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of BELIZE

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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

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List of Acronyms and Abbreviations

Acronyms:

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

Abbreviations and Conventions:

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

Notes:

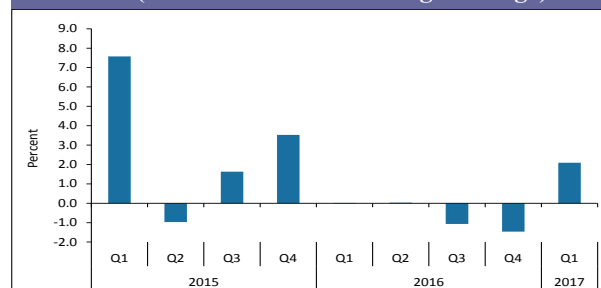
1. Since May of 1976, the Belize dollar has been fixed to the US dollar at the rate of US\$1.00 = BZ\$2.00.
2. The 2017 figures in this report are provisional and the figures for 2016 have been revised.
3. Unless otherwise indicated, the Central Bank of Belize is the source of all tables and charts.
4. Ratios to GDP for 2017 are based on Central Bank's forecast of annual GDP 2017.

Table of Contents

Summary of Economic Indicators	1
Overview	2
Money and Credit	4
Domestic Productions and Prices	7
Sugarcane and Sugar	7
Citrus	8
Banana	8
Petroleum	8
Tourism	9
Consumer Price Index	9
International Trade and Payments	11
Government Operations and Public Debt	15
Annex 1	21

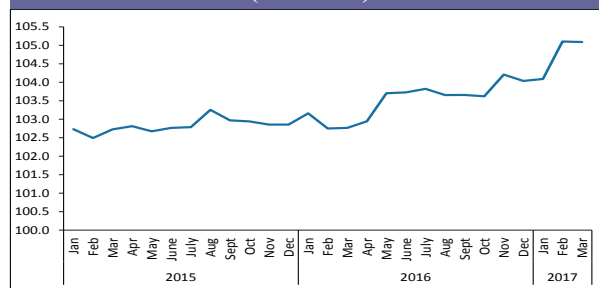
SUMMARY OF ECONOMIC INDICATORS

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: Gross International Reserves and Import Cover

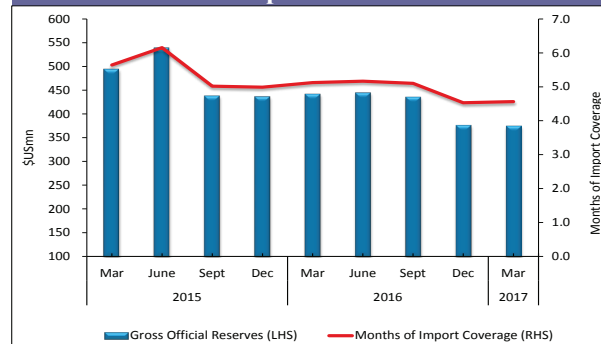


Chart IV: Current Account Balance to GDP

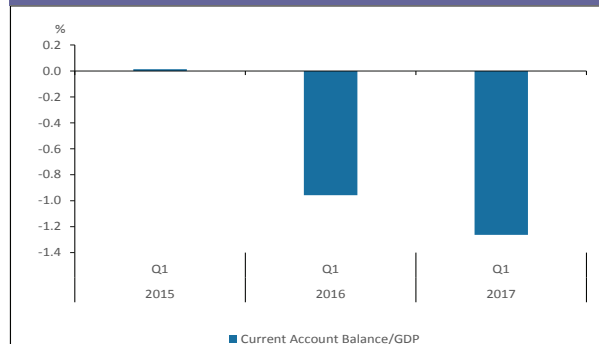


Chart V: Domestic Banks - Deposits and Loans and Advances

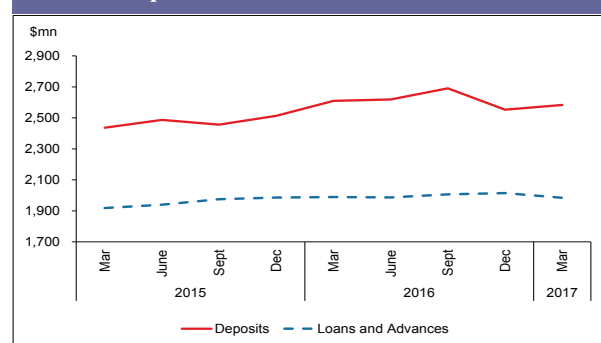
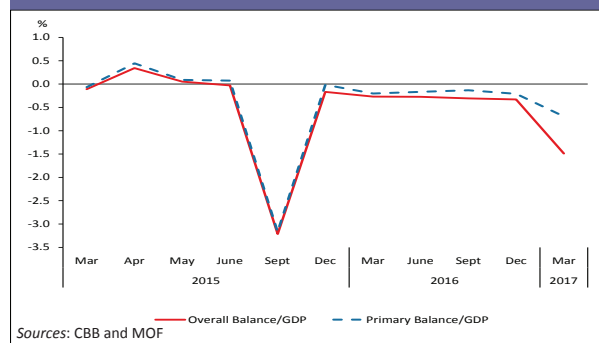


Chart VI: Primary and Overall Balances to GDP



Sources: CBB and MOF

Chart VII: Public Sector External Debt

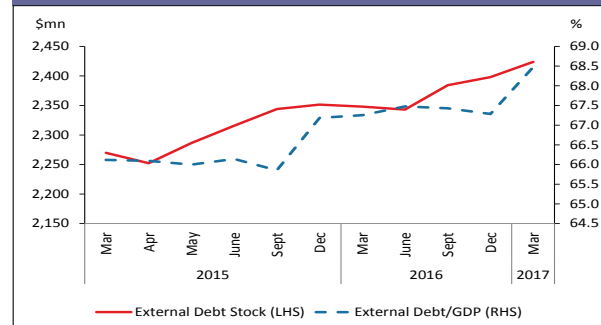
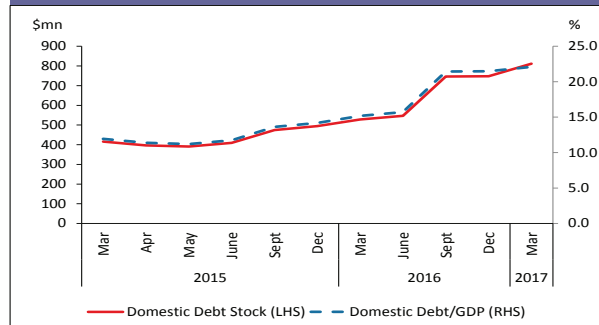


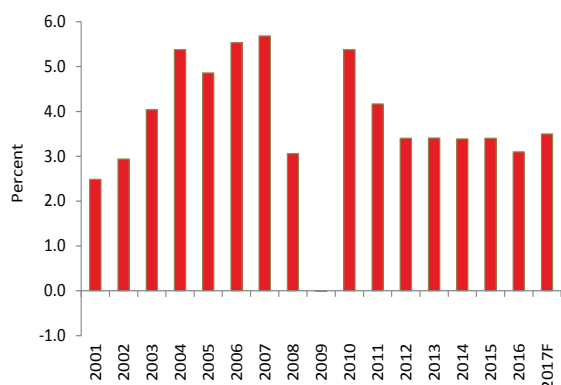
Chart VIII: Central Government Domestic Debt



Overview

Global growth was modest in the first quarter with some weakening in the United States (US), United Kingdom (UK) and Japan being offset by stronger growth in the Euro Area, and with emerging market economies continuing to lead the pace.

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



Source: IMF
F - Forecast

Relative to the last quarter of 2016, growth in the US decelerated from 2.1% to an annualized rate of 1.4% with reductions in manufacturing and consumption, and UK growth slowed from 2.2% to 2.0%, as consumer spending weakened in response to the depreciation of the pound sterling. In contrast, there was a slight uptick in the pace of activity in the Euro Area from 1.8% to 1.9%. China experienced an acceleration to 6.9%, and there were broad improvements in Latin America, supported by heightened activity in Mexico and Argentina, while there was an easing in the severe and protracted downturn Brazil has been experiencing. In the Caribbean, increased tourist arrivals

buoyed the service-based economies, and higher prices for oil and other commodities made a positive impact on several of the commodity producing economies.

Domestically, a recovery in the primary sector that reflected a turnaround in the production of key export commodities underpinned a 2.1% increase in GDP. Sugarcane deliveries increased with the ramping up of production by Santander, while recoveries in banana and farmed shrimp offset contractions in citrus. The services sector expanded by 2.4% on the back of increases in government services, tourism and merchandise distribution. Somewhat offsetting this increase was a 3.9% contraction in the secondary sector as continuing buoyancy in construction was outweighed by declines in manufacturing, generation of hydro-electricity and petroleum extraction. On average, local prices were 1.8% higher than the comparable period of 2016 mainly due to the pass-through of higher fuel prices at the pump and increased cost for house rentals.

The first quarter external current account deficit widened from \$33.4mn to \$46.2mn (1.3% of GDP), as a smaller trade deficit was outweighed by a reduction in tourism inflows and an increase in profit repatriation. Foreign direct investments, loan disbursements to government and to the private sector, as well as a modest drawdown of domestic banks' foreign

balances, financed the current account deficit and resulted in a \$2.9mn decline in the gross official international reserves to \$750.2mn, equivalent to 4.6 months of merchandise imports.

In the first quarter, Central Government's operations resulted in primary and overall deficits of 0.9% of GDP and 2.1% of GDP, respectively, with financing coming mostly from domestic sources. Revenues grew by 5.1% due to higher collection of excise duties, General Sales Tax (GST) and grants. However, spending expanded by 13.2%, reflecting increases in recurrent and capital outlays of 7.8% (\$19.5mn) and 40.9% (\$19.8mn), respectively.

Broad money (M2) rose by 0.6%, reflecting a \$28.7mn increase in net credit to Central Government funded mainly through the issuance of new securities. There was, however, an atypical first quarter dip in the net foreign assets of the banking system with declines in the net foreign assets of the Central Bank and the domestic banks of \$6.0mn and \$7.9mn, respectively. In the case of the domestic banks, this was partly a reflection of increased outflows for profit repatriation and delayed inflows for exports. Meanwhile, substantial loan write-offs for which provisions had already been made in prior periods resulted in a \$29.6mn contraction in credit to the private sector.

Bank liquidity remained robust and rose marginally in the quarter even with deposit

withdrawals that facilitated purchases of securities by institutional investors. At the end of March, statutory holdings were 72.6% above the required level, while cash reserves nearly doubled the legal requirement. Against this backdrop, the 12-month (rolling) weighted average interest rate on new loans fell by 14 basis points over the quarter to 9.27%, while the comparative rate on new deposits grew by six basis points to 1.86%.

Money and Credit

Broad money (M2) grew by 0.6% in the first quarter, driven mainly by a \$28.7mn increase in net domestic credit to Central Government. Funding for the Government was mainly via the issuance of \$50.0mn in new securities and a \$14.0mn increase in its overdraft facility with the Central Bank, which was partly offset by a build-up of deposits consisting of the proceeds of sales of securities. In contrast, credit to the private sector shrank by \$29.6mn mainly due to loan write-offs. There were disbursements for sugar (\$18.3mn) and banana (\$17.4mn) production, merchandise trade (\$7.6mn) and manufacturing (\$4.1mn), while write-offs totalled \$54.7mn. The latter surpassed the \$7.9mn posted for the first quarter of 2016 and the \$52.8mn recorded for all of 2016. Credit to other public sector entities registered a \$1.1mn decrease during the reporting period.

Net lending by the five largest credit unions

Chart 2.1: Net Foreign Assets of the Banking System

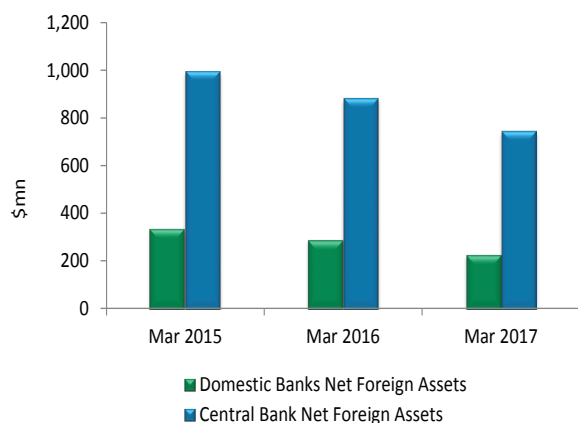
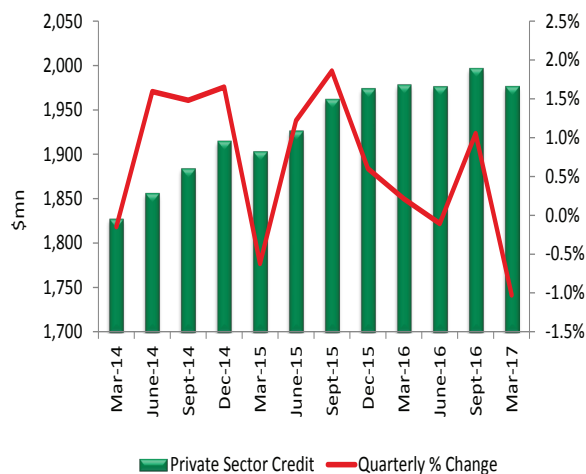


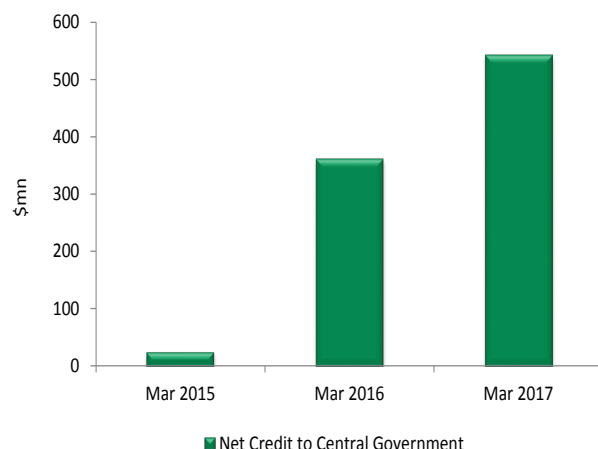
Chart 2.2: Domestic Banks' Private Sector Credit



edged down by \$3.5mn, as repayments on personal, commercial real estate and sugar production loans outweighed disbursements for residential construction and other agricultural production.

There was an atypical dip in the net foreign assets of the banking system with declines in the net foreign assets of the Central Bank and the domestic banks of \$6.0mn and \$7.9mn, respectively, in the first quarter. The Central Bank received inflows of \$93.4mn, the bulk of which came from loan disbursements to the Government under the Venezuelan Petrocaribe Agreement (VPCA) and from the Republic of China (ROC)/Taiwan, with sugar export earnings and purchases from the domestic banks accounting for most of the remainder. Its outflows summed to \$97.2mn, with foreign currency sales to Central Government accounting for 81.7% mostly to cover external debt

Chart 2.3: Net Credit to Central Government



servicing, which included the first semi-annual interest payment of \$26.3mn on the restructured 2034 bond and fees associated with the bond restructuring.

Compared to a \$12.4mn increase in the first quarter of 2016, the net foreign assets of the domestic banks dipped by \$7.9mn, reflecting increased outflows for profit repatriation and delayed inflows for

exports. Short-term foreign liabilities rose by \$2.2mn, which was in contrast to a decline of \$17.9mn in the previous year mainly due to the payment by Heritage Bank Limited (HBL) in settlement of the costs for its acquisition of the local branch of First Caribbean International Bank (FCIB).

The domestic banks continued to be highly liquid, with aggregate holdings of liquid assets and cash exceeding requirements by a notable 72.6% and 198.5%, respectively. However, sales of new Government Treasury bills and Treasury notes to the public limited the increases in excess liquid assets and cash holdings to \$2.0mn and \$24.1mn, respectively, which was considerably less than the expansions in these holdings of \$84.1mn and \$40.8mn in the first quarter of 2016.

Chart 2.4: Changes in Domestic Banks' Loans and Advances, Dec 2016 - Mar 2017

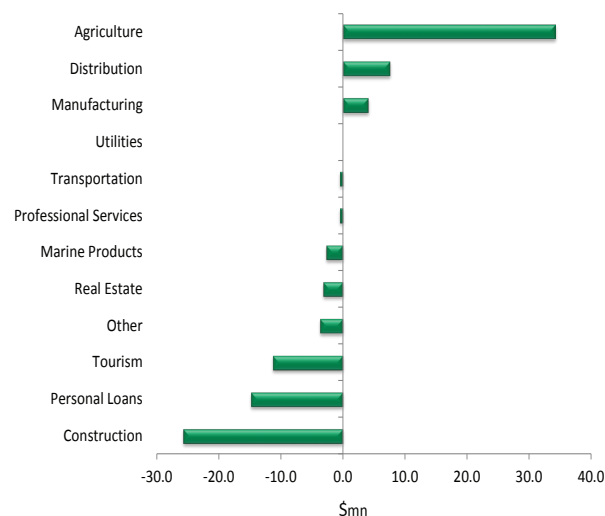
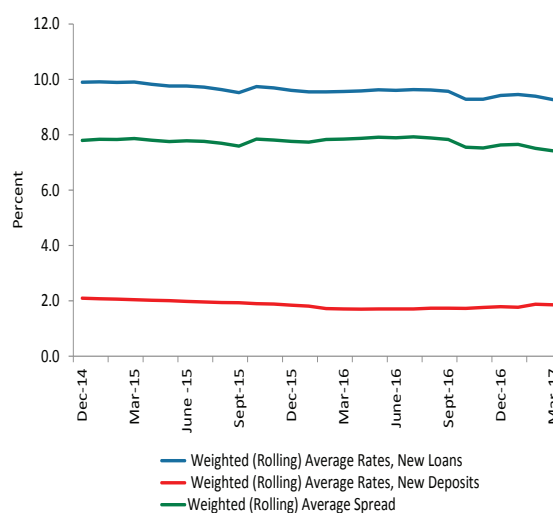


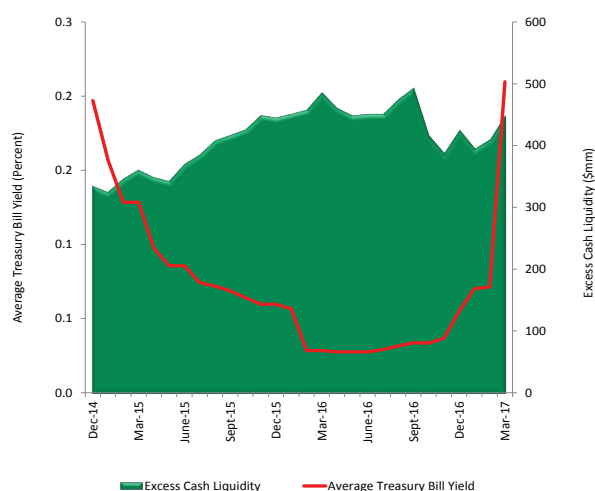
Chart 2.5: Domestic Banks' Weighted (Rolling) Average Interest Rates on New Loans and Deposits



High levels of liquidity underpinned a further decline in the 12-month (rolling) weighted average interest rate on new loans of 14 basis points during the quarter. At 9.27%, the weighted average rate was 28 basis points lower than it was 12 months earlier and reflected lower rates for all loan categories. The largest declines were for commercial loans (52 basis points) and residential construction loans (23 basis points). Contrasting with this, the 12-month (rolling) weighted average interest rate on new deposits moved up by six basis points to 1.86%, which was itself 14 basis points above the March 2016 position. With the rate on savings/chequing accounts dipping, the upward movement reflected increases on time and savings deposits of 11 and four basis points, respectively. The weighted average interest rate spread consequently narrowed by 42 basis points year-on-year to 7.42%.

At the end of March, domestic banks' holdings of Treasury bills amounted to \$141.7mn, which accounted for 57.8% of the total. Central Bank's holdings increased by \$49.5mn to \$101.3mn (41.3% of the total), as banks and other investors surrendered these securities in favour of the higher yielding Treasury notes sold on the secondary market during the quarter. Municipal bodies held the remaining \$2.0mn (0.8%). The average Treasury bill yield stood at 0.20968% at the February 2017 auction, well above the 0.05487% yield for the last auction of 2016.

Chart 2.6: Excess Cash Holdings and Average Treasury Bill Yield



Domestic Production and Prices

In the first quarter, the economy expanded by 2.1%, mainly supported by activity in the primary and tertiary sectors. The primary sector expanded by 11.7%, with notable increases in banana, sugarcane and marine output eclipsing contractions in citrus and papaya. Heightened value-added from tourism and general government services, as well as modest growth in merchandise trade, underpinned a 2.4% increase in the tertiary sector. On the other hand, activity in the secondary sector contracted by 3.9%, as increases in construction, sugar and water production were outweighed by lower output of citrus juices, beverages and petroleum.

Sugarcane and Sugar

The northern sugarcane harvest began as scheduled on 5 December 2016 with a forecasted harvest of 1.31mn long tons of sugarcane and expected production of 131,000 long tons of sugar. The western sugarcane harvest, which started in February, is forecasted to produce 34,500 long tons of sugar from 345,000 long tons of sugarcane.

Up to the end of March, the northern harvest reported that 737,262 long tons of sugarcane had been delivered, a 1.4% dip that was due to a lowering in the average daily milling rate aimed at maximizing sugar extraction. In the West, sugarcane deliveries amounted to 82,803 long tons of sugarcane, bringing the total industry

production to 820,065 long tons, which represented a 7.1% increase over the comparable period of the previous crop year.

With western production proceeding more smoothly this year, sugar output surged by 24.5% to 88,102 long tons, aided in part by favourable weather and sugarcane quality. The industry's cane to sugar ratio improved by 13.9% to 9.31, and cane purity increased by 2.7% to 86.79%. Molasses production rose marginally by 1.5% to 23,642 long tons.

With forecasts for global producers indicating a reduction in supply, world sugar prices rose in early 2017. The price paid to farmers for the 2016/2017 crop is estimated to rise by 9.3% to \$49.47 per long ton with a first payment of \$40.08, compared to a first payment of \$36.65 in the previous crop year.

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

	Dec - Mar 2015/2016	Dec - Mar 2016/2017
Deliveries of Sugarcane to BSI (long tons)	765,365	820,065
Sugar Processed by BSI (long tons)	70,771	88,102
Molasses processed by BSI (long tons)	23,282	23,642
Performance		
Factory Time Efficiency (%)	91.30	94.37
Cane Purity (%)	84.47	86.79
Cane/Sugar	10.81	9.31

Sources: BSI and Santander Group

Citrus

Hurricane Earl's damages to citrus groves, grapefruit trees in particular, caused the start of the 2016/2017 crop year to be delayed by one month. With the negative impact of citrus greening also continuing to be a factor, the industry forecasted an 8.0% contraction in deliveries to 3.3mn boxes for the crop year.

Up to the end of March, citrus deliveries were down by 20.2% to 2.1mn boxes, with orange deliveries falling 15.4% to 1.9mn boxes and that of grapefruit plunging by 56.4% to 0.1mn boxes. In tandem with the reduction in deliveries, production of citrus

juices declined by 20.2% to 12.0mn pound solids (ps). This included contractions of 16.9% and 59.3%, respectively, in orange and grapefruit juices. Because the fruit had a lower sugar content, juice outturn per box of oranges dropped by 1.7% to 6.0 ps per box, while grapefruit juice outturn fell by 6.6% to 3.7 ps per box. In other developments, production of citrus pulp fell by 24.7% to 1.6mn pounds, while output of citrus oil decreased by 1.2% to 0.8mn pounds.

Banana

Banana production stood at 23,558 metric tons, 52.6% higher than the first quarter of 2016 when output had suffered damages caused by a flood in the latter part of 2015. The acreage under cultivation rose by 2.9% to 7,046 acres, with 6,894 acres under production and 62 acres under plantilla (trees too young to harvest). As a result of Hurricane Earl, some 90 acres had to undergo rehabilitation in preparation for planting. In other developments, the Banana Growers Association and Fyffes has now moved into the fifth and final year of their exclusive marketing contract, which commenced on 1 January 2013 and expires on 31 December 2017. Negotiations are ongoing for the upcoming marketing contract with Sumitomo, a Japanese conglomerate that is now the new owner of Fyffes.

Petroleum

Crude oil extraction decreased by 17.4% to 97,629 barrels, with the quarterly output

Table 3.2: Output of Citrus Products

	Oct - Mar 2015/2016	Nov - Mar 2016/2017
Deliveries (boxes)		
Orange	2,292,490	1,938,431
Grapefruit	<u>298,780</u>	<u>130,255</u>
Total	2,591,270	2,068,686
Concentrate Produced (ps)		
Orange	13,823,304	11,472,252
Grapefruit	<u>1,190,334</u>	<u>464,318</u>
Total	15,013,638	11,936,570
Not from Concentrate (ps)		
Orange	54,058	60,796
Grapefruit	<u>0</u>	<u>20,460</u>
Total	54,058	81,256
Pulp (pounds)		
Orange	2,176,816	1,640,032
Grapefruit	<u>0</u>	<u>0</u>
Total	2,176,816	1,640,032
Oil Produced (pounds)		
Orange	744,800	753,200
Grapefruit	<u>38,800</u>	<u>21,200</u>
Total	783,600	774,400

Sources: CGA and CPBL

Table 3.3: Banana Production

	40 pound boxes	
	Jan - Mar 2016	Jan - Mar 2017
January	320,669	437,086
February	250,984	404,647
March	<u>279,009</u>	<u>456,722</u>
Total	850,662	1,298,455

Source: BGA

for the Spanish Lookout Field amounting to 97,216 barrels. This represented an average daily extraction rate of 1,085 barrels, 215 barrels less than averaged for the first quarter of 2016. The Never Delay Field was operational during March and produced 412 barrels, using experimental extraction techniques aimed at making the field profitable.

Tourism

The World Tourism Organization projects a 4.0% to 5.0% growth for tourist arrivals in the Americas in 2017. During the first quarter, Belize fell short of regional expectations with stay over arrivals increasing by 2.7% to 113,336 visitors, compared to the 16.9% expansion of the previous year. Growth was led by a 1.8% increase in air arrivals, which accounted for 53.4% of the total.

Arrivals from the US fell by 0.3%, with total stay over visitors to Belize falling by 2.1 percentage points to 69.1%. Visitors from the European Union (EU) rose by 8.5%, and those from Canada jumped by

13.3%, increasing both countries' share of overnight visitors to 11.0% and 8.5%, respectively.

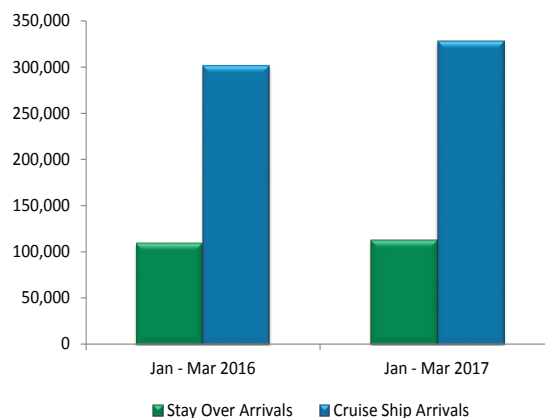
Cruise ship disembarkations increased by 8.7% to 329,072 visitors, with port calls rising from 126 to 136 ships. Harvest Caye accounted for 26.8% of disembarkations (88,149 visitors) and 35 port calls. Disembarkations at the Belize City port were down by 20.4% to 240,923 visitors.

Consumer Price Index (CPI)

The CPI was flat between February and March, with modest increases in *"Housing, Water, Electricity, Gas and Other Fuels"* and *"Transport"* being offset by lower prices for *"Food and Non-Alcoholic Beverages"*.

Over the first quarter of 2017, prices were 1.8% higher on average when compared to the same period of 2016. Most of the inflationary pressures came from higher fuel prices at the pump and an increase in import prices as indicated by the 3.1% increase in the US export price index. The

Chart 3.1: Tourist Arrivals



Sources: BTB, CBB and Immigration Department

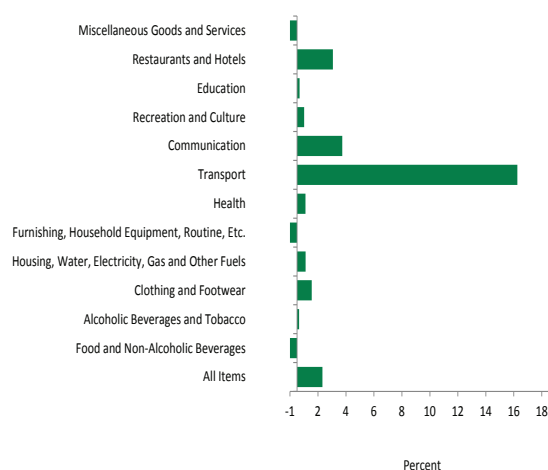
Table 3.4: Bona Fide Tourist Arrivals

	Jan - Mar 2016	Jan - Mar 2017
Stay over Arrivals		
Air	91,903	93,519
Land	16,888	17,559
Sea	<u>1,518</u>	<u>2,258</u>
Total	110,308	113,336
Cruise Ship	320,619	329,072

Sources: BTB, CBB and Immigration Department

largest price increase was in “*Transport*”, which rose by 15.8% due to a surge in the prices of fuels, lubricants and air transport services. Other notable increases were in “*Housing, Water, Electricity, Gas, and Other Fuels*”, which were up by 0.6% due to higher rental rates for housing, and “*Communication*”, the latter of which jumped by 3.2% due to price increases for telephone equipment.

Chart 3.2: Average Annual Percentage Change in
Consumer Price Index
Jan to Mar 2017 over Jan to Mar 2016



Source: SIB

Muting the upward price pressures was a 2.1% decline in “*Food and Non-Alcoholic Beverages*”, which was mostly attributable to meat, fish and grains. Other declines were in “*Miscellaneous Goods and Services*”, which were 2.8% lower due to reduced health insurance premiums. Prices for “*Furnishing, Household Equipment and Routine Household Maintenance*” also edged down by 0.8%.

International Trade and Payments

The first quarter external current account deficit widened from 0.9% of GDP in 2016 to 1.3% of GDP this year, as a reduction in the merchandise trade deficit was eclipsed by reduced inflows from services and a 51.3% surge in outflows for profit repatriation. The deficit was financed by grants, net inflows on the financial account (comprised mainly of loan disbursements and foreign direct investments) and the drawdown of domestic banks' foreign balances. The overall result was a modest \$2.9mn decline in the gross international reserves, which, at \$750.2mn, was equivalent to 4.6 months of merchandise imports.

Exports rose by 12.0% with earnings from most of the major export commodities increasing, except for citrus juices, papaya and molasses. Sugar exports increased by 23.1% to 48,585 long tons, while receipts rose by 40.0% to \$43.9mn, aided by a

Chart 4.1: External Current Account and Trade Deficit

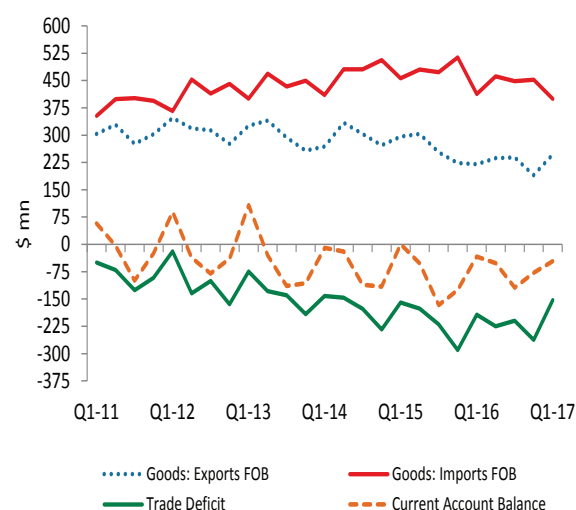


Table 4.1: Balance of Payments Summary

	\$mn	
	Jan-Mar 2016 ^R	Jan-Mar 2017 ^P
A. CURRENT ACCOUNT		
(I+II+III+IV)	-33.4	-46.2
I. Goods (Trade Balance)	-192.8	-153.2
Exports, Free on Board (FOB)	220.0	246.5
Domestic Exports	99.6	127.5
CFZ Gross Sales	97.5	94.9
Re-exports	22.9	24.2
Imports, FOB	412.9	399.7
Domestic Imports	344.2	340.6
CFZ Imports	68.7	59.1
II. Services	203.8	187.5
Transportation	-19.9	-13.2
Travel	222.8	230.0
Other Services	0.9	-29.3
III. Primary Income	-78.0	-114.8
Compensation of Employees	-2.4	-0.4
Investment Income	-75.6	-114.4
IV. Secondary Income	33.6	34.3
Government	-1.2	-2.0
Private	34.9	36.3
B. Capital Account	5.0	2.6
C. Financial Account	0.1	-86.7
D. NET ERRORS AND OMISSIONS	39.0	-46.0
E. RESERVE ASSETS	10.4	-2.9

^R - Revised

^P - Provisional

rally in the average unit price caused by expectations of a fall in global supply. The European Union (EU) accounted for almost all sales with 48,561 long tons of bulk sugar valued at \$43.9mn, while CARICOM received 25 long tons of bagged brown sugar valued at \$0.03mn. Molasses

exports amounted to 10,108 long tons valued at \$2.1mn.

In line with the fall in crop production, citrus juice exports decreased by 41.2% to 3.4mn ps, and revenue fell by 28.5% to \$11.8mn. The bulk of sales went to the United States (50.0%) and the Caribbean (41.2%). Sales of orange concentrate shrank by 39.8% to 3.1mn ps, while receipts declined by 24.8% to \$10.7mn. Reflecting lower US production as citrus greening continued to ravage Florida, orange juice prices rallied in the US and Caribbean markets by 37.8% and 10.3%, respectively. This increase ameliorated revenue losses due to the volume decline. Exports of grapefruit concentrate juice declined by 54.1% to 0.3mn ps valued at \$1.0mn, and there was no sale of freeze concentrate to Japan during the quarter.

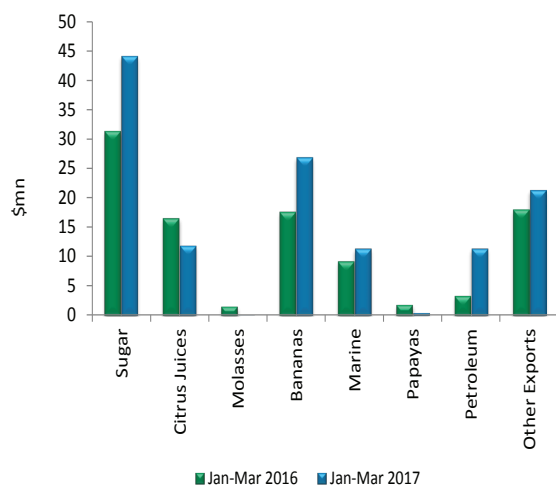
Marine exports rose by 7.3% to 0.9mn pounds with higher sales of all major

commodities. Boosted further by improved prices for shrimp and conch, receipts expanded by 23.7% to \$11.4mn. The shrimp industry's four-pronged strategy to recover from the Early Mortality Syndrome that severely constrained production over the last two years appeared to be showing some signs of success with export volume up by 20.0% to 0.3mn pounds and receipts rising by 49.6% to \$4.2mn. Lobster exports also increased by 5.8% to 0.2mn pounds, but receipts grew by only 2.7% to \$4.3mn due to a slight decline in the average unit price. Buoyed by a 31.4% rise in volume and an improvement in the average unit price, conch receipts surged by 35.2% to \$2.8mn, while exports of other fish declined by 34.9% to 0.1mn pounds valued at \$0.1mn.

In recovery mode, first quarter banana exports expanded by 52.6% to 23,558 metric tons earning \$26.9mn. Meanwhile, with two shipments versus one in the first quarter of 2016, exports of crude oil almost doubled to 133,866 barrels, and receipts more than tripled to \$11.4mn due to the quarter-on-quarter increase in the average price per barrel from US\$25.06 to US\$42.52. This was due to the cut in daily output by some of the major oil producers to reduce a global oversupply and prop up prices. As a result of the closure of Fruta Bomba, papaya exports contracted by 64.7% to 1.1mn pounds valued at \$0.5mn.

The upturn in exports during the quarter coincided with a 3.2% shrinkage in

Chart 4.2: Domestic Exports



Sources: SIB and CBB

imports that reflected broad decreases except for fuel and manufactured goods such as cement, tires and boxes. The most significant decline was in outlays for “*Machinery and Transport Equipment*” as purchases of four cylinder vehicles, transformers and telecommunications equipment contracted. A contraction in imports of wheat seed contributed to a significant drop in the “*Food and Live Animals*” category. Meanwhile, a downturn in cigarette purchases caused Commercial Free Zone imports to decline. Similarly, outlays by export processing zones contracted significantly due to reduced purchases of gaming machine parts, planer machines and refrigeration equipment, among others.

In other developments, net earnings from services fell by 8.0% to \$187.5mn, as a 3.2% increase in net travel receipts and reduced expenses for international freight services due to the decline in imports were offset by higher outflows for services

Chart 4.3: Trade, Services, Primary Income and Secondary Income Balances

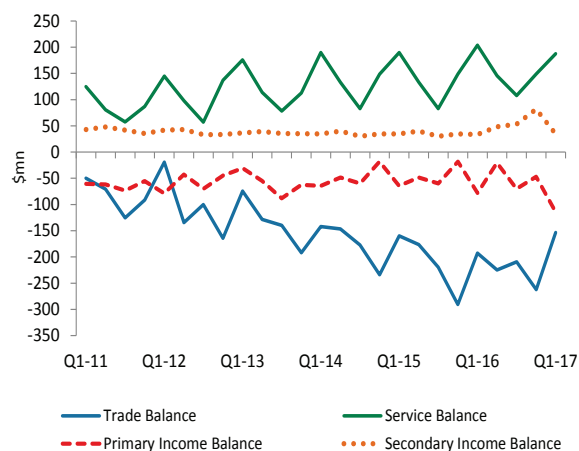


Table 4.2: Capital and Financial Account Summary

		Jan-Mar 2016 ^R	Jan-Mar 2017 ^P
A.	Capital Account	5.0	2.6
B.	Financial Account (1+2+3+4)	0.1	-86.7
	1. Direct Investment in Belize	-38.5	-49.1
	2. Portfolio Investment	0.0	0.0
	Monetary Authorities	0.0	0.0
	General Government	0.0	0.0
	Banks	0.0	0.0
	Other Sectors	0.0	0.0
	3. Financial Derivatives	0.0	0.0
	4. Other Investments	38.7	-37.6
	Monetary Authorities	-1.4	-1.6
	General Government	5.6	-25.0
	Banks	12.4	-7.9
	Other Sectors	22.1	-3.1
C.	NET ERRORS AND OMISSIONS	39.0	-46.0
D.	OVERALL BALANCE	10.4	-2.9
E.	RESERVE ASSETS	10.4	-2.9

^R - Revised

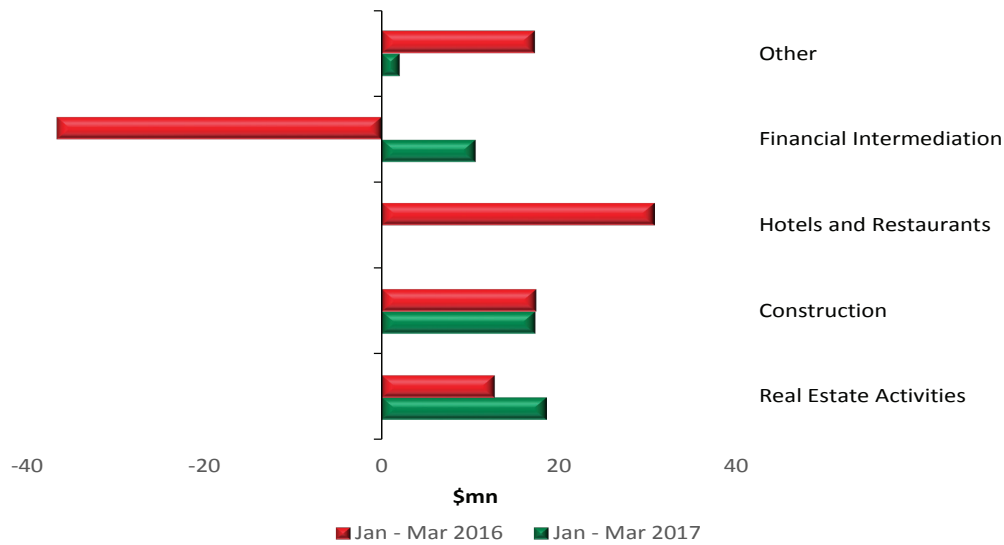
^P - Provisional

that included the fees incurred for the restructuring of the super bond.

Net outflows on the primary income account surged from \$78.0mn to \$114.8mn mostly due to the repatriation of dividends by foreign investors in the electricity and banking industries, which comprised approximately 80.0% of all dividend outflows during the period. The surplus on the secondary income account increased marginally to \$34.3mn.

While a decline in grants caused the capital account surplus to dip from

Chart 4.4: Foreign Direct Investment Net Inflows
By Major Activity

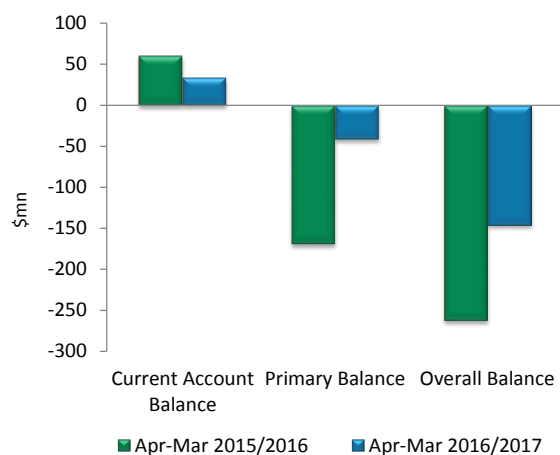


\$5.0mn to \$2.6mn, the financial account recorded net inflows of \$86.7mn due to foreign direct investment into real estate and construction projects and loan disbursements to the government and private sector. Balances held abroad by commercial banks also declined during the period reviewed.

Government Operations and Public Debt

Central Government's primary deficit stood at 0.9% of GDP for January to March as compared to a deficit of 0.4% of GDP in the similar period of 2016. Its overall deficit also rose from 1.4% of GDP to 2.1% of GDP over the same period. Total revenue grew by 5.1% due to higher collection of excise duties, General Sales Tax (GST) and grants, while spending expanded by 13.2%, reflecting increases in recurrent and capital outlays of \$19.5mn and \$19.8mn, respectively. The deficit was financed mostly from domestic sources.

Chart 5.1: Central Government Fiscal Operations



Sources: MOF and CBB

Revenue for the entire 2016/2017 fiscal year (FY) stood at \$1,052.1mn (96.7% of budget), having increased by 5.1% over the year, while expenditure moved in the opposite direction with a 5.1% decline to \$1,197.8mn, which was still 4.1% above budget. As a result, the primary and overall deficits decreased markedly from 4.8% of

GDP in the 2015/2016 FY to 1.2% of GDP and from 7.5% of GDP in the 2015/2016 FY to 4.1% of GDP, respectively. Revenue growth was driven by higher grant inflows and tax collections on goods and services. The \$64.9mn contraction in expenditure reflected a notable decline in capital spending, which more than compensated for an increase in recurrent expenditures.

New tax measures at the start of the fiscal year broadened the scope of goods subject to excise duties and replaced import duties on fuel and revenue replacement duties on CARICOM goods with excise duties. Consequently, inflows from excise duties rose by \$134.6mn, while taxes on international trade declined by \$82.6mn. Non-tax revenues decreased by \$29.5mn to \$79.1mn due to lower receipts from the domestic oil industry, a smaller profit transfer from the Central Bank and the normalization of dividend income from Belize Telemedia Limited (BTL) after the retroactive payments in 2015.

The surge in current expenditure reflected increases that were across-the-board. Outlays on wages, salaries and pensions were up by 5.5%, and at 50.1% of government's current revenue, were well above the internationally acceptable ratio of 40.0%. Spending on goods and services was 9.3% higher, with increased amounts being allocated for utilities, maintenance and operating costs. Interest payments

Table 5.1: Central Government Revenue and Expenditure

	\$mn			
	Jan 2016 to Mar 2016	Jan 2017 to Mar 2017	Apr 2015 to Mar 2016	Apr 2016 to Mar 2017
Total Revenue and Grants	248.4	261.2	1,000.7	1,052.1
Of which: Current Revenue	246.4	247.8	972.9	1,004.0
Of which: Grants	1.3	12.7	21.6	45.6
Total Expenditure	298.0	337.3	1262.7	1,197.8
Current Expenditure	249.6	269.1	912.4	970.4
Capital Expenditure	48.4	68.2	350.2	227.3
Current Balance	-3.2	-21.3	60.4	33.6
Primary Balance	-13.2	-33.5	-168.8	-41.3
Overall Balance	-49.5	-76.1	-262.0	-145.6

Sources: MOF

and subsidies/current transfers also rose by 12.0% and 2.0%, respectively.

While capital spending and net lending plunged by 35.1% to \$227.3mn, this

exceeded the amount originally budgeted by 18.4%. The marked decline was mostly due to the absence of the one-off BTL loan repayment to British Caribbean Bank, which occurred in 2015. Spending

Table 5.2: Summary of Central Government Revenue

	\$mn			
	Jan 2016 to Mar 2016	Jan 2017 to Mar 2017	Apr 2015 to Mar 2016	Apr 2016 to Mar 2017
Current Revenue	246.4	247.8	972.9	1,004.0
Tax Revenue	223.4	234.2	864.3	924.9
Income and Profits	67.5	69.0	255.6	261.7
Taxes on Property	2.0	2.1	5.5	6.8
Taxes on Goods and Services	92.3	126.0	354.4	490.2
International Trade and Transactions	61.7	37.1	248.8	166.2
Non-Tax Revenue	23.0	13.6	108.6	79.1
Property Income	5.7	1.4	36.9	16.7
Licenses	4.7	4.4	14.0	11.9
Other	12.6	7.8	57.7	50.5
Capital Revenue	0.8	0.6	6.3	2.5
Grants	1.3	12.7	21.6	45.6

Sources: MOF

Table 5.3: Summary of Central Government Expenditure

	\$mn			
	Jan 2016 to Mar 2016	Jan 2017 to Mar 2017	Apr 2015 to Mar 2016	Apr 2016 to Mar 2017
Current Expenditure	249.6	269.1	912.4	970.4
Wages and Salaries	97.4	102.0	384.0	403.1
Pensions	19.5	21.0	77.2	83.5
Goods and Services	58.8	62.0	197.2	215.5
Interest Payments	36.4	42.6	93.2	104.3
of which: External	31.2	31.6	75.7	81.8
Subsidies and Current Transfers	37.6	41.6	160.8	164.1
Capital Expenditure	48.4	68.2	350.2	227.3
Capital II	24.1	44.4	99.6	113.6
Capital III	23.7	22.7	160.8	110.9
Net Lending	0.6	1.0	89.8	2.8

Sources: MOF and CBB estimates

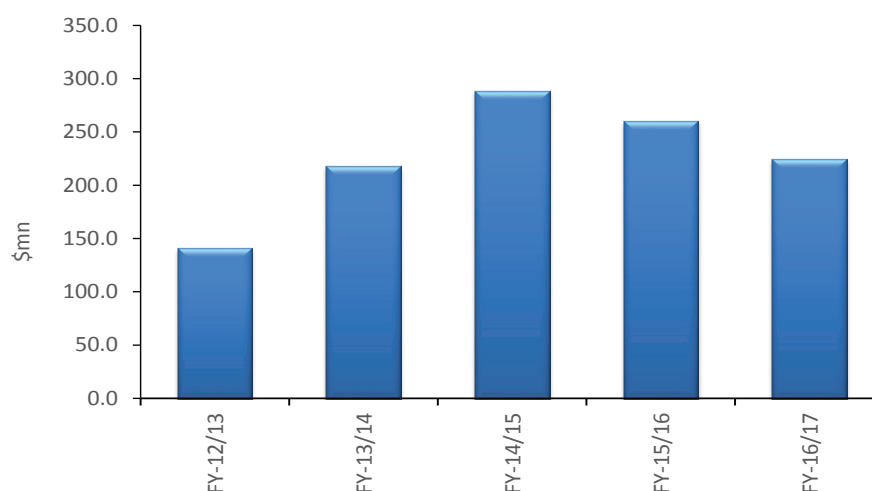
on capital projects decreased by 13.8%. Approximately 44.7% was devoted to infrastructural projects, including the maintenance and rehabilitation of roads, highways, bridges and drains, as well as works on the south side of Belize City, the Northern Highway and the Macal Bridge. Environmental projects accounted for another 10.5%, while 7.3% went on land management. Social protection, education and health received 10.1%, and a medley of expenditures on sports, tourism, science, agriculture, housing and security accounted for another 7.3%. The remainder went to Belize Infrastructure Limited for construction of the Belize Civic Centre, and to cover expenses for furniture, equipment and office building upgrades.

The 2016/2017 FY financing gap, comprising the overall deficit, principal repayments and BTL settlement payments, amounted to \$425.8mn. The majority of the shortfall (63.7%) was funded from domestic sources, particularly via the issuance of new government securities. The remainder came from external sources. The debt dependency ratio, defined as the ratio of new borrowings to government expenditure, stood at 37.1%, which was well above the international threshold of 20.0%.

Domestic Debt

In the first quarter, Central Government's domestic debt rose by 8.5% to \$811.4mn (22.2% of GDP), with a surge in borrowing to cover debt service payments and other budgetary outlays. In addition to a

Chart 5.2: Central Government Development Expenditure



Sources: MOF and CBB estimates

\$14.0mn increase in its overdraft facility with the Central Bank, the government issued new securities (\$30.0mn in six-month Treasury bills and \$20.0mn in one-year Treasury notes).

Amortization payments of \$0.4mn were shared among domestic banks, the Belize Social Security Board (BSSB), Fort Street Tourism Village and Debt for Nature Swap. Interest payments summed to \$11.0mn, with the annual effective interest rate decreasing from an average of 3.7% at the end of March 2016 to 3.4% due to the lower

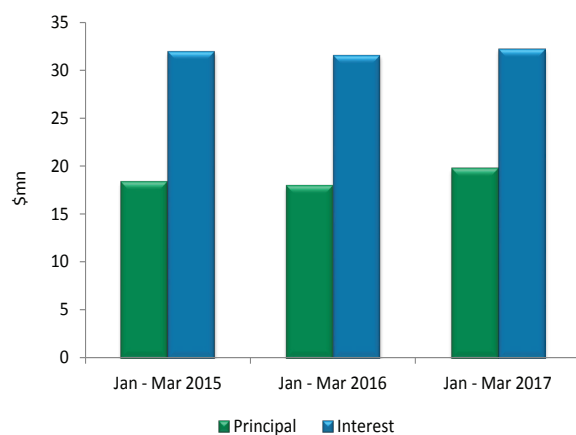
rates on the new and rolled-over securities. The Central Bank received \$7.5mn on the overdraft and holdings of securities, non-bank entities were paid \$2.4mn, and the remainder went to domestic banks.

The Central Bank held the majority of the domestic debt, with its share increasing from 49.6% at the end of 2016 to 52.4% due to its purchase of all the new Treasury bills, as well as an additional \$19.4mn surrendered by domestic banks and non-bank entities, who opted to purchase higher yielding Treasury notes. In the secondary market, the Central Bank sold \$28.3mn of the Treasury notes in its portfolio, most of which were taken up by institutional investors. As a result, the share of Central Government debt held by the domestic banks fell from 30.9% to 27.6%, and the share held by the non-bank entities rose marginally from 19.5% to 19.9% at the end of the first quarter.

Table 5.4: Central Government Domestic Debt

	\$mn		
	Dec 2016	Mar 2017	Changes in Stock
Overdraft	48.2	62.2	14.0
Loans	4.6	4.2	-0.4
Treasury Bills	215.0	245.0	30.0
Treasury Notes	480.0	500.0	20.0
Total	747.8	811.4	63.6

Chart 5.3: External Debt Service

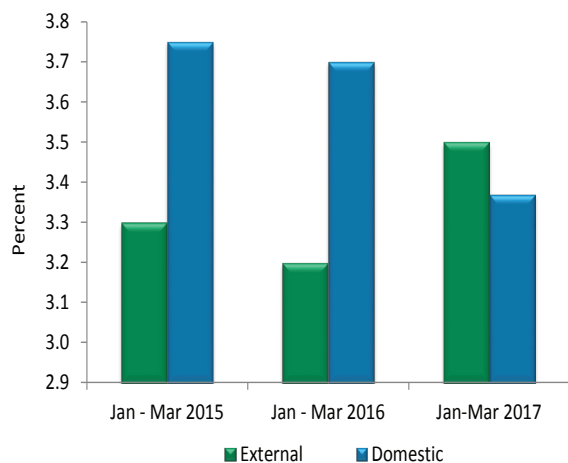


Public Sector External Debt

The most notable development during the quarter was the third successful restructuring of the super bond aimed at putting debt servicing on a sustainable footing. The major elements of the restructure consisted of changing the coupon rate (which was scheduled to rise from 5.0% to 6.767% in August 2017) to a fixed rate of 4.9375% for the life of the bond, pushing back principal repayments from 2019 to 2030 and shortening the bond maturity from 2038 to 2034. There was no haircut, and the new fixed interest rate took effect in February 2017.

In other more routine developments, the public sector external debt rose by 1.1% to \$2,423.7mn (66.2% of GDP). Disbursements to Central Government totalled \$43.8mn and of this amount, \$34.7mn came from bilateral sources, including \$14.7mn from Venezuela and \$20.0mn from the ROC/Taiwan. Multilateral lenders disbursed \$9.1mn mainly for infrastructural works, including \$7.2mn from the Caribbean Development Bank (CDB) and \$1.1mn from the OPEC Fund for International Development (OFID). The Development Finance Corporation (DFC) also received \$1.0mn.

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



Principal repayments summed to \$19.8mn, and this included Central Government payments of \$19.0mn (of which \$11.5mn went to bilateral and \$7.5mn to multilateral creditors, respectively). The

Table 5.5: Public Sector External Debt

	\$mn		
	DOD at: 12/31/2016	DOD at: 30/03/2017 ^P	Change in Debt Stock
Central Government	2,315.5	2,340.5	25.0
Bilateral	667.5	690.8	23.2
Multilateral	595.0	596.7	1.7
Bonds	1,053.0	1,053.0	0.0
Non-Financial Public Sector	15.7	15.2	-0.5
Bilateral	0.0	0.0	0.0
Multilateral	15.7	15.2	-0.5
Bonds	0.0	0.0	0.0
Financial Public Sector	66.9	68.1	1.2
Bilateral	0.0	0	0.0
Multilateral	66.9	68.1	1.2
Bonds	0.0	0.0	0.0
Grand Total	2,398.1	2,423.7	25.6

^P - Provisional

DFC and the non-financial public sector repaid \$0.7mn to the CDB.

Interest and other payments totalled \$32.2mn during the quarter. Bond holders received \$26.3mn (81.7%), while bilateral and multilateral creditors were paid \$3.0mn and \$2.9mn, respectively, on loans that were more concessionary in nature. At 3.5%, the annualized effective interest rate was higher than the 3.2% averaged at the end of March 2016.

At the end of March, Central Government held 96.6% of the public sector external debt, of which the 2034 bond holders and the Government of Venezuela – the two

largest creditors – accounted for 43.4% and 17.2%, respectively. The shares held by the financial and non-financial public sectors were much lower at 2.8% and 0.6%, respectively.

ANNEX I

Table 6.1: Gross Domestic Product
Growth Rates of Selected Countries

	Percent	
	Dec 2016	Mar 2017
USA ⁽²⁾	2.1	1.2
UK ⁽¹⁾	2.2	2.1
Euro Zone ⁽¹⁾	1.8	1.9
Japan ⁽²⁾	1.6	1.3

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

⁽²⁾ Percentage change on an annualized basis.

Source: Respective Statistical Bureaus

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

	\$mn		
	Position as at Mar 2017	Changes During	
		Dec 2016 to Mar 2017	Dec 2015 to Mar 2016
Net Foreign Assets	972.6	-13.9	20.5
Central Bank	746.0	-6.0	8.1
Domestic Bank	226.6	-7.9	12.4
Net Domestic Credit	2,532.0	-2.0	69.6
Central Government (Net)	543.3	28.7	65.9
Other Public Sector	7.4	-1.1	-0.3
Private Sector	1,981.3	-29.6	4.0
Central Bank Foreign Liabilities (Long-term)	48.6	0.4	0.8
Other Items (Net)	488.2	-33.8	-7.5
Money Supply (M2)	2,967.8	17.5	96.8

⁽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	
		Changes During	
	Position as at Mar 2017	Dec 2016 to Mar 2017	Dec 2015 to Mar 2016
Money Supply (M2)	2,967.8	17.5	96.8
Money Supply (M1)	1,523.9	52.0	82.7
Currency with the Public	300.3	-10.8	-10.2
Demand Deposits	1,222.9	62.9	94.9
Savings/Chequing Deposits	0.7	-0.1	-2.0
Quasi-Money	1,443.9	-34.5	14.1
Savings Deposits	692.3	6.1	22.7
Time Deposits	751.6	-40.6	-8.6

Table 6.4: Net Foreign Assets of the Banking System

		\$mn	
		Changes During	
	Position as at Mar 2017	Dec 2016 to Mar 2017	Dec 2015 to Mar 2016
Net Foreign Assets of Banking System	972.6	-13.9	20.5
Net Foreign Assets of Central Bank	746.0	-6.0	8.1
Central Bank Foreign Assets	755.4	-3.8	8.8
Central Bank Foreign Liabilities (Demand)	9.4	2.2	0.7
Net Foreign Assets of Domestic Banks	226.6	-7.9	12.4
Domestic Bank Foreign Assets	246.0	-5.7	-5.5
Domestic Bank Foreign Liabilities (Short-Term)	19.4	2.2	-17.9

Table 6.5: Net Domestic Credit

		\$mn	
		Changes During	
	Position as at Mar 2017	Dec 2016 to Mar 2017	Dec 2015 to Mar 2016
Total Credit to Central Government	650.7	47.8	39.5
From Central Bank	425.5	55.1	27.7
Loans and Advances	62.2	14.0	-5.5
Government Securities ⁽¹⁾	363.3	41.1	33.2
From Domestic Banks	225.2	-7.3	11.8
Loans and Advances	2.5	-0.4	-0.2
Government Securities	222.7	-6.9	12.0
Of which: Treasury Bills	141.7	-10.0	12.0
Treasury Notes	81.0	3.1	0.0
Other	0.0	0.0	0.0
Less Central Government Deposits	107.4	19.1	-26.4
With Central Bank	73.0	12.3	-6.9
With Domestic Banks	34.4	6.8	-19.5
Net Credit to Central Government	543.3	28.7	65.9
Credit to Other Public Sector	7.4	-1.1	-0.3
From Central Bank	0.0	0.0	0.0
From Domestic Banks	7.4	-1.1	-0.3
Of which: Local Government	0.5	-0.1	-0.1
Public Financial Institutions	0.0	0.0	0.0
Public Utilities	0.4	-0.8	-0.7
Other Statutory Bodies	4.0	-0.2	0.5
Securities	2.6	0.0	0.0
Plus Credit to the Private Sector	1,981.3	-29.6	4.0
Loans and Advances	1,980.9	-29.6	4.0
Securities	0.4	0.0	0.0
Net Domestic Credit of the Banking System ⁽²⁾	2,532.0	-2.0	69.6

⁽¹⁾ Includes 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.

⁽³⁾ Values may not equal to total due to rounding.

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

		\$mn	
		Changes During	
	Position as at Mar 2017	Dec 2016 to Mar 2017	Dec 2015 to Mar 2016
PRIMARY SECTOR	275.0	17.2	6.4
Agriculture	237.0	34.2	6.1
Sugar	90.7	18.3	-0.2
Citrus	6.0	-6.2	-2.8
Bananas	86.7	17.4	6.8
Other	53.6	4.7	2.3
Marine Products	33.5	-2.7	0.3
Forestry	0.9	-0.1	0.0
Mining and Exploration	3.6	-14.2	0.0
SECONDARY SECTOR	601.6	-21.6	7.8
Manufacturing	42.4	4.1	7.2
Building and Construction	548.8	-25.7	2.6
Utilities	10.4	0.0	-2.0
TERTIARY SECTOR	688.1	-11.6	15.2
Transport	54.1	-0.5	0.1
Tourism	119.2	-11.3	0.9
Distribution	166.6	7.6	15.1
Real Estate	290.2	-3.2	4.9
Professional Services	48.3	-0.5	-4.6
Other ⁽¹⁾	9.7	-3.7	-1.2
PERSONAL LOANS ⁽²⁾	419.5	-14.8	-25.8
TOTAL	1,984.2	-30.8	3.6

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

⁽²⁾ Changes due to reclassification from personal loans mainly to building and construction in 2016.

Table 6.7: Domestic Banks' Liquidity Position and Cash Reserves

	\$mn		
	Changes During		
	Position as at Mar 2017	Dec 2016 to Mar 2017	Dec 2015 to Mar 2016
Holdings of Approved Liquid Assets	1,059.3	1.9	97.7
Notes and Coins	72.4	-3.0	-5.1
Balances with Central Bank	674.3	18.0	44.8
Money at Call and Foreign Balances (due in 90 days)	150.4	12.4	42.7
Treasury Bills maturing in not more than 90 days	141.7	-10.0	12.0
Other Approved Assets	20.5	-15.5	3.3
Of which: Treasury Notes	0.0	-26.3	0.0
Required Liquid Assets	613.6	-0.1	13.6
Excess/(Deficiency) Liquid Assets	445.7	2.0	84.1
Daily Average Holdings of Cash Reserves	677.0	24.1	45.8
Required Cash Reserves	226.8	0.0	5.0
Excess/(Deficiency) Cash Reserves	450.2	24.1	40.8
Actual Securities Balances	141.7	-10.0	12.0
Excess/(Deficiency) Securities	141.7	-10.0	12.0

Table 6.8: Domestic Banks' Weighted Average Interest Rates

	Percent		
	Changes During		
	Position as at Mar 2017	Dec 2016 to Mar 2017	Dec 2015 to Mar 2016
Weighted Lending Rates			
Personal Loans	11.54	-0.09	-0.04
Commercial Loans	9.34	-0.17	-0.06
Residential Construction	7.36	-0.21	-0.09
Other	6.96	-0.24	-0.11
Weighted Average	9.51	-0.15	-0.11
Weighted Deposit Rates			
Demand	0.01	0.00	-0.01
Savings/Chequing	0.47	-0.15	0.01
Savings	2.40	0.00	0.00
Time	2.16	-0.04	-0.09
Weighted Average	1.23	-0.05	-0.08
Weighted Average Spread	8.28	-0.10	-0.03

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

				Percent	
	Twelve Month Rolling Averages At			Changes	
	Mar 2017	Dec 2016	Mar 2016	Mar 2017 over Dec 2016	Mar 2017 over Mar 2016
Weighted Lending Rates					
Personal Loans	10.36	10.45	10.47	-0.09	-0.11
Commercial Loans	9.22	9.47	9.75	-0.25	-0.52
Residential Construction	6.69	6.99	6.93	-0.29	-0.23
Other	6.41	6.44	6.56	-0.03	-0.15
Weighted Average	9.27	9.42	9.56	-0.14	-0.28
Weighted Deposit Rates					
Demand	0.03	0.03	0.03	0.00	0.00
Savings/Chequing	0.96	0.85	1.14	0.11	-0.18
Savings	2.23	2.44	2.19	-0.21	0.04
Time	2.00	1.95	1.89	0.05	0.11
Weighted Average	1.86	1.79	1.71	0.06	0.14
Weighted Average Spread	7.42	7.63	7.84	-0.21	-0.42

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

	Year on Year Growth (%)	
	Jan-Mar 2016 ^R	Jan-Mar 2017 ^P
Agriculture, Hunting and Forestry	-9.3	11.7
Fishing	-79.6	11.5
Manufacturing (including Mining and Quarrying)	-9.6	-5.2
Electricity and Water	43.8	-10.1
Construction	19.1	8.1
Wholesale and Retail	3.5	0.8
Hotels and Restaurants	1.5	0.1
Transport and Communication	6.9	2.2
Other Private Services excluding Financial Services Indirectly Measured	3.6	4.9
Producers of Government Services	12.2	2.5
All Industries at Basic Prices	-0.7	2.4
Taxes on Products	4.1	0.4
GDP at Constant 2000 Prices	0.0	2.1

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 2016 ^R	Quarter 1 2017 ^P
Agriculture, Hunting and Forestry	71.8	80.2
Fishing	7.0	7.8
Manufacturing (including Mining and Quarrying)	56.0	53.1
Electricity and Water	34.4	30.9
Construction	23.9	25.9
Wholesale and Retail	115.0	115.9
Hotels and Restaurants	36.6	36.6
Transport and Communication	77.6	79.4
Other Private services excluding Financial Services Indirectly Measured	115.5	121.1
Producers of Government Services	76.7	78.6
All Industries at Basic Prices	614.6	629.5
Taxes on Products	118.3	118.7
GDP at Constant 2000 Prices	732.8	748.2

Source: SIB

^R - Revised^P - Provisional

Table 6.12: Consumer Price Index Commodity Group

		% Change				
Major Commodity	Weights	Jan 2017	Feb 2017	Mar 2017	Mar 2017	YTD 2017
					over Feb 2017	over YTD 2016
Food and Non-Alcoholic Beverages	195	105.3	105.2	104.9	-0.3	-2.1
Alcoholic Beverages and Tobacco	17	100.3	99.8	100.4	0.6	0.1
Clothing and Footwear	83	98.7	97.8	97.8	-0.0	1.1
Housing, Water, Electricity, Gas, and Other Fuels	265	103.0	103.3	103.4	0.1	0.6
Furnishing, Household Equipment, and Routine Household Maintenance	69	101.6	101.0	101.0	0.1	-0.8
Health	41	113.7	113.6	113.6	0.0	0.6
Transport	136	106.3	114.1	114.2	0.1	15.8
Communication	33	100.7	101.0	101.0	-0.0	3.2
Recreation and Culture	69	107.0	107.1	107.1	0.0	0.5
Education	32	103.5	103.8	103.8	0.0	0.2
Restaurants and Hotels	7	113.5	115.7	115.7	0.0	2.6
Miscellaneous Goods and Services	52	103.0	103.6	103.6	-0.0	-2.8
All Items	1,000	104.1	105.1	105.1	-0.0	1.8

Source: SIB

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

	\$'000			
SITC Section	Jan-Mar 2016	Jan-Mar 2017	\$ Change	% Change
0. Food and Live Animals	56,180	51,309	(4,870)	(8.7)
1. Beverages and Tobacco	8,838	9,044	206	2.3
2. Crude Materials	9,231	9,070	(161)	(1.7)
3. Minerals, Fuels and Lubricants	41,119	63,738	22,619	55.0
Of which: Electricity	4,803	9,621.9	4,819	100.3
4. Oils and Fats	3,353	4,487	1,134	33.8
5. Chemical Products	41,331	39,103	(2,228)	(5.4)
6. Manufactured Goods	54,550	62,104	7,554	13.8
7. Machinery and Transport Equipment	107,551	90,443	(17,108)	(15.9)
8. Other Manufactures	35,374	38,561	3,187	9.0
9. Commodities not elsewhere specified	182	321	139	
10. Export Processing Zones	16,514	7,957	(8,557)	(51.8)
11. Commercial Free Zone	74,446	64,031	(10,415)	(14.0)
12. Personal Goods	538	1,069	530	98.5
Total	449,207	441,238	(7,969)	(1.8)

Sources: CBB and SIB

Table 6.14: Balance of Payments

	\$mn	
	Jan-Mar 2016 ^R	Jan-Mar 2017 ^P
CURRENT ACCOUNT	-33.4	-46.2
Goods: Exports FOB	220.0	246.5
Goods: Imports FOB	412.9	399.7
Trade Balance	-192.8	-153.2
Services: Credit	308.8	320.1
Transportation	14.9	20.3
Travel	245.4	252.3
Other Goods and Services	38.4	31.7
Government Goods and Services	10.1	15.9
Services: Debit	105.0	132.6
Transportation	34.8	33.5
Travel	22.7	22.3
Other Goods and Services	41.1	64.5
Government Goods and Services	6.4	12.3
Balance on Goods and Services	11.0	34.2
Primary Income: Credit	3.6	3.3
Compensation of Employees	1.2	1.2
Investment Income	2.4	2.1
Primary Income: Debit	81.6	118.1
Compensation of Employees	3.5	1.6
Investment Income	78.0	116.5
Balance on Goods, Services and Primary Income	-67.0	-80.6
Secondary Income: Credit	56.2	58.3
Secondary Income: Debit	22.6	24.0
CAPITAL ACCOUNT	5.0	2.6
Capital Account: Credit	5.0	2.6
Capital Account: Debit	0.0	0.0
FINANCIAL ACCOUNT	0.1	-86.7
Direct Investment Abroad	1.6	0.1
Direct Investment in Reporting Economy	40.2	49.2
Portfolio Investment Assets	0.0	0.0
Portfolio Investment Liabilities	0.0	0.0
Financial Derivatives	0.0	0.0
Other Investment Assets	-7.0	-5.6
Other Investment Liabilities	-45.7	32.0
NET ERRORS AND OMISSIONS	39.0	-46.0
OVERALL BALANCE	10.4	-2.9
RESERVE ASSETS	10.4	-2.9

Source: CBB

^R - Revised^P - Provisional

Table 6.15: International Investment Position

	\$mn		
	Sept-Dec 2016	Jan-Mar 2017	Quarterly Change
Net Position	-5,855.1	-5,921.4	-66.2
A. Assets	1,135.7	1,124.7	-11.1
1. Direct Investment Abroad	137.1	137.2	0.1
2. Portfolio Investment	39.1	33.1	-6.0
2.1 Equity Securities	16.4	17.3	0.9
2.2 Debt Securities	22.7	15.8	-7.0
3. Other Investment	206.4	204.0	-2.5
3.1 Trade Credits	-1.3	-1.3	0.0
3.2 Loans	8.6	6.5	-2.2
3.3 Currency and Deposits	235.4	236.4	1.0
3.4 Other Assets	15.0	10.2	-4.8
4. Reserve Assets	753.1	750.2	-2.9
4.1 Monetary Gold	0.0	0.0	0.0
4.2 Special Drawing Rights	53.8	54.4	0.6
4.3 Reserve Position in the Fund	16.7	16.9	0.2
4.4 Foreign Exchange	663.8	660.3	-3.5
4.5 Other Claims	18.8	18.8	0.0
B. Liabilities	6,990.9	7046.0	55.2
1. Direct Investment	4,178.0	4,178.3	0.2
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	1,759.8	1,814.8	54.9
3.1 Trade Credits	-2.6	4.9	7.5
3.2 Loans	1,679.1	1,726.7	47.6
3.3 Currency and Deposits	81.0	82.4	1.4
3.4 Other Liabilities	2.4	0.8	-1.6

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

		\$mn	
		Jan - Mar 2016	Jan - Mar 2017
Total Services	Net	203.8	187.5
	Credits	308.8	320.1
	Debits	105.0	132.6
Manufacturing Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Maintenance and Repair Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Transportation	Net	-19.9	-13.2
	Credits	14.9	20.3
	Debits	34.8	33.5
Travel	Net	222.8	230.0
	Credits	245.4	252.3
	Debits	22.7	22.3
Telecommunications, Computer, and Information Services	Net	7.5	3.0
	Credits	10.9	10.1
	Debits	3.4	7.1
Construction Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Insurance and Pension Services	Net	-14.2	-13.9
	Credits	0.1	0.1
	Debits	14.3	14.0
Financial Services	Net	-2.7	0.8
	Credits	1.6	2.9
	Debits	4.4	2.1
Charges for the use of Intellectual Property, n.i.e.	Net	-1.4	-1.4
	Credits	0.0	0.0
	Debits	1.4	1.4
Other Business Services	Net	8.3	-21.1
	Credits	25.6	18.5
	Debits	17.4	39.7
Personal, Cultural and Recreational Services	Net	-0.2	-0.3
	Credits	0.0	0.0
	Debits	0.2	0.3
Government Services, n.i.e.	Net	3.7	3.6
	Credits	10.1	15.9
	Debits	6.4	12.3

Table 6.17: Private Sector External Debt by Economic Sector^(1,2)

Economic Sectors	Disbursed Outstanding as at 31/12/16	Transactions (Jan - Mar 2017)			Disbursed Outstanding as at 31/03/2017
		Disbursements	Principal Payments	Interest Payments	
Long Term:					
Agriculture	55,127	0	280	39	54,847
Arts, Entertainment and Recreation	1,700	0	0	0	1,700
Construction	48,722	0	1,461	1,433	47,261
Economic Diversification	778	0	111	19	667
Education	198	0	0	0	198
Electricity and Gas ⁽²⁾	5,154	0	8	582	5,146
Financial and Insurance Activities	111	0	0	0	111
Fishing	89,214	0	1,846	545	87,369
Information and Communication	520	0	175	15	345
Real Estate Activities	1,258	0	0	0	1,258
Tourism Activities	40,263	0	0	0	40,263
Transportation	31,178	0	1,361	390	29,818
Wholesale and retail trade	1,086	0	0	2	1,086
Other	19,127	29,916	36,559	0	12,484
Total	294,437	29,916	41,801	3,025	282,552

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

⁽²⁾ 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-Mar 2016		Jan-Mar 2017	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
Sugar	39,471	31,359	48,585	43,906
E.U.	39,126	30,953	48,561	43,878
USA	0	0	0	0
Caricom	344	406	25	28
Other	0	0	0	0
Molasses	6,903	1,578	10,108	2,114

Sources: SIB and Santander Group

Table 6.19: Export Sales of Citrus Products

	Jan-Mar 2016		Jan-Mar 2017	
	Pound Solid ('000)	Value (\$'000)	Pound Solid ('000)	Value (\$'000)
Citrus Concentrates				
U.S.A.				
Orange	3,080.8	7,513	1,709.7	5,747
Grapefruit	0.0	0	0.0	0
Caribbean				
Orange	1,901.4	6,184	1,311.3	4,703
Grapefruit	158.1	585	98.9	369
Europe				
Orange	204.1	590	102.2	286
Grapefruit	430.5	1,487	185.3	660
Other				
Orange	0.0	0	0.0	0
Grapefruit	30.1	108	0.0	0
Sub-Total ⁽¹⁾	5,805.0	16,467	3,407.4	11,766
Orange	5,186.3	14,287	3,123.2	10,737
Grapefruit	618.7	2,180	284.2	1,029
Not-From-Concentrate				
Sub-Total	13.0	72	12.4	66.8
Orange	9.7	56	10.5	55
Grapefruit	3.3	16	1.9	12
Total Citrus Juices	5,818.1	16,540	3,419.8	11,833
Pulp (pounds '000)				
Total ⁽¹⁾	372.7	280	28.4	29
Orange	319.7	240	28.4	29
Grapefruit	53.0	39	0.0	0

Source: CPBL

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

Table 6.20: Exports of Marine Products

	Jan-Mar 2016		Jan-Mar 2017	
	Volume ('000 pounds)	Value (\$'000)	Volume ('000 pounds)	Value (\$'000)
Lobster	220	4,137	232.6	4,250.8
Shrimp	295	2,808	354.6	4,202.3
Conch	182	2,096	239	2,834.3
Other Fish	186	189.7	121	129.0
Total	883	9,232	948	11,416

Sources: SIB and CBB

Table 6.21: Banana Exports

	Jan-Mar 2016	Jan-Mar 2017
Volume (metric tons)	15,433	23,558
Value (\$'000)	17,634	26,891

Source: BGA

Table 6.22: Petroleum Exports

	Jan-Mar 2016	Jan-Mar 2017
Volume (Barrels)	66,990	133,866
Value (\$'000)	3,357	11,385

Source: Petroleum and Geology Department

Table 6.23: Other Major Exports

	Jan-Mar 2016	Jan-Mar 2017
Other Miscellaneous Exports (\$'000)	19,917	21,785
Of which:		
<u>Papaya</u>		
Volume ('000 lbs)	3,104	1,096
Value (\$'000)	1,868	468

Sources: SIB and CBB

Table 6.24: Central Government Domestic Debt by Creditor⁽¹⁾

	\$'000					
	Disbursed Outstanding Debt 31/12/16 ^R	TRANSACTIONS THROUGH MARCH 2017				Disbursed Outstanding Debt 31/03/17 ^P
		Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	
Overdraft/Loans	48,221	0	0	1,151	14,013	62,234
Central Bank	48,221	0	0	1,151	14,013	62,234
Domestic Banks	0	0	0	0	0	0
Treasury Bills	215,000	30,000	0	172	0	245,000
Central Bank	51,792	30,000	0	137	19,357	101,149
Domestic Banks	151,700	0	0	35	(10,000)	141,700
Other	11,508	0	0	0	(9,357)	2,151
Treasury Notes	480,000	20,000	0	9,586	0	500,000
Central Bank	270,477	20,000	0	6,208	(28,294)	262,183
Domestic Banks	77,825	0	0	990	3,133	80,958
Other	131,698	0	0	2,389	25,161	156,859
Heritage Bank Limited	1,732	0	171	42	0	1,561
Belize Social Security Board ⁽²⁾	355	0	11	7	0	344
Fort Street Tourism Village	328	0	109	0	0	219
Debt for Nature Swap	2,147	0	88	31	0	2,059
Total	747,784	50,000	380	10,990	14,013	811,417

^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.⁽²⁾ Government has outstanding loan with BSSB for Hopeville Housing Project.

Table 6.25: Central Government Revenue and Expenditure

	\$'000					
	Approved Budget 2016/2017	Jan 2016 to Mar 2016	Jan 2017 to Mar 2017	Apr 2015 to Mar 2016	Apr 2016 to Mar 2017 ^P	Fiscal YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	1,088,540	248,439	261,152	1,000,724	1,052,133	96.7%
1). Current Revenue	1,041,042	246,357	247,809	972,886	1,004,029	96.4%
Tax Revenue	936,597	223,368	234,227	864,299	924,898	98.8%
Income and Profits	256,051	67,450	68,972	255,643	261,707	102.2%
Taxes on Property	5,682	1,972	2,133	5,457	6,799	119.7%
Taxes on Goods and Services	366,187	92,291	126,021	354,371	490,192	133.9%
International Trade and Transactions	308,677	61,654	37,100	248,827	166,200	53.8%
Non-Tax Revenue	104,445	22,989	13,582	108,588	79,131	75.8%
Property Income	20,064	5,657	1,445	36,905	16,742	83.4%
Licences	12,646	4,746	4,380	14,014	11,884	94.0%
Other	71,735	12,586	7,757	57,669	50,504	70.4%
2). Capital Revenue	5,916	777	629	6,259	2,522	42.6%
3). Grants	41,581	1,305	12,715	21,579	45,581	109.6%
TOTAL EXPENDITURE (1+2)	1,151,104	297,982	337,255	1,262,676	1,197,760	104.1%
1). Current Expenditure	959,193	249,591	269,096	912,439	970,447	101.2%
Wages and Salaries	402,731	97,363	101,981	384,012	403,054	100.1%
Pensions	67,169	19,485	20,981	77,199	83,486	124.3%
Goods and Services	224,536	58,768	61,985	197,246	215,510	96.0%
Interest Payments on Public Debt	99,030	36,375	42,580	93,170	104,315	105.3%
Subsidies and Current Transfers	165,726	37,600	41,569	160,812	164,082	99.0%
2). Capital Expenditure	191,911	48,391	68,159	350,236	227,313	118.4%
Capital II (Local Sources)	93,432	24,055	44,420	99,623	113,598	121.6%
Capital III (Foreign Sources)	95,973	23,726	22,704	160,772	110,888	115.5%
Capital Transfer and Net Lending	2,507	610	1,035	89,842	2,827	112.8%
CURRENT BALANCE	81,849	(3,234)	(21,287)	60,447	33,582	41.0%
Primary Balance	36,465	(13,168)	(33,523)	(168,781)	(41,313)	-113.3%
OVERALL BALANCE	(62,565)	(49,543)	(76,103)	(261,952)	(145,628)	232.8%
Primary Balance less Grants	(5,115)	(14,473)	(46,237)	(190,360)	(86,894)	1698.7%
Overall Balance less Grants	(104,146)	(50,848)	(88,817)	(283,530)	(191,209)	183.6%
FINANCING	62,565	49,543	76,103	261,952	145,628	
Domestic Financing		60,685	44,435	336,778	251,088	
Central Bank		34,759	42,786	313,910	128,509	
Net Borrowing		27,668	55,076	104,323	152,116	
Change in Deposits		7,090	(12,290)	209,587	(23,607)	
Commercial Banks		31,269	(14,035)	23,512	51,409	
Net Borrowing		11,729	(7,238)	4,233	59,893	
Change in Deposits		19,540	(6,797)	19,279	(8,484)	
Other Domestic Financing		(5,343)	15,684	(644)	71,170	
Financing Abroad		(5,099)	25,534	68,488	77,693	
Disbursements		12,154	44,582	142,781	161,298	
Amortization		(17,252)	(19,049)	(74,294)	(83,605)	
Nationalization of BEL		0	0	(70,221)	0	
Nationalization of BTL		0	0	(65,088)	(196,522)	
Other		(6,043)	6,135	(8,005)	13,368	

Sources: CBB and MOF

^P - Provisional

Table 6.26: Public Sector External Debt by Creditor

\$'000

	Disbursed Outstanding Debt 31/12/16 ^R	TRANSACTIONS THROUGH MARCH 2017				Disbursed Outstanding Debt 31/03/17 ^P
		Disbursements	Principal Payments	Interest & Other Payments	Parity Change	
CENTRAL GOVERNMENT	2,315,499	43,819	19,049	31,960	184	2,340,454
Government of Venezuela	405,985	14,730	2,857	730	0	417,858
Kuwait Fund for Arab Economic Development	17,296	0	0	72	51	17,347
Republic of China	244,247	20,000	8,684	2,237	0	255,564
Caribbean Development Bank	244,520	7,192	4,651	1,796	-0	247,061
Caricom Development Fund	1,610	0	201	0	0	1,410
European Economic Community	8,071	0	106	8	108	8,073
Inter-American Development Bank	231,486	178	1,975	590	0	229,689
International Fund for Agriculture Development	2,820	311	0	0	25	3,157
International Bank for Reconstruction and Development	30,592	336	0	0	0	30,928
Opec Fund for International Development	52,645	1,072	396	122	0	53,321
Central American Bank for Economic Integration	23,221	0	179	77	0	23,042
Bank of New York	1,053,004	0	0	26,325	0	1,053,004
NON-FINANCIAL PUBLIC SECTOR	15,697	0	506	151	0	15,191
Caribbean Development Bank ^{(1) (2)}	15,697	0	506	151	0	15,191
FINANCIAL PUBLIC SECTOR	66,890	950	200	128	450	68,090
Caribbean Development Bank	18,666	950	200	128	0	19,416
European Economic Community	113	0	0	0	2	115
International Monetary Fund ⁽³⁾	48,112	0	0	0	448	48,560
GRAND TOTAL	2,398,086	44,769	19,755	32,239	634	2,423,735

^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.