Review of Economic and Financial Developments

March 2008

Overview

Partly due to the residual effects of inclement weather, the economy grew by a rather sluggish 0.6% in the first quarter with increased value added from the marine sector, banana, distributive trade and petroleum being offset by contractions in sugar, citrus, papaya, garments and tourism. The external current account position deteriorated, swinging from a $40.5mn surplus in the comparable period of 2007 to a deficit of $64.6mn largely due to an increase in the merchandise trade deficit and substantial outflows caused by commercial bank profit repatriation. Financing was provided by a surplus on the capital and financial account that was both driven by foreign direct investment inflows and facilitated by reduced debt payments. In addition to covering the current account deficit, the sum of $5.5mn was added to the gross international reserves, which stood at $222.5mn, the equivalent of 2.2 months of imports.

The Statistical Institute of Belize reported that the Consumer Price Index rose by 1.3% over the quarter (November–February) and by 4.7% over the year (February 2007 - February 2008). The latter reflected across the board price increases with 'clothing and footwear' being the only category not affected.

The fiscal outturn was generally better when compared to the same period of the previous year with revenues (both tax and non-tax) experiencing an upswing notwithstanding a decline in receipts from official grants. Even with a 37.4% expansion in capital outlays stimulated by pre-election activity, total expenditure was down by 9.0% mainly due to the significant decline in interest payments that was the fruit of the debt restructuring programme. In addition to a higher primary surplus (0.3% of GDP), the quarterly fiscal outturn included a lower overall deficit (1.2% of GDP compared to 2.5% of GDP in the January-March period of 2007)

These improvements notwithstanding, the government's finances continued to be largely hamstrung by its sizeable external debt service obligations. To accommodate the latter, its use of Central Bank overdraft loans shot up by $48.4mn during the quarter, raising the overdraft balance to $157.2mn, the equivalent of 26.8% of the current revenues collected by the government in the previous fiscal year. Growth in the domestic debt was therefore the flip side of transactions that resulted in a 0.2% decline in the public sector's external debt during the review period. While external loan disbursements totaled $22.0mn, principal and interest payments to external creditors summed to $63.2mn.

Monetary growth during the quarter was a robust 5.6%, an increase that was fueled by credit and to a lesser extent by foreign exchange inflows derived from tourism, remittances and direct investment in construction of condominiums and other facilities catering for non-residents. The expansion in credit was notable for the already mentioned spurt in Central Bank lending to Central Government. In contrast to this, credit to statutory bodies and the private sector declined slightly, the latter being mainly due to the controversial repayment of the UHS debt and net repayments from entities in tourism that outweighed increases for utilities and distributive trade among others.

Bank liquidity received a seasonal boost as foreign inflows from investments from abroad and foreign loan disbursements increased. Excess statutory liquidity expanded by 62.9% with excess cash reserves also rising by 81.4%. While the weighted average interest rate on deposits increased by 6 basis points, the weighted average rate on loans edged down by 15 basis points in response to declines in the average residential construction and commercial loan rates.

Domestic Production And Prices

In the first quarter, GDP grew by 0.6% (compared to 1.1% in 2007) with increases in the marine sector, distributive trade and petroleum extraction being offset by a contraction in export oriented agriculture. The latter included production declines in sugarcane and papaya due to hurricane damage and an unusually small first crop for citrus. Manufacturing declined as a result of the closure of the Williamson sewing factory while a sharp reduction in cruise ship arrivals and marginal growth in stay-over tourists resulted in decreased hotel and restaurant activities. Electricity production from the Chalillo Dam also fell substantially due to the prolonged dry weather. Notable price hikes in imported food staples, butane, and other fuels drove the Consumer Price Index up by 4.7% over the twelve month period (February 2007 to February 2008).

Table 1.1: Production of Main Domestic Exports

	2007 Jan—Mar	2008 Jan– Mar
Sugarcane Deliveries (long tons)	498,672	450,801
Sugar (Long tons)	40,348	35,830
Molasses (long tons)	16,401	16,030
Bananas (metric tons)	10,375	20,372
Citrus Deliveries (boxes)	3,723,665	3,173,228
Citrus Juices ('000 ps)	20,852	16,713
Marine Products ('000 lbs)	2,951	4,021
of which shrimp ('000 lbs)	2,584	3,044
Garments ('000 lbs)	653	29
Papayas ('000 lbs)	23,904	10,570
Petroleum (barrels)	214,346	243,744

Sources: Statistical Institute of Belize, B.S.I., C.G.A., Geology & Petroleum Department, CPBL.

Sugar

Hurricane damage to the 2007/2008 sugarcane crop had been conservatively forecasted to cause an 8.4% decline in sugarcane deliveries and 2.2% fall in sugar production as a result of an improvement in the cane/ sugar ratio. However, the first four months of the crop year revealed that the damage was far more extensive with deliveries down by 13.2% to 559,839 long tons, the cane/sugar ratio worsening by 1.5% and the corresponding sugar out-turn falling by 14.4% to 42,408 long tons, the lowest level of sugar production in the past twelve years. Reflective of lower factory throughput, molasses production fell by 4.9% to 19,247 long tons.

While an appreciation in the Euro/US dollar exchange rate meant that Belize technically earned more US dollars per ton of sugar sold to the EU, escalating freight costs wiped out this gain and caused an actual decline in the net average export price. When this was combined with a lower conversion ratio of sugarcane to sugar, the result was a 14.7% decline in the price paid to farmers for the 2007/2008 sugarcane crop (from $54.22 to $46.26 per long ton). There is some scope for improvement in farmer receipts if quota reallocations materialize that could bump up sugar exports to the EU to as much as 70,000 long tons during the year. Because prices are highest in the EU, the industry aims to maximise earnings by selling all its available sugar to that market while forgoing its 2008 US quota.

A positive development this year has been the commencement of Tate and Lyle's importation of sugar from Belize under the Fair Trade label. For each long ton sold under this label, US$60 will be paid into a fund that can be utilised for projects that directly benefit sugarcane farmers.

Table 1.2 : Deliveries of Sugarcane and Production of Sugar and Molasses

	Dec-Mar 2006/07	Dec–Mar 2007/08
Deliveries of Sugarcane to BSI (long tons)	**644,821**	**559,839**
Sugar Processed by BSI (long tons)	**49,571**	**42,408**
Molasses processed by BSI (long tons)	**20,243**	**19,247**
Performance		
Factory Time Efficiency (%)	91.43	89.92
Cane Purity (%)	80.54	80.90
Cane/Sugar	12.69	12.88

Source: Belize Sugar Industries

Table 1.3 : Output of Citrus Products

	Oct-Mar 2006/07	Oct-Mar 2007/08
Deliveries (boxes)		
Orange	3,313,407	2,299,152
Grapefruit	1,485,351	1,320,308
Total	**4,798,758**	**3,619,460**
Concentrate Produced (ps)		
Orange	19,290,324	12,997,279
Grapefruit	5,392,048	5,098,263
Total	**24,682,37**	**18,095,54**
Not from concentrate (ps)		
Orange	6,817	510,958
Grapefruit	688,179	185,397
Total	**694,996**	**696,355**
Pulp (pounds)		
Orange	1,537,874	561,800
Grapefruit	46,216	1,440
Total	**1,584,090**	**563,240**
Oil Produced (pounds)		
Orange	833,200	570,500
Grapefruit	131,720	197,000
Total	**964,920**	**767,500**

Sources: Citrus Products of Belize, Citrus Growers Association

Citrus

At the end of March, citrus deliveries for the 2007/2008 crop were down 24.6% to 3.6mn boxes. While the orange crop was forecasted to contract by only 1.9%, the 2.3mn boxes delivered up to March equated to a 30.6% decline that was attributed to a reversal from the usual production cycle to one where the first harvest is small and the second harvest larger. Indications are that the second crop may be sufficiently large to catch up to initial expectations, although a labour shortage could extend the harvest period into July. In the case of grapefruit, production was forecasted to increase by 6.9%, but significantly lower crop prices announced for 2007/08 discouraged harvest and triggered a 11.1% fall in deliveries to 1.3mn boxes.

In line with deliveries, juice production fell by 26.0% to 18.8mn pound solids (ps) with concentrate output down by 26.7% and not-from-concentrate (NFC) remaining almost steady. Higher prices induced a larger production of orange NFC this year, in contrast to the previous year when grapefruit NFC made up the majority. Pulp and oil production decreased by 64.4% to 0.6mn pounds and by 20.5% to 0.8mn, respectively.

Developments in the United States, particularly Florida, continued to influence Belize's export sales. A moderate rebound in Florida's orange crop for 2007/2008 and flat per capita orange juice consumption in the US lowered average export prices. Export prices for grapefruit juice also fell as the US entered this season with higher juice inventories. Consequently, the final prices to be paid to local growers are estimated to fall from $2.19 to $1.85 per pound solid (pps) for orange and from $1.44 to $0.87 pps for grapefruit.

Banana

Better grove management prompted by improved market prospects under the new Economic Partnership Agreement (EPA) caused an almost doubling of banana production to 1.1mn boxes, which is in line with the annual forecast of 4.0mn boxes. The harvestable area increased from the 5,604.4 acres reported in September 2007 to 5,915.5 acres by February 2008, while the area under plantilla (trees too young for harvesting) increased by 61.6 acres to 498.9 acres.

The new duty-free, quota-free (DFQF) EU import regime for banana implemented at the start of this year provided farmers with a welcome relief from the out-of-quota tariffs incurred under the first come, first served system that was in place during 2006 and 2007. Growers, however, continued to meet their share of the out-of-quota tariffs incurred for the 2007 shipments by way of a US$0.24 deduction per 40 pound box of fruit sold to Fyffes during 2008, so the average fruit price should remain close to the previous year's level.

Tourism

World tourism growth is forecasted to decelerate from 6.1% in 2007 to 4.8% in 2008 because of the economic downturn in some major economies and rising food and fuel prices. Tourism to Europe should benefit from the extension of the Schengen visa area from 8 to 15 countries , the use of the euro and a new open sky policy with the United States. (Note: The Shengen Visa allows entry into one country and permits borderless travel across all participating countries.) The 2008 Beijing Olympics is expected to boost tourism in the Asia/Pacific region, while the hosting of the African Football Cup should impact inter-regional tourism in West Africa. Closer to home, prospects for the Americas and Caribbean region are clouded due to uncertainty over the US economy and the US dollar.

In the first quarter, stay-over visitors increased by 0.9% to 76,574. Arrivals through the international airport were up 2.4%, while visitors through the Belize Western Border declined by 2.3%. Reflecting the weakening US economy, visitors from the United States (the major market for Belize) fell by 2.4% while those from the EU and other countries were up by 4.4% and 9.0%, respectively. On the down side, cruise ship disembarkations declined by 16.9% to 206,951 visitors with a reduction in port calls from 130 to 119 mainly due to heightened competition from Europe.

Chart 1.1: Tourist Arrivals

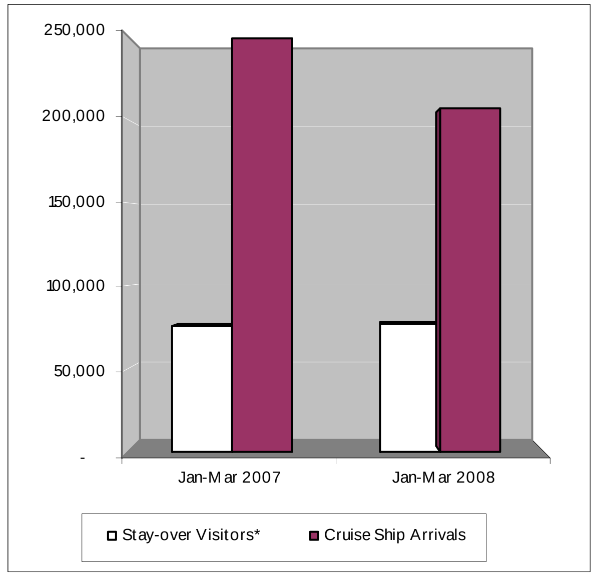


Table 1.4: Bona Fide Tourist Arrivals

	2007 Jan-Mar	2008 Jan-Mar
Stay-over Arrivals		
Air	59,334	60,755
Land	13,289	12,983
Sea	3,259	2,835
Total	**75,881**	**76,574**
Cruise Ship	**249,143**	**206,951**

Source: Belize Tourism Board, Immigration Department and Central Bank of Belize

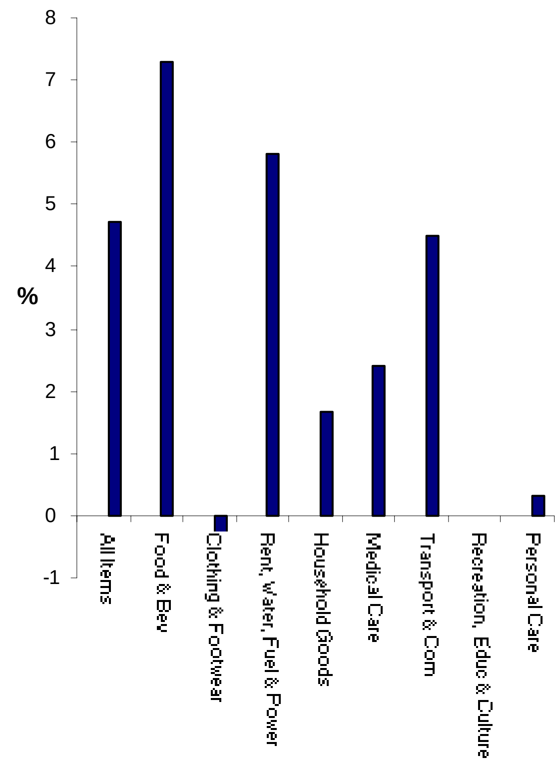
Consumer Price Index

The **Consumer Price Index** rose by 1.3% during the quarter (November 2007 to February 2008) with increases in all categories of goods and services, except '*Clothing & Footwear*', '*Rent, Water, Fuel & Power*' and '*Personal Care*'. Over the twelve months spanning February 2007 to February

2008, higher costs for all items, except *'Clothing & Footwear',* led to a 4.7% increase in the general price level.

The steepest price increase occurred in *'Food, Beverage and Tobacco'* (7.3%) and was largely driven by higher prices for food staples such as flour, poultry products, powdered milk and other dairy items, beans, rice and cooking oil. The 5.8% increase in the *'Rent, Water, Fuel & Power'* category was due to a substantial hike in butane cost, while the rising cost of fuel at the pump pushed '*Transportation & Communication'* services up 4.5%. The cost of *'Medical Care'* and '*Household Goods & Maintenance*' also increased by 2.4% and 1.7%, respectively. In contrast, the '*Clothing & Footwear'* index fell by 0.6%.

Chart 1.2: Annual Percentage Change in Consumer Price Index



International Trade and Payments

After recording first quarter surpluses in the previous two years, the external current account went into deficit with receipts from domestic exports, tourism and grants falling while outlays for imports, dividend payments and freight charges rose. A surplus on the capital and financial account that was driven by foreign direct investment (FDI) inflows and facilitated by the lowering of debt payments after the previous year's debt restructuring enabled the current account deficit to be covered while also adding some $5.5mn to the gross international reserves. At the end of March, the latter stood at $222.5mn, the equivalent of 2.2 months of merchandise imports.

The trade deficit almost doubled to $129.7mn with a 19.5% growth in imports being exacerbated by a 1.1% decline in exports. The former was driven by Commercial Free Zone (CFZ) activity and higher expenditures on a medley of items such as fuel, telecommunication equipment, construction materials, transportation equipment, cartons, electrical apparatus and electricity that eclipsed reductions in imports of chemical products and inputs for export processing zones.

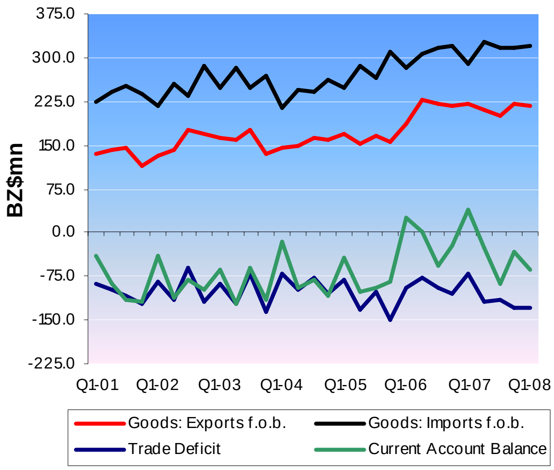
Table 2.1: Balance of Payments Summary

(BZ$mn)

	2007[R] Jan-Mar	2008[P] Jan-Mar
A. CURRENT ACCOUNT (I+II+III+IV)	**40.5**	**-64.6**
I. Goods (Trade Balance)	**-70.6**	**-129.7**
Exports, f.o.b.	220.3	217.9
Domestic Exports	151.9	133.6
CFZ Gross Sales	58.9	72.7
Re-exports	9.4	11.6
Imports, f.o.b.	290.9	347.7
Domestic Imports	238.9	287.0
CFZ Imports	52.0	60.6
II. Services	**149.6**	**168.1**
Transportation	-5.0	-15.3
Travel	173.6	168.7
Other Services	-18.9	14.6
III. Income	**-93.9**	**-147.3**
Compensation of Employees	-2.4	-2.8
Investment Income	-91.5	-144.6
IV. Current Transfers	**55.4**	**44.5**
Government	17.8	1.9
Private	37.6	42.6
B. CAPITAL & FINANCIAL ACCOUNT (I+II)	**-4.2**	**69.1**
I. Capital Account	**0.0**	**0.3**
II. Financial Account (1+2+3+4)	**-4.2**	**68.8**
1. Direct Investment in Belize	42.5	88.9
2. Portfolio Investment	164.6	-2.4
Monetary Authorities	0.0	0.0
General Government	164.7	-2.3
Banks	0.0	0.0
Other Sectors	-0.2	-0.2
3. Financial Derivatives	0.0	0.0
4. Other Investments	-211.3	-17.6
Monetary Authorities	37.3	-0.3
General Government	-198.5	-4.4
Banks	-73.7	-7.5
Other Sectors	23.5	-5.5
C. NET ERRORS & OMISSIONS	**-62.9**	**0.9**
D. OVERALL BALANCE	**-26.7**	**5.5**
E. RESERVE ASSETS*	**26.7**	**-5.5**

P- indicates Provisional, R- indicates Revised
* Minus = increase

Chart 2.1: Current Account vs. Trade Deficit



While CFZ sales and other re-exports increased, domestic exports fell as increases in molasses, banana, marine products and petroleum were outweighed by declines in sugar, citrus, papaya and garments.

Petroleum revenues more than doubled as a result of a 14.3% volume increase to 217,824 barrels and a price hike of US$40.06 to US$90.14 per barrel. Crude oil price surges were driven by factors such as the cold weather in the Atlantic Basin in March, refinery difficulties, turmoil in the financial markets and the depreciation of the US dollar. There was also a doubling in banana revenues in response to the heightening of export volume as farmers took advantage of the quota free, duty free entry into the EU market effective at the start of the year.

Although lobster volume fell by 15.4% due to hurricane damage to traps and fishing grounds, as a result of improvements in shrimp, fish and conch marine export volume more than doubled and at $16.3mn, earnings were 13.8% higher. The sharpest increase was in fish, which experienced a more than fivefold volume rise due to expanded production of tilapia and cobia. Shrimp volume was also up by 17.8%.

A sharp production decline caused a 30.5% reduction in sugar export volume while receipts fell by 34.4% to $31.2mn. The bulk (98.4%) of tonnage went to the EU with niche markets receiving the remaining 1.6%. The volume of citrus juice exports was also down significantly (by 42.6%) partly due to the reversion from the generous payment terms offered to buyers in 2007 back to the shorter credit period of previous years. Citrus earnings totaled $18.6mn, a 54.7% decline that was linked to the fall in volume as well as price declines. Lower prices in the US exacerbated a 41.1% contraction in the volume of orange juice sales and resulted in revenues shrinking by 53.5%. Grapefruit sales were also sluggish with export volume virtually halved and receipts down by 62.9% due to weaker prices in the EU and Japan.

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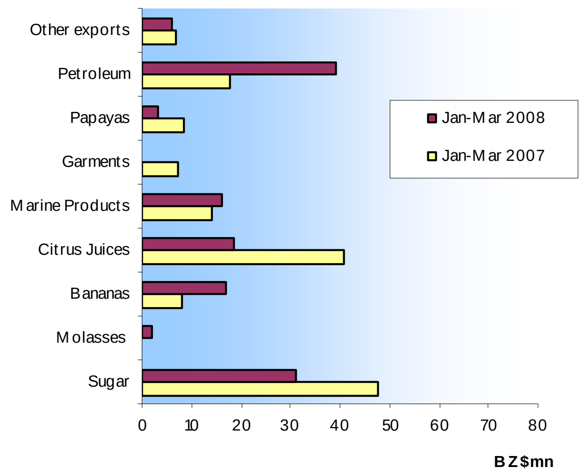
Chart 2.2: Domestic Exports



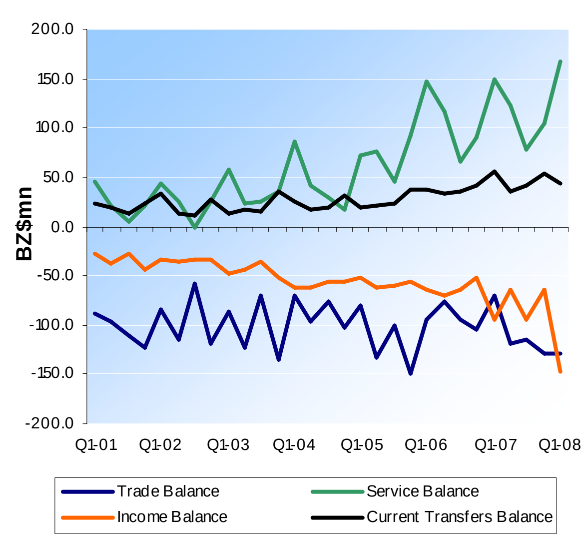
Industries in January, earnings from garment exports were a miniscule $0.3mn compared to $7.1mn in the first quarter of 2007. Lower sales of pepper sauce, veneer sheets/plywood, and citrus oils pushed receipts from other miscellaneous exports down by 9.9% to $6.1mn.

Given the non-repetition of substantial insurance and financial fees associated with the government's debt restructuring, outlays on services were much lower when compared with the first quarter of 2007 as the absence of these costs more than compensated for higher international freight charges, lower earnings by port agents and a small decline in tourism receipts. Net inflows from services consequently rose by 12.4% to $168.1mn.

Contrasting sharply with this was a 56.9% increase in net outflows on the income account, a significant part of which was due to increased repatriation of commercial bank dividends that far outweighed the reduction in public sector interest payments. In addition, net inflows from current transfers shrank by 19.7% as a substantial decrease in grants to the Government was only partially offset by higher inflows from private remittances and transfers to religious and non-profit organizations, credit unions and insurance companies.

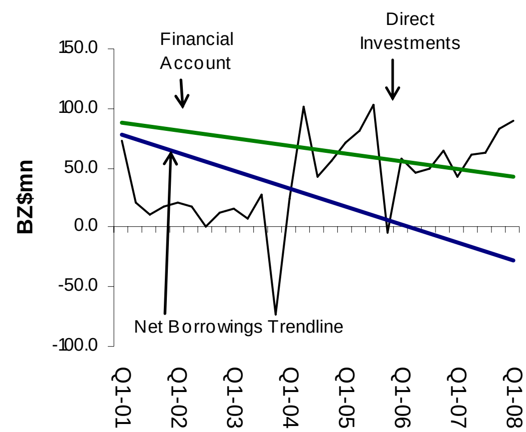
In contrast to the $4.2mn deficit recorded for the first quarter of 2007, the capital and financial account registered a surplus of $69.1mn, an improvement that reflected higher foreign direct investment inflows and lower government debt repayments due to the previous year's debt

Chart 2.3: Service, Income and Current Transfers Balances



restructuring. Foreign direct investment, which included $45.0mn paid in connection with the buy-out of Universal Health Services, doubled to $88.9mn that went mostly into the health, tourism and real estate sectors. In other developments, commercial banks built up their foreign exchange holdings abroad, while the private sector made net loan repayments estimated at $54.3mn.

Chart 2.4: Main Components of The Financial Account



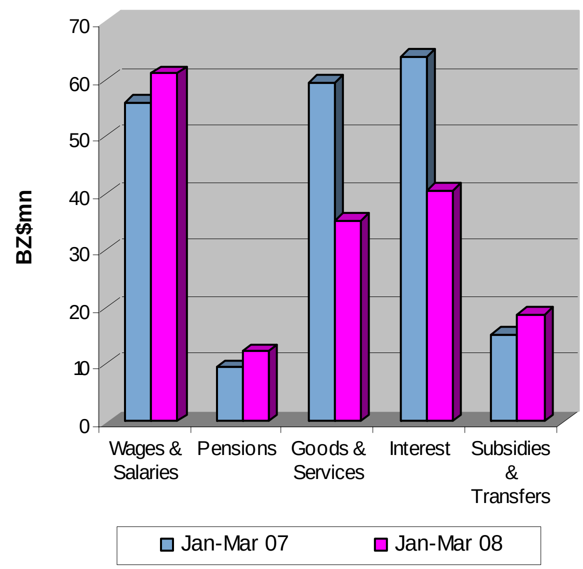
Government Operations and Public Debt

Central Government Operations

In the January-March period that represents the fourth quarter of its 2007/08 fiscal year (FY), Central Government's operations yielded an improved outturn relative to the same period of the previous year. Revenues were buoyant as an upward surge in tax and non-tax revenues outweighed a sizeable reduction in grants while expenditure contracted mainly due to the lowering in interest and other payments on the restructured external debt. In addition to a current surplus of $11.4mn and an overall deficit of $33.7mn, a primary surplus of $6.9mn was recorded. The overall deficit was principally financed by Central Bank money creation as the government drew funds from its overdraft facility to make payments to external creditors.

Current revenue experienced a quarter on quarter increase of 17.3% with upward boosts coming principally from income & profit taxes and secondarily from the general sales tax (GST) on goods and services. A combined increase of $19.7mn was recorded for these two categories and a substantial $11.7mn increase was also posted in non-tax revenue, a category that is comprised of repayments received on loans previously issued by the government to various entities and miscellaneous other revenues collected by government departments such as rents, royalties and licenses. Capital revenue rose to $4.9mn (a $1.8mn increase) with sales of crown land accounting for nearly three-quarters of the total .

Chart3.1: Fourth Quarter Comparison of Current Expenditure



Buoyancy in revenue collections coincided with a 17.6% contraction in current expenditure with notable declines being recorded in outlays for 'goods and services' and interest payments of $24.4mn and $22.9mn, respectively. Both of these reductions were the result of transactions associated with the restructuring of the public sector's external debt in the previous year.

Some $51.6mn was disbursed for capital projects, a 37.4% increase over the comparable period of 2007 with allocations for Capital II and III projects amounting to` $22.2mn and $24.1mn, respectively. An additional $4.5mn was accounted for by the government's assumption of the liabilities created by an Atlantic Bank loan to W&S Engineering for works done in the Belama area. As part of the heightened activity in the run up to the February general elections, funding for housing improvements consumed more than a quarter of capital outlays. Another 23.6% consisted of disbursements for infrastructural works that included allocations for the poverty alleviation project, road works in the Corozal Free Zone and general maintenance of streets, drains and roads. The balance was devoted to various projects in the education and health sectors, social development, land improvement, sports, and contributions to international multilateral agencies.

The outturn for the **2007/08 fiscal year** was generally more favourable than that of the previous fiscal year principally due to a 21.8% increase in revenues, the main contributors to which were petroleum income tax and royalties, unusually large grant receipts, the sale of large tracts of prime real estate, a larger than expected profit transfer from the Central Bank and the GST. In addition to a shift in the government's current balance from a deficit equivalent to 1.4% of GDP to a surplus of 2.8% of GDP, its overall deficit fell from 3.8% to 0.1% of GDP while its primary surplus increased from 2.5% to 4.0% of GDP. The fiscal gap was covered by external loans that enabled a decline in net borrowing from the Central Bank in contrast to the previous year when the Central Bank was the main source of financing.

Table 3.1: Central Government's Revenue and Expenditure

$mn

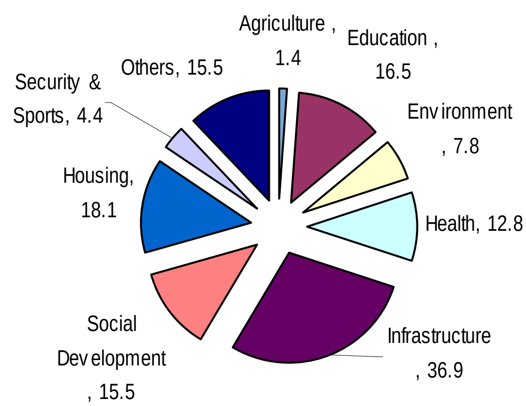
	Apr-06 Mar-07	Apr-07 Mar-08
Total Revenue & Grants	632.6	770.4
of which: Current Revenue	584.1	672.0
of which: Grants	37.1	65.3
Total Expenditure	735.3	774.2
Current Expenditure	620.7	599.8
Capital Expenditure	114.5	174.4
Current Balance	-36.6	75.2
Overall Balance	-102.7	-3.9

Current revenue was up by 15.6% to $675.0mn (25.0% of GDP) with tax revenue yielding the bulk of the total as well as its incremental growth. Heightened payments from the petroleum industry accounted for much of the 30.3% increase in revenues from taxes on income and profits while the

GST was the main contributor to an 8.5% growth in tax revenues from goods and services transactions. Higher than normal transfers of Central Bank profits, royalties from petroleum operations and transfers from other government departments contributed to a noteworthy 56.5% increase in non-tax revenue. There was also a tripling in capital revenue as a result of record setting land sales that netted $24.3mn including some $12.0mn from the sale of 3,000 acres situated in Ambergris Caye. Other notable receipts included $40.0mn in grants from Venezuela that helped to push total grant revenues up by 75.9%.

Even with substantial expenditure reclassifications from the capital to recurrent budget, current expenditure registered a 3.4% decline due to the lowering in interest payments following the restructuring of the external debt. Outlays for other current expenditure categories were mostly higher with subsidies and current transfers posting the largest increase (of 44.8%) as a result of the reclassification of spending on institutions such as UB, NICH, BAHA, BELTRAIDE (among others) to this line item and the conversion in April 2007 of the government's statistical department into a statutory body. Expenditures on salaries and pensions also rose by 7.1% and 8.3%, respectively.

Chart 3.2: Development Expenditure for FY 2007/2008 (BZ$mn)



Capital expenditures were ramped upward by 52.3%, not only reflecting higher spending on projects, but also a spike in capital transfers resulting from the payment of $40.0mn to non-resident entities in connection with the Universal Health Services loan and the assumption by government of the $4.5mn W&S Engineering loan. External grants and loans accounted for 43.1% of capital outlays with the balance of some $71.8mn coming from local sources. Roughly $36.9mn (29.0%) of the capital budget was earmarked for infrastructural projects such as roads, drains and streets with combined payments for housing, education, social development and health summing to $62.9mn (49.6%). Among the more notable outlays were those for the Poverty Alleviation Project ($8.8mn), primary school education that included the free text book programme ($8.2mn), Social

Investment Fund projects ($7.6mn) and health sector reform ($11.0mn).

Central Government Domestic Debt

The government's use of its Central Bank overdraft was significant with a $48.4mn increase that pushed the overdraft balance to $158.5mn (approximately 26.8% of current revenues collected in the previous fiscal year). The funds were primarily used to meet debt service payments that included some $23.4mn in interest payments on external debt that had been restructured in 2007. Partly as a result, the domestic debt increased by 12.5% to $362.1mn, more than three quarters of which was owed to the Central Bank in the form of the overdraft and government securities. At the end of March, Central Government's domestic debt was comprised of government securities (47.2%), overdraft facilities (43.8%) and loans from banks and non-bank entities (9.1%).

Amortization payments totaled $10.7mn and included an accelerated repayment of $8.9mn on the Marine Parade infrastructural loan from the Belize Bank, which was paid down using a deposit held at the same bank. Regular scheduled repayments were made to the Atlantic Bank ($0.9mn), BSSB ($0.2mn), RECONDEV ($0.1mn) and Fort Street Tourism Village

Table 3.2: Central Government's Domestic Debt

$mn

	Jan - March 2007	Jan - March 2008
Overdraft	146.9	158.5
Loans	38.5	32.8
Treasury Bills	100.0	100.0
Treasury Notes	55.8	55.8
Defence Bonds	15.0	15.0
Total	**356.2**	**362.1**

($0.1mn). As required by a previously existing agreement, the government also took over an Atlantic Bank loan to W. & S. Engineering of $4.5mn which had been used to cover the cost of a land reclamation project in the Belama Area.

Of the $7.6mn in interest payments, $5.5mn went to the Central Bank for short term credit that included the overdraft and Treasury bills, and long term credit in the form of Treasury notes and Defence bonds. Commercial banks received $1.3mn on infrastructural development loans and government securities, while the non-bank entities received a total of $0.7mn.

In secondary trading, the Central Bank sold $3.0mn in Treasury bills to the commercial banks and other non-bank entities.

Public Sector External Debt

The public sector's external debt edged down by 0.2% ($4.0mn) to $1,939.8mn as amortization payments of $28.7mn exceeded loan disbursements of $22.0mn and upward valuation adjustments of $2.7mn. Central Government accounted for 94.1% of the total debt while the financial and non-financial public sectors accounted for 4.0% and 1.9%, respectively.

All disbursements in the review period were to Central Government and consisted of $16.2mn from bilateral lenders and $5.2mn from multilateral lenders. Included in the former was $9.0mn from ROC/Taiwan for the hurricane relief fund and $7.2mn from Venezuela in the form of credit for fuel imports. An additional $0.6mn was received as holders of the original Bear Stearns Bond belatedly participated in the debt exchange for a portion in the 'super bond'. Central Government made repayments of $15.0mn to bilateral creditors that included $7.8mn to Venezuela for short term credit on fuel imports and $4.0mn to ROC/ Taiwan for housing and highway rehabilitation loans. Multilateral creditors received $6.7mn that included $2.3mn to IBRD and $1.9mn each to CDB and IDB. The financial public sector repaid $3.7mn to multilateral

Table 3.3: Sources of Public Sector's External Debt

$mn

	DOD at: 31/03/07	DOD at: 31/03/08	Change in Debt Stock
Central Government	**1,778.1**	**1,825.2**	**47.1**
Bilateral	326.2	324.1	-2.1
Multilateral	342.5	396.6	54.1
Bonds	1,093.4	1,093.5	0.1
Commercial Banks	15.9	10.9	-5.0
Export Credit	0	0	0
Rest of NFPS	**39.8**	**37.1**	**-2.7**
Bilateral	7.4	6.8	-0.6
Multilateral	32.4	30.3	-2.1
Commercial Banks	0	0	0
Export Credit	0	0	0
Financial Public Sector	**104.9**	**77.6**	**-27.3**
Bilateral	3.3	2.1	-1.2
Multilateral	45.4	28.1	-17.3
Bonds	56.2	47.4	-8.8
Export Credit	0	0	0
Grand Total	**1,922.8**	**1,939.8**	**17.0**

lenders and $2.3mn to the Belize Mortgage Company. The Belize Water Services Limited also made a small payment to CDB.

Interest and other payments summed to $34.5mn with Central Government accounting for $33.0mn that included $23.4mn on the 'super bond'. Bilateral and multilateral creditors received $6.1mn and $3.4mn, respectively. Payments by the financial public sector went mostly to the Belize Mortgage

Company ($1.1mn), while the non-financial public sector made a single interest payment of $0.3mn to CDB.

The debt stock increased by $2.7mn as the US dollar depreciated against the Euro and Kuwait dinar, causing upward valuation to the loans denominated in these currencies.

Monetary Developments

M2 increased by 5.6%, fuelled by growth in credit and to a lesser extent by foreign exchange inflows. In addition to inflows from foreign direct investment, the latter was influenced by large transactions such as the receipt of $40.0mn from Venezuela that was used to pay off the United Health Services (UHS) loan from the Belize Bank, the subsequent repatriation of some $60.0mn in bank dividends and sizeable loan disbursements from foreign affiliates that blunted the impact of the said dividend payments. As a result of the above, while the non-monetary liabilities of the commercial banks dropped sharply, there was a significant increase in the level of their foreign liabilities in the quarter.

The narrow measure of money supply expanded by 6.1%, largely reflecting a build-up of demand deposits by private utilities and businesses and, to a lesser extent, by an increase in savings/ checking deposits held by individuals, the Belize Social Security Board/ National Health Insurance (BSSB/NHI) and Development Finance Corporation (DFC). A 5.3% increase in quasi-money mostly reflected a hike in time deposits held by individuals, statutory bodies and credit unions.

At 3.8%, growth in the net foreign assets of the banking system was almost identical to first quarter increases recorded in 2006 and 2007 and consisted of modest improvements

Chart 4.1: Sources of Foreign Exchange Inflows to the Central Bank (BZ$mn)

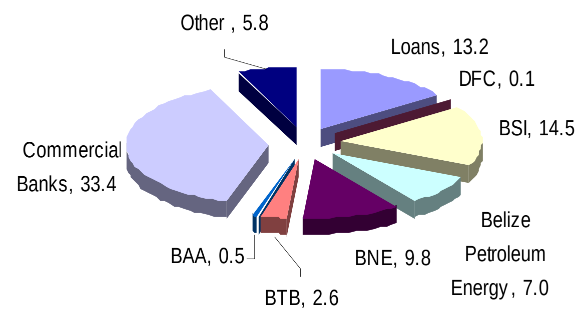
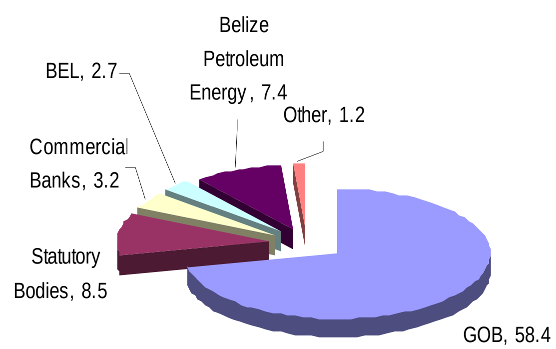


Chart 4.2: Central Bank Foreign Exchange Sales (BZ$mn)



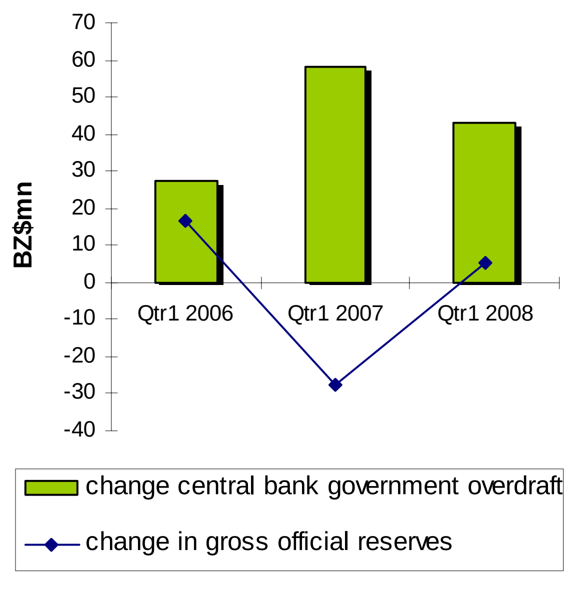
in the net positions of commercial banks and the Central Bank of $7.6mn and $5.8mn, respectively. As already alluded to, the slight alteration in the commercial banks' position was not only a reflection of the customary first quarter transactions in trade and services but also the net result of unusually large dealings, one of which (the use of $40.0mn in official international grant funds to pay off a commercial bank loan to a private hospital) was attended by controversy and is currently being litigated.

The slight improvement in the Central Bank's foreign asset position was the net result of some $86.9mn in inflows while outflows totalled $81.4mn. The major inflows included purchases from commercial banks, sugar export receipts and loan disbursements. Central Government accounted for 71.7% of total outflows, most of which was used for external debt servicing that included $23.3mn in interest payments on the 'super-bond'.

Notwithstanding slight contractions in loans to statutory bodies and the private sector, net domestic credit rose by 2.1%, mainly due to Central Government's use of $48.4mn in overdraft financing from the Central Bank to meet its debt service commitments. Except for personal loans which rose by almost 4.0%, declines in private sector credit were across all economic sectors. The largest was in the secondary sector where a $25.3mn contraction in construction loans (influenced by the UHS repayment) eclipsed a $7.2mn increase in lending to utilities. The next largest decline was in the services sector with tourism loans shrinking by $16.1mn, a significant portion of which was due to refinancing and classification changes that simultaneously pushed up loans for real estate.

Boosted by foreign inflows and the seasonal slowdown in private sector credit, excess statutory liquidity expanded by 62.9% to $95.3mn with commercial banks holdings of approved liquid assets and required assets up by $53.9mn and $17.1mn, respectively.

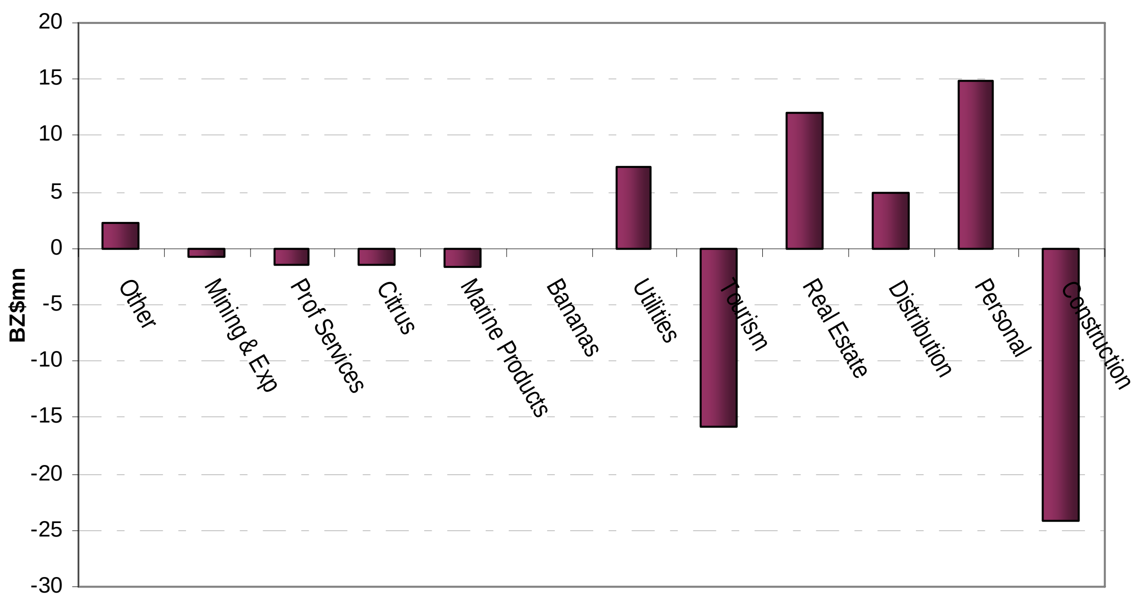
Chart 4.3: Government Financing and Official Reserves



While all the commercial banks experienced a heightening in liquidity during the quarter, the change was not evenly distributed with two banks accounting for 84.0% of the excess. Portfolio adjustments included a $26.6mn rise in short-term foreign balances, an $11.9mn increase in Central Bank deposits, and a $7.7mn increase in the holdings of Treasury Bills. Excess cash also rose by $7.0mn as a $14.4mn rise in average daily holdings outweighed a $7.4mn increase in required reserves.

The weighted average lending rate edged down by 15 basis points to 14.15% in response to declines in the average residential construction and commercial loan rates. Marginally higher rates on all deposits except savings/checking accounts led to a 6 basis points increase in the weighted average deposit rate. Consequently, the weighted average interest rate spread fell by 21 basis points to 8.12%.

Chart 4.4: Changes in Loans and Advances by Sub-Sectors



ANNEX I

ANNEX

Table 5.1: Percent Variation in Consumer Price Index (CPI) by Commodity Group

Major Commodity Group	Weights	Quarterly Change				Annual Change
		May-07	Aug-07	Nov-07	Feb-08	
Food, Beverage & Tobacco	346.6	-0.3	0.7	3.1	3.6	7.3
Clothing & Footwear	92.0	-0.2	0.0	0.3	-0.7	-0.6
Rent, Water, Fuel, & Power	167.6	2.7	0.2	3.1	-0.3	5.8
Household goods & maintenance	85.3	0.6	0.5	0.5	0.2	1.7
Medical care	20.1	0.2	0.2	0.6	1.4	2.4
Transport & Communication	170.1	2.7	-0.4	1.9	0.2	4.5
Recreation, Education & Culture	80.4	0.2	-0.2	0.0	0.0	0.0
Personal care	37.9	0.4	0.3	-0.3	-0.1	0.3
ALL ITEMS	**1000.0**	**1.0**	**0.2**	**2.1**	**1.3**	**4.7**

Source: Statistical Institute of Belize

Table 5.2: Gross Imports (CIF) by SITC

SITC Section	Jan-Mar 2007	Jan - Mar 2008
0 Food and Live Animals	32,967,484	34,669,714
1 Beverages and Tobacco	3,078,587	3,595,944
2 Crude Materials	3,340,933	3,264,140
3 Minerals, Fuels and Lubricants	42,510,926	62,738,896
of which electricity	*9,304,867*	*21,115,339*
4 Oils and Fats	958,586	1,094,967
5 Chemical Products	26,026,677	22,262,440
6 Manufactured Goods	37,316,352	47,820,321
7 Machinery and Transport Equipment	56,996,492	77,932,709
8 Other Manufactures	20,323,697	21,816,145
9 Commodities N.E.S	0	1599223
Export Processing Zones	29,379,111	16,006,310
Commercial Free Zone	57,164,257	66,626,739
Personal Goods	410,257	475,271
Total	**310,473,358**	**359,902,819**

Source: Statistical Institute of Belize

Table 5.3: Balance of Payments

$mn

	2007[R] Jan-Mar	2008[P] Jan-Mar
CURRENT ACCOUNT	**40.5**	**-64.6**
Goods: Exports f.o.b.	220.3	217.9
Goods: Imports f.o.b.	-290.9	-347.7
Trade Balance	-70.6	-129.7
Services: Credit	252.7	247.1
Transportation	21.1	15.1
Travel	191.3	187.1
Other Goods & Services	25.9	32.4
Gov't Goods & Services	14.4	12.5
Services: Debit	-103.1	-79.1
Transportation	-26.2	-30.4
Travel	-17.7	-18.3
Other Goods & Services	-53.7	-27.8
Gov't Goods & Services	-5.5	-2.5
Balance on Goods & Services	79.0	38.3
Income: Credit	3.6	3.1
Compensation of Employees	1.2	1.2
Investment Income	2.4	2.0
Income: Debit	-97.5	-150.5
Compensation of Employees	-3.6	-3.9
Investment Income	-93.9	-146.5
Balance on Goods, Services & Income	-14.9	-109.0
Current Transfers: Credit	68.2	55.2
Current Transfers: Debit	-12.9	-10.7
CAPITAL ACCOUNT	**0.0**	**0.3**
Capital Account: Credit	0.4	0.7
Capital Account: Debit	-0.4	-0.4
FINANCIAL ACCOUNT	**-4.2**	**68.8**
Direct Investment Abroad	-1.7	-0.1
Direct Investment in Reporting Economy	44.2	89.0
Portfolio Investment Assets	-0.2	-0.2
Portfolio Investment Liabilities	164.7	-2.3
Financial Derivatives	0.0	0.0
Other Investment Assets	1.7	-26.6
Other Investment Liabilities	-213.1	9.0
NET ERRORS & OMISSIONS	**-62.9**	**0.9**
OVERALL BALANCE	**-26.7**	**5.5**
RESERVE ASSETS*	**26.7**	**-5.5**

*(Minus = Increase)
Source: Central Bank of Belize
P: Indicates Provisional
R: Indicated Revised

Table 5.4: Central Government's Revenue and Expenditure

BZ $'000

	Approved Budget 2007/2008	January 08 to March 08	April 07 to Mar-08	April 06 to Mar-07	Actual YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	**678,523**	**186,394**	**770,377**	**632,571**	**113.5%**
1).Current revenue	650,921	179,945	674,991	584,139	**103.7%**
Tax revenue	593,923	153,573	591,662	530,901	**99.6%**
Income and profits	170,256	52,353	180,091	138,204	**105.8%**
Taxes on property	5,618	1,515	6,521	4,297	**116.1%**
Taxes on goods and services	237,910	59,437	235,974	217,556	**99.2%**
Int'l trade and transactions	180,139	40,269	169,076	170,844	**93.9%**
Non-Tax Revenue	56,998	26,372	83,329	53,239	**146.2%**
Property income	7,700	140	12,425	1,465	**161.4%**
Licenses	10,423	4,313	13,219	10,928	**126.8%**
Other	38,875	21,918	57,685	40,846	**148.4%**
2). Capital revenue	10,126	4,902	30,124	11,328	**297.5%**
3). Grants	17,475	1,548	65,263	37,103	**373.5%**
TOTAL EXPENDITURE (1+2)	**703,236**	**220,089**	**774,242**	**735,261**	**111.0%**
1). Current Expenditure	585,236	168,508	599,827	620,744	**102.5%**
Wages and Salaries	235,313	61,146	235,083	219,464	**99.9%**
Pensions	39,019	12,407	43,299	39,992	**111.0%**
Goods and Services [(1)]	129,309	35,395	134,179	138,699	**103.8%**
Interest Payments on Public Debt	107,938	40,619	111,378	170,217	**103.2%**
Subsidies & current transfers	73,657	18,940	75,888	52,372	**103.0%**
2). Capital Expenditure	117,999	51,581	174,415	114,517	**153.3%**
Capital II (local sources)	49,956	22,185	71,786	80,501	**143.7%**
Capital III (foreign sources)	64,835	24,060	54,888	30,383	**84.7%**
Capital Transfer & Net Lending	3,208	5,336	47,741	3,633	**1488.2%**
CURRENT BALANCE	**65,685**	**11,436**	**75,163**	**(36,605)**	**114.4%**
Primary Balance [(2)]	**83,225**	**6,924**	**107,513**	**67,527**	**121.4%**
OVERALL BALANCE	**(24,713)**	**(33,695)**	**(3,865)**	**(102,691)**	**41.9%**
FINANCING	24,713	33,695	3,865	102,691	
Domestic Financing		38,361	(32,536)	77,410	
Central Bank		41,325	(29,312)	131,791	
Net Borrowing		45,378	148	81,174	
Change in Deposits		(4,053)	(29,460)	50,617	
Commercial Banks		1,886	13,599	(23,942)	
Net Borrowing		(4,819)	5,895	(18,242)	
Change in Deposits		6,705	7,704	(5,700)	
Other Domestic Financing		(4,850)	(16,823)	1,028	
Transactions with Guaranteed Debts		0	0	(31,467)	
Financing Abroad		(620)	40,690	9,594	
Disbursements		22,021	129,310	1,230,951	
Amortization		(22,248)	(87,275)	(1,220,406)	
Change in Foreign Assets		(393)	(1,395)	(951)	
Privatization Proceeds		0	0	0	
Nationalization Investment		0	0	0	
Other		(4,046)	(4,289)	15,687	

Source: Ministry of Finance and Central Bank of Belize

[(1)] Goods and Service line item includes other financial charges, which for FY 2006/07 included insurance premium of $19.4mn and financial fees of $6.7mn related to the external debt restructuring.

[(2)] The Primary Balance (in accordance with GFS Manual) is inclusive of overall balance plus interest payments only, excluding other financial charges.

Table 5.5: Public Sector Domestic Debt By Creditor

$'000

	Disbursed Outstanding Debt 31/12/07	Transactions (January to March 2008)				Disbursed Outstanding Debt 31/03/08
		Disbursements/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	
Overdraft / Loans	**112,471**	**0**	**0**	**3,365**	**46,007**	**158,478**
Central Bank	108,810	0	0	3,365	48,367	157,177
Commercial Banks	3,661	0	0	0	(2,360)	1,301
Treasury Bills	**100,000**	**0**	**0**	**804**	**0**	**100,000**
Central Bank	68,145	0	0	411	(2,989)	65,156
Commercial Banks	29,807	0	0	382	2,947	32,754
Other	2,048	0	0	11	42	2,090
Treasury Notes	**55,800**	**0**	**0**	**1,824**	**0**	**55,800**
Central Bank	42,571	0	0	1,565	0	42,571
Commercial Banks	10,000	0	0	200	0	10,000
Other	3,229	0	0	59	0	3,229
Defence Bonds	**15,000**	**0**	**0**	**625**	**0**	**15,000**
Central Bank	10,000	0	0	174	0	10,000
Commercial Banks	100	0	0	9	0	100
Other	4,900	0	0	442	0	4,900
Atlantic Bank(2)	**2,930**	**4,902**	**926**	**379**	**0**	**6,906**
Infrastructure Dev. Ln (BBL)	**18,288**	**0**	**9,381**	**363**	**0**	**8,907**
BSSB Loan(3)	**6,820**	**0**	**170**	**127**	**0**	**6,650**
Bze Harbour Dredging (FSTV)(4)	**212**	**0**	**106**	**0**	**0**	**106**
GOB (debt for Nature Swap)	**7,697**	**0**	**0**	**0**	**0**	**7,697**
Guardian Life Bze $1mn Loan	**1,000**	**0**	**0**	**45**	**0**	**1,000**
Cohune Walk Loan	**1,662**	**0**	**110**	**62**	**0**	**1,552**
Total	**321,880**	**4,902**	**10,693**	**7,592**	**46,007**	**362,096**

(1) The transaction associated with UHS loan with the Belize Bank is not included in this table due to ongoing litigation.

(2) On January 2nd, 2008, GOB assumed W & S Engineering Loan for dredging of Belama with ABL as per loan agreement.

(3) GOB has outstanding loans with BSSB consisting of (1) Hopeville Housing Project and (2) loan purchased from DFC (as of Jan 30th 2007).

(4) Belize Harbour Dredging Loan (Interest Free) is promissory note with the Ft. Street Tourism Village who initially financed the dredging of the channel at the mouth of the Belize Harbor and is being reimbursed by GOB .

Table 5.6: Public Sector External Debt By Creditor

BZ$'000

	DOD at: 31/12/2007	Transaction (January to March '08)				DOD at: 31/03/08
		Disbursements	Principal Payments	Interest & Other Payments	Parity Change	
CENTRAL GOVERNMENT	1,823,512	22,021	22,248	32,979	1,868	1,825,153
Banco Nacional de Comercio Exterior	7,940	0	529	243	0	7,411
Fondo de Financ. de las Exportaciones	327	0	0	0	0	327
Government of Great Britain	1,327	0	665	0	-5	657
Government of the United States*	3,393	0	256	20	0	3,138
Government of Trinidad and Tobago	12	0	0	0	0	12
Government of Venezuela	18,692	7,157	7,767	33	0	18,082
Kuwait Fund for Arab Economic Dev	17,569	0	499	234	497	17,567
Republic of China	266,700	9,000	3,958	5,383	0	271,742
Caribbean Development Bank	126,600	1,808	1,932	1,223	0	126,477
European Economic Community	19,165	0	142	18	1,389	20,412
European Investment Bank	512	0	0	0	37	550
Inter-American Development Bank	191,690	2,460	1,901	1,796	0	192,248
International Fund for Agric. Dev.	1,446	0	219	43	-50	1,177
Intl. Bank for Reconstruction & Dev.	46,552	0	2,300	299	0	44,252
Opec Fund for Int'l. Development	10,680	964	167	39	0	11,478
Allfirst Bank of Maryland	420	0	420	31	0	0
Bear Stearns & C0. Inc.	9,676	0	629	0	0	9,047
BWS Finance Limited	9,922	0	0	0	0	9,922
Manufacturers & Traders Trust Co.	6,055	0	865	174	0	5,190
Provident Bank & Trust of Belize	1,000	0	0	45	0	1,000
Bank of New York (New Bond Issue)	1,083,834	631	0	23,398	0	1,084,465
NON-FINANCIAL PUBLIC SECTOR	37,355	0	485	332	183	37,053
Kuwait Fund for Arab Economic Dev	6,589	0	0	0	188	6,777
Caribbean Development Bank(1)	30,766	0	485	332	-5	30,276
FINANCIAL PUBLIC SECTOR	82,930	0	5,945	1,210	637	77,622
Caribbean Development Bank	20,732	0	3,338	86	0	17,394
European Economic Community	592	0	0	0	43	635
European Investment Bank	9,834	0	332	22	594	10,096
Paine Webber Real Estate Securities Inc.	1,200	0	0	0	0	1,200
Belize Mortgage Company	49,677	0	2,276	1,102	0	47,401
Government of the United States	894	0	0	0	0	894
GRAND TOTAL	1,943,797	22,021	28,679	34,522	2,689	1,939,828

- *USAID Debt for Nature Swap Agreement as at 2nd August, 2001 was implemented on 30th November, 2001 for BZ $17,168.*

(1) Loans for the Water Company were re-classified as part of the non-financial public sector after the GOB bought the majority shares in the company on 3rd October 2005.

Table 5.7: Factors Responsible for Money Supply Movements

$mn

	Position as at Mar 2008	Changes during Dec 2007 to Mar 2008	Changes during Dec 2006 to Mar 2007
Net Foreign Assets	**364.5**	**13.4**	**9.7**
Central Bank	220.9	5.8	-64.0
Commercial Bank	143.6	7.6	73.7
Net Domestic Credit	**1,828.0**	**37.2**	**109.7**
Central Government (Net)	253.3	41.8	91.6
Other Public Sector	12.9	-3.0	-12.5
Private Sector	1,561.8	-1.6	30.6
Central Bank Foreign Liabilities (Long-term)	**0.0**	**0.0**	**0.0**
Other Items (net)	**358.8**	**-46.9**	**25.3**
Money Supply M2	**1,833.7**	**97.5**	**94.1**

Table 5.8: Money Supply

$mn

	Position as at Mar 2008	Changes During Dec 2007 to Mar 2008	Changes During Dec 2006 to Mar 2007
Money Supply (M2)	**1,833.7**	**97.5**	**94.1**
Money Supply (M1)	**747.3**	**42.8**	**50.4**
Currency with the Public	155.1	1.7	0.9
Demand Deposits	409.0	27.7	45.1
Savings/Cheque Deposits	183.2	13.4	4.4
Quasi-Money	**1,086.4**	**54.7**	**43.7**
Savings Deposits	159.7	8.1	5.6
Time Deposits	926.7	46.6	38.1

Table 5.9: Net Foreign Assets of Banking System

$mn

	Position as at Mar 2008	Dec 2007 to Mar 2008	Dec 2006 to Mar 2007
Net Foreign Assets of Banking System	**364.5**	**13.4**	**9.7**
Net Foreign Assets of Central Bank	**220.9**	**5.8**	**-64.0**
Central Bank Foreign Assets	223.0	5.5	-63.6
Central Bank Foreign Liabilities (Demand)	2.1	-0.3	0.4
Net Foreign Assets of Commercial Banks	**143.6**	**7.6**	**73.7**
Commercial Bank Foreign Assets	229.9	26.6	35.1
Commercial Bank Foreign Liab. (Short-Term)	86.3	19.0	-38.6

*Useable International Reserves $222.5mn

Table 5.10: Net Domestic Credit

$mn

	Position as at Mar 2008	Changes During: Dec 2007 to Mar 2008	Changes During: Dec 2006 to Mar 2007
Total Credit to Central Government	**334.9**	**40.5**	**57.4**
From Central Bank	274.9	45.4	46.0
Loans and Advances	157.2	48.4	57.9
Gov't Securities1	117.7	-3.0	-11.9
From Commercial Banks	**60.0**	**-4.9**	**11.4**
Loans and Advances	17.1	-7.8	-0.5
Gov't Securities[1]	42.9	2.9	11.9
(of which) Treasury Bills	32.8	2.9	11.9
Treasury Notes	10.0	0.0	0.0
Other	0.1	0.0	0.0
Less Central Government Deposits	**81.6**	**-1.3**	**-34.2**
With Central Bank	70.1	5.4	-33.5
With Commercial Banks	11.5	-6.7	-0.7
Net Credit to Central Government	**253.3**	**41.8**	**91.6**
Credit to Other Public Sector	**12.9**	**-3.0**	**-12.5**
From Central Bank	0.0	0.0	0.0
From Commercial Banks	12.9	-3.0	-12.5
(of which) Local Government	7.4	-0.8	-0.3
Public Financial Institutions	1.7	-0.1	-0.4
Public Utilities	0.0	0.0	-12.0
Other Statutory Bodies	3.8	-2.1	0.2
Securities	0.0	0.0	0.0
Plus Credit to the Private Sector	**1,561.8**	**-1.6**	**30.6**
Loans and Advances[2]	1,558.0	-1.7	28.1
Securities	3.8	0.1	2.5
Net Domestic Credit of the Banking System3	**1,828.0**	**37.2**	**109.7**

[1]Includes Gov't T-Bills, T-Notes & Debentures from Central Bank[1]

[2]Includes CBB Adavances to Staff[2]

[3]Differences due to rounding[3]

Table 5.11: Sectoral Composition of Commercial Bank's Loans and Advances

$mn

		Changes during	
	Position as at Mar 2008	Dec 2007 to Mar 2008	Dec 2006 to Mar 2007
PRIMARY SECTOR	**180.4**	**-1.6**	**2.6**
Agriculture	121.2	0.4	0.3
Sugar	12.9	-0.5	-0.9
Citrus	17.2	-1.4	-2.4
Bananas	73.9	0.0	2.5
Other	17.2	2.3	1.1
Marine Products	25.8	-1.6	4.7
Forestry	2.1	0.3	-0.2
Mining & Exploration	31.3	-0.7	-2.2
SECONDARY SECTOR	**404.9**	**-17.8**	**1.6**
Manufacturing	32.3	0.3	1.9
Building & Construction	339.9	-25.3	10.9
Utilities	32.7	7.2	-11.2
TERTIARY SECTOR	**611.7**	**-7.9**	**13.3**
Transport	57.2	1.4	1.0
Tourism	117.1	-16.1	3.7
Distribution	198.9	5.0	5.5
Other[1]	238.5	1.8	3.1
Personal Loans	**390.2**	**14.9**	**-2.5**
TOTAL	**1,587.2**	**-12.4**	**15.0**

[1] Includes government services, real estate, financial institutions professional services, and entertainment.

Table 5.12: Commercial Banks Liquidity Position and Cash Reserves

$mn

	Position as at Mar 2008	Changes during Dec 2007 to Mar 2008	Changes during Dec 2006 to Mar 2007
Holdings of Approved Liquid Assets	**470.6**	**53.9**	**0.7**
Notes and Coins	45.5	3.0	9.8
Balances with Central Bank	179.7	11.9	31.4
Money at Call and Foreign Balances (due 90 days)	151.0	26.6	10.6
Treasury Bills maturing in not more than 90 days	42.5	7.7	0.0
Other Approved assets	51.9	4.7	-1.1
of which: Treasury Notes	10.0	0.0	13.8
Required Liquid Assets	**375.3**	**17.1**	**38.7**
Excess/(Deficiency) Liquid Assets	**95.3**	**36.8**	**11.3**
Daily Average holdings of Cash Reserves	178.8	14.4	6.0
Required Cash Reserves	163.2	7.4	5.3
Excess/(Deficiency) Cash Reserves	**15.6**	**7.0**	**0.7**

Table 5.13: Commercial Banks' Weighted Average Interest Rates

Percentages

	Position as at Mar 2008	Changes during Dec 2007 to Mar 2008	Changes during Dec 2006 to Mar 2007
Weighted Lending Rates			
Personal Loans	16.27	0.10	-0.20
Commercial Loans	13.42	-0.38	-0.02
Residential Construction	13.02	-0.12	-0.27
Other	14.12	0.60	0.98
Weighted Average	**14.15**	**-0.15**	**0.01**
Weighted Deposit Rates			
Demand	1.42	0.29	0.11
Savings/ Cheque	5.00	-0.16	0.01
Savings	5.29	0.06	0.00
Time	8.45	0.07	-0.09
Weighted Average	**6.03**	**0.06**	**0.11**
Weighted Average Spread	**8.12**	**-0.21**	**-0.10**

ANNEX II

Visitor Expenditure Survey 2007

The annual Visitor Expenditure Survey is undertaken using a sample of visitors for one week in each month, over a twelve month period. The survey is conducted at three ports of entry: the Philip Goldson International Airport and two land entry points, Benque Viejo and Santa Elena. The Statistical Institute of Belize is the agency responsible for executing the survey on behalf of the Central Bank of Belize and the Belize Tourist Board. The Central Bank of Belize uses the results from the survey to estimate annual tourism expenditure used in the compilation of the Balance of Payments.

The following are the results from the Visitor Expenditure Survey done in 2007.

Table 6.1: Average Length of Stay and Daily Expenditure by Major Tourist Category

	Average Length of Stay		Average Daily Expenditure	
	2006	2007	2006	2007
Stay-over Visitors				
Business Visitors	7.2	6.0	$301.50	$333.40
Non-business Visitors	7.6	7.8	$239.60	$265.36
Belam*	12.7	10.5	$156.70	$177.46
All Visitors	8.2	8.0	$187.52	$275.98
Cruise Ship Visitors	1.0	1.0	$111.40	$133.28

* Belam are visitors who stay with friends or family.

Table 6.2: Visitor Arrivals by Country of Origin

COUNTRY	Peak		Off-Peak		OVERALL	
	Actual	Percent	Actual	Percent	Actual	Percent
United States	6,292	73.6	3,036	67.3	9,328	71.4
Canada	771	9.0	238	5.3	1,009	7.7
Europe	1,116	13.1	899	19.9	2,015	15.4
Caribbean	90	1.1	63	1.4	153	1.2
Central America	46	0.5	68	1.5	114	0.9
Other Countries	234	2.7	210	4.7	444	3.4
TOTAL	**8,549**	**100.0**	**4,514**	**100.0**	**13,063**	**100.0**

Table 6.3: Country of Origin by Port

COUNTRY	PGIA		SE		BVWB		OVERALL	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
United States	8,272	83.1	430	31.6	626	35.8	9,328	71.4
Canada	699	7.0	116	8.5	194	11.1	1,009	7.7
Europe	655	6.6	614	45.2	746	42.7	2,015	15.4
Caribbean	143	1.4	8	0.6	2	0.1	153	1.2
Central America	74	0.7	26	1.9	14	0.8	114	0.9
Other Countries	113	1.1	165	12.1	166	9.5	444	3.4
TOTAL	**9,956**	**100.0**	**1,359**	**100.0**	**1,748**	**100.0**	**13,063**	**100.0**

Table 6.4: Purpose of Visit

	Peak		Off-Peak		Overall	
	Number	Percent	Number	Percent	Number	Percent
Vacation	6,623	77.5	3,499	77.5	10,122	77.5
Business only	499	5.8	206	4.6	705	5.4
Friends/relatives	699	8.2	491	10.9	1,190	9.1
Religion/Health/ Education	353	4.1	161	3.6	514	3.9
Others	374	4.4	155	3.4	529	4.0
Not stated	1	0.0	2	0.0	3	0.02
TOTAL	**8,549**	**100.0**	**4,514**	**100.0**	**13,063**	**100**

Table 6.5: Average Length of Stay by Major Visitor Category Overall Survey

Category	Number of nights
Business Bona fide	6.0
Non Business Bona fide	7.8
Belams	10.5

Table 6.6: Average Length of Stay by Country of Origin

COUNTRY	Peak	Off-Peak	OVERALL
	No. of nights	No. of nights	No. of nights
United States	9.1	9.3	9.2
Canada	12.2	11.7	12.1
Europe	9.2	7.2	8.3
Caribbean	4.6	7.6	5.9
Central America	5.8	6.9	6.4
Other Countries	6.7	5.6	6.2
All Tourists	**9.3**	**8.8**	**9.1**

Table 6.7: Average Length of Stay by Purpose of Visit

	Peak Number of nights	Off-Peak Number of nights	Overall Number of nights
Vacation	8.5	7.9	8.3
Business only	8.5	8.3	8.5
Friends/relatives	14.9	12.6	13.9
Religion/Health/ Education	10.0	12.3	10.7
Others	12.6	15.0	13.3
Not stated	0.0	12.5	10.0
All Tourists	**9.3**	**8.8**	**9.1**

Table 6.8: Multiple Entry Cases by Nationality and by Port

	Peak		Off-Peak		Overall	
	Number of Multiple Entry (ME)	ME as % of Nationality	Number of Multiple Entry (ME)	ME as % of Nationality	Number of Multiple Entry (ME)	ME as % of Nationality
PGIA	**950**	**14.0**	**324**	**10.3**	**1,274**	**12.8**
United States	729	13.1	246	9.1	975	11.8
Canada	89	16.1	23	15.9	112	16.0
Europe	108	22.4	39	22.7	147	22.4
Caribbean	5	6.3	5	7.9	10	7.0
Central America	2	6.7	4	9.1	6	8.1
Other Countries	17	23.6	7	17.1	24	21.2
Santa Elena	**195**	**28.2**	**256**	**38.4**	**451**	**13.2**
United States	80	24.9	43	39.4	123	28.6
Canada	23	32.4	15	33.3	38	32.8
Europe	71	33.0	164	41.1	235	38.3
Caribbean	1	12.5	0	0	1	12.5
Central America	2	22.2	5	29.4	7	26.9
Other Countries	18	26.5	29	29.9	47	28.5
Benque Viejo	**521**	**49.4**	**300**	**43.6**	**723**	**41.4**
United States	247	63.7	149	62.6	396	63.3
Canada	82	56.2	17	35.4	99	51.0
Europe	152	36.4	116	35.4	268	35.9
Caribbean	0	0.0	0	0.0	0	0.0
Central America	5	71.4	0	0.0	5	35.7
Other Countries	35	37.2	20	27.8	55	33.1
Total	**1.666**	**19.5**	**882**	**19.5**	**2,548**	**19.5**

Table 6.9: Average Daily Expenditure by Major Visitor Category

	Peak BZ$	Off-peak BZ$	Overall BZ$
Business Visitor only	$333.54	$333.06	$333.40
Non Business Visitor	$239.14	$279.31	$265.36
Belams	$183.28	$169.47	$177.46

Table 6.10: Cruise Visitor Arrivals by Country of Origin

Country	Overall Survey	
	Number	Percent
United States	930	89.1
Canada	87	8.3
Europe	20	1.9
Caribbean	2	0.2
Other Countries	5	0.5
TOTAL	**1,044**	**100.0**

Table 6.11: Cruise Visitor Arrivals by Country of Origin

Country	Overall Survey	
	Number	Percent
United States	930	89.1
Canada	87	8.3
Europe	20	1.9
Caribbean	2	0.2
Other Countries	5	0.5
TOTAL	**1,044**	**100.0**

Table 6.12: Activities Selected by Cruise Ship Visitors

Tours	Number	Percent
Diving	6	0.8
Snorkeling	41	5.7
Island Tour	34	4.8
Caving	23	3.2
City Tour	83	11.6
Fishing	1	0.1
Jungle Trekking	19	2.7
Cultural Events	9	1.3
Combination	339	47.5
Other	151	21.1
Not Stated	8	1.1
TOTAL	**714**	100.0