



CENTRAL BANK OF BELIZE

QUARTERLY REVIEW



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INTERNATIONAL DEVELOPMENTS

A more broadly based recovery in the Caribbean included positive, albeit subdued, growth in Guyana and the Bahamas, a return to positive growth in Barbados and some improvement in Jamaica in the first quarter. Meanwhile, the global economy continued to expand but with reduced momentum in the face of heightened oil prices and the gradual unwinding of monetary and fiscal stimulus measures instituted in the wake of the financial crisis. Growth in quarterly output was measured at an annualized 4.3% as compared to 5.1% in the previous quarter. A dual pace of economic activity was also being maintained with advanced economies growing relatively sluggishly due to the higher concentration of damage to their financial and housing sectors in comparison with the buoyancy of emerging economies that were supported by strong household consumption,

rising exports and commodity prices.

Notwithstanding their comparatively strong growth, emerging economies also experienced a slight deceleration as capacity constraints began to come to the fore. Meanwhile, in addition to the residual effects of the financial crisis, the advanced economies were negatively impacted by natural disasters, increased public deficits and debt, and sluggish growth in credit. GDP growth in the United States slowed to 1.8% (down from 3.1% in the previous quarter) reflecting a slowdown in consumer and government spending as well as a fall off in fixed investment. While output in the Euro area increased by 0.8%, the region's performance was uneven with stronger growth in Germany and France being juxtaposed with the weaker outturn of debt ridden Greece, Ireland and Portugal. Quarterly GDP growth in the UK came in at a modest 0.5% and in Japan, a contraction of 0.9% followed a 0.8% decline

**Chart 1.1: World GDP Growth
(Year on Year Average)**

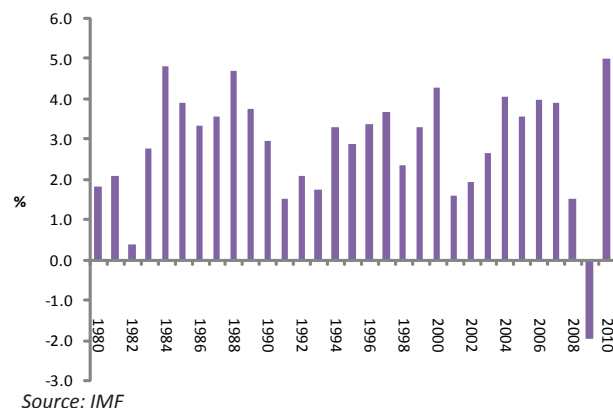


Table 1.1: Selected GDP Growth Rates

	Percentage	
	Dec-10	Mar-11
USA ⁽¹⁾	3.1	1.8
UK ⁽²⁾	-0.5	0.5
Euro Area ⁽²⁾	0.3	0.8
Japan ⁽²⁾	-0.8	-0.9

(1) Quarter-over-Quarter percentage change at annual rates

(2) Quarter-over-Quarter percentage change

Source: Respective Statistical Bureaus



in the previous quarter as the economy slipped into a recession that was greatly exacerbated by the significant disruption in economic activity and damages to capital stock caused by the earthquake and tsunami.

Notwithstanding high and rising unemployment rates in several member states, the Euro area registered an overall improvement with unemployment falling to 9.9% as compared to 10.1% in March 2010. Unemployment rates in China and Japan were comparatively low at 4.1% and 4.6%, respectively, and while the US unemployment rate was reported to be 8.8% compared to 9.7% one year earlier, the UK rate fell sharply from 12.6% to 7.7% over the same period.

Global food and energy prices were on an upward trend due to growing demand in developing and emerging markets, weather related disruptions to crop harvests and geopolitical tensions in the Middle East and North African countries. The average benchmark West Texas Intermediate crude oil spot price was up 18.9% compared to the March 2010 quarter and international prices for wheat, corn, sugar and soy beans also increased significantly. With the heightening of commodity prices exerting upward pressure, the CPI rose in all of the major developed economies and China. In the US, UK and the Euro area, annual point to point inflation rates rose by 2.7%, 4.0%, and 2.7%, respectively, and in China, the inflation rate soared to 5.4% largely influenced by rising food prices.

Chart 1.2: Global Commodity Prices
2005=100

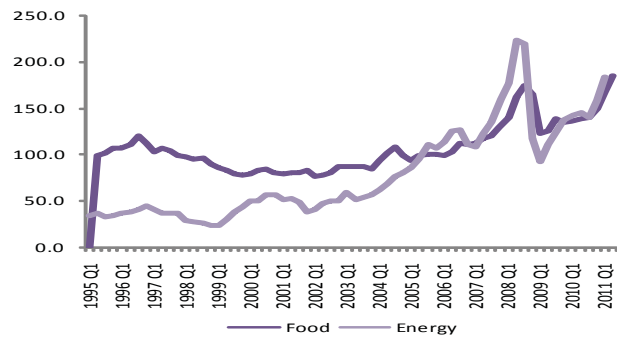


Table 1.2: Annual Inflation for Selected Economies (point-to-point)

	Year on Year Change (%)	
	Dec-10	Mar-11
US	1.4	2.7
UK	3.7	4.0
Euro Area	2.2	2.7
Japan	1.1	0.0
China	4.6	5.4

Source: IMF



DOMESTIC OVERVIEW

In the first quarter, continued growth in electricity and water, Corozal Free Zone trade and higher output of citrus and sugar underpinned a 6.5% increase in GDP. While sugarcane deliveries, and output of petroleum, molasses and banana were down, there was a significant increase in citrus deliveries and production of citrus juices and sugar. Partly due to a decline in foreign direct investment inflows, construction was down for the third consecutive quarter and hotels and restaurants also saw reduced activity as a modest 1.0% increase in stay-over visitors was eclipsed by a 22.6% contraction in cruise ship disembarkations. With higher fuel acquisition costs boosting inflationary pressures, the Consumer Price Index rose by 1.1% over the November - February quarter and by 0.9% over the year (February 2010 to February 2011). The price increases were general with the notable exceptions being the “Food, Beverage & Tobacco” and “Clothing & Footwear” categories.

A \$70.9mn surplus was recorded on the external current account (compared to a 2010 first quarter surplus of \$25.0mn) as the impact of reduced profit outflows outweighed lower inflows from tourism and higher transportation outlays. On the other hand, the capital and financial account deficit widened from \$33.0mn to \$86.3mn reflecting reduced foreign direct investment, net loan payments to foreign

creditors and the building up of commercial banks’ foreign asset balances abroad. The net result was a 5.4% decline in gross international reserves to \$414.4mn, the equivalent of 4.1 months of merchandise imports.

January-March represented the last quarter of the government’s fiscal year and during this period, the government recorded a primary surplus of \$38.2mn and an overall deficit of \$5.8mn as revenues rose by 6.7% compared to a more modest 0.6% increase in expenditure. The boost in revenue came mainly from an \$11.6mn hike in General Sales Tax (GST) collections, while expenditure was held in check due to a 20.3% fall in capital outlays that mainly reflected the slow pace of Capital III project implementation. Current expenditure was up by 3.7% due to outlays on wages, salaries, goods & services and interest payments, as spending on pensions and subsidies declined.

There was a 0.7% dip in Central Government’s domestic debt to \$365.2mn during the quarter that reflected a \$2.2mn fall in overdraft financing from the Central Bank and amortization payments of \$0.4mn. The public sector’s external debt also fell by 0.6% to \$2,005.9mn, as amortization payments of \$20.0mn eclipsed disbursements of \$3.9mn and upward valuation adjustments of \$3.7mn that was due to the depreciation of the US dollar against the SDR, Euro and Kuwait dinar. Foreign interest payments summed to \$39.6mn



included in which was a payment on the 'super bond' amounting to \$33.1mn.

Monetary growth was a modest 2.3% that mainly reflected a 10.4% increase in net foreign assets. This was entirely shown in the improved position of the commercial banks as the Central Bank suffered a net outflow due to its facilitation of the 'super bond' interest payment. Growth in net domestic credit was marginal as the seasonal dip in private sector borrowing almost fully offset an \$11.1mn increase in net disbursements to Central Government.

Having succeeded in stimulating commercial bank participation in the market for government paper, the Central Bank lowered the securities requirement from 6.5% to 5.0% of the banks' average deposit liabilities on 1 January 2011. Meanwhile, against the backdrop of sluggish credit demand and buoyant foreign exchange inflows, liquidity in the banking system continued on an upward trend with excess statutory holdings growing by 20.5%. At the end of the quarter, the banks' liquid asset holdings were 42.3% above requirements and their holdings of excess cash also exceeded requirements by 30.7%. The highly liquid environment caused some downward pressure on commercial banks' interest rates during the period. The weighted average deposit rate declined by 37 basis points to 5.25% and the weighted average lending rate by 19 basis points to 13.59%.



MONETARY DEVELOPMENTS

Broad money (M2) grew by 2.3% led by a 10.4% expansion in net foreign assets as net domestic credit remained virtually stable.

Net foreign assets expanded by \$65.0mn mainly due to an \$81.3mn surge in the commercial banks' net holdings. Increased foreign inflows coming mostly from CFZ sales, tourism and domestic exports boosted commercial banks' foreign assets by \$74.2mn and facilitated a \$7.1mn repayment of their foreign liabilities. In contrast, the Central Bank's net foreign assets decreased by \$16.3mn reflecting declines of \$17.7mn in foreign assets and \$1.4mn in short term liabilities. The Bank recorded \$56.0mn in

inflows and \$73.7mn in outflows, that included sales to Central Government of \$62.5mn, of which external debt servicing (inclusive of the \$33.1mn 'super bond' interest payment in February) accounted for 84.9%. Also taking into account the investment of \$4.0mn in an international bond that will mature in five years, gross international reserves fell by \$21.5mn to \$414.4mn at the end of March, equivalent to 4.1 months of merchandise imports.

Net domestic credit inched up by \$0.7mn as an \$11.1mn expansion in net credit to Central Government outweighed credit reductions of \$10.1mn to the private sector and \$0.3mn to statutory bodies. The financing needs of Central Government were met by drawing down \$20.1mn from deposits held at the Central

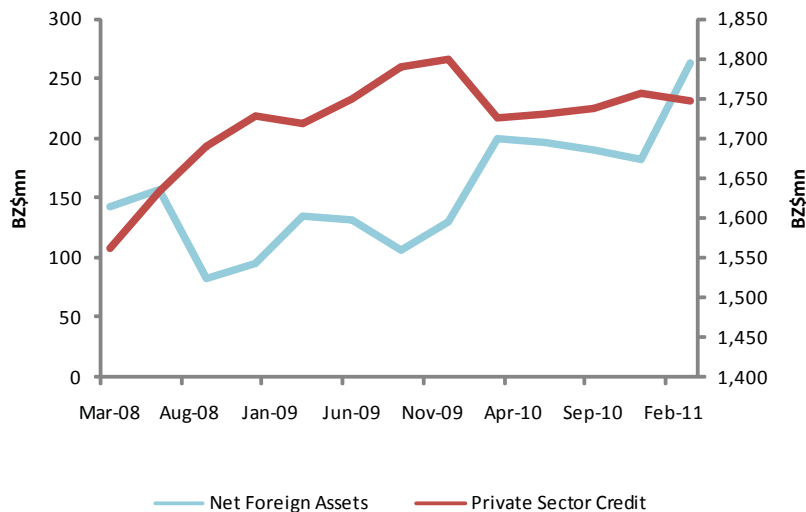
Table 1.1: Factors Responsible For Money Supply Movements

BZ\$mnn

	Position as at Mar 2011	Changes during	
		Dec 2010 to Mar 2011	Dec 2009 to Mar 2010
Net Foreign Assets	692.9	65.0	57.0
Central Bank	429.5	-16.3	-13.6
Commercial Bank	263.4	81.3	70.6
Net Domestic Credit	1,951.4	0.7	-41.9
Central Government (Net)	198.1	11.1	33.1
Other Public Sector	5.8	-0.3	-1.0
Private Sector	1,747.5	-10.1	-74.0
Central Bank Foreign Liabilities (Long-term)	71.6	2.1	-2.2
Other Items (Net)	433.4	15.1	-0.2



Chart 1.1: Commercial Banks' Net Foreign Assets & Private Sector Credit



Bank, which outweighed a \$5.6mn increase in deposits held at the commercial banks and \$2.2mn reduction in the overdraft balance at the Central Bank. In secondary trading, Central Bank sold \$6.8mn in government securities to commercial banks and other private entities.

The contraction in private sector credit affected nearly all loan categories, except the secondary sector, which recorded a \$0.6mn increase due to disbursements to the utilities that were largely offset by net repayments from entities engaged in manufacturing and construction. Funding for the primary sector fell by \$2.9mn, with repayments from entities engaged in citrus, mining & exploration and marine production exceeding new loans for banana, sugar and forestry. A \$0.8mn decrease in lending to the tertiary sector mostly reflected net repayments by businesses involved in tourism, financial services, transportation

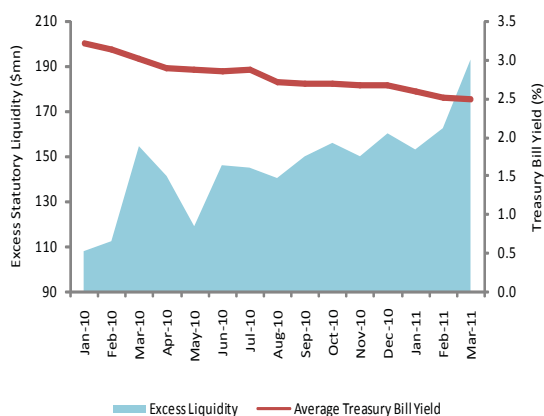
and government services which outweighed disbursements for distribution, entertainment, professional services and real estate activities.

Loan and advances by the five largest credit unions rose by \$1.1mn with new loans for construction, professional services and personal needs outweighing repayments from persons engaged in real estate activities, sugar production, marine production, distribution and transportation.

Bolstered by seasonally high foreign exchange inflows and weak credit demand, excess liquidity expanded by \$32.8mn to \$192.8mn, which was 42.3% above the required level and 22.3% higher than the March 2010 position. Excess cash reserves fell by \$8.8mn to \$51.7mn, which was still 30.7% above the required level.



Chart 1.2: Excess Liquidity and Average Treasury Bill Yield



to the oversubscription for two out of four roll overs in the first quarter. Consequently, the average Treasury bill yield fell from 2.66613% in January to 2.46454% in March, while Treasury bill holdings increased by \$5.7mn to \$158.7mn, 62.4% higher than the required level. In addition, the Central Bank reduced the lender of last resort rate from 18% to 11%, effective February 1, as part of Central Bank's continued efforts to bring interest rates in line with current market and economic conditions.

Having succeeded in awakening interest and stimulating active participation in the market for government paper by all commercial banks, the Central Bank lowered the securities' requirements from 6.5% to 5.0% of average deposit liabilities on 1 January 2011, thereby reducing the banks' required aggregate holdings of Treasury bills by \$30.6mn to \$97.7mn. Given the business environment, commercial banks competitive bids for Treasury bills led

Against the backdrop of high levels of excess liquidity and sluggish credit demand, the weighted average deposit and lending rates declined by 37 basis points to 5.24% and 19 basis points to 13.59%, respectively, widening the weighted average interest rate spread by 18 basis points to 8.35%.

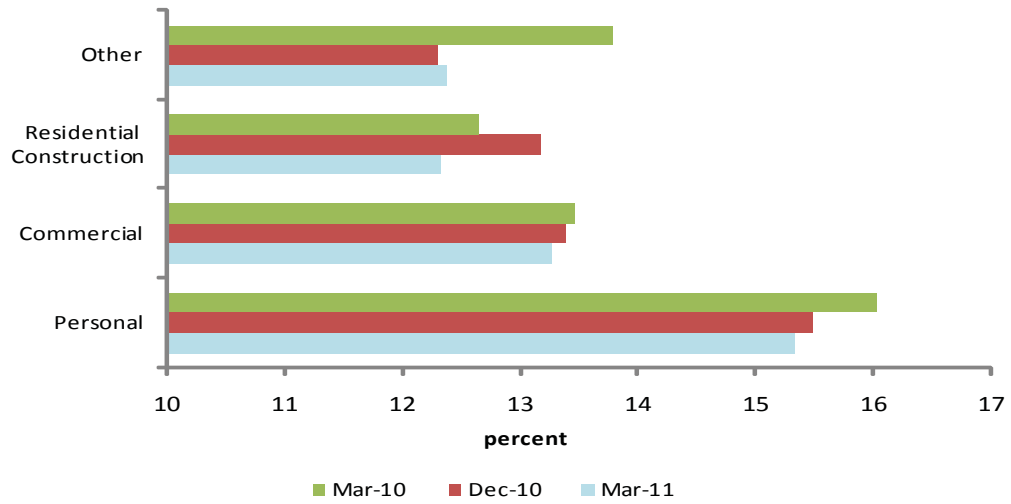
Competitive bidding by commercial banks for Treasury bills led to the oversubscription for

Table 1.2: Net Foreign Assets of the Banking System

	Position as at Mar 2011	Changes during	
		Dec 2010 to Mar 2011	Dec 2009 to Mar 2010
Net Foreign Assets of Banking System	692.9	65.0	57.0
Net Foreign Assets of Central Bank	429.5	-16.3	-13.6
Central Bank Foreign Assets	431.1	-17.7	-13.7
Central Bank Foreign Liabilities(Demand)	1.6	-1.4	-0.1
Net Foreign Assets of Commercial Banks	263.4	81.3	70.6
Commercial Bank Foreign Assets	300.7	74.2	45.3
Commercial Bank Foreign Liab. (Short-Term)	37.3	-7.1	-25.3



Chart 1.3 : Weighted Average Lending Rate



two out of four roll-overs in the first quarter, thereby reducing the average Treasury bill yield from 2.66613% in to 2.46454%.



DOMESTIC PRODUCTION AND PRICES

GDP recorded a 6.5% quarterly increase with the main drivers being electricity and water, the Corozal Free Zone, citrus deliveries and processing of citrus juices and sugar. Deliveries of citrus fruit were up sharply and this coincided with lower production of banana and sugarcane. However, notwithstanding reduced sugarcane deliveries, there was elevated factory output of sugar as well as citrus juices due to significant improvements in crop quality. While higher electricity output was underpinned by a 25.4% increase in domestic capacity, production of crude oil fell once more as the Spanish Lookout Field continued its declining phase. Services also recorded mixed outcomes with a fall-off in hotel and restaurant activity that reflected an overall decline in tourist visitors as a 1.0% increase in stay over tourist arrivals, which pointed to a sustained but weak momentum in the overnight arrivals category, was outweighed by a significant decline in cruise disembarkations due to reduced port calls. The upbeat performance in distributive trade was due to significant growth in cross border trade with Mexico through the Corozal Free Zone.

Sugarcane and Sugar Production

The breakdown of two steam turbines early in February brought sugarcane processing operations to a halt but activities resumed on 5th March with the coming back on stream of one of these turbines. While March sugarcane

deliveries declined by 8.8%, deliveries since the beginning of the 2010/11 crop year were 2.3% higher as a result of the steady factory intake prior to the turbine problems. In addition, farmers implemented a programme to deliver quality sugarcane on a scheduled basis to the factory. As a consequence, cane purity improved and the cane/sugar ratio fell to 8.68, a 20.3% improvement. The result was a 28.1% growth in sugar production. Molasses production declined by 9.4% due to its inverse relationship with output of sugar.

BSI took advantage of the improvement in sugar quality to obtain an export contract for 5,000 long tons of plantation white direct-consumption sugar that sells at a value added premium. For the crop year to date, 4,817 long tons of plantation white sugar had been produced.

With the EU sugar price unchanged at €335.14 per metric ton, the sugarcane price

Table 2.1: Deliveries of Sugarcane and Production of Sugar and Molasses

	Dec-Mar 2009/10	Dec-Mar 2010/11
Deliveries of Sugarcane to BSI (long tons)	427,130	436,859
Sugar Processed by BSI (long tons)	38,525	49,357
Molasses processed by BSI (long tons)	13,940	12,627
Performance		
Factory Time Efficiency (%)	92.5	71.0
Cane Purity (%)	81.8	87.1
Cane/Sugar	10.9	8.7

Source: Belize Sugar Industries



to farmers is expected to remain at least at 2010's \$45.03 per long ton. Notwithstanding an increase in freight rates, sugar prices may improve due to exchange rate gains from the Euro price negotiated on the futures market, an improvement in the cane/sugar ratio and the value added premium earned on bagged sugar.

Citrus

Despite the fruit loss resulting from Hurricane Richard in October, citrus deliveries increased by 16.7% to 4.4mn boxes for the first six months of the 2010/11 crop year. Grapefruit, the crop most affected by the hurricane, registered a 60.6% decline in deliveries to 0.5mn boxes, while orange deliveries expanded by 60.5% to 3.9mn boxes.

Higher processing volume and a 16.2% improvement in the average yield of pound solids (ps) per box of fruit underpinned the 35.6% rise in juice production to 26.7mn ps. Production of orange concentrate grew by 71.0% to 24.3mn ps and outweighed the 59.3% decline in that of grapefruit to 2.0mn ps. Pulp and oil production came in at 1.6mn and 1.3mn pounds, respectively.

During the first quarter of the year, orange juice export prices strengthened in response to low beginning juice stocks in Brazil and the US, and an expected tightening in export supplies triggered by the weather-induced production problems in Brazil and the US.

Grapefruit concentrate also experienced price improvements in response to low beginning juice stocks and a smaller crop in Florida. Consequently, the final estimated prices to be paid to local farmers for the 2010/2011 crop were \$2.00 per pound solid

Table 2.2: Output of Citrus Products

	Nov-Mar 2009/2010	Nov-Mar 2010/2011
Deliveries (boxes)		
Orange	2,415,693	3,876,451
Grapefruit	<u>1,367,208</u>	<u>539,022</u>
Total	3,782,901	4,415,473
Concentrate Produced (ps)		
Orange	14,214,117	24,306,439
Grapefruit	<u>4,925,296</u>	<u>2,006,679</u>
Total	19,139,413	26,313,118
Not from Concentrate (ps)		
Orange	0	267,735
Grapefruit	<u>556,204</u>	<u>132,587</u>
Total	556,204	400,322
Pulp (pounds)		
Orange	765,500	1,593,572
Grapefruit	<u>0</u>	<u>21,200</u>
Total	765,500	1,614,772
Oil Produced (pounds)		
Orange	841,600	1,271,600
Grapefruit	<u>213,200</u>	<u>70,400</u>
Total	1,054,800	1,342,000

Sources: Citrus Products of Belize Ltd., Belize Citrus Growers' Association



for orange, compared to \$1.59 in the previous year, and \$1.57 per pound solid for grapefruit, compared to \$1.26 for the previous crop year.

Banana

Notwithstanding increased January production, adverse weather in December slowed bunch development and reduced the yields for the February/March harvest cycle so banana production for the first three months

Chart 2.1: Banana Production

40 pound boxes

	2010	2011
January	289,446	389,104
February	327,320	281,376
March	377,651	282,709
Total	994,417	953,189

Source: Banana Growers' Association

of the year declined by 4.3% to 1.0mn boxes. With total acreage stable at approximately 7,000 acres, production is expected to remain stable.

Petroleum

First quarter petroleum output at the Spanish Lookout field, which is in its declining phase, fell by 5.3% to 365,268 barrels even with the operation of 11 producing wells as compared to 10 in the same quarter of 2010.

Operations at the new Never Delay oil field commenced in early March with one well producing approximately 450 barrels per day. The petroleum quality is of a lower grade than

that of the Spanish Lookout field, and this has created storage and transportation concerns as well the need to market this product on different terms.

The extractable capacity of this field is estimated at 5.0mn barrels which represents a 6.0% recoverable rate compared to the 43.0% recoverable rate of the Spanish Lookout field. Due to the nature of the tight rock formations at the Never Delay field, the flow of oil is slower than the Spanish Lookout field and therefore to optimize the amount of extractable oil, plans are in place to drill 16 production wells over the course of 2011 and 2012.

Tourism

According to the World Tourism Organisation, tourist arrivals worldwide grew at an estimated 4.7% for the first two months of the year. Positive growth was recorded for all world regions, with the exception of the Middle East and North Africa. Against this backdrop, preliminary results for the Caribbean region

Table 2.3: Bona Fide Tourist Arrivals

	Jan-Mar 2010	Jan-Mar 2011
Stay-over Arrivals		
Air	55,329	56,548
Land	13,452	12,352
Sea	<u>2,960</u>	<u>3,591</u>
Total	71,741	72,491
Cruise Ship	258,251	199,940

Sources: Belize Tourism Board, Immigration Department and Central Bank of Belize



indicate an overall positive performance during the first two months except for declines in stay over arrivals in Dominica, Saint Lucia and US Virgin Islands. The Cayman Islands posted the largest increase in visitor arrivals of 8.0%, followed closely by Barbados (7.3%) and Curacao (7.2%).

For the first quarter, stay-over arrivals to Belize increased marginally by 1.0% as visitors through the sea ports and the international airport increased by 18.1% and 2.2% respectively, while tourists entering through the land borders fell by 8.2%. Visitors from the United States (the major market for Belize) increased by 3.1%, while those from the EU and other major source countries (Canada, Mexico and Guatemala) were down by 2.4% and 3.7%, respectively. The United States remained the major market, accounting for 66.9% of the total long-stay tourists, while the EU ranked

second with 11.0%.

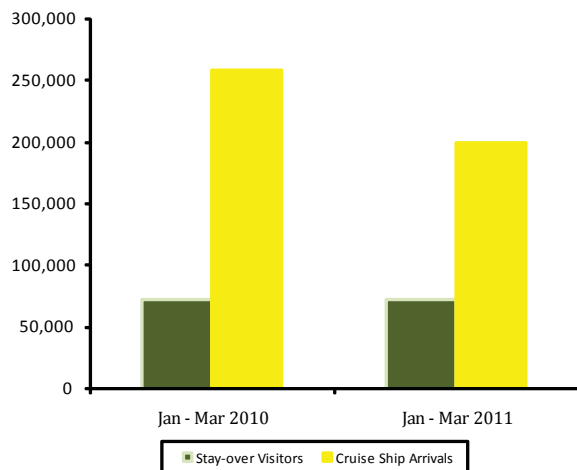
In contrast, cruise ship disembarkations fell by 22.6% to 199,940 as deliberate cancellations by Carnival Cruise Line owing to a controversy with local tender operators contributed to a 22.8% decline in port calls. The disagreement ensued when Carnival insisted on utilizing tenders to transport tourists at a specific price per head and of a minimum capacity of 150 persons, which is much larger than the facilities currently offered by domestic tender operators.

Consumer Price Index

Boosted by higher fuel acquisition costs, the consumer price index rose by 1.1% over the quarter (November 2010 to February 2011) and by 0.9% over the year (February 2010 to February 2011).

Year-on-year prices increased across all categories of goods and services, except “Food, Beverage & Tobacco” and “Clothing & Footwear”. The largest annual price hike was recorded in ‘Transportation & Communication’ which spiked by 7.8%, due mostly to higher prices at the pump for diesel and gasoline, while a 4.1% rise in butane prices underlined the 1.2% inflation in ‘Rent, Water, Fuel & Power’. Modest price increases were noted in the ‘Clothing and Footwear’, ‘Personal Care’, ‘Health Care’ and ‘Recreation, Education & Culture’ categories and reflected higher international cotton prices, the rise in import costs as indicated by the 3.0% increase in the

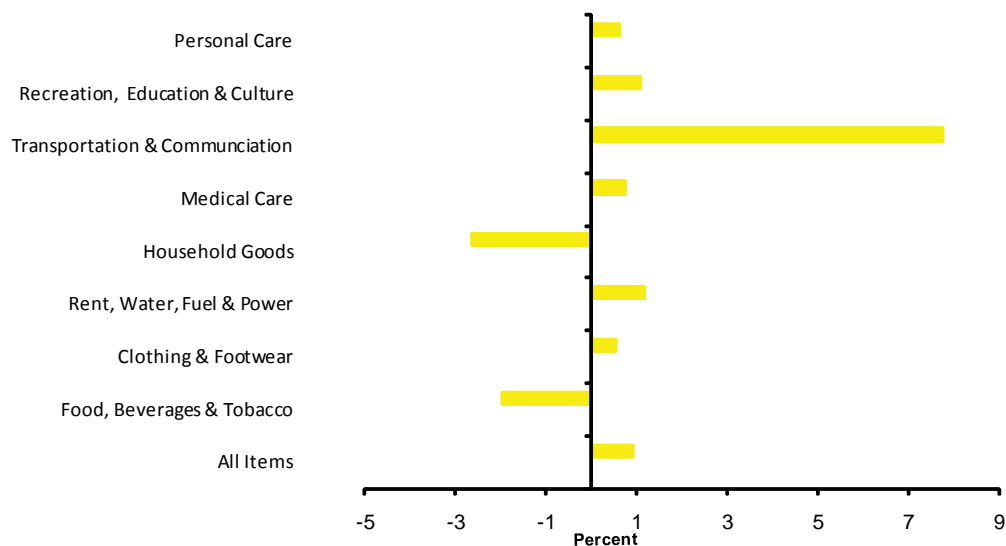
Chart 2.2: Tourist Arrivals



Source: Belize Tourism Board



Chart 2.3: Annual Percentage Change in Consumer Price Index



Source: Statistical Institute of Belize

US export price index and the heightening of airfare prices in line with fuel costs.

Muting inflationary pressures were price declines of 2.6% in 'Household Goods & Maintenance' and 2.0% in 'Food, Beverages and Tobacco' that reflected the government's zero rating of basic food items and major household durables in April 2010.



INTERNATIONAL TRADE AND PAYMENTS

A \$70.9mn surplus was recorded on the external current account, compared to a \$25.0mn surplus in the first quarter of 2010. The improved position was mainly the result of a sharp contraction in profit outflows as the trade deficit was largely unchanged, tourism earnings were down by 2.5% and outlays on transportation nearly doubled. On the other hand, the deficit on the capital and financial account deficit widened to \$86.3mn due to a contraction in foreign direct investment, increased loan repayments and the building up of foreign balances by commercial banks. Gross international reserves consequently fell by 5.4% to \$414.4mn, the equivalent of 4.1 months of merchandise imports.

The merchandise trade deficit declined marginally to \$49.6mn during the quarter. Imports were up by \$80.4mn (29.5%) with the domestic market accounting for \$35.7mn and the balance going to the Corozal Free Zone (CFZ). While the latter reflected the upswing in cross border trade, the bulk of the former's increase was due to the surge in international fuel prices. Exports increased by \$81.5mn with domestic exports and CFZ sales up by \$49.7mn and \$33.6mn, respectively. Revenues from goods produced for the export market were generally higher except in the case of banana, molasses and papaya. Strong prices boosted petroleum revenues, which accounted for

Table 3.1: Balance of Payments Summary

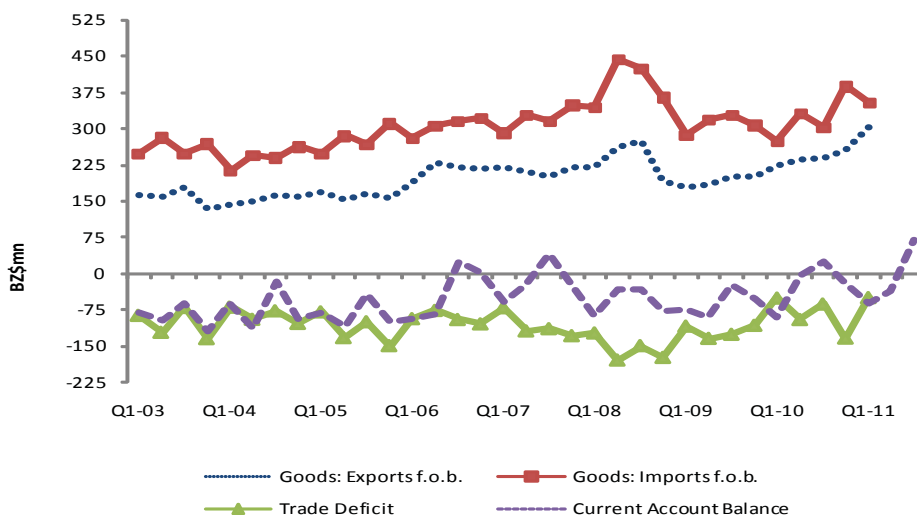
	BZ\$mn	
	2010 ^R	2011 ^P
	Jan-Mar	Jan-Mar
A. CURRENT ACCOUNT		
(I+II+III+IV)	25.0	70.9
I. Goods (Trade Balance)	-50.7	-49.6
Exports, f.o.b.	222.1	303.6
Domestic Exports	144.0	193.7
CFZ Gross Sales	67.7	101.3
Re-exports	10.4	8.5
Imports, f.o.b.	272.8	353.2
Domestic Imports	242.1	277.8
CFZ Imports	30.7	75.4
II. Services	148.8	132.4
Transportation	-9.8	-18.5
Travel	156.9	152.9
Other Services	1.7	-2.0
III. Income	-112.9	-53.6
Compensation of Employees	-2.5	-3.2
Investment Income	-110.3	-50.5
IV. Current Transfers	39.6	41.8
Government	-2.1	0.4
Private	41.7	41.4
B. CAPITAL & FINANCIAL ACCOUNT		
(I+II)	-33.0	-86.3
I. Capital Account	5.6	8.4
II. Financial Account (1+2+3+4)	-38.6	-94.7
1. Direct Investment in Belize	59.4	22.9
2. Portfolio Investment	-2.8	-6.7
Monetary Authorities	0.0	-4.0
General Government	-2.7	-2.7
Banks	0.0	0.0
Other Sectors	-0.1	0.0
3. Financial Derivatives	0.0	0.0
4. Other Investments	-95.1	-110.9
Monetary Authorities	0.0	-1.3
General Government	-12.3	-14.0
Banks	-70.6	-81.4
Other Sectors	-12.2	-14.2
C. NET ERRORS & OMISSIONS	-5.6	-8.1
D. OVERALL BALANCE	-13.6	-23.5
E. RESERVE ASSETS⁽¹⁾	13.6	23.5

P- indicates Provisional, R- indicates Revised

⁽¹⁾ Minus = increase



Chart 3.1: Current Account vs. Trade Deficit



almost half of the export gains. Larger volumes pumped up receipts from sugar and marine products while income from citrus juices was elevated by higher prices and volume.

EU market, which offered a Fair Trade premium of US\$60 per metric ton. In contrast, a smaller volume caused molasses export receipts to contract by 38.2% to \$0.6mn.

The implementation of the new sugarcane delivery system boosted sugar production and underpinned a 60.0% growth in first quarter export volume and a 62.5% increase in revenues. With the exception of 40 long tons that were sold to Canada, all sales went to the

The volume of citrus juice exports rose by 20.5% while revenues grew by 57.5% as prices improved in key markets. Sales of orange concentrate rose by 29.9% with receipts up by 73.0% as prices strengthened in response to crop frost damage in Florida, lower Brazilian

Chart 3.2: Domestic Exports

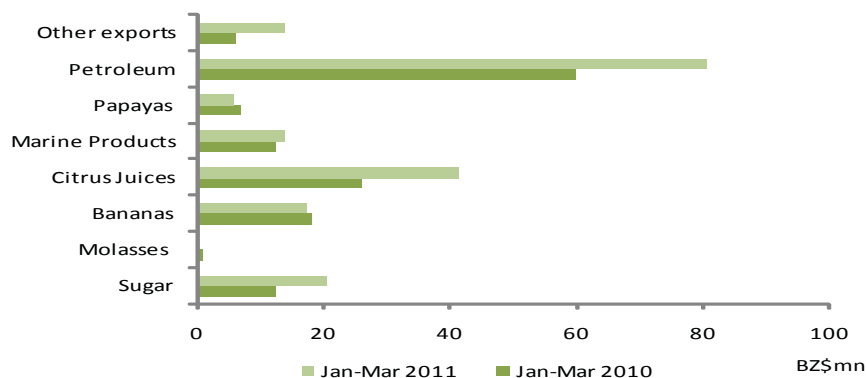
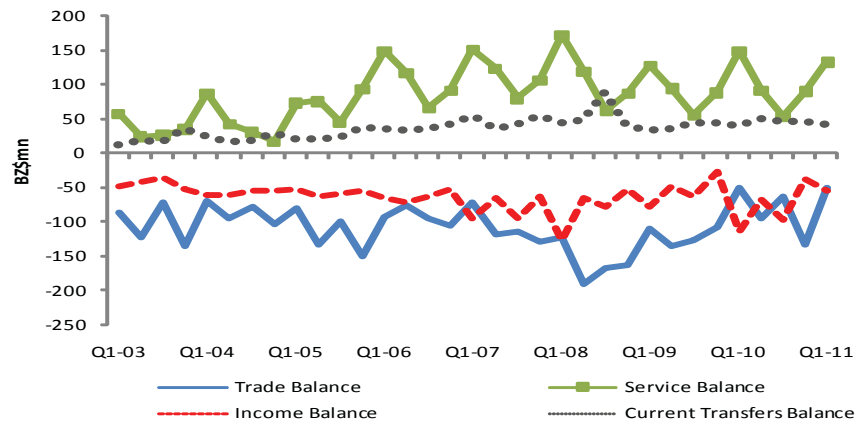




Chart 3.3: Trade, Service, Income and Current Transfers Balances



production caused by bad weather and strong demand from the Asian region. Revenue from exports to the US market declined by 6.2% as higher prices partly compensated for a significant decline in sale volume. A sharp fall in the volume sold to Europe also outweighed a price improvement thereby lowering revenues from that market. On the other hand, a price rally and more than doubling of volume resulted in a tripling of earnings from exports to the Caribbean and an aggressive sales push capitalized on higher prices in the Japanese market pushing revenues from that market up more than ten-fold. As regards the grapefruit concentrate product, earnings from exports to Japan and Europe fell in response to lower sales volume while revenues from the Caribbean remained stable and there were no sales to the US.

Marine export volume grew by 16.8% with receipts rising by 10.1% as higher lobster and conch earnings outweighed a fall in shrimp

receipts. Lobster earnings were up by 21.1%, due to a higher export volume and conch receipts rose as a higher export volume masked a slight decline in the average unit price. In contrast, earnings from shrimp exports were slightly lower with a fall in the average price per pound outweighing a volume increase.

In the case of banana, a 4.3% downturn in export volume underpinned a 4.8% fall in revenues. Papaya export volume plunged by 22.9% as the crop was negatively impacted by drought and disease. However, revenues fell by a less than proportionate 17.1% as prices in the US rallied as a result of production shortfalls in Mexico, its major supplier. Notwithstanding a small dip in export volume, earnings from oil exports vaulted upward by 33.9% as the disruption of Libyan crude oil production and geopolitical tensions in North Africa and the Middle East pushed the average f.o.b. price per barrel from US\$76.63 to US\$103.43.



In other developments, lower inflows from tourism and higher outflows for transportation and other services led to an 11.1% reduction in the first quarter services account surplus. Travel receipts were 2.5% lower as a contraction in cruise ship expenditure outweighed the modest upturn in the stay-over segment while net outflows for transportation doubled due to higher international freight charges.

Net outflows on the income account plunged from \$112.9mn in 2010 to \$53.6mn, reflective mostly of reductions in the repatriation of profits from the tourism industry and in the retained earnings of commercial banks. Meanwhile, net inflows from current transfers rose by 5.6% as higher grant receipts offset a fall in inflows to religious and other non-profit organizations.

The deficit on the capital and financial account more than doubled from \$33.0mn in 2010 to \$86.3mn at the end of the first quarter. While the capital account surplus improved to \$8.4mn with a \$2.2mn rise in grant receipts, the deficit on the financial account more than doubled to \$94.7mn due to higher loan repayments by the government, commercial banks and the private sector as well as a 61.5% contraction in foreign direct investments that reflected a reduction in commercial banks' retained earnings. In other developments, the Central Bank purchased \$4.0mn worth of commercial paper issued by the IBRD, while the commercial banks built up their foreign balances abroad by \$74.2mn.

Chart 3.4: Change in Foreign Direct Investment Components

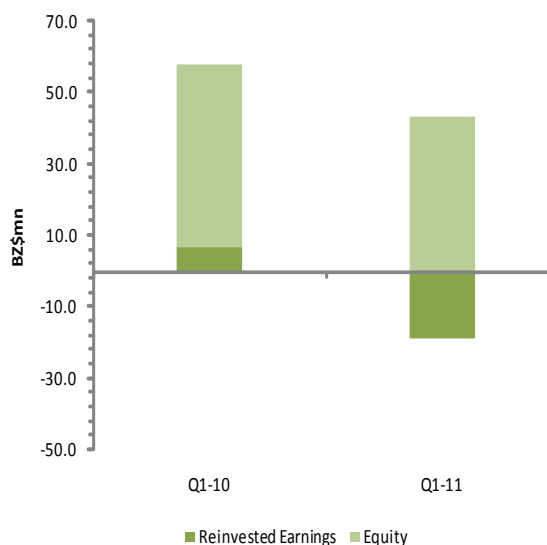
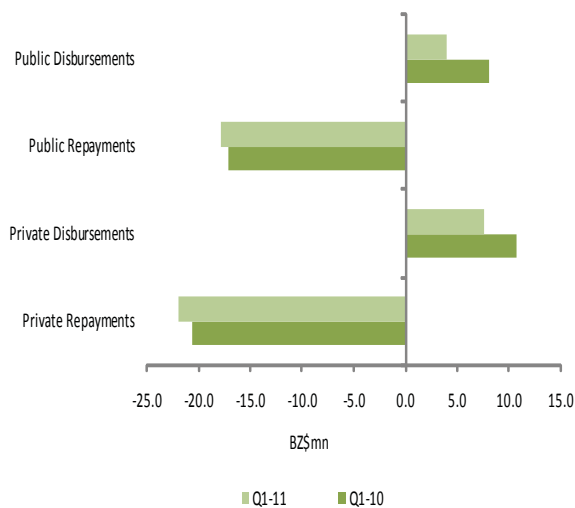


Chart 3.5: Public and Private External Debt Disbursements and Repayments





GOVERNMENT OPERATIONS & PUBLIC DEBT

Government Operations

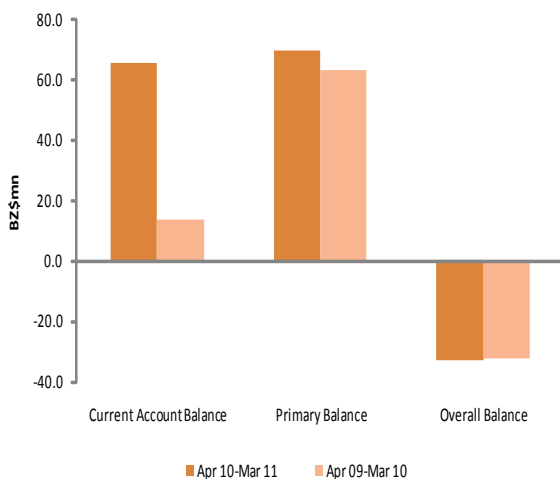
The January-March period represents the last quarter of the government's 2010/2011 fiscal year and during this period, revenues and grants were 6.7% higher than the comparable period of fiscal year 2009/2010, while expenditure edged up by 0.6% as a 3.7% increase in current spending was offset by a 20.3% fall in capital outlays that mainly reflected the slow pace of Capital III project implementation. The revenue growth came mostly from higher GST collections. The fiscal outturn consequently improved, as the primary surplus more than doubled to \$38.2mn, and the overall deficit shrank by two-thirds to \$5.8mn.

The budget outturn for the entire 2010/11 fiscal year (FY) included increases in annual revenues and expenditures of 6.6% and 6.3%,

respectively, and reduced reliance on external grants. A primary surplus amounting to 2.5% of GDP was recorded and the overall deficit was 1.2% of GDP. Financing came mainly from domestic sources consisting of new issuances of government securities and proceeds from the sale of BTL shares.

Revenues were below expectations at 96.6% of budget but were 6.6% higher year-on-year, with the increase coming from oil receipts and a series of revenue enhancing measures that more than compensated for a sharp drop in grant inflows. Income from the GST increased by 23.8% to \$195.0mn in response to the 25.0% rate hike that took effect on 1 April 2010. The slightly less than proportionate increase in GST receipts was partly attributable to the increase in zero rated food and household items and the raising of the GST exempt level of monthly electricity consumption from \$150 to \$200. The resurgence in crude oil prices boosted oil receipts by 37.9% to \$81.3mn or 10.4% of total revenues, while receipts from the business tax rose by 5.8% to \$130.6mn. Other notable revenue increases of \$14.0mn came from non-tax sources such as BTL dividends and first time transfers from the Public Utilities Commission and the International Financial Services Commission. Collections of personal income tax fell by \$2.1mn, partly due to the tax relief given to persons with annual earnings between \$26,000 and \$29,000, while a \$3.9mn fall in collections from international trade reflected the removal of import duties

Chart 4.1: GOB Fiscal Operations



Source: Ministry of Finance



Table 4.1: Central Government's Revenue & Expenditure

BZ\$m

	Jan-11 Mar-11	Jan-10 Mar-10	Apr-10 Mar-11	Apr-09 Mar-10
Total Revenue & Grants	213.7	200.2	783.7	735.2
<i>of which: Current Revenue</i>	196.4	185.9	754.8	682.5
<i>of which: Grants</i>	5.7	5.3	12.1	33.7
Total Expenditure	219.5	218.3	816.3	767.6
Current Expenditure	196.4	189.3	689.1	669.0
Capital Expenditure	23.1	28.9	127.3	98.6
Current Balance	-0.1	-3.4	65.7	13.5
Primary Balance	38.2	18.4	70.0	63.3
Overall Balance	-5.8	-18.0	-32.6	-32.5

Source: Ministry of Finance

on selected items. Grant receipts amounted to \$12.1mn, down 64.0% from the previous year.

At \$816.3mn, total expenditure was \$48.7mn higher than the previous fiscal year and 93.1% of budgeted outlays. Current spending was held to 95.5% of budget with general increases except for pensions, which declined slightly. Outlays on wages and salaries rose

by \$5.0mn and comprised 40.5% of current spending. A \$6.8mn increase on goods and services was mostly due to operating costs, ex-gratia payments, rent, training, contracts and consultancies. Higher grants to organizations, individuals, Belize Agricultural and Health Authority (BAHA) and the Statistical Institute of Belize (SIB) were responsible for subsidies exceeding the budget by \$1.1mn.

Table 4.2: Summary of Central Government's Revenue

BZ\$m

	Jan-11 Mar-11	Jan-10 Mar-10	Apr-10 Mar-11	Apr-09 Mar-10
Current revenue	196.4	185.9	754.8	682.5
Tax revenue	169.6	155.2	659.3	601.1
Income and profits	60.6	59.6	240.1	213.4
Taxes on property	2.5	1.5	6.6	5.3
Taxes on goods & services	67.0	54.4	251.1	217.1
Int'l trade and transactions	39.4	39.7	161.5	165.4
Non-Tax Revenue	26.8	30.7	95.4	81.4
Property income	6.8	11.0	17.6	12.2
Licenses	3.4	3.4	12.8	11.4
Other	16.6	16.3	65.0	57.9
Capital revenue	11.6	9.0	16.8	19.0
Grants	5.7	5.3	12.1	33.7

Source: Ministry of Finance



Table 4.3: Summary of Central Government's Expenditure

BZ\$mn

	Jan-11	Jan-10	Apr-10	Apr-09
	Mar-11	Mar-10	Mar-11	Mar-10
Current Expenditure	196.4	189.3	689.3	669.0
Wages & Salaries	70.6	69.6	279.1	274.0
Pensions	11.8	12.6	45.3	48.1
Goods & Services	48.1	47.3	164.8	158.0
Interest Payments	44.0	36.4	102.6	95.8
of which: External	38.8	30.0	86.4	71.4
Subsidies & current transfers	21.9	23.2	97.2	93.0
Capital Expenditure	23.1	28.9	127.3	98.6
Capital II	15.8	17.5	73.1	53.6
Capital III	5.6	10.6	37.6	40.7
Net lending	1.7	0.8	16.6	4.4

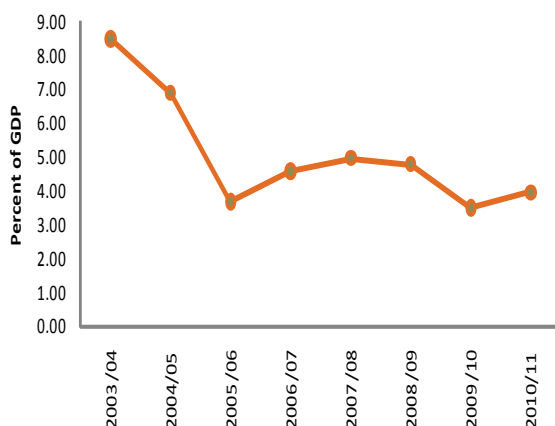
Source: Ministry of Finance

Interest payments rose by \$6.8mn as the savings in domestic interest payments were overshadowed by the heightening of external charges due to the step up in interest rate on the 'super bond' from 4.5% to 6.0%.

Capital expenditure was only 81.8% of the budgeted amount. While spending on locally

funded projects exceeded the budget by 10.7%, spending on externally funded (Capital III) projects was just 45.3% of planned outlays. The backlog of major Capital III projects included the paving of the Southern Highway, the Kendall Bridge, water systems, the Mexico/Belize international crossing, rural finance, EU sugar support and the sustainable tourism project. Some \$35.9mn went on infrastructure projects such as the upgrading of the Placencia road, poverty alleviation, maintenance of bridges, ferries, roads, culverts and causeways. Another \$21.7mn was spent on social projects that included the Social Investment Fund, BNTF and the housing and population census. Projects like land development/acquisition and solid waste management were allotted \$6.8mn, housing accounted for \$8.8mn and \$17.2mn was expended for youth, sports, culture, education, health and security. The balance was allocated for miscellaneous

Chart 4.2: Development Expenditure January to March 2011



Source: Ministry of Finance



outlays on furniture, office equipment, upgrade of office buildings and international subscriptions. A loan of \$10.0mn to the sugar processor bumped up net lending to \$16.6mn, more than twice the budgeted amount.

Central Government's Domestic Debt

Central Government's domestic debt dipped by 0.7% to \$365.2mn with a \$2.2mn fall in overdraft financing from the Central Bank and \$0.4mn in amortization payments to BSSB, Heritage Bank and Fort Street Tourism Village. At the end of March, the share held by the Central Bank declined from 53.9% in 2010 to 39.4%, while the commercial banks' share rose from 34.0% to 46.1%, due to the institution of the securities requirement in May of 2010. The overdraft balance ended the quarter at 4.7% of the previous fiscal year's current revenue, well within the legislated ceiling of 8.5%.

The shift to low cost government securities and decrease in the overdraft ceiling from 20.0% to 8.5% of the previous fiscal year's current revenue reduced interest payments by \$1.1mn to \$5.2mn and the first quarter average interest rate from 7.92% in 2010 to 5.68%. The Central Bank received \$3.7mn that included \$1.3mn on short-term credit provided by way of the overdraft and Treasury bills and \$2.4mn on longer term Treasury notes. Commercial banks received \$1.0mn on their holdings of Treasury bills and BSSB and Guardian Life were also paid small amounts.

Table 4.4: Central Government's Domestic Debt

BZ\$m

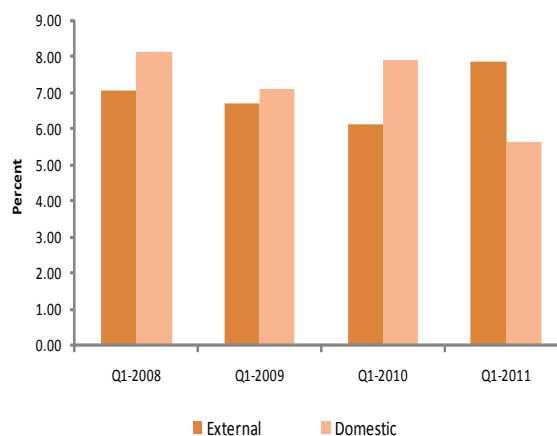
	Dec 2010	Mar 2011	Changes in Stock
Overdraft	34.0	31.8	-2.2
Loans	12.0	11.6	-0.4
Treasury Bills	175.0	175.0	0.0
Treasury Notes	136.8	136.8	0.0
Defence Bonds	10.0	10.0	0.0
Total	367.8	365.2	-2.6

In the secondary market, the Central Bank sold \$5.7mn worth of Treasury bills to the commercial banks and \$1.2mn in Treasury notes to the non-bank entities.

Public Sector External Debt

The public sector external debt fell by 0.6% to \$2,005.9mn, as amortization payments of \$20.0mn exceeded disbursements from multilateral sources of \$3.9mn, and upward valuation adjustments of \$3.7mn that was due to the depreciation of the US dollar against

Chart 4.3: Average Interest Rate on Central Government Domestic Debt and Public Sector External Debt



**Table 4.5: Public Sector's External Debt**

BZ\$m

	DOD at:	DOD at:	Change in
	31/12/10	31/03/11	Debt Stock
Central Government	1,885.9	1,874.9	-11.0
Bilateral	343.7	334.7	-8.9
Multilateral	448.7	446.8	-2.1
Bonds	1,093.5	1,093.5	0.0
Rest of NFPS	30.8	30.5	-0.3
Bilateral	4.6	4.7	0.1
Multilateral	26.1	25.8	-0.3
Commercial Banks	0.1	0.1	0.0
Financial Public Sector	101.6	100.4	-1.1
Bilateral	0.7	0.7	0.0
Multilateral	82.1	83.9	1.8
Bonds	18.8	15.7	-3.0
Grand Total	2,018.3	2,005.9	-12.4

also factored into an increase in the average interest rate from 6.12% in 2010 to 7.88%. Payments to bilateral creditors were \$3.4mn, of which \$2.8mn went to ROC/Taiwan, while the \$2.6mn in payments to multilateral lenders went mostly to CDB (\$1.9mn).

the SDR, Euro and Kuwait dinar. Central Government repaid \$9.3mn to bilateral creditors, including \$7.1mn to ROC/Taiwan for housing and highway rehabilitation. Multilateral lenders received \$6.8mn, including payments of \$2.3mn to CDB, \$2.1mn to IBRD and \$2.0mn to IDB. The DFC made payments of \$3.0mn to the Belize Mortgage Company for the North American Securitization and \$0.4mn to CDB, while the non-financial public sector amortized \$0.6mn to the CDB.

Of the \$39.7mn in interest payments, the 'super bond' accounted for \$33.1mn. The latter was 41.2% higher than the March 2010 payment due to the step up in the interest rate from 4.25% to 6.00% in August 2010 that



ANNEX I



Table 5.1: Money Supply

\$BZmn

	Position as at March 2011	Changes during	
		Dec 2010 to Mar 2011	Dec 2009 to Mar 2010
		Money Supply (M2)	2,139.3
Money Supply (M1)	750.3	42.4	37.3
Currency with the Public	150.6	-7.2	-5.3
Demand Deposits	401.4	45.8	36.5
Savings/Cheque Deposits	198.3	3.8	6.1
Quasi-Money	1,389.0	6.1	-19.8
Savings Deposits	221.6	12.9	4.7
Time Deposits	1,167.4	-6.8	-24.5



Table 5.2: Net Domestic Credit

B\$zmn

	Changes during		
	Position as at Mar 2011	Dec 10 to Mar 2011	Dec 2009 to Mar 2010
Total Credit to Central Government	314.8	-3.4	1.6
From Central Bank	144.0	-9.0	1.6
Loans and Advances	31.8	-2.2	0.8
Gov't Securities ¹	112.2	-6.8	0.8
From Commercial Banks	170.8	5.6	0.0
Loans and Advances	2.6	-0.1	-0.1
Gov't Securities	168.2	5.7	0.1
(of which) Treasury Bills	158.2	5.7	0.1
Treasury Notes	10.0	0.0	0.0
Other	0.0	0.0	0.0
Less Central Government Deposits	116.7	-14.5	-31.5
With Central Bank	82.0	-20.1	-31.8
With Commercial Banks	34.7	5.6	0.3
Net Credit to Central Government	198.1	11.1	33.1
Credit to Other Public Sector	5.8	-0.3	
From Central Bank	0.0	0.0	0.0
From Commercial Banks	5.8	-0.3	
(of which) Local Government	3.0	-0.3	-0.2
Public Financial Institutions	0.0	0.0	0.0
Public Utilities	0.0	0.0	0.0
Other Statutory Bodies	2.8	0.0	-0.8
Securities	0.0	0.0	0.0
Plus Credit to the Private Sector	1,747.5	-10.1	-74.0
Loans and Advances	1,746.2	-10.1	-74.0
Securities	1.3	0.0	0.0
Net Domestic Credit of the Banking System²	1,951.4	0.7	-41.9

(1) Includes Gov't T-Bills, T-Notes & Debentures from Central Bank

(2) Differences due to rounding



Table 5.3: Sectoral Composition of Commercial Banks' Loans and Advances

BZ\$mn

	Position as at Mar 2011	Changes during	
		Dec 2010 to Mar 2011	Dec 2009 to Mar 2010
PRIMARY SECTOR	191.6	-2.9	8.2
Agriculture	132.2	-0.2	5.9
Sugar	13.6	0.6	-1.1
Citrus	16.2	-2.7	2.2
Bananas	80.2	1.8	1.5
Other	22.2	0.1	3.3
Marine Products	36.1	-1.4	1.7
Forestry	1.9	0.3	0.3
Mining & Exploration	21.4	-1.6	0.3
SECONDARY SECTOR	521.8	0.6	-45.7
Manufacturing	45.8	-1.4	2.4
Building & Construction	447.1	-0.8	-47.8
Utilities	28.9	2.8	-0.3
TERTIARY SECTOR	660.6	-0.8	-27.5
Transport	57.0	-0.9	-18.7
Tourism	132.1	-5.7	2.7
Distribution	220.9	3.2	-4.9
Other ⁽¹⁾	250.6	2.6	-6.6
Personal Loans	377.4	-7.5	-10.0
TOTAL	1,751.4	-10.6	-75.0

⁽¹⁾ Includes government services, real state, financial institutions, professional services and entertainment.



Table 5.4: Commercial Bank's Liquidity Position and Cash Reserves

BZ\$mn

	Position as at Mar 2011	Changes during	
		Dec 2010 to Mar 2011	Dec 2009 to Mar 2010
Holdings of Approved Liquid Assets	648.3	40.2	57.2
Notes and Coins	62.5	-2.1	-3.8
Balances with Central Bank	219.4	-6.2	30.9
Money at Call and Foreign Balances (due 90 days)	194.0	58.8	51.1
Treasury Bills maturing in not more than 90 days	158.1	7.2	0.5
Other Approved assets	14.3	-17.5	-21.5
of which: Treasury Notes	0.0	-16.6	-21.2
Required Liquid Assets	455.5	7.4	7.7
Excess/(Deficiency) Liquid Assets	192.8	32.8	49.5
Daily Average holdings of Cash Reserves	220.0	-6.1	26.4
Required Cash Reserves	168.3	2.7	3.4
Excess/(Deficiency) Cash Reserves	51.7	-8.8	23.0
Actual Securities Balances	158.7	5.7	0.0
Required Securities Balances	97.7	-30.6	0.0
Excess/(Deficiency) Securities	61.0	36.3	0.0

Table 5.5: Commercial Bank's Weighted Average Interest Rates

Percentages

	Position as at Mar 2011	Changes during	
		Dec 2010 to Mar 2011	Dec 2009 to Mar 2010
Weighted Lending Rates			
Personal Loans	15.33	-0.17	0.75
Commercial Loans	13.27	-0.12	-0.05
Residential Construction	12.33	-0.83	-0.61
Other	12.39	0.07	2.50
Weighted Average	13.59	-0.19	0.00
Weighted Deposit Rates			
Demand	0.64	0.16	-0.13
Savings/ Cheque	4.73	-0.27	0.02
Savings	4.84	-0.13	0.03
Time	7.00	-0.42	-0.27
Weighted Average	5.24	-0.37	-0.31
Weighted Average Spread	8.35	0.18	0.31



Table 5.6: Real GDP Growth Rates

	Quarter-on-quarter growth (%)		
	Q1-09 over Q1-08	Q1-10 over Q1-09	Q1-11 over Q1-10
Agriculture, hunting & forestry	-11.2	2.1	6.9
Fishing	4.2	-25.0	-0.8
Manufacturing (incl. mining & quarrying)	3.1	10.9	15.0
Electricity & water	2.7	4.1	33.9
Construction	28.8	5.8	-16.0
Wholesale & Retail	-8.6	1.2	13.6
Hotels & Restaurants	-11.1	9.3	-3.5
Transport & communication	-2.9	0.5	3.1
Other private services exc. FISIM	2.9	0.4	1.9
Producers of government services	6.7	6.4	-0.5
All industries at basic prices	-1.0	3.0	5.7
Taxes on products	-10.1	0.4	11.9
GDP at market prices	-2.2	2.7	6.5

Source: Statistical Institute of Belize

Table 5.7: GDP by Activity at Constant 2000 Prices

	2010				2011
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1
	Agriculture, hunting & forestry	66.9	64.2	46.8	42.8
Fishing	11.1	15.0	10.0	20.6	11.0
Manufacturing (incl. mining & quarrying)	81.1	74.2	55.5	60.2	93.2
Electricity & water	16.6	30.2	47.8	39.1	22.2
Construction	28.9	28.8	23.7	22.7	24.3
Wholesale & Retail	77.9	89.0	83.5	93.3	88.5
Hotels & Restaurants	29.8	22.2	16.9	19.0	28.8
Transport & communication	68.4	67.8	63.2	63.4	70.5
Other private services exc. FISIM	100.0	100.2	100.5	101.1	101.9
Producers of government services	60.3	59.7	48.8	58.0	60.0
All industries at basic prices	541.0	551.3	496.6	520.1	572.1
Taxes on products	75.8	86.5	80.9	89.9	84.8
GDP at market prices	616.8	637.9	577.5	610.1	656.9

BZ\$m

Source: Statistical Institute of Belize



Table 5.8: Percent Variation in Consumer Price Index (CPI) Commodity Group

Major Commodity Group	Weight	Year on Year Change (%)				
		Feb-10	May-10	Aug-10	Nov-10	Feb-11
Food, Beverage & Tobacco	346.6	-4.9	-2.5	-2.4	-2.1	-2.0
Clothing & Footwear	92	0.5	0.2	0.3	0.7	0.5
Rent, Water, Fuel, & Power	167.6	4.1	4.6	2.0	1.4	1.2
Household goods & maintenance	85.3	0.2	-0.4	-1.5	-2.7	-2.6
Medical care	20.1	0.3	0.6	0.6	0.3	0.7
Transport & Communication	170.1	15.2	10.1	5.4	3.2	7.8
Recreation, Education & Culture	80.4	0.4	0.5	1.0	1.2	1.1
Personal care	37.9	0.5	1.2	0.7	0.1	0.6
ALL ITEMS	1000	1.4	1.8	0.5	0.0	0.9

Source: Statistical Institute of Belize

Table 5.9: Gross Imports (CIF) by SITC

SITC Section	BZ\$'000	
	Jan-Mar 2010	Jan-Mar 2011
0. Food and Live Animals	35,901	40,547
1. Beverages and Tobacco	3,971	4,920
2. Crude Materials	3,398	4,317
3. Minerals, Fuels and Lubricants	60,822	86,853
<i>of which electricity</i>	13,062	16,619
4. Oils and Fats	954	2,490
5. Chemical Products	25,506	27,590
6. Manufactured Goods	43,270	45,546
7. Machinery and Transport Equipment	56,078	52,235
8. Other Manufactures	20,327	22,213
9. Commodities N.E.S	-	605
10. Export Processing Zones	16,794	21,178
11. Commercial Free Zone	33,575	82,876
12. Personal Goods	846	344
Total	301,443	391,714

Source: Statistical Institute of Belize, Central Bank of Belize



Table 5.10: Balance of Payments

BZ\$mn

	2010 ^R	2011 ^P
	Jan-Mar	Jan-Mar
CURRENT ACCOUNT	25.0	70.9
Goods: Exports f.o.b.	222.1	303.6
Goods: Imports f.o.b.	-272.8	-353.2
Trade Balance	-50.7	-49.6
Services: Credit	220.2	210.1
Transportation	14.3	12.4
Travel	172.4	166.7
Other Goods & Services	17.1	17.4
Gov't Goods & Services	16.4	13.6
Services: Debit	-71.4	-77.7
Transportation	-24.1	-30.9
Travel	-15.5	-13.8
Other Goods & Services	-27.7	-29.0
Gov't Goods & Services	-4.1	-4.1
Balance on Goods & Services	98.2	82.7
Income: Credit	2.2	2.3
Compensation of Employees	1.2	1.2
Investment Income	1.0	1.1
Income: Debit	-115.0	-56.0
Compensation of Employees	-3.7	-4.4
Investment Income	-111.3	-51.6
Balance on Goods, Services & Income	-14.7	29.1
Current Transfers: Credit	51.7	52.4
Current Transfers: Debit	-12.1	-10.6
CAPITAL ACCOUNT	5.6	8.4
Capital Account: Credit	6.9	8.5
Capital Account: Debit	-1.3	-0.1
FINANCIAL ACCOUNT	-38.6	-94.7
Direct Investment Abroad	-0.5	-0.2
Direct Investment in Reporting Economy	59.9	23.0
Portfolio Investment Assets	-0.1	-4.0
Portfolio Investment Liabilities	-2.7	-2.7
Financial Derivatives	0.0	0.0
Other Investment Assets	-47.9	-73.6
Other Investment Liabilities	-47.2	-37.3
NET ERRORS & OMISSIONS	-5.6	-8.1
OVERALL BALANCE	-13.6	-23.5
RESERVE ASSETS*	13.6	23.5

Source: Central Bank of Belize

*(Minus = Increase)

P: Indicates Provisional

R: Indicated Revised



Table 5.11: Extended Balance of Payments Services Classification (EBOPS)

		BZ\$m	
		Jan-Mar 2010	Jan-Mar 2011
Total Services	Net	148.9	132.4
	Credits	220.3	210.1
	Debits	71.4	77.7
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	-9.7	-18.3
	Credits	14.5	12.6
	Debits	24.3	30.9
Travel	Net	156.9	152.9
	Credits	172.4	166.7
	Debits	15.5	13.8
Communication, Computer, and Information Services	Net	3.9	1.3
	Credits	6.8	6.0
	Debits	2.9	4.7
Construction Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Insurance Services	Net	-9.8	-8.2
	Credits	0.1	0.1
	Debits	9.8	8.2
Financial Services	Net	0.8	1.0
	Credits	1.8	1.8
	Debits	1.0	0.9
Royalties and License Fees	Net	-0.9	-1.2
	Credits	0.0	0.0
	Debits	0.9	1.2
Other Business Services	Net	-4.6	-4.3
	Credits	8.2	9.3
	Debits	12.8	13.6
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	12.4	9.5
	Credits	16.4	13.6
	Debits	4.1	4.1

Note: Extended Balance of Payments Services Classification (EBOPS) compiled in BPM6 format.



Table 5.12: Private Sector External Debt by Economic Sector ⁽¹⁾

BZ\$'000

Economic Sectors	Transactions from January to March 2011				DOD as at 31/03/11
	DOD as at 31/12/10	Disbursements	Principal Payments	Interest Payments	
Agriculture	69,662	0	1,141	439	68,520
Arts, entertainment and recreation	1,731	0	31	0	1,700
Construction	60,063	0	65	2,203	59,998
Education	223	30	10	0	212
Electricity and Gas	108,629	0	4,694	363	103,935
Financial and insurance activities	111	0	0	0	111
Fishing	129,718	0	5,665	1,752	124,053
Real estate activities	1,394	0	83	35	1,312
Tourism activities	43,626	2,890	524	477	43,380
Transportation	55,449	0	1,913	429	53,536
Wholesale and retail trade	1,592	0	38	18	1,555
Total	472,199	2,920	14,164	5,717	460,955

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

At the time of reporting not all companies had submitted their balance sheets to the Central Bank of Belize.



Table 5.13: Central Government's Revenue and Expenditure

BZ\$'000

	Approved Budget 2010/2011	Jan-11 to Mar-11	Jan-10 to Mar-10	Apr-0 to Mar-11	Apr-9 to Mar-10	Actual YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	811,589	213,689	200,235	783,704	735,167	96.6%
1). Current revenue	784,268	196,377	185,911	754,788	682,531	96.2%
Tax revenue	703,493	169,570	155,205	659,347	601,127	93.7%
Income and profits	247,549	60,648	59,582	240,128	213,356	97.0%
Taxes on property	7,003	2,537	1,462	6,570	5,262	93.8%
Taxes on goods and services	273,105	67,020	54,431	251,105	217,097	91.9%
Int'l trade and transactions	175,836	39,365	39,730	161,544	165,411	91.9%
Non-Tax Revenue	80,775	26,807	30,706	95,441	81,404	118.2%
Property income	6,930	6,814	11,021	17,632	12,176	254.4%
Licenses	11,780	3,394	3,377	12,845	11,357	109.0%
Other	62,064	16,599	16,308	64,964	57,872	104.7%
2). Capital revenue	4,800	11,649	9,017	16,786	18,973	349.7%
3). Grants	22,521	5,663	5,307	12,130	33,663	53.9%
TOTAL EXPENDITURE (1+2)	877,102	219,494	218,260	816,330	767,647	93.1%
1). Current Expenditure	721,602	196,438	189,348	689,057	669,019	95.5%
Wages and Salaries	291,240	70,620	69,860	279,053	274,032	95.8%
Pensions	50,416	11,833	12,576	45,346	48,124	89.9%
Goods and Services	165,610	48,099	47,330	164,844	158,027	99.5%
Interest Payments on Public Debt	118,225	44,008	36,433	102,608	95,790	86.8%
Subsidies & current transfers	96,111	38,814	23,150	97,205	93,046	101.1%
2). Capital Expenditure	155,499	23,056	28,913	127,273	98,628	81.8%
Capital II (local sources)	65,994	15,817	28,111	73,083	53,577	110.7%
Capital III (foreign sources)	83,046	5,574	17,482	37,635	40,657	45.3%
Capital Transfer & Net Lending	6,459	1,665	802	16,555	4,394	256.3%
CURRENT BALANCE	62,666	(62)	(3,437)	65,731	13,512	104.9%
Primary Balance	52,712	38,203	18,408	69,982	63,310	132.8%
OVERALL BALANCE	(65,512)	(5,805)	(18,025)	(32,626)	(32,480)	49.8%
PB less Grants	30,191	32,540	13,101	57,852	29,647	191.6%
OB less Grants	(88,033)	(11,468)	(23,332)	(44,756)	(66,143)	50.8%
FINANCING		5,805	18,025	32,626	32,480	
Domestic Financing		18,995	33,557	32,541	16,861	
Central Bank		11,092	33,506	(72,473)	(79)	
Net Borrowing		(9,048)	1,689	(27,709)	(11,887)	
Change in Deposits		20,140	31,816	(44,764)	11,809	
Commercial Banks		(2)	(357)	41,790	(1,408)	
Net Borrowing		5,608	(44)	59,352	(2,204)	
Change in Deposits		5,610	(313)	(17,562)	796	
Other Domestic Financing		7,905	409	63,225	18,348	
Financing Abroad		(11,495)	(8,249)	695	32,146	
Disbursements		4,607	7,982	54,729	102,247	
Amortization		(16,101)	(16,229)	(54,034)	(70,101)	
Other		(1,695)	(7,284)	(610)	(16,528)	

Sources: Ministry of Finance and Central Bank of Belize



(1)

Table 5.14: Central Government's Domestic Debt by Creditor

\$'000

	Transactions from January to March 2011					Disbursed Outstanding Debt 31/03/11
	Disbursed Outstanding Debt 31/12/10	Disbursements/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	
Overdraft / Loans	34,046	0	0	1,140	-2,234	31,812
Central Bank	34,046	0	0	1,140	-2,234	31,812
Commercial Banks	0	0	0	0	0	0
Treasury Bills	175,000	0	0	1,155	0	175,000
Central Bank	21,014	0	0	165	-5,665	15,350
Commercial Banks	152,522	0	0	985	5,721	158,243
Other	1,464	0	0	6	-56	1,407
Treasury Notes	136,800	0	0	2,266	0	136,800
Central Bank	87,991	0	0	1,993	-1,150	86,841
Commercial Banks	10,000	0	0	0	0	10,000
Other	38,809	0	0	272	1,150	39,959
Defence Bonds	10,000	0	0	400	0	10,000
Central Bank	10,000	0	0	400	0	10,000
Commercial Banks	0	0	0	0	0	0
Other	0	0	0	0	0	0
BSSB Loan⁽²⁾	4,374	0	211	85	0	4,162
GOB (debt for Nature Swap)	3,747	0	0	0	0	3,747
Heritage Bank Ltd	2,743		112	101	0	2,631
Fort St. Tourism Village	96		57	0	0	40
Guardian Life Bze \$1mn Loan	1,000	0	0	45	0	1,000
Total	367,806	0	379	5,193	-2,234	365,192

(1) The transaction associated with UHS loan with the Belize Bank is not included in this table due to ongoing litigation.

(2) GOB has outstanding loans with BSSB consisting of (1) Hopeville Housing Project and (2) loan purchased from DFC (as of Jan 30th 2007).



Table 5.15: Public Sector External Debt by Creditor

\$'000

	Transactions from January to March 2011					Disbursed Outstanding Debt at: 31/03/2011
	Disbursed Outstanding Debt at: 31/12/2010	Disbursements	Principal Payments	Interest & Other Payments	Parity Change	
	CENTRAL GOVERNMENT	1,885,909	3,606	16,055	38,844	
Banco Nacional de Comercio Exterior	4,764	0	529	145	0	4,235
Government of the United States	1,096	0	0	0	0	1,096
Government of Venezuela	39,148	28	295	76	0	38,881
Kuwait Fund for Arab Economic Dev	16,930	0	484	353	300	16,746
Republic of China	280,884	0	7,096	2,805	0	273,789
Caribbean Development Bank	188,939	2,460	2,292	1,574	0	189,107
European Economic Community	14,775	0	0	0	1,073	15,847
European Investment Bank	91	0	0	0	7	98
Inter-American Development Bank	205,922	0	1,964	598	0	203,959
International Fund for Agric. Dev.	1,408	351	0	0	41	1,800
Intl. Bank for Reconstruction & Dev.	22,795	0	2,130	59	0	20,666
Opec Fund for Int'l. Development	13,782	768	400	79	0	14,149
Central American Bank for Econ. Integ.	980	0	0	32	0	980
Manufacturers & Traders Trust Co.	865	0	865	25	0	0
Bear Stearns & Co.	5,916	0	0	0	0	5,916
Bank of New York (New Bond Issue)	1,087,613	0	0	33,069	0	1,087,613
NON-FINANCIAL PUBLIC SECTOR	30,793	296	635	225	81	30,536
Kuwait Fund for Arab Economic Dev	4,603	0	0	0	81	4,685
Deutsche Bank	86	0	0	0	0	86
Caribbean Development Bank ⁽³⁾	26,104	296	635	225	0	25,765
FINANCIAL PUBLIC SECTOR	101,580	0	3,352	595	2,205	100,434
Caribbean Development Bank	12,084	0	391	77	120	11,812
European Economic Community ⁽¹⁾	423	0	0	0	31	454
Paine Webber Real Estate Securities Inc.	700	0	0	0	0	700
Belize Mortgage Company ⁽²⁾	18,781	0	2,961	418	0	15,820
International Monetary Fund ⁽³⁾	69,592	0	0	100	2,055	71,646
GRAND TOTAL	2,018,282	3,903	20,043	39,664	3,707	2,005,850

(1) Effective October 3rd 2005, loans to BWSL were reclassified as public sector debt as a result of Government of Belize repurchase of the company.

(2) BMC is the issuer of the DFC North American Securitization Loan through the Bank of New York.

(3) IMF SDR Allocation is included as part of financial public sector external obligation.