



CENTRAL BANK
of BELIZE

QUARTERLY REVIEW



SEPTEMBER 2015

VOLUME 39 No. 3

Correspondence and enquiries regarding the Review should be addressed to:

Director (Research)
Central Bank of Belize
P.O. Box 852
Belize City, Belize
Central America

Telephone: 501.223.6194 Fax: 501.223.6219

Email: research@centralbank.org.bz
Internet: www.centralbank.org.bz

ISSN 1025 1634 (PRINT)
ISSN 2304 6902 (ONLINE)

Typeset at the Central Bank of Belize

QUARTERLY REVIEW

SEPTEMBER 2015

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:

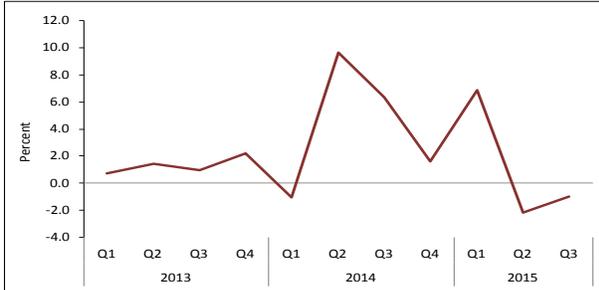
1. Since May of 1976, the Belize dollar has been fixed to the US dollar at the rate of US\$1.00 = BZ\$2.00.
2. The 2015 figures in this report are provisional and the figures for 2014 have been revised.
3. Unless otherwise indicated, the Central Bank of Belize is the source of all tables and charts.
4. Ratios to GDP for 2015 are based on Central Bank's forecast of annual GDP 2015.

Table of Contents

Summary of Economic Indicators	1
Overview	2
Money and Credit	5
Domestic Productions and Prices	8
Sugarcane and Sugar	8
Citrus	9
Banana	10
Petroleum	10
Tourism	10
Consumer Price Index	11
Employment	11
International Trade and Payments	12
Government Operations and Public Debt	16
Annex 1	22

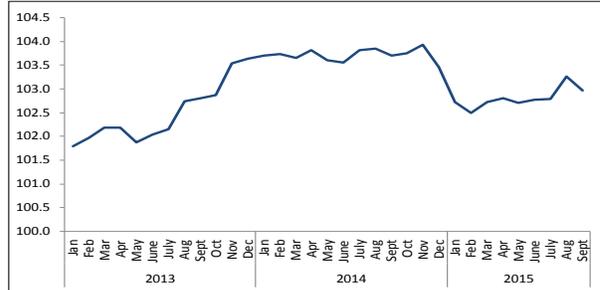
SUMMARY OF ECONOMIC INDICATORS

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



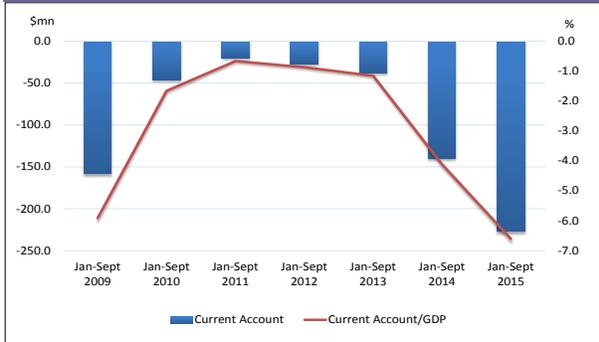
Source: SIB

Chart II: Consumer Price Index (All Items)



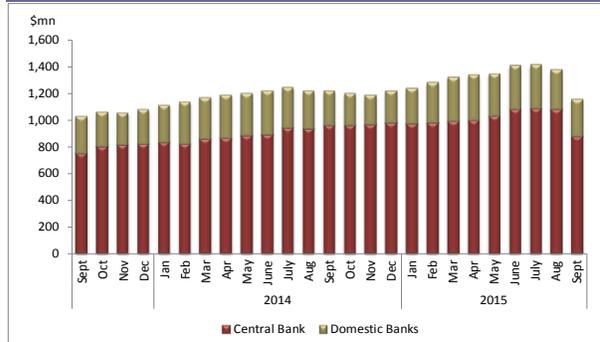
Source: SIB

Chart III: Current Account Balance



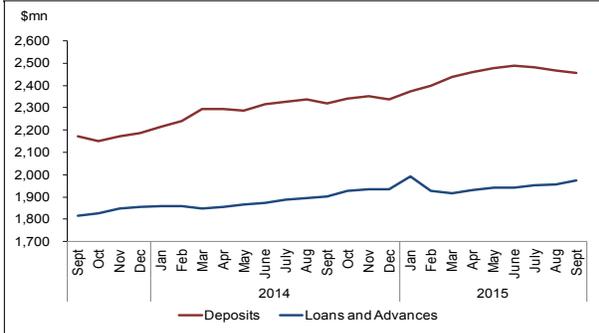
Source: SIB

Chart IV: Total Foreign Assets



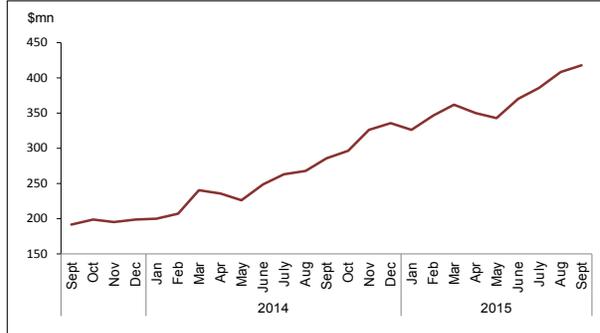
Source: SIB

Chart V: Domestic Banks - Deposits and Loans and Advances



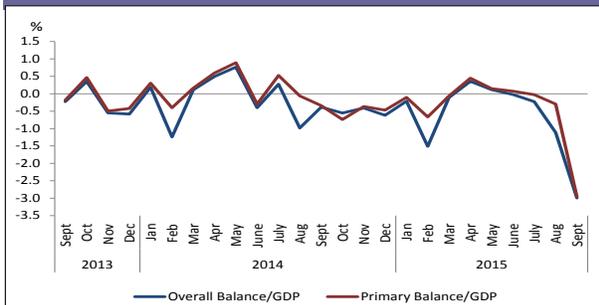
Source: SIB

Chart VI: Excess Cash Balances



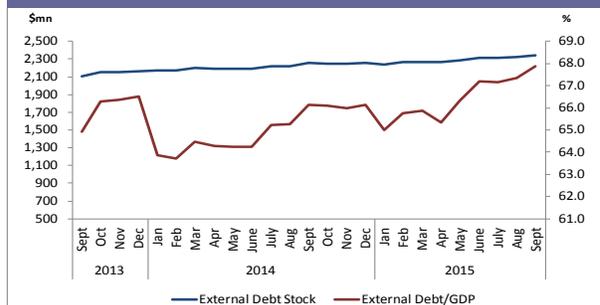
Source: SIB

Chart VII: Central Government Operations



Sources: CBB and MOF

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



Source: SIB

Overview

Global growth decelerated in the third quarter, reflecting the weakness of the recovery in advanced countries and a further slowdown in emerging markets and developing countries due to headwinds from domestic structural constraints, shrinking trade volumes, depressed commodity prices and geopolitical turmoil.

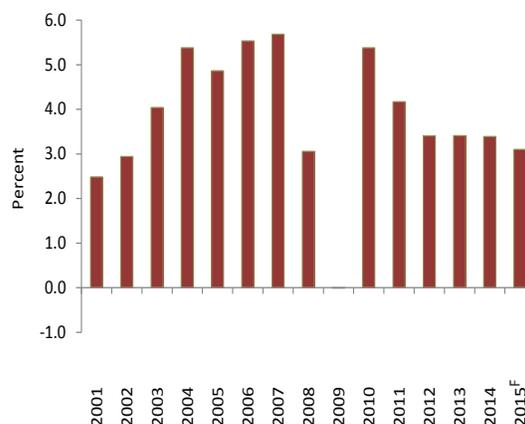
There were modest improvements in the housing and labor markets of the US. However, with the strengthening of the dollar, manufacturing slowed, and there was also some deceleration in personal consumption, government spending, net exports and investment. US GDP growth, therefore, slowed to an annualized 2.0%. Third quarter GDP growth also slowed to 2.3% in the UK, and in the 19-nation euro area, growth was an anaemic 1.6%, notwithstanding lower oil prices, monetary expansion and depreciation of the euro. Japan rebounded with annualized growth of 1.0% in the third quarter in response to marginal increases in business and consumer spending. Meanwhile, China decelerated further with growth of 6.9% in the third quarter, as higher consumer spending was tempered by a slowdown in manufacturing and construction.

Slumping commodity prices and structural constraints led to a weakening of activity in the Latin American and Caribbean region. Brazil contracted by 4.5% on an annual basis; however, Mexico achieved a 2.6% increase that was mainly fuelled

by heightened domestic consumption, which offset a slowdown in exports. In the territories of the Caribbean, an increase in stay-over tourist arrivals boosted some economies, while others were adversely affected by declining commodity prices. Growth strengthened in Jamaica (annual increase of between 1% and 2%) and Barbados (0.3% on a year-on-year basis) due to expansion in tourism, but fell to 0.7% in Guyana in the first half of the year, while Trinidad and Tobago's economy shrank by 2.0% year-on-year.

In **Belize**, GDP grew by 1.2% in the first nine months of 2015, driven by a 3.3% increase in services. The latter was dominated by a 12.9% expansion in “Government Services” that largely reflected the negotiated hike in public servant wages, while “Wholesale and Retail Trade” also grew by 3.4%. The primary sector contracted by 9.5% due to declines in “Agriculture, Hunting and

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



Source: IMF
F - Forecast

Forestry” and “Fishing”. In the case of the former, modest increases in citrus, banana and papaya output were outweighed by declines in sugarcane deliveries and output of livestock and poultry. Farmed shrimp production plummeted by 22.1% due to a bacterial infection that caused some temporary farm closures. Meanwhile, the secondary sector contracted by 1.3% with lower output of petroleum and electricity, as well as a slowdown in “Construction”.

A larger merchandise trade deficit pushed the external current account deficit up to \$226.9mn (6.6% of GDP), as growth in tourism receipts was almost neutralized by an uptick in outflows for interest payments and profit repatriation and a reduction in inflows to credit unions, religious bodies and other non-profit entities. The capital account recorded a \$14.1mn surplus, consisting mainly of grant receipts from foreign donors. Net inflows on the financial account plunged from \$215.2mn in 2014 to \$2.9mn as a result of the payments made for the national acquisition of the telecommunication and electricity utilities to the previous foreign owners, higher public sector loan repayments (including payment of the British Caribbean Bank arbitral award) and increases in the foreign asset holdings of the domestic banks. Consequently, gross international reserves contracted by \$217.1mn to \$0.8bn, the equivalent of 4.3 months of merchandise imports.

Bolstered by a surge in credit to the Government and a more modest increase for the private sector, the broad money supply rose by 4.3% during the nine-month period. In September, net domestic credit to Central Government ballooned by \$212.3mn to facilitate compensation payments for the utility companies that had been nationalized. The foreign currency to make the government’s compensation payments was supplied by the Central Bank, and this resulted in a contraction of \$105.2mn in the latter’s net foreign assets and an overall reduction of \$69.4mn in the net foreign assets of the banking system. In other developments, bank liquidity continued to increase with statutory liquid assets surpassing the required level by 79.6% and excess cash holdings almost doubling the required level. Against this backdrop, the weighted average lending rate on new loans contracted further by 23 basis points to 9.51%, while the weighted average rate on new deposits fell by 32 basis points to 1.93%. Consequently, the interest rate spread widened by 10 basis points to 7.58%.

Central Government’s operations yielded a primary deficit of \$118.7mn (3.4% of GDP) and an overall deficit of \$197.1mn (5.7% of GDP) for the January to September period. The sharp increase in spending mostly reflected Government’s payment of an arbitral award to British Caribbean Bank in September and, to a lesser extent, higher outlays on personal

emoluments, goods, services and transfers to high schools. The Government also compensated the Fortis shareholder for the shares acquired in Belize Electricity Limited (BEL) and made a partial payment towards the shares acquired in Belize Telemedia Limited (BTL). The overall deficit was financed from a mix of domestic and external sources, with the bulk of the former coming from the drawdown of deposits held at the Central Bank. Central Government's domestic debt also increased by 26.2% to \$474.6mn (13.8% of GDP) with the issuance of \$88.5mn in new Treasury notes and a 44.0% increase in its overdraft facility with the Central Bank. Concurrently, the public sector external debt increased by 4.1% to \$2,343.9mn (68.0% of GDP).

Money and Credit

Robust foreign inflows underpinned monetary growth in the first seven months with a downward shift occurring in August and September due to sizeable foreign currency outflows in those months and an upsurge in the non-monetary liabilities of the banking system. There was a spike in net credit to the Government of \$212.3mn in the month of September to facilitate payments toward the settlement of outstanding liabilities to the previous owners of BEL and BTL. The 4.3% growth in M2 over the nine-month period was, consequently, largely reflective of the \$257.5mn surge in net domestic credit, while net foreign assets declined by \$69.4mn.

The Central Bank's net foreign assets registered an overall contraction of \$105.2mn, with foreign assets declining by \$98.3mn and foreign liabilities rising by \$6.9mn. Outflows totalled \$445.2mn, of which the most notable were the September

Chart 2.1: Domestic Banks' Net Foreign Assets

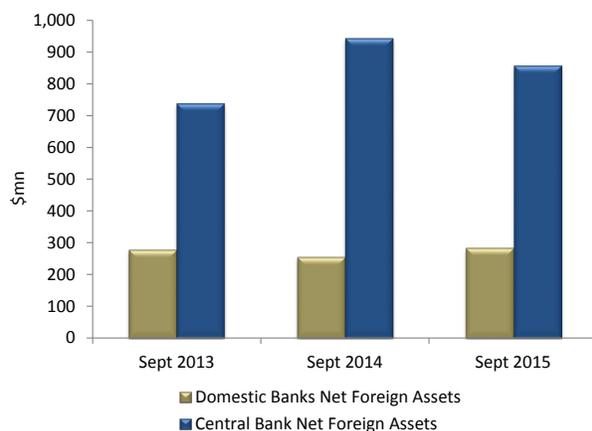
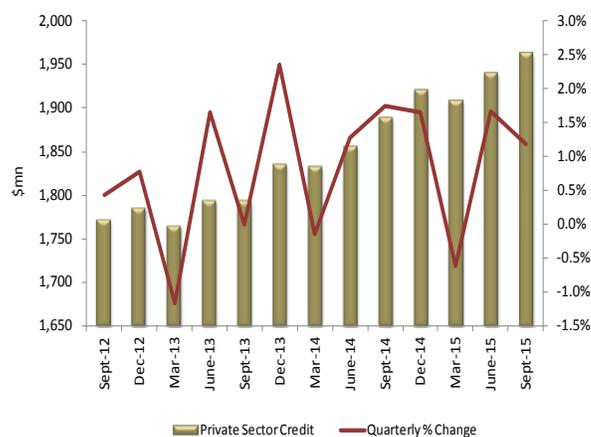


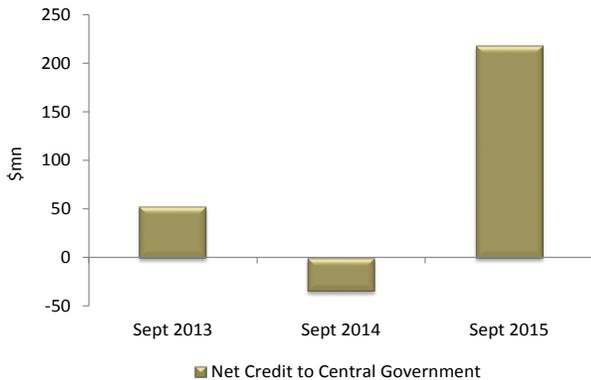
Chart 2.2: Domestic Banks' Private Sector Credit



transactions involving compensation for Government's shares in BEL (\$70.0mn), an advance paid toward the value of its shares acquired in BTL (\$65.1mn) and settlement of the British Caribbean Bank arbitral award (\$97.1mn). Interest payments amounting to \$52.7mn were also made on the 2038 bond in February and August. Inflows summed to \$346.9mn, most of which came from foreign loans, receipts from sugar exports and foreign exchange purchases from banks. Year on year, loans disbursed under the Venezuelan Petrocaribe Agreement (VPCA) were down by 38.8% to \$57.0mn, of which \$11.3mn was received in September. On the other hand, and notwithstanding the decline in commodity export receipts, the net foreign assets of the domestic banks grew by \$35.8mn, buoyed by higher inflows from affiliates and tourism.

Over the year to date, net credit to Central Government rose by \$214.5mn, reflecting

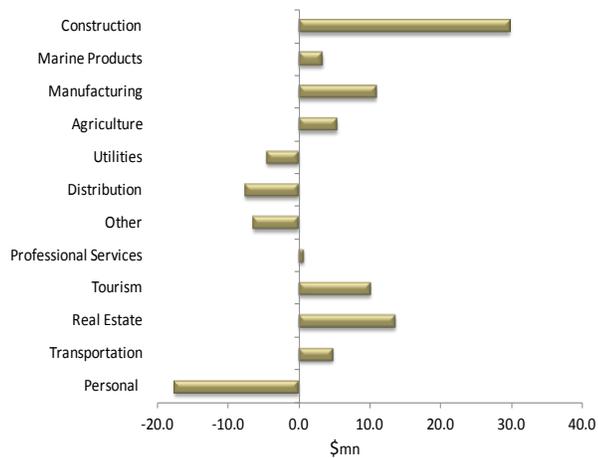
Chart 2.3: Net Credit to Central Government



a reduction of \$149.4mn in its deposits, the issuance of \$88.5mn in new Treasury notes and an increase of \$20.9mn in funding received through the Central Bank overdraft facility. Credit to other public sector entities fell by \$4.4mn due to repayments by the Belize Tourism Board, BTL and other government bodies.

Following the customary first quarter slump, private sector borrowing from the domestic banks rebounded to increase by \$47.4mn (2.5%) up to the end of

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

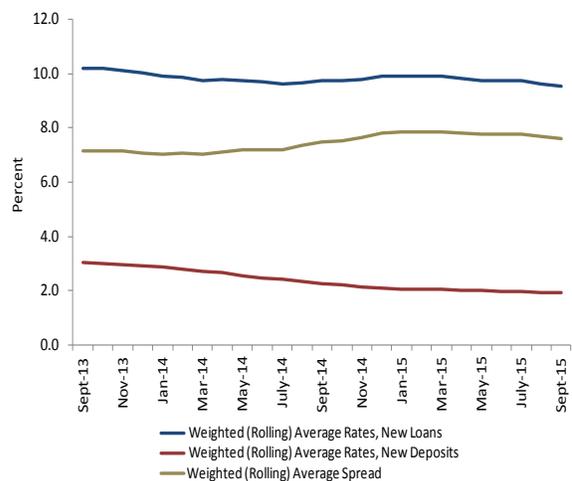


September. The lending was mostly channelled into construction (\$29.7mn), real estate activities (\$13.6mn), beverage manufacturing (\$10.9mn), tourism (\$10.1mn), transportation (\$4.8mn), sugar production (\$4.5mn) and shrimp farming (\$3.4mn). Personal loans shrank by \$17.5mn, of which \$7.5mn were non-performing loan write offs.

The five largest credit unions disbursed \$21.8mn over the three quarters with personal loans and real estate activities receiving the bulk of the funding and smaller amounts being devoted to grain production and professional services.

Liquidity continued to expand with the excess statutory liquid asset holdings of the banks rising by \$136.5mn to \$475.5mn, while holdings of excess cash rose by \$81.5mn to \$417.3mn, a level that was almost double the legal requirement.

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



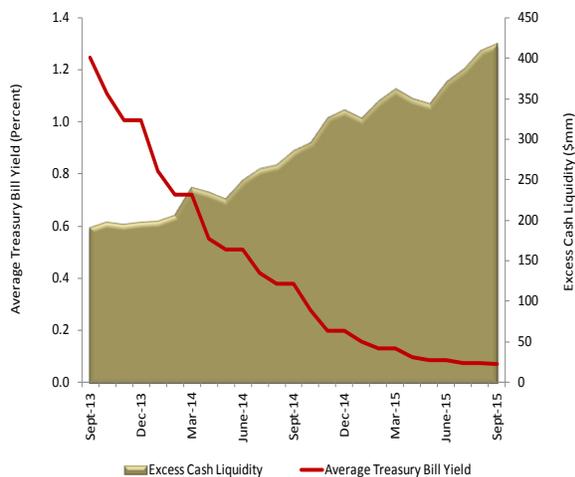
As a result, banks continued to focus on reducing their interest expenses, and deposit rates moved further downward. Time deposits, to which the highest interest rates are assigned, fell by \$33.6mn over the three quarters, while demand and savings/chequing deposits, which receive the lowest rates, grew by \$102.1mn and \$5.5mn, respectively. As a result, the share of narrow money in M2 increased to 51.7%.

Given the liquidity overhang, the 12-month (rolling) weighted average lending rate on new loans contracted by 23 basis points to 9.51%, compared to September 2014. Rates on residential construction fell by 78 basis points, while respective reductions of six, 45 and 86 basis points were also recorded for rates on commercial, personal and other miscellaneous loans. The 12-month (rolling) weighted average rate on new deposits fell by 32 basis points to 1.93%, as a 29 basis points reduction in

time deposit rates outweighed respective increases of eight and two basis points in savings and savings/chequing rates. Therefore, the (rolling) weighted average interest rate spread widened by 10 basis points to 7.58%.

At the end of September, domestic banks were holding Treasury bills valued at \$144.4mn (82.5% of the total outstanding), with insurance companies and municipal bodies holding the remainder. Market participants continued to bid aggressively during Treasury bill rollovers, and the average Treasury bill yield, consequently, fell from 0.19695% at the end of 2014 to 0.06873% at the August auction, the last of the third quarter.

Chart 2.6: Excess Cash Holdings and Average Treasury Bill Yield



Domestic Production and Prices

GDP grew by 1.2% in the first nine months of 2015, buoyed by the tertiary sector's positive momentum, which more than compensated for contractions in the primary and secondary sectors. Primary sector output fell by 9.5%, reflecting declines of 3.6% and 21.5% in “Agriculture, Hunting and Forestry” and “Fishing”, respectively. In agriculture, declines in sugarcane deliveries, as well as livestock and poultry production, outweighed modest increases in citrus, banana and papaya. In “Fishing”, farmed shrimp plummeted by 22.1% due to a bacterial infection that increased shrimp mortality and caused farmers to temporarily halt production.

The secondary sector contracted by 1.3% in the wake of falling output from “Manufacturing” and “Construction”. With downturns in petroleum extraction and electricity output outweighing upturns in sugar and citrus agro-processing, “Manufacturing” registered a 2.6% contraction. Oil production continued its natural decline, falling by 17.4% after peaking in 2009. Despite higher output from diesel and cogeneration sources, electricity generation dipped due to a downturn in production of hydroelectricity associated with the extended drought.

Services expanded by 3.3%, led by a 12.9% increase in “Government Services”, which largely reflected the second consecutive wage increase for civil servants. “Wholesale

and Retail Trade” grew by 3.4%, fueled in part by an upturn in the Corozal Commercial Free Zone. Reflecting the sluggish performance in tourism, “Hotel and Restaurants” activity was flat, while “Transport and Communication” inched up by 1.5%.

Sugarcane and Sugar

For the second consecutive year, the start of the sugarcane harvest was delayed for almost two months with the factory opening in late January and closing in July, past the usual end date in June due to the unseasonably dry weather. The shortening of the harvest period by two days combined with a lower average daily grinding rate by the factory (7,198 long tons for the 2013/2014 crop compared to 6,949 long tons for the 2014/2015 crop) caused sugarcane deliveries for the 2014/2015 crop year to decline by 2.3% to 1,167,427 long tons. An estimated 300,000 long tons of cane was left standing in the fields, compared to around 150,000

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

	Dec-Sept 2013/2014	Dec-Sept 2014/2015
Deliveries of Sugarcane to BSI (long tons)	1,194,932	1,167,427
Sugar Processed by BSI (long tons)	121,137	140,051
Molasses processed by BSI (long tons)	42,839	37,567
Performance		
Factory Time Efficiency (%)	95.24	97.92
Cane Purity (%)	84.79	87.88
Cane/Sugar	9.86	8.35

Source: BSI

long tons a year ago. Improved sugarcane quality and a higher factory juice-to-sugar out-turn boosted sugar production by 15.6% to 140,051 long tons, a record breaking outturn marked by an all-time low of 8.35 in the cane to sugar ratio. The farm-to-factory gains in sugar production, reduced freight rates and favourable prices on the US market contributed to a 12.4% improvement in the average final price to farmers, which rose from \$67.52 per long ton for the 2013/2014 crop to \$75.89 per long ton for the 2014/2015 crop. Molasses production fell by 12.3% to 37,567 long tons, reflecting its inverse relationship with the cane to sugar ratio.

Citrus

Citrus deliveries for the 2014/2015 crop year declined by 1.0% to 4.7mn boxes. Orange deliveries fell by 4.7% to 4.0mn boxes, the lowest production level since the outbreak of citrus greening in 2010. This decline overshadowed the 25.3% increase in grapefruit deliveries to 0.7mn boxes. The latter resulted from enhanced field management practices to control for greasy spot rind blotch (GSRB), which affects grapefruit in particular.

Notwithstanding the dip in deliveries, citrus juice production rose by 3.0% to 28.5mn pounds solids (ps) due to favourable weather at the beginning of the harvest and improved factory efficiency. Output of orange and grapefruit concentrate was up by 0.9% to 25.3mn ps and 31.9% to 3.1mn ps, respectively. This positive outturn was

reflected in a 4.1% increase in the average juice out-turn per box. Output of citrus pulp surged by 18.3% to 2.9mn pounds, while that of citrus oil fell by 9.5% to 1.5mn pounds.

Despite smaller orange harvests in the US and Brazil, the final prices paid to farmers for orange fell from \$1.96 per ps for the 2013/2014 crop to \$1.79 per ps for the current crop year due to weakening demand for orange juice in the US. The final average price paid to farmers for grapefruit also slipped from \$2.51 per ps for the 2013/2014 crop to \$2.31 per ps

Table 3.2: Output of Citrus Products

	Oct-Sept 2013/2014	Oct-Sept 2014/2015
Deliveries (boxes)		
Orange	4,158,870	3,963,779
Grapefruit	<u>576,234</u>	<u>722,104</u>
Total	4,735,104	4,685,883
Concentrate Produced (ps)		
Orange	25,060,141	25,274,410
Grapefruit	<u>2,315,303</u>	<u>3,054,389</u>
Total	27,375,444	28,328,799
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	2,678,832
Grapefruit	<u>147,552</u>	<u>184,864</u>
Total	2,420,192	2,863,696
Oil Produced (pounds)		
Orange	1,584,200	1,393,600
Grapefruit	<u>75,400</u>	<u>108,000</u>
Total	1,659,600	1,501,600

Sources: CGA and CPBL

mainly due to the depreciation of the Euro against the US dollar.

Banana

With a first quarter production surge of 32.2% eclipsing contractions in the subsequent two quarters, banana production registered a net increase of 3.4% to 4.3mn boxes during the first nine months of the year. At the end of August, the acreage under cultivation stood at 7,776.6 acres, with 7,753.6 acres in production and 23 acres under plantilla (trees too young to harvest). The Banana Growers Association and Fyffes moved into the third and final year of their exclusive marketing contract, which had started on 1 January 2013.

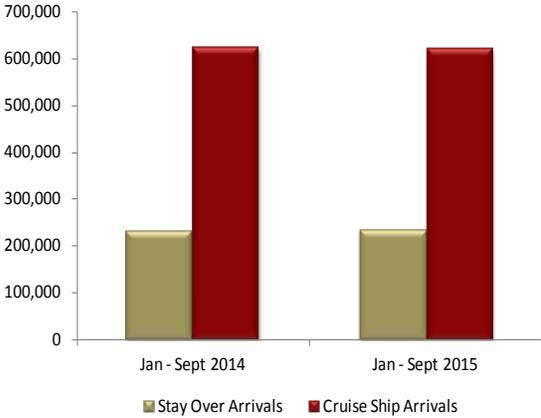
Petroleum

Petroleum output shrank by a further 17.4% to 404,943 barrels mainly due to a 17.1% contraction in output from the Spanish Lookout field. An average of 1,498 barrels per day was extracted from the latter as compared to 1,807 barrels per day in the equivalent period of 2014. Extraction at the Never Delay field was minimal and occurred only when the field was being tested.

Tourism

The World Tourism Organization (UNWTO) reports that international tourist arrivals grew by 4.0% in the first eight months of the year. In the Americas, over-night arrivals rose by 4.0%, while international travellers to the Caribbean and Central

Chart 3.1: Tourist Arrivals



Sources: BTB, CBB and Immigration Department

America increased by 7.1% and 6.8%, respectively. Many destinations benefitted from the upturn in economic activity in the United States and the United Kingdom as well as from the appreciation of the US dollar.

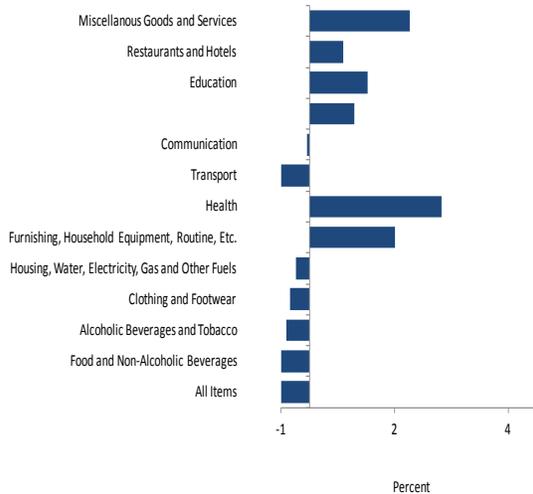
In Belize, stay-over arrivals increased by 0.6% to 188,333 visitors due to a modest pick-up in air arrivals, following a first quarter downturn linked to adverse weather in North America. The latter caused several flight cancellations. Visitors from the US and Europe, which accounted for 67.6% and 11.0% of tourists,

Table 3.3: Bona Fide Tourist Arrivals

	Jan-Sept 2014	Jan-Sept 2015
Stay-over Arrivals		
Air	187,274	188,333
Land	38,358	39,169
Sea	6,715	5,686
Total	232,346	233,188
Cruise Ship	625,217	623,051

Sources: BTB, CBB and Immigration Department

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



Source: SIB

grew by 0.6% and 5.4%, respectively. In contrast, visitors from Canada, which accounted for 7.0% of the total, fell by 12.3%. In other developments, cruise ship disembarkations dipped by 0.3%, with the number of port calls falling from 238 to 237.

Consumer Price Index

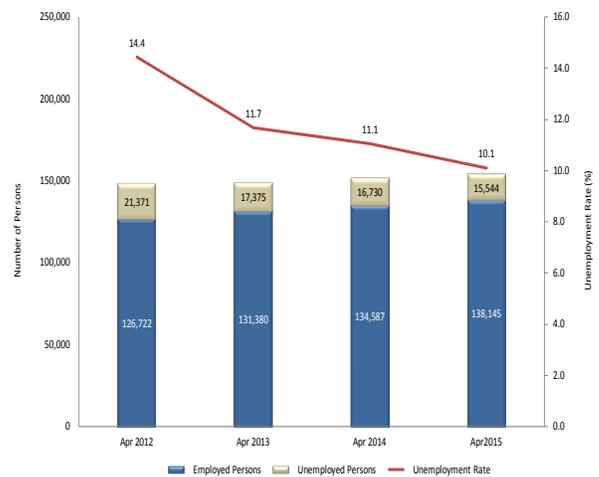
The Consumer Price Index declined by 0.3% in September and was down by an average of 0.9%, relative to the same nine months of 2014. The monthly movement reflected lower prices for “Food and Non-Alcoholic Beverages” and “Transport”. The average year-to-date price decline was due to cheaper fuel and butane that lowered the general price level for the “Transport” and “Housing, Water, Electricity, Gas, and Other Fuels” categories by 7.1% and 0.2%, respectively, while lower prices for

fresh vegetables and red kidney beans partly caused the 0.5% drop in the “Food and Non-Alcoholic Beverages” category.

Employment

The unemployment rate fell to 10.2% in September 2015, compared to 12.1% in September 2014, as the growth in employment exceeded the increase in the labour force. The number of unemployed fell by 13.9% to 15,907 persons, while the number of employed persons expanded by 4.4% to 140,475, as job gains in the primary sector made up for losses in the manufacturing industries. Moderated somewhat by a fall in the labour force participation rate from 64.3% in September 2014 to 63.4% in September 2015, the labour force grew by 2.2% to 156,383 persons.

Chart 3.3: Labour Force Statistics



Source: SIB

International Trade and Payments

In the first three quarters of the year, a sizeable expansion in the trade deficit pushed the external current account deficit up by 62.2% to \$226.9mn (6.6% of GDP). The country's capital account surplus of \$14.1mn was significantly below that of the previous year, and at \$2.9mn, net inflows on the financial account was only a small fraction of the \$215.2mn recorded for 2014. The latter reflected a substantial reduction in net inflows from foreign direct investment as a result of the Government payments to the previous owners of BTL and BEL for its acquisition of shares. It was also a reflection of increases in Government loan repayments and the amount of deposits held abroad by commercial banks. The gross international reserves consequently contracted by \$217.1mn to \$0.8bn, the equivalent of 4.3 months of merchandise imports.

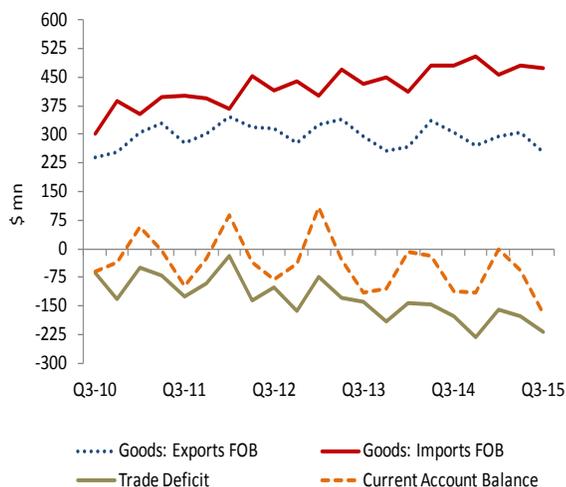
Table 4.1: Balance of Payments Summary

	Jan-Sept 2014 ^R	Jan-Sept 2015 ^P
\$mn		
A. CURRENT ACCOUNT		
(I+II+III+IV)	-139.9	-226.9
I. Goods (Trade Balance)	-465.6	-556.5
Exports, Free on Board (FOB)	906.0	852.4
Domestic Exports	497.8	420.1
CFZ Gross Sales	337.1	338.3
Re-exports	71.1	94.0
Imports, FOB	1,371.6	1,408.9
Domestic Imports	1,195.6	1,206.3
CFZ Imports	175.9	202.6
II. Services	436.4	451.97
Transportation	-61.5	-63.2
Travel	515.3	536.6
Other Services	-17.3	-21.5
III. Primary Income	-221.2	-225.633
Compensation of Employees	-7.3	-7.5
Investment Income	-213.9	-218.1
IV. Secondary Income	110.6	103.33
Government	-7.4	-6.3
Private	117.8	109.6
B. Capital Account	66.8	14.1
C. Financial Account	-215.2	-2.9
D. NET ERRORS AND OMISSIONS	4.0	-7.2
E. RESERVE ASSETS	146.1	-217.1

^R - Revised
^P - Provisional

The merchandise trade deficit expanded by 19.5% to \$556.5mn, with exports down by 5.9% and imports up by 2.7%. Import growth was attributable to a 20.9% rise in outlays by the commercial free zone (CFZ) since expenditure on imports for domestic use was flat. Domestic exports decreased by 15.6% due to lower earnings from all commodities except banana and papaya,

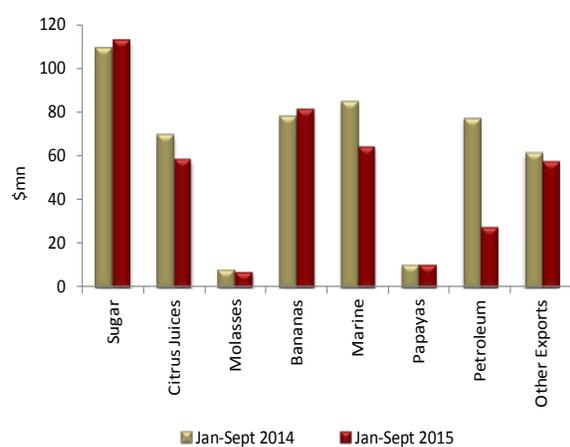
Chart 4.1: External Current Account and Trade Deficit



while CFZ sales and re-exports recorded respective increases of 0.3% and 32.2%.

The volume of sugar exports rose by 1.7% to 105,960 long tons, while revenues increased by 3.8% to \$113.0mn, buoyed by the revival of sugar sales to the US market after a two-year hiatus. While the EU remained the largest consumer, sales to this market declined by 17.8% to 84,781 long tons, and revenues consequently fell by 16.5% to \$89.9mn. The US quota, which was filled for the first time since 2012, amounted to 17,813 long tons, valued at \$19.1mn. The latter tonnage consisted of the 2015 quota of 10,923 long tons and the pre-delivery of a portion of the 2016 quota, which was made possible by a supply shortfall in the US market. Sales to regional markets and other countries amounted to 3,366 long tons valued at \$4.0mn. Molasses sales amounted to 28,588 long tons, valued at \$7.1mn.

Chart 4.2: Domestic Exports



Sources: SIB and CBB

The volume of citrus juice exports declined by 6.9% to 21.9mn ps, while revenues fell by 15.7% to \$58.6mn. Orange concentrate earnings, which accounted for the bulk of receipts, declined by 15.2% to \$53.3mn due to lower average unit prices in the US and European markets. The world benchmark contract price for frozen concentrate, which influences prices received by the exporter, has declined, as competition from energy drinks, flavored waters and other non-carbonated drinks contributed to an overall fall in orange juice consumption. Additionally, sales of grapefruit concentrate fell by 22.0% to 1.3mn ps valued at \$5.1mn.

Marine export volume fell by 25.6% to 9.1mn pounds, as significant contractions in farmed shrimp and conch outweighed expansions in those of lobster and other fish. Earnings were down by 24.2% to \$64.2mn, as the sizable decrease in shrimp sales was partly ameliorated by marginal improvements in the average unit prices of lobster and conch. Shrimp export revenues plunged by 32.6% to \$45.7mn, due to reductions in volume and price. Earnings from conch also declined by 29.8% to \$3.2mn, while lobster receipts increased by 23.1%, buoyed by a higher sale volume and average unit price.

The volume of banana exports rose by 3.4%, and receipts were up by 4.2% to \$81.0mn. Crude oil receipts plunged by 64.3% to \$27.5mn, as exports fell by 26.8% to 290,892 barrels, and the average

price more than halved from US\$96.94 per barrel to US\$47.35 per barrel. Papaya export volume increased by 1.4% to 26.8mn pounds, and receipts rose by 3.3% to \$10.6mn, as a US embargo on all fruit imports from the Dominican Republic and lower volumes coming from Mexico due to adverse weather pushed up papaya prices.

In other developments, net earnings from services rose by \$15.6mn to \$452.0mn, reflecting growth in tourism receipts that outweighed higher outflows on transportation and other services. Net travel receipts rose by \$21.3mn to \$536.6mn, as a 0.4% increase in arrivals of the higher spending stay-over tourists outweighed a 0.4% decline in cruise ship disembarkations. Shipping costs increased in line with the rise in imports, while net outflows for other services edged up \$4.2mn to \$21.5mn.

On the primary account, net outflows increased by \$4.4mn to \$225.6mn, with

Table 4.2: Capital and Financial Account Summary

		\$mn	
		Jan-Sept 2014 ^R	Jan-Sept 2015 ^P
A.	Capital Account	66.8	14.1
B.	Financial Account (1+2+3+4)	-215.2	-3.0
	1. Direct Investment in Belize	-186.0	-72.9
	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	-29.2	69.9
	Monetary Authorities	-2.1	-8.2
	General Government	-87.4	5.7
	Banks	6.6	39.4
	Other Sectors	53.7	33.0
C.	NET ERRORS AND OMISSIONS	4.0	-7.3
D.	OVERALL BALANCE	146.1	-217.1
E.	RESERVE ASSETS	146.1	-217.1

^R - Revised

^P - Provisional

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

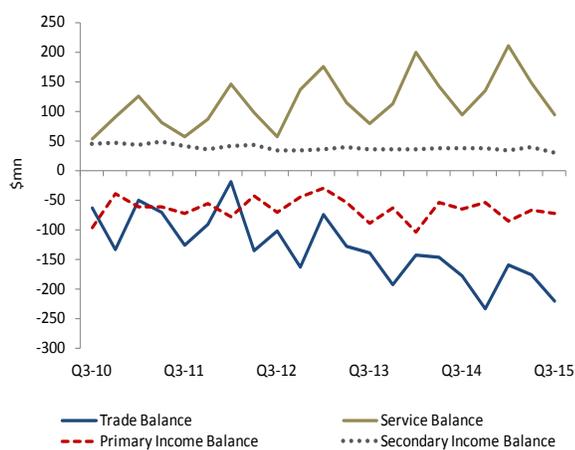
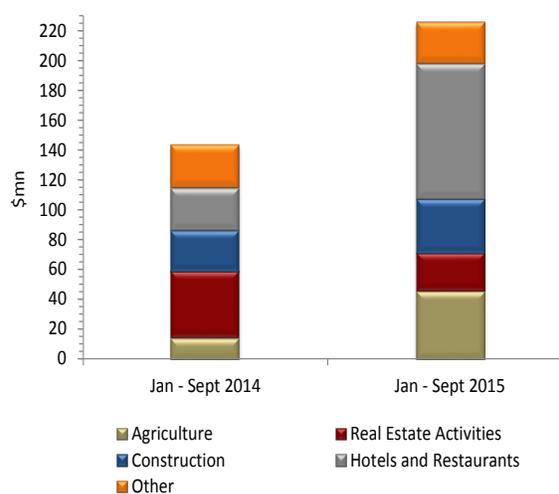


Chart 4.3: Foreign Direct Investment Inflows By Major Activity



the growth in retained earnings of the domestic banks outweighing the decline in profits repatriated by the petroleum industry. In other developments, the surplus on the secondary income account fell by \$7.3mn to \$103.3mn due to lower 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 \$66.8mn recorded in 2014 to \$14.1mn. The financial account registered net inflows of only \$2.9mn due mostly to a contraction in net foreign direct investment (FDI) inflows, while loan repayments by the Government and deposits held abroad by the domestic banks also increased. In comparison to the similar period of 2014, net FDI inflows more than halved to \$72.8mn due to compensation payments of \$135.3mn to the previous owners of BTL and BEL. The settlement of a loan for \$97.1mn owed to a foreign bank by BTL more than doubled Government's loan repayments, which surpassed disbursements that came mostly from the Venezuelan Petrocaribe Agreement (VPCA), the Republic of China/Taiwan (ROC/Taiwan) and the Inter-American Development Bank (IDB).

Government Operations and Public Debt

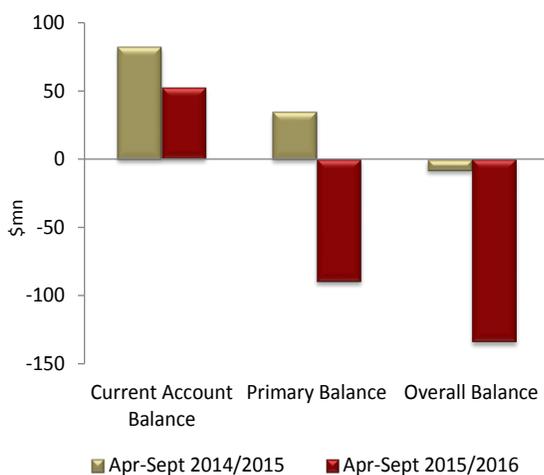
During the first nine months of the calendar year, Central Government (Government) revenues rose by 1.3% (\$10.3mn), while expenditures increased by 20.7% (\$167.5mn). As a result, the primary balance swung from a surplus of \$37.3mn to a deficit of \$118.7mn (3.4% of GDP), and the overall deficit widened from \$39.9mn to \$197.1mn (5.7% of GDP). While revenues from the General Sales Tax (GST), business tax, import duties and property income were notably higher, revenue growth was dampened by reductions of \$48.3mn in grant inflows and \$18.8mn in petroleum receipts. The surge in spending reflected the payment of \$87.1mn to British Caribbean Bank Ltd. (BCB) in September for settlement of an arbitral award and, to a lesser extent, higher outlays on personal emoluments, goods, services and transfers to high schools. The Government also

compensated the Fortis shareholder (\$70.2mn) for acquiring one-third of the shares in BEL in June 2011 and made a partial payment (\$65.1mn) towards the 2009 August share acquisition in BTL.

The most notable developments during the first half (April through September) of the 2015/2016 fiscal year (FY) were the one-off Government payments in September for the outstanding liabilities associated with the share acquisitions in the telecommunication and electricity utilities. At the end of the second quarter, government expenditure surged by 25.5%, when compared to the first half of FY 2014/2015, while revenues edged up by 1.0%. The net result was primary and overall deficits of \$89.7mn (2.6% of GDP) and \$133.9mn (3.9% of GDP), respectively. The fiscal deficit was financed mostly through the drawdown of domestic deposits and the issuance of new government securities and, to a lesser extent, through external borrowing. Payment for the utilities was recorded below the line and was financed by the drawing down of deposits obtained from the sale of shares to the public and Petrocaribe loan disbursements. Excluding the BCB payment, the primary and overall deficits would have been 0.1% of GDP and 1.4% of GDP, respectively.

Fiscal revenues rose by \$5.0mn to \$510.2mn (52.1% of budget) due to

Chart 5.1: Central Government Fiscal Operations



Sources: MOF and CBB estimates

Table 5.1: Central Government Revenue and Expenditure

	\$mn		
	Apr 2014 to Sept 2014	With BCB ⁽¹⁾ Award and Nationalization Apr 2015 to Sept 2015	Without BCB Award and Nationalization Apr 2015 to Sept 2015
Total Revenue and Grants	505.2	510.2	510.2
Total Expenditure	513.3	644.1	557.0
Primary Balance	35.0	-89.7	-2.6
Overall Balance	-8.1	-133.9	-46.8
Financing	8.1	133.9	46.8
Domestic Financing	-59.5	200.4	-22.0
External Financing	72.8	68.0	68.0
Nationalization of Utility Companies	0.0	-135.3	0.0

Sources: MOF and CBB estimates

⁽¹⁾ British Caribbean Bank

increases in current revenues that outweighed a fall in grant receipts. Tax revenue rose by \$2.6mn as higher collections on international trade outweighed lower receipts from taxes on income, property, goods and services.

Non-tax receipts increased by \$19.0mn, buoyed by \$22.5mn in BTL dividends. Oil revenue contracted, and its share of government income shrank from 5.2% for the first half of FY 2014/2015 to 1.8%.

Table 5.2: Summary of Central Government Revenue

	\$mn			
	Jan 2014 to Sept 2014	Jan 2015 to Sept 2015	Apr 2014 to Sept 2014	Apr 2015 to Sept 2015
Current Revenue	701.7	760.1	483.4	492.6
Tax Revenue	608.9	662.3	418.4	421.1
Income and Profits	195.5	196.8	132.1	121.6
Taxes on Property	4.5	4.6	3.0	2.8
Taxes on Goods and Services	254.7	269.1	175.8	174.9
International Trade and Transactions	154.2	191.8	107.5	121.8
Non-Tax Revenue	92.7	97.8	64.9	71.5
Property Income	12.0	31.3	11.5	30.5
Licenses	9.4	10.9	5.4	6.8
Other	71.4	55.5	47.9	34.1
Capital Revenue	4.2	4.4	3.0	3.1
Grants	64.1	15.9	18.9	14.6

Sources: MOF and CBB estimates

Table 5.3: Summary of Central Government Expenditure

	\$mn			
	Jan 2014 to Sept 2014	Jan 2015 to Sept 2015	Apr 2014 to Sept 2014	Apr 2015 to Sept 2015
Current Expenditure	609.8	670.3	401.1	439.8
Wages and Salaries	243.8	274.5	166.4	188.9
Pensions	42.9	51.6	30.0	35.7
Goods and Services	138.5	151.9	85.5	88.4
Interest Payments	77.2	78.5	43.1	44.2
Of which: External	67.1	67.5	36.0	36.3
Subsidies and Current Transfers	107.5	113.9	76.1	82.6
Capital Expenditure	200.2	307.1	112.2	204.3
Capital II	87.5	84.7	51.2	48.4
Capital III	100.3	133.4	49.5	67.5
Net Lending	2.3	89.0	1.5	88.3

Sources: MOF and CBB estimates

Expenditures ballooned by \$130.8mn to \$644.1mn (60.3% of budget), as current and capital spending rose by 9.7% and 82.0%, respectively. A major contributor to the growth in current outlays was the negotiated 8.0% increase in public servant wages, which underpinned double digit increases in personal emoluments (13.5%), pensions (19.2%) and domestic subsidies (11.1%). Interest payments also rose by 2.6% to \$44.2mn with the issuance of new Treasury notes in February and September.

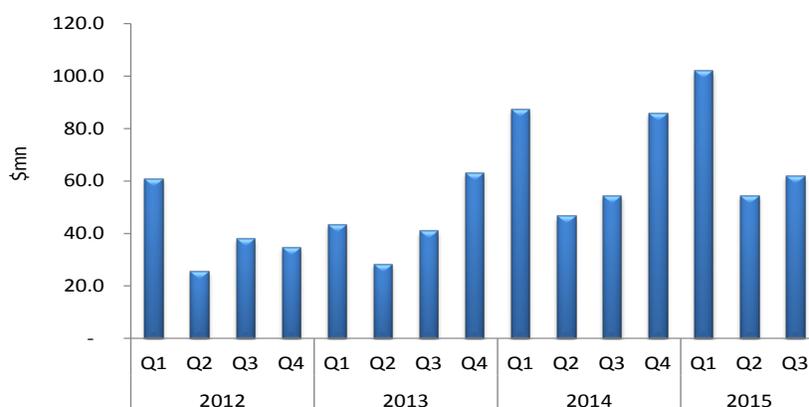
Capital expenditure and net lending surged by \$92.1mn to \$204.3mn (5.9% of GDP). This amount consisted of the \$87.1mn arbitral award payment and \$116.0mn in capital outlays. Of the latter, \$65.4mn was spent on infrastructural projects that were funded from Petrocaribe loans.

These projects included maintenance/rehabilitation of roads, highways, bridges and drains, works on the south side of Belize City, the Southern Highway and the Santa Elena International Crossing. Outlays on land and solid waste management and environmental projects amounted to \$11.0mn and \$10.2mn, respectively. Meanwhile, disbursements for education, sports, health, tourism, science, technology, housing, security, agriculture and social projects summed to 13.2% of total capital spending. The remainder went mostly to Belize Infrastructure Limited and for upgrading public buildings.

Domestic Debt

Central Government's domestic debt increased by 26.2% to \$474.6mn (13.8% of GDP) in the first nine months of the

Chart 5.2: Central Government Development Expenditure



Sources: MOF and CBB estimates

year. The most notable developments were the issuance in February and September by Central Government of \$40.0mn and \$48.5mn, respectively, in new Treasury notes and a 44.0% increase in its overdraft facility with the Central Bank to \$68.5mn. The bi-annual interest payments on the 2038 bond and the retirement of the \$10.0mn defence bond led to increased reliance on overdraft financing. In addition, amortization payments totalling \$1.4mn went to domestic banks, Belize Social Security Board (BSSB), Fort Street Tourism Village and the Debt for Nature Swap.

Interest payments amounted to \$11.3mn and included \$7.9mn to the Central Bank for credit provided by way of the overdraft and long-term securities. Some \$3.1mn was paid to non-bank entities and the remainder went to domestic banks on their holdings of government securities

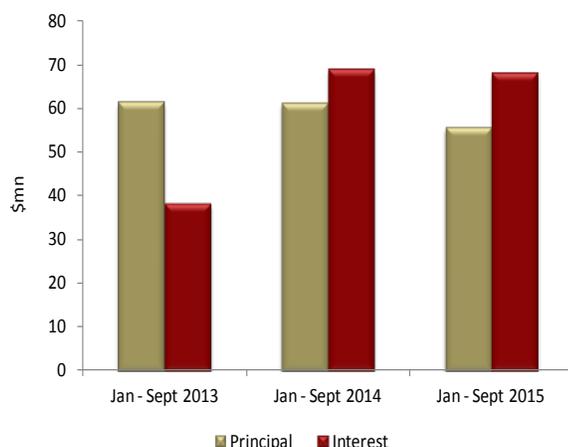
and loans. Notwithstanding the \$88.5mn increase in Treasury notes, the annual effective interest rate averaged 3.8%, on par with the average recorded at the end of September 2014.

The purchase of the new Treasury notes by the Central Bank and non-bank entities raised their respective shares of the domestic debt from 38.4% to 48.2% and 17.4% to 20.8% over the first nine months of the year. Concurrently, the share of government debt held by the domestic banks fell from 44.2% to 31.0%.

Table 5.4: Central Government Domestic Debt

	\$mn		
	Dec 2014	Sept 2015	Changes in Stock
Overdraft	47.6	68.5	20.9
Loans	7.0	6.1	-0.9
Treasury Bills	175.0	175.0	0.0
Treasury Notes	136.5	225.0	88.5
Defence Bonds	10.0	0.0	-10.0
Total	376.1	474.6	98.5

Chart 5.3: External Debt Service

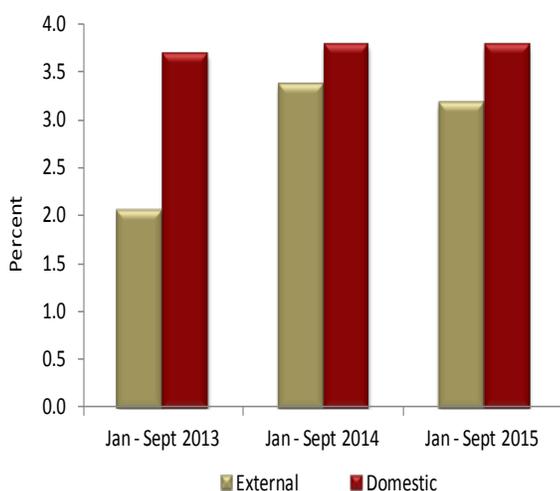


NB: Principal for 2013 excludes the \$107.9mn haircut.

Public Sector External Debt

The public sector external debt increased by 3.9% to \$2,339.9mn (67.9% of GDP) over the nine-month period, with disbursements of \$146.8mn exceeding amortization payments of \$55.5mn. All disbursements went to Central Government and consisted of \$98.0mn from bilateral creditors and \$48.9mn from multilateral lenders. Notable disbursements included \$76.0mn from Venezuela, \$21.0mn from the Republic of China (ROC)/Taiwan and \$15.9mn from the Inter-American 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 3.4% recorded at the end of September 2014.

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



Principal repayments by Central Government amounted to \$52.3mn, of which \$26.6mn and \$25.7mn went to multilateral and bilateral creditors, respectively. The Development Finance Corporation (DFC) and the non-financial public sector repaid \$2.9mn to the CDB. Of the \$68.0mn in interest and other payments, holders of the 2038 bond received \$52.7mn (77.4% of the total). Additionally, Central Government paid \$5.4mn to bilateral creditors, with \$4.3mn going to the ROC/Taiwan and \$9.4mn to multilateral lenders. Payments made by

Table 5.5: Public Sector External Debt

	\$mn		
	DOD at: 31/12/2014 ^R	DOD at: 30/09/2015 ^P	Change in Debt Stock
Central Government	2,172.6	2,265.6	93.0
Bilateral	566.9	638.5	71.7
Multilateral	552.7	574.1	21.4
Bonds	1,053.0	1,053.0	0.0
Non-Financial Public Sector	19.8	17.2	-2.7
Bilateral	1.4	1.0	-0.4
Multilateral	18.5	16.2	-2.3
Bonds	0.0	0.0	0.0
Financial Public Sector	59.3	57.1	-2.2
Bilateral	0.0	0	0.0
Multilateral	59.3	57.1	-2.2
Bonds	0.0	0.0	0.0
Grand Total	2,251.8	2,339.9	88.1

^R - Revised^P - Provisional

the financial and non-financial public sectors amounted to \$0.5mn.

At the end of the third quarter, Central Government's share of the public sector external debt was 96.7%, of which the 2038 bond represented 44.9% and the Government of Venezuela accounted for 15.6%. The share held by the financial and non-financial public sectors were 2.6% and 0.7%, respectively.

ANNEX I

Table 6.1: Selected Gross Domestic Product Growth Rates

	Percent		
	Mar 2015	June 2015	Sept 2015
USA ⁽²⁾	0.6	3.9	2.0
UK ⁽¹⁾	2.7	2.4	2.3
Euro Zone ⁽¹⁾	1.2	1.5	1.6
Japan ⁽²⁾	4.4	-0.5	1.0

Source: Respective Statistical Bureaus

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

⁽²⁾ Percentage change on an annualized basis.

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

	\$mn		
	Position as at Sept 2015	Changes During	
		Dec 2014 to Sept 2015	Dec 2013 to Sept 2014
Net Foreign Assets	1,160.6	-69.4	135.9
Central Bank	876.8	-105.2	142.5
Domestic Bank	283.8	35.8	-6.6
Net Domestic Credit	2,197.1	257.5	-2.0
Central Government (Net)	217.7	214.5	-50.9
Other Public Sector	11.6	-4.4	-5.6
Private Sector	1,967.8	47.4	54.5
Central Bank Foreign Liabilities (Long-term)	50.2	-1.6	-3.9
Other Items (Net)	520.9	75.2	19.7
Money Supply (M2)	2,786.6	114.5	118.1

⁽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 Sept 2015	Changes During	
		Dec 2014 to Sept 2015	Dec 2013 to Sept 2014
Money Supply (M2)	2,786.6	114.5	118.1
Money Supply (M1)	1,439.4	125.6	141.7
Currency with the Public	255.3	18.0	-2.6
Demand Deposits	1,022.5	102.1	149.8
Savings/Chequing Deposits	161.6	5.5	-5.5
Quasi-Money	1,347.2	-11.1	-23.6
Savings Deposits	467.7	22.5	5.7
Time Deposits	879.5	-33.6	-29.3

Table 6.4: Net Foreign Assets of the Banking System

	\$mn		
	Position as at Sept 2015	Changes During	
		Dec 2014 to Sept 2015	Dec 2013 to Sept 2014
Net Foreign Assets of Banking System	1,160.6	-69.4	135.9
Net Foreign Assets of Central Bank	876.8	-105.2	142.5
Central Bank Foreign Assets	885.0	-98.3	142.8
Central Bank Foreign Liabilities (Demand)	8.2	6.9	0.3
Net Foreign Assets of Domestic Banks	283.8	35.8	-6.6
Domestic Bank Foreign Assets	308.8	25.0	19.2
Domestic Bank Foreign Liabilities (Short-Term)	25.0	-10.8	25.8

Table 6.5: Net Domestic Credit

		\$mn	
		Changes During	
	Position as at Sept 2015	Dec 2014 to Sept 2015	Dec 2013 to Sept 2014
Total Credit to Central Government	375.8	65.1	12.6
From Central Bank	228.5	84.3	7.4
Loans and Advances	68.5	20.9	9.2
Government Securities ⁽¹⁾	160.0	63.4	-1.8
From Domestic Banks	147.3	-19.2	5.2
Loans and Advances	2.9	-0.7	-0.6
Government Securities	144.4	-18.5	5.8
Of which: Treasury Bills	144.4	-18.5	5.8
Treasury Notes	0.0	0.0	0.0
Other	0.0	0.0	0.0
Less Central Government Deposits	158.1	-149.4	63.5
With Central Bank	116.9	-149.2	59.7
With Domestic Banks	41.2	-0.2	3.8
Net Credit to Central Government	217.7	214.5	-50.9
Credit to Other Public Sector	11.6	-4.4	-5.6
From Central Bank	0.0	0.0	0.0
From Domestic Banks	11.6	-4.4	-5.6
Of which: Local Government	0.7	-0.2	0.1
Public Financial Institutions	0.0	0.0	0.0
Public Utilities	4.8	-3.0	-1.8
Other Statutory Bodies	4.1	-1.2	-4.4
Securities	2.0	0.0	0.5
Plus Credit to the Private Sector	1,967.8	47.4	54.5
Loans and Advances	1,967.4	47.4	54.1
Securities	0.4	0.0	0.4
Net Domestic Credit of the Banking System ⁽²⁾	2,197.1	257.5	-2.0

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

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

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

		\$mn	
	Position as at Sept 2015	Changes During	
		Dec 2014 to Sept 2015	Dec 2013 to Sept 2014
PRIMARY SECTOR	259.4	7.4	36.6
Agriculture	206.3	5.4	33.2
Sugar	71.8	4.5	39.3
Citrus	14.5	-1.2	-7.4
Bananas	71.7	2.9	-0.3
Other	48.3	-0.8	1.6
Marine Products	32.2	3.4	2.9
Forestry	1.0	-0.9	0.0
Mining and Exploration	19.9	-0.5	0.5
SECONDARY SECTOR	606.4	36.1	4.6
Manufacturing	32.7	10.9	-2.0
Building and Construction	554.8	29.7	12.8
Utilities	18.9	-4.5	-6.2
TERTIARY SECTOR	684.7	16.6	9.6
Transport	48.7	4.8	1.4
Tourism	106.2	10.1	-0.4
Distribution	176.1	-7.6	3.1
Real Estate	291.6	13.6	13.7
Professional Services	48.2	0.7	-0.9
Other ⁽¹⁾	13.9	-5.0	-7.3
Personal Loans	425.1	-17.5	-3.8
TOTAL	1,975.6	42.6	47.0

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

Table 6.7: Domestic Banks' Liquidity Position and Cash Reserves

		\$mn	
	Position as at Sept 2015	Changes During Dec 2014 to Sept 2015 Dec 2013 to Sept 2014	
Holdings of Approved Liquid Assets	1,072.8	169.7	108.4
Notes and Coins	73.9	2.5	-11.9
Balances with Central Bank	642.0	99.6	92.2
Money at Call and Foreign Balances (due in 90 days)	191.2	80.8	22.1
Treasury Bills maturing in not more than 90 days	144.4	-18.5	5.9
Other Approved Assets	21.3	5.3	0.1
Of which: Treasury Notes	0.0	0.0	0.0
Required Liquid Assets	597.3	33.2	40.0
Excess/(Deficiency) Liquid Assets	475.5	136.5	68.4
Daily Average Holdings of Cash Reserves	638.1	93.8	102.1
Required Cash Reserves	220.8	12.3	14.8
Excess/(Deficiency) Cash Reserves	417.3	81.5	87.3
Actual Securities Balances	144.4	-18.5	5.6
Excess/(Deficiency) Securities	144.4	-18.5	5.6

Table 6.8: Domestic Banks' Weighted Average Interest Rates

		Percent	
	Position as at Sept 2015	Changes During Dec 2014 to Sept 2015 Dec 2013 to Sept 2014	
Weighted Lending Rates			
Personal Loans	12.17	-0.27	0.20
Commercial Loans	10.32	-0.37	-0.44
Residential Construction	8.14	-0.66	-0.73
Other	7.93	-0.55	-0.61
Weighted Average	10.26	-0.40	-0.35
Weighted Deposit Rates			
Demand	0.14	-0.15	-0.16
Savings/Chequing	2.57	0.00	0.02
Savings	2.39	0.04	-0.23
Time	2.55	-0.17	-0.50
Weighted Average	1.54	-0.19	-0.42
Weighted Average Spread	8.72	-0.21	0.07

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

	Percent				
	Twelve Month Rolling Averages at			Changes	
	Sept 2015	June 2015	Sept 2014	Sept 2015 over June 2015	Sept 2015 over Sept 2014
Weighted Lending Rates					
Personal Loans	10.83	11.15	11.28	-0.32	-0.45
Commercial Loans	9.62	9.92	9.68	-0.30	-0.06
Residential Construction	6.80	6.86	7.58	-0.06	-0.78
Other	6.91	7.18	7.77	-0.27	-0.86
Weighted Average	9.51	9.76	9.74	-0.25	-0.23
Weighted Deposit Rates					
Demand	0.04	0.03	0.04	0.01	0.00
Savings/Chequing	1.46	1.67	1.44	-0.21	0.02
Savings	2.08	1.98	2.00	0.10	0.08
Time	2.03	2.05	2.32	-0.02	-0.29
Weighted Average	1.93	1.98	2.25	-0.05	-0.32
Weighted Average Spread	7.58	7.78	7.49	-0.20	0.09

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

	Year on Year Growth (%)	
	Jan-Sept 2014 ⁽¹⁾ Over Jan-Sept 2013 ^R	Jan-Sept 2015 ⁽¹⁾ Over Jan-Sept 2014 ^P
	Agriculture, Hunting and Forestry	0.6
Fishing	17.8	-21.5
Manufacturing (including Mining and Quarrying)	-7.3	-2.6
Electricity and Water	14.1	1.6
Construction	30.0	-2.1
Wholesale and Retail	1.8	3.4
Hotels and Restaurants	10.1	0.0
Transport and Communication	2.3	1.5
Other Private Services excluding Financial Services Indirectly Measured	4.3	-0.2
Producers of Government Services	6.9	12.9
All Industries at Basic Prices	4.3	0.2
Taxes on Products	8.4	6.4
GDP at Constant 2000 Prices	4.9	1.2

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 3 2014 ^R	Quarter 1 2015 ^P	Quarter 2 2015 ^P	Quarter 3 2015 ^P
Agriculture, Hunting and Forestry	68.4	82.5	50.7	77.0	73.2	44.3
Fishing	29.4	29.3	40.5	36.4	26.9	14.6
Manufacturing (including Mining and Quarrying)	58.0	73.7	40.2	67.2	62.9	37.3
Electricity and Water	33.4	35.4	31.0	24.0	35.2	42.3
Construction	18.4	21.4	18.5	18.5	18.2	20.4
Wholesale and Retail	101.3	111.9	108.5	108.8	111.8	111.9
Hotels and Restaurants	36.7	28.7	21.4	37.6	28.2	20.9
Transport and Communication	74.7	74.5	67.0	75.7	74.8	69.0
Other Private services excluding Financial Services Indirectly Measured	105.4	107.6	108.0	107.9	107.2	105.3
Producers of Government Services	60.5	63.3	57.5	68.3	71.2	65.1
All Industries at Basic Prices	586.2	628.3	543.3	621.4	609.6	531.1
Taxes on Products	99.9	112.3	110.1	111.8	115.1	115.9
GDP at Constant 2000 Prices	686.1	740.5	653.4	733.2	724.7	647.0

Source: SIB

^R - Revised^P - Provisional

Table 6.12: Consumer Price Index (CPI) Commodity Group

Major Commodity	Weights	July 2015	Aug 2015	Sept 2015	% Change	
					Sept 2015 over Aug 2015	YTD 2015 over YTD 2014
Food and Non-Alcoholic Beverages	195	106.4	106.9	106.4	-0.5	-0.5
Alcoholic Beverages and Tobacco	17	99.8	99.4	99.4	-0.1	-0.4
Clothing and Footwear	83	96.0	96.2	96.3	0.1	-0.3
Housing, Water, Electricity, Gas, and Other Fuels	265	101.8	102.5	102.6	0.1	-0.2
Furnishing, Household Equipment, and Routine Household Maintenance	69	101.9	101.3	101.3	0.0	1.5
Health	41	111.3	111.8	111.8	0.0	2.3
Transport	136	101.7	101.9	100.4	-1.5	-7.1
Communication	33	98.5	97.6	97.6	0.0	-0.0
Recreation and Culture	69	106.0	107.7	107.4	-0.3	0.8
Education	32	102.2	103.2	103.2	0.0	1.0
Restaurants and Hotels	7	105.4	111.4	111.4	0.0	0.6
Miscellaneous Goods and Services	52	103.0	103.2	103.3	0.2	1.8
All Items	1,000	102.8	103.3	103.0	-0.3	-0.9

Source: SIB

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

	\$'000			
SITC Section	Jan - Sept 2014	Jan - Sept 2015	\$ Change	% Change
0. Food and Live Animals	166,928	161,230	(5,698)	(3.4)
1. Beverages and Tobacco	40,140	39,325	(815)	(2.0)
2. Crude Materials	22,679	25,465	2,786	12.3
3. Minerals, Fuels and Lubricants	271,799	212,741	(59,059)	(21.7)
Of which: Electricity	33,828	35,935	2,107	6.2
4. Oils and Fats	11,396	12,918	1,522	13.4
5. Chemical Products	123,708	137,686	13,979	11.3
6. Manufactured Goods	168,000	188,832	20,833	12.4
7. Machinery and Transport Equipment	279,737	326,224	46,487	16.6
8. Other Manufactures	103,232	114,483	11,250	10.9
9. Commodities not elsewhere specified	573	9	(564)	
10. Export Processing Zones	112,600	98,196	(14,403)	(12.8)
11. Commercial Free Zone	190,598	219,507	28,909	15.2
12. Personal Goods	5,133	4,303	(830)	(16.2)
Total	1,496,522	1,540,919	44,397	3.0

Sources: CBB and SIB

Table 6.14: Balance of Payments

	\$mn	
	Jan-Sept 2014 ^R	Jan-Sept 2015 ^P
CURRENT ACCOUNT	-139.9	-226.9
Goods: Exports FOB	906.0	852.4
Goods: Imports FOB	1371.6	1408.9
Trade Balance	-465.6	-556.5
Services: Credit	733.8	774.3
Transportation	37.3	39.6
Travel	576.8	603.4
Other Goods and Services	78.6	88.9
Government Goods and Services	41.1	42.3
Services: Debit	297.3	322.3
Transportation	98.9	102.8
Travel	61.5	66.8
Other Goods and Services	119.5	131.5
Government Goods and Services	17.5	21.2
Balance on Goods and Services	-29.2	-104.6
Primary Income: Credit	13.4	11.2
Compensation of Employees	3.5	3.5
Investment Income	9.9	7.6
Primary Income: Debit	234.6	236.8
Compensation of Employees	10.9	11.0
Investment Income	223.8	225.8
Balance on Goods, Services and Primary Income	-250.4	-330.2
Secondary Income: Credit	158.7	162.2
Secondary Income: Debit	48.2	58.9
CAPITAL ACCOUNT	66.7	14.1
Capital Account: Credit	66.7	14.1
Capital Account: Debit	0.0	0.0
FINANCIAL ACCOUNT	-215.2	-2.9
Direct Investment Abroad	1.2	0.8
Direct Investment in Reporting Economy	187.2	73.6
Portfolio Investment Assets	0.0	0.0
Portfolio Investment Liabilities	0.0	0.0
Financial Derivatives	0.0	0.0
Other Investment Assets	14.9	24.3
Other Investment Liabilities	44.1	-45.6
NET ERRORS AND OMISSIONS	4.0	-7.2
OVERALL BALANCE	146.1	-217.1
RESERVE ASSETS	146.1	-217.1

^R - Revised^P - Provisional

Table 6.15: International Investment Position

	Position as at June 2015	Position as at Sept 2015	Changes During June 2015 to Sept 2015
Net position	-5,128.6	-5,451.6	-323.0
A. Assets	1,605.3	1,247.1	-358.2
1. Direct Investment Abroad	133.2	133.5	0.3
2. Portfolio Investment	103.9	106.8	2.9
2.1 Equity Securities	8.4	8.4	-0.0
2.2 Debt Securities	95.5	98.4	2.9
3. Other Investment	300.5	250.3	-50.2
3.1 Trade Credits	-1.3	-1.3	0.0
3.2 Loans	8.7	8.8	0.1
3.3 Currency and Deposits	285.8	240.6	-45.2
3.4 Other Assets	7.3	2.2	-5.1
4. Reserve Assets	1,067.7	756.6	-311.1
4.1 Monetary Gold	0.0	0.0	0.0
4.2 Special Drawing Rights	56.3	56.2	-0.1
4.3 Reserve Position in the Fund	11.9	11.8	-0.0
4.4 Foreign Exchange	981.8	670.8	-311.0
4.5 Other Claims	17.7	17.7	0.0
B. Liabilities	6,733.8	6,698.8	-35.0
1. Direct Investment	4,022.8	3,968.9	-53.9
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	1,658.0	1,676.9	18.9
3.1 Trade Credits	2.6	2.6	0.0
3.2 Loans	1,584.3	1,604.7	20.4
3.3 Currency and Deposits	67.2	67.5	0.3
3.4 Other Liabilities	3.9	2.0	-1.9

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

		\$mn	
		Jan - Sept 2014	Jan - Sept 2015
Total Services	Net	436.4	452.0
	Credits	733.8	774.3
	Debits	297.3	322.3
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	-61.5	-63.2
	Credits	37.3	39.6
	Debits	98.9	102.8
Travel	Net	515.3	536.6
	Credits	576.8	603.4
	Debits	61.5	66.8
Telecommunications, Computer, and Information Services	Net	4.0	5.9
	Credits	12.8	12.8
	Debits	8.8	7.0
Construction Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Insurance and Pension Services	Net	-45.6	-45.8
	Credits	0.4	0.4
	Debits	46.0	46.3
Financial Services	Net	-0.8	-15.1
	Credits	4.1	6.3
	Debits	5.0	21.4
Charges for the use of Intellectual Property, n.i.e.	Net	-6.8	-3.7
	Credits	0.0	0.0
	Debits	6.8	3.7
Other Business Services	Net	8.5	16.8
	Credits	61.2	69.3
	Debits	52.7	52.5
Personal, Cultural and Recreational Services	Net	-0.3	-0.6
	Credits	0.0	0.0
	Debits	0.3	0.6
Government Services, n.i.e.	Net	23.6	21.0
	Credits	41.1	42.3
	Debits	17.5	21.2

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

Economic Sectors	Disbursed Outstanding as at 31/12/14	Transactions (January - September 2015)			Disbursed Outstanding as at 30/09/2015
		Disbursements	Principal Payments	Interest Payments	
Long Term:					
Agriculture	61,656	0	1,144	460	59,424
Arts, Entertainment and Recreation	1,700	0	0	0	1,700
Construction	59,028	0	3,530	5,098	55,499
Economic Diversification	1,000	0	0	39	1,000
Education	198	0	0	0	198
Electricity and Gas ⁽²⁾	5,263	0	87	493	5,177
Financial and Insurance Activities	111	0	0	0	111
Fishing	102,751	0	6,383	1,913	96,368
Information and Communication	1,262	0	254	58	1,008
Real Estate Activities	106	1,330	114	51	1,322
Tourism Activities	41,501	0	920	221	40,581
Transportation	31,759	0	1,028	223	30,731
Wholesale and Retail Trade	943	0	46	25	898
Other	16	0	8	1	8
Total	307,296	1,330	13,513	8,583	294,023

⁽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 21 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-Sept 2014		Jan-Sept 2015	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
Sugar	104,217	108,874	105,960	113,022
E.U.	103,122	107,673	84,781	89,939
USA	0	0	17,813	19,078
Caricom	969	1,007	3,346	3,938
Other	127	194	20	68
Molasses	33,790	8,237	28,588	7,125

Source: SIB

Table 6.19: Export Sales of Citrus Products

	Jan-Sept 2014		Jan-Sept 2015	
	Pound Solid ('000)	Value (\$'000)	Pound Solid ('000)	Value (\$'000)
Citrus Concentrates				
U.S.A.				
Orange	11,469.6	31,147	11,472.4	24,801
Grapefruit	0.0	0	0.0	0
Caribbean				
Orange	4,021.1	12,661	5,888.7	19,328
Grapefruit	375.7	1,340	270.6	1,005
Europe				
Orange	5,992.5	18,067	3,125.6	8,964
Grapefruit	937.6	4,160	787.8	3,326
Other				
Orange	349.8	945	67.6	192
Grapefruit	289.9	1,017	191.8	738
Sub-Total ⁽¹⁾	23,436.3	69,336	21,804.4	58,355
Orange	21,833.0	62,820	20,554.2	53,285
Grapefruit	1,603.3	6,516	1,250.2	5,070
Not-From-Concentrate				
Sub-Total	38.0	211	45.6	254.9
Orange	30.1	160	36.6	197
Grapefruit	8.0	51	9.1	58
Total Citrus Juices	23,474.3	69,547	21,850.0	58,610
Pulp (pounds '000)				
Total ⁽¹⁾	1,334.6	1,033	3,076.1	2,347
Orange	1,236.7	954	2,970.1	2,267
Grapefruit	97.9	79	106.0	81

Source: CPBL

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

Table 6.20: Exports of Marine Products

	Jan-Sept 2014		Jan-Sept 2015	
	Volume ('000 pounds)	Value (\$'000)	Volume ('000 pounds)	Value (\$'000)
Lobster	431	11,713	528	14,418
Shrimp	11,102	67,853	7,572	45,719
Conch	407	4,621	281	3,245
Other Fish	225	475	675	821
Total	12,165	84,662	9,056	64,203

Sources: SIB and CBB

Table 6.21: Banana Exports

	Jan-Sept 2014	Jan-Sept 2015
Volume (metric tons)	75,950	78,518
Value (\$'000)	77,781	81,049

Source: BGA

Table 6.22: Petroleum Exports

	Jan-Sept 2014	Jan-Sept 2015
Volume (Barrels)	397,659	290,892
Value (\$'000)	77,101	27,790

Source: Petroleum and Geology Department

Table 6.23: Other Major Exports

	Jan-Sept 2014	Jan-Sept 2015
Other Miscellaneous Exports (\$'000)	71,570	68,136
Of which:		
Papaya		
Volume ('000 lbs)	26,439	26,797
Value (\$'000)	10,289	10,625

Sources: SIB and CBB

(1)

Table 6.24: Central Government Domestic Debt by Creditor

\$'000

	Disbursed Outstanding Debt 31/12/14 ^R	TRANSACTIONS THROUGH SEPTEMBER 2015			Net Change in Overdraft/ Securities	Disbursed Outstanding Debt 30/09/15 ^P
		Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest		
Overdraft/Loans	47,605	0	0	2,874	20,935	68,540
Central Bank	47,605	0	0	2,874	20,935	68,540
Domestic Banks	0	0	0	0	0	0
Treasury Bills	175,000	0	0	136	0	175,000
Central Bank	0	0	0	8	0	0
Domestic Banks	162,844	0	0	118	(18,477)	144,367
Other	12,156	0	0	10	18,477	30,633
Treasury Notes	136,500	88,500	0	7,227	0	225,000
Central Bank	86,645	78,500	0	4,223	(5,102)	160,043
Domestic Banks	0	0	0	2	0	0
Other	49,855	10,000	0	3,002	5,102	64,957
Defence Bonds	10,000	0	10,000	800	0	0
Central Bank	10,000	0	10,000	800	0	0
Domestic Banks	0	0	0	0	0	0
Atlantic Bank Limited	577	0	249	32	0	328
Heritage Bank Limited	2,958	0	432	208	0	2,526
Belize Social Security Board	623	0	219	33	0	404
Fort Street Tourism Village	364	503	441	0	0	426
Debt for Nature Swap	2,488	0	83	36	0	2,405
Total	376,115	89,003	11,423	11,344	20,935	474,629

^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

	Approved Budget 2015/2016	Jan 2014 to Sept 2014	Jan 2015 to Sept 2015	Apr 2014 to Sept 2014 ^P	Apr 2015 to Sept 2015 ^P	\$'000 Fiscal YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	980,258	770,011	780,295	505,235	510,233	52.1%
1). Current Revenue	934,879	701,685	760,087	483,360	492,575	52.7%
Tax Revenue	818,116	608,936	662,318	418,447	421,086	51.5%
Income and Profits	261,861	195,511	196,783	132,133	121,566	46.4%
Taxes on Property	5,337	4,545	4,636	2,973	2,846	53.3%
Taxes on Goods and Services	339,106	254,704	269,103	175,836	174,910	51.6%
International Trade and Transactions	211,813	154,175	191,796	107,506	121,765	57.5%
Non-Tax Revenue	116,763	92,749	97,769	64,913	71,489	61.2%
Property Income	19,546	12,013	31,313	11,541	30,523	156.2%
Licences	12,279	9,380	10,931	5,430	6,825	55.6%
Other	84,938	71,356	55,525	47,941	34,141	40.2%
2). Capital Revenue	4,810	4,186	4,352	2,965	3,062	63.7%
3). Grants	40,569	64,141	15,856	18,910	14,596	36.0%
TOTAL EXPENDITURE (1+2)	1,068,266	809,937	977,410	513,291	644,123	60.3%
1). Current Expenditure	873,517	609,785	670,289	401,064	439,815	50.3%
Wages and Salaries	367,781	243,762	274,475	166,437	188,937	51.4%
Pensions	59,667	42,854	51,550	29,974	35,740	59.9%
Goods and Services	211,504	138,454	151,862	85,474	88,375	41.8%
Interest Payments on Public Debt	90,289	77,208	78,460	43,050	44,172	48.9%
Subsidies and Current Transfers	144,276	107,507	113,943	76,128	82,591	57.2%
2). Capital Expenditure	194,749	200,153	307,121	112,227	204,308	104.9%
Capital II (Local Sources)	97,785	87,539	84,698	51,211	48,442	49.5%
Capital III (Foreign Sources)	94,368	100,333	133,443	49,499	67,521	71.6%
Capital Transfer and Net Lending	2,596	2,281	88,980	1,518	88,345	3403.5%
Unidentified Expenditure		10,000		10,000		
CURRENT BALANCE	61,362	91,900	89,798	82,296	52,760	86.0%
Primary Balance	2,281	37,282	(118,656)	34,994	(89,718)	-3932.7%
OVERALL BALANCE	(88,008)	(39,926)	(197,116)	(8,056)	(133,890)	152.1%
Primary Balance less BCB award	(38,288)	37,282	(31,566)	34,994	(2,628)	6.9%
Overall Balance less BCB award	(128,577)	(39,926)	(110,026)	(8,056)	(46,800)	36.4%
FINANCING	88,008	39,926	197,116	8,056	133,890	
Domestic Financing		(56,124)	243,674	(59,484)	200,360	
Central Bank		(52,557)	233,627	(64,369)	201,697	
Net Borrowing		7,419	84,333	12,490	59,456	
Change in Deposits		(59,976)	149,294	(76,859)	142,241	
Commercial Banks		1,400	(18,909)	15,297	(8,892)	
Net Borrowing		5,197	(19,156)	9,700	(12,872)	
Change in Deposits		(3,797)	247	5,597	3,980	
Other Domestic Financing		(4,967)	28,956	(10,412)	7,555	
Financing Abroad		97,622	94,585	72,813	67,987	
Disbursements		148,678	146,838	107,044	103,010	
Amortization		(51,057)	(52,252)	(34,231)	(35,023)	
Nationalization of BEL			(70,221)		(70,221)	
Nationalization of BTL			(65,088)		(65,088)	
Other		(1,573)	(5,835)	(5,273)	852	

Sources: CBB and MOF

^P - Provisional

Table 6.26: Public Sector External Debt by Creditor

	Disbursed Outstanding Debt 31/12/14 ^R	TRANSACTIONS THROUGH SEPTEMBER 2015				Disbursed Outstanding Debt 30/09/15 ^P
		Disbursements	Principal Payments	Interest & Other Payments	Parity Change	
CENTRAL GOVERNMENT	2,172,603	146,837	52,252	67,447	-1,560	2,265,628
Banco Nacional de Comercio Exterior	529	0	529	16	0	0
Government of Venezuela	291,537	76,030	1,528	334	-0	366,039
Kuwait Fund for Arab Economic Development	20,375	932	1,944	792	-622	18,741
Republic of China	254,441	21,000	21,682	4,257	0	253,759
Caribbean Development Bank	213,243	14,537	11,172	5,088	0	216,607
Caricom Development Fund	3,350	0	759	146	0	2,591
European Economic Community	10,772	0	458	41	-842	9,472
Inter-American Development Bank	238,867	15,900	10,646	2,172	0	244,121
International Fund for Agriculture Development	2,956	360	249	20	-96	2,972
International Bank for Reconstruction and Development	25,098	2,997	1,141	322	0	26,953
Opec Fund for International Development	42,627	8,592	1,785	991	0	49,434
Central American Bank for Economic Integration	15,803	6,488	357	618	0	21,935
Bank of New York	1,053,004	0	0	52,650	0	1,053,004
NON-FINANCIAL PUBLIC SECTOR	19,843	97,090	99,718	417	-39	17,176
Kuwait Fund for Arab Economic Development	1,365	0	333	23	-39	992
Caribbean Development Bank ^{(1) (2)}	18,478	0	2,295	394	0	16,184
British Caribbean Bank ⁽⁴⁾	0	97,090	97,090	0	0	0
FINANCIAL PUBLIC SECTOR	59,319	4,000	617	124	-1,626	61,077
Caribbean Development Bank	7,267	4,000	600	123	0	6,666
European Economic Community	202	0	17	1	-15	170
International Monetary Fund ⁽³⁾	51,851	0	0	0	-1,611	50,240
GRAND TOTAL	2,251,765	247,927	152,587	67,988	-3,225	2,343,881

^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.

⁽⁴⁾ Compensation payment, by Government, for a loan extended to BTL by British Caribbean Bank Limited that was recognised and settled in September 2015.