



CENTRAL BANK  
of BELIZE

# JUNE 2021 QUARTERLY REVIEW

A low-angle, upward-looking photograph of the Central Bank of Belize building. The building is a multi-story structure with a light beige or cream-colored facade. It features several rectangular windows, some of which are recessed into the building's structure. A circular emblem is visible on the upper part of the facade. The name 'CENTRAL BANK OF BELIZE' is prominently displayed in large, raised, orange-brown letters along the lower edge of the building. The sky above is a clear, vibrant blue.

CENTRAL BANK OF BELIZE

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QUARTERLY REVIEW  
JUNE 2021

## **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
CARICOM	Caribbean Community
CBB	Central Bank of Belize
CDB	Caribbean Development Bank
CFZ	Commercial Free Zone
CGA	Citrus Growers Association
CIF	Cost, Insurance, and Freight
COVID-19	Coronavirus Disease 2019
CPBL	Citrus Products of Belize Limited
CPI	Consumer Price Index
DFC	Development Finance Corporation
DOD	Disbursed Outstanding Debt
EU	European Union
FOB	Free On Board
FY	Fiscal Year
GDP	Gross Domestic Product
MOF	Ministry of Finance
OPEC	Organization of Petroleum Exporting Countries
SIB	Statistical Institute of Belize
SITC	Standard International Trade Classification
T-bills	Treasury bills
T-notes	Treasury notes
UK	United Kingdom
US	United States
VPCA	Venezuelan Petrocaribe Agreement

### **Abbreviations and Conventions:**

\$	Belize dollar unless otherwise stated
bn	billion
mn	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 2021 figures in this report are provisional and the figures for 2020 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 2021 are based on the Central Bank's forecast.

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## SUMMARY OF ECONOMIC INDICATORS

### Money Supply

Broad Money Supply

June 2021

**8.2%**

YTD change on December 2020

Net Foreign Assets

June 2021

**16.4%**

YTD change on December 2020

Net Domestic Credit

June 2021

**1.1%**

YTD change on December 2020

### Liquidity and Interest Rates

Excess Cash

June 2021

**\$367.4mn**

**6.5%** change on December 2020

New Deposit Rates

June 2021

**1.91%**

**-11** bps change on September 2020

New Lending Rates

June 2021

**8.59%**

**-1** bp change on September 2020

### Real and External Sectors

GDP

January - June 2021

**6.0%**

Y-o-Y change on same period in the previous year

CPI

January - June 2021

**2.0%**

YTD change on the same period in the previous year

Bona Fide Stay-Over  
Visitors

January - June 2021

**89,997**

**-21.6%** YTD change on same period of the previous year

Current Account Balance

January - June 2021

**-\$80.2mn,  
2.2% of GDP**

Financial Account Balance  
(Net Borrowings)

January - June 2021

**\$10.0mn**

Reserve Import  
Coverage

June 2021

**4.8**

months equivalent of merchandise  
imports

### Central Government Operations

Primary Surplus

April to June 2021

**\$7.3mn,  
0.2% of GDP**

Domestic Debt

June 2021

**\$1,315.2mn,  
36.2% of GDP**

External Debt

June 2021

**\$2,928.1mn,  
80.6% of GDP**



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## Overview

### International Overview

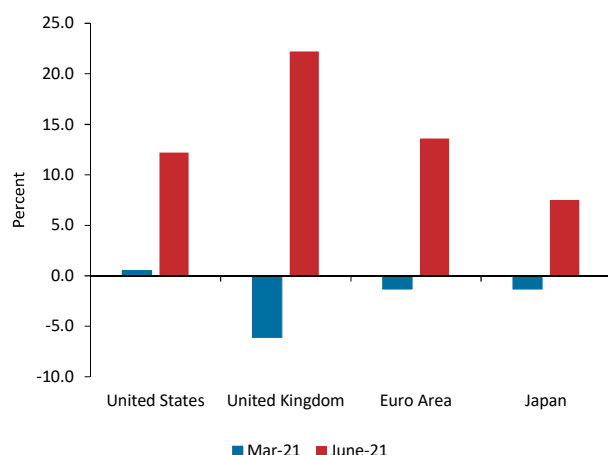
The recovery in global output from the unprecedented health and economic crises gained momentum during the second quarter of 2021. The partial rebound was broadly supported by the easing of coronavirus (COVID-19) restrictions alongside continued expansionary monetary and fiscal support, particularly in advanced countries. Thus, the International Monetary Fund (IMF) projected in April that world output would grow by 6.0% in 2021, following a 3.3% contraction in 2020. Countries were expected to grow at different speeds based on “the pace of vaccine rollout, the extent of economic policy support, and structural factors such as reliance on tourism.” However, a high degree of uncertainty surrounded the forecast amid persistent supply bottlenecks and the spread of more virulent variants of the coronavirus worldwide.

Growth outcomes among advanced economies were strong compared to the

same quarter of the previous year when these economies were in tight lockdowns to control the spread of COVID-19. The United States’ (US) real gross domestic product (GDP) expanded 12.2% in the second quarter of 2021 relative to the 9.1% downturn in the same quarter of 2020. The country’s sustained economic recovery hinged on the reopening of the economy, together with continued monetary policy easing and fiscal support to afflicted households and businesses. US unemployment rate declined by 0.1 percentage point over the quarter to 5.9% in June and remained significantly above the 3.5% mark attained prior to COVID-19 in February 2020. Fuelled by skyrocketing energy and used car and trucks prices, the country’s Consumer Price Index (CPI) increased by 5.4% for the last 12 months ending June, inching up every month since January. Meanwhile, the United Kingdom’s (UK’s) economy recorded the largest increase among select advanced economies, jumping by 22.2%. As for the euro area, the currency union’s output rose

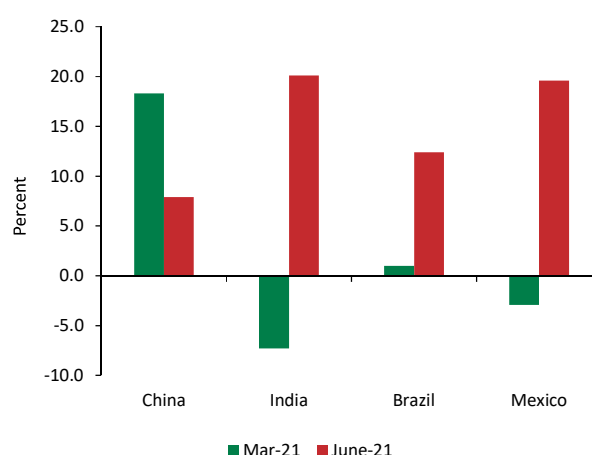
**Chart 1.1:** Quarterly GDP

Growth Rates Over the Same Quarter of the Previous Year for Select Advanced Economies



**Chart 1.2:** Quarterly GDP

Growth Rates Over the Same Quarter of the Previous Year for Select Emerging Economies



by 13.6%, with France and Croatia being the top performers at 19.8% and 18.7%, respectively. Japan's economy increased by 7.5%, reflecting upticks in consumption, capital expenditure, and exports.

Growth among major emerging economies also occurred at different speeds based partly on the degree of reopening during the period. China, the first country to record the COVID-19 outbreak, continued its fast "V-shaped" recovery, with output climbing 7.9% in the second quarter after an 18.3% first quarter rebound. Although some sectors of the economy (like tourism and auto sales) remained below pre-pandemic levels, others such as retail consumption and food and beverage production have risen beyond or near pre-COVID-19 levels. Brazil's second quarter output grew by 12.4%, with upticks in industrial production, construction, services, and consumption. India's economy expanded by 20.1%, lifted by gains in consumption, investment, and net exports. Lastly, Mexico's economy surged by 19.6%, bolstered by recovery in tertiary sector and, to a lesser extent, agriculture, and manufacturing activities.

Positive signs of economic turnaround were also evident among some tourism-dependent economies in the Caribbean. A partial resumption in airlift in The Bahamas produced a 2.2% increase in long-stay arrivals in June, marking the first month of 2021 in which a year-to-date growth was recorded. In Jamaica, the decline in overnight arrivals at the half-year mark was slowed to 8.4%, underpinned by a significant second quarter rebound. Conversely, Barbados

struggled with its recovery, as its stay-over traffic shrank by 88.0% compared to last year, stemming from travel limitations in key source markets and adverse weather factors affecting the island.

### **Domestic Overview**

#### Real Sector Developments

Belize's economy grew by 22.3% in the second quarter of 2021 over the same quarter of the previous year when the economy grounded to a halt because of COVID-19 restrictions. This sharp rebound marked the largest quarterly expansion on record and ended six consecutive quarterly GDP declines. The reopening of the economy from COVID-19 restrictions coupled with favourable weather that benefited agricultural and agro-manufacturing activities were chiefly responsible for the robust performance.

The strong second-quarter outturn produced a 6.0% expansion for the first half of 2021, following a 15.1% decline during the same period of 2020. Primary sector production jumped 12.0%, owing to increased agricultural crop, livestock and, to a much lesser degree, fishing production. Meanwhile, the secondary sector grew by 9.0%, spurred by a sharp recovery in construction activities alongside a modest rise in manufacturing output. At 2.1%, growth in the tertiary sector was not as strong because of mixed outturns among major service-based industries. Accordingly, positive contributions from distributive and transport and communication activities narrowly exceeded value-added losses from the hospitality and government sub-sectors.

The general price level, as measured by the CPI, increased by 2.0% on average for the first six months of the year ending June. The cost-push inflation was triggered by price increases for local food and imported energy products (particularly, fuel and liquefied petroleum gas) that were partially offset by reduced clothing and accommodation costs, as demand for these items dwindled after the pandemic outbreak.

### Central Government Operations

Central Government's fiscal performance also improved, shored up by a strong second quarter rebound in tax receipts and tightened fiscal consolidation measures. For the first half of 2021, Central Government operations yielded lesser primary and overall deficits of \$59.8mn (1.6% of GDP) and \$93.6mn (2.6% of GDP), respectively, as a 5.5% revenue decline was outmatched by a 16.7% expenditure cut. Financing stemmed mainly from external sources with the external public sector debt rising by \$21.2mn to \$2,928.1mn (80.6% of GDP) and domestic debt climbing by \$2.0mn to \$1,315.2mn (36.2% of GDP) over the six-month period.

### Balance of Payments

The external current account deficit widened by 1.8 percentage points to 2.2% of GDP (\$80.2mn) for the first six months of 2021 compared to the same period in 2020. The widening imbalance was attributable to a reduction in net exports of goods and services that were partly offset by increased remittance inflows. Net borrowings on the financial account plummeted to \$10.0mn compared to \$119.1mn the period before.

This outcome resulted as the rebound in net foreign direct investments was almost offset by the reduction in Government's net external financing and the boost in domestic banks' net foreign assets. Still, the gross official international reserves increased by \$13.2mn to \$711.0mn or 4.8 months of merchandise import coverage at June end.

### Money and Credit

Broad money supply (M2) expanded by 8.5% between January and June. The sharp increase in money was driven largely by the unprecedented increase in domestic banks' net foreign assets as credit from the banking system to Government and the rest of the economy lessened. Catapulted by the sharp foreign asset growth, domestic banks' liquid assets increased by \$165.8mn to \$586.0mn, while their cumulative excess cash holdings climbed by \$22.9mn to \$374.7mn.

The acute liquidity expansion maintained downward pressure on deposit rates. Since December 2020, the 12-month weighted average interest rate on new deposits contracted by 12 basis points to 1.91% at June end. Conversely, the 12-month weighted average interest rate on new loans increased by eight basis points to 8.59%, supported by rate hikes in three of four major loan categories. Consequently, domestic banks' interest rate spread widened by 20 basis points to 6.68%.

# Money and Credit

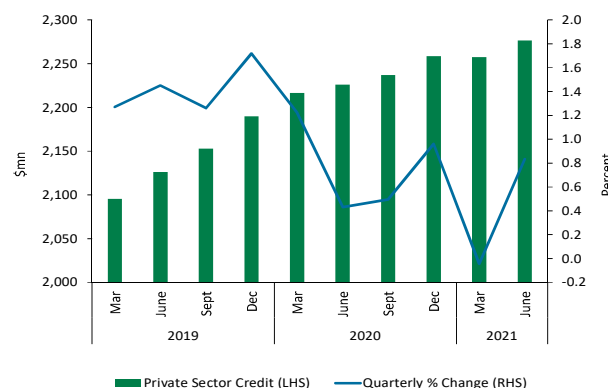
## Money Supply

Amid the economic recovery from COVID-19, M2 grew by 8.5% during the first half of 2021 relative to the same period in 2020. The historical growth pace was driven by an upsurge in domestic banks' foreign assets, since credit to Central Government and the rest of the economy slowed. Narrow money, M1, expanded by 10.1% or \$198.0mn, reflecting a robust rise in demand deposits. This development was due mainly to an increase in foreign currency deposits for commercial free zone businesses and regional organizations as well as a rise in local currency deposits for a former bank and other financial corporations. In addition, savings/chequing deposits grew by \$5.0mn, compared to a marginal contraction in the same period last year. The expansion in these two deposit categories easily outweighed a \$12.2mn reduction in currency with the public. This decline occurred wholly in the first quarter after the culmination of the holiday season when the public's holding of currency decreases. Quasi-money grew at a more modest pace, up 5.9% or \$92.8mn. Time and savings deposits increased by \$78.3mn and \$14.6mn, respectively, with the former bolstered by term deposits for the shareholders of Scotiabank (Belize).

## Net Domestic Credit

Net domestic credit growth slowed, increasing by only \$34.5mn (1.1%) over the review period to \$3,074.4mn compared to a \$65.5mn increase during the first half of 2020. This outcome resulted as net lending to Central Government and the private

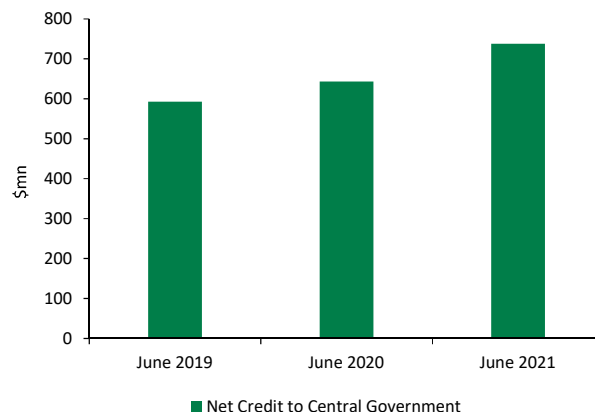
**Chart 2.1:** Domestic Banks' Private Sector Credit



sector weakened, while credit to other public sector entities declined. Net credit to Central Government amounted to only \$25.8mn, as a \$47.6mn expansion in Central Bank financing was partly offset by a \$21.8mn decline in net borrowings from domestic banks. Meanwhile, domestic credit to other public sector entities fell by \$9.1mn with net repayments of \$10.5mn and \$0.1mn by public utilities and other statutory bodies, respectively, exceeding net disbursements of \$1.5mn to local governments.

Private sector credit grew by \$17.8mn over the six-month period, which was less than half of

**Chart 2.2:** Net Credit to Central Government



the \$36.4mn expansion recorded during the comparable period of 2020. Net disbursements were mainly channeled to service industries, particularly tourism (\$33.5mn) and merchandise trading (\$11.5mn). Increased lending to these industries outstripped declines in outstanding balances for personal (\$33.5mn) and construction (\$5.9mn) loans.

The principal value of COVID-19 loan forbearances that domestic banks granted in the second quarter summed to \$113.0mn, raising the total to \$836.6mn, representing approximately 35.7% of their loan portfolio. Write-offs almost doubled to \$20.3mn compared to \$11.4mn during the analogous period of 2020. Consequently, the ratio of domestic banks' non-performing loans (net of specific provisions) to total loans (NPL ratio) improved from 4.4% at December 2020 to 2.3% at June end. This low level of NPL was less than half of the 5.0% international benchmark. Furthermore, domestic banks' return on assets ratio almost doubled from 0.4% at December 2020 to 0.7% at June

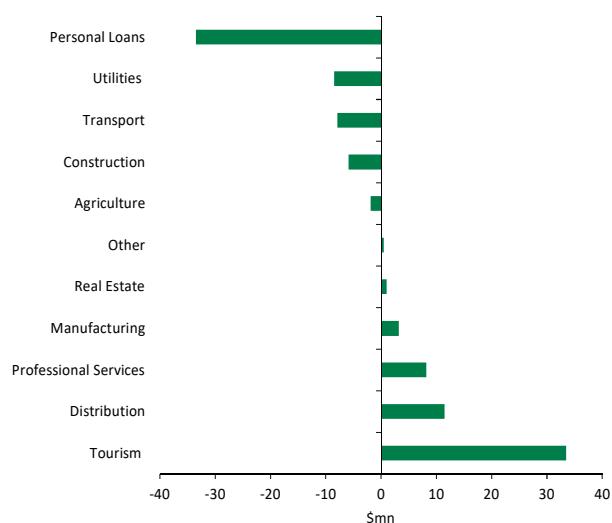
end, but still remained under the 1.0% benchmark.

### Net Foreign Assets

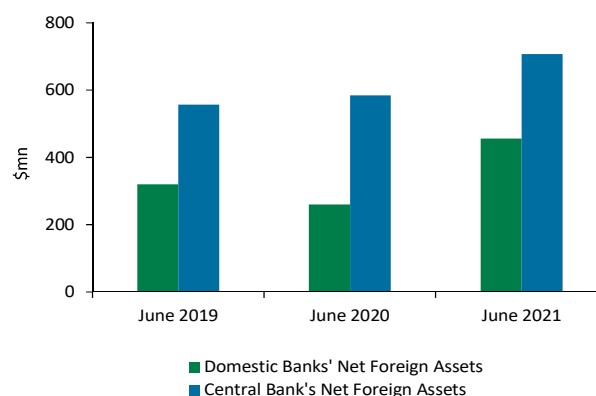
The net foreign assets of the banking system expanded robustly during the first half of 2021, rising by \$163.6mn (16.4%) to \$1,163.6mn. This upsurge in foreign currency holdings was chiefly driven by an unprecedented rise in domestic banks' foreign balances. Their foreign balances grew by \$155.0mn over the review period to \$455.8mn, driven by a \$122.5mn second-quarter expansion—the largest quarterly increase on record. This marked expansion was due to enforcement of more stringent foreign currency management practices (inclusive of bank dividend payout restrictions) coupled with a strong rebound in foreign exchange earnings from high-contact service businesses that benefitted from the easing of public-health restrictions.

However, the rise in Central Bank's net foreign assets was less acute. Its holdings increased by \$8.6mn (1.2%) for the first six months of 2021 to \$707.8mn. Gross foreign currency inflows amounted to \$160.1mn, reflecting a 0.8% increase over the comparable period

**Chart 2.3:** Change in Domestic Banks' Loans and Advances, Dec 2020 - June 2021



**Chart 2.4:** Net Foreign Assets of the Banking System



of 2020. Inflows stemmed largely from external loan disbursement receipts to Central Government of \$62.4mn, followed by \$47.6mn from sugar exports. Gross foreign currency outflows were slightly less than inflows at \$146.5mn but 15.9% greater than that for the first half of 2020. Gross outflows increased by 12.2% to \$146.5mn, despite the deferred interest payment on the US dollar 2034 bond that fell due in February. Majority of foreign currency sales were linked to Central Government’s debt service payments.

**Bank Liquidity**

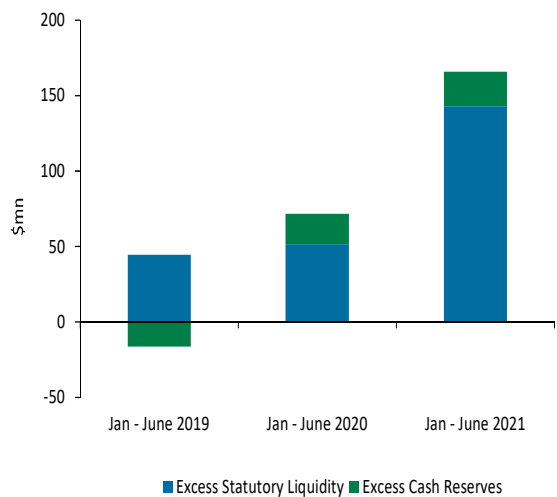
Bolstered by the upswing in domestic banks’ foreign balances and subdued credit growth, domestic bank liquidity continued to expand. Domestic banks’ excess liquid assets increased by \$165.8mn over the first six months of 2021 to \$586.0mn, rising to 81.4% above the 21.0% secondary reserve requirement. However, the growth in excess cash reserves was lesser, up \$22.9mn to \$374.7mn but standing at 168.1% above the 6.5% primary (cash) reserve requirement.

**Interest Rates**

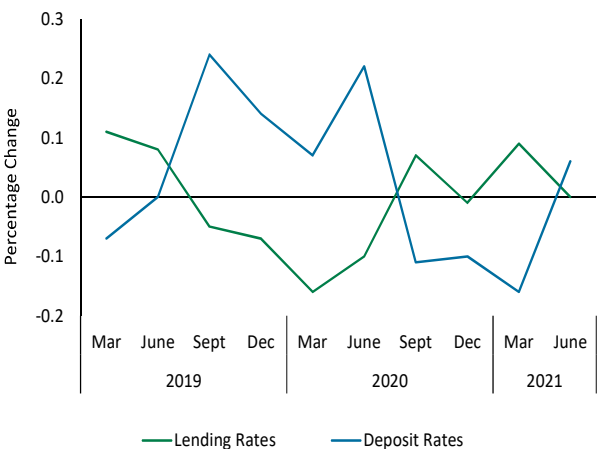
Lending rates inched upward, while deposit rates dipped slightly, resulting in a widening in domestic banks’ spread. The 12-month (rolling) weighted average interest rate on new loans rose by eight basis points over the past six months to 8.59% with slightly higher rates in three of the four major loan categories, signalling a tightening in loan conditions. Weighted average lending rates rose by 14, 18, and 27 basis points on personal, residential construction, and other miscellaneous loans. Only commercial lending rates fell, dipping 3 basis points over the review period.

In contrast, the 12-month (rolling) weighted average interest rate on new deposits contracted by 12 basis points to 1.91% between January and June. This decline reflected a three- and 22-basis-point reduction in savings/chequing and saving deposit rates, respectively. Meanwhile, demand and time deposit rates remained unchanged at zero basis point. As a result,

**Chart 2.5:** Changes in Bank Liquidity



**Chart 2.6:** Change in Domestic Banks’ Weighted (Rolling) Average Interest Rates on New Loans and Deposits





the weighted average interest rate spread widened by 47 basis points to 6.68% over six months ending June.

### Credit Union Lending

Aggregate credit union lending slid for the fifth consecutive quarter. Credit unions' outstanding loan balances fell by \$23.3mn for the first half of 2021 compared to a \$13.6mn reduction over the same period of 2020. The marked credit declined was driven by net repayments and write-offs of loans issued for commercial real estate (\$15.8mn), construction (\$7.7mn), and land acquisition (\$5.5mn) purposes. The downturn in these loan categories easily outweighed net disbursements for manufacturing (\$5.2mn) activities and personal loans (\$4.8mn).

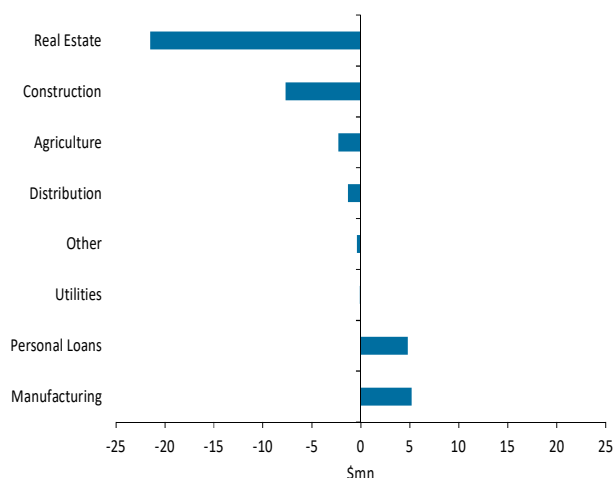
Since the pandemic outbreak, credit unions' loan forbearances summed to \$152.1mn, representing 24.8% of the industry's loan portfolio. Loan write-offs amounted to \$13.1mn, up significantly from \$1.9mn during the same period last year. Hence, credit

unions' aggregate NPL ratio strengthened from 2.0% at December 2020 to 1.6% at June end. The industry's return on assets, however, weakened slightly, dipping from 4.7% at December 2020 to 3.4% at June end.

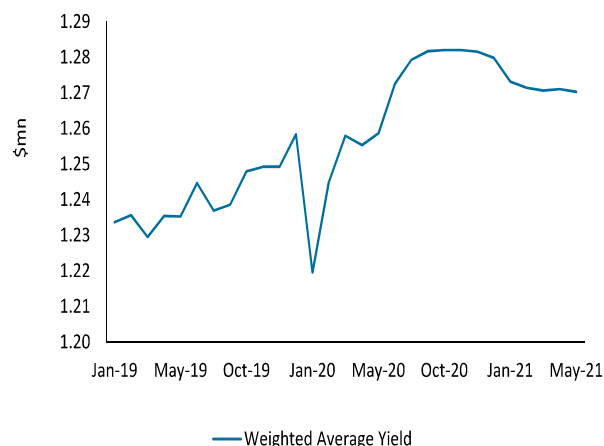
### Open Market Operations

Weakened appetite for Treasury bills (T-bills), particularly in the second quarter of the year, led to a rise in Central Bank's holdings. Domestic banks' T-bill holdings fell by \$3.2mn over the first half of the year to \$202.8mn. Consequently, domestic banks' share of total outstanding T-bills edged down by 90 basis points from January through June to 83.9%. Non-bank entities lowered theirs by \$24.7mn to \$4.8mn, culminating in a 10.5 percentage-point reduction to 1.5%. In contrast, the Central Bank's uptake rose by \$10.5mn to \$20.0mn, lifting its share by 11.4 percentage points to 15.3%. Notwithstanding, the weighted average yield declined by one basis point over the review period to 1.27008%.

**Chart 2.7:** Change in Credit Unions' Loans and Advances, Dec 2020 - June 2021



**Chart 2.8:** Treasury Bill Yields





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## Domestic Production and Prices

### Real Gross Domestic Product

Rejuvenated by the easing of COVID-19 restrictions and, to a lesser extent, the rebounding from 2019's drought, Belize's GDP expanded by 22.3% in the second quarter of 2021 relative to the same quarter of 2020. This outturn marked the first quarterly expansion since the first quarter of 2019 when agriculture, agro-processing, and hydroelectricity production were depressed by the prolonged dry period. Furthermore, this quarter's performance represents the largest quarterly year-on-year expansion on record, owing to the low base from the historic 23.8% collapse last year because of the COVID-19 lockdown.

As a result, the economy expanded by 6.0% for the first half of 2021 compared to a deep 15.1% contraction over the same period of 2020. This turnaround was driven by substantial value-added gains in agriculture, construction, and wholesale and retail trade activities.

Over the first two quarters of 2021, primary sector activities increased by 12.0% relative to the same period of 2020. "*Agriculture, Hunting, and Forestry*" grew by 12.5% driven by the rebound in sugarcane deliveries from adverse drought conditions, increased banana yields spurred by investments in new commercial acreages, and the resumption in cattle exports after trade restrictions were lifted and formal trade expanded. "*Fishing*" increased by 3.1%, as heightened conch hauls overshadowed steep declines in lobster and farmed shrimp output.

Secondary sector output strengthened by 9.0%, as construction and manufacturing output rose. Value-added contribution from construction activities soared, increasing by 30.2%, reflecting the resumption in public and private capital investments after mobility restrictions were eased. The rebound in "*Manufacturing*", however, was less pronounced at 2.8%, reflecting the impact of a mixed performance among key industries. For instance, sugar, soft drink, rum, and beer production rose on the one hand, while citrus juice and flour production fell on the other hand. Furthermore, hydroelectricity generation normalized amid favourable weather, causing "*Electricity and Water Supply*" to expand by 1.0%.

The services sector expanded by 2.1%, as output from consumer-facing activities continued to grow. "*Wholesale and Retail Trade*" increased by 18.1%, as imports grew in tandem with the recovery in aggregate demand. Meanwhile, increased sugarcane deliveries contributed to a 4.5% upswing in "*Transport and Communication*". However, the sharp downturn in international visitors led to a 49.2% decline in "*Hotels and Restaurants*", while the cutback in Central Government's wage bill led to a 5.8% reduction in "*Producers of Government Services*".

### Sugarcane and Sugar

Sugarcane production expanded by 27.4% during the 2020/2021 (December 2020 to June 2021) harvest cycle to 1,684,877 long tons. Fully rebounded from 2019's

drought damages, sugar cane deliveries to the northern mill increased by 31.8% to 1,044,367 long tons. Concurrently, increased production acreages boosted the sugar cane harvest out west by 20.8% to 640,510 long tons.

Sugar production grew by 24.7% to 158,982 long tons, reflecting the uneven performance between the two regions because of weather factors. Whereas sugar output in the north rose by 36.2% to 107,763 long tons, it grew by only 5.9% to 51,219 long tons out west despite the double-digit increase in deliveries. In the case of the former, more favourable weather during the harvest period led to higher sugar yields, while the reverse was true for the latter. Consequently, the industry's overall long tons cane per long ton sugar ratio worsened by 3.0% to 10.6 in face of marginal improvements in factory time efficiency. Meanwhile, molasses output was up by 11.4% to 59,383 long tons.

The fourth estimated average price paid to farmers who delivered cane to the northern mill nudged up by 0.7% to \$47.39 per long ton relative to the fourth estimated price of the previous crop. Stronger sugar prices on export markets and improved sugar recovery contributed to the marginal price increase.

### **Citrus**

Dampened by the effects of citrus greening disease, citrus deliveries plunged by 35.7% for the 2020/2021 crop year (October 2020 to June 2021) to 1,364,371 boxes. Orange and grapefruit deliveries contracted steeply, down 35.8% to 1.3mn boxes and 35.2%

to 0.1mn boxes, respectively. The severe decline was exacerbated by a substantial off-season bloom before the crop year began.

The drop in fruit quantity was compounded by a further deterioration in quality. Hence, juice production tumbled by 39.0% to 7.6mn pound solids (ps). Orange juice yield fell by 38.8% to 7.2mn ps, reflecting a 4.8% reduction in the average orange juice outturn to 5.7 ps. As for grapefruit, its juice output fell by a larger 43.3% to 0.4mn ps with the average juice outturn down by 12.5% to 3.6 ps.

Citrus pulp and oil outturns declined by 35.0% to 1.1mn pounds and by 40.6% to 0.4mn pounds, respectively, in line with the decline in volume of fruit processed.

### **Banana**

After contracting during the first quarter, banana production rallied in the second. As a result, banana production grew by 3.4% over the year to date to 2.6mn boxes. Increased production acreage and favourable weather supported the industry's recovery from Hurricane Nana's damages suffered in September 2020.

### **Petroleum**

Crude oil output fell by 17.7% to 85,499 barrels following a 99-barrel decline in the daily extraction rate to 472 barrels a day. Virtually all of the oil extracted stemmed from the Spanish Lookout oil field, which accounted for 85,403 barrels. Only 96 barrels originated from wells in Never Delay, which were reactivated in May after being closed in March 2020.

## Tourism

According to the World Tourism Organization, the unprecedented challenge of COVID-19 led to a massive 65.0% downturn in international tourist arrivals over the first five months of 2021 relative to the same period in 2020. The downturn across regions remained significant and uneven with Asia facing an 86.0% decline and the Americas, 47.0%.

At home, the reopening progressed with the lifting of travel restrictions at May end that prohibited nonessential international travel at land and seaports since March 2020. Between 29 March and 7 June, the Centers for Disease Control and Prevention lowered the country's travel health notice threshold from Level 4 to Level 1, owing to a downturn in incidence of COVID-19 cases.

In response, the rebound in tourism arrivals was strong. Belize received 60,281 stay-over arrivals in the second quarter of 2021 compared to 1,261 stay-over arrivals during the same quarter of 2020 when the country

was in virtually full lockdown. For the first half of 2021, the number of stay-over arrivals declined by 21.6% to 89,997. When compared to the first half of 2019 before the pandemic struck, stay-over arrivals were down 65.8%. The proportion of visitors from the US, Belize's major source market, strengthened to 85.3% compared to 65.4% during the same period in 2020. Conversely, the share of visitors from Europe and Canada dwindled to 2.1% and 1.0%, respectively, as travellers from these destinations faced tighter travel restrictions.

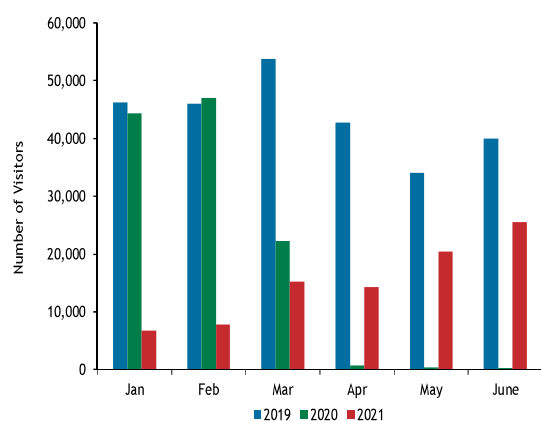
Having ceased on 13 March 2020, cruise ship port calls remained suspended throughout the first half of 2021.

## Consumer Price Index

Driven by escalating food and fuel prices, CPI rose by an average of 2.0% over the first half of 2021 relative to the same period of 2020. This increase is the largest observed for the first half of the calendar year since 2008 when fuel and food prices skyrocketed at the onset of the Global Financial Crisis.

The “*Food and Non-Alcoholic Beverages*” index increased by 4.6% on account of higher costs for fresh fruits and vegetables. Furthermore, price hikes for automobile fuel led to a 4.7% uptick in “*Transport*”, while increased costs for liquefied petroleum gas pushed up “*Housing, Water, Electricity, Gas, and Other Fuels*” by 1.1%. These upswings were tempered by price declines in “*Information and Communication*” (3.7%), “*Clothing and Footwear*” (1.0%), and “*Restaurants and Accommodation Services*” (8.4%).

**Chart 3.1:** Stay-Over Arrivals<sup>(1)</sup>



Source: BTB, CBB, and Immigration and Nationality Department.

<sup>(1)</sup> Data for June 2021 excludes Big Creek Port.

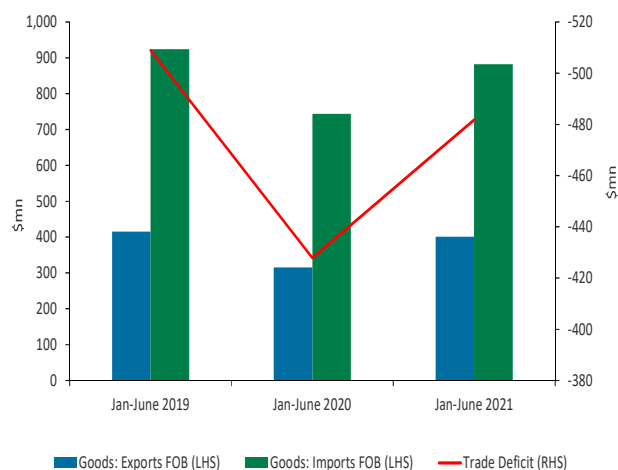
## International Trade and Payments

The external current account deficit widened to \$80.2mn (2.2% of GDP) over the first six months of 2021 from a deficit of \$14.6mn (0.4% of GDP) in the same period of 2020. The larger deficit resulted as the merchandise trade deficit widened and tourism earnings declined amid an uptick in inward remittances. Net inflows of \$8.1mn and \$10.0mn on the capital and financial accounts, respectively, partially covered the gap. The modest balance on the former reflected the impact of project-related capital grants. As for the latter, the rebound in net foreign direct investments was tempered by a reduction in the public sector's net external borrowings alongside the strong growth in domestic banks' net foreign assets. Notwithstanding, the Central Bank's gross international reserves rose by \$13.2mn to \$711.0mn—the equivalent of 4.8 months of merchandise imports at June end.

### Merchandise Trade

The trade deficit in goods expanded by \$53.9mn (12.6%) to \$481.8mn, as imports grew faster than exports. Gross imports, f.o.b. soared, up \$139.0mn or by 18.7% over the same period of 2020 to \$882.5mn. Commensurate with the recovery in aggregate demand, the demand for imported goods grew. All major import categories had increased relative to the first half of 2020, except “Oils and Fats”. “Manufactured Goods” increased by the largest margin, up \$40.7mn, owing to a sharp rise in imported steel products and cement. “Beverages and Tobacco” followed, up \$23.6mn on account of heightened beer imports for

Chart 4.1: Trade Deficit in Goods



transshipment to neighbouring countries. “Chemical Products” rose by \$19.4mn with higher outlays on fertilizers, biodiesel, and diagnostic testing kits. “Other Manufactures” and “Machinery and Transport Equipment” were up \$17.3mn and \$17.1mn, respectively. These increases were driven by imports of surveying equipment, lights and lighting fixtures, and prefabricated buildings in the former and by additional purchases of food and beverage processing machinery and tractors in the latter. “Mineral Fuels and Lubricants” increased by \$11.6mn on account of rising prices for fuel products. The opening of the northern commercial free zone on 1 February triggered the \$11.2mn increase in imports by free zone entities.

### Domestic Exports

Concurrently, gross exports f.o.b. expanded by \$85.1mn (27.0%) to \$400.6mn, as both domestic exports and re-exports rebounded. Domestic exports grew by \$11.6mn to \$203.5mn, boosted by increased sales of sugar, banana, petroleum, and other miscellaneous products. The contribution

from these commodities overshadowed the impact of reduced earnings from molasses, citrus juices, and marine products. Similarly, total re-exports increased by \$73.5mn (59.4%) with CFZ sales up \$44.2mn to \$148.9mn and other re-exports rising by \$29.2mn to \$48.3mn.

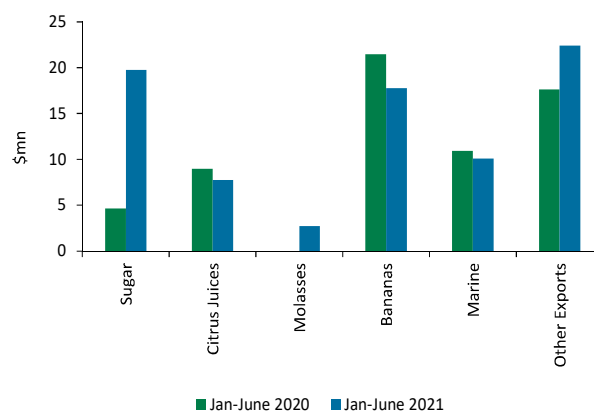
### *Sugar and Molasses*

Sugar export volume improved by 23.2% for the first half of 2021 to 86,894 long tons. However, weakened world market prices (in response to increased global production) caused a disproportionate 3.3% rise in sugar revenue to \$65.3mn. About 94.1% of the total sugar export volume, consisting of 81,730 long tons valued at \$59.7mn, went to Europe. Additionally, the Caribbean Community (CARICOM) purchased 5,141 long tons valued at \$5.6mn, and Canada bought the remaining 22 long tons valued at \$0.1mn. As for molasses, a 24.6% drop in export volume to 21,022 long tons caused its earnings to fall by 21.3% to \$5.5mn.

### *Citrus Juices and Pulp*

Citrus juice export revenue contracted by 6.2% to \$17.6mn, precipitated by a 9.4% downturn in export volume as international prices strengthened. Orange concentrate receipts dipped by 2.7% to \$16.0mn, following an 8.1% plunge in export volume to 5.7mn pound solids (ps). The principal market for orange concentrates, CARICOM, acquired 44.4% of the total export volume at 2.5mn ps. This amount, however, reflected a 12.8% reduction in export volume yielding an 11.0% revenue decline to \$8.7mn. The US, the next largest destination for the product, bought 36.6% of the total sale

**Chart 4.2: Domestic Exports**



Sources: SIB and CBB

volume. When compared to first six months of 2020, sales to that market plummeted by 22.3% to 2.1mn ps, valued at \$4.6mn. In contrast, exports to the EU almost doubled to 1.1mn ps, earning \$2.6mn. As for grapefruit concentrate exports, its revenue plummeted by 29.6% to \$1.5mn on account of a 28.8% decline in export volume to a mere 0.3mn ps. Not-from-concentrate sales were negligible at only \$0.1mn.

### *Marine Exports*

Marine product exports rose by 4.9% to 0.9mn pounds, underpinned by a sharp rise in conch sale volume. In contrast, earnings dipped by 2.3% to \$14.8mn, owing to a marked drop in farmed shrimp prices. Conch receipts more than doubled to \$6.6mn, catapulted by a 96.3% increase in export volume to 0.5mn pounds. On the downside, lobster earnings contracted by 32.2% to \$7.5mn in line with a 34.0% slump in export volume to 0.3mn pounds. Similarly, farmed shrimp receipts tumbled to \$0.7mn, as production collapsed further because of the effects of the early mortality syndrome. No farmed fish was exported during the review period.



### Banana

Banana exports grew by 2.6% to \$49.9mn, boosted by a 3.4% expansion in sale volume to 46,381 metric tons.

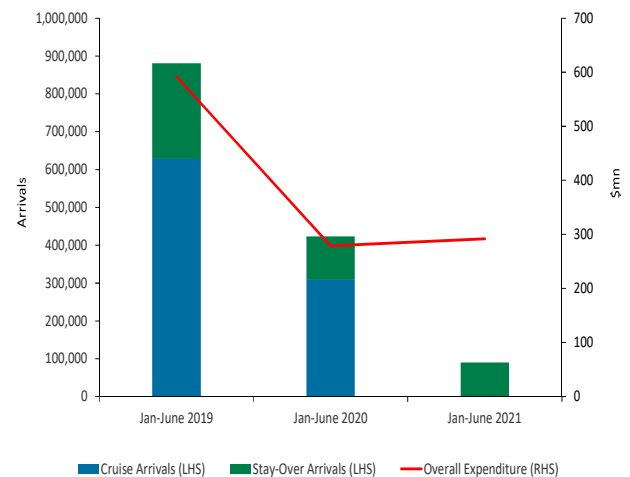
### Crude Oil

In addition, 2,248 barrels of crude oil were sold to Guatemala valued at \$0.3mn at an average price of US\$62.13 per barrel. Notably, there were no crude oil exports over the same period of last year.

### Services

The service account surplus dipped by \$28.3mn (8.0%) to \$325.5mn at the half-year mark. The falloff in earnings was attributable to a plunge in tourism earnings alongside a rise in international transportation payments—both on account of the COVID-19 shock. The gradual recovery in international tourism (after lockdown measures were partially eased at home and abroad) led to net travel receipts of \$290.0mn, a 16.8% decline (\$58.5mn) compared to the same period last year. The pandemic also triggered a surge in freight rates, causing net outflows for

**Chart 4.3:** Tourist Arrivals and Expenditure



transportation services to nearly double to \$59.0mn. On a positive note, net inflows from all other services increased by \$58.6mn (163.5%) to \$94.5mn. This outcome was due to the steady growth in income from business process outsourcing services, as well as project-related inflows to a regional organisation stationed in Belize.

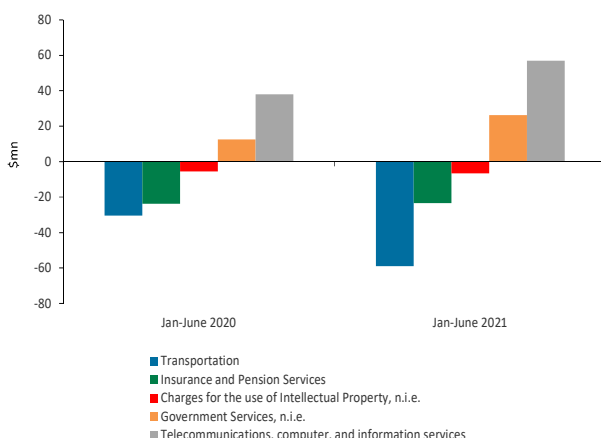
### Primary and Secondary Income

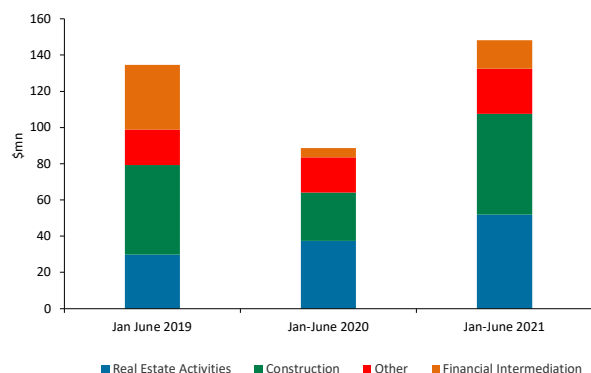
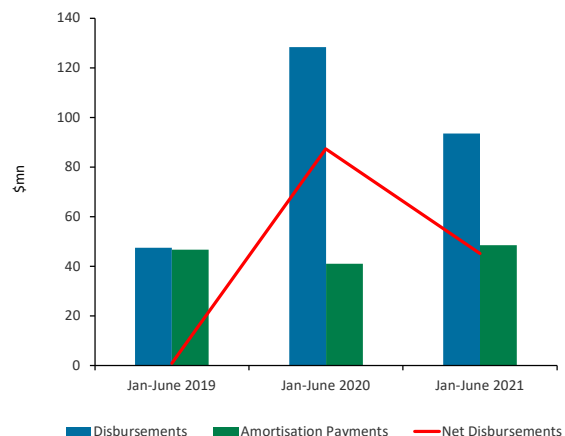
Net outflows on the primary income account slipped by 5.6% to \$54.7mn. The drop in income payments was mainly due to pandemic-induced income losses suffered by foreign-owned businesses, the suspension on domestic banks' dividend/profit repatriation, and tightened foreign exchange management by domestic banks. In contrast, net inflows on the secondary income account rose by 11.4% to \$130.8mn, boosted by inward remittances from the US.

### Capital and Financial Account

The capital account surplus increased by \$3.3mn to \$8.1mn, supported by grants from Europe and ROC/Taiwan for development projects.

**Chart 4.4:** Sub-components of Other Services



**Chart 4.5:** FDI Breakdown by Sector

**Chart 4.6:** Central Government Net External Loan Disbursements


Net borrowings on the financial account nosedived, down 91.6% to \$10.0mn in the first half of 2021 compared to \$119.1mn in the same period of 2020. This resulted as the acquisition of foreign liabilities was almost offset by the \$154.5mn build-up in domestic banks' net foreign asset position. On the liabilities side, net foreign direct investments more than doubled to \$130.5mn, driven by the resumption in major tourism-related construction projects and real estate activities. Furthermore, the public sector's net external financing nearly halved to \$45.1mn, while net borrowings by non-government sectors amounted to only \$4.2mn.



## Government Operations and Public Debt

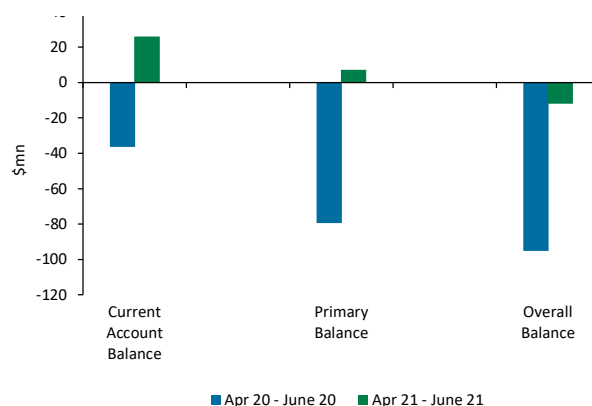
### Central Government Operations

Fiscal operations continued to be adversely affected by the pandemic. Between January and June, Central Government's revenue and grants contracted by 5.5% (\$27.4mn) to \$473.2mn compared to the same period of 2020. However, tighter spending controls to limit financing pressures led to a 16.7% or \$113.5mn decline in total expenditure to \$566.8mn. Consequently, the primary and overall deficits dropped to \$59.8mn (1.6% of GDP) and \$93.6mn (2.6% of GDP), respectively, relative to the same period of 2020.

The improvement in Central Government's finances was more pronounced from April to June. The stronger first-quarter outturn for the 2021/22 fiscal year (FY) was supported by the robust second-quarter economic rebound and the implementation of new fiscal consolidation measures, particularly on the spending side. Central Government realized a primary surplus of \$7.3mn (0.2% of GDP) this period compared to a primary deficit of \$79.4mn (2.3% of GDP) in the first quarter of the FY 2020/2021. Concurrently, the overall deficit improved to \$12.0mn (0.3% of GDP) in the first quarter of the FY 2021/2022 from \$95.1mn (2.8% of GDP) in the first quarter of the FY 2020/2021.

Total revenue and grants increased by \$41.9mn to \$251.3mn relative to the same period a year earlier when the country was near full lockdown. Revenues were just under one-fourth of the budgeted amount, supported by a marked increase in current

Chart 5.1: Central Government's Operations



Sources: MOF and CBB

revenue as capital revenue and grants declined. Current revenue increased by 26.9% to \$248.3mn on account of heightened tax receipts, while non-tax revenue fell. Tax receipts rebounded strongly, up 30.0% or \$53.5mn to \$232.2mn. Increases in general sales tax (\$16.9mn), excise duties (\$14.4mn), import duties (\$11.0mn), and stamp duties (\$10.1mn) linked to rising aggregate demand accounted for 98.0% of the growth in tax intake. However, the prevailing economic slack resulted in income and business taxes dipping by \$2.7mn and \$3.6mn, respectively. Meanwhile, non-tax revenue slid by \$0.9mn to \$16.3mn. This outcome resulted as the reduction in profit transfers from quasi-public corporations trumped the cumulative rebound in license fees and other income transfers from various Government departments. Furthermore, grants contracted by \$4.6mn to \$2.4mn with a downturn in intergovernmental COVID-19 donations to the health sector.

Total expenditure fell by 13.5% or \$41.2mn to \$263.3mn. At 21.9% of budgeted outlays, the lower than expected level of spending was

underpinned by cuts in current expenditure and, to a greater extent, capital spending. Current expenditure contracted by 4.2% or \$9.7mn to \$222.3mn. Modest declines were recorded across all major expenditure categories, except for “*Interest Payments*” and “*Pensions*,” which increased by \$6.1mn combined. “*Wages and Salaries*” declined by the steepest margin, down \$7.1mn mainly on account of the 10.0% public sector wage cut instituted in June. “*Goods and Services*” and “*Transfers and Subsidies*” trailed, down \$5.4mn, and \$3.3mn, respectively.

Capital expenditure was slashed by 43.4% or \$31.5mn to \$41.0mn. The deep cutback reflected the winding down of outlays on social safety net programmes designed to ease the hardship of the pandemic. Development spending amounted to \$40.8mn. Infrastructural works consumed 46.1% of this amount for roads and culverts and for upgrading the George Price and Southern Highways. In addition, 17.3% was spent on land and solid waste management projects, while 8.5% was allotted to the health sector to combat COVID-19.

Central Government’s gross financing requirements for the first quarter of FY 2021/2022 was \$37.9mn, down sharply from \$116.7mn in the first three months of the previous FY. Total financing was \$12.0mn with \$16.8mn netted from foreign sources. In turn, net borrowings from domestic sources contracted as a result of Central Government’s clearance of its overdraft account with the Central Bank.

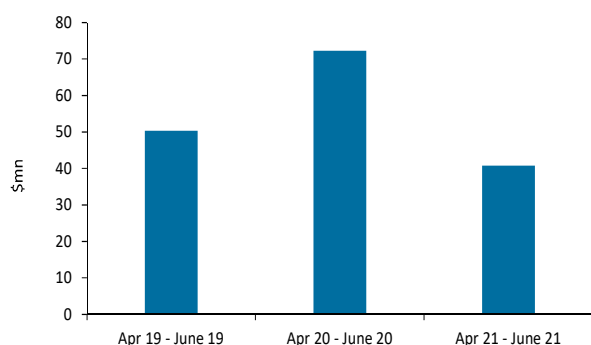
### Total Public Sector Debt

The stock of outstanding public sector debt inched up by 0.6% or \$23.2mn over the first half of 2021 to \$4,243.4mn. Notwithstanding, the public sector debt-to-GDP ratio declined to 116.8% at June end from 123.6% at December end. This decline occurred because the projected GDP growth rate exceeded the existing change in debt stock. When disaggregated, the external debt-to-GDP ratio declined to 80.6% from 85.2% and the domestic debt-to-GDP ratio fell to 36.2% from 38.5%.

### Domestic Debt

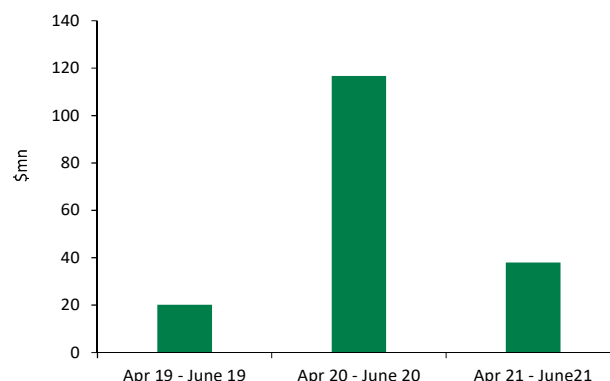
Central Government’s domestic debt crept up by 0.2% (\$2.0mn) to \$1,315.2mn over

**Chart 5.2:** Central Government’s Development Expenditure



Source: MOF

**Chart 5.3:** Gross Financing Needs



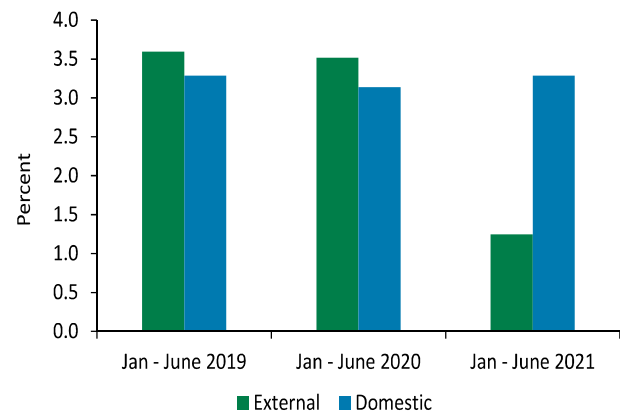
Sources: MOF and CBB

the six-month period. A \$40.0mn Treasury note (T-note) issuance in March coupled with the transfer of \$24.0mn in T-bills from a regional non-resident entity to a resident entity drove up the domestic debt stock. These transactions were almost neutralized by the extinguishment of Central Government's overdraft balance of \$61.8mn with the Central Bank in June.

Interest payments amounted to \$21.2mn for the first half of the year, up 12.4% over to the same period of 2020. The rise in interest costs reflected the impact of the jump in debt stock last year to fund Government's COVID-19 response and the rise in interest rates associated with new borrowings. Notably, the effective annual interest rate climbed by 0.2 percentage points over the last 12 months to 3.3% in June. As Central Government's main domestic creditor, the Central Bank received \$10.1mn in interest income, representing 47.7% of Government's interest expense. This amount comprised \$2.0mn on Central Government's overdraft facility and \$8.1mn on its Treasuries. In addition, non-bank entities and domestic banks earned \$6.6mn and \$4.5mn, respectively, on their Treasuries.

In securities trading, the Central Bank increased its T-bill holdings by \$27.8mn, while non-bank entities and domestic banks' portion slid by \$3.1mn and \$0.7mn, respectively, in rollover auctions conducted during the period. Furthermore, the Central Bank acquired \$9.9mn in T-notes from a non-bank financial institution on the secondary market. Consequently, the Central Bank's share of the outstanding

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



domestic debt climbed by 1.1 percentage points to 44.0%, while the portions held by domestic banks and non-bank entities tumbled by 0.3 and 0.9 percentage points to 34.4% and 21.6%, respectively, at June end.

### Public Sector External Debt

The public sector's external debt inched up by \$21.2mn (0.7%) during the first half of 2021 to \$2,928.1mn. Disbursements totalled \$93.5mn of which Central Government received \$91.9mn or 98.3% of the total. Majority of new borrowings (about \$56.7mn) were related to COVID-19 mitigation measures, including:

- \$6.8mn from the Organisation of the Petroleum Exporting Countries to finance the Food Assistance Programme,
- \$16.1mn from the Caribbean Development Bank (CDB) to cover debt service payment deferrals,
- \$20.3mn from the International Bank for Reconstruction and Development (IBRD) to finance the Belize COVID-19 Cash

Transfer Programme and to support agricultural households, and

- \$13.5mn to capitalise February's interest payment that fell due on the 2034 US dollar bond.

Central Government also borrowed \$35.1mn from multilateral (\$31.9mn) and bilateral (\$3.2mn) creditors to fund various capital investment projects, including:

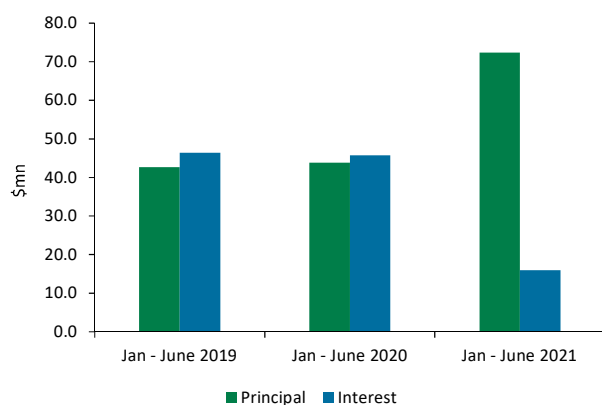
- \$9.7mn for the Caracol Road Project,
- \$6.2mn for the Coastal Highway Project,
- \$4.6mn for the Strengthening of Tax Administration Project,
- \$4.0mn for the Education Sector Reform Project, and
- \$3.0mn for the Sarteneja Road Upgrade Project.

Turning to the non-financial public sector, \$0.4mn was disbursed to the Belize Electricity Limited to finance their ongoing Electricity System Upgrade and Expansion Project. As for the financial public sector, the Development Finance Corporation received \$1.2mn from CDB to supplement their consolidated line of credit.

Loan repayments between January and June amounted to \$72.4mn. Central Government made \$70.0mn in loan repayments, comprising \$13.9mn to bilateral lenders, \$31.8mn to multilateral creditors and \$24.0mn to a regional organization who surrendered its T-bill holdings. Meanwhile, the financial and non-financial public sectors repaid CDB \$2.0mn and \$0.8mn, respectively.

Interest and other payments totalled \$17.1mn, down significantly from \$28.5mn over the comparative period a year ago. The difference reflects the interest payment deferrals on the 2034 US dollar bond, which in turn, caused Central Government's cash payments to cover external interest costs to shrink from \$43.4mn during the first half of 2020 to \$14.6mn in the first half of 2021. Accordingly, Central Government's interest payments to multilateral institutions amounted to \$10.3mn; bilateral partners, \$3.2mn; and commercial creditors, \$1.2mn. Concurrently, the financial and non-financial public sectors paid \$0.7mn and \$1.7mn, respectively, on their outstanding external liabilities.

**Chart 5.5:** External Debt Service



At June end, Central Government held 94.5% of the total public sector external debt. Central Government's two largest creditors, the 2034 US bond holders and the Bolivarian Republic of Venezuela, accounted for 52.4% of the amount. In comparison, the financial and non-financial public sectors held 3.2% and 2.4%, respectively, of the total outstanding public sector external debt stock.

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# ANNEX I

**Table A.1:** Gross Domestic Product Growth Rates of Selected Countries<sup>(1)</sup>

	Percent		
	Dec 2020 <sup>(1)</sup>	Mar 2021 <sup>(1)</sup>	June 2021 <sup>(2)</sup>
Advanced Economies			
US	-3.5	0.5	12.2
UK	-9.9	-6.1	22.2
Euro area	-6.6	-1.3	13.6
Japan	-4.8	-1.3	7.5
Emerging Economies			
China	2.3	18.3	7.9
India	-8.0	-7.3	20.1
Brazil	-4.1	1.0	12.4
Mexico	-8.3	-2.9	19.6
Caribbean Economies			
Jamaica	-9.9	-6.7	n.a.
Barbados <sup>(3)</sup>	-17.6	-19.8	5.5

Sources: Respective Statistical Bureaus and Central Banks.

<sup>(1)</sup> Figures for Dec 2020 are annualised figures.

<sup>(2)</sup> Percentage change in second quarter of 2021 compared to the second quarter of 2020.

<sup>(3)</sup> Quarter-on-Quarter percentage change.

**Table A.2:** Factors Responsible for Money Supply Movements<sup>(1)</sup>

	\$mn		
		Changes During	
	Position as at June 2021	Dec 2020 to June 2021	Dec 2019 to June 2020
Net Foreign Assets	1,163.6	163.6	34.7
Central Bank	707.8	8.6	25.8
Domestic Bank	455.8	155.0	8.8
Net Domestic Credit	3,074.4	34.5	65.5
Central Government (Net)	748.1	25.8	35.3
Other Public Sector	49.8	-9.1	-6.2
Private Sector	2,276.5	17.8	36.4
Central Bank Foreign Liabilities (Long-term)	51.1	-0.5	-0.3
Other Items (Net)	362.4	-92.2	-12.0
Money Supply (M2)	3,824.6	290.8	112.4

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

**Table A.3:** Money Supply

		\$mn	
		Changes During	
	Position as at June 2021	Dec 2020 to June 2021	Dec 2019 to June 2020
Money Supply (M2)	3,824.6	290.8	112.4
Money Supply (M1)	2,163.5	198.0	105.1
Currency with the Public	420.1	-12.2	34.4
Demand Deposits	1,718.8	205.2	71.3
Savings/Chequing Deposits	24.5	5.0	-0.7
Quasi-Money	1,661.1	92.8	7.4
Savings Deposits	896.4	13.4	34.2
Time Deposits	764.8	79.4	-26.8

**Table A.4:** Net Foreign Assets of the Banking System

		\$mn	
		Changes During	
	Position as at June 2021	Dec 2020 to June 2021	Dec 2019 to June 2020
Net Foreign Assets of Banking System	1,163.6	163.6	34.7
Net Foreign Assets of Central Bank	707.8	8.6	25.8
Central Bank Foreign Assets	713.5	11.3	28.3
Central Bank Foreign Liabilities (Demand)	5.7	2.7	2.4
Net Foreign Assets of Domestic Banks	455.8	155.0	8.8
Domestic Bank Foreign Assets	503.7	182.0	19.5
Domestic Bank Foreign Liabilities (Short-term)	47.9	27.0	10.6



**Table A.5:** Net Domestic Credit

		\$mn	
		Changes During	
	Position as at June 2021	Dec 2020 to June 2021	Dec 2019 to June 2020
Total Credit to Central Government	939.7	12.6	135.7
From Central Bank	578.8	15.9	106.0
Loans and Advances	0.0	-61.8	18.0
Government Securities <sup>(1)</sup>	578.8	77.7	88.0
From Domestic Banks	360.9	-3.3	29.7
Loans and Advances	0.0	0.0	-3.8
Government Securities	360.9	-3.3	33.5
Of which: Treasury Bills	202.6	-3.3	22.6
Treasury Notes	158.3	0.0	10.9
Other	0.0	0.0	0.0
Less Central Government Deposits	191.6	-13.2	100.3
With Central Bank	127.2	-31.7	91.5
With Domestic Banks	64.4	18.5	8.8
Net Credit to Central Government	748.1	25.8	35.3
Credit to Other Public Sector	49.8	-9.1	-6.2
From Central Bank	0.0	0.0	0.0
From Domestic Banks	49.8	-9.1	-6.2
Of which: Local Government	9.2	1.5	2.6
Public Financial Institutions	0.0	0.0	0.0
Public Utilities	21.3	-10.5	-2.7
Other Statutory Bodies	1.7	-0.1	-0.2
Securities	17.6	0.0	-6.0
Plus Credit to the Private Sector	2,276.5	17.8	36.4
Loans and Advances	2,250.3	9.0	36.4
Securities	26.2	8.8	0.0
Net Domestic Credit of the Banking System <sup>(2)</sup>	3,074.4	34.5	65.5

<sup>(1)</sup> Includes the Central Bank's holdings of Government Treasury bills and Treasury notes.

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

**Table A.6:** Sectoral Composition of Domestic Banks' Loans and Advances

		\$mn	
		Changes During	
	Position as at June 2021	Dec 2020 to June 2021	Dec 2019 to June 2020
PRIMARY SECTOR	238.4	-2.9	6.5
Agriculture	208.6	-1.9	9.3
Sugar	92.5	-1.5	-1.1
Citrus	17.2	-0.3	-3.4
Bananas	42.0	1.0	11.7
Other	56.9	-1.1	2.1
Marine Products	23.5	-0.8	-1.7
Forestry	1.2	0.1	0.0
Mining and Exploration	5.1	-0.3	-1.1
SECONDARY SECTOR	611.5	-11.2	21.1
Manufacturing	76.4	3.2	6.2
Building and Construction	492.5	-5.9	16.8
Utilities	42.6	-8.5	-1.9
TERTIARY SECTOR	908.6	47.8	53.3
Transport <sup>(1)</sup>	37.6	-7.9	-0.3
Tourism	273.7	33.5	44.4
Distribution	178.7	11.5	3.1
Real Estate	326.9	1.0	4.9
Professional Services <sup>(1)</sup>	77.5	8.2	3.0
Other <sup>(2)</sup>	14.2	1.5	-1.8
PERSONAL LOANS	519.8	-33.5	-48.6
TOTAL	2,278.3	0.2	32.3

<sup>(1)</sup> A loan facility was reclassified from Transport to Professional Services.

<sup>(2)</sup> Includes Government Services, Financial Institutions, and Entertainment.

**Table A.7:** Sectoral Composition of Credit Unions’  
Loans and Advances

		\$mn	
		Changes During	
	Position as at June 2021	Dec 2020 to June 2021	Dec 2019 to June 2020
PRIMARY SECTOR	52.7	-2.3	-3.6
Agriculture	43.0	-2.3	-4.3
Sugar	5.6	-0.6	-0.4
Citrus	1.4	0.0	0.0
Bananas	1.0	-0.9	-1.7
Other	35.0	-0.8	-2.2
Marine Products	9.2	0.1	0.0
Forestry	0.1	0.0	0.1
Mining and Exploration	0.4	-0.1	0.6
SECONDARY SECTOR	215.6	-2.6	-6.0
Manufacturing	20.8	5.2	1.1
Building and Construction	191.6	-7.7	-7.1
Utilities	3.2	-0.1	0.0
TERTIARY SECTOR	115.4	-23.1	4.3
Transport	1.4	-0.2	0.1
Tourism	0.9	0.0	0.2
Distribution	20.4	-1.3	-0.7
Real Estate	77.7	-21.5	6.3
Residential	3.5	-0.1	-0.9
Commercial	46.2	-15.8	6.1
Land Acquisition	28.1	-5.5	1.2
Other <sup>(1)</sup>	15.0	-0.1	-1.6
PERSONAL LOANS	232.9	4.8	-8.3
TOTAL	616.6	-23.3	-13.6

<sup>(1)</sup> Includes Government Services, Financial Institutions, Professional Services, and Entertainment.

**Table A.8:** Domestic Banks' Liquidity Position and Cash Reserves

		\$mn	
		Changes During	
	Position as at June 2021	Dec 2020 to June 2021	Dec 2019 to June 2020
Holdings of Approved Liquid Assets	1,306.2	233.4	34.2
Notes and Coins	116.2	15.1	9.0
Balances with Central Bank	596.9	48.9	-37.9
Money at Call and Foreign Balances (due in 90 days)	341.9	160.4	27.1
Treasury Bills maturing in not more than 90 days	227.2	-2.7	14.3
Other Approved Assets	24.0	11.6	21.6
Required Liquid Assets	720.2	67.7	21.3
Excess/(Deficiency) Liquid Assets	586.0	165.8	12.9
Daily Average Holdings of Cash Reserves	597.7	43.8	-30.6
Required Cash Reserves	222.9	20.9	7.9
Excess/(Deficiency) Cash Reserves	374.7	22.9	-38.5
Actual Securities Balances	202.8	-3.2	22.6
Excess/(Deficiency) Securities	202.8	-3.2	22.6

**Table A.9:** Domestic Banks' Weighted Average Interest Rates

		Percent	
		Changes During	
	Position as at June 2021	Dec 2020 to June 2021	Dec 2019 to June 2020
Weighted Lending Rates			
Personal Loans	10.08	-0.20	-0.34
Commercial Loans	8.21	-0.14	0.16
Residential Construction	6.76	0.00	0.13
Other	6.58	0.04	-0.10
Weighted Average	8.39	-0.14	0.00
Weighted Deposit Rates			
Demand	0.13	0.09	0.04
Savings/Chequing	0.48	-0.02	0.00
Savings	2.65	-0.01	0.02
Time	2.29	0.05	0.27
Weighted Average	1.27	0.00	0.14
Weighted Average Spread	7.12	-0.15	-0.14

**Table A.10:** Domestic Banks' Weighted Average Interest Rates on New Loans and Deposits

	Percent				
	Twelve Month Rolling Averages At			Changes	
	June 2021	Dec 2020	June 2020	June 2021 over Dec 2020	June 2021 over Mar 2020
Weighted Lending Rates					
Personal Loans	9.96	9.82	9.70	0.14	0.26
Commercial Loans	8.23	8.26	8.16	-0.03	0.07
Residential Construction	7.86	7.68	7.92	0.18	-0.06
Other	6.54	6.27	6.09	0.27	0.45
Weighted Average	8.59	8.51	8.44	0.08	0.15
Weighted Deposit Rates					
Demand	0.00	0.00	0.01	0.00	-0.01
Savings/Chequing	0.71	0.74	0.64	-0.03	0.07
Savings	2.42	2.64	2.71	-0.22	-0.29
Time	2.49	2.49	2.65	0.00	-0.16
Weighted Average	1.91	2.03	2.22	-0.12	-0.31
Weighted Average Spread	6.68	6.48	6.21	0.20	0.47

**Table A.11:** Deliveries of Sugarcane and Production of Sugar and Molasses

	Dec - June 2019/2020	Dec - June 2020/2021
Deliveries of Sugarcane to BSI and Santander (long tons)	1,322,475	1,684,877
Sugar Processed by BSI and Santander (long tons)	127,466	158,982
Molasses processed by BSI and Santander (long tons)	53,310	59,383
Performance		
Factory Time Efficiency (%)	90.84	96.70
Cane Purity (%)	83.55	83.73
Cane/Sugar	10.30	10.60

Sources: BSI and Santander

**Table A.12:** Output of Citrus Products

	Oct - June 2019/2020	Oct - June 2020/2021
Deliveries (boxes)		
Orange	1,961,017	1,259,496
Grapefruit	<u>161,770</u>	<u>104,875</u>
Total	2,122,787	1,364,371
Concentrate Produced (ps)		
Orange	11,562,490	7,037,281
Grapefruit	<u>652,357</u>	<u>342,254</u>
Total	12,214,847	7,379,535
Not from Concentrate (ps)		
Orange	176,881	151,272
Grapefruit	<u>12,550</u>	<u>34,782</u>
Total	189,431	186,054
Pulp (pounds)		
Orange	1,527,248	1,046,856
Grapefruit	<u>169,176</u>	<u>55,544</u>
Total	1,696,424	1,102,400
Oil Produced (pounds)		
Orange	693,200	415,900
Grapefruit	<u>29,100</u>	<u>13,400</u>
Total	722,300	429,300

Source: CPBL

**Table A.13:** Banana Production

	40 pound boxes	
	Jan - June 2020	Jan - June 2021
Quarter 1	1,249,880	1,037,895
Quarter 2	<u>1,221,819</u>	<u>1,518,523</u>
Total	2,471,699	2,556,418

Source: BGA

**Table A.14:** Real Gross Domestic Product Growth Rates<sup>(1)</sup>

	Year-on-Year Growth (%)	
	Jan - June 2020 <sup>(1)</sup>	Jan - June 2021 <sup>(1)</sup>
	over Jan - June 2019 <sup>R</sup>	over Jan - June 2020 <sup>P</sup>
Agriculture, Hunting, and Forestry	-8.9	12.5
Fishing	-29.1	3.1
Manufacturing (including Mining and Quarrying)	-14.4	2.8
Electricity and Water	-19.7	1.0
Construction	-6.6	30.2
Wholesale and Retail	-22.3	18.1
Hotels and Restaurants	-52.4	-49.2
Transport and Communication	-15.8	4.5
Other Private Services, excluding Financial Services Indirectly Measured	-9.1	-1.2
Producers of Government Services	3.3	-5.8
All Industries at Basic Prices	-14.4	4.6
Taxes on Products	-19.3	16.0
GDP at Constant 2000 Prices	-15.1	6.0

Source: SIB

<sup>(1)</sup> Constant 2000 prices<sup>R</sup> - Revised<sup>P</sup> - Provisional**Table A.15:** Gross Domestic Product by Activity at Constant 2000 Prices

	\$mn			
	Quarter 1 2020	Quarter 2 2021	Quarter 1 2021 <sup>R</sup>	Quarter 2 2021 <sup>P</sup>
Agriculture, Hunting, and Forestry	72.8	66.5	74.6	82.1
Fishing	5.6	1.8	4.6	3.1
Manufacturing (including Mining and Quarrying)	52.1	42.8	47.0	50.5
Electricity and Water	22.4	29.5	27.9	24.6
Construction	24.9	22.6	28.8	33.1
Wholesale and Retail	135.2	95.4	129.4	143.0
Hotels and Restaurants	34.0	0.3	6.2	11.2
Transport and Communication	63.4	47.1	54.3	61.2
Other Private services excluding Financial Services Indirectly Measured	122.0	117.1	118.2	118.1
Producers of Government Services	90.4	89.7	86.3	83.4
All Industries at Basic Prices	622.8	512.9	577.3	610.3
Taxes on Products	97.6	68.9	92.0	101.1
GDP at Constant 2000 Prices	720.4	581.8	669.3	711.4

Source: SIB

<sup>R</sup> - Revised<sup>P</sup> - Provisional



**Table A.16:** Consumer Price Index Commodity Group

Major Commodity	Weights	Apr 2021	May 2021	June 2021	June 2021 over May 2021	YTD-2021 over YTD-2020
Food and Non-Alcoholic Beverages	195	102.0	102.2	103.1	0.9	4.6
Alcoholic Beverages and Tobacco And Narcotics	17	100.7	101.2	101.2	0.0	-0.1
Clothing and Footwear	83	99.5	100.9	100.9	0.0	-1.0
Housing, Water, Electricity, Gas, and Other Fuels	265	102.2	101.2	101.0	-0.2	1.1
Furnishing, Household Equipment, and Routine Household Maintenance	69	99.8	100.1	100.1	0.0	-0.7
Health	41	101.8	102.1	102.1	0.0	1.1
Transport	136	112.2	112.7	114.3	1.4	4.7
Information And Communication	33	100.1	100.0	100.0	0.0	-3.7
Recreation and Culture	69	100.6	100.5	100.5	0.0	2.2
Education Services	32	100.0	99.9	99.9	0.0	0.1
Restaurants and Accommodation Services	7	101.2	102.5	102.5	0.0	-8.4
Insurance and Financial Services	21	100.0	100.0	100.0	0.0	0.0
Personal Care, Social Protection, and Miscellaneous Goods and Services	31	100.2	100.1	100.1	0.0	1.8
All Items	1,000	103.0	103.1	103.5	0.4	2.0

Source: SIB

**Table A.17:** Balance of Payments Summary

	\$mn	
	Jan - June 2020 <sup>R</sup>	Jan - June 2021 <sup>P</sup>
A. CURRENT ACCOUNT		
(I+II+III+IV)	-14.6	-80.2
I. Goods (Trade Balance)	-427.9	-481.8
Exports, Free on Board (FOB)	315.5	400.6
Domestic Exports	191.8	203.5
CFZ Gross sales	104.7	148.9
Re-exports	19.0	48.3
Imports, FOB	743.5	882.5
Domestic Imports	634.5	763.8
CFZ Imports	109.0	118.7
II. Services	353.8	325.5
Transportation	-30.5	-59.0
Travel	348.4	290.0
Other Services	35.8	94.5
III. Primary Income	-57.9	-54.7
Compensation of Employees	-5.0	-4.3
Investment Income	-52.9	-50.4
IV. Secondary Income	117.5	130.8
Government	10.9	2.8
Private	106.5	128.0
B. Capital Account	4.8	8.1
C. Financial Account	-119.1	-10.0
D. NET ERRORS AND OMISSIONS	-80.7	75.4
E. RESERVE ASSETS	28.6	13.2

<sup>R</sup> - Revised<sup>P</sup> - Provisional

**Table A.18:** Capital and Financial Accounts

		\$mn	
		Jan - June 2020 <sup>R</sup>	Jan - June 2021 <sup>P</sup>
A.	CAPITAL ACCOUNT	4.8	8.1
B.	FINANCIAL ACCOUNT (1+2+3+4)	-119.1	-10.0
	1. Direct Investment in Belize	-59.2	-130.5
	2. Portfolio Investment	2.9	18.0
	Monetary Authorities	0.0	0.0
	General Government	2.9	0.0
	Banks	0.0	0.0
	Other Sectors	0.0	0.0
	3. Financial Derivatives	0.0	0.0
	4. Other Investments	-62.8	102.5
	Monetary Authorities	-0.7	-2.7
	General Government	-87.4	-45.1
	Banks	8.8	154.5
	Other Sectors	16.5	-4.2
C.	NET ERRORS AND OMISSIONS	-80.7	75.4
D.	OVERALL BALANCE	28.6	13.2
E.	RESERVE ASSETS	28.6	13.2

<sup>R</sup> - Revised<sup>P</sup> - Provisional

**Table A.19:** Balance of Payments

	\$mn	
	Jan - June 2020 <sup>R</sup>	Jan - June 2021 <sup>P</sup>
CURRENT ACCOUNT	-14.6	-80.2
Goods: Exports FOB	315.5	400.6
Goods: Imports FOB	743.5	882.5
Trade Balance	-427.9	-481.8
Services: Credit	528.0	520.4
Transportation	34.4	22.4
Travel	370.8	303.0
Other Goods and Services	97.4	146.5
Government Goods and Services	25.5	48.5
Services: Debit	174.2	194.9
Transportation	64.9	81.3
Travel	22.4	13.0
Other Goods and Services	74.0	78.3
Government Goods and Services	13.0	22.2
Balance on Goods and Services	-74.1	-156.3
Primary Income: Credit	8.2	6.8
Compensation of Employees	2.4	2.4
Investment Income	5.9	4.5
Primary Income: Debit	66.1	61.5
Compensation of Employees	7.3	6.6
Investment Income	58.8	54.9
Balance on Goods, Services and Primary Income	-132.1	-211.0
Secondary Income: Credit	156.9	174.0
Secondary Income: Debit	39.4	43.2
CAPITAL ACCOUNT	4.8	8.1
Capital Account: Credit	4.8	8.1
Capital Account: Debit	0.0	0.0
FINANCIAL ACCOUNT	-119.1	-10.0
Direct Investment Abroad	4.8	0.6
Direct Investment in Reporting Economy	64.0	131.1
Portfolio Investment Assets	0.0	0.0
Portfolio Investment Liabilities	-2.9	-18.0
Financial Derivatives	0.0	0.0
Other Investment Assets	19.7	180.6
Other Investment Liabilities	82.5	78.1
NET ERRORS AND OMISSIONS	-80.7	75.4
OVERALL BALANCE	28.6	13.2
RESERVE ASSETS	28.6	13.2

Source: CBB

<sup>R</sup> - Revised<sup>P</sup> - Provisional

**Table A.20:** Exports of Sugar and Molasses

	Jan - June 2020		Jan - June 2021	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
Sugar	70,514	63,258	86,894	65,333
Europe	48,679	40,812	81,730	59,705
US	16,264	16,829	0	0
CARICOM	5,340	5,368	5,141	5,573
Other	231	249	22	56
Molasses	27,863	7,006	21,022	5,512

Sources: BSI and Santander Group

**Table A.21:** Export Sales of Citrus Products

	Jan - June 2020		Jan - June 2021	
	Pound Solid ('000)	Value (\$'000)	Pound Solid ('000)	Value (\$'000)
Citrus Concentrates				
US				
Orange	2,671	5,010	2,076	4,608
Grapefruit	0	0	63	413
CARICOM				
Orange	2,888	9,810	2,519	8,727
Grapefruit	178	930	161	830
Europe				
Orange	546	1,442	1,068	2,610
Grapefruit	205	1,217	49	269
Other				
Orange	68	169	11	43
Grapefruit	0	0	0	0
Sub-Total <sup>(1)</sup>	6,556	18,578	5,946	17,499
Orange	6,173	16,431	5,674	15,988
Grapefruit	383	2,147	272	1,511
Not-From-Concentrate				
Sub-Total	31	169	20	93
Orange	23	113	18	83
Grapefruit	8	56	2	10
Total Citrus Juices	6,587	18,747	5,966	17,593
Pulp (pounds '000)				
Total <sup>(1)</sup>	656	497	1,473	1,133
Orange	551	412	1,420	1,090
Grapefruit	105	85	53	43

Source: CPBL

<sup>(1)</sup> Values may not be equal to total due to rounding.

**Table A.22:** Exports of Marine Products

	Jan - June 2020		Jan - June 2021	
	Volume ('000 pounds)	Value (\$'000)	Volume ('000 pounds)	Value (\$'000)
Lobster	390	10,990	258	7,450
Shrimp	203	1,093	154	677
Conch	231	3,036	453	6,641
Other Fish	0	0	0	1
Total	824	15,119	865	14,768

Source: SIB

**Table A.23:** Banana Exports

	Jan - June 2020	Jan - June 2021
Volume (metric tons)	44,844	46,381
Value (\$'000)	48,658	49,943

Source: BGA

**Table A.24:** Petroleum Exports

	Jan - June 2020	Jan - June 2021
Volume (barrels)	0	2,248
Value (\$'000)	0	282

Source: SIB

**Table A.25:** Gross Imports at Cost, Insurance and Freight (CIF) by  
Standard International Trade Classification (SITC)

	\$'000			
SITC Section	Jan - June 2020	Jan - June 2021	\$ Change	% Change
0. Food and Live Animals	112,122	121,708	9,586	8.5
1. Beverages and Tobacco	19,323	42,971	23,649	122.4
2. Crude Materials	10,782	14,187	3,405	31.6
3. Mineral Fuels and Lubricants	115,350	126,915	11,565	10.0
of which Electricity	21,940	22,139	199	0.9
4. Oils and Fats	12,589	11,152	(1,437)	(11.4)
5. Chemical Products	82,421	101,851	19,430	23.6
6. Manufactured Goods	113,607	154,340	40,733	35.9
7. Machinery and Transport Equipment	159,762	176,836	17,074	10.7
8. Other Manufactures	54,690	71,972	17,283	31.6
9. Commodities not elsewhere specified	0	251	251	
10. Designated Processing Areas*	15,683	17,596	1,913	12.2
11. Commercial Free Zone	118,752	129,918	11,166	9.4
12. Personal Goods	577	1,938	1,361	235.9
Total	815,657	971,633	155,976	19.1

Sources: CBB and SIB

\* Formerly Export Processing Zones



**Table A.26:** Extended Balance of Payment Services Classifications (EBOPS)

		\$mn	
		Jan - June 2020	Jan - June 2021
Total Services	Net	353.8	325.5
	Credits	528.0	520.4
	Debits	174.2	194.9
Manufacturing Services	Net	0.0	0.0
	Credits	0.0	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	-30.5	-59.0
	Credits	34.4	22.4
	Debits	64.9	81.3
Travel	Net	348.4	290.0
	Credits	370.8	303.0
	Debits	22.4	13.0
Telecommunications, Computer, and Information Services	Net	37.9	57.0
	Credits	45.6	66.3
	Debits	7.7	9.4
Construction Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Insurance and Pension Services	Net	-23.7	-23.3
	Credits	0.4	0.6
	Debits	24.1	23.9
Financial Services	Net	-2.3	1.2
	Credits	3.5	3.6
	Debits	5.9	2.4
Charges for the use of Intellectual Property, n.i.e.	Net	-5.5	-6.7
	Credits	0.0	0.0
	Debits	5.5	6.7
Other Business Services	Net	14.2	37.0
	Credits	44.1	72.6
	Debits	29.9	35.6
Personal, Cultural, and Recreational Services	Net	2.7	3.1
	Credits	3.7	3.4
	Debits	1.0	0.4
Government Services, n.i.e.	Net	12.5	26.3
	Credits	25.5	48.5
	Debits	13.0	22.2

**Table A.27:** Bona Fide Tourist Arrivals<sup>(1)</sup>

	Jan - June 2020	Jan - June 2021
Stay-Over Arrivals		
Air	92,398	83,273
Land	17,196	5,170
Sea	<u>5,156</u>	<u>1,554</u>
Total	114,750	89,997
Cruise Ship	308,003	0

Sources: BTB, CBB, and Immigration Department

<sup>(1)</sup> Data for June 2021 excludes Big Creek Port.

**Table A.28:** Central Government's Revenue and Expenditure

	\$mn			
	Jan 2020 to June 2020	Jan 2021 to June 2021	Apr 2020 to June 2020	Apr 2021 to June 2021
Total Revenue and Grants	500.6	473.2	209.4	251.3
Of which: Current Revenue	482.5	465.5	195.7	248.3
Of which: Grants	9.8	6.4	7.0	2.4
Total Expenditure	680.2	566.8	304.5	263.3
Current Expenditure	529.2	466.9	232.0	222.3
Capital Expenditure	151.0	99.8	72.5	41.0
Current Balance	-46.7	-1.4	-36.3	26.0
Primary Balance	-121.1	-59.8	-79.4	7.3
Overall Balance	-179.6	-93.6	-95.1	-12.0

Source: MOF

**Table A.29:** Summary of Central Government's Revenue

	\$mn			
	Jan 2020 to June 2020	Jan 2021 to June 2021	Apr 2020 to June 2020	Apr 2021 to June 2021
Current Revenue	482.5	465.5	195.7	248.3
Tax Revenue	442.0	434.4	178.5	232.0
Income and Profits	128.9	98.0	55.3	48.4
Taxes on Property	4.2	4.6	1.7	2.3
Taxes on Goods and Services	244.0	254.7	94.5	139.3
International Trade and Transactions	64.8	77.2	27.0	42.0
Non-Tax Revenue	40.6	31.1	17.2	16.3
Property Income	5.1	2.1	3.3	0.0
Licenses	11.5	8.1	3.0	3.8
Other	23.9	21.0	10.9	12.4
Capital Revenue	8.2	1.3	6.7	0.7
Grants	9.8	6.4	7.0	2.4

Source: MOF

**Table A.30:** Summary of Central Government's Expenditure

	\$mn			
	Jan 2020 to June 2020	Jan 2021 to June 2021	Apr 2020 to June 2020	Apr 2021 to June 2021
Current Expenditure	529.2	466.9	232.0	222.3
Wages and Salaries	231.6	219.7	115.1	108.0
Pensions	43.4	46.6	21.2	23.7
Goods and Services	111.6	91.2	41.7	36.2
Interest Payments	58.6	33.8	15.7	19.3
of which: External	42.5	14.0	9.1	8.7
Subsidies and Current Transfers	84.1	75.6	38.3	35.0
Capital Expenditure	151.0	99.8	72.5	41.0
Capital II	71.3	52.1	45.2	16.2
Capital III	79.3	47.3	27.1	24.6
Net Lending	0.4	0.4	0.2	0.2

Source: MOF

**Table A.31:** Central Government's Domestic Debt

	\$mn		
	Dec 2020	June 2021	Changes in Stock
Overdraft	61.8	0.0	-61.8
Loans	92.6	92.4	-0.1
Treasury Bills	221.0	245.0	24.0
Treasury Notes	937.8	977.8	40.0
Total	1,313.2	1,315.2	2.0

**Table A.32:** Long-Term Private Sector External Debt by Economic Sector<sup>(1,2)</sup>

Economic Sectors	Transactions (Jan - June 2021)				
	DOD as at 31/12/2020	Disbursements	Principal Payments	Interest Payments	DOD as at 30/06/2021
Agriculture	30,068	0	4	0	30,064
Arts, Entertainment, and Recreation	0	0	0	0	0
Construction	25,600	0	3,816	407	21,784
Economic Diversification	2	0	0	0	2
Education	0	0	0	0	0
Electricity and Gas	15,119	0	193	872	14,926
Financial and Insurance Activities	111	0	0	0	111
Fishing	9,355	0	0	0	9,355
Information and Communication	0	0	0	0	0
Real Estate Activities	0	0	0	0	0
Tourism Activities	43,025	0	0	0	43,025
Transportation	38,119	0	0	0	38,119
Wholesale and Retail Trade	1,896	0	0	0	1,896
Other	1,554	0	0	0	1,554
Total	164,849	0	4,013	1,279	160,835

<sup>(1)</sup> The loans only cover that portion of the private sector debt that is reported to the Central Bank.

<sup>(2)</sup> At the time of reporting, not all companies have submitted their balance sheets to the Central Bank.

**Table A.33:** International Investment Position

			\$mn
	Position as at Dec 2020	Financial Account Transactions Jan - June 2021	Position as at June 2021
Net position	-6,885.5	-10.0	-6,895.5
A. Assets	1,146.9	181.2	1,328.1
1. Direct Investment Abroad	146.3	0.6	147.0
2. Portfolio Investment	43.8	0.0	43.8
2.1 Equity Securities	34.7	1.1	35.8
2.2 Debt Securities	9.1	-0.1	9.0
3. Other Investment	258.9	182.3	441.2
3.1 Trade Credits	-0.7	0.7	0.0
3.2 Loans	3.5	0.3	3.8
3.3 Currency and Deposits	256.1	181.3	437.4
3.4 Other Assets	0.0	0.0	0.0
4. Reserve Assets	697.9	13.2	711.0
4.1 Monetary Gold	0.0	0.0	0.0
4.2 Special Drawing Rights	58.3	-0.6	57.7
4.3 Reserve Position in the Fund	17.9	-0.2	17.7
4.4 Foreign Exchange	601.1	14.5	615.7
4.5 Other Claims	20.6	-0.6	20.0
B. Liabilities	8,032.4	191.2	8,223.6
1. Direct Investment	4,815.0	131.1	4,946.1
2. Portfolio Investment	1,116.6	-18.0	1,098.6
2.1 Equity Securities	0.0	0.0	0.0
2.2 Debt Securities	1,116.6	-18.0	1,098.6
3. Other Investment	2,100.8	78.1	2,178.9
3.1 Trade Credits	20.6	1.9	22.5
3.2 Loans	2,001.3	66.7	2,068.0
3.3 Currency and Deposits	77.7	8.3	86.0
3.4 Other Liabilities	1.2	0.5	1.8

**Table A.34: Central Government's Revenue and Expenditure**

		\$'000				
	Approved Budget 2020/2022	Jan 2020 to June 2020	Jan 2021 to June 2021	Apr 2020 to June 2020	Apr 2021 to June 2021 <sup>P</sup>	Fiscal YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	1,038,188	500,578	473,185	209,374	251,309	24.2%
1). Current Revenue	965,460	482,525	465,516	195,664	248,283	25.7%
Tax Revenue	884,421	441,970	434,374	178,507	232,012	26.2%
Income and Profits	247,498	128,943	97,956	55,265	48,438	19.6%
Taxes on Property	6,485	4,232	4,610	1,731	2,259	34.8%
Taxes on Goods and Services	492,777	244,023	254,651	94,527	139,299	28.3%
International Trade and Transactions	137,661	64,772	77,157	26,982	42,016	30.5%
Non-Tax Revenue	81,039	40,555	31,142	17,158	16,271	20.1%
Property Income	4,945	5,145	2,075	3,278	4	0.1%
Licences	13,071	11,519	8,084	3,020	3,819	29.2%
Other	63,023	23,892	20,982	10,861	12,448	19.8%
2). Capital Revenue	5,366	8,206	1,256	6,710	665	12.4%
3). Grants	67,361	9,847	6,413	7,000	2,361	3.5%
TOTAL EXPENDITURE (1+2)	1,204,506	680,217	566,759	304,465	263,304	21.9%
1). Current Expenditure	905,943	529,196	466,948	231,972	222,306	24.5%
Wages and Salaries	413,651	231,569	219,701	115,129	108,031	26.1%
Pensions	91,018	43,407	46,606	21,151	23,713	26.1%
Goods and Services	175,558	111,574	91,234	41,658	36,248	20.6%
Interest Payments on Public Debt	68,345	58,558	33,796	15,715	19,288	28.2%
Subsidies and Current Transfers	157,371	84,089	75,610	38,320	35,027	22.3%
2). Capital Expenditure	298,562	151,021	99,810	72,493	40,998	13.7%
Capital II (Local Sources)	110,053	71,342	52,073	45,227	16,167	14.7%
Capital III (Foreign Sources)	186,210	79,286	47,330	27,088	24,628	13.2%
Capital Transfer and Net Lending	2,299	392	407	178	203	8.8%
CURRENT BALANCE	59,517	-46,671	-1,432	-36,308	25,976	43.6%
PRIMARY BALANCE	-97,973	-121,080	-59,778	-79,376	7,292	-7.4%
OVERALL BALANCE	-166,318	-179,639	-93,574	-95,091	-11,995	7.2%
Primary Balance less grants	-165,335	-130,927	-66,191	-86,376	4,932	-3.0%
Overall Balance less grants	-233,679	-189,486	-99,987	-102,091	-14,356	6.1%
FINANCING	166,318	179,639	93,574	95,091	11,995	
Domestic Financing		74,925	-8,680	27,324	-66,004	
Central Bank		14,442	47,551	-54,515	-29,331	
Net Borrowing		105,962	15,893	45,970	-52,684	
Change in Deposits		-91,520	31,658	-100,486	23,353	
Commercial Banks		24,617	-21,717	42,982	-18,498	
Net Borrowing		33,497	-3,246	45,979	-9,184	
Change in Deposits		-8,880	-18,471	-2,997	-9,314	
International Banks		0	0	0	0	
Other Domestic Financing		34,392	-34,437	37,382	-18,099	
Financing Abroad		86,872	31,548	57,060	16,756	
Disbursements		126,291	77,199	78,632	42,685	
Amortisation		-39,419	-45,651	-21,572	-25,929	
Other		17,841	70,705	10,707	61,244	

Sources: CBB and MOF

<sup>P</sup> - Provisional

**Table A.35:** Central Government's Domestic Debt by Creditor

	Disbursed Outstanding Debt 31/12/20 <sup>R</sup>	TRANSACTIONS THROUGH JUNE 2021				Disbursed Outstanding Debt 30/06/21 <sup>P</sup>
		Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	
Overdraft/Loans	61,844	0	0	2,012	-61,844	0
Central Bank	61,844	0	0	2,012	-61,844	0
Domestic Banks	0	0	0	0	0	0
Treasury Bills	221,000	0	0	1,493	24,000	245,000
Central Bank	9,436	0	0	63	27,844	37,280
Domestic Banks	205,726	0	0	1,399	-3,131	202,595
Other	5,838	0	0	31	-713	5,125
Treasury Notes	937,800	40,000	0	17,691	0	977,800
Central Bank	491,471	40,000	0	`	9,889	541,360
Domestic Banks	158,435	0	0	3,084	0	158,435
Other	287,894	0	0	6,552	-9,889	278,005
Belize Bank Limited <sup>(1)</sup>	91,000	0	0	0	0	91,000
Belize Social Security Board <sup>(2)</sup>	158	0	29	6	0	129
Fort Street Tourism Village	0	0	0	0	0	0
Debt for Nature Swap	1,405	0	99	20	0	1,306
<b>Total</b>	<b>1,313,207</b>	<b>40,000</b>	<b>128</b>	<b>21,222</b>	<b>-37,844</b>	<b>1,315,235</b>

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



**Table A.36: Public Sector External Debt by Creditor**

\$'000

	Disbursed Outstanding Debt 31/12/20 <sup>R</sup>	TRANSACTIONS THROUGH JUNE 2021				Disbursed Outstanding Debt 30/06/21 <sup>P</sup>
		Disbursements	Principal Payments	Interest & Other Payments	Parity Change	
CENTRAL GOVERNMENT	2,743,302	91,868	69,651	14,638	555	2,766,074
Government of Venezuela <sup>(1)</sup>	429,720	0	0	0	0	429,720
Kuwait Fund for Arab Economic Development	34,482	185	1,641	483	382	33,409
Mega International Commercial Bank Company Ltd.	47,143	0	1,429	695	0	45,714
Republic of China/Taiwan	285,584	3,000	10,808	2,005	0	277,776
Caribbean Development Bank	282,189	27,650	12,036	4,412	0	297,803
CARICOM Development Fund	3,000	0	0	45	0	3,000
European Economic Community	4,311	0	232	19	194	4,273
Inter-American Development Bank	289,002	8,839	11,726	2,076	0	286,116
International Fund for Agriculture Development	6,287	0	163	39	-20	6,103
International Bank for Reconstruction and Development	56,090	20,332	1,958	576	0	74,464
OPEC Fund for International Development	131,501	18,378	4,772	2,462	0	145,107
Central American Bank for Economic Integration	23,073	0	887	586	0	22,186
Bank of New York <sup>(2)</sup>	1,092,319	13,483	0	0	0	1,105,802
Caribbean Community Climate Change Centre	24,000	0	24,000	57	0	0
US\$30mn Fixed-Rate Notes	34,600	0	0	1,184	0	34,600
NON-FINANCIAL PUBLIC SECTOR	71,143	445	1,969	1,683	0	69,619
Caribbean Development Bank	36,143	445	1,969	699	0	34,619
International Cooperation and Development Fund	35,000	0	0	984	0	35,000
FINANCIAL PUBLIC SECTOR	92,477	1,154	773	746	-425	92,433
Caribbean Development Bank	38,894	1,154	773	711	0	39,276
European Investment Bank	2,038	0	0	35	70	2,108
International Monetary Fund	51,545	0	0	0	-495	51,050
GRAND TOTAL	2,906,922	93,468	72,393	17,067	130	2,928,127

<sup>R</sup> - Revised

<sup>P</sup> - Provisional

<sup>(1)</sup> Since September 2017, debt service payments for oil imports have been suspended due to U.S. sanctions on Petroleos de Venezuela, S.A. Unpaid debt service payments up to the end of June 2021 amounted to principal of \$64.7mn and interest of \$14.2mn.

<sup>(2)</sup> In accordance with the agreed amendments set forth in the Consent Solicitation Statement dated August 2020, the \$13.5mn disbursement was capitalised in the first quarter of 2021.