



CENTRAL BANK

of BELIZE



MONTHLY ECONOMIC HIGHLIGHTS

JULY 2018

List of Acronyms and Abbreviations

Acronyms:

BGA	Banana Growers Association
BSI	Belize Sugar Industries Limited
BTB	Belize Tourism Board
BTL	Belize Telemedia Limited
CBB	Central Bank of Belize
CDB	Caribbean Development Bank
CGA	Citrus Growers Association
CPBL	Citrus Products of Belize Limited
CPI	Consumer Price Index
EU	European Union
GDP	Gross Domestic Product
IDB	Inter-American Development Bank
MOF	Ministry of Finance
SIB	Statistical Institute of Belize
UHS	Universal Health Services
US	United States

Abbreviations and Conventions:

\$	the Belize dollar unless otherwise stated
bn	billion
mn	million
ps	pound solids
TC/TS	tons cane to ton sugar

Notes:

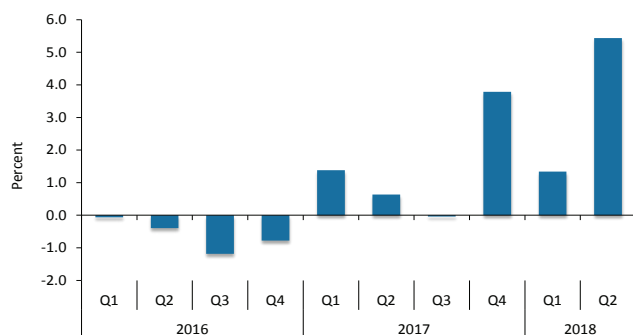
1. Since May of 1976, the Belize dollar has been fixed to the US dollar at the rate of US\$1.00 = BZ\$2.00.
2. The 2018 figures in this report are provisional and the figures for 2017 have been revised.
3. Unless otherwise indicated, the Central Bank of Belize is the source of all tables and charts.
4. Ratios to GDP for 2018 are based on Central Bank's forecast of annual GDP.

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Summary of Economic Indicators

**Chart I: Gross Domestic Product Growth Rate
(Year-on-Year - Percentage Change)**



Source: SIB

**Chart II: Consumer Price Index
(All Items)**



Source: SIB

**Chart III: Gross International Reserves and
Import Cover**

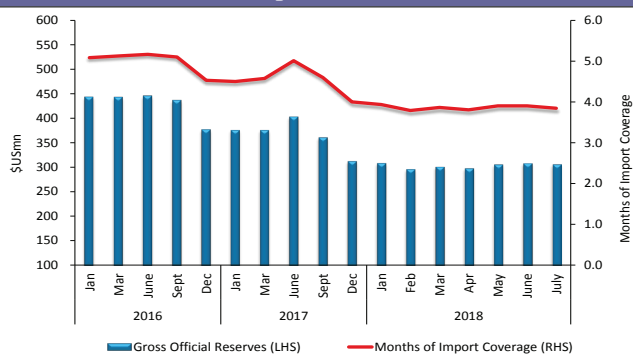
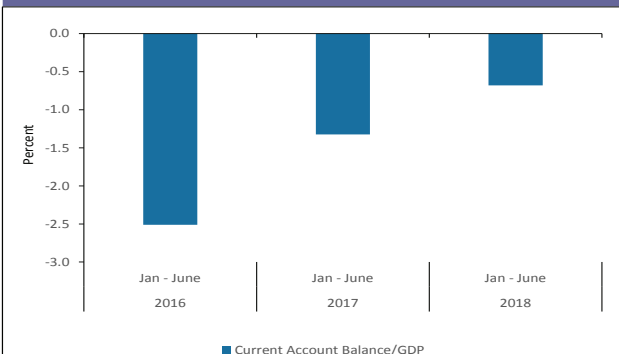


Chart IV: Current Account Balance to GDP



**Chart V: Domestic Banks -
Deposits and Loans and Advances**

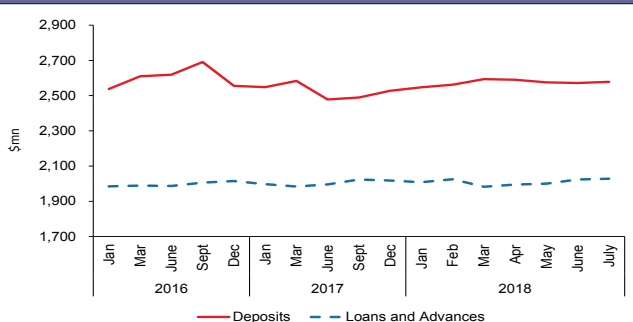
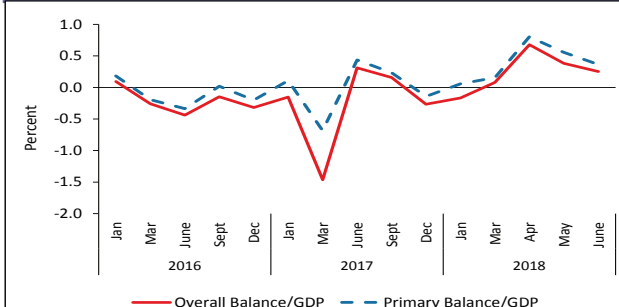


Chart VI: Primary and Overall Balances to GDP



Sources: MOF and CBB

Chart VII: Public Sector External Debt

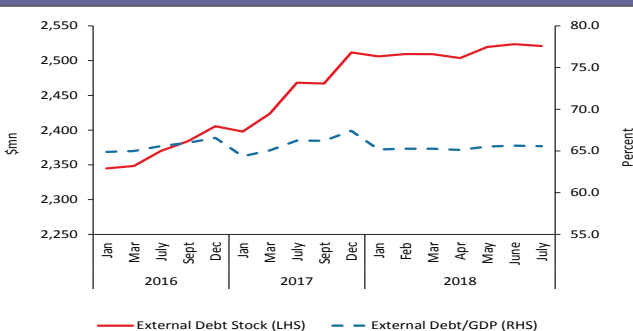
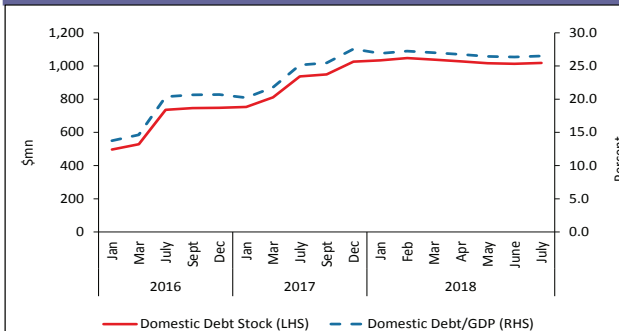


Chart VIII: Central Government Domestic Debt



Overview

- Broad money supply (M2) grew by 0.7% over the first seven months of the year, driven by a \$64.5mn increase in the net foreign assets of the banking system, as net domestic credit contracted by \$32.6mn.
- The build-up in net foreign assets of the banking system was due to a \$78.6mn increase in domestic banks' holdings to \$309.4mn, stemming mainly from increases in tourism receipts and inward foreign direct investments in agriculture. On the other hand, the net foreign assets of the Central Bank declined by \$14.1mn to \$614.4mn, as outflows of \$141.4mn exceeded inflows of \$127.4mn.
- The decline in net domestic credit reflected reductions in lending to Central Government and the private sector by \$41.2mn and \$21.3mn, respectively, as credit to other public sector entities rose by \$29.9mn.
- Lifted by the growth in foreign assets, the excess statutory liquid assets of domestic banks rose to 49.1% above the requirement at the end of July. However, the increase in Treasury bill purchases by domestic banks during the reporting period contributed to the reduction in aggregate excess cash holdings from 128.1% at the end of December 2017 to 93.1% above the requirement.
- The 12-month (rolling) weighted average interest rate on new loans grew by 14 basis points to 8.88% year-on-year, while the corresponding interest rate on new deposits dipped by 34 basis points to 1.50%. Consequently, the weighted average interest rate spread widened by 19 basis points to 7.38%.
- Merchandise export receipts fell by 15.4% to \$252.3mn as revenues from all major commodities contracted over the seven-month period. In contrast, gross imports (including electricity) rose by 3.4% to \$1,114.0mn due to increased spending on "*Fuels, Lubricants and Crude Materials*" (\$18.1mn), goods for the "*Commercial Free Zone*" (\$14.4mn), "*Machinery, Transport and Equipment*" (\$11.5mn) and "*Food, Beverages and Tobacco*" (\$5.7mn).
- Tourism growth remained buoyant as stay-over arrivals rose by 13.2% to 283,952 visitors and cruise ship disembarkations grew by 15.7% to 640,769 visitors.
- The Consumer Price Index (CPI) was unchanged in July relative to June but increased by an average of 0.1% when compared to the first seven months of 2017. The inflationary trend mainly reflected price increases for alcoholic beverages, liquid petroleum gas and health services.

-
- For the year to date, Central Government's domestic debt fell by 0.8% to \$1,018.6mn (26.6% of GDP), while the public sector's external debt rose by 0.5% to \$2,523.4mn (65.9% of GDP). Consequently, the total public sector debt-to-GDP ratio narrowed from 95.0% of GDP at December 2017 to 92.6% of GDP at the end of July.

Money and Credit

- During the first seven months of 2018, broad money supply rose by 0.7%, driven by a 7.5% expansion in the net foreign assets of the banking system, as net domestic credit dipped by 1.3%.
- The expansion in net foreign assets was attributable to increased holdings by domestic banks, which rose by \$14.1mn in July and \$78.6mn for the year to date to \$309.4mn. The overall growth in net foreign assets reflected heightened receipts from tourism and other miscellaneous services, as well as foreign direct investments in agriculture and other activities.
- In contrast, the net foreign assets of the Central Bank fell by \$4.8mn in July and \$14.1mn over the seven-month period to \$614.4mn, as foreign currency outflows of \$141.4mn outpaced inflows of \$127.4mn. Central Government received majority of total outflows (86.7%), most of which was used to service its external debt. When compared to the same period last year, foreign currency inflows almost halved with marked downturns in purchases of sugar export receipts, external loan proceeds and foreign checks from domestic banks. Consequently, the gross official international reserves dipped from 4.0 months of merchandise imports in December 2017 to 3.9 months of imports at the end of July.
- Net domestic credit contracted by \$32.6mn due to reduced lending to Central Government and the private sector over the first seven months of 2018. However, net credit to other public sector entities rose by \$29.9mn, most

Chart 1.1: Net Foreign Assets and Net Domestic Credit of the Banking System

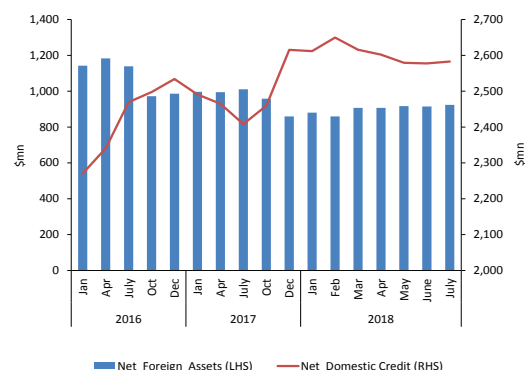
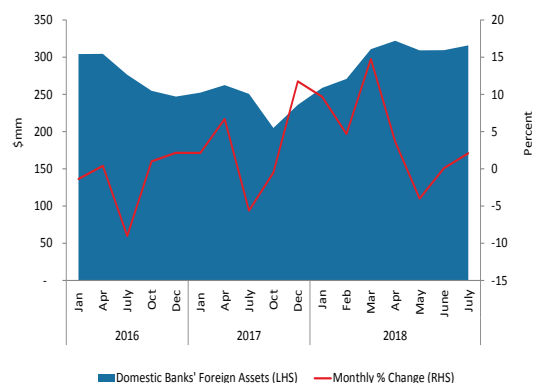


Table 1.1: Central Bank's Foreign Asset Flows

	\$mn	
	Jan - July 2017	Jan - July 2018
Total Inflows	238.1	127.4
Loan Disbursements	117.8	51.4
Sugar Receipts	55.8	42.1
Banks	24.1	0.8
Other	40.4	33.2
Total Outflows	223.1	141.4
Central Government	176.1	122.6
Banks	16.9	0.0
Other	38.0	18.8

Chart 1.2: Domestic Banks' Net Foreign Assets



of which was disbursed to Belize Telemedia Limited to fund its network expansion.

- Net credit to Central Government declined by \$41.2mn for the year to date, owing largely to a \$28.0mn build-up in deposits at banks and a \$7.5mn reduction in its overdraft facility at the Central Bank to \$39.8mn, which stood at 46.6% of the statutory requirement.
- Net lending to the private sector fell by \$21.3mn, due largely to repayments and write offs on loans for agriculture (\$72.3mn), marine products (\$2.5mn) and personal purposes (\$2.3mn). The sharp decline in net lending for agriculture was attributable to the payoff of several loans with the proceeds from the sale of a group of banana farms to Fyffes in March. Net disbursements for construction (\$12.6mn), merchandise trade (\$7.2mn) and manufacturing (\$31.4mn), with the latter reflecting the onshoring of a large loan to a sugar processor, dampened the overall decline.
- Loan write-offs more than halved to \$30.8mn, down from \$63.3mn in the same period of 2017. Write-offs were applied mainly against loans for banana production, personal purposes and construction activities.
- Net lending from the five largest credit unions fell by \$3.0mn in July, worsening the year-to-date decline to \$11.1mn. The overall reduction was due to loan reductions for personal purposes (\$8.5mn), construction (\$6.4mn), grains (\$3.3mn) and sugar production (\$1.5mn), which easily outweighed a \$7.1mn increase in net disbursements for real estate.

Chart 1.3: Change in Domestic Banks' Loans
Jan - July 2018

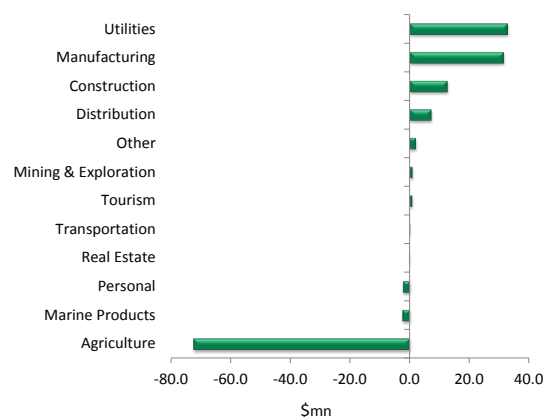


Chart 1.4: Loans for Top Five Credit Unions

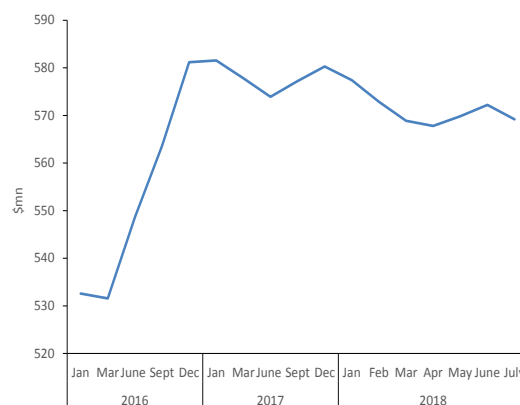
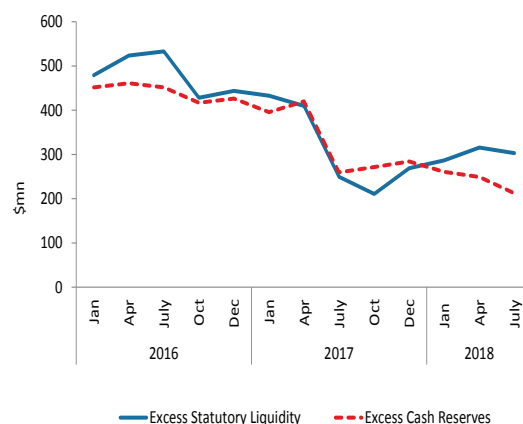


Chart 1.5: Excess Statutory Liquidity



- Buoyed by the increase in foreign assets, domestic banks' holdings of excess statutory liquid assets rose by \$33.8mn to \$302.8mn, which stood at 49.1% above the legal threshold. Notwithstanding, domestic banks' excess cash holdings plunged by \$71.8mn to \$212.2mn (93.1% above the requirement) largely due to additional Treasury bill purchases over the period.
- The 12-month (rolling) weighted average interest rate on new loans edged up by 16 basis points to 8.88% during the month, but declined by 14 basis points compared to July 2017. The downward trend in the latter reflected a 55 basis-point reduction in the rate for commercial loans, which outweighed rate increases of five, six and 34 basis points on loans for other purposes, personal purposes and residential construction, respectively.
- The 12-month (rolling) weighted average interest rate on new deposits fell by eight basis points to 1.50% in July relative to the previous month, and by 34 basis points compared to July 2017. Year-on-year rates declined across all deposit categories, except for savings, which increased by 44 basis points. Rates on demand, time and saving/chequing deposits rates fell by one, five and 61 basis points, respectively. As a result, the weighted average interest rate spread widened by 19 basis points to 7.38%.

Chart 1.6: Domestic Banks' Weighted (Rolling) Average Interest Rates on New Loans

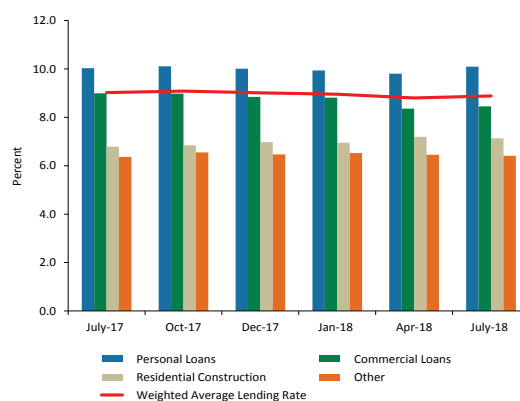
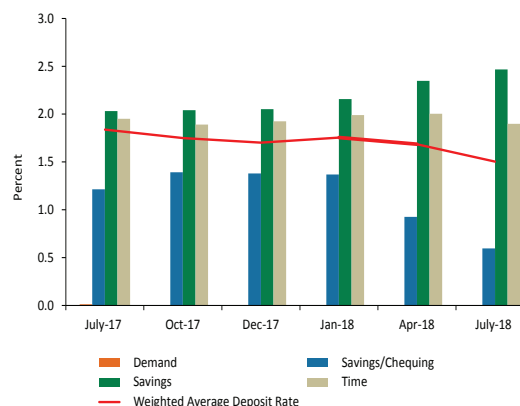


Chart 1.7: Domestic Banks' Weighted (Rolling) Average Interest Rates on Deposits



Real Sector Developments

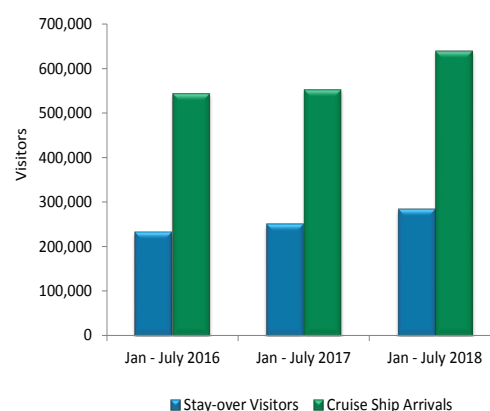
- The first seven months of the year featured higher outturns of sugarcane, sugar and conch, while the production of all other major export commodities declined.
- Tourism growth remained solid driven by a 13.2% increase in stay-over visitors to 283,952 for the first seven months of the year on account of increased air capacity, sustained marketing efforts and growth in key source markets. In addition, cruise ship disembarkations grew by 15.7% to 640,769 visitors, supported by a 29-ship increase in port calls to the Belize City and Harvest Caye ports, which totalled 238 ships for the year to date.
- The Consumer Price Index (CPI) was unchanged in July relative to June and averaged a slight 0.1% increase for the year to date when compared to the same period last year. Over the seven-month period, higher costs for alcoholic beverages, liquid petroleum gas and health services were mainly responsible for the inflationary trend. These drove the “*Alcoholic Beverages and Tobacco*”, “*Housing, Water, Electricity, Gas and Other Fuels*” and “*Health*” sub-indexes up by 3.9%, 0.4% and 2.6%, respectively. The upward momentum was dampened by reduced prices for meat, fresh fish, seafood and select vegetables in “*Food and Non-Alcoholic Beverages*”, which fell by 0.5%, alongside a 1.5% dip in “*Recreation and Culture*” due to lower prices for cultural services.
- For the first seven months of 2018, export receipts fell by 15.4% to \$252.3mn, as revenues from all major commodity exports contracted.

Table 2.1: Production of Main Domestic Exports

	Jan - July 2017	Jan - July 2018
Sugarcane Deliveries (long tons)	1,499,066	1,532,424
Sugar (long tons)	161,328	161,926
Molasses (long tons)	52,045	48,155
Bananas (metric tons)	47,493	43,771
Citrus Deliveries (boxes)	3,332,773	2,496,901
Citrus Juices ('000 ps)	19,775	14,343
Marine Exports ('000 lbs)	1,735	1,207
Petroleum (barrels)	223,520	180,770

Sources: BSI, Santander Group, BGA, CPBL, Geology & Petroleum Department

Chart 2.1: Tourist Arrivals



Sources: BTB and CBB

Table 2.2: Main Domestic Exports

	Jan - July 2017	Jan - July 2018
	\$mn	
Sugar	109.3	85.3
Molasses	7.9	4.8
Citrus	39.8	38.0
Bananas	51.7	44.8
Petroleum	16.3	15.8
Marine Exports	21.0	18.4
Other Domestic Exports	52.0	45.2
Total	298.1	252.3

Sources: BSI, BGA, CPBL, SIB, Geology and Petroleum Department

- On the other hand, gross imports (including electricity) rose by 3.4% to \$1,114.0mn due to increased spending on “*Fuels, Lubricants and Crude Materials*” (\$18.1mn), goods for the “*Commercial Free Zone*” (\$14.4mn), “*Machinery, Transport and Equipment*” (\$11.5mn) and “*Food, Beverages and Tobacco*” (\$5.7mn), which exceeded cutbacks on “*Manufactured Goods and Other Manufactures*” (\$9.8mn) and “*Oils, Fats and Chemicals*” (\$4.8mn).

Sugarcane and Sugar

- The northern 2017/2018 sugarcane crop year ended on 27 June and lasted for 202 days, compared to 207 days in the previous period. Slowed by above normal rainfall, sugarcane deliveries fell by 1.2% to 1,254,856 long tons. Increased mud content coupled with a 3.2% decline in factory time efficiency led to a 2.1% reduction in sugar production to 138,806 long tons, as cane purity improved marginally to 87.17%. The weaker outturn caused the tons cane to ton sugar (TC/TS) ratio to worsen by 1.0% from 8.95 in the previous crop year to 9.04.
- Also ending on 27 June, the 2018 crop year out West lasted for 112 days, which was three weeks shorter than the comparable harvest period in 2017 because of rain. Notwithstanding, sugarcane deliveries rose by 13.7% to 425,699 long tons due to a 26.9% expansion in harvestable acreage. Sugar extraction, however, was adversely impacted by a substantial 17.1% decline in factory time efficiency to 76.80% and a slight 0.6% deterioration in cane purity to 83.77%. As a result, sugar production rose by only 10.5% to 36,535 long tons, while the TC/TS ratio grew by 2.8% to 11.64.

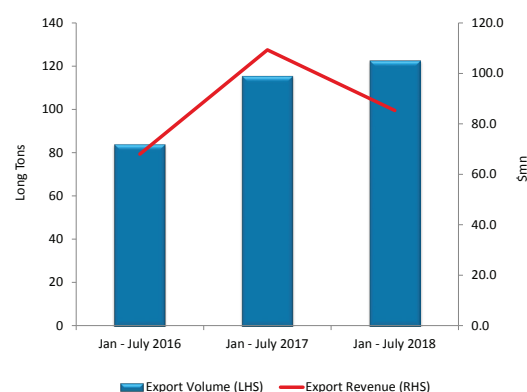
Table 2.3: Gross Imports by Standard International Trade Classification⁽¹⁾

	\$mn		
	Jan - July 2016	Jan - July 2017	Jan - July 2018
Food, Beverages and Tobacco	159.7	146.0	151.7
Fuels, Lubricants and Crude Materials	144.6	181.2	199.3
Of which: Electricity	16.0	29.2	25.2
Oils, Fats and Chemicals	108.9	118.6	113.8
Manufactured Goods and Other Manufactures	231.4	233.8	223.9
Machinery, Transport and Equipment	279.7	211.6	223.1
Other Goods	2.6	2.3	2.1
Export Processing Zones	31.0	22.8	24.2
Commercial Free Zone	165.5	161.4	175.8
Total	1,123.4	1,077.6	1,114.0

Source: SIB

⁽¹⁾ Imports are valued at cost, insurance and freight

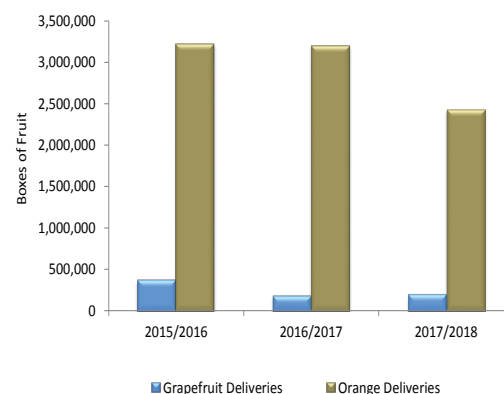
Chart 2.2: Sugar Exports



Sources: BSI and Santander Group

- Despite adverse weather-related setbacks, total sugarcane deliveries increased by 2.2% to a record-high 1,680,555 long tons. However, increased mud content and factory inefficiencies led to a smaller 0.3% uptick in sugar production to 175,340 long tons. As a result, the industry's TC/TS ratio weakened by 1.9% to 9.58, and total molasses production declined by 7.4% to 51,669 long tons.
- For the year to date, sugar exports expanded by 6.1% to 122,719 long tons, while sugar export receipts contracted by 22.0% to \$85.3mn, as sugar prices on the European Union (EU) market nosedived following the abolition of the EU sugar quota system in September 2017. The average unit price received on the EU market contracted by 29.0%, falling from US\$0.21 per pound in the previous period to US\$0.15 per pound over the year to date. Nevertheless, the EU remained Belize's principal export market, accounting for 89.7% of total sale volume, while the balance was shipped to the US (8.9%), CARICOM (1.4%) and Canada (0.1%).

Chart 2.3: Citrus Deliveries

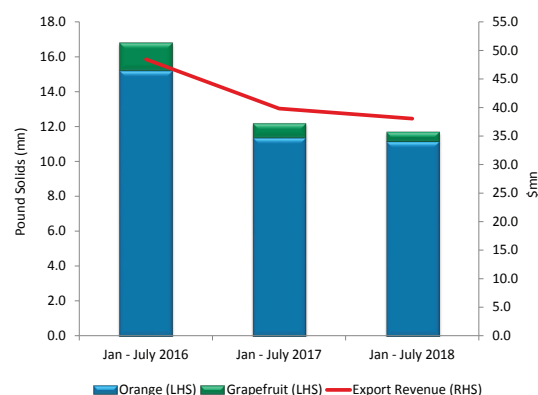


Sources: CGA and CPBL

Citrus

- The 2017/2018 citrus crop year ended on 13 June with citrus deliveries down by 22.1% to 2,638,884 boxes. Orange deliveries contracted by 24.0% to 2,433,409 boxes and was solely responsible for the overall decline, since grapefruit deliveries rose by 10.4% to 205,475 boxes. Fruit production was hampered by heavy rains at the beginning of the harvest period and by damages suffered from the spread of citrus greening and citrus leprosis.
- Total citrus juice production fell by 25.0% to 15.0mn pound solids (ps) for the 2017/2018 crop year, owing to a fall-off in fruit volume

Chart 2.4: Citrus Juice Export Volume and Revenue



Source: CPBL

and quality. Reflecting a 3.7% reduction in the average juice outturn per box of fruit, orange juice production contracted by 26.3% to 14.2mn ps, while grapefruit juice production increased by 8.4% to 0.8mn ps.

- For the year to date, citrus export volume declined by 3.9% to 11.7mn ps, while receipts fell by 4.5% to \$38.0mn. The latter was attributable to a 9.8% reduction in the average unit price for orange concentrate on the US market due to a temporary glut stemming from a Brazilian bumper crop in the previous year.

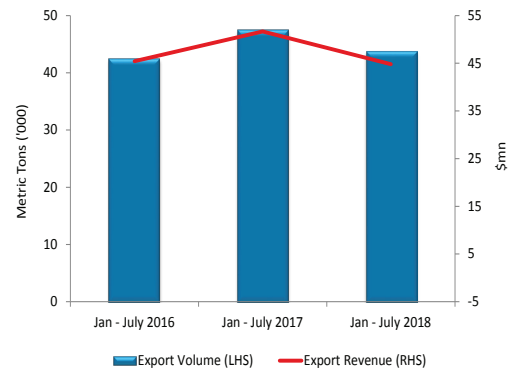
Banana

- Banana exports fell by 7.8% to 43,771 metric tons, reflecting a gradual recovery from rain-induced damages suffered from late 2017 through the first quarter of 2018. Export revenue was down by 13.3% to \$44.8mn, reflecting a 5.9% reduction in the average unit price.

Petroleum

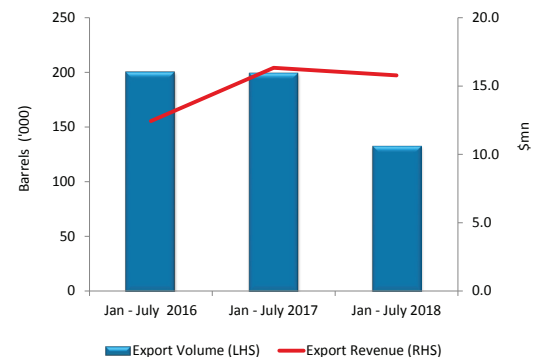
- Crude oil production contracted by 19.1% to 180,770 barrels for the year to date, as the daily extraction rate fell by 202 barrels to 853 barrels per day. Oil production at Spanish Lookout continued its natural decline, falling by 19.7% to 178,429 barrels, while field testing at Never Delay yielded 2,340 barrels.
- Petroleum export volume contracted by 33.4% to 133,048 barrels with only two shipments so far this year, compared to three over the same period in 2017. Export receipts fell by only 3.4% to \$15.8mn due to a 45.0% rally in the average price per barrel from US\$40.91 to US\$59.32 over the reporting period.

Chart 2.5: Banana Exports



Source: BGA

Chart 2.6: Petroleum Exports

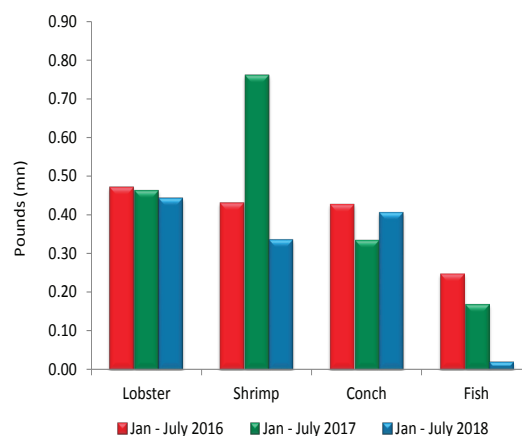


Source: Geology and Petroleum Department

Marine Exports

- Marine exports contracted by 30.4% to 1.2mn pounds, as declines in export volumes of lobster, shrimp and whole fish outweighed a 21.0% expansion in conch. Following a record-high catch in 2017, lobster sales were down by 4.7% to 0.4mn pounds, while shrimp export volume plummeted by 56.0% to 0.3mn pounds due to sustained difficulties with Early Mortality Syndrome (EMS). Export receipts fell by a smaller margin of 12.5% to \$18.4mn, owing to improved prices for lobster and conch.

Chart 2.7: Marine Export Volumes

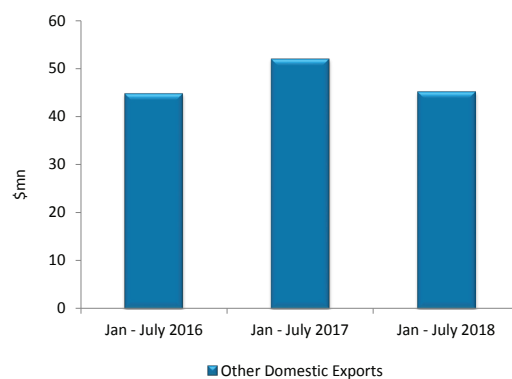


Sources: SIB and CBB

Other Domestic Products

- Receipts from other domestic products fell by 13.3% to \$45.2mn, due to lower sales of orange oil (\$3.6mn), black-eyed peas (\$1.7mn), sawn wood (\$1.4mn) and papaya (\$0.4mn), which overshadowed increases in pepper sauce (\$0.5mn), grapefruit oil (\$0.7mn) and animal feed (\$0.3mn).

Chart 2.8: Other Domestic Exports



Source: SIB

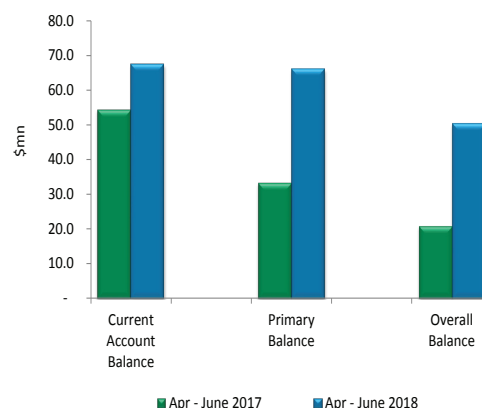
Central Government Operations

Information on Central Government's operations after June 2018 has not yet been made available.

Central Government Domestic Debt

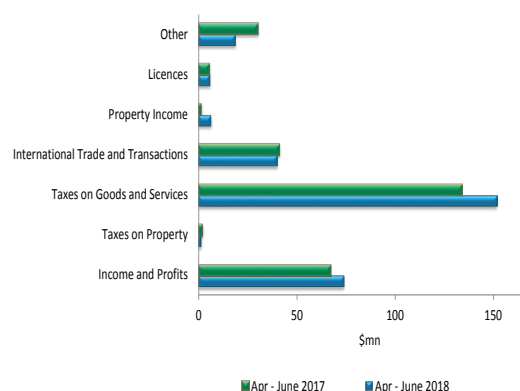
- Central Government's domestic debt fell by 0.8% to \$1,018.6mn during the first seven months of 2018. This \$7.9mn decline was attributable to a \$7.5mn reduction in Central Government's overdraft balance with the Central Bank and \$0.7mn in amortization payments on several loans.
- Interest payments summed to \$22.8mn. Central Bank received \$10.5mn, including \$2.6mn on short-term credit, by way of the overdraft and Treasury bills, and \$7.8mn on longer-term Treasury notes. Domestic banks and non-bank entities got \$4.5mn and \$7.8mn, respectively, on their holdings of securities.
- In securities trading, the Central Bank sold \$35.0mn worth of Treasury bills to domestic banks and non-bank entities, which in turn, increased their holdings by \$34.8mn and \$0.2mn, respectively. Additionally, non-bank entities and domestic banks purchased \$8.3mn worth of Treasury notes from the Central bank. On the primary market, Central Bank acquired \$16.0mn in one-year Treasury notes to replace an equivalent amount of one-year Floating Rate Treasury Notes that matured in May.
- Domestic banks continued to hold the largest share of Government's domestic debt, which rose from 39.0% at the end of December 2017 to 41.3% at the end of July. During the same period, the portion held by the Central Bank narrowed from 37.8% to 34.7%, while the

Chart 3.1: Central Government Operations



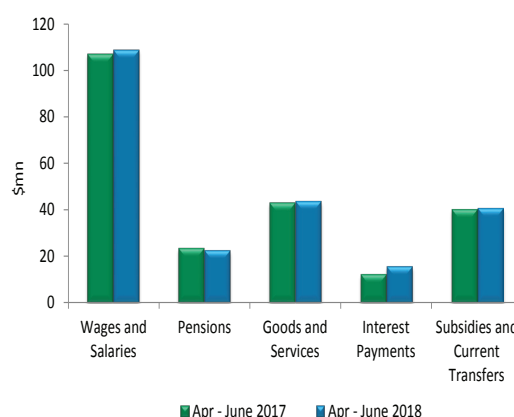
Sources: MOF and CBB estimates

Chart 3.2: Central Government Current Revenue



Sources: MOF and CBB estimates

Chart 3.3: Central Government Current Expenditure



Sources: MOF and CBB estimates

amount held by non-bank entities widened slightly from 23.2% to 24.0%, respectively.

Public Sector External Debt

- The public sector's external debt rose by 0.5% (\$11.4mn) to \$2,523.4mn, as disbursements of \$63.9mn exceeded principal payments of \$51.5mn.
- Loan disbursements to Central Government totalled \$55.9mn, all of which were obtained from bilateral and multilateral sources. Bilateral lenders disbursed \$29.5mn, comprising of \$20mn from the Republic of China/Taiwan for budget support and \$9.5mn from the Government of Venezuela under the Petrocaribe Agreement. Multilateral creditors distributed \$26.4mn, including \$14.0mn from the Caribbean Development Bank (CDB) to finance various projects such as the upgrading of the Philip S.W. Goldson Highway and Social Investment Fund programmes. The International Bank for Reconstruction and Development disbursed \$2.6mn for the climate resilience infrastructure project, while the Inter-American Development Bank expended \$8.9mn for the rehabilitation of the George Price Highway and several other projects.
- The non-financial public sector received \$4.5mn, comprising of \$0.5mn from CDB to Belize Electricity Limited and \$4.0mn from Atlantic International Bank Limited to BTL for its network expansion. Under the financial public sector, CDB disbursed \$3.5mn to the Development Finance Corporation.
- Central Government's amortization payments totalled \$48.6mn, of which \$32.9mn was paid to multilateral creditors and \$14.7mn to the

Chart 3.4: Central Government Domestic Debt

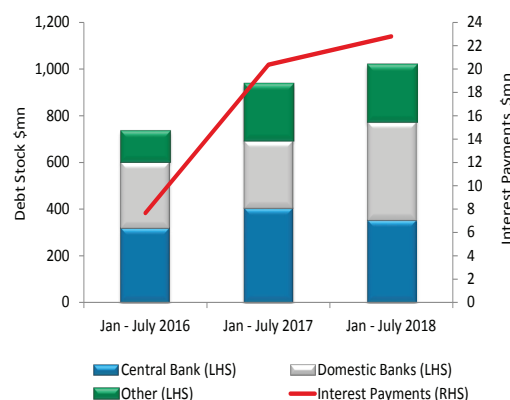
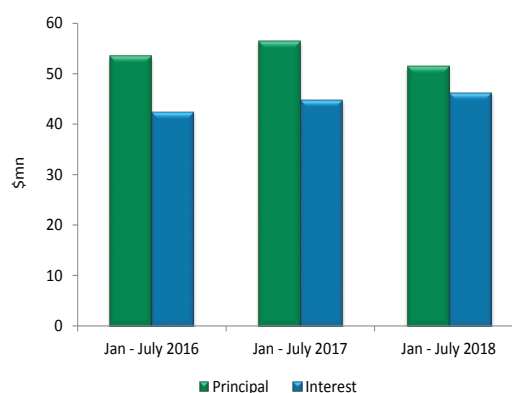


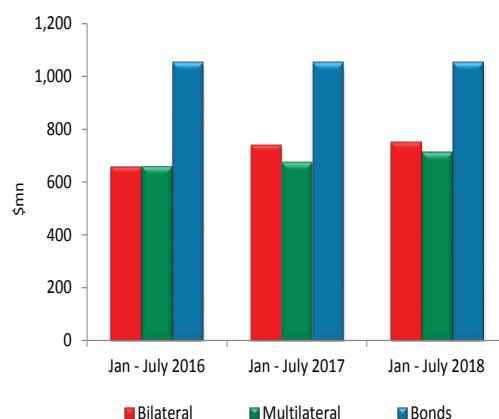
Chart 3.5: External Debt Service



Republic of China/Taiwan. Loan repayments by the non-financial and financial public sectors amounted to \$2.3mn and \$0.7mn, respectively.

- Interest and other payments summed to \$46.2mn. More than half of this amount (\$26.0m) comprised of interest costs on the 2038 bond, while multilateral and bilateral creditors received \$14.1mn and \$6.1mn, respectively, on concessional loans.

Chart 3.6: Public Sector External Debt



Statistical Appendix

Table A.1: Factors Responsible for Money Supply Movements⁽¹⁾

		\$mn		
		Changes During		
	Position as at July 2018	June 2018 to July 2018	Dec 2017 to July 2018	Dec 2016 to July 2017
Net Foreign Assets	923.8	9.3	64.5	24.0
Central Bank	614.4	-4.8	-14.1	17.1
Domestic Banks	309.4	14.1	78.6	6.9
Net Domestic Credit	2,582.7	5.3	-32.6	-125.3
Central Government (Net)	550.0	1.2	-41.2	-113.8
Other Public Sector	36.5	9.5	29.9	-3.7
Private Sector	1,996.2	-5.4	-21.3	-7.8
Central Bank Foreign Liabilities (Long-term)	50.3	0.0	-0.6	2.3
Other Items (Net)	498.0	17.4	12.8	-30.8
Money Supply (M2)	2,958.2	-2.8	19.7	-72.8

⁽¹⁾ Transactions associated with the Universal Health Services (UHS) loan with the Belize Bank Limited are not included in this table.

Table A.2: Net Foreign Assets of the Banking System

		\$mn		
		Changes During		
	Position as at July 2018	June 2018 to July 2018	Dec 2017 to July 2018	Dec 2016 to July 2017
Net Foreign Assets of the Banking System	923.8	9.3	64.5	24.0
Net Foreign Assets of the Central Bank	614.4	-4.8	-14.1	17.1
Central Bank Foreign Assets	616.3	-4.9	-14.0	15.0
Central Bank Foreign Liabilities (Demand)	1.9	-0.1	0.1	-2.1
Net Foreign Assets of Domestic Banks	309.4	14.1	78.6	6.9
Domestic Banks' Foreign Assets	315.9	6.5	80.0	-1.0
Domestic Banks' Foreign Liabilities (Short-Term)	6.5	-7.6	1.4	-7.9

Table A.3: Net Domestic Credit

		\$mn		
		Changes During		
	Position as at July 2018	June 2018 to July 2018	Dec 2017 to July 2018	Dec 2016 to July 2017
Total Credit to Central Government	684.8	4.4	-13.2	90.6
From Central Bank	353.5	14.5	-34.8	33.2
Loans and Advances	39.8	5.5	-7.5	0.0
Government Securities ⁽¹⁾	313.7	9.0	-27.3	33.2
From Domestic Banks	331.3	-10.1	21.6	57.4
Loans and Advances	2.6	0.0	1.4	-1.6
Government Securities	328.7	-10.1	20.2	59.0
Of which: Treasury bills ⁽²⁾	171.5	-10.1	34.8	-35.0
Treasury notes	157.2	0.0	-14.6	94.0
Other	0.0	0.0	0.0	0.0
Less Central Government Deposits	134.8	3.2	28.0	204.4
With Central Bank	99.6	-1.3	11.5	211.6
With Domestic Banks	35.2	4.5	16.5	-7.2
Net Credit to Central Government	550.0	1.2	-41.2	-113.8
Credit to Other Public Sector	36.5	9.5	29.9	-3.7
From Central Bank	0.0	0.0	0.0	0.0
From Domestic Banks	36.5	9.5	29.9	-3.7
Of which: Local Government	2.1	0.0	0.2	-0.4
Public Financial Institutions	0.0	0.0	0.0	0.0
Public Utilities	30.2	9.5	29.8	-1.1
Other Statutory Bodies	1.7	0.0	-0.1	-2.2
Securities	2.6	0.0	0.0	0.0
Plus Credit to the Private Sector	1,996.2	-5.4	-21.3	-7.8
Loans and Advances	1,995.8	-5.4	-21.3	-7.8
Securities	0.4	0.0	0.0	0.0
Net Domestic Credit of the Banking System ⁽³⁾	2,582.7	5.3	-32.6	-125.3

⁽¹⁾ Includes Central Bank's holdings of Government Treasury bills and Treasury notes.

⁽²⁾ Treasury bill holdings reported by domestic banks reflect a mix of par and market values.

⁽³⁾ Values may not equal to total due to rounding.

Table A.4: Sectoral Composition of Domestic Banks' Loans and Advances

		\$mn		
		Changes During		
	Position as at July 2018	June 2018 to July 2018	Dec 2017 to July 2018	Dec 2016 to July 2017
PRIMARY SECTOR	203.8	-5.2	-73.5	17.5
Agriculture	168.1	-5.0	-72.3	34.2
Sugar	84.2	-0.8	-3.4	10.4
Citrus	14.4	-0.4	-0.3	3.2
Bananas	21.6	-1.2	-59.7	12.3
Other	47.9	-2.6	-8.9	8.3
Marine Products	31.1	-0.5	-2.5	-1.9
Forestry	0.9	0.2	0.4	-0.4
Mining and Exploration	3.7	0.1	0.9	-14.4
SECONDARY SECTOR	696.3	7.0	76.7	-15.2
Manufacturing	66.2	-4.4	31.4	1.4
Building and Construction	583.9	1.7	12.6	-16.8
Utilities	46.2	9.7	32.7	0.2
TERTIARY SECTOR	689.7	-2.0	8.9	-5.7
Transport	57.4	0.1	0.1	-0.9
Tourism	117.0	-0.9	0.8	-10.9
Distribution	165.5	-0.5	7.2	8.3
Real Estate	290.8	-0.6	-0.1	4.8
Professional Services	49.0	0.1	-1.1	0.1
Other ⁽¹⁾	10.0	-0.2	2.0	-7.1
PERSONAL LOANS	438.2	4.1	-2.3	-9.7
TOTAL	2,028.0	3.9	9.8	-13.1

⁽¹⁾ Includes government services, financial institutions and entertainment.

Table A.5: Domestic Banks' Liquidity Position and Cash Reserves

\$mn

	Position as at July 2018	Changes During		
		June 2018 to July 2018	Dec 2017 to July 2018	Dec 2016 to July 2017
Holdings of Approved Liquid Assets	919.5	0.7	50.6	-205.5
Notes and Coins	95.3	9.0	19.8	1.2
Balances with Central Bank	449.8	8.5	-58.0	-176.5
Money at Call and Foreign Balances (due 90 days)	188.9	-6.9	95.6	-17.1
Central Government Securities maturing within 90 days ⁽¹⁾	172.5	-14.2	13.6	-41.3
Other Approved Assets	13.0	4.3	-20.4	28.2
Required Liquid Assets	616.7	-2.2	16.8	-11.2
Excess/(Deficiency) Liquid Assets	302.8	2.9	33.8	-194.3
Daily Average Holdings of Cash Reserves	440.1	-0.4	-65.6	-170.8
Required Cash Reserves	227.9	-0.8	6.2	-4.1
Excess/(Deficiency) Cash Reserves	212.2	0.4	-71.8	-166.7
Actual Securities Balances ⁽²⁾	171.7	-10.0	35.0	-35.0
Excess/(Deficiency) Securities	171.7	-10.0	35.0	-35.0

⁽¹⁾ Four week average of domestic banks' Treasury bill holdings.⁽²⁾ Face value of domestic banks' Treasury bill holdings at the end of the month.

Table A.6: Domestic Banks' Weighted Average Interest Rates

Percent

	Position as at July 2018	Changes During		
		June 2018 to July 2018	Dec 2017 to July 2018	Dec 2016 to July 2017
Weighted Lending Rates				
Personal Loans	11.06	0.02	-0.25	-0.25
Commercial Loans	9.12	0.14	0.00	-0.14
Residential Construction	7.06	-0.03	-0.11	-0.28
Other	6.77	-0.04	0.04	-0.39
Weighted Average	9.27	0.07	-0.07	-0.17
Weighted Deposit Rates				
Demand	0.01	0.00	0.00	0.00
Savings/Chequing	0.48	-0.01	-0.01	-0.27
Savings	2.71	0.00	0.21	-0.02
Time	1.99	0.00	-0.09	-0.08
Weighted Average	1.23	-0.00	0.02	-0.05
Weighted Average Spread	8.04	0.07	-0.09	-0.12

Table A.7: Domestic Banks' (Rolling) Weighted Average Interest Rates
on New Loans and Deposits

	Percent				
	Twelve Month Rolling Averages at			Monthly Change July 2018 over June 2018	Annual Change July 2018 over July 2017
	July 2018	June 2018	July 2017		
Weighted Lending Rates					
Personal Loans	10.09	9.70	10.03	0.39	0.06
Commercial Loans	8.45	8.46	9.00	-0.01	-0.55
Residential Construction	7.13	7.16	6.79	-0.02	0.34
Other	6.41	6.41	6.36	-0.00	0.05
Weighted Average	8.88	8.72	9.02	0.16	-0.14
Weighted Deposit Rates					
Demand	0.00	0.00	0.01	0.00	-0.01
Savings/Chequing	0.60	0.69	1.21	-0.09	-0.61
Savings	2.47	2.46	2.03	0.01	0.44
Time	1.90	1.90	1.95	-0.00	-0.05
Weighted Average	1.50	1.58	1.84	-0.08	-0.34
Weighted Average Spread	7.38	7.14	7.19	0.24	0.19

Table A.8: Tourist Arrivals

	Jan - July 2017	Jan - July 2018
Air	212,366	237,221
Land	33,553	43,414
Sea	5,018	3,317
Stay-over Visitors	250,937	283,952
Cruise Ship Disembarkations	554,047	640,769

Sources: BTB and CBB

Table A.9: Percentage Change in the Consumer Price Index Components
by Major Commodity Group

Major Commodity	Weights	June 2018	July 2018	% Change	
				July 2018 over June 2018	YTD 2018 over YTD 2017
Food and Non-Alcoholic Beverages	195	104.8	104.9	0.1	-0.5
Alcoholic Beverages and Tobacco	17	107.2	107.3	0.0	3.9
Clothing and Footwear	83	97.7	97.7	0.0	-0.2
Housing, Water, Electricity, Gas, and Other Fuels	265	103.9	103.9	-0.0	0.4
Furnishing, Household Equipment, and Routine Household Maintenance	69	101.5	101.5	-0.0	0.3
Health	41	117.2	117.1	-0.1	2.6
Transport	136	112.6	112.2	-0.3	0.0
Communication	33	100.7	100.7	0.0	0.4
Recreation and Culture	69	104.0	104.0	-0.1	-1.5
Education	32	103.3	103.3	0.0	-0.4
Restaurants and Hotels	7	120.1	120.1	0.0	-0.1
Miscellaneous Goods and Services	52	105.6	105.6	-0.0	1.0
All Items	1,000	105.0	105.0	-0.0	0.1

Source: SIB

Table A.10: Sugarcane Deliveries and Production of Sugar and Molasses

	July 2017	July 2018	Dec - July 2016/2017	Dec - July 2017/2018
Deliveries of Sugarcane (long tons)	556	0	1,644,405	1,680,555
Sugar Processed (long tons)	217	0	174,887	175,340
Molasses Processed (long tons)	515	0	55,792	51,669
Performance				
Factory Time Efficiency (%)	22.68	0	95.15	90.16
Cane Purity (%)	83.25	0	86.42	86.31
Cane/Sugar	2.56	0	9.40	9.58

Source: BSI and Santander Group

Table A.11: Exports of Sugar and Molasses

	July 2017		July 2018		Jan - July 2017		Jan - July 2018	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
Sugar	1,374	1,755	11,313	12,147	115,636	109,312	122,719	85,288
E.U.	1,275	1,371	300	358	103,975	95,463	110,067	71,742
USA	25	31	10868	11,636	10,892	12,642	10,868	11,636
Caricom	74	353	146	153	747	1173	1,705	1,817
Other	0	0	0	0	22	34	79	93
Molasses	9,863	2,104	0	0	37,677	7,916	29,820	4,767

Sources: BSI and Santander Group

Table A.12: Citrus Deliveries and Production

	Oct - June 2016/2017	Oct - June 2017/2018
Deliveries (boxes)		
Orange	3,200,843	2,433,409
Grapefruit	186,106	205,475
Total	3,386,949	2,638,884
Concentrate Produced (ps)		
Orange	19,021,381	13,918,012
Grapefruit	730,703	778,838
Total	19,752,084	14,696,850
Not from concentrate (ps)		
Orange	225,567	268,242
Grapefruit	20,460	35,637
Total	246,027	303,879
Pulp (pounds)		
Orange	2,403,232	1,610,352
Grapefruit	5,936	103,880
Total	2,409,168	1,714,232
Oil Produced (pounds)		
Orange	1,256,000	809,600
Grapefruit	31,100	22,600
Total	1,287,100	832,200

Source: CPBL

Table A.13: Export Sales of Citrus Products

	July 2017		July 2018		Jan - July 2017		Jan - July 2018	
	Pound Solids ('000)	Value (\$'000)	Pound Solids ('000)	Value (\$'000)	Pound Solids ('000)	Value (\$'000)	Pound Solids ('000)	Value (\$'000)
Citrus Concentrates								
U.S.A.								
Orange	0	0	1,261	3,511	5,010	15,194	5,637	15,414
Grapefruit	0	0	0	0	0	0	0	0
Caribbean								
Orange	601	2,312	587	2,217	4,144	15,371	4,237	15,850
Grapefruit	22	83	4	24	229	856	178	930
Europe								
Orange	499	1,353	214	670	2,198	6,029	1,197	3,726
Grapefruit	94	341	62	223	492	1,772	262	1,022
Other								
Orange	0	0	0	0	0	0	68	225
Grapefruit	30	110	0	0	120	442	132	714
Sub-Total ⁽¹⁾	1,247	4,200	2,128	6,646	12,193	39,664	11,711	37,880
Orange	1,101	3,665	2,062	6,398	11,352	36,595	11,139	35,214
Grapefruit	146	535	67	248	841	3,070	572	2,666
Not-From-Concentrate								
Sub-Total	0	0	5	27	31	166	32	165
Orange	0	0	4	22	26	135	27	137
Grapefruit	0	0	1	5	5	30	5	29
Total Citrus Juices	1,247	4,200	2,134	6,673	12,224	39,830	11,743	38,046
Pulp (pounds '000)								
Total ⁽¹⁾	637	483	27	22	1,096	853	1,428	1,088
Orange	637	483	2	2	1,096	853	1,321	1,006
Grapefruit	0	0	25	20	0	0	106	82

Source: CPBL

⁽¹⁾ Values may not be equal to total due to rounding.

Table A.14: Banana Exports

	July 2017	July 2018	Jan - July 2017	Jan - July 2018
Volume (metric tons)	5,063	7,581	47,493	43,771
Value (\$'000)	4,349	6,370	51,652	44,784

Source: BGA

Table A.15: Marine Exports

	Jan - July 2017		Jan - July 2018	
	Volume ('000 pounds)	Value (\$'000)	Volume ('000 pounds)	Value (\$'000)
Lobster	465	10,270	443	11,159
Shrimp	763	6,434	336	1,446
Conch	336	4,075	407	5,723
Other Fish	170	227	21	43
Total	1,735	21,006	1,207	18,371

Source: SIB

Table A.16: Other Domestic Exports

	Jan - July 2017	Jan - July 2018
Other Domestic Exports (\$'000)	52,047	45,230
Of which:		
Pepper Sauce	2,151	2,708
Red Kidney Beans	5,576	5,239
Orange Oil	9,977	6,397
Grapefruit Oil	730	1,478
Animal Feed	10,175	10,476

Source: SIB

Table A.17: Petroleum Production and Exports

	July 2017	July 2018	Jan - July 2017	Jan - July 2018
Crude Oil Production				
Never Delay (Barrels)	342	357	1,442	2,340
Spanish Lookout (Barrels)	30,907	24,005	222,078	178,429
Crude Oil Export				
Volume (Barrels)	65,816	0	199,682	133,048
Value (\$'000)	5,051	0	16,338	15,784

Source: Petroleum and Geology Department

Table A.18: Central Government Revenue and Expenditure

		\$'000				
	Approved Budget 2018/2019	Jan 2017 to June 2017	Jan 2018 to June 2018 ^P	Apr 2017 to June 2017	Apr 2018 to June 2018 ^P	Fiscal YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	1,183,327	543,217	598,376	282,064	300,357	25.4%
1). Current Revenue	1,134,915	529,084	578,655	281,275	299,336	26.4%
Tax Revenue	1,022,580	478,139	515,090	243,912	267,546	26.2%
Income and Profits	277,322	136,080	145,709	67,108	74,047	26.7%
Taxes on Property	6,241	4,224	3,662	2,090	1,655	26.5%
Taxes on Goods and Services	568,542	259,611	287,980	133,589	151,608	26.7%
International Trade and Transactions	170,296	78,225	77,739	41,125	40,236	23.6%
Non-Tax Revenue	112,335	50,945	63,566	37,363	31,789	28.3%
Property Income	30,021	2,950	16,232	1,505	6,706	22.3%
Licences	16,947	10,033	12,639	5,653	6,075	35.8%
Other	65,367	37,962	34,695	30,205	19,008	29.1%
2). Capital Revenue	3,301	1,071	975	442	529	16.0%
3). Grants	45,111	13,062	18,747	347	492	1.1%
TOTAL EXPENDITURE (1+2)	1,208,717	598,545	582,115	261,133	249,880	20.7%
1). Current Expenditure	1,051,354	496,199	515,820	226,946	231,853	22.1%
Wages and Salaries	431,681	209,218	215,535	107,238	108,809	25.2%
Pensions	91,428	44,612	43,826	23,631	22,666	24.8%
Goods and Services	238,375	105,237	112,750	43,252	43,830	18.4%
Interest Payments on Public Debt	111,901	55,145	58,547	12,409	15,741	14.1%
Subsidies and Current Transfers	177,968	81,986	85,161	40,417	40,808	22.9%
2). Capital Expenditure	157,364	102,346	66,295	34,187	18,027	11.5%
Capital II (Local Sources)	61,921	56,466	28,227	12,046	11,298	18.2%
Capital III (Foreign Sources)	93,144	44,254	37,491	21,550	6,151	6.6%
Capital Transfer and Net Lending	2,299	1,625	578	591	578	25.1%
CURRENT BALANCE	83,561	32,885	62,835	54,329	67,483	80.8%
PRIMARY BALANCE	86,511	(183)	74,808	33,340	66,217	76.5%
OVERALL BALANCE	(25,390)	(55,328)	16,261	20,931	50,477	-198.8%
Primary Balance less grants	41,400	(13,245)	56,061	32,993	65,725	158.8%
Overall Balance less grants	(70,502)	(68,390)	(2,486)	20,584	49,984	-70.9%
FINANCING	25,390	55,328	(16,261)	(20,931)	(50,477)	
Domestic Financing		(14,232)	(80,073)	(58,823)	(69,324)	
Central Bank		(220,875)	(104,137)	(263,660)	(71,172)	
Net Borrowing		39,654	(58,452)	(15,423)	(36,077)	
Change in Deposits		(260,528)	(45,685)	(248,238)	(35,094)	
Commercial Banks		58,548	35,992	72,383	(5,331)	
Net Borrowing		58,714	17,996	65,752	7,274	
Change in Deposits		(166)	29,924	6,631	(12,605)	
International Banks		1,008	(11,928)	1,052	(360)	
Other Domestic Financing		147,086	0	131,403	7,538	
Financing Abroad		69,642	64,949	43,675	16,400	
Disbursements		114,035	13,398	69,020	37,307	
Amortization		(44,393)	51,552	(25,344)	(20,907)	
Nationalization of BTL		0	0	0	0	
Other ⁽¹⁾		(81)	(1,137)	(5,784)	2,448	

Sources: CBB and MOF

^P - Provisional

Table A.19: Central Government Domestic Debt 2018

		TRANSACTIONS THROUGH JULY 2018				\$'000
	Disbursed Outstanding Debt 31/12/17 ^R	Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	Disbursed Outstanding Debt 31/07/18 ^P
Overdraft/Loans	47,235	0	0	2,109	(7,466)	39,769
Central Bank	47,235	0	0	2,109	(7,466)	39,769
Domestic Banks	0	0	0	0	0	0
Treasury Bills	245,000	0	0	1,442	0	245,000
Central Bank	106,823	0	0	533	(34,994)	71,828
Domestic Banks	136,700	0	0	901	34,768	171,468
Other	1,477	0	0	8	226	1,704
Treasury Notes	640,000	16,008	16,008	19,164	0	640,000
Central Bank	234,100	16,008	8	7,819	(8,273)	241,827
Domestic Banks	171,771	0	15,000	3,590	428	157,199
Other	234,129	0	1,000	7,754	7,845	240,974
Belize Bank Limited ⁽¹⁾	91,000	0	0	0	0	91,000
Heritage Bank Limited	1,020	0	449	48	0	571
Belize Social Security Board ⁽²⁾	311	0	23	12	0	288
Fort Street Tourism Village	0	215	108	0	0	108
Debt for Nature Swap	1,970	0	91	28	0	1,879
Total	1,026,537	16,223	16,679	22,803	(7,466)	1,018,615

^R - Revised^P - Provisional⁽¹⁾ Caribbean Court of Justice award in November 2017 against the Government of Belize in favour of Belize Bank relating to the loan guarantee⁽²⁾ Government has outstanding loan with BSSB for Hopeville Housing Project.

Table A.20: Public Sector External Debt 2018

\$'000

	Disbursed Outstanding Debt 31/12/17 ^R	TRANSACTIONS THROUGH JULY 2018				Disbursed Outstanding Debt 31/07/18 ^P
		Disbursements	Principal Payments	Interest & Other Payments	Parity Change	
CENTRAL GOVERNMENT	2,415,444	55,933	48,577	44,951	-338	2,422,461
Government of Venezuela ⁽¹⁾	419,615	9,549	0	347	0	429,164
Kuwait Fund for Arab Economic Development	26,512	0	957	601	-93	25,462
Mega International Commercial Bank Company LTD.	50,000	0	0	1,010	0	50,000
Republic of China	241,601	20,000	14,736	4,104	0	246,865
Caribbean Development Bank	259,805	14,036	17,425	6,634	-0	256,415
Caricom Development Fund	799	0	415	37	0	384
European Economic Community	8,442	0	489	36	-181	7,772
Inter-American Development Bank	228,478	8,913	10,273	3,517	0	227,118
International Fund for Agriculture Development	2,924	0	168	33	-64	2,693
International Bank for Reconstruction and Development	32,242	2,600	791	521	0	34,051
Opec Fund for International Development	70,574	835	2,436	1,484	0	68,973
Central American Bank for Economic Integration	21,447	0	887	631	0	20,560
Bank of New York	1,053,004	0	0	25,996	0	1,053,004
NON-FINANCIAL PUBLIC SECTOR	22,620	4,510	2,265	555	0	24,866
Caribbean Development Bank ⁽²⁾⁽³⁾	22,620	510	2,265	555	0	20,866
Atlantic International Bank Limited	0	4,000	0	0	0	4,000
FINANCIAL PUBLIC SECTOR	73,905	3,478	666	639	-691	76,026
Caribbean Development Bank	22,845	3,478	647	639	0	25,676
European Economic Community	93	0	19	0	-2	72
International Monetary Fund ⁽⁴⁾	50,968	0	0	0	-690	50,278
GRAND TOTAL	2,511,969	63,921	51,508	46,170	-1,029	2,523,353

^R - Revised^P - Provisional

⁽¹⁾ Since September 2017, debt service payments for oil imports have been suspended due to U.S. sanctions on Petroleos de Venezuela, S.A. Unpaid debt service payments up to the end of July 2018 amount to principal of \$13.0mn and interest of \$3.1mn.

⁽²⁾ Effective 21 June 2011, the nationalization of Belize Electricity Limited caused an increase (\$23.1mn) in debt, which was matched by Government's acquisition of assets of equal value.

⁽³⁾ Effective 3 October 2005, loans to BWSL were reclassified as public sector debt as a result of Government of Belize's repurchase of the company.

⁽⁴⁾ International Monetary Fund Special Drawing Rights allocation is included as part of the financial public sector external debt obligation.