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of BELIZE

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List of Acronyms and Abbreviations

Acronyms:

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

Abbreviations and Conventions:

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

Notes:

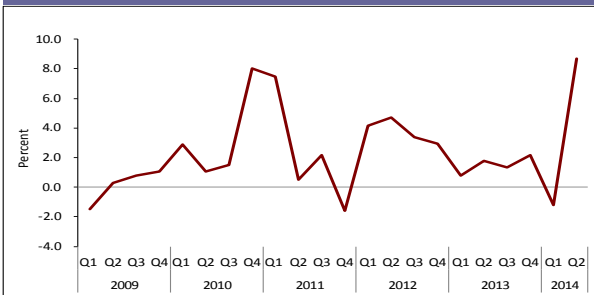
1. Since May of 1976, the Belize dollar has been fixed to the US dollar at the rate of US\$1.00 = BZ\$2.00.
2. The 2014 figures in this report are provisional and the figures for 2013 have been revised.
3. Unless otherwise indicated, the Central Bank of Belize is the source of all tables and charts.
4. Ratios to GDP for 2014 are based on Central Bank's forecast of annual GDP 2014.

Table of Contents

Summary of Economic Indicators	1
Domestic Overview	2
International Developments	4
Money and Credit	7
Domestic Productions and Prices	10
Sugarcane and Sugar	10
Citrus	11
Banana	12
Petroleum	12
Tourism	12
Consumer Price Index	12
Employment	13
International Trade and Payments	14
Public Debt	18
Annex 1	21

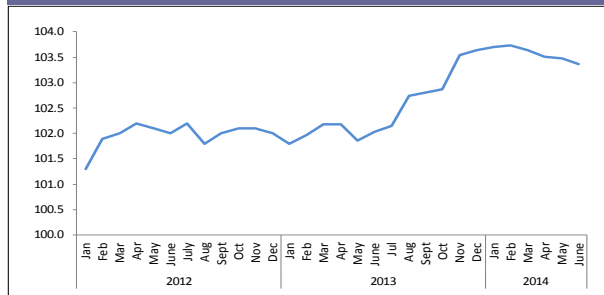
SUMMARY OF ECONOMIC INDICATORS

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: Balance of Payments

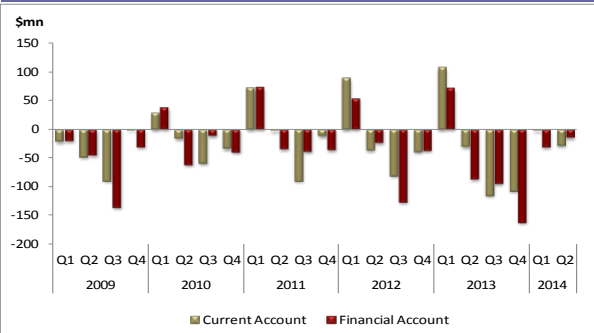


Chart IV: Total Foreign Assets

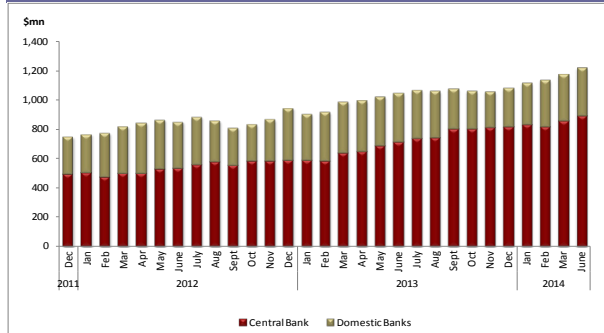


Chart V: Domestic Banks - Deposits and Loans and Advances

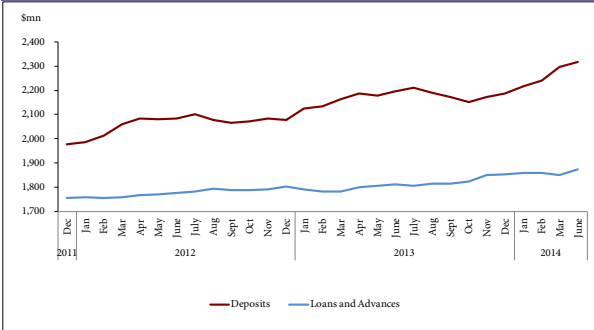


Chart VI: Excess Cash Balances

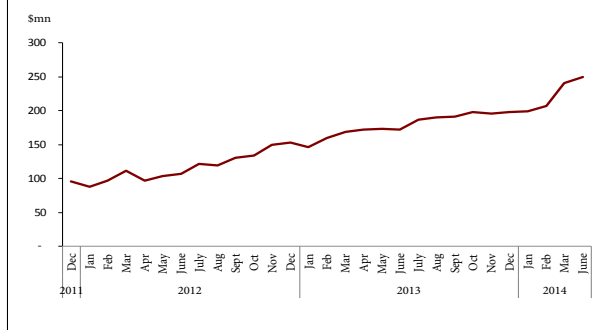
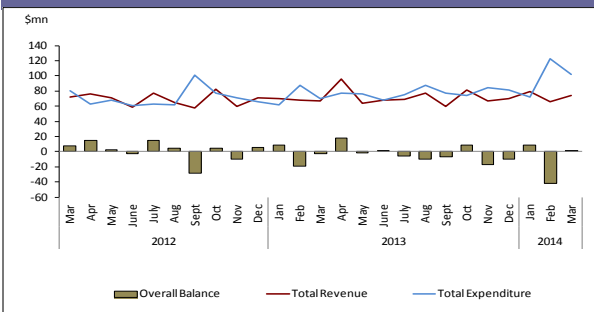


Chart VII: Central Government Operations



Sources: CBB and MOF

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



Domestic Overview

The Statistical Institute of Belize (SIB) reports that GDP increased by 3.7% in real terms during the first half of the year as an 8.7% upsurge in the second quarter, the strongest second quarter (year-on-year) growth since 2001, more than compensated for a first quarter contraction of 1.2%. The increase was almost triple that achieved in the comparable period of 2013. Consumer prices rose by an average of 1.5% relative to the first half of 2013, with increases for most goods and services, except "Clothing and Footwear".

The growth in GDP was broad-based, led by an 8.7% increase in the secondary sector. "Construction" maintained momentum owing to the continuation of public infrastructural works and private projects, and despite significantly lower average monthly rainfall during the first half of the year, output of hydro-electricity was elevated. On the downside, "Manufacturing" shrank by 2.2%, as petroleum's freefall outmatched an upswing in the agro-processing of sugar and citrus juices during the second quarter. The latter came on the heels of heightened sugarcane and citrus deliveries, which reflected a combination of timing adjustments and factory improvements following sugarcane's delayed 2013/2014 crop start as well as favourable weather that supported a larger second citrus crop. The strong performances of sugarcane and citrus underpinned a 7.3% growth spurt in the primary sector even though output of banana, shrimp and papaya declined. The services sector edged up by 0.5%, as activity in "Hotels and Restaurants" increased by 16.4% due to buoyancy in stay-over arrivals and cruise visitor disembarkations, which were up by 12.5% and 36.9%, respectively.

Notwithstanding higher tourism earnings, the external current account deteriorated as a larger merchandise trade deficit and a surge in profit repatriation resulted in a \$30.3mn deficit, a turnaround from the \$76.8mn surplus recorded in the first half of 2013. The capital account surplus was \$7.4mn higher due to an increase in grant receipts, while the financial account registered net inflows of \$46.7mn, reflecting increased foreign direct investment, retained earnings by the foreign-owned domestic banks and lower private sector loan repayments. The gross official international reserves consequently rose by \$71.9mn to \$882.6mn, equivalent to 5.4 months of merchandise imports.

Boosted by the Venezuelan loan disbursements, the public sector's external debt rose by 1.1% to \$2,187.8mn (65.2% of GDP). This also led to a 1.0% contraction in net domestic credit due to the associated sizeable reduction in Central Government's net borrowing from the domestic system. Commercial bank loans to the private sector rose by \$27.0mn in the meanwhile, most of which was channelled to the agricultural sector. Strong foreign

inflows coupled with moderate private sector loan growth further boosted liquidity in the banking system, with statutory holdings exceeding the requirement by 66.0% and cash holdings more than doubling the requirement. Interest rates consequently maintained a downward trend. The weighted average lending rate fell by 31 basis points to 10.81%, due to rate cuts of 54 basis points for “residential construction” and 47 basis points for the "other" category. Simultaneously, a 40 basis points reduction in the time deposit rate underpinned the drop in the weighted average deposit rate to 1.83%.

Outlook

The Central Bank of Belize is expecting that GDP growth will accelerate to between 3.0% and 3.5% in 2014, an upward adjustment of 100 basis points from its February projection. The upward revision takes into account tourism's record growth pace, sustained increases in domestic electricity generation and government's heightened capital spending program on infrastructure and sporting facilities. The primary sector will also provide some lift through continued investments in shrimp farming, livestock, grains, sugarcane and citrus deliveries. Growth in the latter is expected to increase the agro-processing of sugar and citrus juices, which, along with continued buoyancy in construction and hydroelectricity, will help to offset the impact of petroleum's freefall.

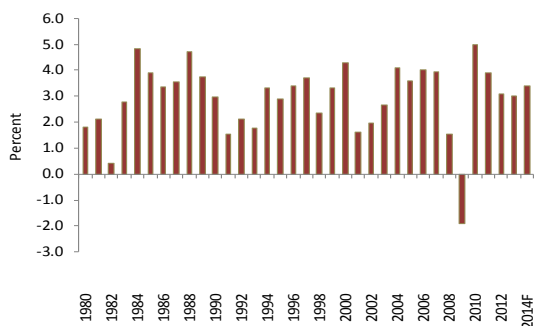
The downside risks to the forecast have also increased as Belize's susceptibility to storm-related damages and floods rises significantly during the latter half of the year. Diseases and pests such as citrus greening and froghopper infestation of sugarcane fields continue to pose significant threats, while the banana industry stands on alert over the possible introduction of the devastating Panama Race 4 disease. Increasing geopolitical conflicts could also impact tourism and commodity prices.

International Developments

Following a desultory first quarter beginning, there was some strengthening in the global economy. Monetary policy remained accommodative with long-term interest rates declining further in advanced economies, and capital beginning to flow toward the emerging markets again. However, supply side constraints, geopolitical tensions, and fiscal and external imbalances continued to weigh heavily on activity. The situation in Iraq and Syria, as well as Russia's

military presence in Ukraine, has been a growing concern globally, with the US and EU imposing sanctions on some of the former's largest firms, including defence enterprises, development banks, oil and natural gas companies. The International Monetary Fund (IMF) consequently lowered its global growth projection for 2014 from 3.7% to 3.4%.

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



Source: IMF
F - Forecast

Table 1.1: Selected Gross Domestic Product Growth Rates

	Percent ⁽¹⁾	
	Mar-14	June-14
USA ⁽²⁾	-2.1	4.0
UK	0.8	0.8
Euro Zone	0.2	0.0
Japan	1.5	-1.8

Source: Respective Statistical Bureaus

⁽¹⁾ Percentage change compared to the previous quarter.

⁽²⁾ Percentage change on an annualized basis.

In the English-speaking Caribbean and Central America (excluding Mexico), large external current account and fiscal deficits, crop diseases, elevated public debt, declining tourism competitiveness and weaker remittance flows generally constrained activity. In contrast, after a harsh winter resulting in a 2.1% first quarter contraction, the US economy rebounded, growing at an annualized rate of 4.2%. The strong recovery was fuelled by gains in personal consumption and a build-up of inventories as well as increases in exports and spending by state and local governments. The unemployment rate fell to 6.1%, its lowest level since September 2008, while the point-to-point annual inflation rate picked up from 1.1% at the end of March to 2.1% at the end of June. Canada's economy also rebounded from the weather-related setbacks of the first quarter with output rising by 0.9% or at an annualized rate of 3.1% on the back of increases in exports, residential construction, services and consumer spending. While activity in the United

Kingdom (UK) was more tepid with a 0.8% increase in the second quarter that was identical to the outturn in the first quarter, an upswing in services, manufacturing and industrial production is expected to push GDP up by 3.2% for 2014. This would make the UK the strongest performer in the Group of Seven (G7) advanced economies.

In the 18-nation euro zone, the German economy contracted by 0.2% in the second quarter due to declines in investment and construction. However, this was widely seen as an atypical blip

since the country continues to enjoy low levels of unemployment, rising wages and low borrowing costs. France, the bloc's second largest economy, recorded zero growth, as exports were flat and construction fell, while Italy's economy declined by 0.2% due to a second quarter falloff in exports. In contrast, Spain grew by 0.6% over the previous quarter, the largest increase in more than six years as a series of economic reforms supported a recovery that was led by exports. Its unemployment rate fell to 24.5%, which was the lowest recorded since the second quarter of 2012.

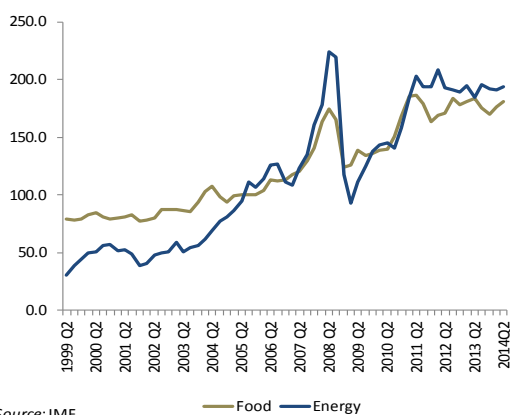
Table 1.2: Annual Inflation for Selected Economies

	Year on Year Change (%)	
	Mar-14	June-14
US	1.5	2.1
UK	1.6	1.9
Japan	1.6	3.6
China	2.4	2.3

Source: Respective Statistical Bureaus

Further east, Japan's economy shrank by 1.8% during the second quarter (or at an annualized rate of 7.1%), the sharpest contraction since the first quarter of 2009. This was a reflection of a reduction in capital expenditure and a sharp dip in private consumption against the backdrop of increased sales taxes in April.

Chart 1.2: Global Commodity Prices 2005=100



Source: IMF

In the case of the emerging markets, growth was again led by China as second quarter growth of 2.0% was supported by capital spending on railways and housing coupled with relaxed credit conditions. The Mexican economy also strengthened, with growth accelerating from 0.4% in the first quarter to 1.0% due to an uptick in trade with the US and looser fiscal policy that boosted domestic demand. In contrast, Brazil fell into a recession as weak investment,

tighter financial conditions and reduced consumer and business confidence led to a 0.6% shrinkage in its economy.

Despite rising energy prices, global inflation was modest during the second quarter, as economic activity remained below potential output, especially in the advanced economies. Food prices fell by 1.3% over the period, when compared to the second quarter of 2013, following a fall in grain prices that was triggered by increased supply. Ongoing geopolitical tensions that already affected supplies from Libya, Iran and Nigeria were exacerbated by the escalating conflict in Iraq during June. Consequently, petroleum prices increased over the quarter as the average West Texas Intermediate oil price rose by 8.4% from US\$97.63 to US\$105.79, while the Brent benchmark price also rose marginally from US\$110.76 to US\$111.80.

Money and Credit

Strong growth in the net foreign assets of the banking system fuelled a 5.1% expansion in the broad measure of money (M2) during the first half of the year. This was well above the 1.3% expansion recorded during the comparable period of 2013. Despite a sharp deterioration in the current account balance, foreign assets of the domestic banks were up by \$79.5mn (27.0%), driven by buoyancy in tourism, while growth of \$70.8mn in Central Bank's holdings reflected concessionary loan inflows received under the Venezuelan Petro Caribe Agreement (VPCA), sugar export receipts, and proceeds from the international ship and business registries.

The continued build-up of excess liquidity in the banking system over the previous four years has caused banks to reduce their holdings of time deposits and funnel deposit growth into accounts on which little or no deposit

interest is paid. Consequently, holdings of lower-cost demand deposits grew by \$128.1mn and accounted for 33.8% of M2 at the end of June, almost double the share (17.2%) of M2 recorded four years earlier (June 2010). Holdings of time deposits by the domestic banks contracted by \$20.4mn to 35.5% of M2, down significantly from the 57.3% share recorded at the end of June 2010. At the same time, growth of savings deposits slowed to \$14.5mn, in comparison with the \$62.9mn expansion of the previous year.

Net domestic credit of the banking system contracted by \$18.6mn mostly due to a \$40.4mn reduction in net credit to Central Government that reflected a \$5.0mn decrease in its overdraft balance and \$19.3mn increase in its deposit holdings. The latter was bolstered by tax receipts, loan inflows and proceeds from the international ship and business registries. Domestic banks also relinquished Treasury bills valued at \$16.8mn, the bulk of which was picked up by insurance companies. Credit to statutory bodies contracted due to net repayments by the Belize Tourism Board (BTB) and the Belize Telemedia Ltd. (BTL).

Loans to the private sector rose by \$27.0mn, which was well above the \$8.2mn growth recorded in the first half of 2013. Agriculture accounted

Chart 2.1: Domestic Banks' Net Foreign Assets and Private Sector Credit

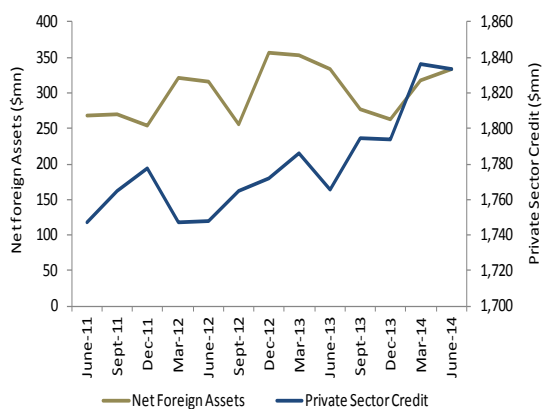
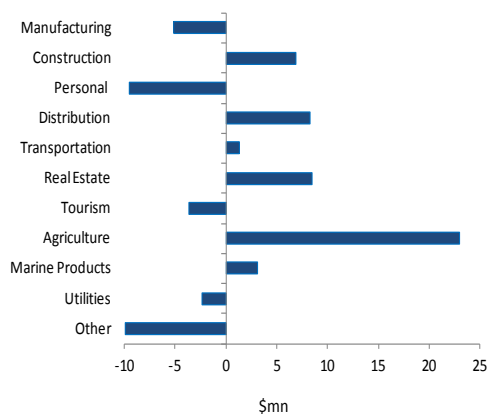


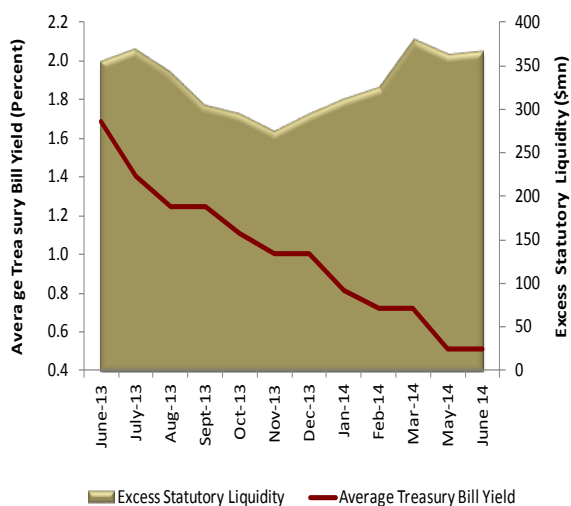
Chart 2.2: Changes in Domestic Banks' Loans and Advances, Dec 2013 - June 2014



for the bulk of the increase with large sugar loans being the dominant factor. Next in the order of magnitude were funds advanced for construction and distribution activities. The banks wrote off \$10.4mn in non performing loans during the first half of the year compared to \$14.4mn in the first half of 2013.

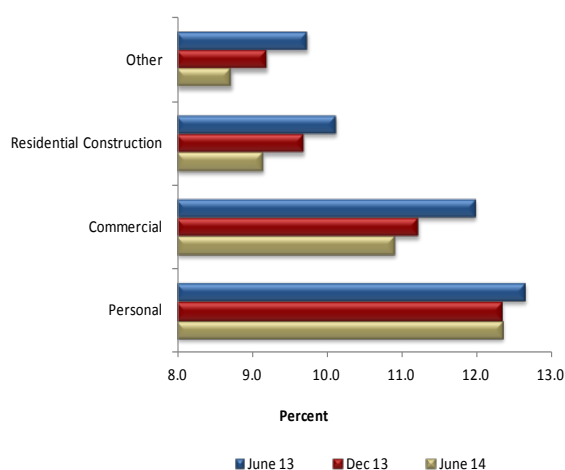
Growth in lending by the five largest credit unions slowed to \$7.8mn over the period reviewed versus a \$20.3mn increase in the first half of 2013. The slowdown was linked to higher provisioning for loan losses, a more conservative approach to lending and a shift by clientele to institutions offering lower interest rates. Commercial and residential construction, commercial fishing and personal loans (especially for education) were the main areas for which funds were allocated.

Chart 2.3: Excess Statutory Liquidity and Average Treasury Bill Yield



In an environment of moderate credit growth and strong expansion in net foreign assets, the banks' liquid asset holdings spiralled upward by \$102.6mn, while the level of required holdings increased by \$31.2mn. Hence, excess statutory liquidity rose by \$71.4mn to \$364.9mn. Holdings of cash escalated by \$62.6mn to \$453.7mn, which was more than double the required level. Lending rates consequently continued to slide downward, albeit at a slower pace. The weighted average lending rate declined by 31 basis points during the first half of the year to 10.81% and the

Chart 2.4 : Weighted Average Lending Rate



At the end of June, domestic banks' holdings of Treasury bills amounted to \$149.0mn, which was 85.1% of the total outstanding, while insurance companies and municipal bodies held the remainder. Aggressive bidding by auction participants reduced the average yield from the 1.00501% recorded at the end of 2013 to 0.50816 % at the May 2014 auction.

weighted average deposit rate fell by 34 basis points to 1.83%. Focusing on new loans, the rolling average of the weighted average lending rate fell by 65 basis points to 9.69% over the first half of this year, compared to the January to June 2013 period. Reductions were noted in rates applied on home construction loans (253 basis points), commercial loans (100 basis points) and other loans (71 basis points). These were partly offset by an increase in rates on personal loans which rose by 77 basis points during the first half of the year. At the same time, the rolling average of the weighted average rate on new deposits fell by 89 basis points to 2.22%. A 106 basis points contraction in time deposit rates led the decline and, along with a 22 basis point fall in rates on savings/chequing accounts, outweighed a 37 basis point increase in the savings rate. The weighted average spread widened by 25 basis points to 7.48%.

Domestic Production and Prices

Robust second quarter growth more than compensated for the economic contraction experienced in the first, resulting in overall GDP growth of 3.7% over the six month period. Growth was underpinned by buoyancy in tourism, output of domestic electricity and construction as well as a second quarter upswing in agricultural output and agro-manufacturing.

Primary sector activity rose by 7.3%, led by notable rebounds in sugarcane and citrus deliveries that outpaced declines in banana, papaya and farmed shrimp production. The latter reflected a shift in the harvesting cycle of the country's largest shrimp farm during the second quarter.

The secondary sector posted an 8.7% expansion with gains in domestic electricity, construction and agro-manufacturing. Water levels at the

reservoirs facilitated increased generation of hydroelectricity that contributed to a 43.0% expansion in “Electricity and Water”, while “Construction” increased by 3.5% due to the continuation of public infrastructural works and private projects. On the downside, “Manufacturing” shrank by 2.2%, as petroleum’s slide outweighed a rebound in sugar and citrus juice production.

The services sector, which accounts for the lion’s share of economic activity, edged up by 0.5% in the first semester with most of this being attributed to tourism’s buoyancy. Improvements in the economies of Belize’s main source markets and sustained marketing efforts continued to fuel stay-over arrivals and cruise ship disembarkations. Positive spillovers occurred in the “Hotels and Restaurants”, “Wholesale and Retail Trade” and “Transport and Communication” subsectors.

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

	Dec-June 2012/2013	Dec-June 2013/2014
Deliveries of Sugarcane to BSI (long tons)	1,078,019	1,138,818
Sugar Processed by BSI (long tons)	118,339	115,677
Molasses processed by BSI (long tons)	34,508	39,246
Performance		
Factory Time Efficiency (%)	94.06	94.45
Cane Purity (%)	86.04	85.10
Cane/Sugar	9.11	9.77

Source: BSI

Sugarcane and Sugar

Despite the late start, sugarcane deliveries for the 2013/2014 crop year increased by 5.6% to 1,138,818 long tons, when compared to the previous harvest. Facilitated by a notable improvement in the average daily grinding rate to 7,587 long tons (compared to 5,989 long tons for the 2012/2013 harvest), monthly deliveries, January being the only exception, consistently exceeded that of the previous

year. However, sugar production declined by 2.2% to 115,677 long tons, as rainy weather at the start and end of the harvest pushed up the cane to sugar ratio by 7.2%.

The average price paid to the farmers was initially estimated at \$54.00 per long ton but was adjusted upward to \$62.72 at the end of the crop season due to freight rates that were lower than projected.

Citrus

The 2013/2014 citrus crop closed on 24 June with deliveries recording negligible growth of 0.1% to 4,735,104mn boxes. A

poor first crop for orange and grapefruit was offset by a larger orange second crop, with deliveries bouncing back by 2.6% to 4.2mn boxes. In contrast, grapefruit deliveries were 15.0% lower (to 0.6 mn boxes) than the previous harvest, the lowest production level since 2000.

The marginal increase in deliveries could not offset the 2.5% decline in the average juice outturn per box and the production of citrus juices consequently decreased by 2.4% to 27.6mn pound solids (ps). Orange and grapefruit concentrate output fell by 1.0% and 15.8%, respectively. On the upside, citrus oil production increased by 6.4% to 2.4mn pounds, and pulp production grew by 4.2% to 1.7mn pounds.

Table 3.2: Output of Citrus Products

	Oct-June 2012/2013	Oct-June 2013/2014
Deliveries (boxes)		
Orange	4,051,659	4,158,870
Grapefruit	<u>678,147</u>	<u>576,234</u>
Total	4,729,806	4,735,104
Concentrate Produced (ps)		
Orange	25,303,632	25,060,141
Grapefruit	<u>2,749,901</u>	<u>2,315,303</u>
Total	28,053,533	27,375,444
Not from Concentrate (ps)		
Orange	216,731	252,917
Grapefruit	<u>55,871</u>	<u>7,473</u>
Total	272,602	260,390
Pulp (pounds)		
Orange	1,747,728	2,272,640
Grapefruit	<u>527,456</u>	<u>147,552</u>
Total	2,275,184	2,420,192
Oil Produced (pounds)		
Orange	1,500,000	1,584,200
Grapefruit	<u>92,955</u>	<u>75,400</u>
Total	1,592,955	1,659,600

Sources: CGA and CPBL

International concentrate prices continued to be influenced by developments in Brazil and the US, which are major global producers. An extended drought in Brazil and the lingering effects of a brutal winter in the US exerted upward pressures on prices for concentrates and, by extension, the price paid to farmers. Accordingly, the estimated price paid to farmers for the 2013/2014 orange crop was \$1.73 per ps for orange, compared to \$1.50 for the previous crop year, and \$2.42 per ps for grapefruit, compared to \$2.26 for the 2012/2013 crop year.

Table 3.3: Banana Production

	Jan - June 2013	Jan - June 2014
1st Quarter	1,333,115	1,244,251
2nd Quarter	<u>1,439,228</u>	<u>1,401,377</u>
Total	2,772,343	2,645,628

Source: BGA

Banana

Favourable weather boosted banana yields in the latter part of the second quarter, and this somewhat ameliorated the production shortfall experienced earlier in the year. In comparison with the first half of the previous year, banana production was down by 4.6% to 2.6mn boxes, while banana acreage stood at 7,517 with 7,339 acres under production and 178 acres under plantilla (trees too young to harvest) at the end of April.

Petroleum

Petroleum extraction fell for the seventeenth consecutive quarter and by 20.6% to 332,769 barrels over the first half of the year (compared to the same period of 2013) with extraction from the Spanish Lookout and Never Delay fields decreasing by 33.1% and 20.5%, respectively. An average of 1,838 barrels per day was extracted at the Spanish Lookout field, down from the 2,313 barrels per day recorded over the first half of 2013. The extraction rate at the Never Delay field was minimal and required periodic shutdowns until sufficient pressure could be built up to resume pumping.

Tourism

Record amounts of stay-over visitors were welcomed to Belize in the first and second quarters as continued marketing efforts and improvements in the economies of the main source markets contributed to buoyant tourism activity during the first semester. Stay-over arrivals rose by 12.5% to 173,246, the largest increase for the first half of the year since 2003, while cruise ship disembarkations spiked by 36.9% to 474,333 visitors. Stay-over arrivals from US, Europe and Canada accounted for 68.3%, 6.7% and 6.2%, respectively. Arrivals from Europe recorded the largest increase of 25.4%, followed by the US with growth of 11.8%.

Consumer Price Index

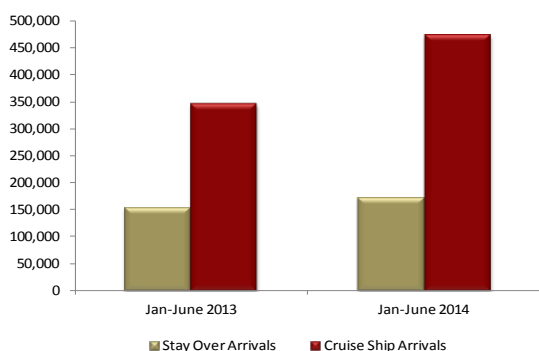
The Consumer Price Index (CPI) edged downward by 0.1% in June as lower prices for “Alcoholic Beverages and Tobacco” and “Transport” exerted downward pressures on the basket. Relative to the first half of 2013, the average price level was 1.5% higher with across the board price increases, except for “Clothing and Footwear”, which declined by 0.3%. Notable increases were recorded for “Food and Non-Alcoholic Beverages” (1.6%), “Transport” (3.0%) and “Housing, Water, Electricity, Gas and Other Fuels” (1.7%) due in most part to price hikes for vegetables, meat products, international airfares and rental costs.

Table 3.4: Bona Fide Tourist Arrivals

	Jan - June 2013	Jan - June 2014
Stay-over Arrivals		
Air	127,212	141,226
Land	21,877	27,252
Sea	<u>4,898</u>	<u>4,768</u>
Total	153,987	173,246
Cruise Ship	346,604	474,333

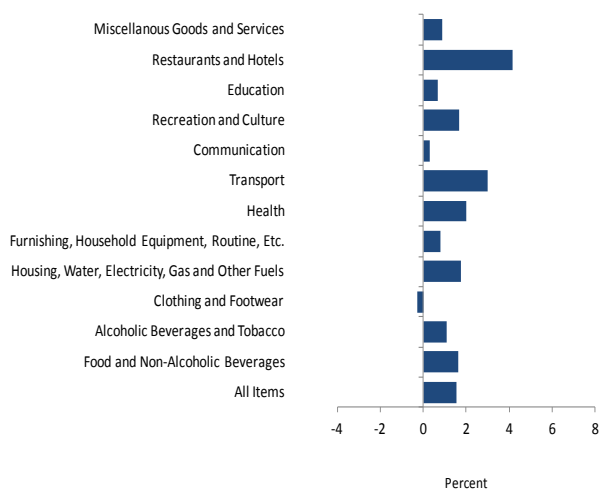
Sources: BTB, CBB and Immigration Department

Chart 3.1: Tourist Arrivals



Sources: BTB, CBB and Immigration Department

Chart 3.2: Average Annual Percentage Change in Consumer Price Index Jan to June 2013 over Jan to June 2014



Source: SIB

Employment

The unemployment rate stood at 11.1% in April 2014, down from the 11.7% in the same month of 2013, as the number of jobs grew faster than the labour force. Buoyancy in construction activities, tourism and services underpinned a 2.4% expansion in job opportunities. Meanwhile, the labour force rose by 1.7% to 151,317 persons despite a marginal reduction in the labour force participation rate (the share of the working age population who is willing to work) from 64.2% in 2013 to 63.8%.

International Trade and Payments

Chart 4.1: External Current Account and Trade Deficit

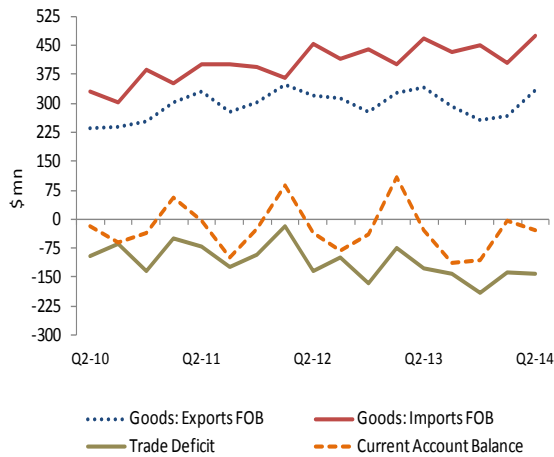


Table 4.1: Balance of Payments Summary

	\$mn	
	Jan-June 2013 ^R	Jan-June 2014 ^P
A. CURRENT ACCOUNT	76.8	-30.3
(I+II+III+IV)		
I. Goods (Trade Balance)	-203.0	-276.4
Exports, Free on Board (FOB)	666.1	602.1
Domestic Exports	373.6	335.7
CFZ Gross Sales	240.6	218.4
Re-exports	51.9	48.0
Imports, FOB	869.1	878.6
Domestic Imports	721.1	769.1
CFZ Imports	148.0	109.4
II. Services	289.5	333.8
Transportation	-48.2	-53.1
Travel	364.1	397.7
Other Services	-26.3	-10.8
III. Primary Income	-85.4	-167.2
Compensation of Employees	-5.5	-5.9
Investment Income	-79.9	-161.3
IV. Secondary Income	75.7	79.6
Government	-5.0	-5.8
Private	80.7	85.3
B. CAPITAL ACCOUNT	51.0	58.4
C. FINANCIAL ACCOUNT	-16.5	-46.7
D. NET ERRORS AND OMISSIONS	-22.0	-2.9
E. RESERVE ASSETS	122.3	71.9

^R - Revised

^P - Provisional

The external current account swung from a surplus of \$76.8mn (2.3% of GDP) in 2013 to a deficit of \$30.3mn (0.9% of GDP) in the first half of the year as higher tourism inflows were outstripped by an increase in the merchandise trade deficit and a surge in profit repatriation. The latter included outflows by domestic banks to their foreign headquarters, higher interest payments on the external debt and a hike in dividends paid to non-residents as earnings by the tourism sector rose. Grant receipts accounted for a \$7.4mn increase in the capital account surplus, and the financial account recorded net inflows of \$46.7mn that included foreign direct investment, retained earnings of the domestic banks and a notable fall in private sector loan repayments. The combined net inflows on the capital and financial accounts financed the current account deficit and boosted gross international reserves by \$71.9mn to \$882.6mn, which is equivalent to 5.4 months of merchandise imports.

The merchandise trade deficit widened by 36.2% to \$276.4mn, as imports rose by 1.1% while exports fell by 9.6%. With commercial free zone (CFZ) and electricity imports declining by 26.1% and 73.2%, respectively, import growth centred on goods for domestic consumption such as gasoline and diesel fuels, vehicle engines, prefabricated steel buildings, corn seeds and pharmaceutical products.

Exports shrank by 9.6% to \$602.1mn, as domestic exports, CFZ sales and re-exports recorded contractions of 10.1%, 9.2% and 7.5%, respectively. Receipts from all domestic export commodities declined with the exception of marine products and molasses.

The volume and value of sugar exports declined by 12.2% to 70,395 long tons and by 12.9% to \$71.8mn, respectively. With the exception of 104 long tons that were sold in niche markets, all sales were to the EU market to take advantage of the Fair Trade and buyers' premiums. The average export price remained steady at US\$0.23 per pound. In contrast to sugar, exports of molasses grew by 27.5% to 20,096 long tons valued at \$4.9mn.

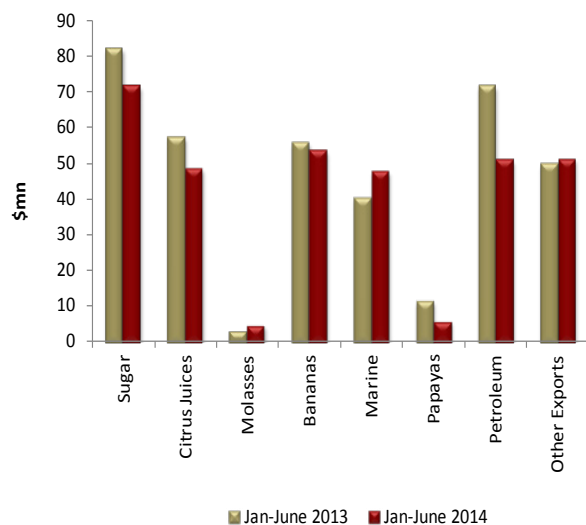
Reflecting the fall in production, the volume of citrus juice exports declined

by 19.1% to 16.7mn ps that included contractions of 17.9% and 30.7% in orange and grapefruit concentrate, respectively. The lingering effects of a brutal winter and widespread bacterial disease (citrus greening) in Florida led to a fruit shortage and underpinned price rallies for grapefruit and orange concentrates that partially offset the double-digit reduction in export volume and ameliorated the decline in export earnings, which fell by 15.2% to \$48.8mn.

Marine export volume fell by 9.6% to 6.8mn pounds, as lower output of farmed shrimp, conch and other fish outweighed a bigger lobster catch. Export earnings, however, climbed by 17.8% to \$47.9mn mainly due to a notable spike in the average unit price of shrimp. Shrimp prices continued to soar amid the "early mortality syndrome", a bacterial disease that has been plaguing the three largest producers in Asia (Thailand, China, and Vietnam) for over a year. Warmer waters enabling faster reproduction and fewer predators during the first half of the year supported the wild capture of lobster that almost tripled to 0.3mn pounds valued at \$7.2mn. Revenues from conch and other fish declined drastically by 69.8% and 81.0%, respectively, as a result of lower prices and sale volume.

A decline in banana yields due to bad weather that continued into the first quarter of 2014 reduced export volume

Chart 4.2: Domestic Exports



by 4.6%. A modest improvement in the export price held the resulting fall in revenue to 4.0%. The downward spiral in crude oil production led to volumes being insufficient to warrant export shipments in March and June. Export volume consequently plummeted by 22.5% to 261,342 barrels, while revenue decreased more steeply by 28.8% to \$51.1mn due to an 8.2% decline in the average price to US\$97.80 per barrel. Influencing the latter was the heightening of crude oil production in the US. Papaya receipts totalled \$6.0mn, as extensive root rot caused by flooding that occurred in late 2013 resulted in a fall in yields. The company has been experiencing difficulty finding arable, virus-free land to lease in order to expand production.

In other developments, net earnings from services improved by 15.3% to \$333.8mn, as higher inflows from tourism and lower outflows for

other services outweighed increased expenditures on international transportation. Buoyancy in stay-over arrivals and cruise ship disembarkations pushed net travel receipts up by 9.3% to \$397.7mn. Freight costs rose by \$4.9mn due to the growth in imports, while a \$15.5mn decrease in external payments for miscellaneous services reflected a return to normalcy since the debt restructuring fees had inflated the 2013 outlays.

Net outflows on the primary income account doubled from \$85.4mn in 2013 to \$167.2mn partly due to the turnaround from a \$26.3mn loss in retained earnings by domestic banks in 2013 to a \$7.9mn gain and considerably higher profit outflows for the electricity subsector. The bi-annual interest payments on the restructured super bond also resumed in February of this year, compared to 2013 when the first interest payment was capitalised. The surplus on the secondary income account rose by \$3.9mn to \$79.6mn due to very modest growth in net remittance inflows.

The capital account surplus rose by 14.6% to \$58.4mn reflecting an increase in grant receipts from foreign donors. Meanwhile, the financial account recorded net inflows of \$46.7mn compared to 2013's net inflows of \$16.5mn. The notable increase reflected higher foreign direct investment and

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

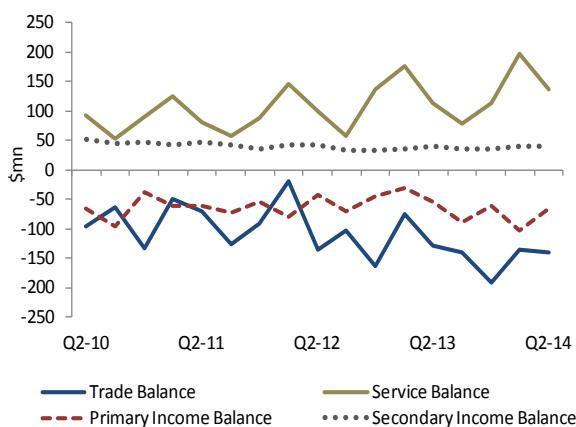


Table 4.2: Capital and Financial Account Summary

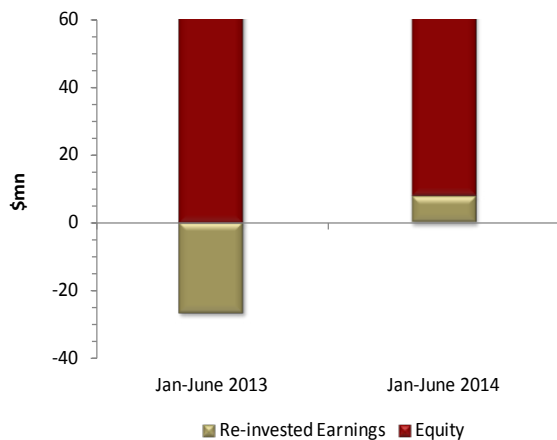
	\$mn	
	Jan-June 2013 ^R	Jan-June 2014 ^P
A. CAPITAL ACCOUNT	51.0	58.4
B. FINANCIAL ACCOUNT (1+2+3+4)	-16.5	-46.7
1. Direct Investment in Belize	-38.2	-109.1
2. Portfolio Investment	31.8	1.0
Monetary Authorities	0.0	0.0
General Government	31.8	0.0
Banks	0.0	0.0
Other Sectors	0.0	1.0
3. Financial Derivatives	0.0	0.0
4. Other Investments	-10.2	61.5
Monetary Authorities	0.9	-0.7
General Government	-73.9	-23.0
Banks	-22.6	69.4
Other Sectors	85.4	15.7
C. NET ERRORS AND OMISSIONS	-22.0	-2.9
D. OVERALL BALANCE	122.3	71.9
E. RESERVE ASSETS	122.3	71.9

^R - Revised

^P - Provisional

much lower net loan repayments by the private sector. Green field investments (to expand capacity) were channeled mainly into hotel developments and real estate, while domestic banks reported a modest gain in retained earnings compared to the loss realised in the previous year. In other noteworthy developments, deposits held abroad by commercial banks expanded significantly, while net loan disbursements to the government were lower this year due to a reduction in loans obtained under the VPCA.

Chart 4.4: Change in Foreign Direct Investment Components



Public Debt

Central Government Domestic Debt

In the first half of the year, Central Government's domestic debt fell by 1.6% to \$379.7mn (11.3% of GDP), due to a \$5.0mn reduction in its overdraft facility at the Central Bank and \$1.1mn in amortization payments made to the Belize Social Security Board (BSSB), Debt for Nature Swap, Fort Street Tourism Village and domestic banks.

At the end of June, the Central Bank held 39.4% of Central Government's domestic debt, of which the short and long term portions were \$50.0mn and \$97.0mn, respectively. Reduced holdings of Treasury bills largely accounted for the decrease from 44.1% in December 2013 to 40.3% in the share of domestic debt held by the commercial banks. At the same time, non-bank entities, comprised mostly of insurance companies, increased their share of government securities from 16.0% at the end of December 2013 to 20.2% at the end of June.

Table 5.1: Central Government Domestic Debt

	\$mn		
	Dec 2013	June 2014	Changes in Stock
Overdraft	55.1	50.1	-5.0
Loans	9.2	8.1	-1.1
Treasury Bills	175.0	175.0	0.0
Treasury Notes	136.5	136.5	0.0
Defence Bonds	10.0	10.0	0.0
Total	385.8	379.7	-6.2

Interest payments totalled \$5.6mn and included \$4.6mn to the Central Bank for credit provided by way of the overdraft and longer-term securities. Other notable interest payments went to non-bank entities (\$0.2mn) and the commercial banks (\$0.8mn) on their holdings of Treasury bills and loans. At the end of June, the annual effective interest rate remained relatively stable at 4.1%, compared to the previous year.

Public Sector External Debt

The public sector external debt increased by 1.1% to \$2,187.8mn (65.2% of GDP), as disbursements of \$67.0mn exceeded amortization payments of \$44.0mn. Except for a small amount to the Belize Water Services Limited, all disbursements went to Central Government with \$46.8mn and \$20.2mn coming from bilateral and multilateral sources, respectively. Notable disbursements included \$46.3mn under the VPCA and \$10.4mn from the Caribbean Development Bank (CDB) for various projects such as health reform, solid waste management and infrastructural works.

Principal repayments by Central Government amounted to \$35.2mn, of which \$16.5mn went to bilateral lenders, and \$18.7mn to multilateral creditors. The Development Finance Corporation (DFC) and the non-financial public sector repaid \$2.6mn to the CDB, and

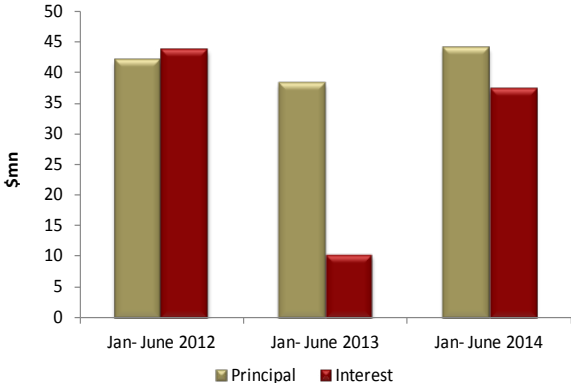
the Central Bank repaid \$1.8mn to the International Monetary Fund for the Emergency Natural Disaster Assistance facility. Commercial suppliers were also paid \$4.0mn.

At \$37.3mn, interest payments were \$27.0mn higher than the amount paid during the comparable period of 2013 due to the resumption of bi-annual

interest payments on the restructured bond. Consequently, the year-on-year (July 2013 to June 2014) effective interest rate averaged 3.3%, compared to the 2.2% recorded in 2013. Holders of the bond received \$26.3mn, which represented 70.6% of the interest paid during the review period. Bilateral lenders received \$4.0mn, with \$2.9mn going to the Republic of China/Taiwan (ROC/Taiwan), while the \$7.0mn in interest payments to multilateral lenders went mostly to CDB and the Inter-American Development Bank (IDB).

At the end of June, Central Government accounted for 96.1% of the outstanding external debt, and the financial and non-financial public sectors for 2.9% and 1.0%, respectively. Some \$3.3mn of the present portfolio is scheduled to mature during the next twelve months, and \$188.7mn is scheduled to mature during the next ten years, leaving \$1.9bn with a maturity of more than ten years.

Chart 5.1: External Debt Service



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

Chart 5.2: Average Interest Rate on Central Government Domestic Debt and Public Sector External Debt

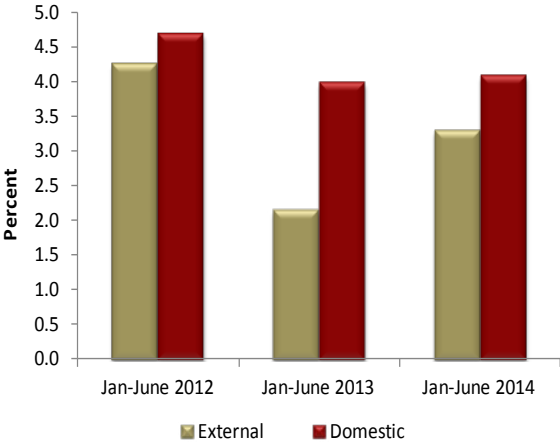


Table 5.2: Public Sector External Debt

\$mn

	DOD at: 31/12/2013	DOD at: 30/06/2014	Change in Debt Stock
Central Government	2,070.6	2,102.3	31.7
Bilateral	480.4	510.7	30.4
Multilateral	537.3	538.6	1.3
Bonds	1,053.0	1,053.0	0.0
Domestic Banks	0.0	0.0	0.0
Export Credit	0.0	0.0	0.0
Non-Financial Public Sector	28.6	22.2	-6.4
Bilateral	2.1	1.8	-0.4
Multilateral	23.3	20.5	-2.9
Domestic Banks	3.2	0.0	-3.2
Export Credit	0.0	0.0	0.0
Financial Public Sector	65.4	63.2	-2.2
Bilateral	0.0	0	0.0
Multilateral	65.4	63.2	-2.2
Bonds	0.0	0.0	0.0
Export Credit	0.0	0.0	0.0
Grand Total	2,164.7	2,187.8	23.1

ANNEX I

Table 6.1: Factors Responsible for Money Supply Movements⁽¹⁾

		\$mn	
	Position as at June-14	Changes During Dec-13 to June-14	Dec-12 to June-13
Net Foreign Assets	1,224.1	136.3	99.4
Central Bank	891.2	70.4	122.4
Domestic Bank	332.9	65.9	-23.0
Net Domestic Credit	1,853.4	-18.6	-92.2
Central Government (Net)	-23.9	-40.4	-85.5
Other Public Sector	15.6	-5.2	-14.9
Private Sector	1,861.7	27.0	8.2
Central Bank Foreign Liabilities (Long-term)	55.3	-1.6	-4.9
Other Items (Net)	418.6	-7.9	-19.1
Money Supply (M2)	2,603.6	127.2	31.2

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

Table 6.2: Money Supply

		\$mn	
	Position as at June-14	Changes During Dec-13 to June-14	Dec-12 to June-13
Money Supply (M2)	2,603.6	127.2	31.2
Money Supply (M1)	1,255.0	133.1	-3.5
Currency with the Public	215.9	4.2	6.9
Demand Deposits	879.6	128.1	27.1
Savings/Chequing Deposits	159.5	0.8	-37.5
Quasi-Money	1,348.6	-5.9	34.7
Savings Deposits	425.2	14.5	62.9
Time Deposits	923.4	-20.4	-28.2

Table 6.3: Net Foreign Assets of the Banking System

		\$mn	
	Position as at June-14	Changes During Dec-13 to June-14	Dec-12 to June-13
Net Foreign Assets of Banking System	1224.1	136.3	99.4
Net Foreign Assets of Central Bank	891.2	70.4	122.4
Central Bank Foreign Assets	892.9	70.8	121.5
Central Bank Foreign Liabilities (Demand)	1.7	0.4	-0.9
Net Foreign Assets of Domestic Banks	332.9	65.9	-23.0
Domestic Bank Foreign Assets	373.8	79.5	-22.1
Domestic Bank Foreign Liabilities (Short-Term)	40.9	13.6	0.9

Table 6.4: Net Domestic Credit

\$mn

	Position as at June-14	Changes During	
		Dec-13 to June-14	Dec-12 to June-13
Total Credit to Central Government	302.5	-21.1	-14.4
From Central Bank	149.6	-3.9	-10.9
Loans and Advances	50.1	-5.0	-10.5
Government Securities ⁽¹⁾	99.5	1.1	-0.4
From Domestic Banks	152.9	-17.2	-3.5
Loans and Advances	4.0	-0.4	-0.6
Government Securities	148.9	-16.8	-2.9
<i>of which:</i> Treasury Bills	148.9	-16.8	-2.9
Treasury Notes	0.0	0.0	0.0
Other	0.0	0.0	0.0
Less Central Government Deposits	326.4	19.3	71.1
With Central Bank	273.6	6.3	68.9
With Domestic Banks	52.8	13.0	2.2
Net Credit to Central Government	-23.9	-40.4	-85.5
Credit to Other Public Sector	15.6	-5.2	-14.9
From Central Bank	0.0	0.0	0.0
From Domestic Banks	15.6	-5.2	-14.9
<i>of which:</i> Local Government	0.7	-0.2	1.6
Public Financial Institutions	0.0	0.0	-0.8
Public Utilities	9.0	-1.2	-12.0
Other Statutory Bodies	3.9	-4.3	-3.7
Securities	2.0	0.5	0.0
Plus Credit to the Private Sector	1,861.7	27.0	8.2
Loans and Advances	1,861.3	26.6	8.2
Securities	0.4	0.4	0.0
Net Domestic Credit of the Banking System⁽²⁾	1,853.4	-18.6	-92.2

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

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

Table 6.5: Sectoral Composition of Domestic Banks' Loans and Advances

		\$mn	
		Changes during	
	Position as at June-14	Dec-13 to June-14	Dec-12 to June-13
PRIMARY SECTOR	226.0	27.6	-0.3
Agriculture	175.5	23.0	0.8
Sugar	39.7	24.3	-4.5
Citrus	17.2	-6.1	1.5
Bananas	70.1	1.4	-1.3
Other	48.5	3.4	5.1
Marine Products	27.2	3.1	-0.7
Forestry	1.7	0.1	0.7
Mining and Exploration	21.6	1.4	-1.1
SECONDARY SECTOR	560.6	-0.7	8.1
Manufacturing	18.4	-5.2	-6.6
Building and Construction	512.8	6.9	14.9
Utilities	29.4	-2.4	-0.2
TERTIARY SECTOR	657.7	3.0	3.1
Transport	41.1	1.3	-6.1
Tourism	89.8	-3.6	-2.4
Distribution	190.3	8.3	-10.7
Other ⁽¹⁾	336.5	-3.0	22.3
Personal Loans	430.3	-9.6	-2.0
TOTAL	1874.6	20.3	8.9

⁽¹⁾ Includes Government services, real estate, financial institutions, professional and entertainment

Table 6.6: Domestic Banks' Liquidity Position and Cash Reserves

\$mn

	Position as at June-14	Changes during	
		Dec-13 to June-14	Dec-12 to June-13
Holdings of Approved Liquid Assets	917.8	102.6	67.8
Notes and Coins	67.2	-7.4	-6.2
Balances with Central Bank	455.1	54.0	30.9
Money at Call and Foreign Balances (due in 90 days)	234.8	75.7	43.9
Treasury Bills maturing in not more than 90 days	146.8	-18.8	-2.8
Other Approved Assets	13.9	-0.9	2.0
<i>of which: Treasury Notes</i>	0.0	0.0	0.0
Required Liquid Assets	552.9	31.2	25.2
Excess/(Deficiency) Liquid Assets	364.9	71.4	42.6
Daily Average Holdings of Cash Reserves	453.7	62.6	29.0
Required Cash Reserves	204.3	11.5	9.3
Excess/(Deficiency) Cash Reserves	249.4	51.1	19.7
Actual Securities Balances	147.0	-19.0	-2.9
Excess/(Deficiency) Securities	147.0	-19.0	-2.9

Table 6.7: Domestic Banks' Weighted Average Interest Rates

Percent

	Position as at June-14	Changes during	
		Dec-13 to June-14	Dec-12 to June-13
Weighted Lending Rates			
Personal Loans	12.35	0.01	-0.30
Commercial Loans	10.91	-0.31	-0.14
Residential Construction	9.15	-0.54	-0.37
Other	8.73	-0.47	-0.58
Weighted Average	10.81	-0.31	-0.26
Weighted Deposit Rates			
Demand	0.35	-0.03	-0.05
Savings/Chequing	2.52	-0.03	0.09
Savings	2.22	-0.34	-0.25
Time	2.95	-0.40	-0.39
Weighted Average	1.83	-0.34	-0.25
Weighted Average Spread	8.98	0.03	-0.01

Table 6.8: Domestic Banks' Weighted Average Interest Rates on New Loans and Deposits

	Percent			
	Rolling Averages			
	Jan-14 to June-14	Jan-13 to June-13	July-13 to June-14	July-12 to June-13
Weighted Lending Rates				
Personal Loans	11.48	10.71	10.92	10.58
Commercial Loans	9.68	10.68	9.74	11.04
Residential Construction	7.31	9.84	7.96	9.64
Other	7.83	8.55	7.94	8.79
Weighted Average	9.69	10.34	9.68	10.48
Weighted Deposit Rates				
Demand	0.00	0.00	0.03	0.00
Savings/Chequing	1.48	1.70	1.38	1.82
Savings	2.08	1.71	1.92	1.72
Time	2.29	3.35	2.63	3.34
Weighted Average	2.22	3.11	2.49	3.12
Weighted Average Spread	7.48	7.23	7.20	7.36

Table 6.9: Real Gross Domestic Product Growth Rates⁽¹⁾

	Year on Year growth (%)	
	Jan-June 13 ⁽¹⁾ Over Jan-June 12 ^R	Jan-June 14 ⁽¹⁾ Over Jan-June 13
	Agriculture, hunting and forestry	-0.5
Fishing	54.8	-1.9
Manufacturing (including Mining and Quarrying)	-19.4	-2.2
Electricity and Water	-24.4	43.0
Construction	3.4	3.5
Wholesale and Retail	8.6	4.7
Hotels and Restaurants	10.5	16.4
Transport and Communication	4.8	1.7
Other Private Services excluding Financial Services Indirectly Measured	-1.5	-6.3
Producers of Government Services	0.1	-4.1
All Industries at Basic Prices	-0.3	3.2
Taxes on Products	12.2	6.3
GDP at Market Prices	1.3	3.7

Source: SIB

^R - Revised

⁽¹⁾ Constant 2000 prices— changes in percent

Table 6.10: Gross Domestic Product by Activity at Constant 2000 Prices

	\$mn			
	Quarter 1 2013 ^R	Quarter 2 2013 ^R	Quarter 1 2014 ^P	Quarter 2 2014 ^P
Agriculture, Hunting and Forestry	77.2	73.3	74.1	92.4
Fishing	23.3	31.8	27.5	26.6
Manufacturing (including Mining and Quarrying)	74.6	65.9	60.2	77.3
Electricity and Water	22.5	26.8	34.1	36.5
Construction	15.6	15.8	15.5	17.0
Wholesale and Retail	107.2	102.3	104.3	115.0
Hotels and Restaurants	34.2	25.2	38.5	30.6
Transport and Communication	75.1	72.0	75.1	74.5
Other Private services excluding Financial Services Indirectly Measured	104.4	104.1	98.3	97.0
Producers of Government Services	59.3	64.0	58.4	59.8
All Industries at Basic Prices	593.4	581.3	586.1	626.7
Taxes on Products	100.4	96.8	99.6	110.1
GDP at Market Prices	693.8	678.0	685.7	736.8

Source: SIB

^R - Revised^P - Provisional

Table 6.11: Consumer Price Index (CPI) Commodity Group

Major Commodity	Weights	% Change				
		Apr-14	May-14	June-14	June-2014 over May-2014	YTD-2014 over YTD-2013
Food and Non-Alcoholic Beverages	195	106.0	106.1	105.9	-0.1	1.6
Alcoholic Beverages and Tobacco	17	100.8	101.2	100.6	-0.6	1.1
Clothing and Footwear	83	96.8	95.7	95.7	-0.0	-0.3
Housing, Water, Electricity, Gas, and Other Fuels	265	102.9	102.3	102.2	-0.1	1.7
Furnishing, Household Equipment, and Routine Household Maintenance	69	100.2	100.4	100.3	-0.1	0.8
Health	41	108.5	109.3	109.4	0.1	2.0
Transport	136	108.2	109.0	108.7	-0.3	3.0
Communication	33	97.9	97.2	97.2	0.0	0.3
Recreation and Culture	69	104.9	105.5	105.5	-0.0	1.7
Education	32	101.2	101.1	101.1	0.0	0.7
Restaurants and Hotels	7	106.7	108.1	108.1	0.0	4.1
Miscellaneous Goods and Services	52	101.1	100.9	100.9	-0.0	0.9
All Items	1000	103.5	103.5	103.4	-0.1	1.5

Source: SIB

Table 6.12: Gross Imports at Cost, Insurance and Freight (CIF) by Standard International Trade Classification (SITC)

	\$'000	
SITC Section	Jan-June 2013	Jan-June 2014
0. Food and Live Animals	101,550	113,383
1. Beverages and Tobacco	21,994	26,966
2. Crude Materials	9,727	13,955
3. Minerals, Fuels and Lubricants	197,416	175,436
<i>of which: Electricity</i>	63,204	16,922
4. Oils and Fats	6,526	7,676
5. Chemical Products	80,365	78,732
6. Manufactured Goods	111,273	110,093
7. Machinery and Transport Equipment	170,354	184,552
8. Other Manufactures	54,834	68,062
9. Commodities not elsewhere specified	3	567
10. Export Processing Zones	36,662	69,050
11. Commercial Free Zone	162,622	120,259
12. Personal Goods	3,182	3,865
Total	956,508	972,595

Sources: CBB and SIB

Table 6.13: Balance of Payments

	\$mn	
	Jan-June 2013 ^R	Jan-June 2014 ^P
CURRENT ACCOUNT	76.8	-30.3
Goods: Exports FOB	666.1	602.1
Goods: Imports FOB	869.1	878.6
Trade Balance	-203.0	-276.4
Services: Credit	492.3	534.3
Transportation	25.1	25.0
Travel	398.4	432.1
Other Goods and Services	41.3	52.3
Government Goods and Services	27.5	24.9
Services: Debit	202.7	200.5
Transportation	73.3	78.1
Travel	34.4	34.3
Other Goods and Services	81.7	76.7
Government Goods and Services	13.4	11.4
Balance on Goods and Services	86.5	57.4
Primary Income: Credit	5.6	5.7
Compensation of Employees	2.4	2.4
Investment Income	3.2	3.3
Primary Income: Debit	91.0	172.9
Compensation of Employees	7.9	8.2
Investment Income	83.1	164.7
Balance on Goods, Services and Primary Income	1.1	-109.9
Secondary Income: Credit	106.3	111.7
Secondary Income: Debit	30.6	32.1
CAPITAL ACCOUNT	51.0	58.4
Capital Account: Credit	51.0	58.4
Capital Account: Debit	0.0	0.0
FINANCIAL ACCOUNT	-16.5	-46.7
Direct Investment Abroad	0.7	0.0
Direct Investment in Reporting Economy	38.9	109.2
Portfolio Investment Assets	0.0	1.0
Portfolio Investment Liabilities	-31.8	0.0
Financial Derivatives	0.0	0.0
Other Investment Assets	3.7	81.4
Other Investment Liabilities	13.9	19.9
NET ERRORS AND OMISSIONS	-22.0	-2.9
OVERALL BALANCE	122.3	71.9
RESERVE ASSETS	122.3	71.9

Source: CBB

^R - Revised^P - Provisional

Table 6.14: Extended Balance of Payment Services Classifications (EBOPS)

		\$mn	
		Jan-June 2013	Jan-June 2014
Total Services	Net	289.5	333.8
	Credits	492.3	534.3
	Debits	202.7	200.5
Manufacturing Services	Net	0.6	0.0
	Credits	0.6	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	-48.2	-53.1
	Credits	25.1	25.0
	Debits	73.3	78.1
Travel	Net	364.1	397.7
	Credits	398.4	432.1
	Debits	34.4	34.3
Telecommunications, Computer and Information Services	Net	4.7	2.8
	Credits	10.4	10.4
	Debits	5.7	7.6
Construction Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Insurance and Pension Services	Net	-25.9	-25.9
	Credits	0.2	0.2
	Debits	26.2	26.1
Financial Services	Net	-0.3	-0.7
	Credits	2.6	3.0
	Debits	2.9	3.7
Charges for the use of Intellectual Property n.i.e.	Net	-1.5	-5.5
	Credits	0.0	0.0
	Debits	1.5	5.5
Other Business Services	Net	-17.7	4.9
	Credits	27.4	38.6
	Debits	45.2	33.7
Personal, Cultural and Recreational Services	Net	-0.3	-0.1
	Credits	0.0	0.0
	Debits	0.3	0.1
Government Services, N.I.E.	Net	14.1	13.6
	Credits	27.5	24.9
	Debits	13.4	11.4

Table 6.15: Private Sector External Debt by Economic Sector^(1,3)

\$mn

Economic Sectors	Disbursed Outstanding as at 12/31/2013	Transactions (January - June 2014)			Disbursed Outstanding as at 30/06/14
		Disbursements	Principal Payments	Interest Payments	
Long Term:					
Agriculture	65,792	3,000	4,521	391	64,132
Arts, Entertainment and Recreation	1,700	0	0	0	1,700
Construction	59,287	0	129	3,469	59,158
Economic Diversification	500	500	0	13	1,000
Education	198	0	0	0	198
Electricity and Gas ⁽²⁾	5,356	0	88	652	5,268
Financial and Insurance Activities	111	0	0	0	111
Fishing	111,756	300	3,556	1,545	108,201
Information and Communication	940	0	96	38	844
Real Estate Activities	106	0	0	0	106
Tourism Activities	43,410	0	826	517	42,584
Transportation	33,302	0	670	180	32,631
Wholesale and Retail Trade	1,035	0	46	25	989
Other	25	0	8	0	17
Total	323,516	3,800	9,940	6,829	316,939

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

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

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

Table 6.16: Exports of Sugar and Molasses

	Jan-June 2013		Jan-June 2014	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
Sugar	80,151	82,369	70,395	71,769
E.U.	79,972	82,114	70,291	71,609
USA	0	0	0	0
Caricom	0	0	0	0
Other	179	254	104	160
Molasses	15,767	3,390	20,096	4,898

Source: SIB

Table 6.17: Export Sales of Citrus Products

	Jan-June 2013		Jan-June 2014	
	Pound Solid ('000)	Value (\$ '000)	Pound Solid ('000)	Value (\$ '000)
Citrus Concentrates				
U.S.A.				
Orange	10,025.3	23,554	9,353.8	25,026
Grapefruit	0.0	0.0	0.0	0.0
Caribbean				
Orange	3,606.4	11,354	2,541.4	6,654
Grapefruit	357.7	1,239	212.3	754
Europe				
Orange	4,662.2	14,023	3,483.6	11,737
Grapefruit	1,341.6	5,420	782.3	3,455
Other				
Orange	482.3	1,289	45.6	124
Grapefruit	109.7	378	259.9	909
Sub-Total⁽¹⁾	20,585.2	57,256	16,678.8	48,658
Orange	18,776.2	50,220	15,424.4	43,541
Grapefruit	1,809.0	7,036	1,254.5	5,117
Not-From-Concentrate				
Sub-Total	50.7	284	25.5	142.3
Orange	42.6	232	19.9	107
Grapefruit	8.2	52	5.5	36
Total Citrus Juices	20,635.9	57,541	16,704.3	48,801
Pulp (pounds '000)				
Total⁽¹⁾	1,753.8	1,373	781.3	605
Orange	1,556.6	1,217	728.3	561
Grapefruit	197.2	157	53.0	43

Source: CPBL

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

Table 6.18: Exports of Marine Products

	Jan-June 2013		Jan-June 2014	
	Volume ('000 pounds)	Value (\$'000)	Volume ('000 pounds)	Value (\$'000)
Lobster	146.60	4,213.17	354.5	7,210.8
Shrimp	6,828.72	31,447.87	6,342.8	39,258.6
Conch	382.55	4,524.60	118.6	1,365.1
Other Fish	236.44	482.37	46.4	91.8
Total	7,594	40,668	6,862	47,926

Sources: SIB and CBB

Table 6.19: Banana Exports

	Jan-June 2013	Jan-June 2014
Volume (metric tons)	50,298	47,999
Value (\$'000)	55,998	53,742

Source: BGA

Table 6.20: Petroleum Exports

	Jan-June 2013	Jan-June 2014
Volume (Barrels)	337,405	261,342
Value (\$'000)	71,821	51,117

Source: Petroleum and Geology Department

Table 6.21: Other Major Exports

	Jan-June 2013	Jan-June 2014
Other Miscellaneous Exports (\$'000)	62,321	57,420
<i>of which:</i>		
Papaya		
Volume ('000 lbs)	32,101	15,364
Value (\$'000)	11,708	5,979

Sources: SIB and CBB

Table 6.22: Central Government Domestic Debt by Creditor ⁽¹⁾

	Disbursed Outstanding Debt 31/12/13 ^a	TRANSACTIONS THROUGH JUNE 2014				Disbursed Outstanding Debt 31/06/14 ^p
		Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	
Overdraft/Loans	55,130	0	0	2,182	(5,039)	50,091
Central Bank	55,130	0	0	2,182	(5,039)	50,091
Domestic Banks	0	0	0	0	0	0
Treasury Bills	175,000	0	0	697	0	175,000
Central Bank	0	0	0	6	2,577	2,577
Domestic Banks	165,716	0	0	617	(16,800)	148,916
Other	9,284	0	0	74	14,223	23,507
Treasury Notes	136,500	0	0	2,038	0	136,500
Central Bank	88,421	0	0	1,978	(1,456)	86,965
Domestic Banks	0	0	0	0	0	0
Other	48,079	0	0	60	1,456	49,535
Defence Bonds	10,000	0	0	400	0	10,000
Central Bank	10,000	0	0	400	0	10,000
Domestic Banks	0	0	0	0	0	0
	0	0	0	0	0	0
Atlantic Bank Limited	883	0	150	37	0	733
Heritage Bank Limited	3,486	0	257	169	0	3,229
Belize Social Security Board⁽²⁾	1,564	0	533	60	0	1,031
Fort Street Tourism Village	607	0	91	0	0	516
Debt for Nature Swap	2,651	0	81	38	0	2,570
Total	385,822	0	1,112	5,622	(5,039)	379,671

^a - 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 loans with BSSB consisting of (i) Hopeville Housing Project and (ii) loan purchased from Development Finance Corporation as of 30 January 2007.

Table 6.23: Public Sector External Debt by Creditor

\$'000

	Disbursed Outstanding Debt 31/12/13 ^R	TRANSACTIONS THROUGH JUNE 2014				Disbursed Outstanding Debt 30/06/14 ^P
		Disbursements	Principal Pay- ments	Interest & Other Payments	Parity Change	
CENTRAL GOVERNMENT	2,070,641	66,956	35,167	37,125	-96	2,102,334
Banco Nacional de Comercio Exterior	1,588	0	529	49	0	1,059
Government of Venezuela	177,348	46,299	727	214	-0	222,920
Kuwait Fund for Arab Economic Development	20,711	498	2,051	754	25	19,184
Republic of China	280,733	0	13,146	2,899	0	267,587
Caribbean Development Bank	206,511	10,412	7,134	3,541	-0	209,789
Caricom Development Fund	3,936	0	400	52	0	3,536
European Economic Community	13,071	0	414	45	-124	12,533
Inter-American Development Bank	240,481	3,153	7,401	1,803	0	236,233
International Fund for Agriculture Development	2,113	1,204	277	11	4	3,043
International Bank for Reconstruction and Development	23,766	1,393	1,801	277	0	23,358
Opec Fund for International Development	39,166	2,497	1,200	872	0	40,463
Central American Bank for Economic Integration	8,212	1,500	87	283	0	9,624
Bank of New York	1,053,004	0	0	26,325	0	1,053,004
NON-FINANCIAL PUBLIC SECTOR	28,642	2	6,410	420	-0	22,234
Kuwait Fund for Arab Economic Development	2,124	0	355	43	0	1,769
The Bank of Nova Scotia ⁽¹⁾	3,190	0	3,190	15	0	0
European Investment Bank ⁽¹⁾	779	0	779	13	-0	0
Caribbean Development Bank ^{(1) (2)}	22,550	2	2,087	349	0	20,465
FINANCIAL PUBLIC SECTOR	65,408	0	2,373	125	204	63,239
Caribbean Development Bank	8,214	0	548	102	0	7,667
European Economic Community	270	0	20	1	-2	247
International Monetary Fund ⁽³⁾	56,924	0	1,805	21	206	55,325
GRAND TOTAL	2,164,691	66,958	43,950	37,670	108	2,187,807

^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 Belize Water Services Limited 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.