



CENTRAL BANK
of BELIZE

SEPTEMBER 2022 QUARTERLY REVIEW

CENTRAL BANK OF BELIZE

Correspondence and enquiries regarding the Review should be addressed to:

Manager, Research Department
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
Website: www.centralbank.org.bz

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

Typeset at the Central Bank of Belize

QUARTERLY REVIEW
SEPTEMBER 2022

List of Acronyms and Abbreviations

Acronyms:

BEL	Belize Electricity Limited
BISL	Belize International Services Limited
BGA	Banana Growers Association
BSI	Belize Sugar Industries Limited
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
FOB	Free On Board
FY	Fiscal Year
GDP	Gross Domestic Product
IMF	International Monetary Fund
MOF	Ministry of Finance
OPEC	Organization of Petroleum Exporting Countries
SDR	Special Drawing Rights
SIB	Statistical Institute of Belize
SITC	Standard International Trade Classification
SSB	Social Security Board
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
bps	basis points
mn	million
ps	pound solids
Y-o-Y	year on year
YTD	year to date

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 2022 figures in this report are provisional and the figures for 2021 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.

Table of Contents

Summary of Economic Indicators		v
1	Overview	1
	International Overview	1
	Advanced Economies	1
	Emerging Economies	2
	Caribbean Economies	2
	Domestic Overview	2
	Real Sector Developments	2
	Money and Credit	2
	International Trade and Payments	3
	Government Operations and Public Debt	3
2	Domestic Production and Prices	4
	Real Gross Domestic Product	4
	Sugarcane and Sugar	5
	Citrus	5
	Banana	6
	Tourism	6
	Consumer Price Index	7
3	Money and Credit	8
	Money Supply	8
	Net Domestic Credit	8
	Net Foreign Assets	9
	Domestic Bank Liquidity	10
	Interest Rates	10
	Credit Union Lending	11
	Development Bank Lending	12
	Open Market Operations	12
4	International Trade and Payments	14
	Merchandise Trade	14
	Services	16
	Primary and Secondary Income	17
	Capital and Financial Account	18
	International Investment Position	18
5	Government Operations and Public Debt	19
	Central Government Operations	19
	Total Public Sector Debt	20
	Domestic Debt	20
	Public Sector External Debt	22
Annex 1		24

List of Charts and Tables

Charts

1.1	Quarterly GDP Growth Rates Over the Same Quarter of the Previous Year for Selected Advanced Economies	1
1.2	Quarterly GDP Growth Rates Over the Same Quarter of the Previous Year for Selected Emerging Economies	1
2.1	Real GDP by Sector (January to September)	4
2.2	Stay-Over Arrivals	6
2.3	Consumer Price Index	7
3.1	Net Credit to Central Government	8
3.2	Domestic Banks' Private Sector Credit	9
3.3	Change in Domestic Banks' Loans and Advances, Dec 2021 - Sept 2022	9
3.4	Net Foreign Assets of the Banking System	10
3.5	Changes in Bank Liquidity	10
3.6	Change in Domestic Banks' Weighted (Rolling) Average Interest Rates on New Loans and Deposits	11
3.7	Change in Credit Union's Loans and Advances, Dec 2021 - Sept 2022	11
3.8	Treasury Bill Yields, Jan 2017 - August 2022	12
4.1	Trade Deficit in Goods	14
4.2	Domestic Exports	15
4.3	Sub-components of Services	16
4.4	Tourist Arrivals vs Tourism Receipts	17
4.5	FDI Breakdown by Sector	17
4.6	Central Government Net External Loan Disbursements	17
4.7	Net International Investment Position	18
5.1	Central Government Operations	19
5.2	Central Government Current Revenue	19
5.3	Central Government Current Expenditure	20
5.4	External Debt Service	23

Tables

A.1	Gross Domestic Product Growth Rates of Selected Countries (Percentage Change from Quarter One Year Ago)	25
A.2	Real Gross Domestic Product Growth Rates	26
A.3	Gross Domestic Product by Activity at Constant 2014 Prices	27
A.4	Deliveries of Sugarcane and Production of Sugar and Molasses	27
A.5	Output of Citrus Products	28
A.6	Banana Production	28
A.7	Bona Fide Tourist Arrivals	29
A.8	Consumer Price Index Commodity Group	29
A.9	Factors Responsible for Money Supply Movements	30
A.10	Money Supply	30

A.11	Net Foreign Assets of the Banking System	31
A.12	Net Domestic Credit	32
A.13	Sectoral Composition of Domestic Banks' Loans and Advances	33
A.14	Sectoral Composition of Credit Unions' Loans and Advances	34
A.15	Sectoral Composition of Development Finance Corporation Loans and Advances	35
A.16	Domestic Banks' Liquidity Position and Cash Reserves	36
A.17	Domestic Banks' Weighted Average Interest Rates	36
A.18	Domestic Banks' (Rolling) Weighted Average Interest Rates on New Loans and Deposits	37
A.19	Balance of Payments Summary	38
A.20	Capital and Financial Accounts	39
A.21	Balance of Payments	40
A.22	Gross Imports at Cost, Insurance and Freight (CIF) by Standard International Trade Classification (SITC)	41
A.23	Sugar and Molasses Exports	41
A.24	Citrus Product Exports	42
A.25	Marine Product Exports	43
A.26	Banana Exports	43
A.27	Petroleum Exports	43
A.28	Long-term Private Sector External Debt by Economic Sector	44
A.29	Extended Balance of Payments Services Classifications (EBOPS)	45
A.30	International Investment Position	46
A.31	Central Government's Revenue and Expenditure	47
A.32	Summary of Central Government's Revenue	47
A.33	Summary of Central Government's Expenditure	48
A.34	Central Government's Revenue and Expenditure	49
A.35	Central Government's Domestic Debt	50
A.36	Central Government's Domestic Debt by Creditor	50
A.37	Public Sector External Debt by Creditor	51

SUMMARY OF ECONOMIC INDICATORS

Money Supply

Broad Money Supply

September 2022

+2.7%

YTD change on December 2021

Net Foreign Assets

September 2022

+4.9%

YTD change on December 2021

Net Domestic Credit

September 2022

+2.1%

YTD change on December 2021

Liquidity and Interest Rates

Excess Cash

September 2022

\$481.2mn

+15.8% change on December 2021

New Deposit Rates

September 2022

1.77%

-39 bps change on September 2021

New Lending Rates

September 2022

8.71%

+17 bps change on June 2021

Real and External Sectors

GDP

January - September 2022

+12.3%

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

CPI

January - September 2022

+6.2%

YTD change on the same period of the previous year

Tourist Arrivals

January - September 2022

+87.4%

YTD change on the same period of the previous year.

Current Account Deficit

January - September 2022

\$337.0mn

\$184.1mn YTD change on the same period of the previous year

Financial Account Balance

January - September 2022

\$289.6mn

\$132.0mn YTD change on the same period of the previous year

Reserve Import Coverage

September 2022

4.3

months equivalent of merchandise imports

Central Government Operations and Public Debt

Primary Surplus

April - September 2022

\$44.6mn

0.8% of GDP

Domestic Debt

January - September 2022

-\$0.7mn

\$1,315.1mn
22.5% of GDP

External Debt

January - September 2022

+\$44.6mn

\$2,721.7mn,
46.6% of GDP

Overview

International Overview

Advanced Economies

Global inflation persisted into the third quarter of 2022, causing major central banks to tighten financial conditions amid heightened geopolitical uncertainty and weakened economic activity. These disruptions to the global recovery from Coronavirus Disease of 2019 (COVID-19) influenced the International Monetary Fund's (IMF's) projection for world growth to slow from 6.2% in 2021 to 3.4% in 2022.

Output weakened across most advanced economies. The United States' (US) real gross domestic product (GDP) grew by 1.9% in the third quarter of 2022 compared to the corresponding quarter of the previous year. US GDP growth decelerated due to contractions in personal consumption expenditures on nondurable goods and in domestic private investments. The consumer price index (CPI) remained

elevated, with inflation raging at 8.2% for the 12 months ending September, which was 0.9 percentage points lower than the rate recorded at June end. The energy and food indices were the leading contributors to the price level surge, up 11.2 and 19.8 percentage points, respectively. To return inflation to a 2.0% rate over the long run, the Federal Reserve hiked up its federal funds rate by 0.75 percentage points twice during the third quarter, with the last hike raising the target range for the federal funds rate to 3.00%-3.25% at September end.

As for the United Kingdom (UK), the economy decelerated to 1.9% in the third quarter, driven by increased output in the construction and services industries, as activities in the production sub-sector declined. In the euro area, output slowed to 2.3% compared to the same quarter of the previous year, weighed down by the adverse economic consequences of the

Chart 1.1: Quarterly GDP Growth Rates Over the Same Quarter of the Previous Year for Selected Advanced Economies

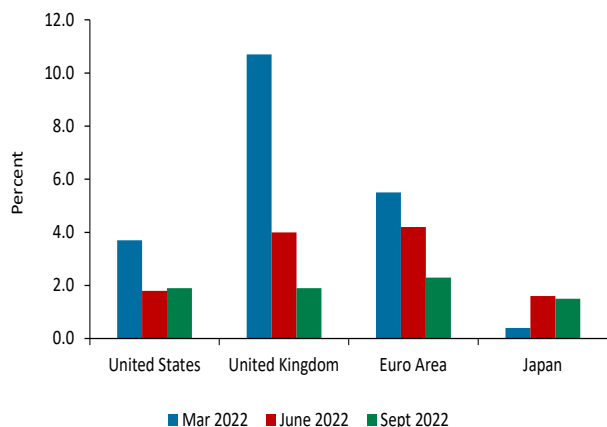
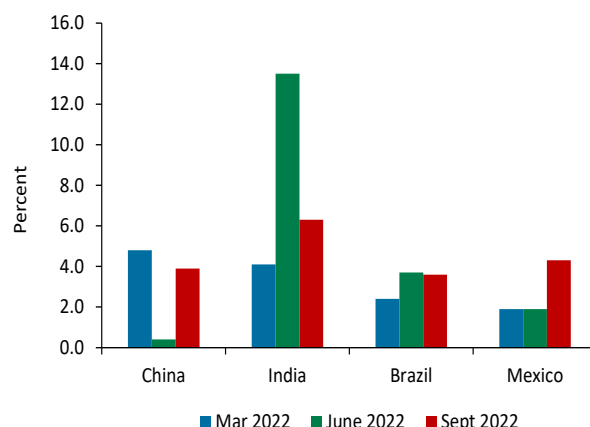


Chart 1.2: Quarterly GDP Growth Rates Over the Same Quarter of the Previous Year for Selected Emerging Economies



war in Ukraine and mounting inflationary pressures. Japan's economy strengthened slightly to 1.5% in the third quarter, led by an expansion in private demand, amid a decline in public investment.

Emerging Economies

India's economy grew by the largest margin among major emerging market economies. The country's output expanded by 5.6% in the third quarter of 2022 compared to 8.3% in the third quarter of 2021. Meanwhile, China's GDP slowed to 3.9%, facing headwinds from continued COVID-19 restrictions and a further deterioration in the real estate market. Meanwhile, Latin America's largest economy, Brazil, grew by 3.6%, hampered by higher interest rates to curb double-digit inflation, which, in turn, quelled consumer spending and investment. In contrast, Mexico's output grew by 4.3% due to increased agricultural production and manufacturing activity.

Caribbean Economies

Growth in tourism-driven Caribbean economies strengthened, as international travel demand gained momentum, boosting overnight arrivals in the region and, in turn, propelling growth in the service sector. Jamaica's GDP grew by 5.9% in the third quarter, fuelled by increased output in the services and goods-producing industries. Service activities were propelled by a 49.2% increase in stay-over arrivals, translating to a 35.3% expansion in the hotels and restaurants industry. In Barbados, tourism arrivals for the quarter stood at 64.0% of pre-pandemic levels. Even more impressive, in The Bahamas, tourism arrivals recovered

to 88.7% of pre-pandemic levels for the third quarter and 72.3% for the year to date.

Domestic Overview

Real Sector Developments

Belize's GDP increased by 12.8% in the third quarter of 2022 relative to the same period last year. As a result, the economy expanded by 12.3% for the first nine months of the year, maintaining a strong post-pandemic recovery. Value-added gains in the services sector rose by 15.8%, with significant contributions from the *"Accommodation and Food Service Activities," "Wholesale and Retail Trade,"* and *"Transport"* industries, underpinned by a strong tourism rebound. A 2.6% uptick in the secondary sector also contributed to the solid outturn, despite a falloff in construction activities. However, primary output contracted by 4.1%, weighed down by declines in agriculture, aquaculture, and cattle production.

Money and Credit

Broad money supply grew by 2.7% from January to September, driven by increases in the Central Bank's foreign assets as well as credit to the private and non-financial public sectors. The net foreign assets of the banking system rose by \$70.2mn (4.9%) to \$1,514.4mn due to a \$107.4mn expansion in the Central Bank's foreign balances, partly offset by a \$37.2mn contraction in domestic banks' holdings. Meanwhile, net domestic credit rose by \$64.1mn (2.1%) to \$3,111.4mn, following increased lending to the private and public sectors by \$41.6mn and \$31.7mn, respectively, which together outweighed a \$9.2mn reduction in net credit to Central Government.

Over the nine months, domestic banks' liquid asset holdings declined by \$33.3mn to \$665.0mn but were nevertheless 85.9% above the secondary reserve requirement. The reduction in liquid assets was attributable to a marginal decline in aggregate foreign balances together with modest a rise in liquidity requirements. However, domestic banks' cash reserves rose by \$65.6mn to \$481.2mn, strengthening to 200.8% above the primary (cash) reserve requirement due to a substantial reduction in their Treasury bill (T-bill) holdings. For the year ending September, the 12-month (rolling) weighted average lending rate increased by 17 basis points to 8.71%, driven by marked rate hikes on mortgage and consumer loans. Meanwhile, the corresponding deposit rate declined by 39 basis points to 1.77%, exhibiting a downward quarterly trend. Consequently, the weighted average interest rate spread widened by 56 basis points to 6.94% over this period.

International Trade and Payments

For the first nine months of 2022, Belize's current account deficit widened by \$184.1mn, compared to the same period in 2021, to \$337.0mn or 5.7% of GDP. The external deficit more than doubled due to three main factors: (i) a larger trade deficit, (ii) a resurgence in profit repatriation, and (iii) Central Government's settlement of an arbitral award to Belize International Services Limited (BISL). Closing the gap, net financial liabilities of \$289.6mn were recorded on the financial account. These liabilities stemmed mainly from increased net foreign direct investments and, to a lesser extent, sizeable net public sector

borrowings. At September end, the gross international reserves rose by \$105.8mn to \$953.9mn, representing 4.3 months of import coverage.

Government Operations and Public Debt

Fiscal operations generated a primary surplus of \$44.6mn (0.8% of GDP) from April 2022 to September 2022 compared to a surplus of \$72.0mn (1.4% of GDP) from April 2021 to September 2021. Concurrently, the overall surplus shrank by \$35.3mn to \$2.0mn (0.04% of GDP) relative to the first half of the previous fiscal year. The fiscal position loosened as expenditures outpaced revenues. Whereas revenues and grants grew by 18.0% as the economy rebounded, expenditures rose by 25.7% with the full reinstatement of public officers' wages, the commencement of interest payments on the "Blue Loan," and Central Government's payment of an arbitral award.

Domestic Production and Prices

Real Gross Domestic Product

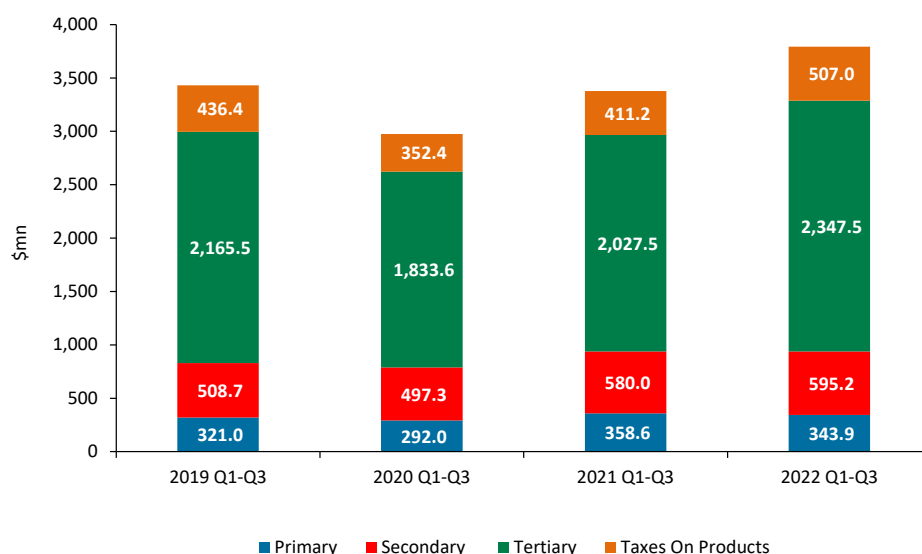
When compared to the corresponding period of 2021, Belize's GDP increased by 12.3% to \$3,793.6mn from January to September of 2022, boosted by a 12.8% third-quarter expansion. Robust growth in the services sector and, to a lesser extent, the manufacturing, electricity, and water industries fuelled growth, while agriculture and mining activities contracted.

The tertiary (services) sector, which had been severely affected by the onset of the pandemic, expanded by 15.8% over the three quarters. This outcome resulted as the number of international visitors nearly doubled over the review period as COVID-19 fears and travel restrictions diminished. This stellar rebound led to a 109.4% increase in the “*Accommodation and Food Services*” industry. In addition, the upturn in air and cruise passenger services

boosted the “*Transportation*” industry by 45.4%. With the strengthening in domestic consumption, “*Wholesale and Retail Trade*” grew by 22.0%. Meanwhile, an expansion in government, education, professional, and financial services contributed positively to the overall result. However, downturns in administrative and support, information and communication, as well as health and social work services tempered the tertiary sector's overall growth momentum.

Secondary sector activities expanded by 2.6%, driven by increased manufacturing, water, and electricity production, but partly offset by a downturn in construction activities. “*Manufacturing*” rose by 4.1%, buoyed by heightened value-added contributions from beverage and flour production. These positive developments outweighed the impact of reduced sugar and citrus juice production. Then, increased

Chart 2.1: Real GDP by Sector (January to September)



electricity generation from renewable resources lifted “*Electricity*” by 6.8%, while higher connection rates supported a 4.3% growth in “*Water Supply*.”

On the downside, primary production contracted by 4.1%. “*Agriculture, Forestry, and Fishing*” fell by 2.9%, with declines in traditional agriculture (citrus, banana, and sugarcane), aquaculture (farmed shrimp), and livestock (cattle) production. Meanwhile, reduced mining and crude oil extraction resulted in an 11.6% downturn in “*Mining*.”

Sugarcane and Sugar

National sugarcane deliveries for the 2021/2022 crop year decreased by 4.1% to 1,787,488 long tons relative to the previous crop year. Increased rainfall during the harvest period was largely to blame for the weakened performance. Notwithstanding, heightened sugar yield led to a 0.6% uptick in sugar production to 176,089 long tons. However, molasses production contracted by 6.2% to 63,536 long tons.

In the northern region, the sugarcane harvest ended on 29 July 2022, 215 days after commencing on 27 December 2021. Although sugarcane deliveries contracted by 4.5% to 1,144,273 long tons, sugar production rose by 1.3% to 123,289 long tons, owing to a 0.4% increase in cane quality. This outcome reflected a 5.7% improvement in the long-tons cane to long-ton sugar ratio (TC/TS) to 9.3. Additionally, molasses production dipped by 1.8% to 41,462 long tons.

In the western region, the sugarcane harvest commenced on 6 January 2022 and ended on 14 September 2022. The harvest period lasted 252 days, 74 days longer than in 2021. This marked the first time the mill’s operation was extended into September since milling began in 2015. Still, sugarcane deliveries decreased by 3.4% to 643,215 long tons. Softened by a modest improvement in cane quality, sugar production fell by 1.0% to 52,799 long tons. The decline in molasses production was more significant, down 13.5% to 22,074 long tons.

Citrus

After commencing on 1 October 2021, the 2021/2022 citrus harvest ended on 5 August 2022. As a result, the crop cycle spanned 309 days and ended 38 days earlier than the previous crop year. Citrus deliveries to the processor rose 3.6% to 1,451,255 40-pound boxes, a notable turnaround from the steep 45.3% contraction recorded in the last cycle. This improvement was stimulated by favourable weather conditions, alongside new yields from green-resistant citrus trees planted more than five years ago. When disaggregated, orange and grapefruit deliveries increased by 1.9% to 1,308,067 40-pound boxes and 21.9% to 143,188 40-pound boxes, respectively.

Total citrus juice production increased 5.2% over the crop year to 8.1mn pound solids (ps), reflecting a 1.5% improvement in average juice yield to 5.6 ps. In more detail, orange juice production rose by 3.7% to 7.5mn ps, following a 1.4% increase in average juice yield to 5.8 ps. Grapefruit

juice production grew more significantly, up 30.7% to 0.6mn ps due to a 7.2% rise in average juice yield to 3.9 ps.

The manufacturing of citrus by-products also strengthened. Outputs of citrus pulp and oils increased by 3.8% to 1.2mn ps and 9.8% to 0.5mn ps, respectively. Meanwhile, the final price for orange deliveries increased by 23.4% (\$0.50) to \$2.64 relative to 2021, providing some relief against soaring fertiliser and fuel costs. Concurrently, the final price for grapefruit rose by a smaller margin of 5.2% (\$0.20) to \$4.01 compared to the same period in 2021.

Banana

Banana production contracted for the third consecutive quarter in 2022, falling to 2016’s production level when the industry suffered damages due to the closure of the Meridian Farm Group (because of US sanctions), heavy floods, and Hurricane Earl. This time, chronic labour shortages, skyrocketing fertiliser and fuel costs, and an outbreak of Black Sigatoka disease contributed to a 7.0% downturn in banana harvests to 3.7mn 40-pound boxes of fruits.

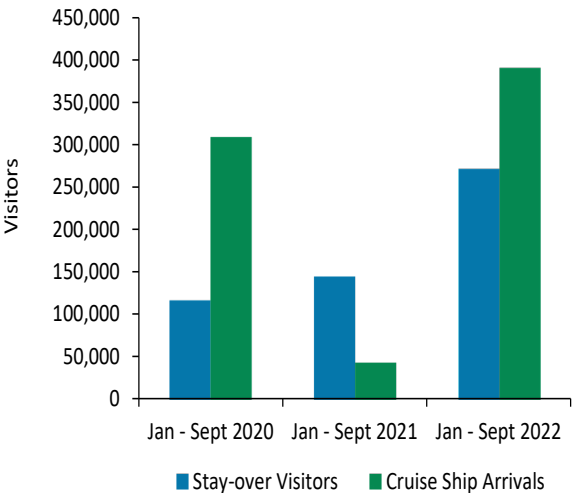
Tourism

According to the United Nations World Tourism Organisation, international tourism arrivals continued to rebound strongly from January to September, reaching 62.0% of the pre-pandemic level of 2019. Global tourism improved as COVID-19 travel restrictions waned in many countries, while travellers’ confidence in taking trips outside their usual environment strengthened. However, persistent inflationary pressures and

escalating airfare prices, worsened by Russia’s military operation in Ukraine, weighed down tourism prospects and contributed to an uneven pandemic recovery. An analysis of arrivals by region showed that Europe and the Middle East recorded the fastest growth rates in international tourism, at 81.0% and 77.0% of 2019’s levels, respectively. The Caribbean and Central America led growth in the western hemisphere, both recording 82.0% of 2019’s arrivals.

In Belize, the recovery in international stay-over arrivals also strengthened. The country received 270,716 stay-over visitors between January and September. At this level, stay-over arrivals were 87.4% of the comparable period of 2021. Furthermore, it climbed to 76.6% of 2019’s outturn with the resumption of direct flights from North America to Belize. A breakdown by major source market showed that US visitors accounted for 73.7% of the market share, down 11.3 percentage points relative to 2021 when travel restrictions in other source markets were tighter. Meanwhile,

Chart 2.2: Stay-Over Arrivals



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

shares of inbound visitors from Europe, Canada, and other destinations rose by 6.8, 0.8, and 3.7 percentage points to 10.0%, 2.2%, and 14.1%, respectively.

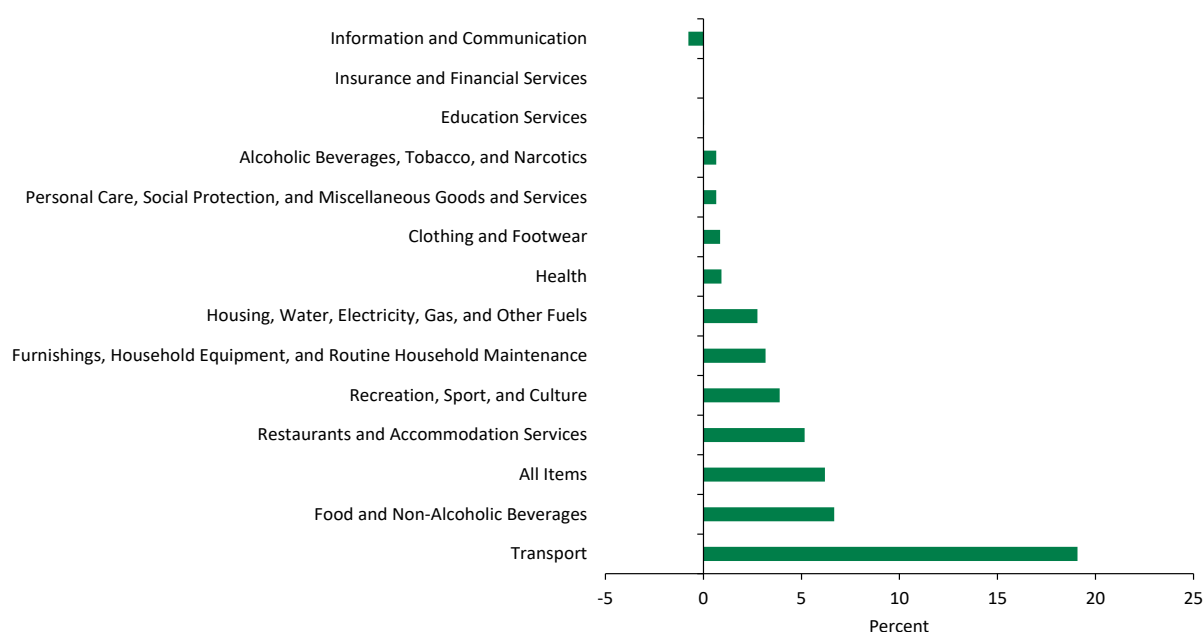
Cruise tourism continued to rebound, with 373,415 cruise ship disembarkations to the country's shores between January and September compared to 43,662 in the same period of 2021. Nevertheless, cruise ship disembarkations were 46.7% behind that of 2019. There were 191 port calls, with 282,042 and 91,373 disembarkations received at the Fort Street Tourism Village and Harvest Caye Port, respectively.

Consumer Price Index

The CPI dipped by 0.2% in September, halting seven consecutive month-on-month increases since February 2022. Notwithstanding, the all-items index grew to 6.2%, several folds higher than

the 10-year average of 0.8% from 2012 to 2021. Driven mainly by external factors, heightened transport, energy, and food costs were primarily responsible for the strong inflationary pressures. Accordingly, the “*Transport*” subindex increased by 19.1% over the year to date, following marked price increases for motor vehicle fuel, new vehicles, and passenger transport services. Next, the “*Food and Non-Alcoholic Beverages*” subindex rose by 6.7%, with escalating costs for dairy products, meats, cooking oils, fresh produce, fish, and other seafood. Then, the “*Housing, Water, Electricity, Gas, and Other Fuels*” subindex grew by 2.8% because of heightened prices for liquefied petroleum gas and construction materials, alongside less significant increases in other subindices. Finally, a 0.8% contraction in “*Information and Communication*,” owing to reduced internet service prices, exerted some drag on the inflationary pressure.

Chart 2.3: Consumer Price Index



Money and Credit

Money Supply

Broad money supply (M2) increased by 2.7% for the first three quarters of 2022—significantly lower than the 8.9% expansion in the same period of 2021. Increases in the Central Bank’s foreign assets and credit to the private sector, quasi-corporations, and local governments underpinned money growth. An expansion in narrow money (M1) overshadowed the contraction in quasi-money. M1 grew by \$135.1mn, reflecting a \$126.0mn increase in demand deposits and a \$33.9mn uptick in currency with the public, partly offsetting a \$24.8mn reduction in savings/chequing deposits. The marked expansion in demand deposits was attributable to (i) money shifted from savings and savings/chequing to demand deposits; and (ii) funds built up by utility companies, the Social Security Board, and non-bank financial institutions. Meanwhile, quasi-money contracted by \$29.3mn, reflecting a \$31.5mn fall-off in savings deposits primarily due to reclassifications, amid a \$2.2mn rise in time deposits.

Net Domestic Credit

Net domestic credit from the banking system rose by \$64.1mn (2.1%) to \$3,111.4mn over the nine months, owing to a late pick up in lending to the private and other public sectors as net credit to Central Government decreased. Net claims on Central Government fell by \$9.2mn to \$677.8mn as a reduction in domestic bank financing outstripped an increase in Central Bank lending. Domestic banks’ net financing contracted by \$61.8mn after reducing their government securities holdings by \$91.1mn, while Central

Government withdrew \$29.3mn from its commercial bank deposits. Conversely, the Central Bank’s net financing increased by \$52.6mn after it increased its holdings of Treasury securities by \$83.5mn, while Central Government increased its deposits by \$30.9mn.

Concurrently, domestic banks’ credit to the private sector rose by \$41.6mn (1.8%) to \$2,358.0mn for the year to date, slightly lower than the \$43.5mn expansion recorded in the same period of 2021. Notably, 44.8% of the overall credit growth occurred in the third quarter, with \$19.5mn in disbursements. Over the review period, net disbursements for merchandise trade (\$21.1mn), transport (\$8.0mn), and agricultural (\$7.0mn) activities drove loan growth to the real economy. However, the overall increase was tempered by net repayments for professional services (\$12.5mn) and marine production (\$3.0mn). Non-performing loans (NPLs) written off amounted to \$13.2mn, less than half of the debt cancelled (\$27.3mn) in the corresponding period of 2021. Adversely classified loans

Chart 3.1: Net Credit to Central Government

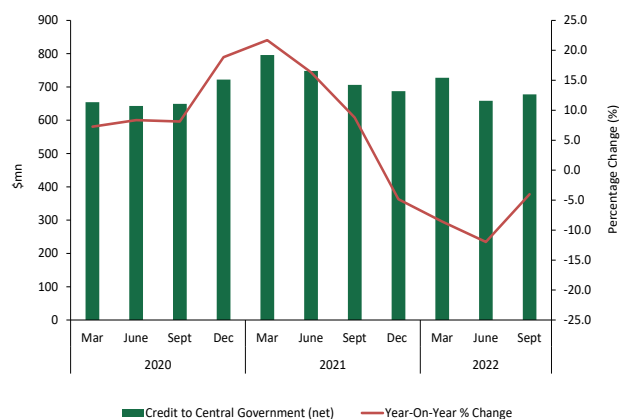
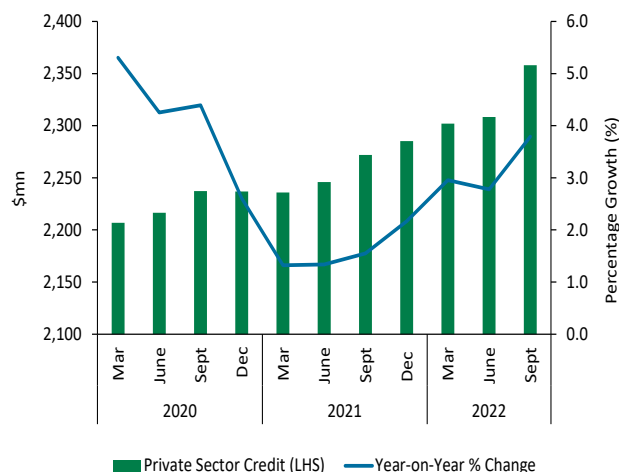
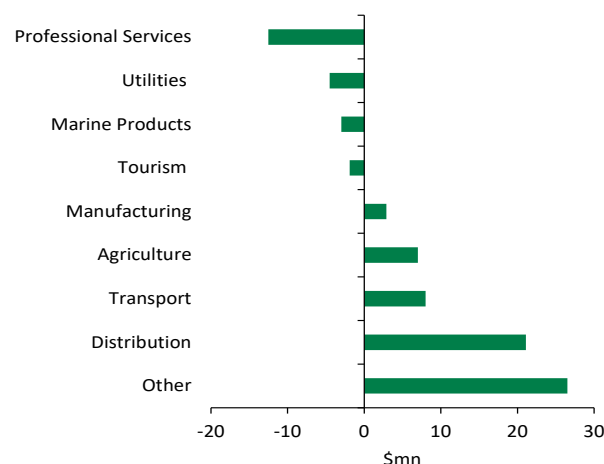


Chart 3.2: Domestic Banks' Private Sector Credit

issued for construction (\$4.7mn) and household consumption (\$4.0mn) accounted for most of the write-offs. Notwithstanding, the ratio of domestic banks' NPLs (net of specific provisions) to total loans (the NPL ratio) increased by 1.2 percentage points over the nine months, indicating a slight deterioration in asset quality. However, at 3.6%, the NPL ratio remained well below the 5.0% prudential benchmark. Meanwhile, the sector's profitability, measured by the return on assets (ROA) ratio, remained steady at 0.6% at September end, the same value at the December end.

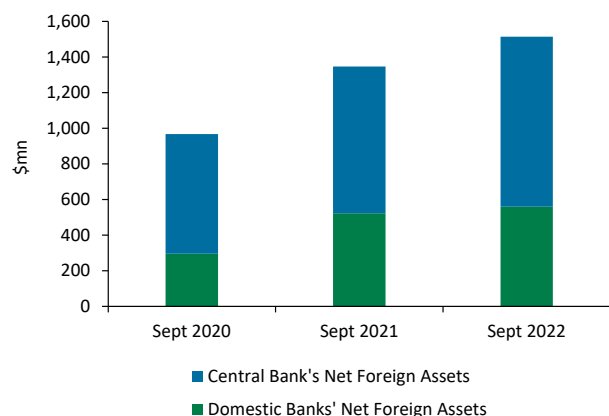
Credit to other public sector entities grew by \$31.7mn to \$75.6mn over the review period. The rise in lending was primarily attributable to domestic banks' acquisition of debentures from one utility company (\$29.9mn) and, to a lesser extent, disbursements for local government (\$4.7mn) and statutory bodies (\$0.1mn). However, loan repayments by public utilities (\$3.0mn) tempered the expansion in lending to this sub-sector.

Chart 3.3: Change in Domestic Banks' Loans and Advances, Dec 2021 - Sept 2022⁽¹⁾

⁽¹⁾ Changes in construction, real estate, and personal loans that were reclassified were omitted from the chart.

Net Foreign Assets

The net foreign assets of the banking system increased by \$70.2mn (4.9%) for the first three quarters of the year to \$1,514.4mn. This outturn reflected a \$107.4mn increase in the Central Bank's foreign balances, as domestic banks' holdings fell by \$37.2mn. The Central Bank's foreign assets rose by 12.7% to \$955.1mn, with inflows outpacing outflows. The Central Bank's gross foreign currency inflows amounted to \$322.3mn, 18.0% higher than the same period in 2021. Inflows stemmed largely from external loan disbursements (\$80.3mn), sugar export receipts (\$75.0mn), grants (\$41.7mn), and domestic banks (\$40.0mn). Gross outflows totalled \$216.0mn, reflecting a 46.0% increase compared to the same period of 2021. Central Government utilised 86.2% of total outflows, amounting to \$186.2mn, primarily to service its external debt and settle an arbitral award granted to BISL. In addition, foreign currency sales to statutory bodies (\$14.1mn) and other overseas expenditures (\$15.8mn) accounted for the balance. Consequently, the gross

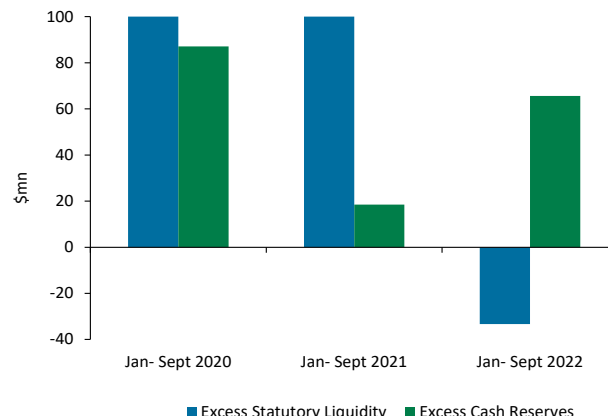
Chart 3.4: Net Foreign Assets of the Banking System


international reserves rose by \$105.8mn to \$953.9mn, the equivalent of 4.3 months of merchandise imports.

Conversely, domestic banks' net foreign assets fell by \$37.2mn or 6.2% over the year to date to \$559.3mn. This outcome resulted after a \$99.8mn third-quarter drop, the first quarterly contraction since June 2020, overshadowing a \$62.7mn expansion over the first half of the year. The downturn from July to September was due to the transfer of \$55.0mn from Government's US dollar accounts with domestic banks to its Treasury account with the Central Bank to facilitate the payment of damages to BISL. This occurred at the same time as the seasonal downturn in foreign exchange earnings and increased foreign currency demand to cover payments for goods and profit repatriation.

Domestic Bank Liquidity

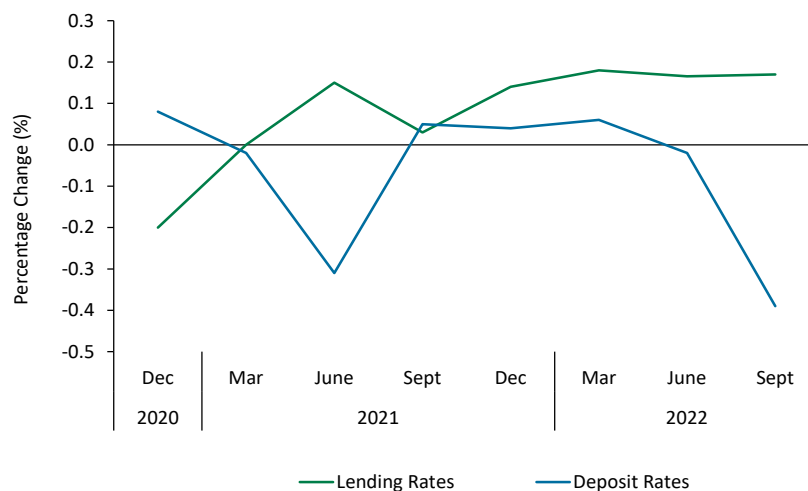
Domestic bank liquidity remained high, despite a modest contraction in levels, owing to the falloff in foreign balances. Domestic banks' excess liquid assets fell by \$33.3mn from January to September to \$665.0mn

Chart 3.5: Changes in Bank Liquidity


after a \$109.7mn third-quarter plunge, the first quarterly decline since the same quarter of 2019. Nevertheless, aggregate excess liquid assets were 85.9% above the secondary reserve requirement. Furthermore, domestic banks' excess cash reserves—the largest component of excess liquid assets—grew by \$65.6mn to \$481.2mn, resting at 200.8% above the cash reserve requirement. This result was due to the sharp rise in cash holdings following a reduction in T-bill holdings.

Interest Rates

Lending and deposit rates diverged, with the former increasing, and the latter decreasing over the year. At 8.71%, the weighted average lending rate rose by 17 basis points since September 2021, driven by the 51- and 20-basis-point increases on residential construction and consumer loans, respectively, and to a much lesser extent, a two-basis-point uptick on commercial loans. The increase in lending rates among these three categories was partly linked to rising COVID-19-related credit risks and challenges in assessing borrowers' credit quality after the pandemic-related moratoriums ended.

Chart 3.6: Change in Domestic Banks' Weighted (Rolling) Average Interest Rates on New Loans and Deposits

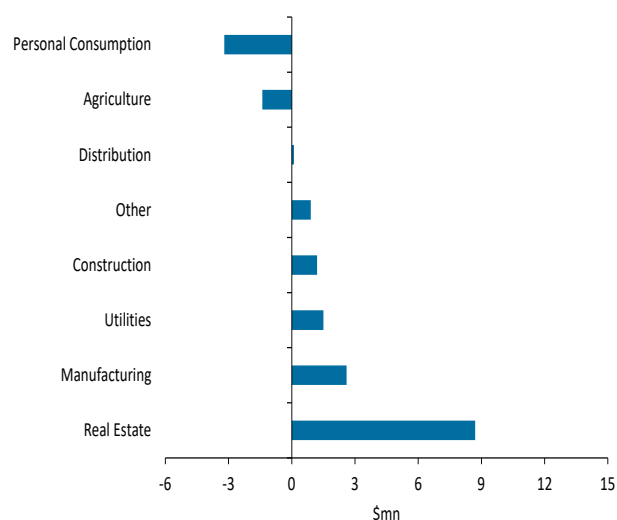
Altogether, the impact of these interest rate hikes overshadowed a 39 basis-point reduction on the “other” category of loans.

At 1.77%, weighted average deposit rates slumped by 39 basis points over the past 12 months. This outturn was shaped by the rapid accumulation of non-interest-bearing demand deposits and the 30-basis-point reduction in time deposit rates. However, the downward momentum was tempered by the two- and 84-basis-point rate increases on savings and savings/chequing deposits, respectively. Despite the sharp rate increase on savings/chequing deposits, deposits in this category summed to \$0.4mn, accounting for 0.01% of total deposits, thereby having a negligible impact on the weighted average deposit rate change. On the contrary, demand deposits, on which no interest is paid, comprised 52.4% of all deposits, making it the largest category with the most significant impact on computing the weighted average deposit rate.

Consequently, the weighted average interest rate spread between lending and deposit rates widened by 56 basis points to 6.94%.

Credit Union Lending

Credit unions' aggregate lending grew by \$10.4mn or 1.6% for the first nine months of 2022 to \$648.0mn, marking the sector's first credit expansion over this period since 2018. New disbursements were mainly

Chart 3.7: Change in Credit Unions' Loans and Advances, Dec 2021 - Sept 2022

channelled to the real estate industry and the secondary sector (particularly, agents in the manufacturing, building and construction, and utility industries), while outstanding agricultural and personal loans contracted by \$1.4mn and \$3.2mn, respectively. Write-offs totalled \$4.1mn, down significantly from \$13.2mn in the previous period. Debt cancellations were concentrated in the construction (\$1.3mn), personal (\$1.4mn), and real estate (\$0.7mn) categories. As a result, credit unions' aggregate NPL ratio remained steady at 1.1% for the first nine months of 2022. However, the sector's profitability weakened, as its return on asset (ROA) ratio slid from 3.5% in December 2021 to 2.8% in September 2022, but remained significantly above industry benchmarks.

Development Bank Lending

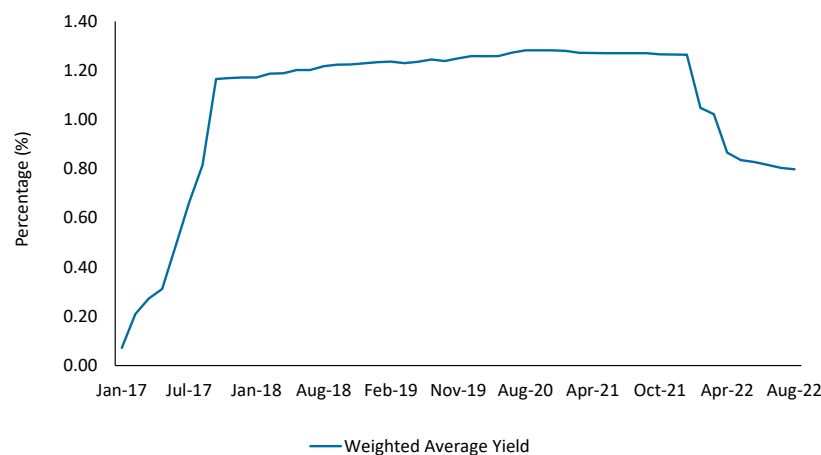
In other credit developments, the Development Finance Corporation's loan portfolio increased by \$13.3mn or 11.0% between January and September to

\$133.7mn. New loans were issued mainly for construction (\$7.3mn), agriculture (\$3.5mn), professional (\$1.9mn), and manufacturing (\$1.2mn) activities, while the outstanding loan balances held by financial institutions (\$0.7mn) and the transport sector (\$0.1mn) marginally declined.

Open Market Operations

In January 2022, the Central Bank implemented a new active yield curve management strategy to align Central Government's borrowing costs with domestic market conditions. Open market operations conducted in line with this plan resulted in a 47-basis-point reduction in the weighted average T-bill yield from 1.26% at the end of 2021 to 0.80% at the last auction of the third quarter—the lowest level since July 2017. Consequently, Central Government's interest payments on outstanding T-bills fell by 22.0% or \$0.5mn to \$1.8mn for the first three quarters of 2022 compared to the same period of 2021.

Chart 3.8: Treasury Bill Yields, Jan 2017 - August 2022



The Central Bank tendered competitive bids at each roll-over auction. After submitting several successful bids, the Central Bank increased the face value of its T-bill holdings by \$75.0mn over the year to date to \$140.0mn, representing 57.1% of total issuances. Conversely, domestic banks' holdings contracted by \$72.2mn to

\$95.6mn after not being wholly successful at successive auctions. Consequently, domestic banks' cumulative market share slipped from 68.5% at the start of the year to 39.0% at September end. Concurrently, the share held by all other holders narrowed by 1.1 percentage point to 3.8%.

International Trade and Payments

For the first three quarters of 2022, the external current account deficit widened by \$184.1mn, relative to the same period of 2021, to \$337.0mn or 5.7% of GDP. The external position weakened as the trade deficit more than doubled, profit repatriations skyrocketed, and damages to BISL were paid. The sharp rise in outward payments was tempered by a resurgence in tourism revenue and, to a much lesser extent, a near doubling in capital grants to support large infrastructural projects. The gap was covered largely by an increase in net foreign direct investments as well as net borrowings from development partners. Consequently, the gross international reserves rose by \$105.8mn to \$953.9mn at September end, equivalent to 4.3 months of merchandise imports.

Merchandise Trade

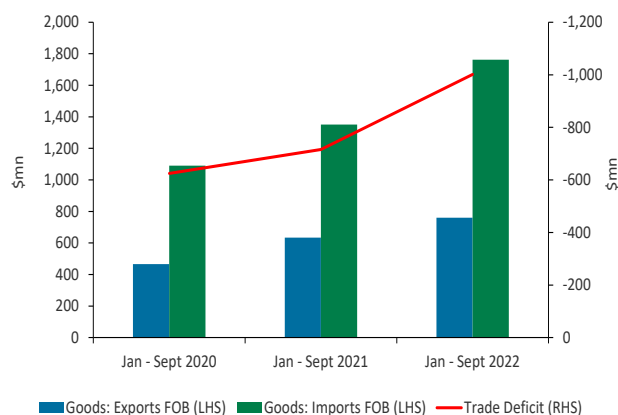
The trade-in-goods deficit widened by 39.9% (\$285.5mn) to \$1,001.6mn over the review period, as imports rose faster than exports. On the one hand, the value of imports surged as the quantity of goods demanded increased with the robust economic

expansion, while their costs ballooned due to inflationary pressures in source countries. Hence, imports, FOB jumped 30.5% to \$1,762.1mn, reflecting marked increases in both domestic and CFZ imports. On the other hand, strong export performances by non-traditional crops, alongside a resurgence in free-zone sales, easily compensated for depressed traditional crop performances. As a result, exports, FOB grew robustly, albeit at a slower pace of 19.9% relative to imports at \$760.6mn. Exports, FOB rose by \$126.0mn, propelled by increases in domestic export receipts (\$64.2mn) and commercial-free-zone sales (\$22.5mn), which were partially offset by a dip in other re-exports (\$4.6mn). Notably, other re-exports slipped due to a steep reduction in beer and cigarette sales, despite rising bunker fuel sales to commercial airlines, as international arrivals rebounded.

Gross Imports

Imports, FOB surged by \$411.5mn to a historic nine-month high of \$1,762.1mn in 2022. Imports for use in the domestic customs area and commercial free zones increased by 33.3% to \$1,556.0mn and 12.2% to \$206.1mn, respectively. Import values rose across most major categories of goods. The “*Mineral Fuels and Lubricants (including electricity)*” subcategory, which accounted for 19.1% of total imports, almost doubled, up 78.7% (\$171.8mn), with increased outlays on fuels, particularly kerosene and regular gasoline. The “*Commercial Free Zone*” grew by 33.3% (\$69.3mn), spurred by heightened outlays on cigarettes, tennis shoes, and t-shirts

Chart 4.1: Trade Deficit in Goods

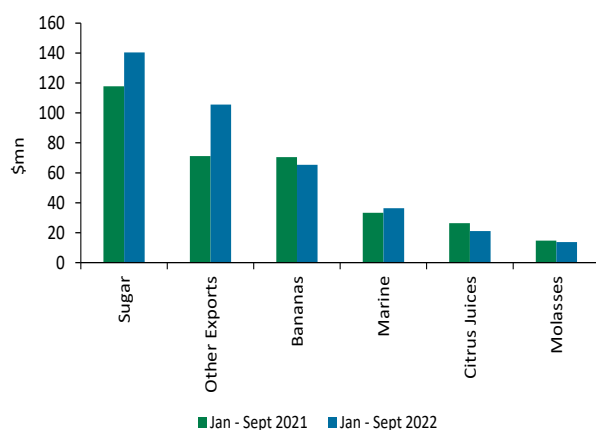


for resale predominantly to Mexican excursionists and firms. “*Machinery and Transport Equipment*” followed, rising by 36.4% (\$106.2mn) on account of heightened purchases of aviation equipment and vehicles. Then, “*Chemical Products*” rose by 38.5% (\$61.7mn) with increased outlays on vaccines and fertilisers. “*Manufactured Goods*” increased by 21.2% (\$50.6mn) with additional spending on cement clinkers, galvalume steel coils, and tubes. “*Food and Live Animals*” ballooned 13.5% (\$24.7mn) with higher expenditure on food items, such as wheat, margarine, and coffee. However, “*Beverages and Tobacco*” contracted by 32.4% (\$17.4mn) due to reduced purchases of cigarettes and beer for re-exportation.

Domestic Exports

Heightened earnings from non-traditional commodities (\$34.4mn), along with sugar (\$22.5mn) and marine products (\$3.0mn), spurred the expansion in domestic exports, which was partly offset by reduced earnings from citrus (\$5.3mn), banana (\$5.1mn), and molasses (\$1.0mn).

Chart 4.2: Domestic Exports



Sources: SIB and CBB

Sugar and Molasses

Sugar export receipts rose by 19.1% to \$140.4mn over the nine-month period, as favourable price developments more than compensated for a 7.0% decline in export volume. Sugar prices strengthened, as global consumption grew faster than production, causing sugar inventories to remain well below historical levels. In particular, European market prices strengthened by 13.8%, as sugar production fell because farmers substituted sugar beet plantings for more profitable crops like corn and sunflower. Europe remained the leading export destination for sugar exports, purchasing 76.5% of total shipments for \$98.8mn. CARICOM (\$24.4mn), the US (\$16.9mn), and Canada (\$0.2mn) bought the remainder. Molasses revenue fell by 6.8% to \$13.4mn, as a 21.8% jump in the average unit price was negated by a 23.5% production decline.

Citrus Juices and Pulp

Citrus juice export earnings plummeted by 20.0% to \$21.2mn, weighed down by a 26.3% reduction in export volume. However, the revenue decline was ameliorated by a 7.4% price improvement for orange concentrates, which comprised 89.9% of total citrus juice export receipts. CARICOM remained the top destination for orange concentrates, purchasing \$16.3mn worth and accounting for 85.5% of total orange concentrate sales. The remaining balance was split among the US (\$1.8mn), Europe (\$0.8mn), and other destinations (\$0.1mn). Meanwhile, grapefruit concentrates and pulp revenues totalled \$1.9mn and \$0.2mn, respectively.

Banana

Banana export receipts fell 7.2% to \$65.3mn over the review period, following a 7.0% reduction in export volume. Hence, the average unit price dipped marginally by 0.3%.

Marine Exports

Marine export revenue rose 9.2% to \$36.4mn, supported by firmer conch prices. Conch receipts grew by 48.6% to \$9.9mn, driven by a 36.7% rise in the average unit price. In contrast, lobster earnings fell by 0.1% to \$25.4mn, as a 3.8% decline in the average unit price neutralised a modest increase in output. Concurrently, shrimp earnings plunged 19.4% to \$1.0mn, as a marked decline in export volume was amplified by a 0.6% dip in the average unit price. Exports of other fish remained negligible to date.

Other Domestic Exports

Other domestic export receipts jumped 47.8% (\$34.0mn) to \$105.2mn for the first nine months of 2022. The strong outturn was driven by higher sales of animal feed (\$17.8mn), cattle (\$3.6mn), and orange oil (\$2.5mn). However, reduced earnings from red kidney beans (\$1.5mn), lemon oil (\$0.6mn), and cacao beans (\$0.5mn) dented the overall performance.

Services

Net inflows on the service sub-account rose by 49.6% (\$240.0mn) to \$723.7mn between January and September. The sizeable surplus was driven by a significant rebound in tourism revenues, which was already 13.2% ahead of 2019's level. Accordingly, net travel receipts increased by 78.8% (\$359.1mn) to \$814.8mn, fuelled by the

Chart 4.3: Sub-components of Services

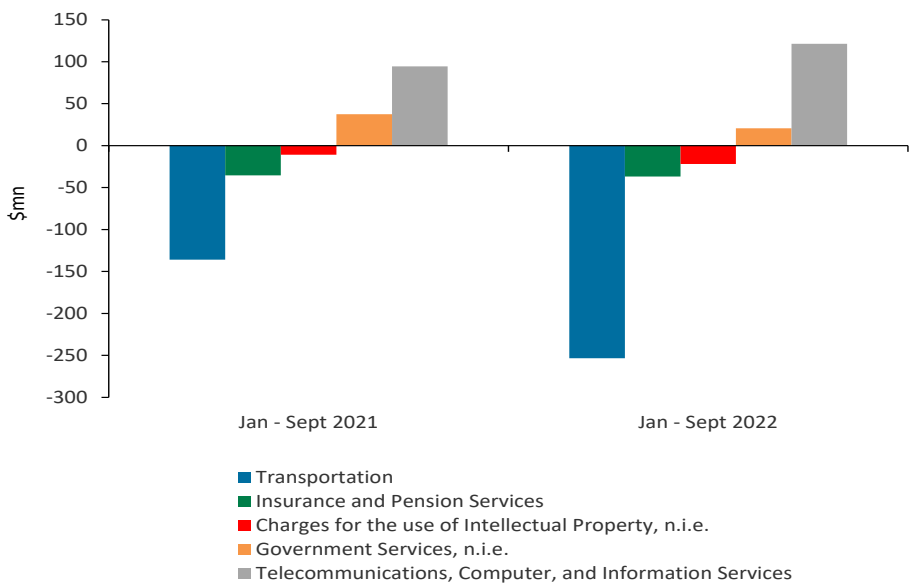
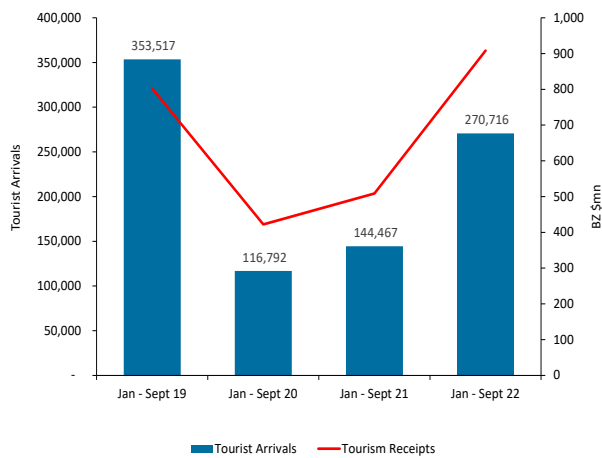


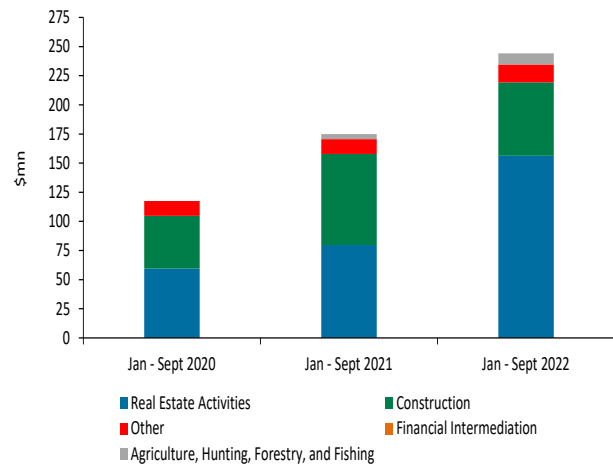
Chart 4.4: Tourist Arrivals vs Tourism Receipts

Source: Central Bank of Belize

sharp rebound in international visitors. However, an unprecedented increase in international freight costs raised net outflows for transportation services by 61.1% to \$219.1mn. Furthermore, the combined surplus for all other services shrank by 22.0% (\$36.0mn) to \$127.9mn in response to mixed outcomes among other service sub-accounts. Whereas earnings stemming from business process outsourcing activities (\$24.2mn) and financial services (\$5.8mn) increased, net inflows from various business activities (\$37.3mn) and government services (\$16.6mn) declined, while net outflows for intellectual property use (\$11.1mn) grew.

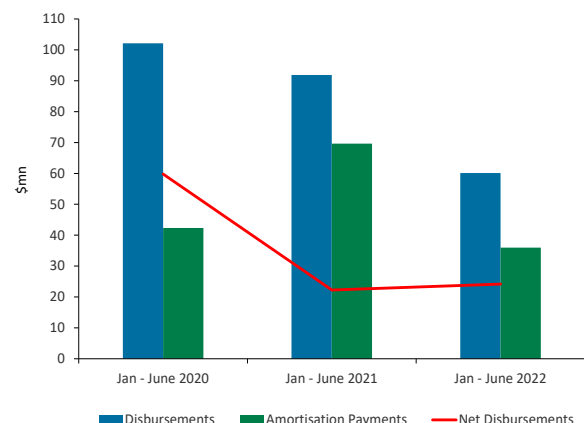
Primary and Secondary Income

The primary income deficit almost doubled to \$205.5mn. Outflows climbed markedly with the resurgence in profit repatriation from \$29.3mn in the first nine months of 2021 to \$134.0mn in the same period of 2022. Profit outflows rose significantly in the electricity, oil, beverage, and food industries. Domestic banks' reinvested earnings also strengthened from \$15.9mn

Chart 4.5: FDI Breakdown by Sector

in the previous period to \$36.3mn due to improvements in the sector's profitability.

Meanwhile, net inflows on the secondary income account contracted by 22.3% (\$42.0mn) to \$146.4mn. The surplus receded as Government made a \$65.0mn payout to BISL to settle an arbitral award. Furthermore, inward remittances contracted by 2.8% to \$200.3mn, as fiscal stimulus that boosted disposable incomes ended, while inflationary pressures intensified in source countries. These factors outweighed the impact of increased donations to

Chart 4.6: Central Government Net External Loan Disbursements

religious and non-profit organisations and heightened inward pension payments to workers of a foreign bank that surrendered its banking license in March 2021.

Capital and Financial Account

The capital account surplus rose by \$22.7mn to \$43.0mn, elevated by grants primarily from CDB to help fund the Philip Goldson Highway and Coastal Road upgrades.

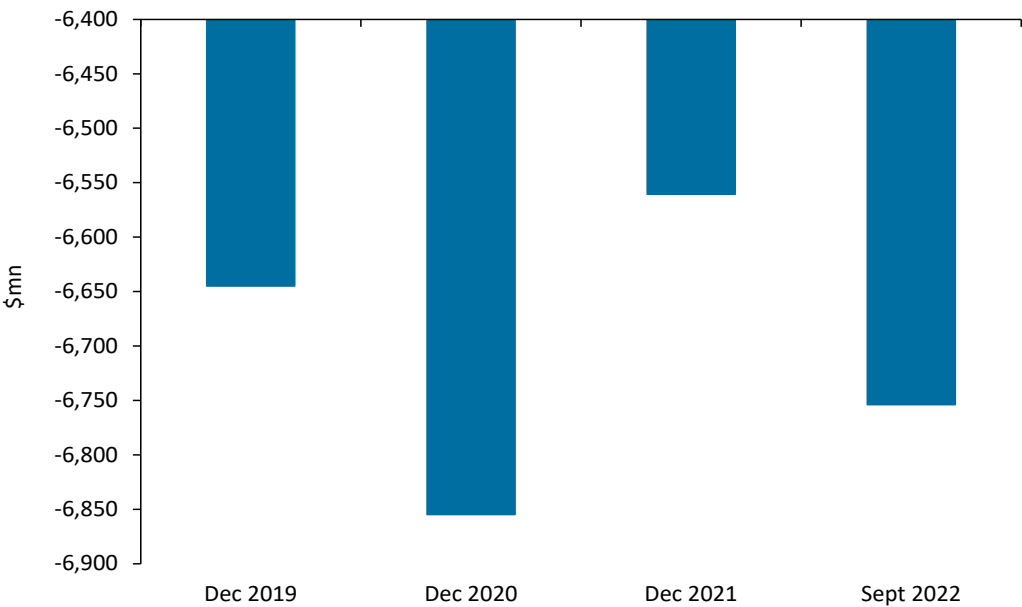
Net financial inflows rose by \$132.0mn to \$289.6mn in the first nine months of 2022 relative to the same period of 2021. The sharp rise in net liabilities was mainly attributable to increased net direct investments, a reduction in domestic banks’ foreign assets, and sizeable net external public sector borrowings. Net foreign direct investments in Belize, totalling \$196.4mn, continued to be directed primarily toward real estate and tourism-related construction activities.

Meanwhile, domestic banks’ foreign assets contracted by \$37.2mn, while the public sector’s net external borrowings amounted to \$56.2mn.

International Investment Position

Belize’s net international investment position widened by \$183.8mn over the first three quarters of 2022 to a deficit of \$6,754.0mn, the difference between the country’s external financial liabilities of \$8,488.6mn and foreign assets of \$1,734.7mn. Over the nine months, the net liabilities of residents rose by \$231.2mn due to a surge in foreign direct investments and, to a lesser extent, an increase in net external public sector borrowings. The net foreign asset position rose by a lesser amount of \$47.4mn, as a sharp rise in the Central Bank’s holdings was partially offset by a reduction in domestic banks’ balances.

Chart 4.7: Net International Investment Position



Government Operations and Public Debt

Central Government Operations

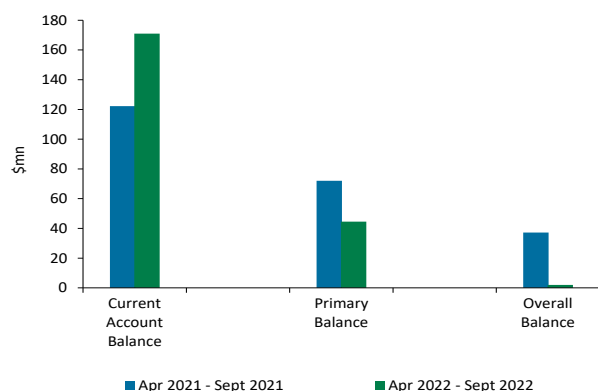
For the first half (April-September) of FY 2022/23, Central Government's overall balance weakened slightly relative to the same period of FY 2021/2022. Total revenue and grants rose 18.0% to \$686.0mn, representing 54.3% of budgeted revenues. The strong economic performance and gains from tax charges on higher-priced goods, owing partly to widespread inflation, supported this performance. Concurrently, expenditures grew by 25.7% to \$684.0mn, accounting for 50.1% of budgeted expenses. As a result, the primary surplus shrank by \$27.4mn to \$44.6mn, sliding from 1.4% of GDP in the previous period to 0.8% of GDP. Furthermore, the overall surplus contracted by \$35.3mn to \$2.0mn, narrowing from 0.6% of GDP in the first half of the previous fiscal year to 0.04% of GDP.

Current revenues increased by 16.7% to \$667.0mn, boosted by increased tax revenue and, to a lesser extent, non-tax revenue. Tax receipts rose by \$79.1mn or 14.8% to

\$614.1mn, with heightened collections in three categories: "*Income and Profits*," "*Taxes on Goods and Services*," and "*International Trade and Transactions*," which eclipsed collection shortfalls in "*Property Taxes*." Taxes on "*Income and Profits*" increased by \$46.3mn, primarily on higher PAYE and business tax collections. Meanwhile, taxes on "*International Trade and Transactions*" rose by \$21.6mn to \$106.8mn, boosted by higher import duties and environmental tax receipts underpinned by the import surge. Furthermore, "*Taxes on Goods and Services*" expanded by \$12.5mn as higher collections of general sales tax (\$31.8mn) were partially offset by declines in stamp duties (\$2.9mn) and excise duties (\$24.4mn). Notably, the steep falloff in excise duties was attributable to temporary fuel tax cuts imposed to limit the rise in motor fuel costs to control inflation.

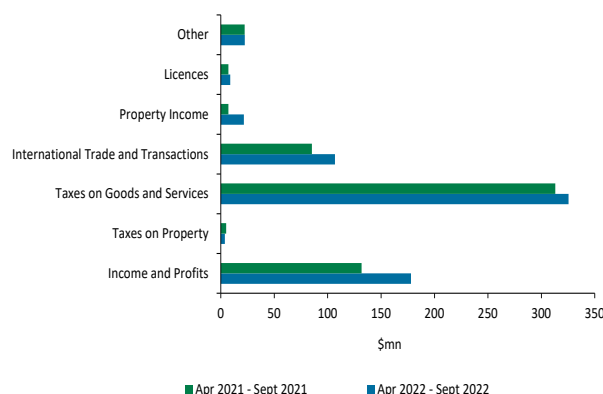
Non-tax revenue and grants also rose. Non-tax revenue increased by 44.8% (\$16.4mn) to \$52.9mn, driven by an upsurge in

Chart 5.1: Central Government Operations



Sources: MOF and CBB

Chart 5.2: Central Government Current Revenue



Source: MOF

property income transfers mostly from Belize Telemedia Limited. Additionally, grants more than doubled to \$16.1mn, attributable to sizeable capital donations from international financial institutions, primarily for road projects.

Total government expenditure increased by \$139.9mn to \$684.0mn, driven by current and capital spending. Current expenses rose by \$46.8mn or 10.4%, driven by increases across all expenditure categories except “Pensions.” “Subsidies and Current Transfers” and “Wages and Salaries” rose by \$20.7mn and \$10.2mn to \$91.1mn and \$218.5mn, respectively, owing to the full reinstatement of public officers’ salaries in July 2022. “Interest Payments” rose by \$7.8mn because of the first two interest payments on the Blue loan. Meanwhile, spending on “Goods and Services” increased by \$12.8mn, mainly due to increased maintenance, medical supplies, and fuel outlays.

Furthermore, capital spending and net lending increased by \$93.1mn to \$188.0mn (67.6% of the budgeted amount) as a

\$100.6mn growth in Capital II expenditure eclipsed a \$7.3mn decline in Capital III spending. The sharp climb in Capital II outlays reflected the arbitral award settlement payment of \$76.5mn to BISL in September and, to a much lesser extent, locally financed projects. Meanwhile, spending on road infrastructure, environmental projects, general public services, and health accounted for the bulk of Capital III outlays.

Total Public Sector Debt

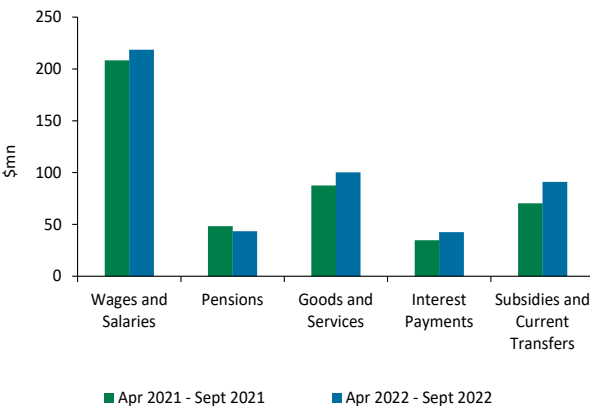
Total public sector debt grew marginally by 1.7% to \$4,036.74mn (69.1% of GDP) over the review period, driven entirely by concessional external borrowing for various projects as there were no domestic disbursements.

Domestic Debt

Central Government’s domestic debt contracted by \$0.7mn to \$1,315.1mn (22.5% of GDP) over the first three quarters of 2022, reducing the share of domestic debt to total public debt by 0.4 percentage points to 32.6%. This dip reflected small loan repayments to the Social Security Board, the Debt-for-Nature Swap programme, and Fort Street Tourism Village. Notably, Central Government’s current account has remained in a surplus since June 2021. Hence, Central Government has no current overdraft balance with Central Bank. Furthermore, there has been no new issuances of Treasury securities to date.

Central Government’s interest payments totalled \$30.2mn, down 2.5% over the comparative period. The surplus position

Chart 5.3: Central Government Current Expenditure



Sources: MOF and CBB

Box 1: Total Public Sector External Disbursements by Projects

Between January and September 2022, loan disbursements to the public sector totalled \$109.5mn. Table 1 shows a detailed breakdown of the capital projects funded in whole or part by the loan proceeds the public sector received during the period. Central Government received \$102.2mn of the sum disbursed. When disaggregated, it spent 70.0% (\$71.6mn) on infrastructural projects, 10.6% (\$10.8mn) on climate and disaster risk financing, 4.5% (\$4.6mn) on social protection programmes, and the remaining 14.9% (\$15.2mn) on education, health, government, and tourism initiatives.

Table 1: Total External Disbursements by Projects

	Jan- Sept (\$mn)
Disbursements to Central Government	102.2
Upgrading of Caracol Road Project	23.0
Sixth Road Coastal Highway Upgrading Project	20.4
Phillip Goldson Highway and Remate Bypass Upgrade Project	11.4
Upgrading of Corozal Sarteneja Road and Construction of Laguna Bridge	8.7
Haulover Bridge Replacement Project	6.1
Climate Vulnerability Reduction Program	6.0
Natural Disaster Management	4.9
Social Investment Fund III	4.2
Strengthening of Tax Administration	4.0
Country Assistance Program	3.0
Sustainable Tourism Program	2.5
Support to Health Sector to Contain Coronavirus	2.3
George Price Highway Rehabilitation	2.0
Belize Education Sector Reform Programme	1.8
Education Quality Improvement	1.6
Second Road Safety Project	0.4
Disbursements to Non-Financial Public Sector	1.3
Electricity System Upgrade & Expansion Project	1.3
Disbursements to Financial Public Sector	6.0
CDB 8th Consolidated Line of Credit	2.0
Safeguarding the Productive Sector and Employment Program	4.0
TOTAL PUBLIC SECTOR DISBURSEMENTS	109.5

on the overdraft facility and the decline in Treasury yields, prompted by a new yield curve management strategy, have been the main impetus behind the downward thrust in interest costs. Consequently, the average annual effective interest rate slid to 3.04% from 3.20% in September 2021. As the main domestic creditor, the Central Bank received 47.7% of interest payments, earning \$14.4mn in income on its Treasury security holdings. Concurrently, non-bank entities and domestic banks earned \$10.4mn and \$5.4mn in interest income on their investments, respectively.

The Central Bank maintained its position as the largest domestic creditor to Central Government. At September-end, its share of domestic liabilities expanded by 6.4 percentage points to 52.8%. In addition, the non-bank entities' portion rose 0.6 percentage points to 22.4%, while domestic banks' amount fell by 6.9 percentage points to 24.7%.

Public Sector External Debt

The public sector's external debt increased by 1.7% (\$44.6mn) to \$2,721.7mn or 46.6% of GDP, as disbursements of \$109.6mn outweighed principal payments of \$55.3mn and downward valuation adjustments of \$9.6mn.

Central Government received \$102.2mn in disbursements, representing 93.3% of total loan proceeds. Bilateral and multilateral lenders accounted for \$10.6mn and \$91.6mn, respectively. Of bilateral lenders, the Republic of China/Taiwan disbursed \$8.7mn toward upgrading the Sarteneja

Road and constructing the Laguna Seca Bridge. Furthermore, the Government of Kuwait disbursed \$1.9mn for the Caracol Road Upgrading Project. Multilateral funding from the Caribbean Development Bank (CDB), OPEC Fund for International Development (OFID), and Inter-American Development Bank (IDB) financed several projects and programmes, including:

- the Haulover Bridge Replacement Project,
- the Social Investment Fund,
- the Philip Goldson Highway and Remate Bypass Project,
- the Coastal Road Upgrading Project, and
- the Caracol Road Upgrading Project.

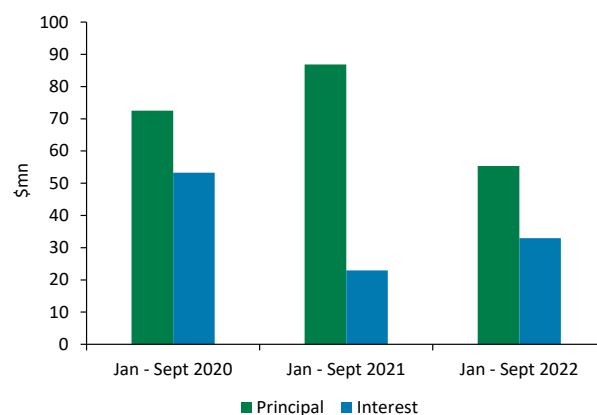
New external disbursements to the non-financial public sector went to the Belize Electricity Limited to finance its ongoing Electricity System Upgrade and Expansion Project. Meanwhile, in the financial public sector, the Development Finance Corporation obtained a combined \$6.0mn from CDB and IDB to support its loan programme to the productive sector and shore up its consolidated line of credit.

Debt servicing to external creditors totalled \$88.3mn, of which \$55.3mn was principal repayments and \$32.9mn interest payments. Central Government made \$46.7mn in principal payments, with bilateral and multilateral creditors receiving \$3.0mn and \$43.8mn, respectively. In addition, the financial and non-financial public sectors amortised \$1.4mn and \$7.2mn, respectively.

Of the \$32.9mn in interest payments, Central Government accounted for 88.4% or \$29.1mn of this expense. Of this amount, \$10.1mn was paid on the Blue Loan, while multilateral and bilateral partners received \$13.8mn and \$5.3mn, respectively. Meanwhile, the non-financial and financial public sectors paid \$2.6mn and \$1.2mn in interest costs.

At September end, Central Government held 91.5% of the total public debt, while the financial and non-financial public sectors accounted for 6.2% and 2.3%, respectively. As for the creditor composition, 72.0% was due to multilateral and bilateral lenders combined, while 28.0% was payable to commercial lenders.

Chart 5.4: External Debt Service



ANNEX I

Table A.1: Gross Domestic Product Growth Rates of Selected Countries
(Percent Change Compared with the Same Quarter of the Previous Year)

	Percent		
	Mar 2022	June 2022	Sept 2022
Advanced Economies			
US	3.7	1.8	1.9
UK	10.8	4.0	1.9
Euro Area	5.5	4.3	2.3
Japan	0.4	1.6	1.5
Emerging Economies			
China	4.8	0.4	3.9
India ⁽¹⁾	4.1	12.7	5.6
Brazil	2.4	3.7	3.6
Mexico	1.8	2.4	4.3
Caribbean Economies			
Jamaica	6.4	4.8	5.9

Source: Respective Statistical Bureaus and Central Banks.

Table A.2: Real Gross Domestic Product Growth Rates

	Year-on-Year Growth (%)	
	Jan - Sept 2021	Jan - Sept 2022
	over Jan - Sept 2020	over Jan - Sept 2021 ^R
Agriculture, Forestry, and Fishing	16.5	-2.9
Mining	88.8	-11.6
Manufacturing	9.9	4.1
Electricity	1.4	6.8
Water Supply	-2.4	4.3
Construction	37.9	-0.9
Wholesale and Retail Trade	12.5	22.0
Transportation	32.3	45.4
Accommodation and Food Service Activities	17.7	109.4
Information and Communication	-17.1	-15.2
Financial and Insurance Activities	7.4	3.7
Real Estate Activities	2.7	0.3
Professional, Scientific, and Technical Activities	7.9	32.9
Administrative and Support Service Activities	53.4	-13.8
Public Administration and Defence	16.1	19.9
Education	-1.4	7.9
Human Health and Social Work Activities	11.8	-2.2
Arts, Entertainment, and Recreation	5.6	5.6
Other Service Activities	-12.7	2.1
Activities of Households as Employers	2.3	5.8
Taxes and Subsidies	16.7	23.3
GDP at Constant 2014 Prices	13.5	12.3

Source: SIB

^R - Revised

Table A.3: Gross Domestic Product by Activity at Constant 2014 Prices

	\$mn	
	Jan - Sept 2021 ^R	Jan - Sept 2022 ^R
Agriculture, Forestry, and Fishing	310.6	301.5
Mining	48.0	42.4
Manufacturing	268.3	279.2
Electricity	75.2	80.3
Water Supply	24.7	25.8
Construction	211.8	209.9
Wholesale and Retail Trade	460.0	561.2
Transportation	137.9	200.5
Accommodation and Food Service Activities	96.8	202.6
Information and Communication	97.5	82.7
Financial and Insurance Activities	312.0	323.7
Real Estate Activities	192.5	193.1
Professional, Scientific, and Technical Activities	34.8	46.2
Administrative and Support Service Activities	152.4	131.4
Public Administration and Defence	235.2	282.0
Education	163.4	176.3
Human Health and Social Work Activities	51.5	50.4
Arts, Entertainment, and Recreation	31.8	33.5
Other Service Activities	37.7	38.5
Activities of Households as Employers	24.0	25.4
Taxes and Subsidies	411.2	507.0
GDP at Constant 2014 Prices	3,377.2	3,793.6

Source: SIB

^R - Revised**Table A.4:** Deliveries of Sugarcane and Production of Sugar and Molasses

	Dec - Sept 2020/2021	Dec - Sept 2021/2022
Deliveries of Sugarcane to BSI and Santander (long tons)	1,863,756	1,787,488
Sugar Processed by BSI and Santander (long tons)	175,065	176,089
Molasses Processed by BSI and Santander (long tons)	67,763	63,536
Performance		
Cane/Sugar Ratio	10.65	10.2

Sources: BSI and Santander

Table A.5: Output of Citrus Products

	Oct - Sept 2020/2021	Oct - Sept 2021/2022
Deliveries (boxes)		
Orange	1,283,640	1,308,067
Grapefruit	<u>117,508</u>	<u>143,188</u>
Total	1,401,148	1,451,255
Concentrate Produced (ps)		
Orange	7,131,428	7,384,518
Grapefruit	<u>396,443</u>	<u>548,612</u>
Total	7,527,871	7,933,130
Not from Concentrate (ps)		
Orange	151,272	164,432
Grapefruit	<u>34,782</u>	<u>14,853</u>
Total	186,054	179,285
Pulp (pounds)		
Orange	1,050,248	928,560
Grapefruit	<u>55,544</u>	<u>219,632</u>
Total	1,105,792	1,148,192
Oil Produced (pounds)		
Orange	421,900	454,909
Grapefruit	<u>13,400</u>	<u>23,000</u>
Total	435,300	477,909

Source: CPBL

Table A.6: Banana Production

	40-pound boxes	
	Jan - Sept 2021	Jan - Sept 2022
Quarter 1	1,037,895	1,431,330
Quarter 2	1,518,523	1,220,149
Quarter 3	<u>1,384,815</u>	<u>3,666,413</u>
Total	3,941,233	2,446,264

Source: BGA

Table A.7: Bona Fide Tourist Arrivals

	Jan - Sept 2021	Jan - Sept 2022
Stay-Over Arrivals		
Air	133,764	235,907
Land	8,641	30,051
Sea	<u>2,062</u>	<u>4,758</u>
Total	144,467	270,716
Cruise Ship Disembarkation	43,662	373,415

Sources: BTB, CBB, and Immigration Department

Table A.8: Consumer Price Index Commodity Group

Major Commodity	Weights	July 2022	Aug 2022	Sept 2022	Sept 2022 over Aug 2022	YTD-2022 over YTD-2021
Food and Non-Alcoholic Beverages	195	112.4	113.6	114.5	0.8	6.7
Alcoholic Beverages and Tobacco and Narcotics	17	101.7	101.7	101.7	0.0	0.7
Clothing and Footwear	83	101.0	101.3	101.3	0.0	0.9
Housing, Water, Electricity, Gas, and Other Fuels	265	104.7	104.5	104.1	-0.4	2.8
Furnishing, Household Equipment, and Routine Household Maintenance	69	103.5	104.9	104.9	0.0	3.2
Health	41	102.9	103.4	103.4	0.0	0.9
Transport	136	140.2	140.8	138.6	-1.5	19.1
Information And Communication	33	99.1	99.4	99.4	0.0	-0.8
Recreation and Culture	69	106.9	108.2	108.2	0.0	3.9
Education Services	32	100.0	100.1	100.1	0.0	0.0
Restaurants and Accommodation Services	7	107.6	110.2	110.2	0.0	5.2
Insurance and Financial Services	21	99.8	99.8	101.6	1.8	0.0
Personal Care, Social Protection, and Miscellaneous Goods and Services	31	101.2	101.6	99.8	-1.8	0.7
All Items	1,000	111.5	112.2	112.0	-0.2	6.2

Source: SIB

Table A.9: Factors Responsible for Money Supply Movements⁽¹⁾

		\$mn	
		Changes During	
	Position as at Sept 2022	Dec 2021 to Sept 2022	Dec 2020 to Sept 2021
Net Foreign Assets	1,514.4	70.2	347.1
Central Bank	955.1	107.4	125.1
Domestic Bank	559.3	-37.2	222.0
Net Domestic Credit	3,111.4	64.1	16.6
Central Government (Net)	677.8	-9.2	-16.1
Other Public Sector	75.6	31.7	-10.8
Private Sector	2,358.0	41.6	43.5
Central Bank Foreign Liabilities (Long-term)	111.3	-10.4	71.0
Other Items (Net)	440.2	38.9	-21.5
Money Supply (M2)	4,074.3	105.8	314.2

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

Table A.10: Money Supply

		\$mn	
		Changes During	
	Position as at Sept 2022	Dec 2021 to Sept 2022	Dec 2020 to Sept 2021
Money Supply (M2)	4,074.3	105.8	314.2
Money Supply (M1)	2,368.2	135.1	195.6
Currency with the Public	490.8	33.9	-12.0
Demand Deposits	1,876.9	126.0	201.9
Savings/Chequing Deposits ⁽¹⁾	0.4	-24.8	5.8
Quasi-Money	1,706.1	-29.3	118.6
Savings Deposits ⁽²⁾	933.1	-31.5	39.5
Time Deposits	773.0	2.2	79.1

⁽¹⁾ In March 2022, \$61.4mn and \$22.0mn in savings and savings/chequing deposits, respectively, were reclassified as demand deposits.

⁽²⁾ Transactions associated with the Universal Health Services (UHS) loan with the Belize Bank Limited are not included in this table.

Table A.11: Net Foreign Assets of the Banking System

		\$mn	
		Changes During	
	Position as at Sept 2022	Dec 2021 to Sept 2022	Dec 2020 to Sept 2021
Net Foreign Assets of Banking System	1,514.4	70.2	347.1
Net Foreign Assets of Central Bank	955.1	107.4	125.1
Central Bank Foreign Assets	957.2	106.7	123.5
Central Bank Foreign Liabilities (Demand)	2.1	-0.7	-1.6
Net Foreign Assets of Domestic Banks	559.3	-37.2	222.0
Domestic Bank Foreign Assets	586.5	-57.4	248.1
Domestic Bank Foreign Liabilities (Short-term)	27.2	-20.2	26.1

Table A.12: Net Domestic Credit

		\$mn	
	Position as at Sept 2022	Changes During	
		Dec 2021 to Sept 2022	Dec 2020 to Sept 2021
Total Credit to Central Government	929.4	-7.6	15.2
From Central Bank	694.7	83.5	13.3
Loans and Advances	0.0	0.0	-61.8
Government Securities ⁽¹⁾	694.7	83.5	75.1
From Domestic Banks	234.7	-91.1	1.9
Loans and Advances	0.0	0.0	0.0
Government Securities	234.7	-91.1	1.9
Of which: Treasury Bills	95.5	-72.1	2.0
Treasury Notes	139.2	-19.0	-0.1
Other	0.0	0.0	0.0
Less Central Government Deposits	251.6	1.6	31.3
With Central Bank	204.0	30.9	10.6
With Domestic Banks	47.6	-29.3	20.7
Net Credit to Central Government	677.8	-9.2	-16.1
Credit to Other Public Sector	75.6	31.7	-10.8
From Central Bank	0.0	0.0	0.0
From Domestic Banks	75.6	31.7	-10.8
Of which: Local Government	12.9	4.7	1.3
Public Financial Institutions	0.0	0.0	0.0
Public Utilities	15.0	-3.0	-10.5
Other Statutory Bodies	1.7	0.1	-0.2
Securities	46.0	29.9	-1.5
Plus Credit to the Private Sector	2,358.0	41.6	43.5
Loans and Advances	2,333.8	43.8	35.0
Securities	24.2	-2.2	8.5
Net Domestic Credit of the Banking System ⁽²⁾	3,111.4	64.1	16.6

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

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

Table A.13: Sectoral Composition of Domestic Banks' Loans and Advances

	\$mn		
	Position as at Sept 2022	Changes During	
		Dec 2021 to Sept 2022	Dec 2020 to Sept 2021
PRIMARY SECTOR	255.3	3.5	4.9
Agriculture	228.2	7.0	5.1
Sugar	89.3	-5.4	2.4
Citrus	17.2	0.2	2.5
Bananas	56.1	7.4	0.8
Other	65.6	4.8	-0.6
Marine Products	21.5	-3.0	0.0
Forestry	1.3	0.0	0.2
Mining and Exploration	4.3	-0.5	-0.4
SECONDARY SECTOR	815.2	187.0	7.5
Manufacturing	67.9	2.9	-2.0
Building and Construction ⁽¹⁾	712.0	188.6	22.3
Utilities	35.3	-4.5	-12.8
TERTIARY SECTOR	919.6	4.6	55.9
Transport	56.9	8.0	3.1
Tourism	284.8	-1.9	42.1
Distribution	192.3	21.1	9.5
Real Estate ⁽¹⁾	313.2	-14	2.0
Professional Services	53.7	-12.5	-2.0
Other	18.7	3.9	1.2
Personal Loans ⁽¹⁾	366.5	-151.5	-42.5
TOTAL	2,356.6	43.6	25.8

⁽¹⁾ In March 2022, \$110.7mn and \$28.7mn in Building and Construction and Real Estate loans, respectively, were reclassified as Personal loans.

Table A.14: Sectoral Composition of Credit Unions’
Loans and Advances

		\$mn	
		Changes During	
	Position as at Sept 2022	Dec 2021 to Sept 2022	Dec 2020 to Sept 2021
PRIMARY SECTOR	62.0	-1.9	-0.6
Agriculture	53.0	-1.4	-0.5
Sugar	5.6	-0.6	0.2
Citrus	1.3	-0.1	0.0
Bananas	0.0	-0.7	-1.1
Grains	16.2	-2.6	1.3
Cattle and Dairy	5.0	0.4	0.2
Poultry and Eggs	7.5	-0.5	-1.3
Other	17.4	2.6	0.3
Marine Products	8.7	-0.4	0.1
Forestry	0.1	0.0	0.0
Mining and Exploration	0.2	-0.1	-0.2
SECONDARY SECTOR	221.3	5.3	-1.4
Manufacturing	28.0	2.6	4.2
Building and Construction	188.5	1.2	-5.7
Utilities	4.8	1.5	0.1
TERTIARY SECTOR	118.0	10.2	-27.8
Transport	1.1	-0.1	-0.3
Tourism	0.8	0.0	-0.1
Distribution	21.8	0.1	-0.5
Real Estate	79.1	8.7	-26.5
Other ⁽¹⁾	15.2	1.5	-0.4
Personal Loans	246.7	-3.2	3.8
TOTAL	648.0	10.4	-26.2

⁽¹⁾ Includes Government Services, Financial Institutions, Professional Services, and Entertainment.

Table A.15: Sectoral Composition of Development Finance Corporation
Loans and Advances

		\$mn	
		Changes During	
	Position as at Sept 2022	Dec 2021 to Sept 2022	Dec 2020 to Sept 2021
PRIMARY SECTOR	33.8	3.5	2.3
Agriculture	23.6	3.5	2.1
Marine Products	9.7	0.0	0.3
Other ⁽¹⁾	0.5	0.0	-0.1
SECONDARY SECTOR	45.6	8.5	5.3
Manufacturing	8.2	1.2	0.2
Building and Construction	37.3	7.3	5.1
TERTIARY SECTOR	38.5	2.0	5.3
Tourism	18.0	0.0	2.5
Professional Services	16.3	1.9	1.7
Other ⁽²⁾	4.2	0.2	1.1
Student Loans	16.4	0.3	0.7
Personal Loans	0.4	0.0	0.1
TOTAL	133.7	13.3	13.7

⁽¹⁾ Includes Mining and Forestry.

⁽²⁾ Includes Distribution, Financial Institutions, Real Estate, Transport, and Entertainment.

Table A.16: Domestic Banks' Liquidity Position and Cash Reserves

		\$mn	
		Changes During	
	Position as at Sept 2022	Dec 2021 to Sept 2022	Dec 2020 to Sept 2021
Holdings of Approved Liquid Assets	1,439.0	-3.0	311.9
Notes and Coins	107.6	9.9	-3.2
Balances with Central Bank	719.5	74.9	49.9
Money at Call and Foreign Balances (due in 90 days)	483.4	-3.6	261.9
Treasury Bills maturing in not more than 90 days	94.2	-92.1	-9.7
Other Approved Assets	34.3	7.9	13.1
Required Liquid Assets	774.0	30.3	81.0
Excess/(Deficiency) Liquid Assets	665.0	-33.3	230.9
Daily Average Holdings of Cash Reserves	720.8	74.9	43.6
Required Cash Reserves	239.6	9.4	25.1
Excess/(Deficiency) Cash Reserves	481.2	65.6	18.5
Actual Securities Balances	88.0	-79.9	-7.9
Excess/(Deficiency) Securities	88.0	-79.9	-7.9

Table A.17: Domestic Banks' Weighted Average Interest Rates

		Percent	
		Changes During	
	Position as at Sept 2022	Dec 2021 to Sept 2022	Dec 2020 to Sept 2021
Weighted Lending Rates			
Personal Loans	11.27	1.10	-0.18
Commercial Loans	8.08	-0.13	-0.16
Residential Construction	6.72	-0.19	0.02
Other	7.09	0.50	0.03
Weighted Average	8.38	-0.04	-0.15
Weighted Deposit Rates			
Demand	0.10	0.00	0.06
Savings/Chequing	2.59	2.10	-0.02
Savings	2.65	0.01	0.01
Time	2.14	-0.11	0.05
Weighted Average	1.20	-0.06	0.00
Weighted Average Spread	7.19	0.01	-0.15

Table A.18: Domestic Banks' Weighted Average Interest Rates on New Loans and Deposits

	Percent				
	Twelve Month Rolling Averages At			Changes	
	Sept 2022	June 2022	Sept 2021	Sept 2022 over June 2022	Sept 2022 over Sept 2021
Weighted Lending Rates					
Personal Loans	10.29	10.37	10.09	-0.08	0.20
Commercial Loans	8.15	8.19	8.12	-0.04	0.02
Residential Construction	8.53	8.51	8.03	0.02	0.51
Other	6.28	6.46	6.66	-0.18	-0.39
Weighted Average	8.71	8.76	8.54	-0.05	0.17
Weighted Deposit Rates					
Demand	0.00	0.00	0.00	0.00	0.00
Savings/Chequing	1.31	0.89	0.47	0.42	0.84
Savings	2.45	2.45	2.44	0.00	0.02
Time	2.38	2.55	2.67	-0.17	-0.30
Weighted Average	1.77	1.89	2.16	-0.13	-0.39
Weighted Average Spread	6.94	6.86	6.38	0.08	0.56

Table A.19: Balance of Payments Summary

	\$mn	
	Jan - Sept 2021 ^R	Jan - Sept 2022 ^P
A. CURRENT ACCOUNT		
(I+II+III+IV)	-152.9	-337.0
I. Goods (Trade Balance)	-716.1	-1,001.6
Exports, Free on Board (FOB)	634.6	760.6
Domestic Exports	331.4	395.7
CFZ Gross Sales	243.9	310.3
Re-exports	59.2	54.6
Imports, FOB	1,350.6	1,762.1
Domestic Imports	1,166.9	1,556.0
CFZ Imports	183.7	206.1
II. Services	483.7	723.7
Transportation	-136.0	-219.1
Travel	455.7	814.8
Other Services	164.0	127.9
III. Primary Income	-108.9	-205.5
Compensation of Employees	-6.6	-4.1
Investment Income	-102.3	-201.5
IV. Secondary Income	188.5	146.4
Government	2.0	-62.7
Private	186.5	209.2
B. CAPITAL ACCOUNT	20.3	43.0
C. FINANCIAL ACCOUNT	-157.6	-289.6
D. NET ERRORS AND OMISSIONS	100.6	110.2
E. RESERVE ASSETS	125.5	105.8

^R - Revised^P - Provisional

Table A.20: Capital and Financial Accounts

		\$mn	
		Jan - Sept 2021 ^R	Jan - Sept 2022 ^P
A.	CAPITAL ACCOUNT	20.3	43.0
B.	FINANCIAL ACCOUNT (1+2+3+4)	-157.6	-289.6
	1. Direct Investment in Belize	-183.0	-195.8
	2. Portfolio Investment	24.0	0.0
	Monetary Authorities	0.0	0.0
	General Government	24.0	0.0
	Banks	0.0	0.0
	Other Sectors	0.0	0.0
	3. Financial Derivatives	0.0	0.0
	4. Other Investments	1.4	-93.9
	Monetary Authorities	1.6	0.7
	General Government	-103.9	-56.2
	Banks	222.0	-48.7
	Other Sectors	-45.5	10.2
	Special Drawing Rights	-72.7	0.0
C.	NET ERRORS AND OMISSIONS	100.6	110.2
D.	OVERALL BALANCE	125.5	105.8
E.	RESERVE ASSETS	125.5	105.8

^R - Revised^P - Provisional

Table A.21: Balance of Payments

	\$mn	
	Jan - Sept 2021 ^R	Jan - Sept 2022 ^P
CURRENT ACCOUNT	-152.9	-337.0
Goods: Exports FOB	634.6	760.6
Goods: Imports FOB	1,350.6	1762.1
Trade Balance	-716.1	-1,001.6
Services: Credit	859.7	1,254.9
Transportation	40.4	48.9
Travel	508.5	907.7
Other Goods and Services	244.5	247.8
Government Goods and Services	66.3	50.5
Services: Debit	376.0	531.2
Transportation	176.4	268.0
Travel	52.8	92.9
Other Goods and Services	117.9	140.6
Government Goods and Services	28.9	29.8
Balance on Goods and Services	-232.4	-277.9
Primary Income: Credit	9.4	14.2
Compensation of Employees	3.5	3.5
Investment Income	5.9	10.6
Primary Income: Debit	118.4	219.7
Compensation of Employees	10.2	7.6
Investment Income	108.2	212.1
Balance on Goods, Services and Primary Income	-341.3	-483.4
Secondary Income: Credit	252.6	273.2
Secondary Income: Debit	64.2	126.8
CAPITAL ACCOUNT	20.3	43.0
Capital Account: Credit	20.3	43.0
Capital Account: Debit	0.0	0.0
FINANCIAL ACCOUNT	-157.6	-289.6
Direct Investment Abroad	1.1	0.6
Direct Investment in Reporting Economy	184.1	196.4
Portfolio Investment Assets	0.0	0.0
Portfolio Investment Liabilities	-24.0	0.0
Financial Derivatives	0.0	0.0
Other Investment Assets	253.0	-59.1
Other Investment Liabilities	251.6	34.8
NET ERRORS AND OMISSIONS	100.6	110.2
OVERALL BALANCE	125.5	105.8
RESERVE ASSETS	125.5	105.8

Source: CBB

^R - Revised^P - Provisional

Table A.22: Gross Imports at Cost, Insurance and Freight (CIF) by
Standard International Trade Classification (SITC)

	\$'000			
SITC Section	Jan - Sept 2021	Jan - Sept 2022	\$ Change	% Change
0. Food and Live Animals	182,715	207,404	24,689	13.5
1. Beverages and Tobacco	53,708	36,323	-17,386	-32.4
2. Crude Materials	25,564	28,255	2,691	10.5
3. Mineral Fuels and Lubricants	218,263	390,065	171,802	78.7
of which Electricity	35,544	50,967	15,423	43.4
4. Oils and Fats	18,439	24,383	5,944	32.2
5. Chemical Products	160,396	222,122	61,726	38.5
6. Manufactured Goods	239,336	289,982	50,646	21.2
7. Machinery and Transport Equipment	291,410	397,615	106,205	36.4
8. Other Manufactures	111,912	136,815	24,903	22.3
9. Commodities not elsewhere specified	251	462	211	83.9
10. Designated Processing Areas	25,806	32,148	6,342	24.6
11. Commercial Free Zone	208,302	277,588	69,286	33.3
12. Personal Goods	2,895	2,512	-382	-13.2
Total	1,538,997	2,045,674	506,677	32.9

Sources: CBB and SIB

Table A.23: Sugar and Molasses Exports

	Jan - Sept 2021		Jan - Sept 2022	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
Sugar	142,460	117,834	132,475	140,356
Europe	115,705	86,867	101,377	98,814
US	14,616	17,351	12,989	16,938
CARICOM	12,116	13,560	18,011	24,427
Other	22	56	98	178
Molasses	55,394	14,736	42,383	13,733

Sources: BSI and Santander Group

Table A.24: Citrus Product Exports

	Jan - Sept 2021		Jan - Sept 2022	
	Pound Solid ('000)	Value (\$'000)	Pound Solid ('000)	Value (\$'000)
Citrus Concentrates				
US				
Orange	2,224.2	5,598	885.8	2,242
Grapefruit	62.5	413	93.8	619
CARICOM				
Orange	4,462.7	15,489	5,244.1	15,524
Grapefruit	204.8	1,060	173.6	919
Europe				
Orange	1,353.8	3,359	428.5	1,205
Grapefruit	49.0	269	31.1	172
Other				
Orange	10.7	43	101.6	120
Grapefruit	0.0	0	30.0	164
Sub-Total ⁽¹⁾	8,367.7	26,230	6,988.5	20,966
Orange	8,051.4	24,489	6,660.0	19,091
Grapefruit	316.2	1,741	328.5	1,875
Not-From-Concentrate				
Sub-Total	37.8	196.9	36.0	222.3
Orange	30.2	143	21.7	110
Grapefruit	7.6	54	14.3	112
Total Citrus Juices	8,405.5	26,427	7,024.5	21,188
Pulp (pounds '000)				
Total ⁽¹⁾	1,771.2	1,368	1,217.0	948
Orange	1,627.4	1,253	1,061.3	811
Grapefruit	143.8	115	155.7	137

Source: CPBL

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

Table A.25: Marine Product Exports

	Jan - Sept 2021		Jan - Sept 2022	
	Volume ('000 pounds)	Value (\$'000)	Volume ('000 pounds)	Value (\$'000)
Lobster	705	25,398	732	25,382
Shrimp	275	1,266	223	1020
Conch	453	6,641	492	9,867
Other Fish	1	14	23	98
Total	1,434	33,318	1,471	36,368

Source: SIB

Table A.26: Banana Exports

	Jan - Sept 2021	Jan - Sept 2022
Volume (metric tons)	71,505	67,153
Value (\$'000)	70,437	65,345

Source: BGA

Table A.27: Petroleum Exports

	Jan - Sept 2021	Jan - Sept 2022
Volume (barrels)	5,719	15,868
Value (\$'000)	583	2,846

Source: SIB

Table A.28: Long-Term Private Sector External Debt by Economic Sector^(1,2)

Economic Sectors	Transactions (Jan - Sept 2022)				
	DOD as at 31/12/2021	Disbursements	Principal Payments	Interest Payments	DOD as at 30/09/2022
Agriculture	29,536	0	0	0	29,536
Arts, Entertainment, and Recreation	0	0	0	0	0
Construction	21,339	0	3,438	2,502	17,901
Economic Diversification	0	0	0	0	0
Education	0	0	0	0	0
Electricity and Gas	14,905	0	255	937	14,650
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	91,332	0	30	2,280	91,302
Transportation	37,073	0	1,701	757	35,372
Wholesale and Retail Trade	3,817	0	1,296	80	2,521
Other	0	0	0	0	0
Total	207,467	0	6,720	6,555	200,747

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

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

Table A.29: Extended Balance of Payment Services Classifications (EBOPS)

		\$mn	
		Jan - Sept 2021	Jan - Sept 2022
Total Services	Net	483.7	723.7
	Credits	859.7	1,254.9
	Debits	376.0	531.2
Manufacturing Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Maintenance and Repair Services	Net	0.5	0.5
	Credits	0.5	0.5
	Debits	0.0	0.0
Transportation	Net	-136.0	-219.1
	Credits	40.4	48.9
	Debits	176.4	268.0
Travel	Net	455.7	814.8
	Credits	508.5	907.7
	Debits	52.8	92.9
Telecommunications, Computer, and Information Services	Net	94.4	121.4
	Credits	110.9	135.4
	Debits	16.6	14.0
Construction Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Insurance and Pension Services	Net	-35.4	-35.6
	Credits	0.8	0.8
	Debits	36.3	36.4
Financial Services	Net	2.8	8.6
	Credits	6.8	14.9
	Debits	3.9	6.3
Charges for the use of Intellectual Property, n.i.e.	Net	-10.8	-21.9
	Credits	0.0	0.0
	Debits	10.8	21.9
Other Business Services	Net	69.3	32.1
	Credits	119.0	92.0
	Debits	49.6	59.9
Personal, Cultural, and Recreational Services	Net	5.8	2.1
	Credits	6.5	4.2
	Debits	0.7	2.1
Government Services, n.i.e.	Net	37.4	20.7
	Credits	66.3	50.5
	Debits	28.9	29.8

Table A.30: International Investment Position

			\$mn
	Position as at Dec 2021	Financial Account Transactions Jan - Sept 2022	Position as at Sept 2022
Net position	-6,570.2	-183.8	-6,754.0
A. Assets	1,687.2	47.4	1,734.7
1. Direct Investment Abroad	149.4	0.6	150.0
2. Portfolio Investment	43.5	0.0	43.5
2.1 Equity Securities	34.7	0.0	34.7
2.2 Debt Securities	8.8	0.0	8.8
3. Other Investment	646.3	-59.1	587.2
3.1 Trade Credits	-0.7	-0.5	-1.3
3.2 Loans	3.1	0.0	3.1
3.3 Currency and Deposits	643.9	-58.6	585.4
3.4 Other Assets	0.0	0.0	0.0
4. Reserve Assets	848.1	105.8	953.9
4.1 Monetary Gold	0.0	0.0	0.0
4.2 Special Drawing Rights	128.6	-33.0	95.6
4.3 Reserve Position in the Fund	17.3	-1.2	16.2
4.4 Foreign Exchange	681.9	141.3	823.2
4.5 Other Claims	20.2	-1.3	18.9
B. Liabilities	8,257.5	231.2	8,488.7
1. Direct Investment	5,075.6	196.4	5,272.0
2. Portfolio Investment	0.0	0.0	0.0
2.1 Equity Securities	0.0	0.0	0.0
2.2 Debt Securities	0.0	0.0	0.0
3. Other Investment	3,181.9	34.8	3,216.7
3.1 Trade Credits	35.3	-0.3	35.1
3.2 Loans	2,996.5	39.1	3,035.6
3.3 Currency and Deposits	110.1	5.6	115.7
3.4 Other Liabilities	40.0	-9.6	30.4

Table A.31: Central Government's Revenue and Expenditure

	\$mn			
	Jan 2021 to Sept 2021	Jan 2022 to Sept 2022	Apr 2021 to Sept 2021	Apr 2022 to Sept 2022
Total Revenue and Grants	803.2	1009.6	581.4	686.0
Of which: Current Revenue	788.7	967.3	571.5	667.0
Of which: Grants	11.9	38.7	7.9	16.1
Total Expenditure	849.3	1019.5	544.1	684.0
Current Expenditure	695.6	755.9	449.2	496.0
Capital Expenditure	153.7	263.6	94.9	188.0
Current Balance	93.1	211.4	122.3	171.0
Primary Balance	4.9	47.7	72.0	44.5
Overall Balance	-46.1	-9.9	37.2	2.0

Source: MOF

Table A.32: Summary of Central Government's Revenue

	\$mn			
	Jan 2021 to Sept 2021	Jan 2022 to Sept 2022	Apr 2021 to Sept 2021	Apr 2022 to Sept 2022
Current Revenue	788.7	967.3	571.5	667.0
Tax Revenue	737.3	900.0	534.9	614.1
Income and Profits	181.3	263.4	131.7	178.0
Taxes on Property	7.3	6.4	4.9	3.8
Taxes on Goods and Services	428.3	475.5	313.0	325.5
International Trade and Transactions	120.4	154.8	85.3	106.8
Non-Tax Revenue	51.4	67.3	36.5	52.9
Property Income	9.1	23.3	7.1	21.6
Licenses	11.4	14.2	7.2	8.8
Other	30.8	29.7	22.3	22.4
Capital Revenue	2.6	3.6	2.0	2.9
Grants	11.9	38.7	7.9	16.1

Source: MOF

Table A.33: Summary of Central Government's Expenditure

	\$mn			
	Jan 2021 to Sept 2021	Jan 2022 to Sept 2022	Apr 2021 to Sept 2021	Apr 2022 to Sept 2022
Current Expenditure	695.6	755.9	449.2	496.0
Wages and Salaries	320.0	321.2	208.3	218.5
Pensions	71.2	67.7	48.3	43.5
Goods and Services	142.5	175.2	87.5	100.3
Interest Payments	51.0	57.7	34.8	42.6
Subsidies and Current Transfers	110.9	134.1	70.4	91.1
Capital Expenditure	153.7	263.6	94.9	188.0
Capital II	82.7	201.2	46.8	147.5
Capital III	70.4	62.2	47.7	40.4
Net Lending	0.6	0.2	0.4	0.2

Sources: MOF and CBB

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

		\$'000				
	Approved Budget 2022/2023	Jan 2021 to Sept 2021	Jan 2022 to Sept 2022	Apr 2021 to Sept 2021	Apr 2022 to Sept 2022 ^P	Fiscal YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	1,263,300	803,226	1,009,590	581,350	685,960	54.3%
1). Current Revenue	1,222,619	788,685	967,253	571,451	666,964	54.6%
Tax Revenue	1,122,911	737,294	899,981	534,932	614,073	54.7%
Income and Profits	268,944	181,262	263,352	131,744	178,030	66.2%
Taxes on Property	10,000	7,298	6,402	4,946	3,760	37.6%
Taxes on Goods and Services	654,966	428,341	475,473	312,990	325,452	49.7%
International Trade and Transactions	189,000	120,393	154,754	85,252	106,831	56.5%
Non-Tax Revenue	99,709	51,390	67,272	36,520	52,891	53.0%
Property Income	17,180	9,149	23,332	7,077	21,618	125.8%
Licences	16,814	11,416	14,239	7,152	8,823	52.5%
Other	65,715	30,825	29,702	22,291	22,449	34.2%
2). Capital Revenue	5,681	2,633	3,630	2,042	2,891	50.9%
3). Grants	35,000	11,909	38,707	7,857	16,106	46.0%
TOTAL EXPENDITURE (1+2)	1,365,968	849,306	1,019,512	544,127	684,010	50.1%
1). Current Expenditure	1,087,896	695,563	755,871	449,198	495,970	45.6%
Wages and Salaries	461,788	319,991	321,216	208,321	218,487	47.3%
Pensions	100,866	71,166	67,668	48,272	43,506	43.1%
Goods and Services	226,647	142,479	175,238	87,493	100,302	44.3%
Interest Payments on Public Debt	110,000	50,989	57,669	34,756	42,600	38.7%
Subsidies and Current Transfers	188,596	110,939	134,080	70,355	91,074	48.3%
2). Capital Expenditure	278,072	153,742	263,641	94,929	188,041	67.6%
Capital II (Local Sources)	160,762	82,735	201,199	46,829	147,463	91.7%
Capital III (Foreign Sources)	115,012	70,398	62,242	47,696	40,378	35.1%
Capital Transfer and Net Lending	2,299	609	199	405	199	8.7%
CURRENT BALANCE	134,723	93,121	211,382	122,254	170,994	126.9%
PRIMARY BALANCE	7,332	4,909	47,747	71,980	44,550	607.6%
OVERALL BALANCE	-102,668	-46,079	-9,921	37,223	1,950	-1.9%
Primary Balance less grants	-27,668	-7,000	9,040	64,123	28,444	
Overall Balance less grants	-137,668	-57,988	-48,629	29,367	-14,156	
FINANCING	102,668	46,079	9,921	-37,223	-1,950	
Domestic Financing		-52,407	-2,342	-109,732	-39,397	
Central Bank		2,595	52,523	-74,287	-21,870	
Net Borrowing		13,266	83,488	-55,311	52,459	
Change in Deposits		-10,670	-30,965	-18,975	-74,329	
Commercial Banks		-18,746	-61,875	-15,527	-28,330	
Net Borrowing		2,005	-91,118	-3,933	-63,676	
Change in Deposits		-20,751	29,243	-11,594	35,346	
Other Domestic Financing		-36,257	7,009	-19,919	10,803	
Financing Abroad		64,446	55,487	49,654	45,935	
Disbursements		121,217	102,192	86,703	81,263	
Amortisation		-56,772	-46,705	-37,049	-35,328	
Other		34,041	-43,223	22,855	-8,489	

Sources: CBB and MOF

^P - Provisional

Table A.35: Central Government's Domestic Debt

	\$mn		
	Dec 2021	Sept 2022	Changes in Stock
Overdraft	0.0	0.0	0.0
Loans	93.0	92.3	-0.7
Treasury Bills	245.0	245.0	0.0
Treasury Notes	977.8	977.8	0.0
Total	1,315.8	1,315.1	-0.7

Table A.36: Central Government's Domestic Debt by Creditor

	\$'000					
	Disbursed Outstanding Debt 31/12/21 ^R	TRANSACTIONS THROUGH SEPTEMBER 2022				Disbursed Outstanding Debt 30/09/22 ^P
		Disbursement/ New Issue of Securities	Amortisation/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	
Overdraft/Loans	0	0	0	0	0	0
Central Bank	0	0	0	0	0	0
Domestic Banks	0	0	0	0	0	0
Treasury Bills	245,000	0	0	1,845	0	245,000
Central Bank	64,730	0	0	886	75,083	139,813
Domestic Banks	167,571	0	0	822	-72,547	95,024
Other	12,699	0	0	137	-2,536	10,163
Treasury Notes	977,800	0	0	28,312	0	977,800
Central Bank	546,515	0	0	13,498	8,575	555,090
Domestic Banks	158,435	0	0	4,606	-19,003	139,432
Other	272,850	0	0	10,208	10,428	283,278
Belize Bank Limited ⁽¹⁾	91,000	0	0	0	0	91,000
Social Security Board ⁽²⁾	100	0	48	5	0	52
Fort Street Tourism Village	702	0	574	0	0	128
Debt for Nature Swap	1,205	0	102	18	0	1,104
Total	1,315,807	0	724	30,180	0	1,315,083

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

Table A.37: Public Sector External Debt by Creditor

		TRANSACTIONS THROUGH SEPTEMBER 2022				\$'000
	Disbursed Outstanding Debt 31/12/21 ^R	Disbursements	Principal Payments	Interest & Other Payments	Parity Change	Disbursed Outstanding Debt 30/09/22 ^P
CENTRAL GOVERNMENT	2,433,035	102,223	46,734	30,292	487	2,489,011
Government of Venezuela ⁽¹⁾	429,692	0	0	0	0	429,692
Kuwait Fund for Arab Economic Development	31,974	1,920	1,985	737	-704	31,205
Mega International Commercial Bank Company Ltd.	45,714	0	0	1,345	0	45,714
Republic of China/Taiwan	279,216	8,660	989	3,185	0	286,887
Caribbean Development Bank	307,991	43,091	18,213	6,903	0	332,868
CARICOM Development Fund	3,000	3,000	0	67	0	6,000
European Economic Community	4,191	0	243	17	682	4,630
Inter-American Development Bank	298,996	18,366	14,943	2,888	635	303,055
International Fund for Agriculture Development	8,046	0	693	79	-126	7,227
International Bank for Reconstruction and Development	75,228	31	2,309	621	0	72,950
OPEC Fund for International Development	165,088	27,155	6,004	3,830	0	186,240
Central American Bank for Economic Integration	21,299	0	1,355	549	0	19,944
Belize Blue Investment Company LLC	728,000	0	0	10,070	0	728,000
US\$30.0mn Fixed-Rate Notes	34,600	0	0	0	0	34,600
NON-FINANCIAL PUBLIC SECTOR	68,881	1,331	7,245	2,753	0	62,967
Caribbean Development Bank	35,826	1,331	3,356	962	0	33,800
International Cooperation and Development Fund	33,056	0	3,889	1,790	0	29,167
FINANCIAL PUBLIC SECTOR	175,106	6,000	1,364	1,261	-10,060	169,682
Caribbean Development Bank	47,174	2,000	1,364	1,176	0	47,810
European Investment Bank	2,209	0	0	34	352	2,561
Inter-American Development Bank	4,000	4,000	0	51	0	8,000
International Monetary Fund	121,723	0	0	0	-10,411	111,311
GRAND TOTAL	2,677,023	109,554	55,344	34,306	-9,573	2,721,660

^R - Revised

^P - Provisional

⁽¹⁾ Since September 2017, debt service payments for oil imports have been suspended due to U.S. sanctions on Petroleos de Venezuela, S.A. Unpaid debt service payments up to the end of September 2022 amounted to principal of \$88.4mn and interest of \$18.9mn.