



# CENTRAL BANK OF BELIZE

## QUARTERLY REVIEW



MARCH 2012

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**Quarterly Review**

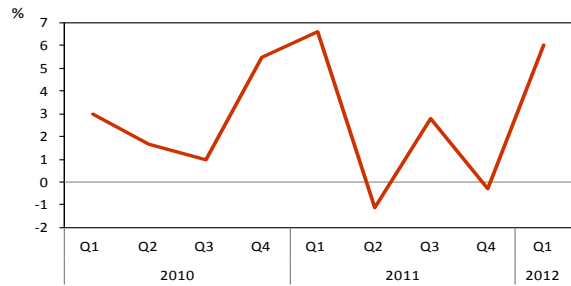
**March 2012**

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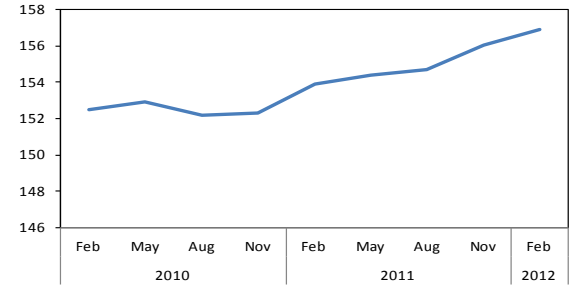
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# Summary Economic Indicators

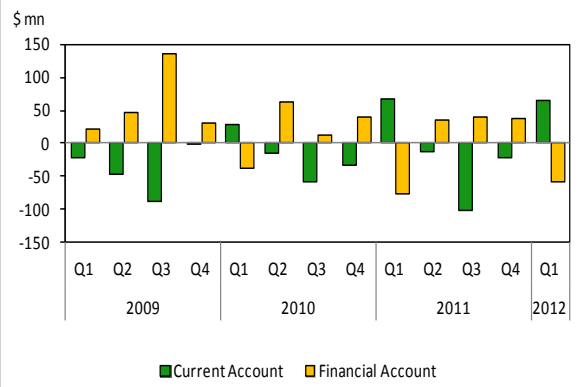
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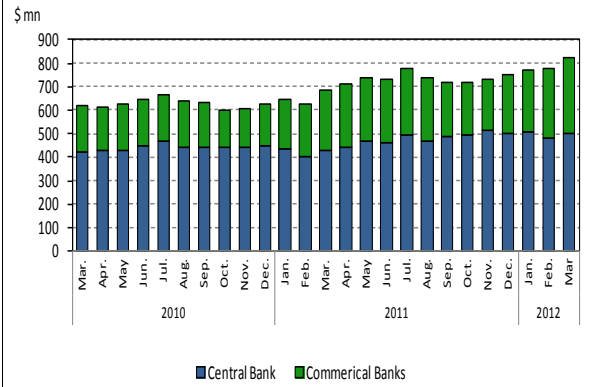
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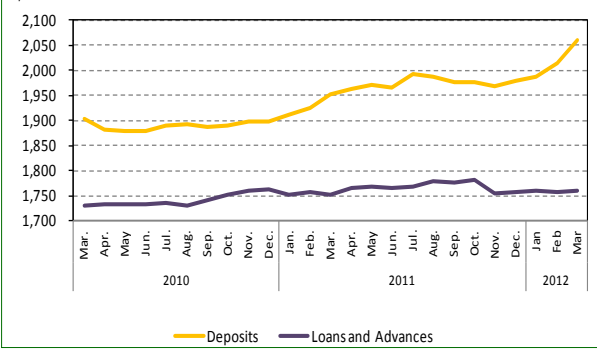
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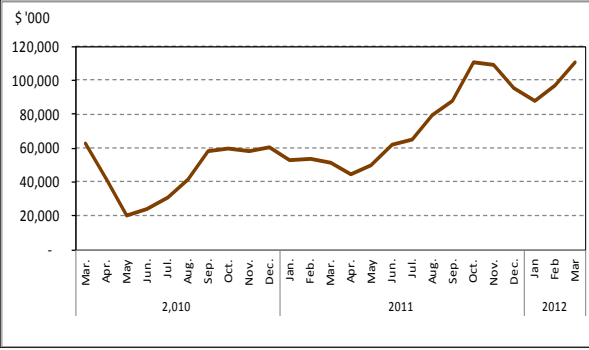
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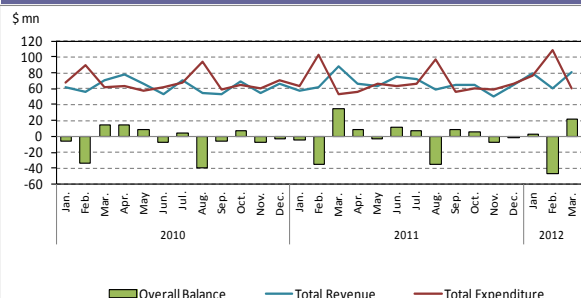
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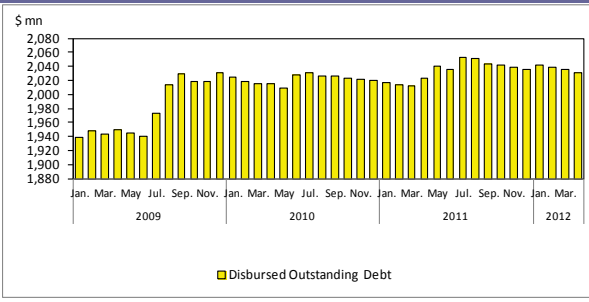
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## INTERNATIONAL DEVELOPMENTS

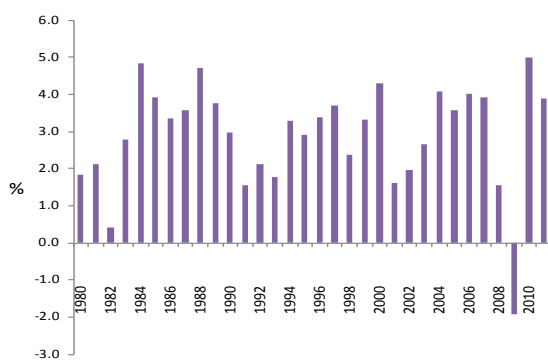
The global economic recovery appeared to lose steam in the first quarter of 2012, amid weaker-than-expected growth in the United States and a deepening recession in the Euro area. On the upside, many emerging and developing economies continued to perform well with high commodity prices and easy external financing conditions providing strong tailwinds. In the Caribbean, however, growth remained constrained by high debt levels and rising oil prices which impacted the external competitiveness of the region.

The US economy cooled with GDP growing by 1.9% in the first quarter rather than the 2.5% increase that had been forecasted and with the unemployment rate falling marginally to 8.2%. The subpar activity reflected smaller gains in inventories and bigger spending cutbacks at the state and local government level. The principal sources of growth were personal consumption, exports and residential construction.

Gains were also recorded in manufacturing and the food and beverage industries.

The crisis in Europe intensified in the meanwhile with an increasing number of countries in the Euro area slipping into recession. The list now includes the Czech Republic, Romania, Spain, Ireland, Italy, Portugal, Slovenia, Cyprus, Denmark and Greece. Spain, the EU's fourth largest economy, struggled to clean up the balance sheets of troubled banks in the face of severe budgetary cuts and rising double-digit unemployment. Spillovers from the Euro area also affected the UK which slipped back into recession with output declining by 0.3% for the second consecutive quarter due to tepid demand for its exports and a 4.8% contraction in construction. On the other hand, Germany, the biggest economy in the EU, bounced back from a 0.2% contraction in the last quarter of 2011 to post a marginal gain of 0.5% with growth being led by gains in manufacturing and an increase in exports of heavy equipment.

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



Source: IMF

**Table 1.1: Selected GDP Growth Rates**

	%	
	Dec-11	Mar-12
USA <sup>(1)</sup>	3.0	1.9
UK <sup>(2)</sup>	-0.3	-0.3
Euro Area <sup>(2)</sup>	-0.3	-0.1
Japan <sup>(1)</sup>	0	4.1

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

(2) Quarter-over-Quarter percentage change

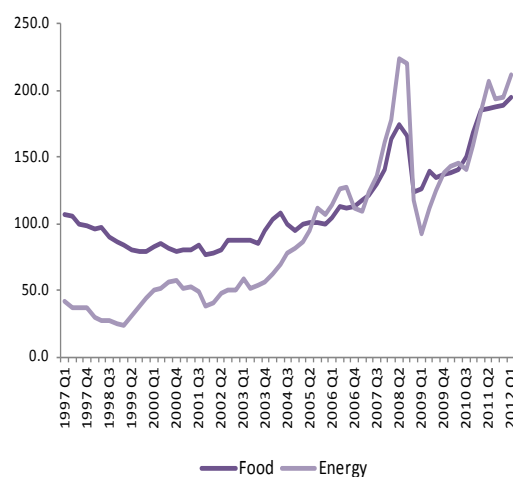
Source: Respective Statistical Bureaus



Economic activity in most of Asia and Latin America remained on relatively solid footing. Brazil was a notable exception, growing by just 0.8%, which was well below expectations as a severe drought negatively affected agricultural production. China's GDP growth moderated to an annualized rate of 8.1%, down from 8.9% in the preceding quarter mainly due to a dip in demand for its exports while Japan continued to recover from the devastation caused by the previous year's natural disasters. In the case of the latter, a surge in government spending underpinned first quarter growth of 4.1%, the best outturn in over a year.

Following some easing in the latter half of 2011, commodity prices began to rise again in the face of lower agricultural output in major global producers. Oil prices increased during the review period with the West Texas Intermediate benchmark price increasing on average by 7.7% to US\$ 106.16 per barrel. Even with these developments, global inflation was lower than that for the comparable period of 2011, given the weak performance of advanced economies and prospects for global activity. Low inflation levels were recorded in the advanced economies while emerging market economies reported generally moderate inflationary pressures.

**Chart 1.2: Global Commodity Prices**  
2005=100



Source: IMF

**Table 1.2: Annual Inflation for Selected Economies**

	Year on Year Change (%)	
	Dec-11	Mar-12
US	3.0	0.3
UK	4.2	3.5
Japan	-0.2	0.2
China	4.1	3.6

Source: Respective Statistical Bureaus



## DOMESTIC OVERVIEW

The Statistical Institute of Belize (SIB) estimates that GDP grew by 6.0% in the first quarter as compared to 7.8% in the comparable period of 2011. The outturn reflected seasonal gains in tourism, a rebound in banana and sugarcane production as well as a surge in domestic output of electricity from the hydroelectric and co-generation plants. “Agriculture, Hunting and Forestry” and “Electricity and Water” registered robust growth of 24.9% and 58.7%, respectively. Tourism maintained its upward momentum with increases in stay-over visitor arrivals and cruise ship disembarkations factoring into respective increases of 10.4% and 7.4% in “Hotels and Restaurants” and “Transport and Communications”. On the downside, “Manufacturing” and “Fishing” contracted by 2.9% and 23.6%, respectively, with the former reflecting a steeper-than-expected contraction in petroleum output.

Rising international oil and food prices underpinned a 0.5% increase in the domestic price level over the quarter (November 2011 to February 2012) with prices for “Transport & Communication” and “Food, Beverages & Tobacco”, rising by 4.9% and 3.6%, respectively.

On the external front, the first quarter current account surplus edged up from \$56.9mn in 2011 to \$65.0mn. A substantial contraction in the merchandise trade deficit and higher tourism earnings outpaced a sizeable increase in profit repatriation and a marginal decline in

family remittance inflows. The deficit on the capital and financial account narrowed in the meanwhile from \$67.6mn to \$45.0mn as an increase in foreign direct investment, higher official grant receipts and a smaller build-up in commercial banks’ foreign balances outweighed a 21.9% growth in net loan repayments. Gross international reserves consequently grew by 2.7% to \$485.1mn, sufficient to cover 4.3 months of merchandise imports.

While government’s receipts of taxes and grants rose by 6.4% during the last quarter of its 2011/2012 fiscal year, this was outpaced by an 11.8% rise in expenditure that included increases in current and capital spending of \$9.8mn and \$16.2mn, respectively. The latter included outlays for infrastructural works on the south-side of Belize City and the Kendall Bridge as well as increased spending on ‘Security and Defense’. The quarter on quarter primary surplus shrank from \$38.2mn to \$24.5mn, while the overall deficit widened from \$5.8mn in 2011 to \$18.1mn with financing being largely comprised of deposit withdrawals from the Central Bank.

During the January-March period, Central Government’s domestic debt dipped by 0.1% to \$380.7mn (% of GDP). The public sector external debt also fell by 0.5% to \$2,035.9mn (% of GDP), as amortization payments of \$16.7mn exceeded disbursements from multilateral sources of \$6.3mn and upward valuation adjustments of \$1.2mn.





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Monetary growth accelerated to 4.1% during the period driven mainly by a 9.2% expansion in net foreign assets. Commercial banks received the bulk of the foreign exchange inflows while the net holdings of the Central Bank increased marginally. With private sector credit demand remaining subdued, Central Government, and to a lesser extent the statutory bodies, accounted for the lion's share of the 1.5% increase in net domestic credit that was recorded.

The combination of buoyant foreign exchange inflows and sluggish credit demand contributed to a further increase in the banking system's liquidity. Interest rates consequently continued to decline. The

weighted average lending rate fell to an all-time low of 12.72%, driven by rate cuts of 41 basis points for personal loans and 40 basis points for residential construction. Simultaneously, steep declines in time deposit rates underpinned the drop in the weighted average deposit rate to 3.19%.

In other developments, commercial banks continued the process of writing off non-performing loans although the amounts written off were significantly smaller than in the previous quarter. Current expectations are that these measures will be continuing during the rest of the year in fulfillment of the programmed strengthening of their balance sheet positions.



## MONETARY DEVELOPMENTS

The broad money supply rose by 4.1% during the first quarter largely boosted by a 9.2% increase in net foreign assets and, to a lesser extent, a 1.5% uptick in net domestic credit. The commercial banks registered a \$66.7mn rise in net foreign asset holdings, the expansion being facilitated by the first quarter surplus on the external current account. Since this was coupled with continued weakness in domestic lending to the private sector, the excess statutory liquidity of the banking system rose by 27.4% to \$281.7mn and excess cash balances were also up by 15.9% to \$110.9mn, which was 62.7% above the required level. Symptomatic of the burgeoning

systemic liquidity, some commercial banks maintained their position of refusing new time deposits, a carryover from the previous year. Consequently, new holdings were largely channelled into demand deposits, which fuelled a 10.9% jump in narrow money that was more than twice the 5.3% average growth experienced over the previous four years. Quasi money dipped slightly as depositors' funds were shifted from time deposits into lower yielding savings accounts.

The Central Bank's foreign asset holdings rose by \$2.4mn, as net outflows in February to meet external debt payments almost wiped out the net inflows received in January and March. Taxes on domestic oil production, sugar export receipts and purchases from

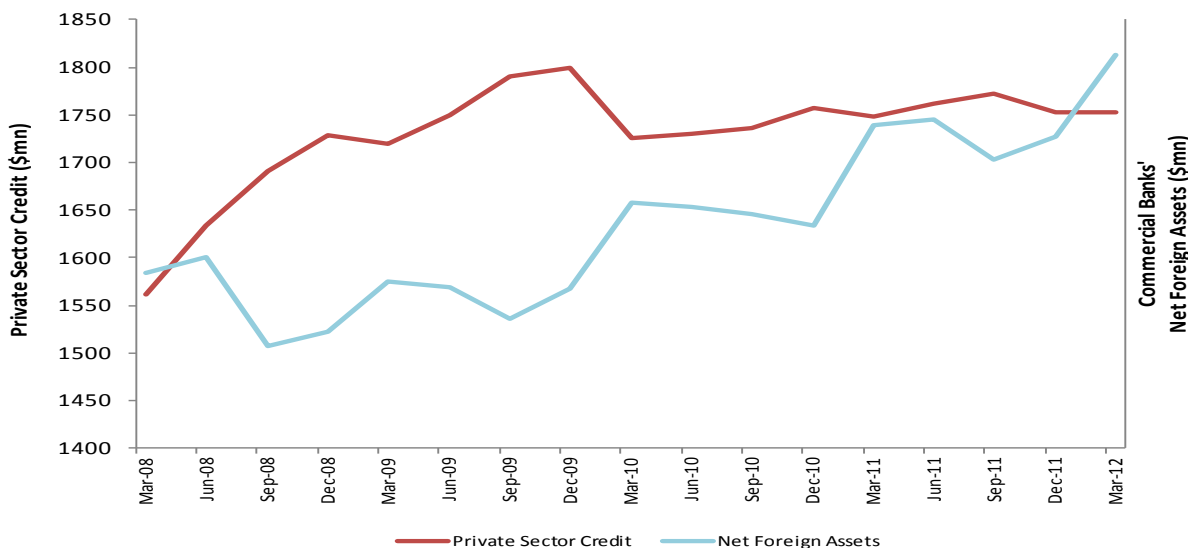
**Table 2.1: Factors Responsible For Money Supply Movements**

BZ\$mn

	Position as at Mar 2012	Changes during	
		Dec2011 to March 2012	Dec 2010 to Mar 2011
<b>Net Foreign Assets</b>	<b>821.9</b>	<b>69.5</b>	<b>57.6</b>
Central Bank	501.3	2.8	-16.3
Commercial Bank	320.6	66.7	73.9
<b>Net Domestic Credit</b>	<b>1,941.1</b>	<b>25.9</b>	<b>0.1</b>
Central Government (Net)	180.5	22.9	11.1
Other Public Sector	8.0	2.7	-0.3
Private Sector	1,752.6	0.3	-10.7
<b>Central Bank Foreign Liabilities(Long-term)</b>	<b>70.0</b>	<b>0.6</b>	<b>2.1</b>
<b>Other Items (net)</b>	<b>400.8</b>	<b>3.8</b>	<b>7.3</b>
<b>Money Supply M2</b>	<b>2,292.2</b>	<b>91.0</b>	<b>48.3</b>



**Chart 2.1: Commercial Banks' Net Foreign Assets & Private Sector Credit**

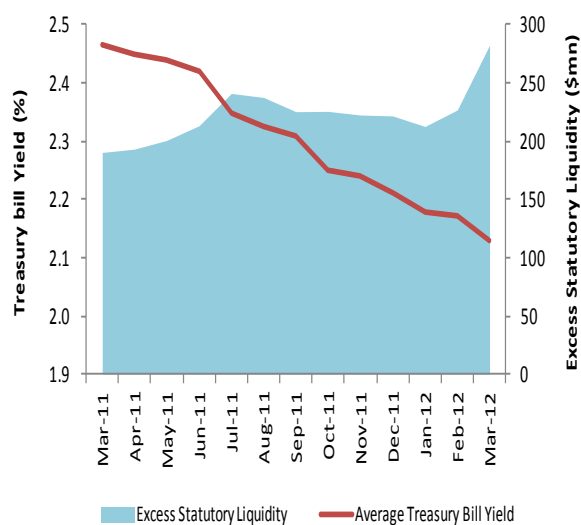


commercial banks accounted for 78.1% of inflows (\$73.6mn). Outflows amounted to \$71.2mn with Central Government's external debt servicing accounting for 81.7% of this.

Net domestic credit rose by \$29.0mn with Central Government's activities accounting for most of the increase while private sector credit came in at a nondescript \$0.3mn. Central Government's net borrowing of \$22.9mn featured a \$28.4mn drawdown from deposits held at the Central Bank. Credit to other public sector entities rose by \$2.7mn, most of which went to Belize Telemedia Limited. Meanwhile, lending by the commercial banks contracted notably in manufacturing (\$6.9mn), agriculture (\$4.9mn), entertainment (\$4.0mn) and personal loans (\$3.9mn), while loans for construction and real estate expanded by \$18.9mn and \$5.0mn, respectively. Lending

by the five largest credit unions contracted by \$1.0mn as repayments, mostly for personal and home improvement loans, outweighed new disbursements for real estate and professional services.

**Chart 2.2: Excess Liquidity and Average Treasury Bill Yield**

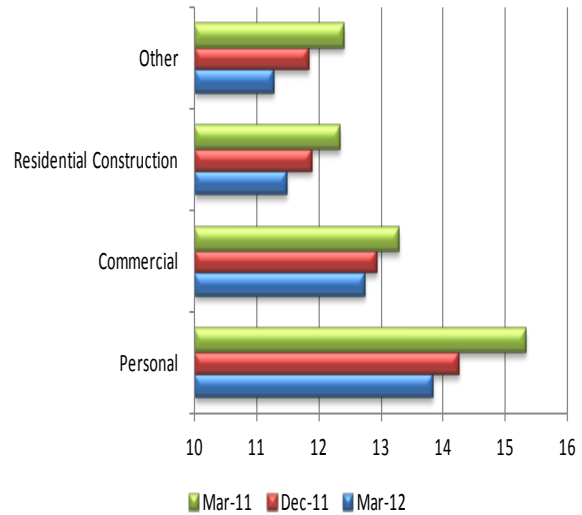




Indicative of the upward trend in excess liquidity, commercial banks continued to invest in Treasury bills with holdings at the end of March amounting to \$150.9mn or 86.2% of the total. The weighted average yield on Treasury bills declined from 2.21263% at the last auction in 2011 to 2.13079% at the March auction.

Interest rates fell further during the period. At the end of March, the weighted average lending rate stood at 12.72%, an all time low that reflected rate cuts of 41 basis points for personal loans and 40 basis points for residential construction. Simultaneously, steep declines in time deposit rates underpinned a 46 basis point reduction in the weighted average deposit rate to 3.19%. Consequently, the weighted average spread increased by 16 basis points to 9.53%.

**Chart 2.3 : Weighted Average Lending Rate**



**Table 2.2: Net Foreign Assets of the Banking System**

	BZ\$m		
		Changes during	
	Position as at Mar 2012	Dec 2011 to March 2012	Dec2010 to Mar 2011
<b>Net Foreign Assets of Banking System</b>	<b>821.9</b>	<b>69.5</b>	<b>57.6</b>
<b>Net Foreign Assets of Central Bank</b>	<b>501.3</b>	<b>2.8</b>	<b>-16.3</b>
Central Bank Foreign Assets	502.6	2.4	-17.7
Central Bank Foreign Liabilities(Demand)	1.3	-0.4	-1.4
<b>Net Foreign Assets of Commercial Banks</b>	<b>320.6</b>	<b>66.7</b>	<b>73.9</b>
Commercial Bank Foreign Assets	328.9	54.5	66.8
Commercial Bank Foreign Liab. (Short-Term)	8.3	-12.2	-7.1



## DOMESTIC PRODUCTION AND PRICES

GDP growth of 6.0% in the first quarter was underpinned by a turnaround in agricultural production, buoyancy in the tourism industry and a surge in domestic output of electricity, which outweighed a downturn in marine activity and a sharper than anticipated decline in petroleum extraction.

Despite a 30.7% contraction in fishing attributable to reductions in farmed shrimp, primary sector activity grew by 13.6% as agricultural activities expanded by 24.9% with marked improvements in banana and sugarcane production offsetting downturns in citrus and papaya output. Increases of 6.2%, 7.2% and 16.3% in arrivals of stay over visitors, cruise ship disembarkations and hotel revenue translated into a 10.4% expansion in “Hotels and Restaurants” activity. Reflective of the heightened performance in agriculture and tourism, “Transport and Communications” grew by 7.4%. While ‘Government Services’ was up by 6.0%, lingering sluggishness in domestic demand factored into some softness in “Wholesale and Retail Trade” and “Other Private Services” which posted modest increases of 0.9% and 1.7%, respectively.

Mixed outcomes were recorded for the secondary sector. While electricity recorded a 58.7% spike in activity underpinned by a significant rise in output from the cogeneration

plant, “Manufacturing” contracted by 2.9% with sharper than expected declines in petroleum extraction and an 8.1% downturn in citrus juice production.

### Sugar

For the first time in three years, there were no disruptions in operations at the sugar factory during the first quarter of the year. This contributed to a 55.4% increase in sugarcane deliveries to 678,662 long tons for the crop year to date (December to March). Sugar production increased by a less than proportionate 40.7% to 69,467 long tons, as excessive rains in December diluted the sucrose content of the sugarcane and lowered the extractable sugar per ton of sugarcane. Molasses production amounted to 12,516 long tons.

The average sugarcane price to be paid to farmers for the 2011/12 crop year is estimated

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

	Dec-Mar 2010/2011	Dec-Mar 2011/2012
<b>Deliveries of Sugarcane to BSI (long tons)</b>	436,859	678,662
<b>Sugar Processed by BSI (long tons)</b>	49,357	69,467
<b>Molasses processed by BSI (long tons)</b>	12,627	12,516
<b>Performance</b>		
Factory Time Efficiency (%)	71.0	94.9
Cane Purity (%)	87.1	85.7
Cane/Sugar	8.7	9.7

Source: Belize Sugar Industries



at \$64.24 per long ton. This price level is supported by supply constraints in the EU market that created leeway for the local sugar processor to negotiate a premium above the EU reference price of €335.14 per metric ton. Other contributors were the modest exchange rate gains from the Euro price negotiated on the futures market and the value added premium earned on bagged sugar.

## Citrus

Citrus deliveries for the 2011/12 crop year were 3.2% higher than in the previous crop year. Recovering from hurricane damages in 2010/11, grapefruit deliveries rose by 25.5% to 0.7mn boxes, while orange deliveries were virtually unchanged at 3.9mn boxes. Juice production increased by 3.3% to 27.6mn pound solids (ps) in consonance with the growth in deliveries, as the average juice out-turn per box was stable. Orange concentrate accounted for 90.6% of the juice production at 24.8mn ps, while grapefruit concentrate came in at 2.5mn ps. Grapefruit not-from concentrate (NFC) accounted for the remaining 0.2mn ps. By-products included 1.8mn pounds of pulp and 1.4mn pounds of oil, most of which was orange.

The performance of citrus production in the United States and Brazil are the dominant influences on the price of Belize's juice exports and, hence, the prices paid to farmers. Notwithstanding forecasts of larger output

in Florida and Brazil during 2011/12, orange juice prices strengthened on reports of lower beginning juice stocks in Florida and Brazil's rebuilding of its depleted inventories. A smaller harvest in Texas combined with lower beginning juice stocks in Florida underpinned price improvements in grapefruit concentrate.

**Table 3.2: Output of Citrus Products**

	Nov-Mar 2010/2011	Nov-Mar 2011/2012
<b>Deliveries (boxes)</b>		
Orange	3,876,451	3,882,319
Grapefruit	<u>539,022</u>	<u>676,268</u>
<b>Total</b>	<b>4,415,473</b>	<b>4,558,587</b>
<b>Concentrate Produced (ps)</b>		
Orange	24,306,439	24,810,119
Grapefruit	<u>2,006,679</u>	<u>2,582,058</u>
<b>Total</b>	<b>26,313,118</b>	<b>27,392,177</b>
<b>Not from Concentrate (ps)</b>		
Orange	267,735	0
Grapefruit	<u>132,587</u>	<u>212,171</u>
<b>Total</b>	<b>400,322</b>	<b>212,171</b>
<b>Pulp (pounds)</b>		
Orange	1,084,772	1,468,312
Grapefruit	<u>21,200</u>	<u>318,848</u>
<b>Total</b>	<b>1,105,972</b>	<b>1,787,160</b>
<b>Oil Produced (pounds)</b>		
Orange	1,271,600	1,341,110
Grapefruit	<u>70,400</u>	<u>89,800</u>
<b>Total</b>	<b>1,342,000</b>	<b>1,430,910</b>

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



Consequently, the estimated prices to be paid to local farmers for the 2011/2012 crop are \$2.35 per pound solid for orange, compared to \$1.82 in the previous year, and \$2.06 per pound solid for grapefruit, compared to \$1.32 for the 2010/11 crop year.

### Banana

In the first quarter, banana output expanded by 32.2% to 1.3mn boxes, in response to the rehabilitation of storm damaged acreages from the previous year and good weather. The industry has maintained banana acreage at around 7,000 acres over the previous five years, with production increases stemming from improvements in field productivity rather than acreage expansion. Yields have improved from 620 to 760 boxes per acre during this period with more field investments, such as irrigation, and supported by favorable climatic conditions.

### Petroleum

The 20,147 barrels from the Never Delay field could not compensate for the larger

than anticipated 29.2% decline in petroleum output from the Spanish Lookout field, so oil production for the first quarter of 2012 fell by 25.6% to 278,848 barrels. Notwithstanding the addition of another well at the Spanish Lookout field, this downturn was steeper than the average 7.7% decline recorded in the first quarter of 2010 and 2011. Production averaged 2,843 barrels per day at the Spanish Lookout field, compared to the 4,014 barrels averaged during the first quarter of 2011.

### Tourism

The first quarter performance of the Caribbean tourism industry was buoyant as all countries except Dominica reported growth. The annual growth in arrivals to the region is projected to decelerate from the 3.3% of 2011 to 3.0%, against a backdrop of persistently high unemployment in key source markets, fiscal fragilities in the euro area and high oil prices.

Here in Belize, stay-over tourist arrivals increased by 6.2% as the 14.6% increase in visitors through the international airport eclipsed respective declines of 26.7% and 14.1% through the land and sea ports. Visitors from the US, which accounted for 68.1% of all stay-over arrivals, rose by 8.1%. Arrivals from Canada grew by 24.4% and accounted for 12.2% of all stop-over visitors. Reflective of the economic distress in the euro area, long-stay visitors from Europe fell by 8.8% and represented 9.3% of total stay-overs. The

**Table 3.3: Banana Production**

	40 pound boxes	
	Jan - Mar 2011	Jan - Mar 2012
January	389,104	491,677
February	281,376	363,603
March	282,709	405,544
<b>Total</b>	<b>953,189</b>	<b>1,260,824</b>

Source: Banana Grower's Association



number of arrivals from other countries was 6.8% lower due to a significant downturn in visitors from Mexico.

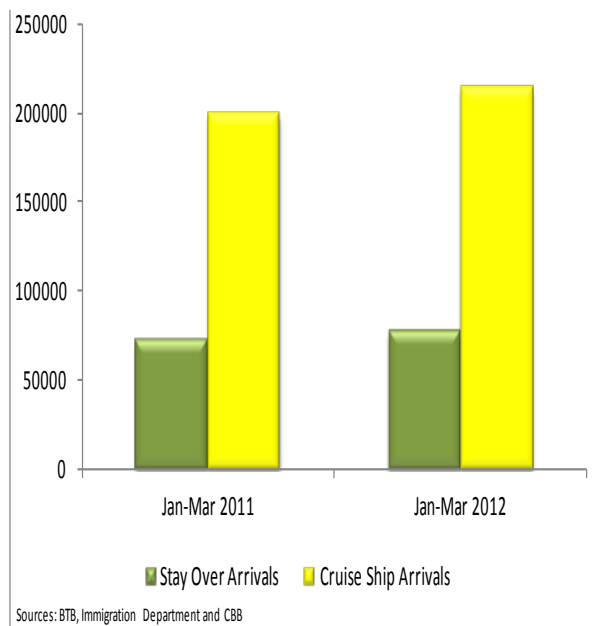
**Table 3.4: Bona Fide Tourist Arrivals**

	Jan-Mar 2011	Jan-Mar 2012
<b>Stay-over Arrivals</b>		
Air	56,548	64,826
Land	12,352	9,059
Sea	3,591	3,004
<b>Total</b>	<b>72,491</b>	<b>76,889</b>
<b>Cruise Ship</b>	<b>199,940</b>	<b>214,339</b>

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

Meanwhile, cruise ship disembarkations rose by 7.2%, compared to the first quarter of 2011, when a conflict between Carnival Cruise Line and local tender operators caused the cancellation of several port calls.

**Chart 3.1: Tourist Arrivals**



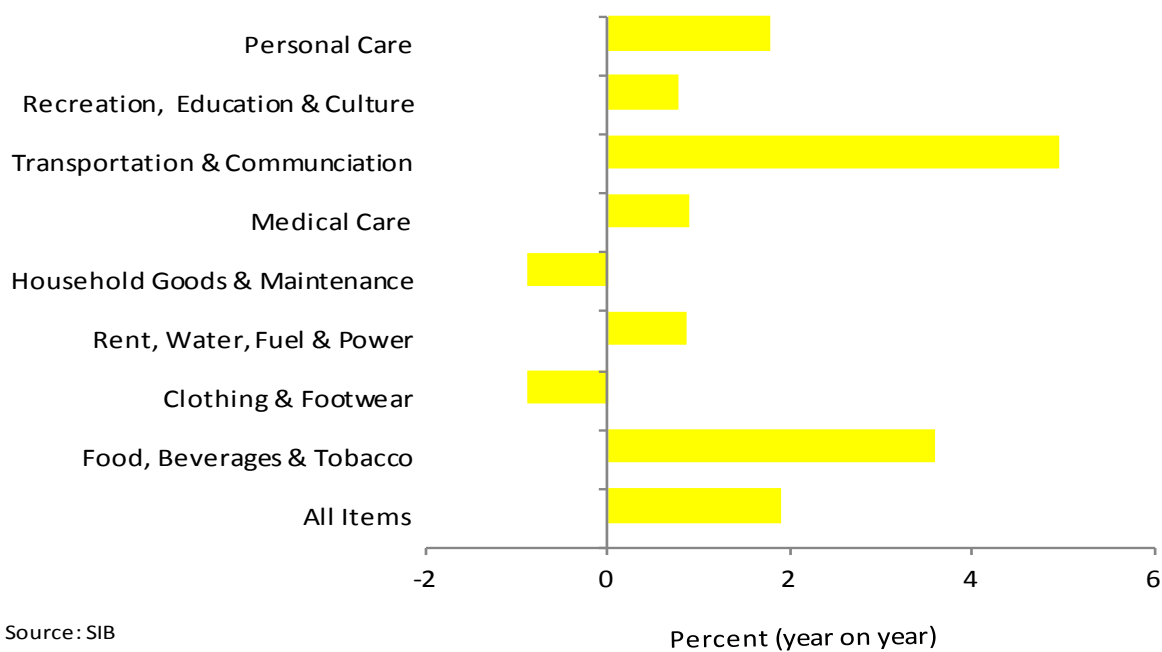
## Consumer Price Index

The consumer price index (CPI) rose by 0.5% over the quarter (November 2011 to February 2012) and by 1.9%, year-on-year (February 2012 over February 2011). The cost of all categories of goods and services increased, except for “Clothing and Footwear” and “Household Goods and Maintenance”. Higher acquisition costs for petroleum and petroleum products exerted a domino effect on overall prices in the economy. “Transport and Communication” experienced the largest growth of 4.9%, reflecting higher pump prices for gasoline. The next largest increase of 3.6% occurred in “Food, Beverages and Tobacco” and reflected higher prices for red kidney beans, whole chicken, tomatoes and eggs. Modest price increases were also recorded in the “Rent, Water, Fuel and Power”, “Personal Care”, “Health Care” and “Recreation, Education & Culture” categories and reflected higher kerosene prices and the rise in import costs as indicated by the 1.4% increase in the US export price index.





**Chart 3.2: Annual Percentage Change in Consumer Price Index**





## INTERNATIONAL TRADE AND PAYMENTS

The external current account surplus totalled \$65.0mn (compared to \$56.9mn in 2011), as a smaller trade deficit and slightly higher earnings from services offset greater outflows from the income account. The capital and financial account deficit also fell from \$67.6mn to \$45.0mn as increased foreign direct investment and a smaller build-up in commercial banks' foreign balances more than offset the heightening in net loan repayments. Gross international reserves consequently expanded by 2.7% to \$485.1mn, which provides 4.3 months cover for merchandise imports.

With exports rising faster than imports, the merchandise trade deficit narrowed by 56.1% to \$21.9mn. Imports (f.o.b.) rose by 4.3% to \$368.5mn due to a \$19.9mn increase in the value of goods for domestic consumption that partly reflected higher purchases of machinery and transport equipment as well as rising food prices.

Exports increased by 14.3% to \$346.7mn, with domestic exports and CFZ sales up by \$14.1mn and \$19.7mn, respectively. The upswing in the former was attributable to increases in receipts from sugar and "Other Domestic Exports" of 139.0% and 94.0%, respectively, as well as less substantial but still notably higher receipts from the sale of marine products, molasses, banana and citrus juices. While there were

**Table 4.1: Balance of Payments Summary**

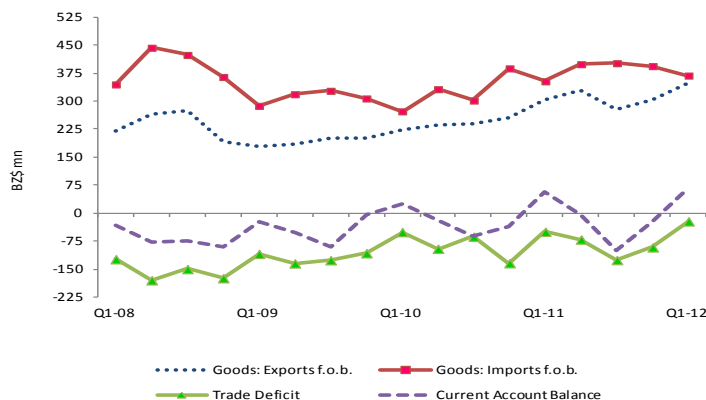
	BZ\$mnn	
	2011 <sup>R</sup>	2012 <sup>P</sup>
	Jan-Mar	Jan-Mar
<b>A. CURRENT ACCOUNT</b>		
<b>(I+II+III+IV)</b>	<b>56.9</b>	<b>65.0</b>
<b>I. Goods (Trade Balance)</b>	<b>-49.8</b>	<b>-21.9</b>
Exports, f.o.b.	303.4	346.7
Domestic Exports	193.5	207.7
CFZ Gross Sales	101.3	121.1
Re-exports	8.5	17.9
Imports, f.o.b.	353.2	368.5
Domestic Imports	279.0	298.9
CFZ Imports	74.2	69.7
<b>II. Services</b>	<b>121.6</b>	<b>127.1</b>
Transportation	-18.0	-21.8
Travel	138.6	149.7
Other Services	1.0	-0.8
<b>III. Income</b>	<b>-57.6</b>	<b>-81.5</b>
Compensation of Employees	-2.8	-2.8
Investment Income	-54.7	-78.7
<b>IV. Current Transfers</b>	<b>42.7</b>	<b>41.3</b>
Government	0.0	-1.9
Private	42.6	43.3
<b>B. CAPITAL &amp; FINANCIAL ACCOUNT</b>		
<b>(I+II)</b>	<b>-67.6</b>	<b>-45.0</b>
<b>I. Capital Account</b>	<b>8.3</b>	<b>13.6</b>
<b>II. Financial Account (1+2+3+4)</b>	<b>-75.9</b>	<b>-58.6</b>
1. Direct Investment in Belize	28.3	36.1
2. Portfolio Investment	-7.0	-3.3
Monetary Authorities	-4.0	0.0
General Government	-3.0	-3.2
Banks	0.0	0.0
Other Sectors	-0.0	-0.0
3. Financial Derivatives	0.0	0.0
4. Other Investments	-97.2	-91.4
Monetary Authorities	-1.3	-0.2
General Government	-6.9	-7.0
Banks	-73.9	-67.1
Other Sectors	-15.2	-17.0
<b>C. NET ERRORS &amp; OMISSIONS</b>	<b>-12.9</b>	<b>-7.0</b>
<b>D. OVERALL BALANCE</b>	<b>-23.5</b>	<b>13.0</b>
<b>E. RESERVE ASSETS<sup>(1)</sup></b>	<b>23.5</b>	<b>-13.0</b>

P- indicates Provisional, R- indicates Revised

(1) Minus = increase



**Chart 4.1: Current Account vs. Trade Deficit**



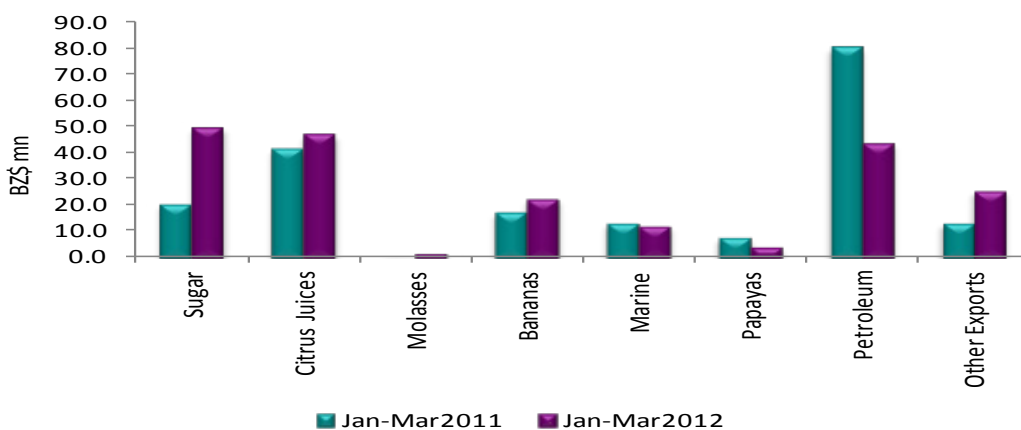
both price and volume increases for sugar, molasses and citrus juices, the rise in receipts from marine commodities, banana and other miscellaneous domestic exports resulted from volume increases. These gains were partly offset by declines in revenues from petroleum and papaya, with the fall in the former being due to a lower export volume and the change in the latter reflecting price and volume dips.

receipts from \$20.2mn to \$48.3mn. Sales were primarily to the EU market, with the exception of 20 long tons which went to Canada. Molasses exports increased by 72.8% to 9,356 long tons, while receipts almost tripled to \$1.6mn with price improvements prompted by production shortfalls in major molasses producers such as India and Afghanistan.

Sugar exports almost doubled to 46,981 long tons, while a 25.2% price increase boosted

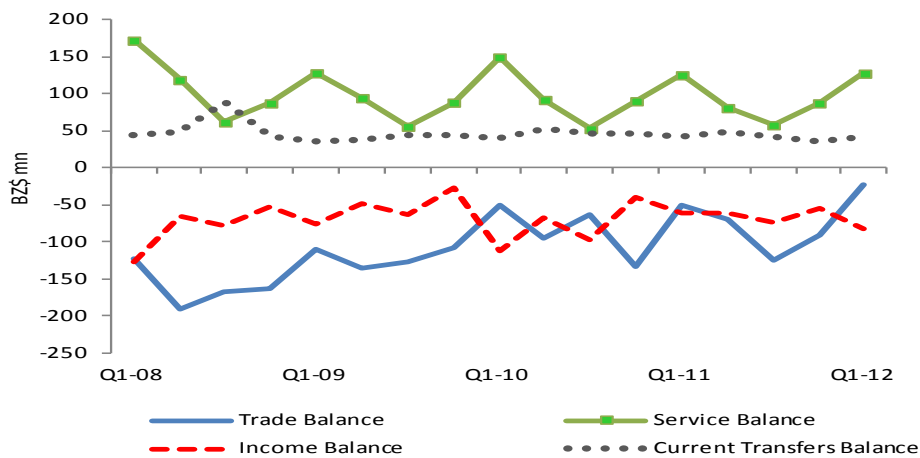
The volume of citrus juice exports edged up by 0.7% to 13.6mn ps, while revenues rose by

**Chart 4.2: Domestic Exports**





**Chart 4.3: Trade, Service, Income and Current Transfers Balances**



a more than proportional 13.0% to \$46.9mn, buoyed by price improvements in key markets. Sales of orange concentrate fell by 5.5% to 11.8mn ps, while revenues grew by 5.1% to \$40.4mn, as prices strengthened in response to lower juice stocks in Florida and the rebuilding of depleted inventories by Brazilian producers. The US accounted for 56.6% of all orange concentrate sales as the volume and value of sales to this market increased by 38.9% to 6.7mn ps and by 67.4% to \$23.3mn, with the latter reflecting improved prices. A smaller grapefruit harvest in Texas combined with lower juice stocks in Florida supported a further strengthening of grapefruit prices, so revenues from grapefruit concentrate rose by 113.0% even as sales volume increased by a lesser 75.3%. As was the case in 2011, there were no sales of grapefruit concentrate to the US during the first quarter.

The volume of marine exports grew by 19.6% to 3.4mn pounds, as the decline in farmed

shrimp was eclipsed by gains in lobster, conch and fish. However, receipts were up by only 5.5% to \$14.0mn due to a sharp fall in the average unit price reported for fish. Lobster earnings increased by 25.9%, buoyed by higher export volume and price. Conch receipts rose by 44.0% due to a higher average unit price as well as higher sales volume. In contrast, shrimp earnings edged downwards by 14.5% as a fall in export volume overshadowed a marginal rise in the average price per pound.

Notwithstanding a 32.2% increase in export volume, banana revenues grew by a less than proportionate 29.4% to \$22.4mn as the average price per box dipped by 2.1% due to the inclusion of third class bananas in the export mix. In the case of petroleum, earnings plummeted by 45.6% to \$43.7mn, as export volume almost halved to 201,843 barrels and overshadowed a rise in the average petroleum price from US\$103.97 to US\$108.25 per barrel. Papaya revenues plunged by 49.5% to \$3.8mn,



as prices fell in the US market due to a rebound in Mexican production from a salmonella outbreak in 2011.

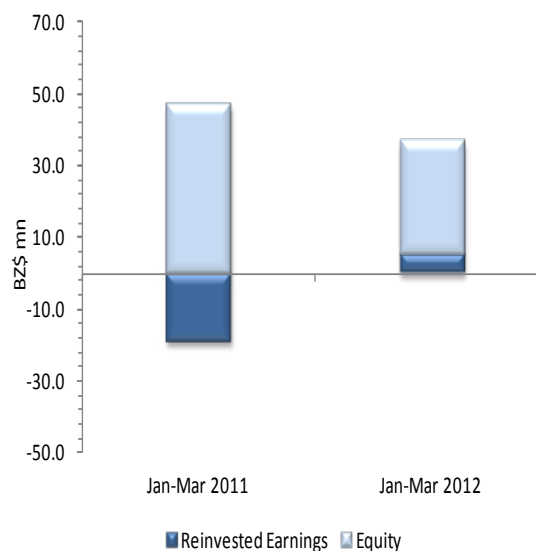
In other developments, the first quarter surplus on the services account improved by 4.5% to \$127.1mn as higher inflows from tourism outweighed higher outflows on all categories of services. Travel receipts rose by 8.0% to \$149.7mn reflecting heightened expenditures by stay-over and cruise ship visitors. Net outflows for transportation services rose due to increased international freight charges, while flows to other services swung from a net inflow to a small deficit due to higher outflows for insurance, financial and government services.

The deficit on the income account expanded from \$57.6mn in 2011 to \$81.5mn, reflective mostly of profit repatriation by an electricity company as well as an increase in the reinvested earnings of commercial banks. Meanwhile, net inflows from current transfers declined by 3.1% due to payments to a wider array of international and regional organizations.

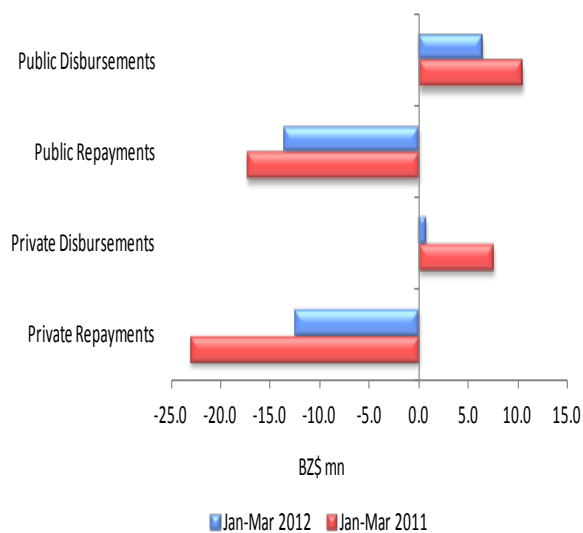
The first quarter deficit on the capital and financial accounts was down 33.4% to \$45.0mn, compared to the same period of 2011. A \$5.2mn increase in grant receipts bumped up the surplus on the capital account to \$13.6mn. Meanwhile, the deficit on the financial account narrowed to \$58.6mn due to a 27.4% rise in foreign direct investment and a smaller build-up in commercial banks' foreign

balances that outpaced a 21.9% increase in net loan repayments.

**Chart 4.4: Change in Foreign Direct Investment Components**



**Chart 4.5: Public and Private External Debt Disbursements and Repayments**





## GOVERNMENT OPERATIONS & PUBLIC DEBT

### Government Operations

General and municipal elections took place in March, which is in the last quarter of the government's 2011/2012 fiscal year. During this period, revenues were 6.4% higher in comparison to the same period of the previous fiscal year. The revenue gain was offset by an 11.8% hike in expenditure as current and capital spending rose by 5.0% and 70.1%, respectively. On a quarter on quarter basis, the fiscal outturn consequently weakened, with reductions in the current and primary surpluses of \$2.9mn and \$13.7mn, respectively, while the overall deficit widened by \$12.3mn to \$18.1mn.

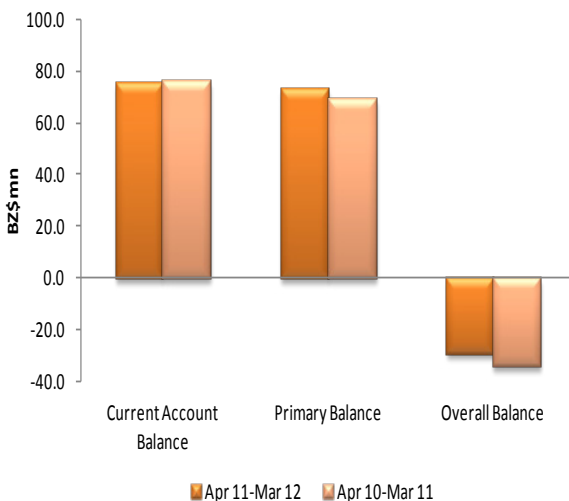
With respect to the full fiscal year, the budget outturn for 2011/2012 improved as Government's operations resulted in a primary surplus of \$73.1mn (2.5% of GDP),

up by \$3.9mn year-on-year, while the overall deficit narrowed by \$5.0mn to \$29.1mn (1.0% of GDP). The latter was financed by foreign loans and increased use of the Central Bank's overdraft facility.

While coming in slightly below the amount budgeted, revenues were nevertheless 5.2% higher year-on-year, with increases coming from the petroleum industry, import duties and property income more than compensating for the drop in revenues from the General Sales Tax (GST), business tax and transfers from government departments. The surge in price of crude oil boosted oil receipts by \$17.9mn, an amount that included \$13.7mn in windfall taxes. A 23.8% rise in import duties reflected higher imports as well as the removal of the GST on fuel and its replacement with a fixed tax on fuel imports. As a consequence, receipts from the GST fell by 12.8%. Meanwhile, dividends from BTL boosted property income by \$6.5mn. Other notable inflows included loan repayments from DFC and BTL, a US grant to assist the coast guard, revenue replacement receipts and the social fee on EPZ imports.

At \$852.4mn, total expenditure was 4.3% higher with current spending up by \$35.7mn and capital expenditure falling marginally by \$0.4mn. The latter reflected an \$11.3mn increase in development outlays that was offset by an \$11.7mn fall in net lending. About half of the current increase was accounted for by wages and salaries and reflected the annual

**Chart 5.1: GOB Fiscal Operations**



Source: Ministry of Finance



**Table 5.1: Central Government's Revenue & Expenditure**

BZ\$mnn

	<b>Jan-12 Mar-12</b>	<b>Jan-11 Mar-11</b>	<b>Apr-11 Mar-12</b>	<b>Apr-10 Mar-11</b>
<b>Total Revenue &amp; Grants</b>	227.3	213.7	823.3	783.0
<i>of which: Current Revenue</i>	213.3	206.4	800.8	766.2
<i>of which: Grants</i>	10.7	5.7	14.7	12.1
<b>Total Expenditure</b>	245.4	219.5	852.4	817.1
Current Expenditure	206.2	196.4	725.5	689.8
Capital Expenditure	39.2	23.1	126.9	127.3
<b>Current Balance</b>	7.1	9.9	75.3	76.3
<b>Primary Balance</b>	24.5	38.2	73.1	69.3
<b>Overall Balance</b>	-18.1	-5.8	-29.1	-34.1

Source: Ministry of Finance

2.5% increment and new hirings. An \$8.0mn increase for goods and services was mostly due to higher spending on materials, supplies, training, operating costs and contractors. Interest expense decreased by \$1.2mn in response to a fall in some external lending rates that are tied to LIBOR. Grants to municipalities and individuals, most of the latter being for education and health, were responsible for

subsidies exceeding the budget by \$3.1mn

Capital outlays included \$4.8mn in transfers to Belize Water Services Limited and a loan to the San Pedro Town Council. While spending on locally funded projects exceeded the budget by 52.6%, externally funded projects consumed just 45.5% of planned outlays. Approximately \$33.1mn went on infrastructural projects such

**Table 5.2: Summary of Central Government's Revenue**

BZ\$mnn

	<b>Jan-12 Mar-12</b>	<b>Jan-11 Mar-11</b>	<b>Apr-11 Mar-12</b>	<b>Apr-10 Mar-11</b>
<b>Current revenue</b>	213.3	206.4	754.8	682.5
Tax revenue	172.6	169.6	659.3	601.1
Income and profits	60.8	60.6	240.1	213.4
Taxes on property	1.7	2.5	6.6	5.3
Taxes on goods & services	60.9	67.0	251.1	217.1
Int'l trade and transactions	49.2	39.4	161.5	165.4
<b>Non-Tax Revenue</b>	40.7	36.8	95.4	81.4
Property income	7.6	6.8	17.6	12.2
Licenses	4.4	3.4	12.8	11.4
Other	28.7	26.6	65.0	57.9
<b>Capital revenue</b>	3.3	1.7	16.8	19.0
<b>Grants</b>	10.7	5.7	12.1	33.7

Source: Ministry of Finance



**Table 5.3: Summary of Central Government's Expenditure**

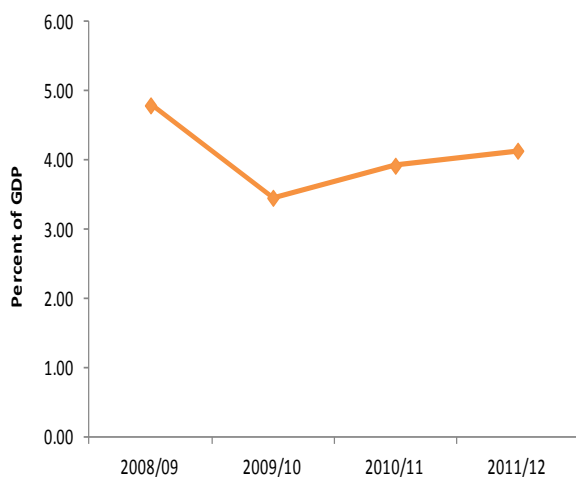
	BZ\$m			
	Jan-12 Mar-12	Jan-11 Mar-11	Apr-11 Mar-12	Apr-10 Mar-11
<b>Current Expenditure</b>	206.2	196.4	725.5	689.8
Wages & Salaries	76.1	70.6	296.4	279.1
Pensions	12.6	11.8	50.6	45.3
Goods & Services	49.1	48.1	172.9	164.8
Interest Payments	42.7	44.0	102.2	103.4
of which: External	37.6	38.8	84.0	86.4
Subsidies & current transfers	25.8	21.9	103.4	97.2
<b>Capital Expenditure</b>	39.2	23.1	126.9	127.3
Capital II	19.2	15.8	73.2	73.1
Capital III	19.2	5.6	48.8	37.6
Net lending	0.9	1.7	4.8	16.6

Source: Ministry of Finance

as construction work on the Southern Highway and the Kendall Bridge, infrastructural works on the south-side of Belize City and the maintenance of roads, culverts, streets and drains. Land development and solid waste management accounted for \$15.4mn, while \$11.7mn went on environmental protection projects. Security and defense were allotted

\$11.6mn. Youth, sports and culture received \$6.7mn, while \$6.2mn went on agricultural projects. Outlays on housing, tourism, education, health and social protection amounted to \$20.3mn, and the remainder was spent on furniture, equipment, upgrading of buildings and contributions to international agencies.

**Chart 5.2: GOB Development Expenditure**



Source: Ministry of Finance

### Central Government's Domestic Debt

Spending to cover customary and pre-election expenses during the first two months of the year pushed Central Government's overdraft up by \$10.8mn. This was subsequently offset by taxes collected on domestic oil production at the end of March. Consequently, the first quarter ended with a \$0.2mn dip in government's overdraft that stood at 6.3% of the recurrent revenue of the previous fiscal year and well within the legal 8.5% ceiling.





After taking into account \$0.3mn in amortization payments, Central Government's domestic debt fell marginally by 0.1% to \$380.7mn at the end of the first quarter. A reduction in the holdings of government securities was mostly responsible for the decrease in the share of domestic debt held by the Central Bank, which fell from 42.7% in December 2011 to 41.9%. At the same time, non-bank entities increased their holdings of GOB securities from 14.1% at the end of December 2011 to 15.0% at the end of March.

Interest payments summed to \$5.1mn, which included \$4.0mn that was paid to the Central Bank for credit provided through the overdraft and holdings of Treasury bills and notes. Some \$0.8mn went to the commercial banks on their Treasury bill holdings and the balance went to Belize Social Security Board and Guardian Life. At the end of the quarter, the annual effective interest rate remained unchanged at 4.9%, when compared to 2011.

In the secondary market, the Central Bank took up \$0.5mn worth of Treasury bills surrendered by the commercial banks, while non-bank entities purchased \$3.5mn worth of Treasury notes from the Central Bank.

### Public Sector's External Debt

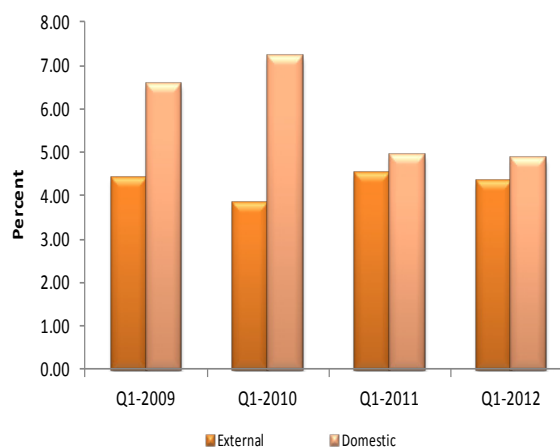
The public sector's external debt fell by 0.5% to \$2,035.9mn, as amortization payments of \$16.7mn exceeded disbursements from multilateral sources of \$6.3mn, and upward

**Table 5.4: Central Government's Domestic Debt** BZ\$mn

	Dec 2011	Mar 2012	Changes in Stock
Overdraft	48.1	48.0	-0.2
Loans	11.3	10.9	-0.3
Treasury Bills	175.0	175.0	0.0
Treasury Notes	136.8	136.8	0.0
Defence Bonds	10.0	10.0	0.0
<b>Total</b>	<b>381.2</b>	<b>380.7</b>	<b>-0.5</b>

valuation adjustments of \$1.2mn that was due to the depreciation of the US dollar against the SDR, Euro and Kuwait dinar. Central Government repaid \$6.8mn to bilateral creditors, including \$5.7mn to ROC/Taiwan for hurricane relief, housing and highway rehabilitation. Multilateral lenders received \$4.8mn, including payments of \$2.4mn to the Caribbean Development Bank (CDB) and \$1.8mn to the International Development Bank (IDB). The Development Finance Corporation (DFC) made payments of \$3.2mn to the Belize

**Chart 5.3: Average Interest Rate on Central Government Domestic Debt and Public Sector External Debt**





**Table 5.5: Public Sector's External Debt**

BZ\$m

	DOD at: 12/31/2011	DOD at: 3/31/2012	Change in Debt Stock
<b>Central Government</b>	<b>1,910.4</b>	<b>1,905.6</b>	<b>-4.9</b>
Bilateral	343.0	336.3	-6.8
Multilateral	473.9	475.8	1.9
Bonds	1,093.5	1,093.5	0.0
<b>Rest of NFPS</b>	<b>47.3</b>	<b>46.0</b>	<b>-1.3</b>
Bilateral	3.6	3.2	-0.3
Multilateral	33.2	32.2	-1.0
Commercial Banks	10.6	10.6	0.0
<b>Financial Public Sector</b>	<b>87.3</b>	<b>84.3</b>	<b>-3.0</b>
Bilateral	0.4	0.4	0.0
Multilateral	80.4	80.6	0.2
Bonds	6.5	3.3	-3.2
<b>Grand Total</b>	<b>2,045.1</b>	<b>2,035.9</b>	<b>-9.2</b>

At the end of the quarter, Central Government held 93.6% of the outstanding external debt and the financial and non-financial public sector accounted for 4.1% and 2.3%, respectively. Within the next twelve months, \$6.0mn of the present portfolio is scheduled to mature, some \$185.6mn will mature during the next ten years, leaving \$1.8bn with a maturity of more than ten years. In other developments, disbursements are projected to amount to \$90.3mn over the remaining nine months of 2012.

Mortgage Company on the North American securitization and \$0.4mn to CDB. The non-financial public sector amortized \$1.1mn to CDB and \$0.4mn to the Government of Kuwait. Of the \$38.5mn in interest payments, some 86.6% was paid to the holders of the 'super bond'. Payments to bilateral creditors were \$2.7mn, of which \$2.1mn went to ROC/Taiwan, while the \$2.2mn in payments to multilateral lenders went mostly to the CDB. Notably, interest payments were \$1.5mn lower than the amount paid during the first quarter of 2011 due to a fall in some external lending rates that are tied to LIBOR. As a consequence, the year-on-year (March 2011 to March 2012) effective interest rate averaged 4.3%, compared to the 4.5% recorded in 2011.



# ANNEX I



**Table 6.1: Money Supply**

BZ\$mn

	Changes during		
	Position	Dec 2011	Dec 2010
	as at	to	to
	March 2012	Mar 2012	Mar 2011
<b>Money Supply (M2)</b>	<b>2,292.2</b>	<b>48.5</b>	<b>17.5</b>
<b>Money Supply (M1)</b>	<b>930.8</b>	<b>91.5</b>	<b>42.2</b>
Currency with the Public	175.0	3.8	-7.4
Demand Deposits	526.5	70.1	45.8
Savings/Cheque Deposits	229.3	17.6	3.8
<b>Quasi-Money</b>	<b>1,361.4</b>	<b>-0.5</b>	<b>6.1</b>
Savings Deposits	300.7	29.7	12.9
Time Deposits	1,060.7	-30.2	-6.8



**Table 6.2: Net Domestic Credit**

BZ\$mn

	Position as at Mar 2012	Changes during	
		Dec2011 to Mar 2012	Dec 2010 to Mar 2011
<b>Total Credit to Central Government</b>	<b>323.7</b>	<b>-3.7</b>	<b>-3.4</b>
<b>From Central Bank</b>	<b>159.6</b>	<b>-3.1</b>	<b>-9.0</b>
Loans and Advances	48.0	-0.2	-2.2
Gov't Securities <sup>1</sup>	111.6	-2.9	-6.8
<b>From Commercial Banks</b>	<b>164.1</b>	<b>-0.6</b>	<b>5.6</b>
Loans and Advances	3.6	-0.1	-0.1
Gov't Securities	160.5	-0.5	5.7
(of which) Treasury Bills	150.5	-0.5	5.7
Treasury Notes	10.0	0.0	0.0
Other	0.0	0.0	0.0
<b>Less Central Government Deposits</b>	<b>143.2</b>	<b>-26.6</b>	<b>-14.5</b>
With Central Bank	106.5	-28.4	-20.1
With Commercial Banks	36.7	1.8	5.6
<b>Net Credit to Central Government</b>	<b>180.5</b>	<b>22.9</b>	<b>11.1</b>
<b>Credit to Other Public Sector</b>	<b>8.0</b>	<b>2.7</b>	<b>-0.3</b>
From Central Bank	0.0	0.0	0.0
From Commercial Banks	8.0	2.7	-0.3
(of which) Local Government	2.7	-0.4	-0.3
Public Financial Institutions	0.0	0.0	0.0
Public Utilities	3.0	3.0	0.0
Other Statutory Bodies	2.3	0.1	0.0
Securities	0.0	0.0	0.0
<b>Plus Credit to the Private Sector</b>	<b>1,752.6</b>	<b>0.3</b>	<b>-10.7</b>
Loans and Advances	1,751.6	0.3	-10.7
Securities	1.0	0.0	0.0
<b>Net Domestic Credit of the Banking System<sup>2</sup></b>	<b>1,941.1</b>	<b>25.9</b>	<b>0.1</b>

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

(2) Differences due to rounding



**Table 6.3: Sectoral Composition of Commercial Banks' Loans and Advances**

BZ\$mn

	Position as at Mar 2012	Changes during	
		Dec 2011 to Mar 2012	Dec 2010 to Mar 2011
<b>PRIMARY SECTOR</b>	<b>185.7</b>	<b>-5.6</b>	<b>-3.1</b>
Agriculture	129.2	-4.9	-0.4
Sugar	12.0	-1.4	0.6
Citrus	16.5	-0.7	-2.7
Bananas	76.0	-2.2	1.6
Other	24.7	-0.6	0.1
Marine Products	34.7	-0.6	-1.4
Forestry	1.4	-0.2	0.3
Mining & Exploration	20.4	0.1	-1.6
<b>SECONDARY SECTOR</b>	<b>523.2</b>	<b>14.4</b>	<b>0.6</b>
Manufacturing	28.2	-6.9	-1.2
Building & Construction	462.7	18.9	-1.0
Utilities	32.3	2.4	2.8
<b>TERTIARY SECTOR</b>	<b>649.0</b>	<b>-1.9</b>	<b>-1.1</b>
Transport	51.0	-0.7	-0.9
Tourism	106.2	-1.9	-5.7
Distribution	213.8	0.8	3.6
Other <sup>1</sup>	278.0	-0.1	1.9
<b>Personal Loans</b>	<b>401.6</b>	<b>-3.9</b>	<b>-7.7</b>
<b>TOTAL</b>	<b>1,759.5</b>	<b>3.0</b>	<b>-11.3</b>

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



**Table 6.4: Commercial Bank's Liquidity Position and Cash Reserves**

BZ\$mn

	Position as at Mar 2012	Changes during	
		Dec 2011 to Mar 2012	Dec 2010 to Mar 2011
		<b>Holdings of Approved Liquid Assets</b>	<b>760.2</b>
Notes and Coins	57.3	-0.6	-2.1
Balances with Central Bank	286.7	18.3	-6.2
Money at Call and Foreign Balances (due 90 days)	250.1	55.4	58.8
Treasury Bills maturing in not more than 90 days	151.9	-5.0	7.2
Other Approved assets	14.2	-1.8	-20.5
of which: Treasury Notes	0.0	-2.5	-16.6
<b>Required Liquid Assets</b>	<b>478.5</b>	<b>5.7</b>	<b>7.4</b>
<b>Excess/(Deficiency) Liquid Assets</b>	<b>281.7</b>	<b>60.6</b>	<b>29.8</b>
Daily Average holdings of Cash Reserves	287.7	17.3	-6.1
Required Cash Reserves	176.8	2.1	2.7
<b>Excess/(Deficiency) Cash Reserves</b>	<b>110.9</b>	<b>15.2</b>	<b>-8.8</b>
Actual Securities Balances	150.4	-1.1	5.7
Required Securities Balances	0.0	0.0	-30.6
<b>Excess/(Deficiency) Securities</b>	<b>150.4</b>	<b>-1.1</b>	<b>36.3</b>

**Table 6.5: Commercial Bank's Weighted Average Interest Rates**

Percentages

	Position as at Mar 2012	Changes during	
		Dec 2011 to Mar 2012	Dec 2010 to Mar 2011
		<b>Weighted Lending Rates</b>	
Personal Loans	13.8	-0.4	-0.2
Commercial Loans	12.7	-0.2	-0.1
Residential Construction	11.5	-0.4	-0.8
Other	11.3	-0.6	0.1
<b>Weighted Average</b>	<b>12.7</b>	<b>-0.3</b>	<b>-0.2</b>
<b>Weighted Deposit Rates</b>			
Demand	0.5	0.0	0.2
Savings/ Cheque	2.5	-0.0	-0.3
Savings	2.9	-0.1	-0.1
Time	4.8	-0.6	-0.4
<b>Weighted Average</b>	<b>3.2</b>	<b>-0.5</b>	<b>-0.4</b>
<b>Weighted Average Spread</b>	<b>9.5</b>	<b>0.2</b>	<b>0.2</b>



**Table 6.6: Real GDP Growth Rates**

	Growth (%)	
	Jan-Mar 11 <sup>(1)</sup>	Jan-Mar 12 <sup>(1) p</sup>
	Over	Over
	Jan-Mar 10	Jan-Mar 11
Agriculture, hunting & forestry	7.8	24.9
Fishing	65.8	-30.7
Manufacturing (incl. mining & quarrying)	15.6	-2.9
Electricity & water	33.9	58.7
Construction	-16.1	7.8
Wholesale & Retail	13.6	0.9
Hotels & Restaurants	-3.3	10.4
Transport & communication	3.2	7.4
Other private services exc. FISIM	1.2	1.7
Producers of government services	-0.4	6.0
All industries at basic prices	7.2	6.7
Taxes on products	11.9	1.3
<b>Change in GDP at constant prices</b>	<b>7.8</b>	<b>6.0</b>

Source: SIB

<sup>(1)</sup> constant 2000 prices— changes in percent

p - provisional

**Table 6.7: GDP by Activity at Constant 2000 Prices**

	BZ\$m	
	2011	2012(p)
	Quarter 1	Quarter 1
Agriculture, hunting & forestry	72.2	90.1
Fishing	18.4	12.8
Manufacturing (incl. mining & quarrying)	93.7	91.0
Electricity & water	22.2	35.2
Construction	24.2	26.1
Wholesale & Retail	88.5	89.3
Hotels & Restaurants	28.8	31.8
Transport & communication	70.6	75.8
Other private services exc. FISIM	101.3	103.0
Producers of government services	60.0	63.6
All industries at basic prices	580.0	618.8
Taxes on products	84.8	85.9
<b>GDP at market prices</b>	<b>664.8</b>	<b>704.6</b>

Source: SIB

P - provisional





**Table 6.8: Percent Variation in Consumer Price Index (CPI) Commodity Group**

Major Commodity Group	Weight	Year on Year Change (%)				
		Feb-11	May-11	Aug-11	Nov-11	Feb-12
Food, Beverage & Tobacco	346.6	-2.0	-0.8	3.3	3.8	3.6
Clothing & Footwear	92	0.5	0.6	-0.5	-1.3	-0.9
Rent, Water, Fuel, & Power	167.6	1.2	1.4	2.0	1.5	0.9
Household goods & maintenance	85.3	-2.6	-4.2	-2.8	0.9	-0.9
Medical care	20.1	0.7	1.1	-0.8	-0.2	0.9
Transport & Communication	170.1	7.8	3.6	4.2	8.2	4.9
Recreation, Education & Culture	80.4	1.1	0.9	0.2	-0.8	0.8
Personal care	37.9	0.6	-0.6	0.1	0.8	1.8
<b>ALL ITEMS</b>	<b>1000</b>	<b>0.9</b>	<b>1.0</b>	<b>1.7</b>	<b>2.5</b>	<b>1.9</b>

Source: SIB

**Table 6.9: Gross Imports (CIF) by SITC**

SITC Section	BZ\$'000	
	Jan-Mar 2011	Jan-Mar 2012
0. Food and Live Animals	39,781	45,100
1. Beverages and Tobacco	4,920	9,879
2. Crude Materials	4,487	3,295
3. Minerals, Fuels and Lubricants	86,854	78,519
<i>of which electricity</i>	16,619	11,293
4. Oils and Fats	2,490	3,751
5. Chemical Products	27,223	34,375
6. Manufactured Goods	45,010	46,465
7. Machinery and Transport Equipment	49,405	71,166
8. Other Manufactures	21,759	23,492
9. Commodities N.E.S	605	1,393
10. Export Processing Zones	21,278	14,120
11. Commercial Free Zone	81,540	76,572
12. Personal Goods	344	1,098
<b>Total</b>	<b>385,697</b>	<b>409,225</b>

Source: SIB, Central Bank of Belize



**Table 6.10: Balance of Payments**

BZ\$mn

	2011 <sup>R</sup>	2012 <sup>P</sup>
	Jan-Mar	Jan-Mar
<b>CURRENT ACCOUNT</b>	<b>56.9</b>	<b>65.0</b>
Goods: Exports f.o.b.	303.4	346.7
Goods: Imports f.o.b.	-353.2	-368.5
<b>Trade Balance</b>	<b>-49.8</b>	<b>-21.9</b>
Services: Credit	198.5	211.3
Transportation	12.9	11.0
Travel	154.1	165.3
Other Goods & Services	18.1	21.2
Gov't Goods & Services	13.4	13.9
Services: Debit	-76.9	-84.2
Transportation	-30.9	-32.7
Travel	-15.5	-15.6
Other Goods & Services	-26.5	-29.5
Gov't Goods & Services	-4.0	-6.4
<b>Balance on Goods &amp; Services</b>	<b>71.8</b>	<b>105.2</b>
Income: Credit	2.3	2.4
Compensation of Employees	1.2	1.2
Investment Income	1.1	1.2
Income: Debit	-59.9	-83.9
Compensation of Employees	-4.0	-4.0
Investment Income	-55.9	-79.9
<b>Balance on Goods, Services &amp; Income</b>	<b>14.3</b>	<b>23.7</b>
Current Transfers: Credit	53.2	54.5
Current Transfers: Debit	-10.6	-13.2
<b>CAPITAL ACCOUNT</b>	<b>8.3</b>	<b>13.6</b>
Capital Account: Credit	8.5	13.6
Capital Account: Debit	-0.1	-0.0
<b>FINANCIAL ACCOUNT</b>	<b>-75.9</b>	<b>-58.6</b>
Direct Investment Abroad	-0.2	-0.9
Direct Investment in Reporting Economy	28.5	37.0
Portfolio Investment Assets	-4.0	-0.0
Portfolio Investment Liabilities	-3.0	-3.2
Financial Derivatives	0.0	0.0
Other Investment Assets	-66.2	-53.6
Other Investment Liabilities	-31.0	-37.8
<b>NET ERRORS &amp; OMISSIONS</b>	<b>-12.9</b>	<b>-7.0</b>
<b>OVERALL BALANCE</b>	<b>-23.5</b>	<b>13.0</b>
<b>RESERVE ASSETS*</b>	<b>23.5</b>	<b>-13.0</b>

Source: Central Bank of Belize

\*(Minus = Increase)

P: Indicates Provisional

R: Indicates Revised



**Table 6.11: Extended Balance of Payments Services Classification (EBOPS)**

		BZ\$mn	
		Jan-Mar 2011	Jan-Mar 2012
<b>Total Services</b>	<b>Net</b>	<b>121.7</b>	<b>127.1</b>
	Credits	198.6	211.4
	Debits	76.9	84.2
<b>Manufacturing Services</b>	<b>Net</b>	<b>0.0</b>	<b>0.0</b>
	Credits	0.0	0.0
	Debits	0.0	0.0
<b>Maintenance and Repair Services</b>	<b>Net</b>	<b>0.0</b>	<b>0.0</b>
	Credits	0.0	0.0
	Debits	0.0	0.0
<b>Transportation</b>	<b>Net</b>	<b>-18.2</b>	<b>-21.8</b>
	Credits	12.9	11.0
	Debits	31.1	32.8
<b>Travel</b>	<b>Net</b>	<b>138.6</b>	<b>149.7</b>
	Credits	154.1	165.3
	Debits	15.5	15.6
<b>Communication, Computer, and Information Services</b>	<b>Net</b>	<b>4.4</b>	<b>4.3</b>
	Credits	6.4	6.4
	Debits	2.0	2.1
<b>Construction Services</b>	<b>Net</b>	<b>0.0</b>	<b>0.0</b>
	Credits	0.0	0.0
	Debits	0.0	0.0
<b>Insurance Services</b>	<b>Net</b>	<b>-8.2</b>	<b>-11.5</b>
	Credits	0.1	0.1
	Debits	8.2	11.6
<b>Financial Services</b>	<b>Net</b>	<b>0.9</b>	<b>1.4</b>
	Credits	1.8	3.1
	Debits	0.9	1.7
<b>Royalties and License Fees</b>	<b>Net</b>	<b>-1.3</b>	<b>-1.6</b>
	Credits	0.0	0.0
	Debits	1.3	1.6
<b>Other Business Services</b>	<b>Net</b>	<b>-3.7</b>	<b>-0.6</b>
	Credits	9.9	11.6
	Debits	13.6	12.2
<b>Personal, Cultural and Recreational Services</b>	<b>Net</b>	<b>-0.2</b>	<b>-0.3</b>
	Credits	0.0	0.0
	Debits	0.2	0.3
<b>Government Services, N.I.E.</b>	<b>Net</b>	<b>9.4</b>	<b>7.5</b>
	Credits	13.4	13.9
	Debits	4.0	6.4

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



**Table 6.12: Private Sector External Debt by Economic Sector <sup>(1)</sup>**

BZ\$'000

Economic Sectors	Transactions (January to March 2012)				DOD as at 3/31/2012
	DOD as at 12/31/2011	Disbursements	Principal Payments	Interest Payments	
Agriculture	73,181	0	0	335	73,545
Arts, entertainment and recreation	1,700	0	0	0	1,700
Construction	59,804	0	65	1,789	59,739
Education	213	0	5	0	208
Electricity and Gas	76,007	0	90	130	75,917
Financial and insurance activities	111	0	0	0	111
Fishing	125,110	0	200	348	124,910
Information and communication	0	0	0	0	0
Real estate activities	106	0	0	0	106
Tourism activities	48,560	0	454	253	48,106
Transportation	48,659	0	3,345	476	45,314
Wholesale and retail trade	1,798	0	15	8	1,783
<b>Total</b>	<b>435,250</b>	<b>0</b>	<b>4,174</b>	<b>3,339</b>	<b>431,439</b>

(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 6.13: Central Government's Revenue and Expenditure**

BZ\$'000

	Approved Bud- get 2011/2012	Jan-12 to Mar-12	Jan-11 to Mar-11	Apr-11 to Mar-12	Apr-10 to Mar-11	Actual YTD as % of Budget
<b>TOTAL REVENUE &amp; GRANTS (1+2+3)</b>	<b>843,630</b>	<b>227,324</b>	<b>213,689</b>	<b>823,342</b>	<b>782,976</b>	<b>97.6%</b>
1). Current revenue	784,049	213,274	206,358	800,761	766,157	102.1%
Tax revenue	687,267	172,565	169,570	678,377	659,347	98.7%
Income and profits	256,742	60,758	60,648	245,473	240,128	95.6%
Taxes on property	5,459	1,742	2,537	6,673	6,570	122.2%
Taxes on goods and services	226,740	60,855	67,020	230,251	251,105	101.5%
Int'l trade and transactions	198,325	49,210	39,365	195,980	161,544	98.8%
Non-Tax Revenue	96,783	40,709	36,788	122,385	106,810	126.5%
Property income	12,229	7,606	6,814	24,119	17,632	197.2%
Licenses	13,619	4,393	3,394	12,528	12,845	92.0%
Other	70,935	28,710	26,580	85,738	76,333	120.9%
2). Capital revenue	5,286	3,343	1,668	7,839	4,689	148.3%
3). Grants	54,295	10,706	5,663	14,741	12,130	27.2%
<b>TOTAL EXPENDITURE (1+2)</b>	<b>889,787</b>	<b>245,432</b>	<b>219,493</b>	<b>852,417</b>	<b>817,098</b>	<b>95.8%</b>
1). Current Expenditure	729,553	206,210	196,437	725,503	689,825	99.4%
Wages and Salaries	300,368	76,072	70,620	296,421	279,053	98.7%
Pensions	48,916	12,565	11,833	50,628	45,346	103.5%
Goods and Services	168,444	49,104	48,099	172,885	164,844	102.6%
Interest Payments on Public Debt	111,566	42,657	44,007	102,212	103,376	91.6%
Subsidies & current transfers	100,259	25,811	21,879	103,357	97,205	103.1%
2). Capital Expenditure	160,234	39,222	23,056	126,914	127,273	79.2%
Capital II (local sources)	47,994	19,181	15,817	73,236	73,083	152.6%
Capital III (foreign sources)	107,281	19,183	5,574	48,832	37,635	45.5%
Capital Transfer & Net Lending	4,959	857	1,665	4,846	16,555	97.7%
<b>CURRENT BALANCE</b>	<b>54,496</b>	<b>7,064</b>	<b>9,921</b>	<b>75,258</b>	<b>76,332</b>	<b>138.1%</b>
<b>Primary Balance</b>	<b>65,410</b>	<b>24,549</b>	<b>38,203</b>	<b>73,137</b>	<b>69,254</b>	<b>111.8%</b>
<b>OVERALL BALANCE</b>	<b>(46,157)</b>	<b>(18,108)</b>	<b>(5,804)</b>	<b>(29,075)</b>	<b>(34,122)</b>	<b>63.0%</b>
<b>PB less Grants</b>	<b>11,115</b>	<b>13,843</b>	<b>32,540</b>	<b>58,396</b>	<b>57,124</b>	<b>525.4%</b>
<b>OB less Grants</b>	<b>(100,452)</b>	<b>(28,814)</b>	<b>(11,467)</b>	<b>(43,816)</b>	<b>(46,252)</b>	<b>43.6%</b>
<b>FINANCING</b>		18,108	5,804	29,075	34,122	
<b>Domestic Financing</b>		26,125	19,259	16,323	31,388	
Central Bank		25,264	11,091	(8,948)	(72,475)	
Net Borrowing		(3,119)	(9,048)	15,568	(27,709)	
Change in Deposits		28,384	20,139	(24,516)	(44,765)	
Commercial Banks		(2,394)	(2)	(2,879)	35,951	
Net Borrowing		(641)	5,608	(6,787)	59,352	
Change in Deposits		(1,753)	(5,610)	3,908	(23,401)	
Other Domestic Financing		3,254	8,170	28,150	67,911	
<b>Financing Abroad</b>		(5,326)	(6,131)	22,124	9,507	
Disbursements		6,277	10,144	70,399	63,923	
Amortization		(11,602)	(16,275)	(48,275)	(54,416)	
Other		(2,691)	(7,324)	(9,371)	(6,772)	

Sources: Ministry of Finance and Central Bank of Belize



(1)

**Table 6.14: Central Government's Domestic Debt by Creditor**

BZ\$'000

	Transactions (January to March 2012)					Disbursed Outstanding Debt 31/03/12
	Disbursed Out- standing Debt 31/12/11	Disbursements/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Over- draft/ Securities	
<b>Overdraft / Loans</b>	<b>48,130</b>	<b>0</b>	<b>0</b>	<b>1,323</b>	<b>-171</b>	<b>47,959</b>
Central Bank	48,130	0	0	1,323	-171	47,959
Commercial Banks	0	0	0	0	0	0
<b>Treasury Bills</b>	<b>175,000</b>	<b>0</b>	<b>0</b>	<b>942</b>	<b>0</b>	<b>175,000</b>
Central Bank	22,331	0	0	130	537	22,868
Commercial Banks	151,027	0	0	806	-534	150,493
Other	1,642	0	0	6	-3	1,639
<b>Treasury Notes</b>	<b>136,800</b>	<b>0</b>	<b>0</b>	<b>2,207</b>	<b>0</b>	<b>136,800</b>
Central Bank	82,228	0	0	2,146	-3,485	78,743
Commercial Banks	10,000	0	0	0	0	10,000
Other	44,572	0	0	61	3,485	48,057
<b>Defence Bonds</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>400</b>	<b>0</b>	<b>10,000</b>
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
<b>BSSB Loan<sup>(2)</sup></b>	<b>3,505</b>	<b>0</b>	<b>228</b>	<b>69</b>	<b>0</b>	<b>3,277</b>
<b>GOB (debt for Nature Swap)</b>	<b>3,054</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,054</b>
<b>Heritage Bank Ltd</b>	<b>2,269</b>	<b>0</b>	<b>86</b>	<b>56</b>	<b>0</b>	<b>2,183</b>
<b>Atlantic Bank Ltd</b>	<b>1,431</b>	<b>0</b>	<b>20</b>	<b>11</b>	<b>0</b>	<b>1,410</b>
<b>Guardian Life Bze \$1mn Loan</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>45</b>	<b>0</b>	<b>1,000</b>
<b>Total</b>	<b>381,189</b>	<b>0</b>	<b>334</b>	<b>5,053</b>	<b>-171</b>	<b>380,683</b>

(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 (i) Hopeville Housing Project and (ii) loan purchased from DFC (as of Jan 30th 2007).



**Table 6.15: Public Sector External Debt by Creditor <sup>(1)</sup>**

BZ\$'000

	Transaction (January to March 2012)					DOD at: 31/03/2012
	DOD at: 31/12/2011	Disburse-ments	Principal Pay-ments	Interest & Other Payments	Parity Change	
<b>CENTRAL GOVERNMENT</b>	<b>1,910,443</b>	<b>6,277</b>	<b>11,602</b>	<b>37,605</b>	<b>448</b>	<b>1,905,565</b>
Banco Nacional de Comercio Exterior	3,705	0	529	113	0	3,176
Government of the United States	748	0	0	0	0	748
Government of Venezuela	37,492	0	134	31	0	37,358
Kuwait Fund for Arab Economic Dev	20,350	0	488	373	72	19,934
Republic of China	380,740	0	5,694	2,125	0	275,046
Caribbean Development Bank	199,235	2,541	2,417	1,290	0	199,359
European Economic Community	13,795	0	128	13	356	14,024
Inter-American Development Bank	220,755	2,777	1,812	466	0	221,720
International Fund for Agric. Dev.	2,192	0	0	0	20	2,212
Intl. Bank for Reconstruction & Dev.	19,256	326	0	0	0	19,582
Opec Fund for Int'l. Development	17,645	633	400	93	0	17,878
Central American Bank for Econ. Integ.	1,000	0	0	0	0	1,000
Bear Stearns & Co.	5,916	0	0	32	0	5,916
Bank of New York (New Bond Issue)	1,087,613	0	0	33,069	0	1,087,613
<b>NON-FINANCIAL PUBLIC SECTOR</b>	<b>47,338</b>	<b>66</b>	<b>1,460</b>	<b>313</b>	<b>79</b>	<b>46,023</b>
Kuwait Fund for Arab Economic Dev	3,585	0	358	72	10	3,237
Deutsche Bank	422	0	0	0	0	422
Royal Merchant Bank and Finance Co. <sup>(2)</sup>	601	0	0	0	0	601
Bank of Nova Scotia <sup>(2)</sup>	9,571	0	0	0	0	9,571
European Investment Bank <sup>(2)</sup>	2,646	0	0	0	69	2,715
Caribbean Development Bank <sup>(2)(3)</sup>	30,513	66	1,102	241	0	29,477
<b>FINANCIAL PUBLIC SECTOR</b>	<b>87,330</b>	<b>0</b>	<b>3,624</b>	<b>258</b>	<b>633</b>	<b>84,339</b>
Caribbean Development Bank	10,639	0	391	67	0	10,247
European Economic Community	377	0	0	0	10	387
Paine Webber Real Estate Securities Inc.	400	0	0	0	0	400
Belize Mortgage Company <sup>(4)</sup>	6,538	0	3,233	145	0	3,305
International Monetary Fund <sup>(5)</sup>	69,377	0	0	45	624	70,000
<b>GRAND TOTAL</b>	<b>2,045,111</b>	<b>6,344</b>	<b>16,687</b>	<b>38,176</b>	<b>1,160</b>	<b>2,035,927</b>

(1) Guaranteed outstanding external debt of private entities remain a contingent liability of Central Government and are not reported on this table.

The data also excludes any liabilities associated with the nationalization of BTL and BEL.

(2) Effective June 21st 2011, the nationalization of BEL caused the increase \$23.1mn) in debt, which was matched by GOB's acquisition of assets of equal value.

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

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

(5) IMF SDR allocation is included as part of financial public sector external debt obligation.