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of BELIZE

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List of Acronyms and Abbreviations

Acronyms:

BEL	Belize Electricity Limited
BGA	Banana Growers Association
BSI	Belize Sugar Industries Limited
BSSB	Belize Social Security Board
BTB	Belize Tourism Board
BTL	Belize Telemedia Limited
BWSL	Belize Water Services Limited
CBB	Central Bank of Belize
CDB	Caribbean Development Bank
CFZ	Commercial Free Zone
CGA	Citrus Growers Association
CIF	Cost, Insurance and Freight
CPBL	Citrus Products of Belize Limited
CPI	Consumer Price Index
DFC	Development Finance Corporation
EU	European Union
FOB	Free On Board
FY	Fiscal Year
GDP	Gross Domestic Product
GST	General Sales Tax
IDB	Inter-American Development Bank
IMF	International Monetary Fund
MOF	Ministry of Finance
OPEC	Organisation of Petroleum Exporting Countries
ROC/Taiwan	Republic of China/Taiwan
SIB	Statistical Institute of Belize
SITC	Standard International Trade Classification
UHS	Universal Health Services
UK	United Kingdom
US	United States
VPCA	Venezuelan Petrocaribe Agreement
WTO	World Tourism Organizations

Abbreviations and Conventions:

\$	refers to the Belize dollar unless otherwise stated
bn	denotes billion
mn	denotes million
ps	pound solids

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 2015 figures in this report are provisional and the figures for 2014 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 2015 are based on Central Bank's forecast of annual GDP 2015.

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SUMMARY OF ECONOMIC INDICATORS

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

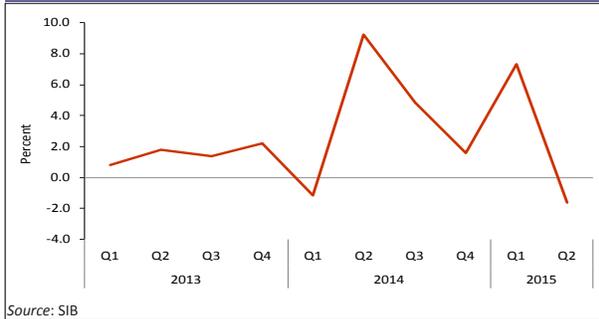


Chart II: Consumer Price Index (All Items)

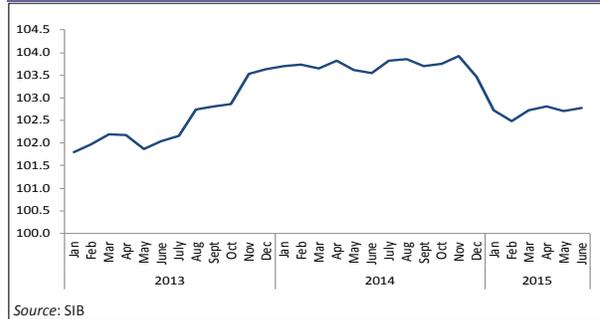


Chart III: Current Account Balance

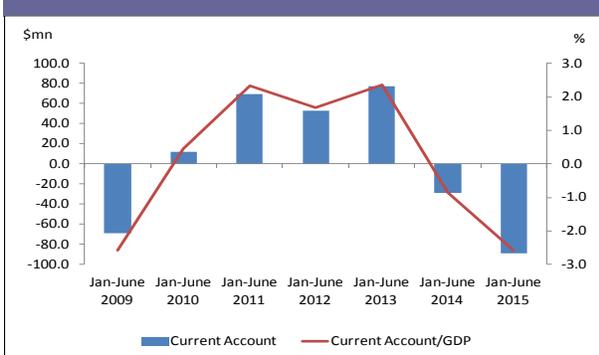


Chart IV: Total Foreign Assets

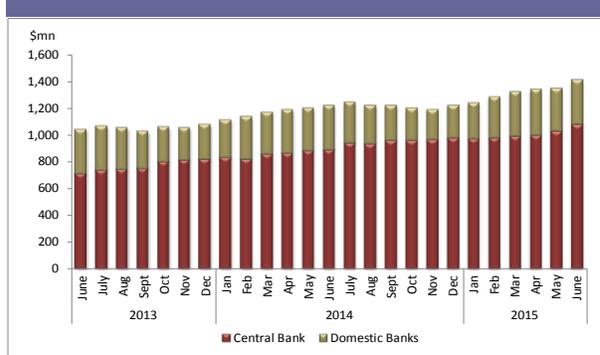


Chart V: Domestic Banks - Deposits and Loans and Advances

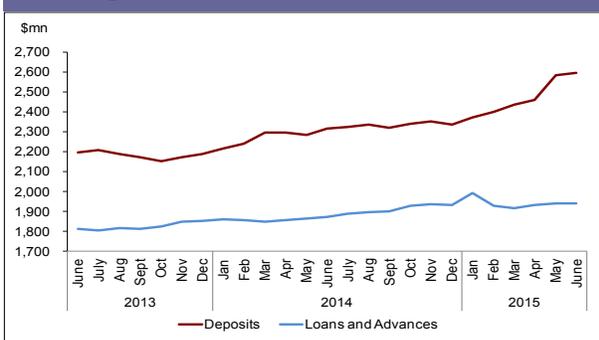


Chart VI: Excess Cash Balances

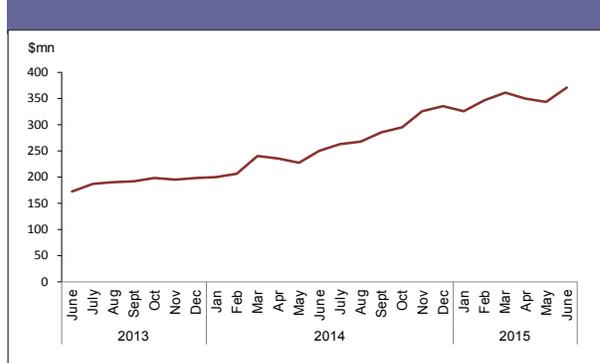


Chart VII: Central Government Operations

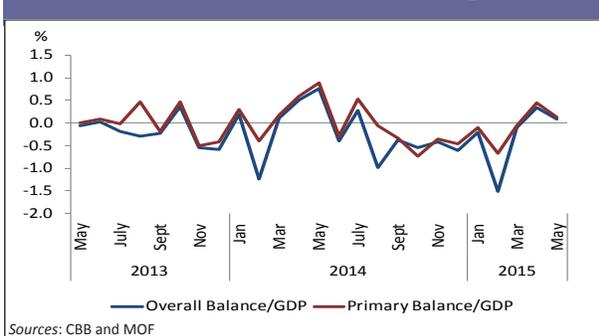
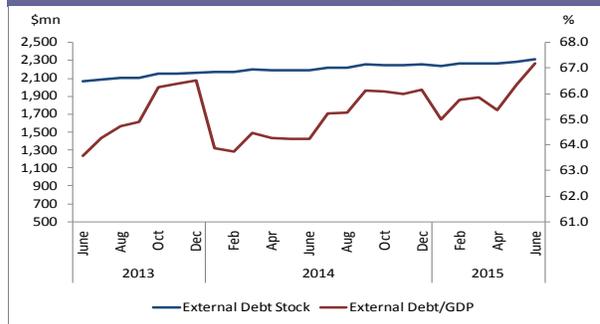


Chart VIII: Public Sector External Debt (Disbursed Outstanding Balance)



Overview

Global output expanded moderately and unevenly in the first half of 2015 with the recovery in advanced economies strengthening, while growth in the emerging and developing economies weakened.

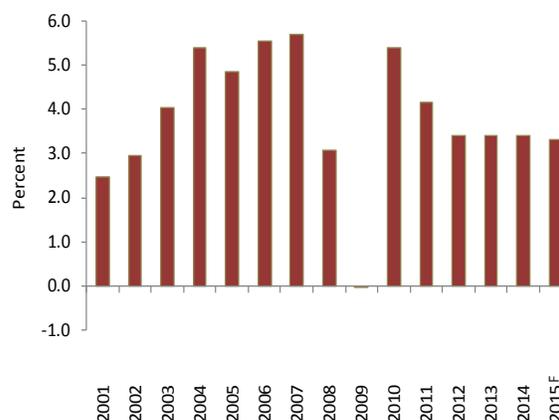
Monetary expansion and low interest rates as well as reduced prices for food and energy continued to buttress activity in the advanced countries. Following a lackluster first quarter, the US grew at an annual rate of 3.7% in the second quarter as consumption, investment and net exports increased, while its unemployment rate declined to 5.3%. The UK registered a 2.4% quarter on quarter expansion largely driven by higher output in the service sectors. However, the euro area (EA 19) continued to struggle with generally sluggish overall growth of 1.2%, which included modest upticks in Germany (1.6%), Spain (3.1%) and France (1.0%). Meanwhile, notwithstanding efforts to stimulate demand, output in Japan contracted at an annualized pace of 1.6% as consumer spending and exports declined.

The dampening effects of slower growth in China, lower commodity prices and tighter fiscal conditions were felt in the larger emerging market economies. China reported a 6.9% GDP increase and remained the main engine of economic growth. However, credit and real estate

investments slowed as its government continued efforts to rebalance the economy towards a more sustainable path. India was the fastest growing member of the BRICS (Brazil, Russia, India, China and South Africa) group for the second consecutive quarter. On the downside, both Russia and Brazil slid into economic recession. Russia was impacted by low oil prices and shrinking investments due to Western sanctions over Ukraine, while Brazil experienced lower output from its service sectors as well as reduced investments. Closer to home, Mexico's economy grew at an annualized pace of 2.0% in the second quarter led by strengthened activity in services that compensated for weakened manufacturing and agricultural output.

Growth in the Caribbean remained sluggish due to high levels of public debt, adverse terms of trade and other country specific constraints. The tourism-oriented

Chart 1.1: World Gross Domestic Product Growth (Year-on-Year Average)



Source: IMF
F - Forecast

economies were positively impacted by low oil prices and the sustained recovery in some of the key source markets, while low prices for oil and metals hampered growth outcomes for net exporters of commodities, such as Trinidad and Tobago and Guyana. The former reported a 1.2% contraction in the first quarter, while the latter recorded a modest increase even though production of gold and bauxite declined. Jamaica benefitted from an upsurge in tourism and tourist-related construction and reported an increase in output ranging between 0.5% and 1.5%. The pace of growth was slower in The Bahamas and Barbados at 0.5%, and the outturn in the Eastern Caribbean Currency Union was also less than robust with four countries recording an increase, one with zero growth and three countries registering contractions in GDP.

Global inflation was subdued due to falling prices for oil, food and other commodities. The lower cost of energy was positive for firms and also boosted disposable incomes for households, while shifting income from net oil exporters to importers. In June, world food prices continued the almost uninterrupted decline that began in April 2014. In the second quarter, the decline was 4.3% led by price reductions for dairy and sugar, while prices for cereals, oils and meats were stable.

In **Belize**, a second quarter 1.6% contraction caused overall GDP growth to come in at 2.7% for the first half of 2015.

Primary sector output expanded by 3.5%, as increases in banana, papaya and farmed shrimp outweighed declines in sugarcane and citrus deliveries. Manufacturing contracted by 5.9% as reduced production of electricity and petroleum, and deceleration in construction outweighed gains from increased output of sugar and citrus juices. Services grew by 4.1% as a negotiated wage increase underpinned a 10.2% expansion in "Government Services". A pickup in cross-border trade at the Commercial Free Zone (CFZ) and increased domestic consumption lifted "Wholesale and Retail Distribution" by 5.5%, while an uptick in tourism activities underpinned expansions in "Hotel and Restaurants" and "Transport and Communication" of 3.3% and 1.6%, respectively.

In the first five months of the calendar year, Central Government operations yielded primary and overall deficits of \$9.8mn and \$48.4mn, respectively, mainly due to increased outlays on wages, transfers and capital projects. The deficit was largely financed through inflows from the Government of Venezuela through the Petrocaribe arrangement, which accounted for more than half of public sector external borrowing and contributed to an overall increase of 2.8% in the external debt to \$2,315.6mn.

Net domestic credit contracted by 1.6% over the January-June period, while a modest increase in loans to the private

sector was offset by the reduction in net credit to Central Government, which was reliant on external funding under the Petrocaribe arrangement. Conditions of excess liquidity persisted partly due to foreign exchange inflows associated with the tourism industry, banana and sugar export earnings and transfers from affiliates of the domestic banks. This contributed to the continuing subduing of local interest rates. In the second quarter, the 12-month (rolling) weighted average interest rate on new loans fell by 14 basis points to 9.76%, while rates on new deposits fell by six basis points to 1.98%, resulting in a narrowing of the weighted average interest rate spread by eight basis points to 7.78%.

The country's external current account deficit widened in the first half due to an expansion in the trade deficit, while a 0.6% drop in exports was compounded by a 5.1% pickup in imports, which reflected larger purchases of chemicals and manufactured goods, machinery and transport equipment and goods for resale at the commercial free zone. Exports were down mostly due to a sharp fall in petroleum receipts, and to a lesser extent, a fall off in marine earnings, which outweighed higher revenues from banana, papaya and re-exports. While the surplus on the capital account fell from \$65.9mn to \$17.9mn, net inflows on the financial account rose from \$48.5mn to \$182.6mn as a result of foreign direct investments and loan disbursements to

Central Government. The gross official international reserves consequently rose by \$94.0mn to \$1.1bn, which was equivalent to 6.1 months of merchandise imports.

Money and Credit

The broad measure of money supply (M2) expanded by 4.3% in the first half of the year, driven by growth in the net foreign assets of domestic banks and the Central Bank of \$81.6mn and \$98.4mn, respectively. The domestic banks were boosted by inflows from tourism in the peak season, domestic exports (particularly banana and sugar), the Commercial Free Zone (CFZ) and dividend payments from affiliates. The Central Bank received inflows of \$220.9mn that were dominated by loan disbursements from the Republic of China (ROC)/Taiwan and Venezuela under the Petrocaribe Agreement (VPCA). It recorded outflows of \$116.8mn that were mostly to facilitate public sector external debt servicing, including the first bi-annual interest payment in February on the 2038 bond.

Partly due to the increase in foreign inflows, bank liquidity continued to mount, with the statutory liquid asset holdings of domestic banks increasing

Chart 2.1: Domestic Banks' Net Foreign Assets

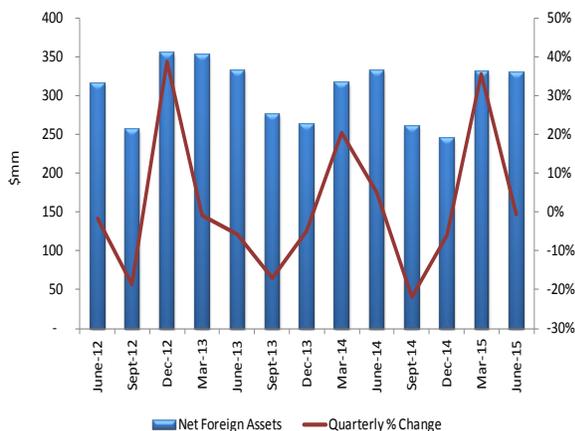
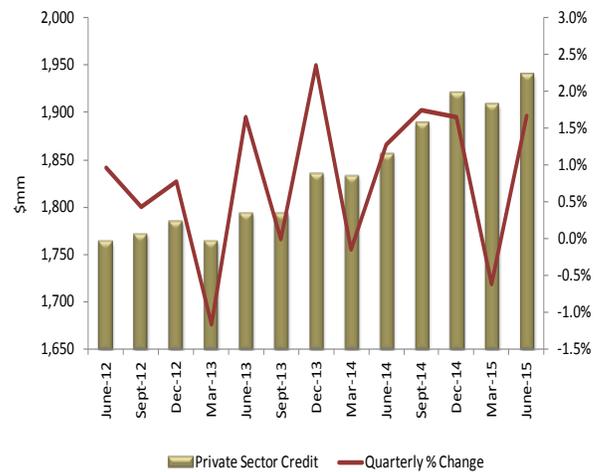


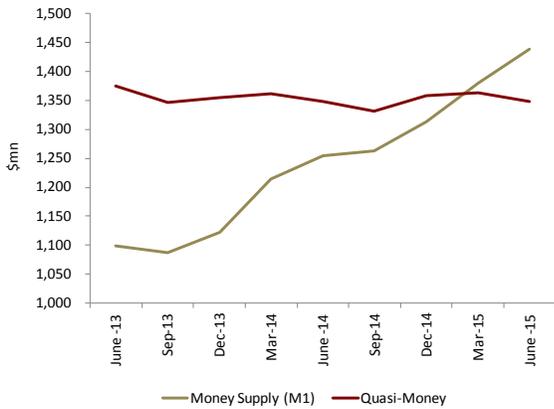
Chart 2.2: Domestic Banks' Private Sector Credit



by 18.2% since December and standing 80.4% above the required level, while cash holdings rose by 8.2% to a level that was 169.3% higher than the legal requirement. Awash with liquidity, the domestic banks continued to reduce their holdings of interest earning term deposits in an effort to minimise costs. While time deposits fell by an additional \$40.3mn in the first half of the year, demand deposits rose by \$111.6mn and savings/chequeing account balances increased by \$7.8mn. As a consequence, the volume of narrow money (M1) exceeded quasi-money from the month of March onward.

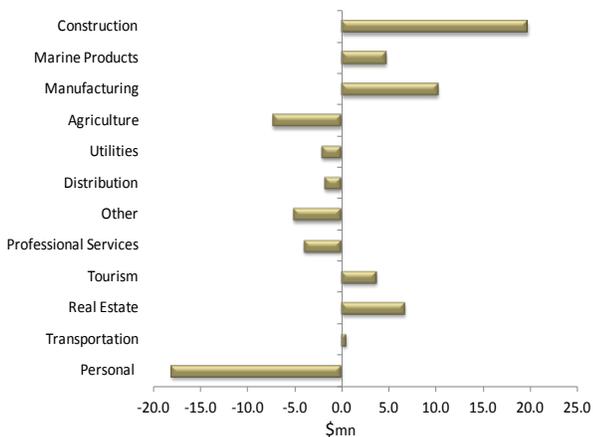
The 12-month (rolling) weighted average interest rate on new loans resumed its downward movement during the second quarter, falling by 14 basis points to 9.76% at the end of June. After its cyclical downturn in the first quarter, credit to the private sector grew by \$23.0mn, resulting in an overall increase of \$11.1mn for the

Chart 2.3: Money Supply (M1) and Quasi-Money



first six months of the year. Some \$8.7mn in non-performing loans were written off during the period. Disbursements were mainly for residential and commercial construction (\$13.3mn), beverage manufacturing (\$9.6mn), real estate development (\$6.7mn), shrimp farming (\$4.2mn) and tourism activities (\$3.7mn). Net repayments were made by entities in most other loan categories, with personal loans recording the largest contraction of \$18.0mn.

Chart 2.4: Changes in Domestic Banks' Loans and Advances, Dec 2014 - June 2015

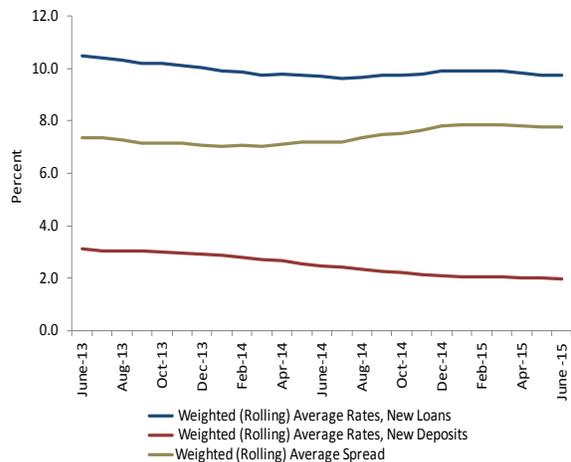


Even with the rise in private sector loans, net domestic credit in the banking system contracted by \$30.4mn due to declines of \$37.8mn in net credit to Central Government and \$3.7mn in loans to other public sector entities (particularly Belize Tourism Board and Belize Telemedia Limited).

The five largest credit unions recorded a \$12.6mn increase in loans over the six-month period, as compared to the \$7.8mn increase in the first half of 2014. Funds were channelled to entities involved in commercial real estate, grain production, professional services and for personal purposes, while net repayments were made in the construction and home improvement loan categories.

The second quarter fall in lending rates was a reversal of the trend between July 2014 and March 2015, when the 12-month

Chart 2.5: Domestic Banks' Weighted (Rolling) Average Interest Rates on New Loans and Deposits

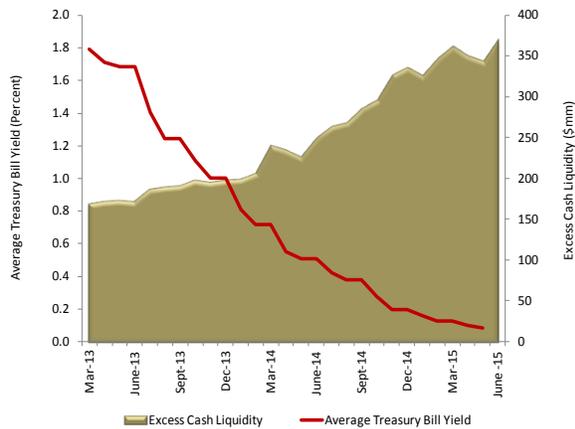


(rolling) weighted average lending rate increased by 27 basis points to reach 9.90%. The increase during this nine-month period was driven by higher rates for commercial and personal loans, which saw respective increases of 52 basis points and 23 basis points. Following March, the 12-month (rolling) weighted average lending rate fell by eight basis points to 9.82% in April and stabilized at 9.76% in May and June.

lending rate falling faster than the deposit rate, the 12-month (rolling) weighted average interest rate spread tightened by eight basis points to 7.78% between March and June.

The 12-month (rolling) weighted average interest rate on new deposits has fallen consistently since September 2013. This trend continued during the second quarter of this year, with the rate falling to 1.98%, which was six basis points lower than March 2015 and 51 basis points lower than June 2014. Compared to March 2015, the rates on savings accounts and time deposits were down by ten and five basis points, respectively, while those on savings/chequeing accounts rose by six basis points. With the weighted average

Chart 2.6: Excess Cash Holdings and Average Treasury Bill Yield



Domestic Production and Prices

A strong first quarter was followed by a contraction in the second due to downturns in the primary and secondary sectors. Overall GDP growth for the six-month period amounted to 2.7% as a result of continued expansion in services and the first quarter spike in primary production.

Output from the primary sector grew by 3.5%, as increases in banana, papaya and farmed shrimp production outweighed declines in deliveries of sugarcane and citrus due to a lower average daily grinding rate in the case of sugarcane and a smaller-than-anticipated second harvest for citrus.

The service sector grew by 4.1%, led by “Government Services” and “Wholesale and Retail Distribution”, which expanded by 10.2% and 5.5%, respectively. The former reflected the negotiated increase in public sector wages, and the latter captured an increase in the Commercial Free Zone (CFZ) cross border trade and heightened import activities elsewhere in the economy. While stay-over visitor arrivals declined by 1.5%, their average length of stay rose slightly, and together with a 2.8% rise in cruise ship disembarkations, contributed to the respective 3.3% and 1.6% increases in “Hotels and Restaurants” and “Transport and Communication”.

The secondary sector suffered a 5.9% contraction, as increases in sugar and

citrus juice production were eclipsed by downturns in electricity output, petroleum extraction and construction. Crude oil extraction remained on a downward trajectory as no new wells were brought into production. Meanwhile, excessively dry weather associated with one of the strongest El Niños in 60 years and a slowdown in infrastructural works caused “Electricity and Water” and “Construction” to contract by 12.7% and 15.4%, respectively.

Sugarcane and Sugar

Sugarcane deliveries shrank by 4.8% to 1,084,560 long tons because of a two-day reduction in the harvesting period as well as a lower average daily grinding rate (6,952 long tons versus 7,208 long tons in 2014). However, improved sugarcane quality and a higher juice-to-sugar conversion rate that resulted from the slower but more optimal milling rate boosted production of sugar by 13.2% to 130,977 long tons. The cane- to-sugar ratio improved by 15.9% to

Table 3.1: Deliveries of Sugarcane and Production of Sugar and Molasses

	Dec-June 2013/2014	Dec-June 2014/2015
Deliveries of Sugarcane to BSI (long tons)	1,138,818	1,084,560
Sugar Processed by BSI (long tons)	115,677	130,977
Molasses processed by BSI (long tons)	39,246	33,230
Performance		
Factory Time Efficiency (%)	95.45	97.90
Cane Purity (%)	85.10	87.02
Cane/Sugar	9.77	8.22

Source: BSI

8.22, a record level, which along with lower-than-anticipated freight rates, facilitated an increase in the average price paid to sugarcane farmers from \$53.55 to \$70.45 per long ton. Production of molasses fell by 15.3% to 33,230 long tons, reflecting its inverse relationship with sugar output.

Citrus

Citrus deliveries fell by 2.9% to 4.6mn boxes, as orange deliveries, which usually account for more than 70.0% of the harvest, declined by 6.8% to 3.9mn boxes due to a smaller-than-anticipated second

Table 3.2: Output of Citrus Products

	Oct-June 2013/2014	Oct-June 2014/2015
Deliveries (boxes)		
Orange	4,158,870	3,877,297
Grapefruit	<u>576,234</u>	<u>722,104</u>
Total	4,735,104	4,599,401
Concentrate Produced (ps)		
Orange	25,060,141	24,796,461
Grapefruit	<u>2,315,303</u>	<u>3,054,389</u>
Total	27,375,444	27,850,850
Not from Concentrate (ps)		
Orange	252,917	90,316
Grapefruit	<u>7,473</u>	<u>45,720</u>
Total	260,390	136,036
Pulp (pounds)		
Orange	2,272,640	2,670,352
Grapefruit	<u>147,552</u>	<u>184,864</u>
Total	2,420,192	2,855,216
Oil Produced (pounds)		
Orange	1,584,200	1,356,400
Grapefruit	<u>75,400</u>	<u>108,000</u>
Total	1,659,600	1,464,400

Sources: CGA and CPBL

harvest. In contrast, grapefruit deliveries increased by 25.3% to 0.7mn boxes. This was the highest since 2012 and reflected better field management practices to control for greasy spot rind blotch (GSRB) that affects grapefruit in particular.

A downturn in deliveries notwithstanding, citrus juice production increased by 1.3% to 28.0mn pounds solids (ps), underpinned by a 31.9% increase in grapefruit concentrate, while output of orange concentrate slipped marginally. The increased production was partly due to a 4.3% increase in the average juice out-turn per box, which benefitted from improved husbandry, the very dry harvest weather and improved factory efficiency. Output of citrus pulp surged by 18.0% to 2.9mn pounds, while that of citrus oil fell by 11.8% to 1.5mn pounds.

Demand for orange juice continued to weaken under pressure from competing beverages claiming lower caloric values, while the niche consumer market for grapefruit juice remained stable. Consequently, the estimated prices paid to farmers for the 2014/2015 crop was \$1.72 per ps for orange, compared to the \$1.96 of the previous crop year, and \$2.52 per ps for grapefruit, compared to \$2.51 for the 2013/2014 crop.

Banana

Buoyed by a first quarter spike in output that compensated for a slowdown in the second quarter and an expansion

in acreage, banana production for the first half of the year increased by 11.5% to 3.0mn boxes. The Banana Growers Association and Fyffes moved into the third year of their exclusive marketing contract, which commenced on 1 January 2013.

Petroleum

Petroleum extraction fell by 16.2% to 278,827 barrels, with output from the Spanish Lookout and Never Delay fields contracting by 15.8% and 82.7%, respectively. Output at the Spanish Lookout field fell from an average of 1,838 barrels per day over the first half of 2014 to 1,547 barrels per day. Given the steep fall in global crude oil prices, operations at the Never Delay field remained essentially suspended with only minimal amounts being extracted.

Tourism

The World Tourism Organization reported that the number of international tourist

Table 3.3: Bona Fide Tourist Arrivals

	Jan-June 2014	Jan-June 2015
Stay-over Arrivals		
Air	141,226	138,974
Land	27,234	27,638
Sea	<u>4,768</u>	<u>4,013</u>
Total	173,228	170,625
Cruise Ship	474,333	487,698

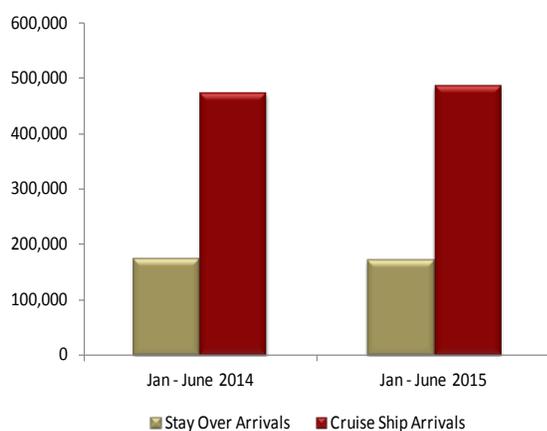
Sources: BTB, CBB and Immigration Department

visitors to the Caribbean increased by 7.0% in the first half of 2015. However, stay-over visitors to Belize fell by 1.5% to 170,625 with respective declines of 1.4% and 12.3% in arrivals from the US and Canada against a combined 2.6% increase from the EU and other countries. Visitors from the US, Europe and Canada accounted for 68.3%, 9.9% and 9.3%, respectively, of total overnight visitors. Cruise disembarkations were up by 2.8% to 487,698 visitors, with a marginal two-ship increase in port calls up to June.

Consumer Price Index

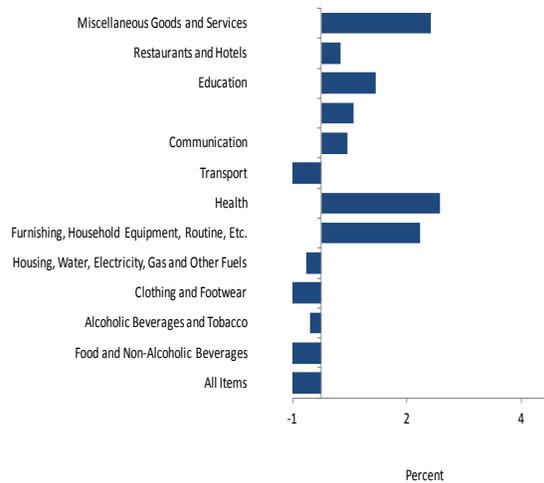
The Consumer Price Index (CPI) edged upward by 0.1% in the month of June. However, the average prices in the first half of 2015 were 0.9% lower than in the same period of 2014. Reduced prices for fuel and energy drove down “*Transport*” (7.3%) and “*Housing, Water, Electricity, Gas, and Other Fuels*” (0.3%), while lower prices for fresh vegetables and red kidney beans caused dips in the “*Food and Non-Alcoholic Beverages*” (0.7%) and “*Alcoholic, Beverages and Tobacco*” (0.2%) categories.

Chart 3.1: Tourist Arrivals



Sources: BTB, CBB and Immigration Department

Chart 3.2: Average Annual Percentage Change in Consumer Price Index
Jan to June 2015 over Jan to June 2014

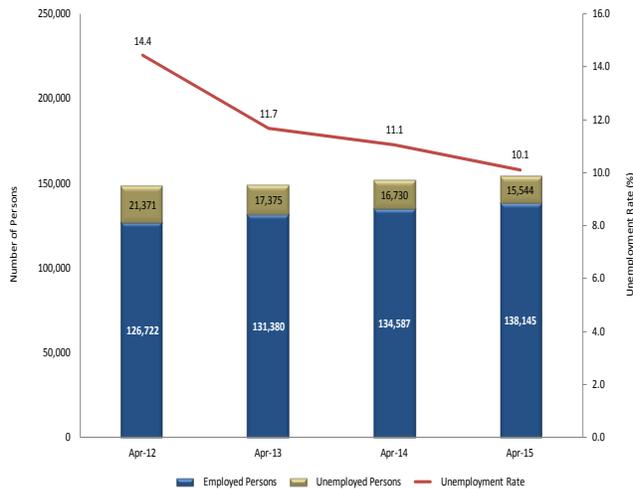


Source: SIB

Employment

The unemployment rate continued to trend downward, declining by one percentage point in April to 10.1% from the 11.1% recorded in April 2014, while the number of unemployed fell by 7.1% to 15,544 persons. The number of employed persons grew by 2.6% to 138,145 with job gains in service industries outweighing losses in agricultural and manufacturing industries.

Chart 3.3: Labour Force Statistics



Source: SIB

International Trade and Payments

The deficit on the external current account widened to \$72.8mn (compared to \$29.1mn in the first half of 2014) due to a notable expansion in the merchandise trade deficit. This was offset by a surplus of \$17.9mn on the capital account and net inflows of \$182.6mn on the financial account. The gross international reserves consequently rose by \$94.0mn to \$1.1bn, the equivalent of 6.1 months of merchandise imports.

Exports declined by 0.6% and imports rose by 5.1%, causing the merchandise trade deficit to expand by 16.8% to \$336.8mn. Import growth was attributable to a 3.3% increase in expenditure on goods for domestic consumption such as fertilizers, agricultural equipment, bottling equipment and electricity, as well as higher outlays by the Commercial Free Zone (CFZ) and export processing zone companies. Domestic exports decreased

Chart 4.1: External Current Account and Trade Deficit

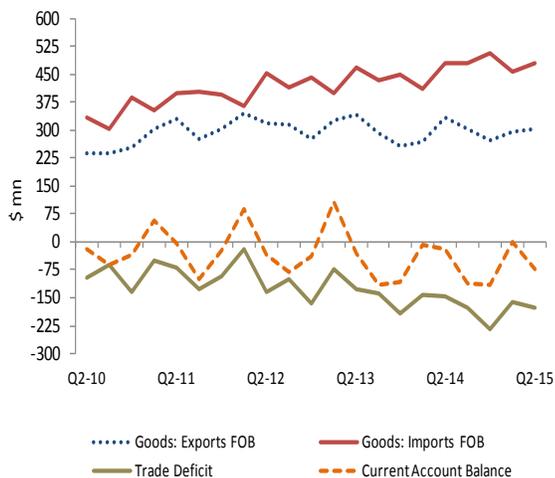


Table 4.1: Balance of Payments Summary

	\$mn	
	Jan-June 2014 ^R	Jan-June 2015 ^P
A. CURRENT ACCOUNT		
(I+II+III+IV)	-29.1	-72.8
I. Goods (Trade Balance)	-288.4	-336.8
Exports, Free on Board (FOB)	602.7	599.4
Domestic Exports	336.3	293.0
CFZ Gross Sales	218.4	230.5
Re-exports	48.0	75.9
Imports, FOB	891.1	936.2
Domestic Imports	763.3	788.6
CFZ Imports	127.9	147.6
II. Services	343.1	344.9
Transportation	-38.8	-38.4
Travel	396.3	401.0
Other Services	-14.5	-17.7
III. Primary Income	-156.8	-154.9
Compensation of Employees	-5.9	-6.3
Investment Income	-150.9	-148.6
IV. Secondary Income	73.0	74.0
Government	-5.6	-2.2
Private	78.7	76.2
B. Capital Account	65.9	17.9
C. Financial Account	-48.4	-182.6
D. NET ERRORS AND OMISSIONS	-12.8	-33.0
E. RESERVE ASSETS	72.4	94.0

^R - Revised

^P - Provisional

by 12.9% due to lower earnings from all commodities, except banana, papaya and sugar, while CFZ sales and re-exports recorded respective increases of 5.5% and 58.1%.

Although sugar export volume declined by 2.8%, revenues held steady at \$71.9mn, buoyed by an improvement in prices received from the EU market and the

fulfillment of Belize's quota to the US market. Sales to the EU totaled 55,288 long tons, valued at \$58.0mn, while the US quota, which was filled for the first time since 2012, amounted to 10,923 tons, valued at \$11.4mn. Sales to regional markets and other countries amounted to 2,187 long tons, valued at \$2.5mn. Molasses sales amounted to 14,424 long tons, valued at \$3.6mn.

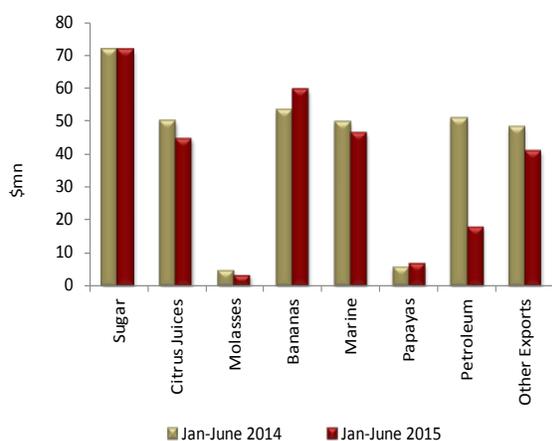
The volume of citrus juice exports declined by 0.4%, while revenues were down by 10.7% to \$44.9mn, as the easing of concerns that a frost would damage Florida's orange crop caused orange juice price futures to fall. Earnings from orange concentrate consequently fell by 8.5% to \$41.2mn, despite a 2.1% increase in the export volume. Sales of grapefruit concentrate fell by 33.0% to 0.8mn ps, valued at \$3.5mn.

Although marine export volume grew by 9.4%, earnings fell by 6.7% to \$46.7mn

because of lower unit prices for fish and farmed shrimp, the latter of which was caused by an oversupply in Mexico, Belize's major market. Revenues from lobster and conch also fell 11.5% to \$5.0mn and by 23.8% to \$3.2mn, due to lower sale volumes.

Favourable weather and increased productive acreage underpinned an 11.5% expansion in the volume of banana exports, which generated an 11.0% rise in receipts to \$59.7mn. However, crude oil exports shrank by 31.3% to 179,622 barrels, and with the average export price plunging to US\$50.48 per barrel (compared to US\$97.80 per barrel in the first half of 2014), receipts plummeted by 64.5% to \$18.1mn. Meanwhile, although a papaya production rebound boosted export volume by 20.3%, receipts rose by only 16.2% to \$6.9mn, as prices in the US market fell due to an abundance of fruit supply from other major producers, such as Mexico and Guatemala.

Chart 4.2: Domestic Exports



Sources: SIB and CBB

In other developments, net earnings from services edged up by \$1.8mn to \$344.9mn, supported by a minor uptick in travel receipts as a 2.5% increase in cruise ship disembarkations outweighed a 1.6% decline in arrivals of stay-over tourists. Shipping costs remained relatively stable, while net outflows for other services increased by \$3.3mn to \$17.7mn.

Net outflows on the primary income account edged down by \$1.9mn to

\$154.9mn mainly due to reduced profit outflows from the tourism and petroleum industries. The surplus on the secondary income account increased by \$1.0mn to \$74.0mn, as a marginal increase in net remittance inflows masked a dip in inflows to religious/non-profit organizations and credit unions.

A notable fall in grant receipts from foreign donors caused the surplus on the capital account to decrease from the \$65.9mn recorded for the first semester of 2014 to \$17.9mn. On the other hand, the financial account registered net inflows of \$182.6mn, reflecting higher foreign direct investment inflows and a surge in loan disbursements to Government that outweighed the increase in deposits held abroad by the domestic banks. Foreign direct investments were channeled mainly into hotel developments and construction, while the majority of loan disbursements was from the Venezuelan Petrocaribe

Table 4.2: Capital and Financial Account Summary

		\$mn	
		Jan-June 2014 ^R	Jan-June 2015 ^P
A.	Capital Account	65.9	17.9
B.	Financial Account (1+2+3+4)	-48.4	-182.6
	1. Direct Investment in Belize	-135.4	-207.1
	2. Portfolio Investment	0.0	0.0
	Monetary Authorities	0.0	0.0
	General Government	0.0	0.0
	Banks	0.0	0.0
	Other Sectors	0.0	0.0
	3. Financial Derivatives	0.0	0.0
	4. Other Investments	87.0	24.5
	Monetary Authorities	-1.3	-5.7
	General Government	-10.5	-66.5
	Banks	62.2	81.7
	Other Sectors	36.6	15.0
C.	NET ERRORS AND OMISSIONS	-12.8	-33.0
D.	OVERALL BALANCE	72.4	94.0
E.	RESERVE ASSETS	72.4	94.0

^R - Revised

^P - Provisional

Chart 4.2: Trade, Services, Primary Income and Secondary Income Balances

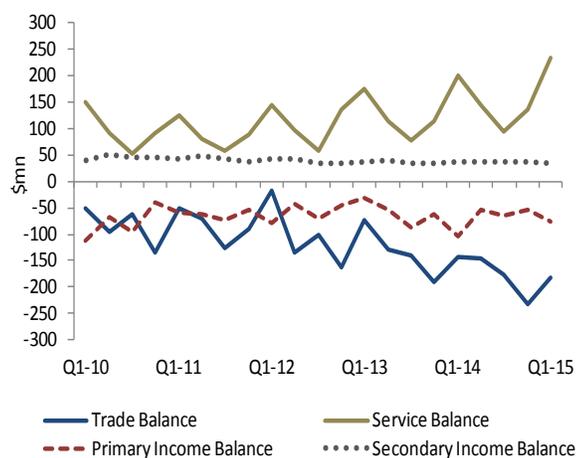
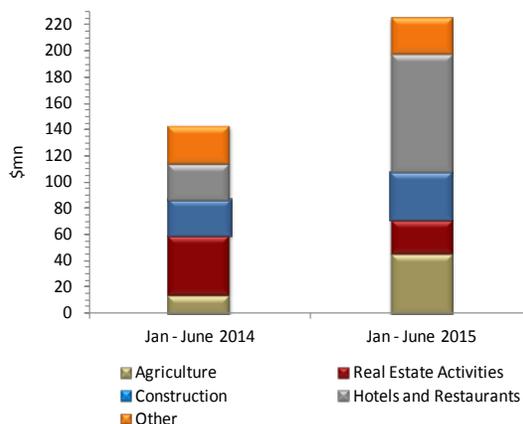


Chart 4.3: Foreign Direct Investment Inflows By Major Activity



Agreement (VPCA), the Republic of China/
Taiwan (ROC/Taiwan) and the Inter-
American Development Bank (IDB).

Government Operations and Public Debt

Central Government Operations

During the first five months of the 2015 calendar, Central Government spending rose by 10.0% (\$44.4mn), while revenues were down by 4.0% (\$18.2mn). As a result, the primary and overall surpluses realized in the same period of 2014 swung to deficits of \$9.8mn (0.3% of GDP) and \$48.4mn (1.4% of GDP), respectively. Outlays on capital projects, personal emoluments, goods and services and transfers to high schools increased. Concurrently, grant receipts plummeted by \$60.2mn and non-tax revenues also shrank by \$8.1mn, reflecting lower collections from government departments, international registries and petroleum royalties.

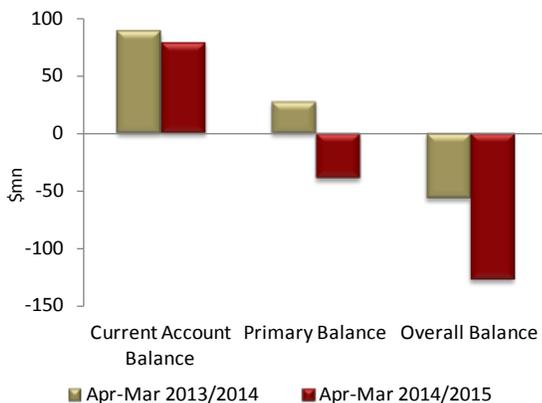
In April and May, the first two months of the 2015/2016 fiscal year, revenues fell by 12.1% to \$171.1mn, while expenditures rose by 5.2% to \$156.2mn, causing the primary and overall surpluses

to narrow by \$31.5mn to 0.6% of GDP and \$31.2mn to 0.4% of GDP, respectively. Total revenue contracted by \$23.5mn due to reduced grant receipts and, to a lesser extent, a decline in current revenue. Grants were down from \$16.7mn in the previous period to only \$0.5mn, and tax revenue edged down by 0.6% as lower income from taxes on income & profits, property and goods and services outweighed a 13.4% increase in collections on international transactions. The continuing decline in petroleum royalties accounted for a 24.1% contraction in non-tax revenue over the period reviewed. Compared to the first two months of the previous fiscal year, oil revenue's contribution to government income shrank from 5.6% to 1.8%, reflecting sizeable reductions in export volume and prices.

Expenditure rose by \$7.7mn with current and capital spending up by 3.4% and 12.6%, respectively. Current outlays were driven upward by the negotiated 6.0% increase in public servant wages. The latter contributed to double digit increases in personal emoluments (11.4%), pensions (11.0%) and domestic subsidies (11.8%). Competitive bidding on government securities kept interest rates on domestic securities subdued and, as a result, interest payments were 6.3% lower.

Capital spending and net lending totaled \$32.5mn, an increase of \$3.6mn

Chart 5.1: Central Government Fiscal Operations



Sources: MOF and CBB

Table 5.1: Central Government Revenue and Expenditure

	\$mn			
	Jan 2014 to May 2014	Jan 2015 to May 2015	Apr 2013 to May 2014	Apr 2014 to May 2015
Total Revenue and Grants	459.3	441.1	194.6	171.1
of which: Current Revenue	395.4	437.0	177.0	169.5
of which: Grants	61.9	1.8	16.7	0.5
Total Expenditure	445.2	487.5	148.5	156.2
Current Expenditure	328.4	354.2	119.7	123.8
Capital Expenditure	116.8	135.3	28.8	32.5
Current Balance	66.9	82.8	57.3	45.7
Primary Balance	53.0	-9.8	50.7	19.2
Overall Balance	14.2	-48.4	46.0	14.8

Sources: MOF and CBB estimates

relative to the first two months of the previous fiscal year. Funded mostly from Petrocaribe inflows, \$18.0mn was spent on infrastructural projects, including works on the south side of Belize City,

the Southern Highway and maintenance/rehabilitation of roads, highways, bridges and drains. Outlays on land and solid waste management as well as environmental projects amounted to 8.9% and 10.5%,

Table 5.2: Summary of Central Government Revenue

	\$mn			
	Jan 2014 to May 2014	Jan 2015 to May 2015	Apr 2013 to May 2014	Apr 2014 to May 2015
Current Revenue	395.4	437.0	177.0	169.5
Tax Revenue	340.3	390.1	149.8	148.8
Income and Profits	111.8	120.7	48.4	45.5
Taxes on Property	3.2	2.9	1.6	1.1
Taxes on Goods and Services	141.2	153.9	62.4	59.7
International Trade and Transactions	84.1	112.5	37.5	42.5
Non-Tax Revenue	55.1	47.0	27.2	20.7
Property Income	7.2	8.3	6.7	7.5
Licenses	6.1	7.3	2.2	3.2
Other	41.7	31.4	18.3	10.0
Capital Revenue	2.0	2.3	0.8	1.0
Grants	61.9	1.8	16.7	0.5

Sources: MOF and CBB estimates

Table 5.3: Summary of Central Government Expenditure

	\$mn			
	Jan 2014 to May 2014	Jan 2015 to May 2015	Apr 2013 to May 2014	Apr 2014 to May 2015
Current Expenditure	328.4	354.2	119.7	123.8
Wages and Salaries	130.7	145.0	53.4	59.5
Pensions	22.2	26.2	9.3	10.4
Goods and Services	79.9	87.9	26.9	24.4
Interest Payments	38.8	38.6	4.6	4.3
of which: External	35.0	34.9	3.8	3.8
Subsidies and Current Transfers	56.7	56.5	25.4	25.1
Capital Expenditure	116.8	135.3	28.8	32.5
Capital II	50.8	49.6	14.5	13.4
Capital III	64.4	84.4	13.6	18.5
Net Lending	1.5	1.3	0.8	0.6

Sources: MOF and CBB estimates

respectively. Meanwhile, disbursements for education, sports, health, tourism, science, technology, housing, security, agriculture and social projects summed to 11.4%. The remainder went mostly to Belize Infrastructure Limited and for the upgrade of public buildings.

Domestic Debt

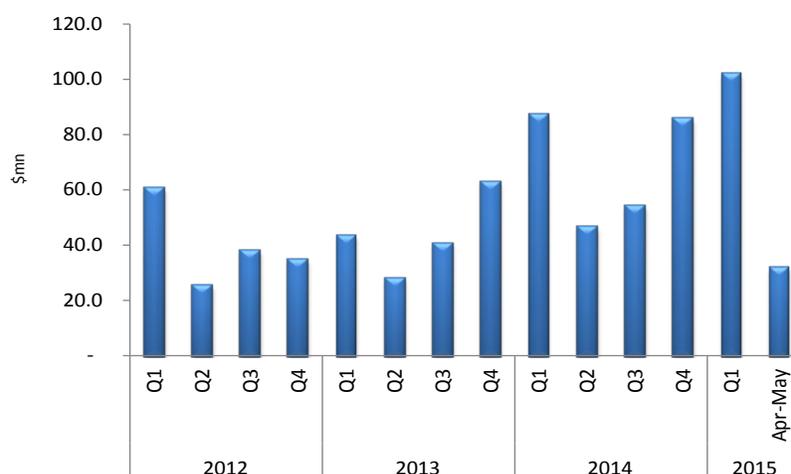
Central Government's domestic debt increased by 8.8% to \$409.3mn (11.7% of GDP) in the first half of the year. The most notable developments were the issuance in February of \$40.0mn in new Treasury notes and a 13.2% reduction in the government's overdraft facility with the Central Bank to \$41.3mn. The seasonal hike in revenues at the start of the fiscal year and the proceeds from the new issuance facilitated reduced reliance on the overdraft financing. In

addition, amortization payments totalling \$1.0mn went to domestic banks, Belize Social Security Board (BSSB), Fort Street Tourism Village and the Debt for Nature Swap.

Interest payments amounted to \$5.7mn and included \$3.6mn paid to the Central Bank for credit provided by way of the overdraft and long-term securities. Some \$1.8mn was paid to non-bank entities and the remainder went to domestic banks on their holdings of government securities and loans. With the interest rate on government securities continuing to trend downward, the annual effective interest rate stood at 3.7% at the end of June as compared to 4.1% one year earlier.

The acquisition of the new Treasury notes by the Central Bank and non-bank

Chart 5.2: Central Government Development Expenditure



Sources: MOF and CBB estimates

entities pushed their respective shares of the domestic debt upward from 38.4% to 39.8% and 17.4% to 19.3% over the first half of the year. Concurrently, the share of government debt held by the domestic banks fell from 44.2% to 40.9%.

Public Sector External Debt

The public sector external debt rose by 2.8% to \$2,315.6mn (66.0% of GDP) during the first half of the year, with disbursements of \$104.0mn exceeding

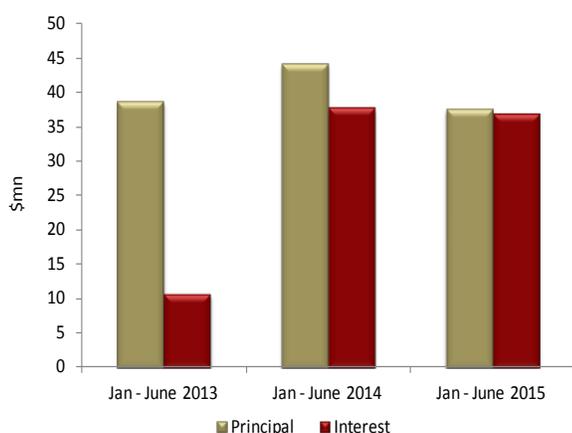
amortization payments of \$37.6mn. All disbursements went to Central Government and consisted of \$79.5mn from bilateral creditors and \$24.5mn from multilateral lenders. Notable disbursements included \$58.4mn from Venezuela, \$21.0mn from the Republic of China (ROC)/Taiwan and \$10.6mn from the Interamerican Development Bank (IDB) for various projects, including solid waste management and infrastructural works. With the bulk of new borrowing coming from the highly concessional Petrocaribe financing, the annual effective interest rate averaged 3.2%, compared to the 3.3% recorded at the end of June 2014.

Table 5.4: Central Government Domestic Debt

	\$mn		
	Dec 2014	June 2015	Changes in Stock
Overdraft	47.6	41.3	-6.3
Loans	7.0	6.5	-0.5
Treasury Bills	175.0	175.0	0.0
Treasury Notes	136.5	176.5	40.0
Defence Bonds	10.0	10.0	0.0
Total	376.1	409.3	33.2

Principal repayments by the Central Government amounted to \$35.2mn, of which \$19.7mn and \$15.6mn went to multilateral and bilateral creditors,

Chart 5.3: External Debt Service



NB: Principal for 2013 excludes the \$107.9mn haircut.

respectively. The Development Finance Corporation (DFC) and the non-financial public sector repaid \$2.0mn to the CDB. Of the \$36.7mn in interest and other payments, holders of the 2038 bond received \$26.3mn (71.3% of the total). Additionally, Central Government paid \$3.2mn to bilateral creditors, with \$2.5mn going to the ROC/Taiwan, and \$7.1mn to multilateral lenders. Payments made by the financial and non-financial public sectors amounted to \$0.4mn.

At the end of the second quarter, Central Government's share of the public sector external debt was 96.7%, of which the 2038 bond represented 45.5% and balances owed to the Government of Venezuela accounted for 15.1%. The share held by the financial and non-financial public sectors were 2.5% and 0.8%, respectively.

Chart 5.4: Average Interest Rate on Central Government Domestic Debt and Public Sector External Debt

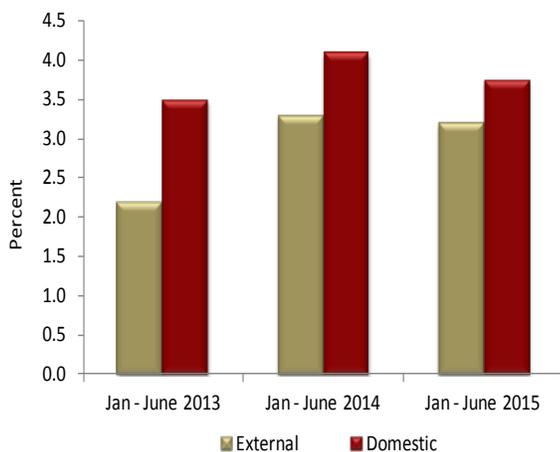


Table 5.5: Public Sector External Debt

	\$mn		
	DOD at: 12/31/2014	DOD at: 30/06/2015	Change in Debt Stock
Central Government	2,173.1	2,240.4	67.3
Bilateral	566.9	630.2	63.3
Multilateral	553.2	557.1	4.0
Bonds	1,053.0	1,053.0	0.0
Non-Financial Public Sector	19.8	17.9	-2.0
Bilateral	1.4	1.0	-0.4
Multilateral	18.5	16.9	-1.6
Bonds	0.0	0.0	0.0
Financial Public Sector	59.3	57.4	-1.9
Bilateral	0.0	0	0.0
Multilateral	59.3	57.4	-1.9
Bonds	0.0	0.0	0.0
Grand Total	2,252.2	2,315.6	63.4

ANNEX I

Table 6.1: Selected Gross Domestic Product Growth Rates

	Percent	
	Mar 2015	June 2015
USA ⁽¹⁾	2.2	3.7
UK ⁽¹⁾	3.0	2.4
Euro Zone ⁽¹⁾	1.0	1.2
Japan ⁽¹⁾	1.1	-1.6

⁽¹⁾ Percentage change compared to the same quarter of the previous year.

Source: Respective Statistical Bureaus

Table 6.2: Factors Responsible for Money Supply Movements⁽¹⁾

	Position as at June 2015	Changes During	
		Dec 2014 to June 2015	Dec 2013 to June 2014
Net Foreign Assets	1,410.1	180.0	130.8
Central Bank	1,080.4	98.4	70.4
Domestic Bank	329.7	81.6	60.4
Net Domestic Credit	1,909.01	-30.4	-21.9
Central Government (Net)	-34.7	-37.8	-40.4
Other Public Sector	12.3	-3.7	-8.5
Private Sector	1,931.5	11.1	27.0
Central Bank Foreign Liabilities (Long-term)	50.3	-1.5	-1.6
Other Items (Net)	481.2	35.4	-16.7
Money Supply (M2)	2,787.7	115.7	127.2

⁽¹⁾ Transactions associated with the Universal Health Services (UHS) loan with the Belize Bank Limited are not included in this table, as no action has been taken to enforce the claim.

Table 6.3: Money Supply

	\$mn		
	Position as at June 2015	Changes During	
		Dec 2014 to June 2015	Dec 2013 to June 2014
Money Supply (M2)	2,787.7	115.7	127.2
Money Supply (M1)	1,439.2	125.4	133.1
Currency with the Public	243.3	6.0	4.2
Demand Deposits	1,032.0	111.6	128.1
Savings/Chequing Deposits	163.9	7.8	0.8
Quasi-Money	1,348.5	-9.7	-5.9
Savings Deposits	475.8	30.6	14.5
Time Deposits	872.7	-40.3	-20.4

Table 6.4: Net Foreign Assets of the Banking System

	\$mn		
	Position as at June 2015	Changes During	
		Dec 2014 to June 2015	Dec 2013 to June 2014
Net Foreign Assets of Banking System	1,410.1	180	130.8
Net Foreign Assets of Central Bank	1,080.4	98.4	70.4
Central Bank Foreign Assets	1,087.4	104.1	70.8
Central Bank Foreign Liabilities (Demand)	7	5.7	0.4
Net Foreign Assets of Domestic Banks	329.7	81.6	60.4
Domestic Bank Foreign Assets	356.5	72.6	77.7
Domestic Bank Foreign Liabilities (Short-Term)	26.8	-9	17.3

Table 6.5: Net Domestic Credit

		\$mn	
	Position as at June 2015	Changes During	
		Dec 2014 to June 2015	Dec 2013 to June 2014
Total Credit to Central Government	330.3	19.7	-21.1
From Central Bank	162.8	18.6	-3.9
Loans and Advances	41.3	-6.3	-5
Government Securities ⁽¹⁾	121.5	24.9	1.1
From Domestic Banks	167.5	1.1	-17.2
Loans and Advances	3.1	-0.4	-0.4
Government Securities	164.4	1.5	-16.8
of which: Treasury Bills	164.4	1.5	-16.8
Treasury Notes	0	0	0
Other	0	0	0
Less Central Government Deposits	365	57.5	19.3
With Central Bank	311.7	45.7	6.3
With Domestic Banks	53.3	11.8	13
Net Credit to Central Government	-34.7	-37.8	-40.4
Credit to Other Public Sector	12.3	-3.7	-8.5
From Central Bank	0.0	0.0	0.0
From Domestic Banks	12.3	-3.7	-8.5
of which: Local Government	0.6	-0.4	-0.3
Public Financial Institutions	0.0	0.0	0.0
Public Utilities	5.5	-2.3	-4.8
Other Statutory Bodies	4.3	-1.0	-3.9
Securities	2.0	0.0	0.5
Plus Credit to the Private Sector	1,931.5	11.1	27.0
Loans and Advances	1,931.1	11.1	26.6
Securities	0.4	0.0	0.4
Net Domestic Credit of the Banking System ⁽²⁾	1,909.1	-30.4	-21.9

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

⁽²⁾ Values may not equal total due to rounding.

Table 6.6: Sectoral Composition of Domestic Banks' Loans and Advances

		\$mn	
	Position as at June 2015	Changes During	
		Dec 2014 to June 2015	Dec 2013 to June 2014
PRIMARY SECTOR	248.8	-3.2	27.6
Agriculture	193.6	-7.3	23.0
Sugar	64.4	-2.9	24.3
Citrus	15.4	-0.3	-6.1
Bananas	68.0	-0.8	1.4
Other	45.8	-3.3	3.4
Marine Products	33.5	4.7	3.1
Forestry	1.5	-0.4	0.1
Mining and Exploration	20.2	-0.2	1.4
SECONDARY SECTOR	598.1	27.8	-0.7
Manufacturing	32.0	10.2	-5.2
Building and Construction	544.8	19.7	6.9
Utilities	21.3	-2.1	-2.4
TERTIARY SECTOR	668.7	0.6	2.9
Transport	44.4	0.5	1.3
Tourism	99.8	3.7	-3.8
Distribution	181.9	-1.8	8.3
Real Estate	284.7	6.7	8.4
Professional Services	43.5	-4.0	-3.2
Other ⁽¹⁾	14.4	-4.5	-8.1
Personal Loans	424.6	-18.0	-9.6
TOTAL	1,940.2	7.2	20.2

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

Table 6.7: Domestic Banks' Liquidity Position and Cash Reserves

		\$mn	
		Changes During	
	Position as at June 2015	Dec 2014 to June 2015	Dec 2013 to June 2014
Holdings of Approved Liquid Assets	1,067.5	164.5	252.1
Notes and Coins	72.5	1.1	-2.2
Balances with Central Bank	588.8	46.4	187.8
Money at Call and Foreign Balances (due in 90 days)	226.7	116.3	67.5
Treasury Bills maturing in not more than 90 days	164.4	1.5	-1.3
Other Approved Assets	15.1	-0.8	0.3
Of which: Treasury Notes	0.0	0.0	0.0
Required Liquid Assets	591.7	27.5	70.0
Excess/(Deficiency) Liquid Assets	475.8	137.0	182.1
Daily Average Holdings of Cash Reserves	589.0	44.7	197.9
Required Cash Reserves	218.7	10.2	25.9
Excess/(Deficiency) Cash Reserves	370.3	34.5	172.0
Actual Securities Balances	174.4	11.5	8.4
Excess/(Deficiency) Securities	174.4	11.5	8.4

Table 6.8: Domestic Banks' Weighted Average Interest Rates

		Percent	
		Changes during	
	Position as at June 2015	Dec 2014 to June 2015	Dec 2013 to June 2014
Weighted Lending Rates			
Personal Loans	12.20	-0.24	0.01
Commercial Loans	10.26	-0.43	-0.30
Residential Construction	8.32	-0.48	-0.54
Other	8.10	-0.38	-0.48
Weighted Average	10.25	-0.41	-0.30
Weighted Deposit Rates			
Demand	0.05	-0.24	-0.03
Savings/Chequeing	2.56	-0.01	-0.03
Savings	2.37	0.02	-0.34
Time	2.63	-0.09	-0.40
Weighted Average	1.53	-0.20	-0.34
Weighted Average Spread	8.73	-0.20	0.04

Table 6.9: Domestic Banks' Weighted Average Interest Rates on New Loans and Deposits

	Rolling Averages		Percent
	July 2014 to June 2015	July 2013 to June 2014	Year on Year Change
	Weighted Lending Rates		
Personal Loans	11.17	10.92	0.25
Commercial Loans	9.93	9.74	0.19
Residential Construction	6.83	7.96	-1.13
Other	7.18	7.94	-0.76
Weighted Average	9.76	9.68	0.08
Weighted Deposit Rates			
Demand	0.03	0.03	0.00
Savings/Chequeing	1.67	1.38	0.29
Savings	1.98	1.92	0.06
Time	2.05	2.63	-0.58
Weighted Average	1.98	2.49	-0.51
Weighted Average Spread	7.78	7.20	0.59

Table 6.10: Real Gross Domestic Product Growth Rates⁽¹⁾

	Year on Year Growth (%)	
	Jan-June 2014 ⁽¹⁾ Over Jan-June 2013 ^R	Jan-June 2015 ⁽¹⁾ Over Jan-June 2014 ^P
	Agriculture, Hunting and Forestry	10.6
Fishing	-1.9	3.0
Manufacturing (including Mining and Quarrying)	-2.2	-0.1
Electricity and Water	43.0	-12.7
Construction	3.5	-15.4
Wholesale and Retail	5.6	5.5
Hotels and Restaurants	16.4	3.3
Transport and Communication	1.7	1.6
Other Private Services excluding Financial Services Indirectly Measured	-6.3	0.8
Producers of Government Services	-3.8	10.2
All Industries at Basic Prices	3.4	2.0
Taxes on Products	7.1	6.7
GDP at Constant 2000 Prices	4.0	2.7

Source: SIB

⁽¹⁾ constant 2000 prices- changes in percent

^R - Revised

^P - Provisional

Table 6.11: Gross Domestic Product by Activity at Constant 2000 Prices

	\$mn			
	Quarter 1 2014 ^R	Quarter 2 2014 ^R	Quarter 1 2015 ^P	Quarter 2 2015 ^P
Agriculture, Hunting and Forestry	74.1	92.3	88.5	84.1
Fishing	27.5	26.6	32.0	23.6
Manufacturing (including Mining and Quarrying)	60.2	77.3	70.9	66.4
Electricity and Water	34.1	36.5	25.0	36.6
Construction	15.5	17.0	13.9	13.6
Wholesale and Retail	104.3	116.8	115.1	118.3
Hotels and Restaurants	38.5	30.6	40.8	30.5
Transport and Communication	75.1	74.5	76.4	75.7
Other Private services excluding Financial Services Indirectly Measured	98.3	97.0	98.2	98.8
Producers of Government Services	58.4	60.2	64.0	66.7
All Industries at Basic Prices	586.1	628.8	624.6	614.3
Taxes on Products	99.6	111.7	111.1	114.3
GDP at Constant 2000 Prices	685.7	740.5	735.7	728.6

Source: SIB

^R - Revised^P - Provisional

Table 6.12: Consumer Price Index (CPI) Commodity Group

Major Commodity	Weights	April 2015	May 2015	June 2015	% Change	
					June 2015 YTD over May 2015	2015 YTD over 2014
Food and Non-Alcoholic Beverages	195	105.9	106.2	106.1	-0.1	-0.7
Alcoholic Beverages and Tobacco	17	100.4	99.5	100.1	0.6	-0.2
Clothing and Footwear	83	96.1	96.0	96.0	-0.0	-0.5
Housing, Water, Electricity, Gas, and Other Fuels	265	102.4	101.9	101.9	-0.0	-0.3
Furnishing, Household Equipment, and Routine Household Maintenance	69	102.0	101.9	101.9	-0.0	1.7
Health	41	110.5	111.3	111.3	0.0	2.1
Transport	136	101.8	101.0	101.7	0.7	-7.3
Communication	33	98.5	98.5	98.5	-0.0	0.5
Recreation and Culture	69	105.6	105.9	106.0	0.0	0.6
Education	32	102.1	102.1	102.2	0.0	1.0
Restaurants and Hotels	7	107.2	105.4	105.4	0.0	0.3
Miscellaneous Goods and Services	52	102.6	103.0	103.0	-0.0	1.9

Table 6.13: Gross Imports at Cost, Insurance and Freight (CIF) by
Standard International Trade Classification (SITC)

	\$'000			
SITC Section	Jan-June 2014	Jan-June 2015	\$ Change	% Change
0. Food and Live Animals	113,383	107,761	(5,622)	(5.0)
1. Beverages and Tobacco	26,966	25,967	(998)	(3.7)
2. Crude Materials	13,955	15,614	1,659	11.9
3. Minerals, Fuels and Lubricants	175,436	144,811	(30,626)	(17.5)
Of which: Electricity	16,922	25,511	8,589	50.8
4. Oils and Fats	7,676	8,637	961	12.5
5. Chemical Products	78,732	89,533	10,801	13.7
6. Manufactured Goods	110,093	124,561	14,468	13.1
7. Machinery and Transport Equipment	184,552	214,679	30,127	16.3
8. Other Manufactures	68,062	72,975	4,913	7.2
9. Commodities not elsewhere specified	567	9	(558)	
10. Export Processing Zones	50,786	56,418	5,632	11.1
11. Commercial Free Zone	138,523	159,962	21,439	15.5
12. Personal Goods	3,865	2,979	(886)	(22.9)
Total	972,595	1,023,906	51,311	5.3

Sources: CBB and SIB

Table 6.14: Balance of Payments

	\$mn	
	Jan-June 2014 ^R	Jan-June 2015 ^P
CURRENT ACCOUNT	-29.1	-72.8
Goods: Exports FOB	602.7	599.4
Goods: Imports FOB	891.1	936.2
Trade Balance	-288.4	-336.8
Services: Credit	530.4	571.4
Transportation	26.1	28.8
Travel	431.3	446.3
Other Goods and Services	48.1	70.7
Government Goods and Services	24.9	25.7
Services: Debit	187.3	226.5
Transportation	64.9	67.3
Travel	34.9	45.2
Other Goods and Services	76.2	106.3
Government Goods and Services	11.4	7.7
Balance on Goods and Services	54.7	6.4
Primary Income: Credit	5.7	7.4
Compensation of Employees	2.4	2.4
Investment Income	3.3	5.0
Primary Income: Debit	162.5	162.3
Compensation of Employees	8.2	8.6
Investment Income	154.2	153.6
Balance on Goods, Services and Primary Income	-102.1	-148.5
Secondary Income: Credit	105.1	110.0
Secondary Income: Debit	32.1	36.0
CAPITAL ACCOUNT	65.9	17.9
Capital Account: Credit	65.9	17.9
Capital Account: Debit	0.0	0.0
FINANCIAL ACCOUNT	-48.4	-182.6
Direct Investment Abroad	1.0	0.5
Direct Investment in Reporting Economy	136.5	207.6
Portfolio Investment Assets	0.0	0.0
Portfolio Investment Liabilities	0.0	0.0
Financial Derivatives	0.0	0.0
Other Investment Assets	76.7	70.7
Other Investment Liabilities	-10.3	46.2
NET ERRORS AND OMISSIONS	-12.8	-33.0
OVERALL BALANCE	72.4	94.0
RESERVE ASSETS	72.4	94.0

Source: CBB

^R - Revised

^P - Provisional

Table 6.15: International Investment Position

	Position as at March 2015	Position as at June 2015	Changes During March 2015 to June 2015
Net position	-5,125.9	-5,206.9	-33.5
A. Assets	1,478.1	1,572.5	94.4
1. Direct Investment Abroad	133.0	133.2	0.2
2. Portfolio Investment	82.4	71.1	-11.3
2.1 Equity Securities	5.2	8.4	3.2
2.2 Debt Securities	77.2	62.7	-14.5
3. Other Investment	284.2	300.5	16.2
3.1 Trade Credits	-1.3	0.0	1.3
3.2 Loans	8.0	8.7	0.7
3.3 Currency and Deposits	268.7	285.8	17.1
3.4 Other Assets	8.8	7.3	-1.5
4. Reserve Assets	978.5	1,067.7	89.2
4.1 Monetary Gold	0.0	0.0	0.0
4.2 Special Drawing Rights	55.2	56.3	1.1
4.3 Reserve Position in the Fund	11.6	11.9	0.2
4.4 Foreign Exchange	893.9	981.8	87.9
4.5 Other Claims	17.7	17.7	0.0
B. Liabilities	6,604.0	6,779.4	127.8
1. Direct Investment	3,938.7	4,070.8	84.6
2. Portfolio Investment	1,053.0	1,053.0	0.0
2.1 Equity Securities	0.0	0.0	0.0
2.2 Debt Securities	1,053.0	1,053.0	0.0
3. Other Investment	1,612.3	1,655.5	43.2
3.1 Trade Credits	2.6	2.6	0.0
3.2 Loans	1,545.2	1,581.9	36.7
3.3 Currency and Deposits	61.3	67.2	5.9
3.4 Other Liabilities	3.2	3.9	0.6

Table 6.16: Extended Balance of Payment Services Classifications (EBOPS)

		\$mn	
		Jan-June 2014	Jan-June 2015
Total Services	Net	343.1	344.9
	Credits	530.4	571.4
	Debits	187.3	226.5
Manufacturing Services	Net	0.1	0.0
	Credits	0.1	0.0
	Debits	0.0	0.0
Maintenance and Repair Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Transportation	Net	-38.8	-38.4
	Credits	26.1	28.8
	Debits	64.9	67.3
Travel	Net	396.3	401.0
	Credits	431.3	446.3
	Debits	34.9	45.2
Telecommunications, computer, and Information Services	Net	2.1	5.9
	Credits	8.6	8.6
	Debits	6.4	2.6
Construction Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Insurance and Pension Services	Net	-28.8	-29.5
	Credits	0.2	0.3
	Debits	29.0	29.8
Financial Services	Net	-0.7	2.4
	Credits	3.0	5.1
	Debits	3.7	2.7
Charges for the use of Intellectual Property, n.i.e.	Net	-5.5	-2.2
	Credits	0.0	0.0
	Debits	5.5	2.2
Other Business Services	Net	4.8	-12.0
	Credits	36.3	56.7
	Debits	31.4	68.7
Personal, Cultural and Recreational Services	Net	-0.1	-0.3
	Credits	0.0	0.0
	Debits	0.1	0.3
Government Services, n.i.e.	Net	13.6	18.0
	Credits	24.9	25.7
	Debits	11.4	7.7

Table 6.17: Private Sector External Debt by Economic Sector^(1,3)

Economic Sectors	Disbursed Outstanding as at 31/12/14	Transactions (January - June 2015)			Disbursed Outstanding as at 30/06/2015
		Disbursements	Principal Payments	Interest Payments	
Long Term:					
Agriculture	61,646	0	886	362	59,817
Arts, Entertainment and Recreation	1,700	0	0	0	1,700
Construction	59,028	0	2,298	3,431	56,731
Economic Diversification	1,000	0	0	19	1,000
Education	198	0	0	0	198
Electricity and Gas ⁽²⁾	5,263	0	83	197	5,180
Financial and Insurance Activities	111	0	0	0	111
Fishing	102,751	0	4,622	1,301	98,129
Information and Communication	1,262	0	254	58	1,008
Real Estate Activities	106	1,330	67	29	1,369
Tourism Activities	41,501	0	587	219	40,914
Transportation	31,759	0	768	170	30,991
Wholesale and Retail Trade	943	0	46	25	898
Other	16	0	8	1	8
Total	307,286	1,330	9,619	5,812	298,054

⁽¹⁾ The loans only cover that portion of the private sector debt that is reported to the Central Bank of Belize

⁽²⁾ In compliance with legislation issued on 21st June 2011, the Government of Belize acquired Belize Electricity Ltd. (BEL) as a public entity. BEL is no longer a private sector entity, thus reflecting a reduction in disbursed outstanding debt (DOD) for the electricity and gas sector as of June 2011.

⁽³⁾ At the time of reporting not all companies have submitted their balance sheets to the Central Bank of Belize.

Table 6.18: Exports of Sugar and Molasses

	Jan-June 2014		Jan-June 2015	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
Sugar	70,395	71,769	68,399	71,872
E.U.	70,291	71,609	55,288	57,977
USA	0	0	10,923	11,402
Caricom	0	0	2,165	2,459
Other	104	160	22	34
Molasses	20,096	4,898	14,424	3,570

Source: SIB

Table 6.19: Export Sales of Citrus Products

	Jan-June 2014		Jan-June 2015	
	Pound Solid ('000)	Value (\$ '000)	Pound Solid ('000)	Value (\$ '000)
Citrus Concentrates				
U.S.A.				
Orange	9,725.2	26,052	9,910.1	21,363
Grapefruit	0.0	0	0.0	0
Caribbean				
Orange	2,541.4	7,935	3,895.3	12,728
Grapefruit	212.3	754	260.3	966
Europe				
Orange	3,483.8	10,457	2,428.5	6,899
Grapefruit	782.3	3,455	520.1	2,314
Other				
Orange	214.6	581	67.6	192
Grapefruit	259.9	909	60.0	244
Sub-Total ⁽¹⁾	17,219.5	50,141	17,141.9	44,706
Orange	15,965.0	45,023	16,301.5	41,182
Grapefruit	1,254.5	5,117	840.4	3,524
Not-From-Concentrate				
Sub-Total	25.5	142	32.2	180.8
Orange	19.9	107	25.1	136
Grapefruit	5.5	36	7.1	45
Total Citrus Juices	17,244.9	50,283	17,174.1	44,887
Pulp (pounds '000)				
Total ⁽¹⁾	781.3	605	2,076.3	1,584
Orange	728.3	561	1,970.3	1,503
Grapefruit	53.0	43	106.0	81

Source: CPBL

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

Table 6.20: Exports of Marine Products

	Jan-June 2014		Jan-June 2015	
	Volume ('000 pounds)	Value (\$'000)	Volume ('000 pounds)	Value (\$'000)
Lobster	210.5	5,640.1	176.0	4,993.5
Shrimp	6,343	39,859	6,723.6	37,764.9
Conch	375	4,260	281	3,245.0
Other Fish	127	259.6	538	682.3
Total	7,055	50,018	7,718	46,686

Source: SIB and CBB

Table 6.21: Banana Exports

	Jan-June 2014	Jan-June 2015
Volume (metric tons)	48,126	53,643
Value (\$'000)	53,768	59,698

Source: BGA

Table 6.22: Petroleum Exports

	Jan-June 2014	Jan-June 2015
Volume (Barrels)	261,342	179,622
Value (\$'000)	51,117	18,138

Source: Petroleum and Geology Department

Table 6.23: Other Major Exports

	Jan-June 2014	Jan-June 2015
Other Miscellaneous Exports (\$'000)	54,568	47,798
of which:		
<u>Papaya</u>		
Volume ('000 lbs)	15,364	18,477
Value (\$'000)	5,979	6,947

Sources: SIB and CBB

(1)

Table 6.24: Central Government Domestic Debt by Creditor

	\$'000					
	Disbursed Outstanding Debt 31/12/14 ^R	TRANSACTIONS THROUGH JUNE 2015			Net Change in Overdraft/ Securities	Disbursed Outstanding Debt 30/06/15 ^P
		Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest		
Overdraft/Loans	47,605	0	0	1,713	(6,305)	41,300
Central Bank	47,605	0	0	1,713	(6,305)	41,300
Domestic Banks	0	0	0	0	0	0
Treasury Bills	175,000	0	0	105	0	175,000
Central Bank	0	0	0	8	0	0
Domestic Banks	162,844	0	0	90	1,523	164,367
Other	12,156	0	0	7	(1,523)	10,633
Treasury Notes	136,500	40,000	0	3,212	0	176,500
Central Bank	86,645	30,000	0	1,522	(5,122)	111,523
Domestic Banks	0	0	0	2	0	0
Other	49,855	10,000	0	1,689	5,122	64,977
Defence Bonds	10,000	0	0	400	0	10,000
Central Bank	10,000	0	0	400	0	10,000
Domestic Banks	0	0	0	0	0	0
Atlantic Bank Limited	577	0	164	23	0	413
Heritage Bank Limited	2,958	0	284	142	0	2,674
Belize Social Security Board	623	0	209	23	0	414
Fort Street Tourism Village	364	503	266	0	0	601
Debt for Nature Swap	2,488	0	83	36	0	2,405
Total	376,115	40,503	1,006	5,654	(6,305)	409,306

^R - Revised

^P - Provisional

(1) Transactions associated with the Universal Health Services (UHS) loan with the Belize Bank Limited are not included in this table, as no action has been taken to enforce the claim.

Table 6.25: Central Government Revenue and Expenditure

	\$'000					
	Approved Budget 2015/2016	Jan- 2014 to May 2014	Jan 2015 to May 2015	Apr 2014 to May 2014	Apr 2015 to May 2015	Fiscal YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	980,258	459,327	441,143	194,550	171,081	17.5%
1). Current Revenue	934,879	395,353	437,026	177,029	169,515	18.1%
Tax Revenue	818,116	340,275	390,066	149,787	148,834	18.2%
Income and Profits	261,861	111,755	120,728	48,376	45,510	17.4%
Taxes on Property	5,337	3,152	2,876	1,580	1,085	20.3%
Taxes on Goods and Services	339,106	141,225	153,929	62,357	59,736	17.6%
International Trade and Transactions	211,813	84,143	112,534	37,474	42,503	20.1%
Non-Tax Revenue	116,763	55,078	46,960	27,242	20,680	17.7%
Property Income	19,546	7,218	8,287	6,746	7,497	38.4%
Licences	12,279	6,123	7,304	2,174	3,198	26.0%
Other	84,938	41,737	31,369	18,322	9,985	11.8%
2). Capital Revenue	4,810	2,040	2,334	819	1,043	21.7%
3). Grants	40,569	61,933	1,782	16,702	523	1.3%
TOTAL EXPENDITURE (1+2)	1,068,266	445,157	489,529	148,511	156,242	14.6%
1). Current Expenditure	873,517	328,407	354,249	119,687	123,775	14.2%
Wages and Salaries	367,781	130,717	145,005	53,391	59,467	16.2%
Pensions	59,667	22,223	26,184	9,343	10,373	17.4%
Goods and Services	211,504	79,927	87,931	26,947	24,445	11.6%
Interest Payments on Public Debt	90,289	38,793	38,631	4,635	4,344	4.8%
Subsidies and Current Transfers	144,276	56,748	56,498	25,370	25,146	17.4%
2). Capital Expenditure	194,749	116,750	135,280	28,825	32,467	16.7%
Capital II (Local Sources)	97,785	50,811	49,625	14,483	13,368	13.7%
Capital III (Foreign Sources)	94,368	64,414	84,391	13,580	18,469	19.6%
Capital Transfer and Net Lending	2,596	1,525	1,265	761	630	24.3%
CURRENT BALANCE	61,362	66,946	82,777	57,342	45,740	74.5%
Primary Balance	2,281	52,962	(9,755)	50,674	19,183	840.9%
OVERALL BALANCE	(88,008)	14,170	(48,386)	46,039	14,839	-16.9%
Primary Balance less Grants	(38,288)	(8,971)	(11,538)	33,972	18,660	-48.7%
Overall Balance less Grants	(128,577)	(47,764)	(50,169)	29,337	14,316	-11.1%
FINANCING	88,008	(14,170)	48,386	(46,039)	(14,839)	
Domestic Financing		(36,683)	9,876	(40,043)	(33,438)	
Central Bank		(31,401)	8,167	(43,213)	(23,763)	
Net Borrowing		(24,577)	(362)	(19,506)	(25,239)	
Change in Deposits		(6,823)	8,529	(23,706)	1,477	
Commercial Banks		(20,384)	(11,990)	(6,487)	(1,973)	
Net Borrowing		(19,215)	1,231	(14,712)	7,515	
Change in Deposits		(1,169)	(13,221)	8,225	(9,488)	
Other Domestic Financing		(15,102)	13,699	9,657	(7,702)	
Financing Abroad		19,884	40,420	(4,925)	13,821	
Disbursements		48,498	70,126	6,863	26,298	
Amortization		(28,614)	(29,706)	(11,788)	(12,477)	
Other		2,629	(1,910)	(1,071)	4,777	

Sources: CBB and MOF

P - Provisional

Table 6.26: Public Sector External Debt by Creditor

	\$'000					
	Disbursed Outstanding Debt 31/12/14 ^R	TRANSACTIONS THROUGH JUNE 2015			Parity Change	Disbursed Outstanding Debt 30/06/15 ^P
		Disbursements	Principal Payments	Interest & Other Payments		
CENTRAL GOVERNMENT	2,173,079	104,022	35,240	36,557	-1,497	2,240,365
Banco Nacional de Comercio Exterior	529	0	529	16	0	0
Government of Venezuela	291,537	58,373	900	189	-0	349,010
Kuwait Fund for Arab Economic Development	20,375	109	989	448	-582	18,913
Republic of China	254,441	21,000	13,146	2,501	0	262,296
Caribbean Development Bank	213,243	6,237	7,324	3,505	1	212,155
Caricom Development Fund	3,350	0	377	76	0	2,974
European Economic Community	10,772	0	347	35	-824	9,601
Inter-American Development Bank	239,374	10,642	8,671	1,767	0	241,345
International Fund for Agriculture Development	2,956	360	249	20	-91	2,977
International Bank for Reconstruction and Development	25,098	2,083	1,141	322	0	26,039
Opec Fund for International Development	42,627	1,825	1,389	830	0	43,062
Central American Bank for Economic Integration	15,772	3,394	179	523	0	18,988
Bank of New York	1,053,004	0	0	26,325	0	1,053,004
NON-FINANCIAL PUBLIC SECTOR	19,843	0	1,948	293	-39	17,856
Kuwait Fund for Arab Economic Development	1,365	0	333	23	-39	992
Caribbean Development Bank ^{(1) (2)}	18,478	0	1,615	270	0	16,863
FINANCIAL PUBLIC SECTOR	59,319	0	367	84	-1,534	57,419
Caribbean Development Bank	7,267	0	350	83	0	6,916
European Economic Community	202	0	17	1	-15	170
International Monetary Fund ⁽³⁾	51,851	0	0	0	-1,518	50,333
GRAND TOTAL	2,252,241	104,022	37,555	36,933	-3,069	2,315,639

^R - Revised^P - Provisional⁽¹⁾ 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.⁽²⁾ 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.⁽³⁾ International Monetary Fund Special Drawing Rights allocation is included as part of the financial public sector external debt obligation.