interbank and similar balances from financial institution in commercial banks' issues. Another consideration is that the time periods are not of substantial length and therefore the ratios may well have been affected by transient developments. Both of these considerations however are not so serious as to affect any conclusion as to the general trend of the new issue ratio.

From the table, it is observed that over the period 1965-1979 on average there was an upward movement of the total new issue ratio. The financial institutions issues from the 1965-1969 to 1970-1974 period relative to the aggregate national product, and a levelling off of the ratio in 1975-1979. The level and movement of this ratio can be further decomposed by main types of financial instruments and institutions. It is the level and movement of the components of ϕ_F and the reasons for these which can help to explain the trend of ϕ_F where; M is money [currency plus demand deposits], TSD is time and savings deposits with commercial banks, R is the issues of thrift institutions, N is the issues of insurance and pension organizations and X is all other identified issues, including social security reserves.

Of the main sources of funds of financial institutions, the issuance of time and savings deposits by commercial banks was the single most important category of financial instrument accounting for the new

STRUCTURE OF FINANCIAL ISSUES:

TABLE 1-6

DECOMPOSITION OF FINANCIAL INSTITUTIONS NEW ISSUE RATIO ϕ_F BY MAIN TYPES OF FINANCIAL INSTRUMENTS (PER CENT OF GNP)

	Issues of Financial Institutions	Money	Commercial Banks, Time and Savings Deposits	Issues of Thrift Pension and Insurance Organizations	Other Issues
1965-1969	4.69	0.3	1.8	2.3	0.2
1970-1974	10.60	2.1	2.8	3.7	1.9
1975-1979	10.30	1.5	3.4	2.7	2.7
1965-1979	11.04	2.09	3.6	2.9	2.3
	SHARE IN TOTAL NEW ISSUE RATIO PER CENT				
1965-1969	100	6.4	33.4	49.0	6.2
1970-1974	100	19.8	25.4	34.9	18.9
1975-1979	100	14.6	33.0	26.9	25.5
1965-1979	100	18.9	32.8	27.0	21.1

SOURCE: TABLE VI

The calculations of the issue ratios of the various types of financial instruments were based on the following formula.⁸

$$\phi_F = \frac{\Delta I_F}{Y} = \frac{\Delta M}{Y} + \frac{\Delta TSD}{Y} + \frac{\Delta R}{Y} + \frac{\Delta N}{Y} + \frac{\Delta X}{Y} \dots (1)$$

⁸ This is a modified version of the formula $\phi = \frac{ef}{Y} = \frac{\Delta M}{Y} + \left(\frac{P}{Y} \times \frac{S}{Y} \times \frac{S_x g}{S_f} \right)$ where Y = gross national product; ef = net issues of financial instruments by financial institutions; ΔM = Change in money in circulation; P = personal disposable income; S = personal saving; f = net acquisition of financial assets by persons; g = net acquisition by persons of non-monetary claims against and of shares of financial institutions and Z = residual, consisting of issues among financial institutions and other items such as claims of rest of the world against financial institutions. See Goldsmith (1971).

issue ratio over the entire period 1965-1979. However variations in the shorter periods indicate an indefinite trend.

The non-monetary instruments, namely pension, insurance, social security and other obligations which are less liquid forms of saving have shown a tendency to decline slightly over the shorter periods, in their contribution to the total issue ratios, a result of the decline in contribution of thrift, pension and insurance organizations' issues being greater than the increasing contribution of the category 'other issues'. What seems likely is that shifts in the asset preferences of the public over the shorter periods occurred.

Broadly the shifts have been, one, an increased contribution of money to the total issue ratio in 1970-1974, and a decline in the contribution of time and savings deposits as well as thrift, insurance and pension issues, relative to the 1965-1969 period; two, a subsequent decline in the contribution of money, a continuing decline in the contribution of thrift, insurance and pension issues, and a rise in the significance of the time and savings deposits of commercial banks in the 1975-1979 total issue ratio.

The demand for financial assets may be related to levels of income and wealth, changes in income, interest rates, financial innovations, the price level among other things. From table 1-7, it would appear that price level

TABLE 1-7

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Price Index	88	89.9	92.6	95.4	96.7	100	101.0	106.0	114.0	133.9	144.5	157.5	170.5	196.5	231.4
GNP PER CAPITA	532.5	551.1	588.5	626.5	656.3	696.9	722	776.2	815.5	1172.7	1447.3	1317.9	1273.5	1428.7	1493.4
Interest Rates															
Savings Deposits	3.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	6.5	8.5
Time Deposits															
three (3) months	3.5	4.0	4.0	4.0	4.75	4.75	4.75	4.0	4.0	4.0	4.0	4.0	4.0	7.0	9.0
twelve (12) months	4.5	5.0	5.0	5.0	6.5	6.5	6.5	5.5	5.5	5.5	5.5	5.5	5.5	8.5	10.5

SOURCE: BANK OF GUYANA ANNUAL REPORTS.

changes may have had a considerable effect on the changes in asset preferences, given the sharp movements in the price level in periods of shifting asset preferences. However, more definite conclusions may be drawn from econometric analysis though this has not been possible at this stage.

Separation of commercial bank deposits from money and its addition to time and savings deposits with commercial banks results in the financial institutions total issue ratio being composed now of specific financial institutions' issue ratios:

$$\phi_F = \phi_C + \phi_B + \phi_t + \phi_p + \phi_s \dots\dots\dots (2)$$

where ϕ is the central bank issue ratio; ϕ_B is the commercial banks issue ratio, ϕ_t is thrift institutions issue ratio, ϕ_p is the insurance and pension organizations issue ratio and ϕ_s the social security issue ratio.

Table 1-8 shows the issue ratios of the main types of financial institutions and their relative contribution to the total financial institution issue ratio. A flow dimension is added relating the change in issues to change in gross national product.

From table 1-8, we see that of all the components of ϕ_F , the commercial banks issue ratio ϕ_B , accounts for the greatest share of the financial institutions new issue ratio for each successive period and for the period 1965-1979 as a whole. Variations in ϕ_B over the shorter periods however has resulted in a decline in the significance of ϕ_B in the total new issue ratio relative to the new issue ratios of other financial

TABLE 1-8

DECOMPOSITION OF FINANCIAL INSTITUTIONS NEW ISSUE RATIO ($\frac{\text{}}{\text{P}}$) BY MAIN

TYPES OF FINANCIAL INSTITUTIONS PER CENT

RELATION TO GNP / NEW ISSUE RATIO

	All Financial Institutions	Commercial Banks	Central Banks	Thrift Insti- tutions	Insurance and Pen- sion In- stitutions	Social Security Funds
1965-1969	4.69	1.9	0.19	0.4	1.9	0.2
1970-1974	10.60	4.0	0.96	0.56	3.17	1.9
1975-1979	10.30	3.87	1.0	0.9	1.8	2.7
1965-1979	11.04	4.60	1.1	0.63	2.1	2.3
AVERAGE ISSUE RATION PER CENT ⁺ \bar{X}						
1969	50	25	9	5	8.2	2.6
1974	64	27	7.8	4.6	15.3	9.1
1979	106	45	12.9	6.7	20.2	20.6
RATIO OF CHANGE IN ISSUES TO CHANGE IN GNP						
1965-1969	0.78	.32	.03	.06	.30	.04
1970-1974	0.79	.30	.07	.04	.23	.14
1975-1979	5.29	1.98	.50	.45	.93	1.38
1965-1979	1.30	.54	.13	.07	.24*	.27
PER CENT SHARE IN TOTAL OF ALL FINANCIAL INSTITUTIONS						
1965-1969 New Issue		40.5	4	8.5	40.5	4.3
Average Issue		50	18	10.	16.4	5.2
1970-1974 New Issue		37.7	9	5.2	29.9	18.0
Average Issue		42	12	7.1	23.9	14.2
1975-1979 New Issue		36.7	9.7	8.7	17.5	26.2
Average Issue		42	12	6.0	19.0	19.4
1965-1979 New Issue		41.7	10.0	5	19.0	20.8

SOURCE: TABLE VI

* 1966-1979

⁺ (Issue/end of Year GNP)

institutions, particularly the social security issue ratio.

The trend in the ratio of issues outstanding to end of year gross national product for commercial banks ($\frac{C}{G}$) as for all other types of institutions is markedly upward, despite instances of decline in the net issue ratios of some types of financial institutions. The reason for this is that the numerator of this ratio includes all previous new issues whereas the denominator is an end of year figure. In flow terms the ratio of new issues to change in national product also indicates the marked significance of commercial bank relative to other types of financial institutions, for each period.

THE ELASTICITY OF DEMAND FOR THE ISSUES OF FINANCIAL INSTITUTIONS

The observed upward trends in \dot{d}_f and \ddot{d}_f over the period 1965-1969 points to increased financialization of savings. A useful index of the rate at which this has been occurring is the ratio of the average rates of growth of financial issues to that of gross national product, which would indicate the relationships between an annual average increase of national product of one per cent and the average annual increase of financial issues. Table 1-9 illustrates the results of the calculations.

TABLE 1-9

INCOME ELASTICITY OF ISSUES OF FINANCIAL INSTITUTIONS RATIO
OF AVERAGE RATE OF GROWTH OF ISSUES TO AVERAGE RATE OF GROWTH OF GNP

	All Financial Institutions	Commercial Banks	Central Bank	Thrift Institutions	Insurance Organisations	Pension and Other Institution
1965-1969	1.72	1.32	0.30	1.37	1.11	4.8
1970-1974	1.38	1.11	0.87	0.87	1.59	2.47
1975-1979	4.57	5.36	5.10	10.42	5.78	8.47
1965-1979	1.78	1.54	1.12	1.29	1.56	3.36
PER CENT OF VALUE FOR ALL FINANCIAL INSTITUTIONS						
1965-1969	100	76	17	79	64	279
1970-1974	100	80	63	63	115	178
1975-1979	100	117	111	228	126	185
1965-1979	100	86	63	72	87	187

SOURCE: TABLE V

The average income elasticity of demand for the total issues of financial institutions is seen to be above unity, although the excess becomes relatively smaller for the period 1970-1974. The values reflect the fact that throughout the period the issues of financial institutions increased at a faster rate than national product, and points to the situation where adjustments are made not only between financial assets but between markets for both goods and financial assets.

As a final aspect of the significance of commercial banks in the development of financial institutions, it is useful to compare the developments in Guyana with developments in other countries.

In historical perspective the growth of financial institutions in Guyana during the period 1965-1979 has been rapid. Compared with an annual average rate of growth of 12 per cent for assets of financial institutions in a sample of developed and underdeveloped economies (1949-1967) the average growth in Guyana was 16 per cent.

For the sample of countries, the main types of financial institution experienced different rates of increase which resulted in shifts in relative importance. The main trends were: a decline in the share of central banks in total assets of financial institutions; a relatively unchanged position for commercial banks, accounting for just below 40 per cent of total assets, (though there was a slight increase for the underdeveloped economies) and an increased share of total assets accounted for by insurance organizations, mortgage and development banks.

In the case of Guyana, commercial banks' issues followed the pattern of increase experienced by all financial institutions, and the result was a decline in relative importance of commercial banks, though they were still the single most important type of financial institution. Compared with historical developments, however, the relative decline in importance of commercial in Guyana was not so rapid. Thus whereas in the sample of underdeveloped countries for the period (1958-1967) the share of commercial banks'

economic and institutional events which may have had an impact upon their development. From the results of this section, it is seen that there is much scope for an analysis relating commercial banks to changes in economic activity.

TABLE I

IDENTIFIED TYPES OF FINANCIAL INSTRUMENT

G\$Mn

OUTSTANDING AT END OF	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Notes and Coin ¹	37.4	33.7	36.9	39.3	40.6	40.7	44.4	53.6	61.8	70.7	101.6	112.5	152.2	166.9	159.1
Bank Demand Deposits ²	22.0	19.7	21.0	22.0	24.5	22.4	26.7	31.6	36.8	58.1	98.3	95.9	113.6	114.6	126.1
Bank Time and Savings Deposits ³	57.1	63.3	72.7	82.9	93.5	105.0	124.7	151.2	181.6	193.8	254.1	281.2	333.7	383.0	449.6
Other Bank Deposits ⁴	-	6.1	5.1	7.6	11.6	9.3	11.6	24.4	18.8	15.5	67.3	31.4	32.1	100.4	147.2
Other Financial Institutions Deposits ⁵	15.7	21.9	23.0	24.8	23.7	24.4	27.8	31.3	37.3	42.0	33.9	46.3	59.9	71.1	84.0
Treasury Bills	1.9	6.3	10.6	17.0	17.9	26.3	61.0	83.8	156.3	104.1	215.4	411.4	587.5	708.0	916.3
Commercial Bills ⁶	1.0	3.0	1.0	1.2	1.6	2.4	2.9	3.4	4.8	8.6	8.3	7.5	3.4	10.4	12.5
Bank Loans ⁷	48.0	61.5	53.9	65.8	89.3	10.4	101.4	95.7	143.4	168.6	171.9	232.7	239.1	244.1	332.3
Hire Purchase Credit	12.2	12.6	12.3	12.6	12.6	13.5	13.0	12.2	12.5	12.6	13.7	14.3	14.0	12.5	11.6
House Purchase Loans ⁸	6.0	23.3	25.8	27.4	29.7	32.0	32.9	36.3	42.1	60.6	68.0	83.7	101.1	119.7	131.8
Other Loans and Mortgages	13.8	14.5	17.2	18.0	19.8	32.2	45.2	43.1	44.6	40.2	43.9	57.6	65.8	67.5	88.3
Debentures	33.3	40.7	48.3	51.5	55.6	67.9	80.4	103.5	124.6	156.0	178.8	213.2	263.3	324.3	393.0
Other State Sector Securities	-	-	-	-	0.9	0.8	1.1	0.9	1.9	2.7	2.7	3.7	4.0	4.4	4.3
Savings/Defense Bonds	2.8	3.1	3.8	3.3	3.3	3.3	3.3	3.3	3.2	1.7	0.3	-	2.8	2.9	3.0
Private Sector Shares and Bonds	4.2	4.3	4.3	4.4	7.9	8.8	9.3	9.7	10.9	5.8	7.5	7.7	7.3	9.3	12.0
Foreign Securities	7.8	18.3	19.1	9.3	9.7	7.4	8.9	10.6	8.7	7.7	10.6	7.4	8.2	7.8	3.5
Insurance Reserves	-	29.8	33.2	35.0	37.5	39.8	42.6	46.9	52.4	81.2	85.3	98.4	109.9	127.3	139.0
Pension Rights	-	-	-	-	-	-	-	-	-	57.6	64.6	71.9	81.6	97.1	114.1
Social Security	7.3	9.2	9.2	9.3	12.2	24.0	36.7	48.5	64.1	83.2	104.4	127.1	151.0	183.5	252.1
Foreign Currency Reserves	74.9	62.8	72.6	64.2	56.7	54.6	67.3	89.7	41.6	105.4	197.7	29.2	99.8	50.6	182.3
Multilateral/Bilateral Loans ⁹	105.9	113.4	121.4	124.5	140.7	159.6	190.6	216.5	232.9	250.3	294.2	318.7	339.4	389.6	451.

1. Includes Holdings of Commercial Banks of Local Notes and Coins. 2. Includes Bank of Guyana Demand Deposits. 3. Commercial Banks.
 4. Other Deposit Liabilities of Bank of Guyana excluding International Institutions. 5. Includes All Non-Bank institutions with Shares' and Deposit Liab.
 6. Credit Instruments in Commercial Banks Liquid Assets. 7-8. For Details - Appendix I. 9. From Main Traditional Sources.

SOURCE: BANK OF GUYANA ANNUAL REPORTS.

IDENTIFIED DOMESTIC CREDIT SUPPLY

TABLE II

Outstanding at end of	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Total	95.9	137.9	143.1	168.1	199.5	250.8	285.3	335.4	457.6	459.6	506.5	877.1	1104.3	1334.9	1716.0
Central Bank	3.3	12.6	7.0	4.2	17.4	21.2	20.4	28.7	89.2	28.4	44.5	254.8	46.8	397.3	591.8
Commercial Banks	50.2	58.7	64.0	86.9	99.1	115.9	127.6	158.7	191.6	230.4	324.9	339.2	423.9	463.1	540.0
State Sector	19.2	17.7	19.7	30.4	30.8	34.5	41.8	72.3	88.7	123.3	208.4	218.1	310.5	340.4	379.9
Private Sector	31.0	41.0	44.3	56.5	68.6	81.4	85.8	86.4	102.9	107.1	118.5	121.1	113.4	122.7	164.1
Thrift Institutions	12.1	12.5	14.5	15.1	15.1	19.4	22.5	22.1	32.3	34.4	27.5	36.0	46.3	52.9	60.4
Post Office Savings Bank	5.5	6.0	6.3	7.6	7.0	9.7	9.4	9.6	11.8	10.6					
New Building Society	6.6	6.5	7.2	7.5	8.1	9.7	10.6	12.5	17.4	21.4	27.5	36.0	46.3	52.9	60.4
Other Thrift Institution	...	...	1.0	...	...	...	2.5	...	3.1	3.4	...	...	...	...	...
Insurance and Pension Funds															
Domestic Insurance	...	26.0	28.4	31.2	33.5	36.4	37.0	38.7	44.3	54.0	55.1	63.2	72.7	83.7	96.4
Insurance Agencies	...									21.0	21.6	25.9	30.1	35.5	41.6
Pension Funds ¹	...											60.6	66.3	80.3	86.9
Social Security Funds	...				1.3	11.5	21.8	30.8	44.9 ^b	57.7	76.0	99.0	121.5	156.2	218.4
Development and Specialized In Institutions															
Guyana Credit Corporation	13.8	11.1	12.1	11.7	12.8	11.8	12.9	12.4	12.0						
G.M.F.C. and G.H.D.C.							12.1	14.7	17.2	19.8	19.7	19.6	18.3	17.1	15.2
Small Industries Corporation											2.9	3.9	4.2	-	-
G.A.I.C.D.B. ²									1.8	7.6	11.4	14.7	17.5	23.7	36.9
G.C.M.C.B. ³									0.1	5.6	9.8	15.5	20.1	21.8	24.4
Specialized Institutions	...	...	0.4	1.9	2.7	15.7	13.0	11.8	6.2 [*]	4.5	5.1	9.4	9.8	14.0	18.4
Commercial Credit Companies	12.2	12.6	12.3	12.6	12.6	13.5	13.0	12.2	12.5	12.5	13.7	14.3	14.0	12.5	11.6
Investment and Trust Companies	4.3	4.3	4.4	4.5	5.0	5.4	5.2	5.3	5.5	3.6	5.9	7.4	9.2	12.3	15.6
Banking Sector Credit as % of Total	55.8	51.7	49.6	54.1	58.4	54.7	51.8	53.9	61.4	56.3	61.9	67.7	69.8	64.5	66.0
Commercial Banks as % of Total Credit	52.4	42.6	44.7	51.7	49.7	46.2	44.7	47.3	41.8	50.1	54.5	38.7	38.4	34.7	31.5
Non Banking Sector Credit % of Total	44.2	48.3	50.4	45.9	41.6	45.3	48.2	44.1	38.6	43.7	38.1	32.3	30.2	35.5	34.0
Central Bank Credit as % of Total	3.4	9.1	4.9	2.4	8.7	8.5	7.1	8.6	19.6	6.2	7.5	29.1	31.4	29.8	34.5

¹ 16 Pension Schemes - 1979. ² Guyana Agricultural & Industrial Co-operative Development Bank. ³ Guyana Co-operative Mortgage Finance Bank

SOURCE: Bank of Guyana: Bank of Guyana Annual Reports

TABLE III

IDENTIFIED HOLDINGS OF FINANCIAL INSTRUMENTS BY PRIVATE SECTOR

GSMn

Outstanding at end of	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Total	139.5	180.9	198.7	219.0	234.5	257.3	311.5	371.0	421.4	606.1	713.4	822.5	1015.4	1153.0	1332.1
Claims on Financial Institutions.	118.0	153.4	169.8	189.6	202.7	226.8	269.9	328.4	382.4	544.3	660.5	744.7	926.1	1052.3	1220.1
Central Bank	27.8	28.0	30.7	34.2	36.1	37.7	41.1	48.5	55.9	64.0	92.0	105.5	142.6	152.2	148.1
Commercial Banks	67.2	77.0	88.2	98.9	108.1	116.4	138.9	170.2	191.4	235.0	298.5	317.1	403.6	442.3	504.1
Thrift Institutions	15.7	21.9	23.0	24.8	23.7	24.4	27.8	31.3	37.3	42.0	33.9	46.3	59.9	71.1	84.0
Insurance & Pension Funds	7.3	26.5	27.9	30.7	34.8	48.3	62.1	78.4	97.8	203.3	234.9	274.6	318.4	381.8	477.3
Mortgage/Development Banks											1.2	1.2	1.6	4.9	6.6
Claims on State Sector	21.5	27.5	28.9	30.4	31.8	30.5	41.6	42.6	39.0	61.8	52.9	77.8	89.3	100.7	112.0
Types of Financial Instruments															
Notes and Coin	27.8	28.0	30.7	34.2	36.1	37.7	41.1	48.5	55.9	64.0	92.0	105.5	142.6	152.2	148.1
Demand Deposits	14.7	17.2	18.9	19.9	19.9	18.5	23.9	30.7	28.4	54.4	73.0	76.5	111.2	97.0	102.1
Time & Savings Deposits	52.5	59.8	69.3	79.0	88.2	97.9	115.0	137.6	160.4	171.5	220.1	235.6	284.1	336.6	402.0
Non-Bank Deposits	15.7	21.9	23.0	24.8	23.7	24.4	27.8	31.3	37.3	42.0	33.9	46.3	59.9	71.1	84.0
Other Claims ^a	7.3	26.5	27.9	30.7	34.8	48.3	62.1	80.3	100.4	207.3	241.5	280.8	328.3	396.0	483.9
Treasury Bills	0.4	1.5	1.8	1.9	1.7	1.1	14.7	2.0	3.7	18.3	10.3	19.6	23.4	24.8	27.0
Debentures	18.3	22.9	23.9	25.2	26.8	26.1	23.6	37.3	32.1	41.8	42.3	58.2	63.1	73.0	82.0
Savings/Defense Bonds	2.8	3.1	3.2	3.3	3.3	3.3	3.3	3.3	3.2	1.7	0.3	-	2.8	2.9	3.0
As per cent of Total															
Short Term Claims	79.6	71.0	72.3	73.0	72.3	69.8	71.4	67.4	67.8	58.6	60.2	58.8	61.2	59.1	57.3
Long Term Claims	20.4	29.0	27.7	27.0	27.7	30.2	28.6	32.6	32.2	41.4	39.8	41.2	38.8	40.9	42.7
Commercial Banks	48.1	42.5	44.4	45.1	46.0	45.2	44.6	45.9	45.4	38.8	41.8	38.5	39.7	38.4	37.8
Central Bank	19.9	15.4	15.4	15.6	15.4	14.6	13.2	13.1	13.3	10.6	12.9	12.8	14.0	13.2	11.1
Thrift Institutions	13.2	12.1	11.5	11.3	10.1	9.4	8.9	8.4	8.8	6.9	4.7	5.6	5.8	6.1	6.3
Other Financial Institutions	5.2	14.6	14.0	14.0	14.8	18.8	19.9	21.1	23.2	33.5	33.1	33.5	31.5	33.5	36.3
State Sector	15.4	15.2	14.5	13.9	13.6	11.9	13.4	11.5	9.3	10.2	7.6	9.6	9.0	9.1	8.9
Financial Saving as % of GNP	41.2	50.1	50.6	51.0	51.3	52.4	59.3	64.4	68.2	66.9	62.6	77.8	96.4	96.6	106.5
Change in Financial saving as % of GNP	...	11.5	4.5	4.7	3.4	4.6	10.3	10.3	8.1	20.4	9.4	10.3	18.3	11.5	14.3
Financial Saving as % of disposable Income	39.8	48.6	50.1	50.8	51.0	52.4	59.3	64.3	68.2	67.3	63.1	78.9	97.3	97.8	106.4
Annual Percentage Change															
Total Financial Instruments		30.0	10.7	11.7	6.9	11.9	19.0	21.7	16.4	42.3	21.3	11.3	24.4	13.6	15.9
Claims on Commercial Banks	-	14.6	14.5	12.1	9.3	7.7	19.3	22.5	12.5	22.8	27.0	66.2	27.3	9.6	14.0
Claims on Financial System		29.7	9.8	10.2	7.1	9.7	21.1	19.1	13.5	43.8	17.7	19.3	23.4	13.6	15.5
Claims on State Sector		27.9	5.0	5.2	4.6	-4.1	36.4	2.4	-8.5	58.5	-14.4	47.1	14.8	12.8	11.2
Change in Total Financial Assets	-	41.4	17.8	20.3	15.5	22.8	54.2	59.5	50.4	184.7	107.3	109.1	192.9	137.6	179.1

a - includes capital and surplus of commercial banks 1972-78.

SOURCES: Bank of Guyana: Bank of Guyana Annual Reports.

INVESTMENT AND FINANCING

TABLE IV

G\$Mn

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Gross Investment ^a	80.6	92.8	110	103.0	104.9	123.2	105.4	121.1	158.0	220	320.0	425.0	290.0	241.0	310.0
State Sector	(16.4)	(33.8)	(29.0)	(41.0)	(42.6)	(56.2)	(66.3)	(73.8)	(114.0)	(155.0)	(250.0)	(355.0)	(230.0)	(194.0)	(250.0)
Private Sector	(64.2)	(59.0)	(81.0)	(62.0)	(62.3)	(67.0)	(39.1)	(47.3)	(44.0)	(65.0)	(70.0)	(70.0)	(60.0)	(47.0)	(60.0)
Depreciation Allowance ¹ (-)	12.2	16.2	18.8	26.4	29.1	33.8	33.4	32.8	35.9	40.0	45.0	54.0	60.0	...	...
Net Investment	68.4	76.6	91.2	76.6	75.8	89.4	72.0	88.3	122.1	180.0	275.0	371.0	230.0	...	...
National Savings (Gross)	56.6	55.9	69.0	74.9	82.5	76.7	92.2	98.5	34.6	203.0	284.8	73.7	38.2	174.0	121.0
Incremental Capital Output Ratio ^b	...	0.72	0.52	-0.22	0.05	0.63	-0.63	0.46	0.78	0.21	0.43	-1.46	10.3	0.42	1.56
National Disposable Income	350.2	372.3	396.3	430.9	459.4	491.2	526.2	577.0	617.4	900.4	1130.1	1041.5	1043.2	1178.0	1251.0
Private Disposable Income	...	...	...	...	355.0	370.0	400.0	425.0	480.0	620.0	700.0	...	...	...	...
Net Foreign Savings	24.0	36.9	41.0	28.1	22.4	46.5	13.2	22.6	123.4	17.0	35.2	351.3	251.8	67.0	189
Net Capital Inflows ^c	(11.4)	(22.6)	(57.9)	(23.0)	(19.0)	(35.5)	(38.3)	(35.7)	(63.0)	(92.6)	(189.2)	(148.3)	(169.9)	(74.9)	(80.0)
Change in Reserves (Increase-)	(18.8)	(12.1)	(-9.9)	(8.4)	(7.5)										
Net Errors and Omissions	(-6.2)	(2.2)	(-47.0)	(-4.2)	(-4.1)	(9.1)	(-12.4)	(9.3)	(12.5)	(-12.0)	(18.3)	(-28.8)	(7.0)	(39.0)	(-14.0)
As Per cent of Investment															
National Savings	70.2	60.2	62.7	72.7	78.6	62.2	87.5	81.3	21.9	92.3	89.0	17.3	13.2	72.2	39.0
Foreign Savings	29.8	39.8	37.3	27.3	21.4	37.8	12.5	18.7	78.1	7.7	11.0	82.7	86.8	27.8	61.0
As Per cent of GNP															
National Savings	16.7	15.5	17.6	17.4	18.1	15.6	17.6	17.1	5.6	22.4	25.0	6.9	3.6	14.6	9.6
Foreign Savings	7.1	10.2	10.4	6.6	4.8	9.5	2.4	3.9	20.0	1.8	3.1	33.3	23.9	5.6	15.2
Investment	23.8	25.7	28.0	24.0	22.9	25.1	20.0	21.0	25.6	24.2	28.1	40.2	27.5	20.2	24.8
GNP at Market Prices	338.2	361.0	392.0	429.2	456.8	490.5	524.9	576.0	617.4	905.4	1139.1	1057.0	1053.2	1193.0	1250.0
Gross Domestic Product (Factor Cost)	325.0	341.9	374.7	405.2	438.0	567.0	495.2	529.3	576.4	865.0	1096.4	1024.5	1111.5	1126.0	1170.0
State Sector Saving	0.3	4.5	14.4	17.2	21.8	35.7	18.4	37.7	-17.6	98.0	257.0	22.0	-31.0	69.0	57.0*
Private Saving	56.3	51.4	54.6	57.7	60.7	41.0	73.3	60.8	52.2	105.0	27.8	51.7	69.2	105.0	64.0

a. Includes stock changes

b. Change in investment^{Capital} in Gross Domestic Product

c. Balance on Non-monetary Capital Account

¹ UN YEARBOOK OF NATIONAL ACCOUNTS STATISTICS 1976

* Provisional figure

SOURCES: Bank of Guyana: Bank of Guyana Annual Reports

TABLE V

ISSUES BY MAIN TYPES OF FINANCIAL INSTITUTIONS AND TYPES OF INSTRUMENTS

G\$Mn

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979/ 1965	
Total Issues	139.5	177.6	196.0	213.3	232.2	256.3	302.9	363.1	434.0	586.6	743.4	935.5	1003.5	1148.4	1330.6	9.5
Central Bank	(37.4)	(33.7)	(36.9)	(39.3)	(41.2)	(40.7)	(44.4)	(53.7)	(62.4)	(70.8)	101.9	113.4	(153.6)	167.4	162.2	
Commercial Banks	(79.1)	(83.0)	(93.7)	104.9	117.6	127.4	151.4	182.7	217.8	251.8	352.1	377.2	445.9	497.1	572.6	
Insurance and Pension Institutions	.....	29.8	33.2	35.0	37.5	39.8	42.6	46.9	52.4	138.8	149.9	170.3	191.5	224.4	253.1	
Thrift Institutions	(15.7)	21.9	23.0	24.8	23.7	24.4	27.8	31.3	37.3	42.0	33.9	46.3	59.9	71.1	84.0	
Development Banks	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.2	1.2	1.6	4.9	6.6	
Money	59.4	53.4	57.9	61.3	65.3	63.1	71.1	85.2	98.6	128.8	199.9	209.4	265.8	281.5	285.2	
Time and Savings Deposits	57.1	63.3	72.7	82.9	93.5	105.0	124.7	151.2	181.6	193.8	254.1	281.2	333.7	383.0	449.6	
Thrift, Insurance, Pension Claims	15.7	51.7	56.2	59.8	61.2	64.2	70.4	78.2	89.7	180.8	183.8	216.6	251.4	295.5	337.1	
Other Claims	7.3	9.2	9.2	9.3	12.2	24.0	36.7	48.5	64.1	83.2	105.6	128.3	152.6	188.4	258.7	

SOURCES: BANK OF GUYANA: BANK OF GUYANA ANNUAL REPORTS

TABLE VI

NEW ISSUE RATIOS FOR MAIN TYPES OF FINANCIAL INSTITUTIONS IN GUYANA

	1956-79	1965-69	1970-74	1975-79
Change in Issues of Financial Institutions	1191.1	92.7	330.3	587.2
Money	225.8	5.9	65.7	85.3
Time & Savings Deposits*	392.5	36.4	88.8	195.5
Thrift, Pension, Insurance claims	321.4	45.5	116.6	153.3
Other claims	251.4	4.9	59.2	153.1
GNP Aggregated	10783.7	1977.2	3114.2	5692.3
As percent of aggregated GNP.				
1. Change in Financial Institutions Issues	11.04	4.69	10.6	10.3
2. Change in money	2.09	0.3	2.1	1.5
3. Time and Savings Deposits*	3.63	1.8	2.8	3.4
4. Thrift, Pension, Insurance claims	2.98	2.3	3.7	2.7
5. Other Claims	2.33	0.2	1.9	2.7
6. 3 AS % of 1	32.8	38.4	26.4	33.0
7. 2 AS % of 1	18.9	6.4	19.8	14.6
8. 4 AS % of 1	27.0	49.0	34.9	26.2
A. Central Bank	1.1	0.19	0.96	1.0
B. Commercial Banks	4.6	1.9	4.0	3.87
C. Thrift Institutions	0.63	0.4	0.56	0.9
D. Insurance, Pension Institutions	2.1	1.9	3.17	1.8
E. Social Security Fund**	2.3	0.2	1.9	2.7
F. A AS % of 1	10.0	4.0	9.0	9.7
G. B AS % of 1	41.7	40.5	37.7	37.6
H. D AS % of 1	19.0	40.5	29.9	17.5
I. E AS % of 1	20.8	4.3	18.0	26.0

*1966-79/GNP 1966-79

**includes Development Banks

MONETARY INFLATION

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
1. Money Stock ^a	102.1	110.8	124.7	140.5	153.7	165.0	192.5	231.6	274.1	317.9	449.4	491.5	603.1	664.2	714.4
2. GNP at 1970 Prices	384.3	401.6	423.3	449.7	472.4	490.5	519.7	543.3	541.6	676.2	788.3	671.1	617.7	607.2	540.2
3. Money Stock/Real GNP (Per cent)	26.6	27.6	29.5	31.2	32.5	33.6	37.0	42.6	50.6	47.0	57.0	73.2	97.5	109.4	132.2
4. Currency in Circulation ^b /Real GNP (Per cent)	9.7	8.4	8.7	8.7	8.6	8.3	8.5	9.9	11.4	10.5	12.9	16.8	24.6	27.5	29.5
5. Index Numbers of 4	79.2	82.1	87.8	92.9	96.7	100.0	110.8	126.8	150.6	139.9	169.6	217.9	290.5	325.6	393.5
6. Consumer Price Index	88.0	89.9	92.6	95.4	96.7	100.0	101.0	106.0	114.0	133.9	144.5	157.5	170.5	196.5	231.4
7. GNP at Market Prices	338.2	361.0	392.0	429.2	456.8	490.5	524.9	576.0	617.4	905.4	1139.1	1057.0	1053.2	1193.0	1250.0
8. Index Numbers of 7	116.0	101.2	104.8	104.8	103.6	100.0	102.4	119.2	137.3	126.5	155.4	202.	296.3	331.3	355.4
9. Savings Deposits and Currency/ GNP (Per cent)	23.6	24.5	25.6	26.7	26.4	26.1	27.5	30.0	36.0	35.6	44.6	57.5	77.2	87.0	101.3
10. Index Numbers of 9	90.4	93.4	98.0	102.2	101.0	100.0	105.3	114.9	137.9	136.3	170.8	220.3	295.7	333.3	388.1

a. Currency Held by Public ^{PLUS} Demand Deposits ^{PLUS} and Time and Savings Deposits. b. Total Currency issue.

SOURCE: BANK OF GUYANA ANNUAL REPORTS

TABLE VIII

INCOME VELOCITY OF MONEY, REAL MONEY BALANCES

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
GNP/Money ₁ (Narrow)	7.4	7.4	7.3	8.3	7.4	7.8	7.4	6.7	6.3	6.9	5.6	4.8	3.7	4.0	4.3
GNP/Total Money Supply ₂	3.3	3.2	3.1	3.5	2.9	2.9	2.7	2.1	2.2	2.8	2.5	2.1	1.7	1.7	1.7
Demand Deposits/Money Supply ₂	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1
Narrow Money/Total Money	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.3
Demand Deposits/Currency	0.5	0.6	0.6	0.6	0.6	0.5	0.6	0.6	0.6	0.8	1.0	0.8	0.7	0.6	0.7
Money Supply/Price Level*	116.0	124.4	134.4	147.2	159.0	165.0	190.5	218.5	240.4	237.4	311.0	312.0	253.7	338.0	308.7
M ₁ +Savings Deposits/Price Level*	103.0	109.2	117.1	125.9	128.8	127.9	141.8	153.9	170.8	179.6	243.5	245.0	279.7	268.8	236.5

Money
₁ Currency Plus Demand Deposits.

Money
₂ Money Plus Time and Savings Deposits.

* 1970 = 100

SOURCES: Bank of Guyana Annual Reports.

TABLE VIII

THE CASH BASE

G\$Mn	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
COMPOSITION															
1. Currency	37.4	33.7	36.9	39.3	40.8	40.7	44.4	53.6	61.8	70.7	101.6	112.5	152.2	166.9	159.1
2. Banks' Balances at Central Bank	-	5.5	4.4	7.0	10.1	7.6	9.3	17.0	10.1	10.9	19.6	21.9	24.9	27.6	34.3
3. Cash Base	37.4	39.2	41.3	46.3	50.9	48.3	53.7	70.6	71.9	81.6	121.2	134.4	177.1	204.5	193.4
DISTRIBUTION															
4. Currency Held by Banks	9.6	5.7	6.2	5.1	4.7	3.0	3.3	5.1	5.9	6.7	9.6	7.0	9.6	10.7	11.0
5. Banks' Balances at Central Bank	-	5.5	4.4	7.0	10.1	7.6	9.3	17.0	10.1	10.9	19.6	21.9	24.9	27.6	34.3
6. Banks' Cash = [C _b]	9.6	11.2	10.6	12.1	14.8	10.6	12.6	22.1	16.0	17.6	29.2	28.9	34.5	48.3	45.3
7. Currency Held by Public [C _p]	27.8	28.0	30.7	34.2	36.1	37.7	41.1	48.5	55.9	64.0	92.0	105.5	142.6	156.2	148.1
8. Cash = C	37.4	39.2	41.3	46.3	50.9	48.3	53.7	70.6	71.9	81.6	121.2	134.4	177.1	204.5	193.4
9. Deposits of Residents=D	77.3	80.7	90.9	102.6	114.8	124.2	147.9	176.4	212.0	244.6	342.4	365.8	427.1	479.6	549.3
10. $\alpha = C_p/D$	0.36	0.35	0.34	0.33	0.31	0.30	0.28	0.27	0.25	0.26	0.27	0.29	0.33	0.33	0.27
11. $\beta = C_b/D$	-	0.14	0.12	0.12	0.13	0.18	0.08	0.12	0.07	0.07	0.08	0.08	0.08	0.10	0.08
12. $1/(\alpha+\beta)$	-	2.04	2.17	2.22	2.27	2.63	2.77	2.56	3.03	3.03	2.86	2.70	2.44	2.32	2.86
13. $[1/(\alpha+\beta)]C$	-	80.0	89.6	102.7											
14. Demand Deposits	21.9	19.7	20.9	21.9	24.1	22.4	26.7	31.5	36.2	58.0	98.0	96.1	112.2	114.1	123.0
15. Interbank Float			0.5	0.5	0.2	0.8			2.8	6.1	3.9	2.9	4.4	4.2	
16. 15 as per cent of 14			2.4	2.7	0.8	3.6			7.7	10.5	4.0	3.0	3.9	3.7	
17. Change in Consumer Price Index*		1.9	2.7	2.8	1.3	3.3	1.0	5.0	8.0	19.9	10.6	13.0	13.0	26.0	34.9
18. 7 + 9 = Money	105.1	108.7	121.6	136.8	150.9	161.9	189.0	224.9	267.9	308.6	434.1	471.3	569.7	635.8	697.4
19. $(1+\alpha)/(\alpha+\beta)$		2.76	2.91	2.45	2.97	3.42	3.56	3.26	3.82	3.82	3.63	3.49	3.24	3.09	3.63

*1970=100

SOURCES: Bank of Guyana: Bank of Guyana Annual Reports

APPENDIX I

DOMESTIC CREDIT-SELECTED FINANCIAL INSTRUMENTS

G\$Mn	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Bank Loans	48.0	61.5	53.9	65.8	89.3	104.0	101.4	96.7	143.4	168.6	171.9	232.7	239.1	244.1	332.3
Central Bank	-	8.1	1.5	0.8	11.0	10.0	3.4	-	20.4	8.1	-	36.6	4.8	-	-
Commercial Banks	48.0	53.4	52.4	65.0	78.3	94.0	98.0	96.7	123.0	160.5	171.9	196.1	234.3	-	332.3
House Purchase Loans	6.0	23.3	25.8	27.4	29.7	32.0	32.0	33.8	62.1	60.6	68.0	83.7	101.1	119.7	131.8
New Building Society	6.0	6.3	7.0	7.3	7.0	9.5	10.4	11.8	15.0	18.5	21.7	27.1	35.5	44.3	50.5
Local Insurance Companies	-	17.0	16.8	20.1	21.8	22.5	22.5	24.5	26.8	32.5	29.9	32.3	34.6	39.4	38.6
GCMFB*	-	-	-	-	-	-	-	-	0.1	5.6	9.8	15.6	20.1	21.8	24.4
New Widdows & Orphans Fund	-	-	-	-	-	-	-	-	0.2	0.5	0.8	1.4	1.9	2.4	3.2
Trust Companies	-	-	-	-	-	-	-	-	-	3.5	5.8	7.3	9.0	11.8	15.1
Other Loans & Mortgages	13.8	14.5	17.2	18.0	19.8	32.2	45.2	43.1	14.6	40.2	43.9	57.6	65.8	67.5	88.3
Local Insurance Co.	-	3.4	3.7	4.4	4.3	4.7	4.7	4.2	4.3	4.8	4.8	5.6	9.9	6.7	12.6
CAICDB*	-	-	-	-	-	-	-	-	1.8	7.6	11.4	14.7	17.5	23.7	36.9
Guyana Credit Corporation	13.8	11.1	12.1	11.7	12.8	11.8	12.9	12.4	12.0	-	-	-	-	-	-
Small Industries Corp.	-	-	-	-	-	-	-	-	-	-	2.9	3.9	4.2	-	-
Specialized Institutions	-	-	0.4	1.9	2.7	15.7	13.0	11.8	6.2	4.6	5.1	9.4	9.8	14.0	17.4
Guyana Housing Dev. Co.	-	-	-	-	-	-	12.1	14.7	17.2	19.8	19.7	19.6	18.3	17.1	15.2
Other Thrift Institutions	-	-	1.0	-	-	-	2.5	-	3.1	3.4	-	-	-	-	-
Pension Scheme Loans	-	-	-	-	-	-	-	-	-	-	-	4.4	5.5	5.5	4.3
Other Loans	-	-	-	-	-	-	-	-	-	-	-	-	0.6	0.5	1.9

*Guyana Cooperative Mortgage Finance Bank

**Guyana Agricultural Industrial Cooperative
Development Bank.

SOURCES: Bank of Guyana: Bank of Guyana Annual Reports