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of BELIZE

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List of Acronyms and Abbreviations

Acronyms:

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

Abbreviations and Conventions:

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

Notes:

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

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SUMMARY OF ECONOMIC INDICATORS

Chart I: Gross Domestic Product Growth Rate (Year-on-Year - Percentage Change)

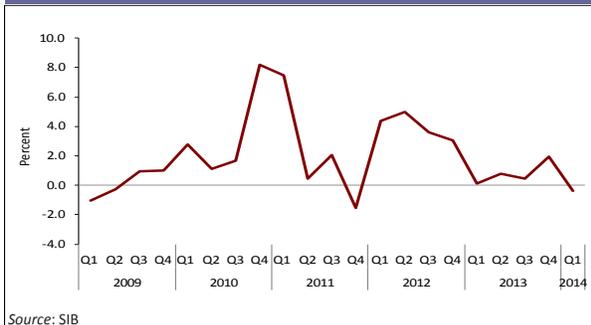


Chart II: Consumer Price Index (All Items)

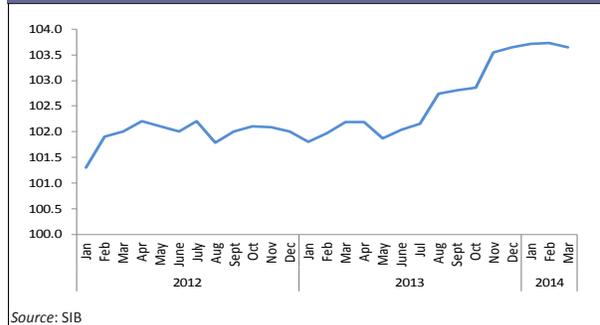


Chart III: Balance of Payments

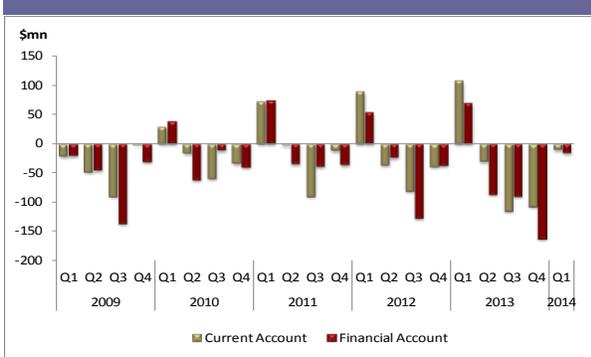


Chart IV: Total Foreign Assets

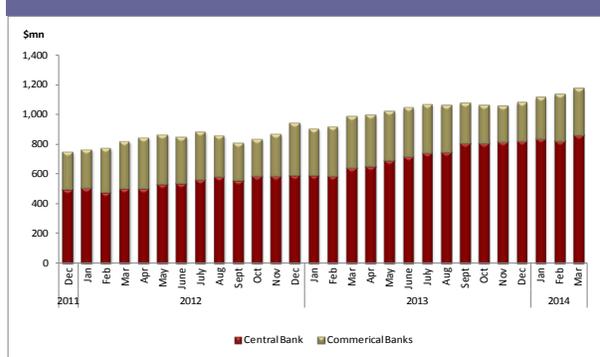


Chart V: Commercial Banks - Deposits and Loans and Advances

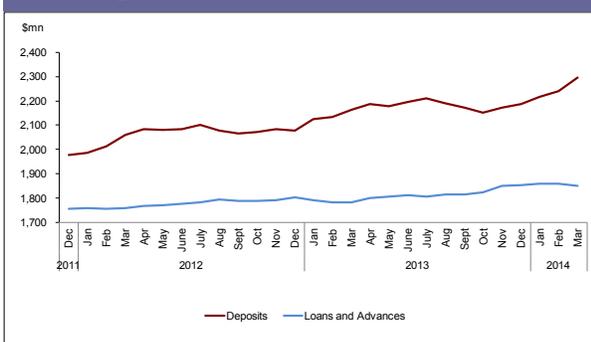
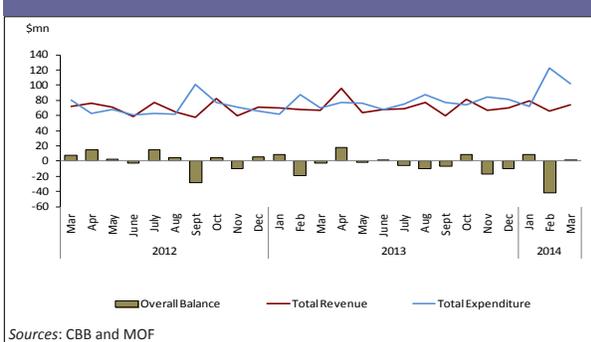


Chart VI: Excess Cash Balances

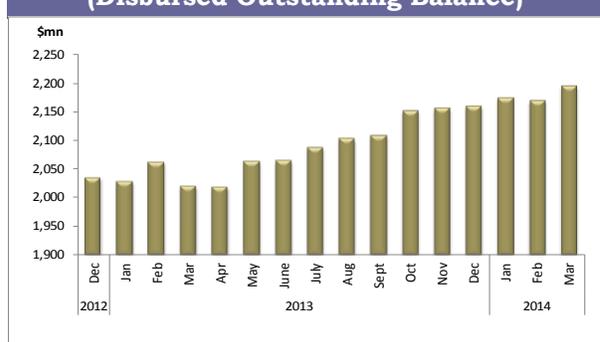


Chart VII: Central Government Operations



Sources: CBB and MOF

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



Domestic Overview

GDP declined by 0.4% in the first quarter as contractions in the primary and secondary sectors outweighed an uptick in tourism related services. The severe rains in the latter part of 2013 had a negative effect on agricultural production of sugarcane, citrus and banana, and the associated decrease in the agro-processing of sugar and citrus juices combined with a further decline in oil extraction led to a notable contraction in manufacturing. On the other hand, the rains boosted water reservoir levels that underpinned the increased output of hydro-electricity. Construction activity also remained buoyant with the continuation of public infrastructural works and private projects, and healthy increases in arrivals of stayover tourists and cruise ship disembarkations spurred growth in “*Hotels and Restaurants*” and “*Transport and Communication*”. Average inflation was 1.7% higher than that of the comparable period in 2013 and reflected general increases for most goods and services, “*Clothing and Footwear*” being the exception.

A current account deficit of \$10.2mn was recorded on the balance of payments compared to a surplus of \$107.3mn in the first quarter of 2013. The reversal reflected an expansion in the merchandise trade deficit as well as increases in commercial bank retained earnings, dividend repatriation and interest payments abroad. Grants from foreign donors bumped up the surplus on the capital account to \$45.2mn and net inflows on the financial account totaled \$16.2mn reflecting an increase in foreign direct investment inflows and lower loan repayments by the private sector. The net result was a \$42.0mn increase in the gross official international reserves to \$847.1mn, the equivalent of 5.2 months of merchandise imports.

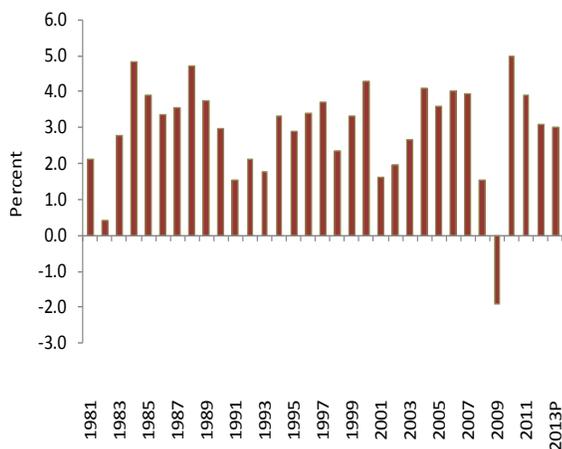
While Central Government's overall deficit widened quarter on quarter from 0.4% to 1.0% of GDP, its primary balance swung from a deficit of \$4.1mn to a surplus of \$0.8mn. Expenditure was up by 35.4% due to higher spending on capital projects, the first bi-annual interest payment on the restructured bond and higher outlays on materials, supplies, training and emoluments. Revenues were 27.5% higher mainly due to inflows from grants and the international business companies and ships registries. The fiscal gap was funded from external sources through loan disbursements from Venezuela and, to a lesser extent, multilateral creditors. The external debt consequently rose by 1.5% to \$2,195.3mn.

Strong growth in net foreign assets outweighed a reduction in net domestic credit and underpinned a 4.0% growth in the broad money supply during the period reviewed. Private sector credit fell by \$2.6mn as commercial banks continued to repair their balance sheets by writing off \$7.9mn in non-performing loans. Meanwhile, liquidity continued to build up in the banking system, with statutory holdings exceeding the required level by 70.2% and cash reserves more than doubling the requirement. Against this backdrop, interest rates

declined further with the weighted average lending rate decreasing by 10 basis points to 11.02% and the weighted average deposit rate down by 18 basis points to 1.99%. Interest rates on residential construction and "other" loans, declined by 29 and 34 basis points, respectively, and there were declines of 20 basis points in time deposit rates and 5 basis points in demand deposit rates.

International Developments

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



Source: IMF
P - Provisional

Notwithstanding a weather related downturn in the United States (US) the global economy grew in the first quarter. The United Kingdom (UK) achieved a fifth consecutive quarter of expansion and the nascent recovery of the Euro zone remained heavily reliant on the region's powerhouse, Germany. While the emerging market economies experienced a further deceleration that was marked, in some instances, by considerably higher inflation, capital flow reversals, capacity constraints, social unrest and reduced space for countercyclical policies, their average growth levels still remained higher than that of the advanced economies with China continuing to play a leading role. In the English speaking Caribbean and Central America (excluding Mexico), challenges such as large external current account shortfalls, widening fiscal deficits, elevated public debt and dependency on tourism, remittances and commodities constrained activity.

Table 1.1: Selected Gross Domestic Product Growth Rates

	Percent ⁽¹⁾	
	Dec-13	Mar-14
USA	2.6	-1.0
UK	0.7	0.8
Euro Area	0.3	0.2
Japan	0.2	1.6

⁽¹⁾ Percentage change compared to the previous quarter.
Source: Respective Statistical Bureaus

Although a particularly severe winter contributed to a 1.0% contraction in US GDP, that country's unemployment rate nevertheless fell 30 basis points to 6.7% with retailers, construction companies and healthcare providers taking on additional staff. The US labour force participation rate continued to hover around historical lows, however, improving only slightly from 62.8% in December 2013 to 63.2% at the end

Table 1.2: Annual Inflation for Selected Economies

	Year on Year Change (%)	
	Dec-13	Mar-14
US	1.5	1.5
UK	2.0	1.7
Japan	1.6	1.6
China	2.5	2.3

Source: Respective Statistical Bureaus

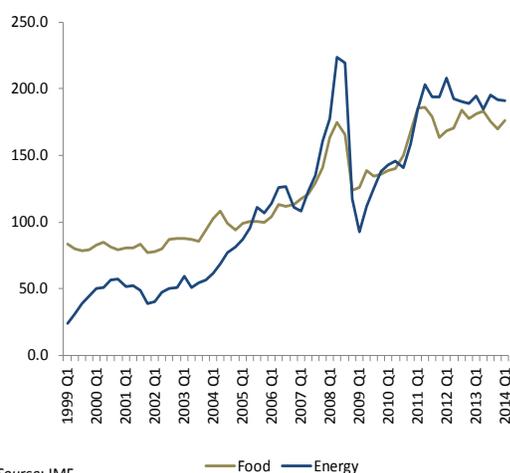
of March 2014. The harsh winter also caused a slowdown in the Canadian economy from 0.7% in the last three months of 2013 to 0.3% during the first quarter with dips in housing construction and business spending as well as in exports.

The UK economy maintained momentum, growing by 0.8% as activity in construction, manufacturing and services increased notwithstanding the disrupting effects of storms and rains in January and February. Germany also grew by 0.8%, benefitting from an unusually mild winter that supported gains in industrial production and construction. While economic activity in France flattened and Italy experienced a marginal 0.1% dip, Spain provided a bright spot with a first quarter increase of 0.4% that followed nine consecutive quarters of contractions. The rebound reflected increased corporate investment and a modest uptick in consumer spending, despite a jobless rate of around 26.0%, the second highest after Greece.

Turning farther east, the Japanese economy posted its sixth quarter of growth with a 1.6% expansion that reflected a rally in capital spending and surge in private consumption that preceded a planned sales-tax increase on 01 April 2014.

Capacity constraints, bad weather in the

Chart 1.2: Global Commodity Prices
2005=100



Source: IMF

US, social upheaval in the Ukraine and capital flow reversals all contributed to softer economic growth in the developing world. In Brazil, the highest interest rates in four years dampened investment and consumer spending. Closer to home, Mexico's GDP growth decelerated from 0.8% in the last quarter of 2013 to 0.3% as a result of a decline in construction, weak export demand, particularly from the US, and tax increases that squeezed consumer spending.

International inflationary pressures were subdued as activity remained substantially below potential output in the advanced economies. Global headline inflation was consequently lower, reflecting declines in commodity prices, especially for fuels and food. Petroleum prices were relatively stable as the West Texas Intermediate oil price rose slightly from US\$97.63 to US\$100.80, while the Brent benchmark price fell from US\$110.76 to US\$108.9. Despite geopolitical tensions that affected supplies from major oil-producing regions such as Libya, Iran, Nigeria and Venezuela, oil prices were held in check as the US shale boom and increased Canadian production compensated for shortfalls elsewhere.

The outlook for the rest of the year is for global growth to gain more traction on the back of improvements in the advanced economies (including a

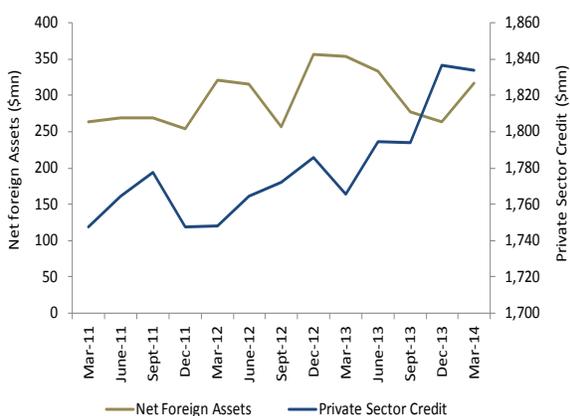
broadening of activity in the Euro zone), and further strengthening of activity in developing countries. The International Monetary Fund (IMF) projects annual growth of 3.6% in 2014, up from the 3.0% recorded in 2013, while the World Bank's 2014 revised outlook is for weaker growth of 2.8%.

Money and Credit

Strong growth in the net foreign assets of the banking system fuelled a 4.0% first quarter expansion in the broad money supply (M2). The commercial banks' foreign asset position benefitted from peak season tourism inflows, while the Central Bank's foreign assets also received an upward boost mostly due to loan inflows under the Venezuelan Petrocaribe Agreement (VPCA).

Continuing a trend that started in 2011, the commercial banks reduced their holdings of the more costly time deposits by \$19.1mn. Concurrently, demand deposits surged by \$97.5mn, boosted by larger holdings of business enterprises (tourism interests and oil companies) and transfers from matured time deposits. Savings accounts grew by \$26.0mn, almost on par with the \$27.1mn expansion of the previous year, while currency with the public dipped slightly by \$1.4mn (0.7%).

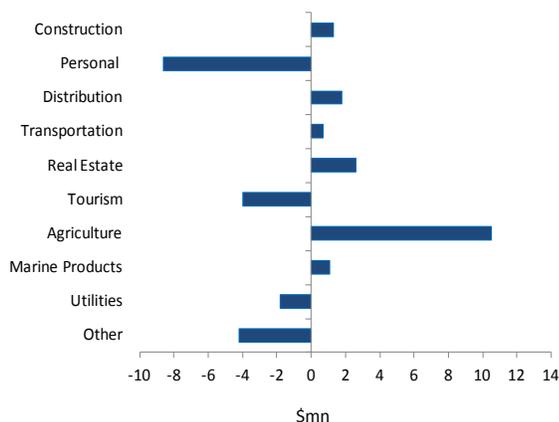
Chart 2.1: Commercial Banks' Net Foreign Assets and Private Sector Credit



Net domestic credit contracted by \$9.3mn reflecting declines that were across the board. In the case of Central Government, the net decline was \$5.4mn as its drawdown of deposits to facilitate the first quarter payment on the 2038 bond was more than offset by a reduction in the overdraft balance and an increase in the share of government securities held by non-bank entities.

Repayments and write offs of non-performing loans outweighed commercial bank disbursements. In comparison with a first quarter decline of \$20.8mn in 2013, private sector loans were down by only \$2.6mn, as uncharacteristic credit growth of \$6.3mn in January was eclipsed by declines of \$1.1mn in February and \$8.0mn in March. Net repayments on personal loans and by entities engaged in tourism, utilities, manufacturers and the citrus industry outweighed increases for sugar production, distribution, construction, mining and marine output. Write offs, totalled \$7.9mn (compared to the \$12.5mn recorded in the first quarter of 2013) and were mainly for real estate, construction and distributive trade. Lending to public sector entities also fell by \$1.3mn due to small repayments made by Belize Telemedia Ltd. (BTL), Belize Tourism Board (BTB) and several local government bodies.

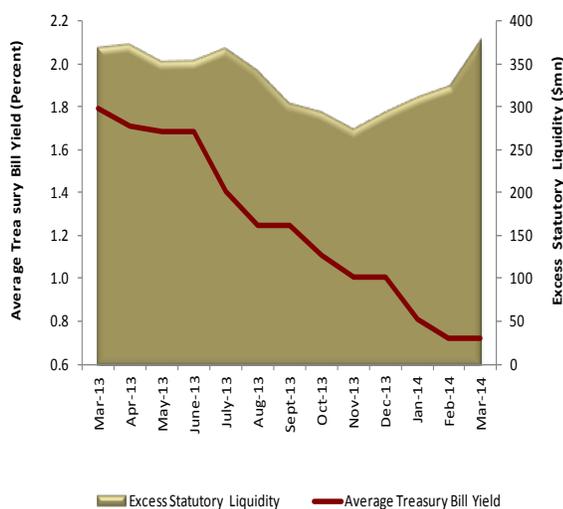
Chart 2.2: Changes in Commercial Banks' Loans and Advances, Dec 2013 - Mar 2014



In contrast to its \$10.1mn increase in the first quarter of 2013, lending by the five largest credit unions contracted by \$1.2mn, the first decline in two years. Net repayments were made on loans for agricultural processing, education, entertainment, home improvement and by financial institutions while lending increased for commercial construction, professional services and commercial real estate transactions.

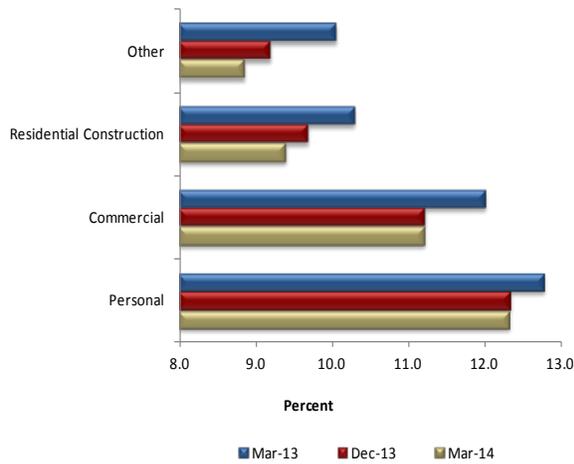
In an environment of weak credit growth and strong expansion in net foreign assets, commercial banks' liquid asset holdings spiralled upward by \$103.0mn. Excess statutory liquidity rose by \$85.1mn to \$378.7mn, while cash holdings escalated by \$49.2mn to \$440.3mn, which was more than double the required level.

Chart 2.3: Excess Statutory Liquidity and Average Treasury Bill Yield



Lending rates continued its downward trend, albeit at a slower pace than the previous year. The weighted average lending rate decreased by 10 basis points to 11.02%, and the weighted average deposit rate fell by 18 basis points to 1.99%. On new loans, the weighted average lending rate rose by 43 basis points to 9.45%, relative to December 2013, but fell by 124 basis points relative to March 2013. The increase over the previous quarter reflected hikes in rates on commercial (132 basis points) and personal loans (87 basis points) that

Chart 2.4 : Weighted Average Lending Rate



At the end of March, commercial banks' holdings of Treasury bills amounted to \$161.4mn, which was 92.2% of the total, while insurance companies and municipal bodies held the remainder. The continuation of aggressive bidding caused a further reduction in the average yield from the 1.00501% recorded at the end of 2013 to 0.72010% at the February 2014 auction.

overshadowed a 144 basis point fall in mortgage rates. This first quarter upswing occurred in 2013 as well, after which rates reverted to a downward trend. Concurrently, the weighted average rate on new deposits fell by 23 basis points to 2.32%. A 36 basis point contraction on time deposit rates led this decline and outweighed increases in rates on savings/chequing and savings accounts.

Domestic Production and Prices

GDP decreased by 0.4% during the first quarter as strong performances in tourism, construction, government services, electricity production and fishing were overshadowed by declines in agricultural output, agro-manufacturing and petroleum extraction.

Output from the primary sector contracted by 2.1% as heavy rains in the latter half of 2013 negatively affected production of the major export crops and resulted in a 9.8% contraction in “*Agriculture, Hunting and Forestry*”. Only partly offsetting this was a 20.6% rise in fishing due to volume increases of 22.3% in farmed shrimp production, and 79.9% in the wild capture of lobster.

Despite increases in electricity generation and construction, secondary sector output also fell by 1.3% over the review period due to the 17.8% downturn in

“*Manufacturing*” caused by the fall in the agro-manufacturing of sugar and citrus juices as well as the continued slide in petroleum extraction. Whereas the heavy rains were particularly deleterious to agriculture, it simultaneously boosted hydro-electricity generation and led to a 49.8% rise in the “*Electricity and Water*” subsector. Meanwhile “*Construction*” maintained its upward momentum with the continuation of public infrastructural works and private projects.

During the quarter, buoyancy in tourism factored prominently in the 0.9% growth of the tertiary sector. “*Hotels and Restaurants*” led with growth of 13.1% that reflected double digit increases in tourist stay-over arrivals (10.6%) and cruise ship disembarkations (22.0%). “*Government Services*” also expanded by 3.4%, underpinned by a 5.4% increase in personal emoluments.

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

	Dec-Mar 2012/2013	Dec-Mar 2013/2014
Deliveries of Sugarcane to BSI (long tons)	756,481	501,960
Sugar Processed by BSI (long tons)	78,554	51,777
Molasses processed by BSI (long tons)	21,641	14,812
Performance		
Factory Time Efficiency (%)	94.78	95.54
Cane Purity (%)	85.81	95.95
Cane/Sugar	9.52	9.53

Source: BSI

Sugarcane and Sugar

With slightly more than two months of factory operations, sugarcane deliveries for the crop year to date were down by 33.6% to 501,960 long tons and sugar and molasses production fell in consonance by 34.1% and 31.6% to 51,777 and 14,812 long tons, respectively. However, the average hourly grinding rate was 7,612 long tons per day, compared to the 6,052 long tons per day averaged during the 2012/2013 crop, and if the weather allows harvesting

to continue into the first three weeks of June this may enable the 2013/2014 harvest to come close to that of the previous crop, even given the late start.

Initially estimated at \$54.00 per long ton, the average price payable to farmers has been adjusted upward to \$60.13 mostly due to more favorable value added prices. The processor plans to increase production of direct consumption sugar to capitalize on higher price. Freight rates that were significantly lower than anticipated are also contributing to the price improvement. Because of weaker prices elsewhere, virtually all the

country's sugar was sold to the European Union (EU), where prices were more attractive.

Citrus

Deliveries declined due to unfavorable weather and a cyclical downturn in yields that exacerbated the losses from citrus greening and the natural attrition of the trees. The 2013/2014 grapefruit crop ended on 26 March with deliveries of 576,234 boxes, 10.8% lower than the previous crop and the lowest production level since 2000. Orange deliveries remained subdued, falling by 43.1% to 1,380,460 boxes and resulting in a 36.3% reduction in citrus deliveries for the crop year to date. The Citrus Growers Association remained optimistic that the orange second crop, which began in late March, will be larger than the first harvest cycle, and that output for the crop year will be between 4.0mn and 4.8mn boxes of orange by the end of June.

With declines in deliveries being exacerbated by a 6.1% decline in the average juice out-turn per box, citrus juice production contracted by 40.1% to 10.4mn pound solids (ps). Output of orange and grapefruit juices fell by 45.1% to 8.0mn ps and 13.2% to 2.3mn ps, respectively. Output of citrus oils and pulp also declined to 0.6mn pounds and 1.1mn pounds, respectively.

Table 3.2: Output of Citrus Products

	Oct-Mar 2012/2013	Oct-Mar 2013/2014
Deliveries (boxes)		
Orange	2,424,211	1,380,460
Grapefruit	<u>646,349</u>	<u>576,234</u>
Total	3,070,560	1,956,694
Concentrate Produced (ps)		
Orange	14,495,553	8,036,673
Grapefruit	<u>2,620,821</u>	<u>2,315,303</u>
Total	17,116,374	10,351,976
Not from Concentrate (ps)		
Orange	131,668	0
Grapefruit	<u>55,871</u>	<u>7,473</u>
Total	187,539	7,473
Pulp (pounds)		
Orange	1,486,544	990,464
Grapefruit	<u>527,456</u>	<u>147,552</u>
Total	2,014,000	1,138,016
Oil Produced (pounds)		
Orange	843,200	533,600
Grapefruit	<u>89,355</u>	<u>75,400</u>
Total	932,555	609,000

Sources: CGA and CPBL

In contrast to 2013 when international prices were on the decline during the review period, prices improved as an 18.0% reduction in the US crop coincided with a severe drought in Brazil. Consequently, the estimated prices to farmers for the 2013/2014 crop is \$1.73 per ps for orange, compared to the \$1.50 of the previous crop year, and \$2.42 per ps for grapefruit, compared to \$2.26 for the 2012/2013 crop.

Banana

Banana output fell by 6.7% to 1,244,247 boxes in the first quarter due to the heavy rains in late 2013 that curtailed bunch development. Average yields fell from 180.4 boxes in 2013 to 168.4 boxes per acre in 2014. At the end of February, banana acreage stood at 6,413 with 5,915 acres under production and 498 acres under plantilla (trees too young to harvest). The Banana Growers Association and Fyffes moved into the second year of their exclusive marketing contract, which commenced on 1 January 2013.

Table 3.3: Banana Production

	40 pound boxes	
	Jan -Mar 2013	Jan - Mar 2014
January	527,993	438,635
February	417,258	399,701
March	<u>387,851</u>	<u>405,911</u>
Total	1,333,102	1,244,247

Source: BGA

Petroleum

Petroleum extraction declined for sixteen consecutive quarters due to the ongoing depletion of the extractable crude oil reserves. When compared to the first quarter of 2013, production was down by 23.1% to 169,952 barrels with output from the Spanish Lookout and Never Delay fields decreasing by 23.1% and 23.9%, respectively. The Spanish Lookout extraction rate for the review period averaged 1,877 barrels per day, compared to 2,442 barrels per day achieved for the same period of 2013. The Never Delay extraction rate fell to an average of 11 barrels per day over the quarter, compared to 15 barrels per day in 2013.

Tourism

During the first two months of the year, the World Tourism Organization (WTO) estimated that global stay-over arrivals increased by 5.0%, compared to the same period of 2013. The WTO expects international visitor arrivals to grow between 4.0% and 4.5% globally and arrivals to the Americas to expand by 4.0% during 2014. Tourist visitors to the Caribbean improved overall during the quarter, with only three out of twelve countries, namely Bahamas, Barbados, and Curacao, experiencing declines in stay-over tourists.

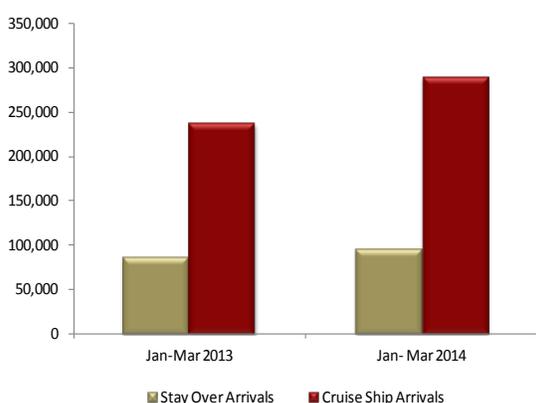
In Belize, tailwinds created by improvements in the economies of the

Table 3.4: Bona Fide Tourist Arrivals

	Jan - Mar 2013	Jan - Mar 2014
Stay-over Arrivals		
Air	70,074	77,236
Land	12,587	14,603
Sea	2,853	2,700
Total	85,514	94,539
Cruise Ship	237,648	289,996

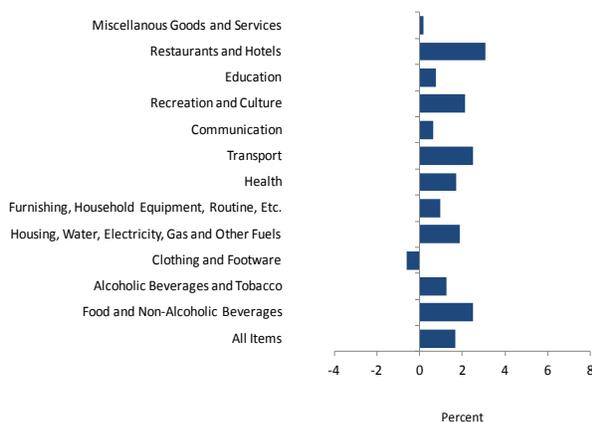
Sources: BTB, CBB and Immigration Department

Chart 3.1: Tourist Arrivals



Sources: BTB, CBB and Immigration Department

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



Source: SIB

country's main source markets and aggressive marketing efforts supported robust growth during the first quarter. There was a 22.0% upswing in cruise ship disembarkations to 289,996 visitors, while stay-over tourists rose by 10.6% to 94,539, the highest level posted since 2000. Visitors from the European Union (EU), US and Canada rose by 28.9%, 10.8% and 6.7%, respectively. The US accounted for 66.4% of market share, while that of Canada and the EU measured 12.2% and 10.9%, respectively.

Consumer Price Index

The CPI decreased by 0.1% during March and averaged 1.7% over the year to date with price hikes recorded in all categories of the index except "Clothing and Footwear" that fell by 0.6%. The most notable price increases occurred in "Restaurant and Hotels" (3.1%), "Food and Non-Alcoholic Beverages" (2.5%) and "Transport" (2.5%) and were attributable mostly to eggs and egg-based products, fruits, butane gas and cultural services.

International Trade and Payments

After posting surpluses for four consecutive first quarters, the external current account registered a \$10.2mn deficit, a sharp turnaround from the \$107.3mn surplus realized in the first quarter of 2013. The outturn reflected increases in the merchandise trade deficit and commercial bank retained earnings as well as a surge in outflows of dividends and interest payment that outweighed higher earnings from

tourism and a modest increase in net remittance inflows. While the capital account surplus rose by \$13.2mn mostly due to grants from foreign donors, the financial account recorded net inflows of \$16.2mn, buttressed by bank profits and a notable fall in private sector loan repayments. The current account deficit was financed by the combined net inflows on the capital and financial accounts that also contributed to a \$42.0mn rise in the gross international reserves. At \$847.4mn, the latter was equivalent to 5.2 months of merchandise imports.

Table 4.1: Balance of Payments Summary

	\$mn	
	Jan-Mar 2013 ^R	Jan-Mar 2014 ^P
A. CURRENT ACCOUNT		
(I+II+III+IV)	107.3	-10.2
I. Goods (Trade Balance)	-74.4	-136.3
Exports, Free on Board (FOB)	326.0	268.4
Domestic Exports	177.7	142.4
CFZ Gross Sales	122.2	105.2
Re-exports	26.1	20.8
Imports, FOB	400.4	404.6
Domestic Imports	329.5	344.7
CFZ Imports	70.8	60.0
II. Services	175.8	193.6
Transportation	-21.4	-23.7
Travel	210.4	221.6
Other Services	-13.3	-4.3
III. Primary Income	-30.6	-106.3
Compensation of Employees	-3.0	-1.5
Investment Income	-27.5	-104.8
IV. Secondary Income	36.4	38.8
Government	-0.9	-0.9
Private	37.4	39.7
B. CAPITAL ACCOUNT	32.0	45.2
C. FINANCIAL ACCOUNT	69.2	-16.2
D. NET ERRORS AND OMISSIONS	-24.0	-9.3
E. RESERVE ASSETS	46.2	42.0

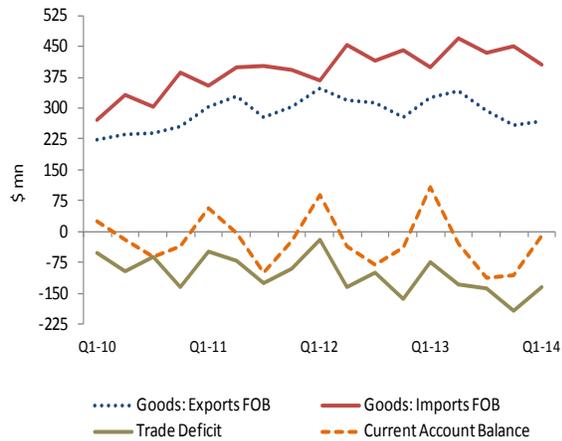
^R - Revised

^P - Provisional

The merchandise trade deficit rose by 83.2% to \$136.3mn, as imports rose by 1.1%, while exports fell by 17.7%. With Commercial Free Zone (CFZ) and electricity imports declining by 15.3% and 76.2%, respectively, the import growth was attributable to goods for domestic consumption such as vehicles, fertilizers and clothing items. Exports decreased as domestic exports, CFZ sales and re-exports recorded contractions of 19.9%, 13.9% and 20.2%, respectively. In the case of domestic exports, steep declines in petroleum, citrus juice, sugar and papaya revenues outweighed higher receipts from marine products.

The volume and value of sugar exports plummeted by 44.2% to 19,449 long tons and 46.3% to \$19.6mn, respectively. Except for 23 long tons that were sold in niche markets, all sales were directed to

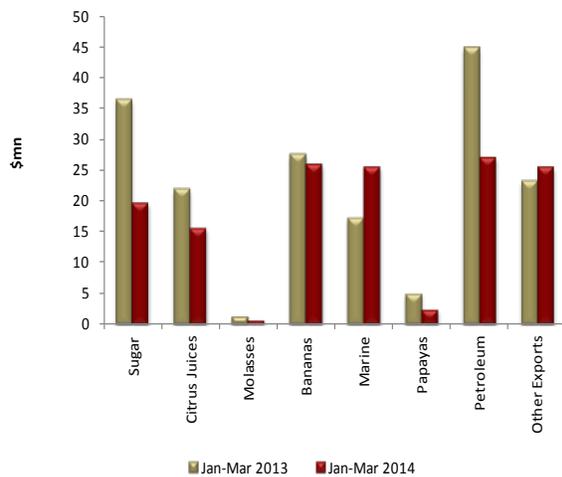
Chart 4.1: External Current Account and Trade Deficit



the EU market to take advantage of the Fair Trade and buyers' premiums. The average export price remained steady at US\$0.23 per pound. Exports of molasses also decreased by 55.0% to 2,844 long tons valued at \$0.7mn.

The volume of citrus juice exports also declined by 32.2% to 5.3mn ps, reflecting contractions of 64.2% in grapefruit juices and 26.8% in orange concentrate. Revenues declined by a more modest 29.3% to \$15.5mn due to a rally in orange juice prices caused by fruit supply constraints in Florida and Brazil. Brazil – the world's largest orange producer – is experiencing a widespread drought that should reduce yields in the upcoming crop.

Chart 4.2: Domestic Exports



Marine exports grew by 12.6% to 3.6mn pounds with increases in shrimp and lobster exports outweighing declines in other fish and conch. Revenues jumped by 47.5% to \$25.5mn due in large part to a notable hike in the average unit price of shrimp. This price strengthening came on the heels of a bacterial disease called "early mortality syndrome" that is ravaging the shrimp industry throughout Asia and which has significantly shrunk farmed shrimp output in Southeast Asia. Conversely, there was a drastic decline in earnings from conch and other fish of 80.2% and 79.2%, respectively, as a result of lower prices and volume.

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

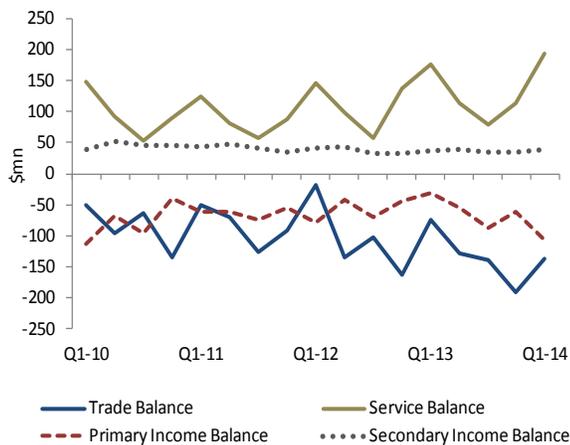


Table 4.2: Capital and Financial Account Summary

	\$mn	
	Jan-Mar 2013 ^R	Jan-Mar 2014 ^P
A. CAPITAL ACCOUNT	32.0	45.2
B. FINANCIAL ACCOUNT (1+2+3+4)	69.2	-16.2
1. Direct Investment in Belize	-11.9	-53.5
2. Portfolio Investment	31.8	0.0
Monetary Authorities	0.0	0.0
General Government	31.8	0.0
Banks	0.0	0.0
Other Sectors	0.0	0.0
3. Financial Derivatives	0.0	0.0
4. Other Investments	49.2	37.3
Monetary Authorities	0.5	-0.9
General Government	-35.0	-31.2
Banks	-2.8	53.6
Other Sectors	86.5	15.8
C. NET ERRORS AND OMISSIONS	-24.0	-9.3
D. OVERALL BALANCE	46.2	42.0
E. RESERVE ASSETS	46.2	42.0

^R - Revised

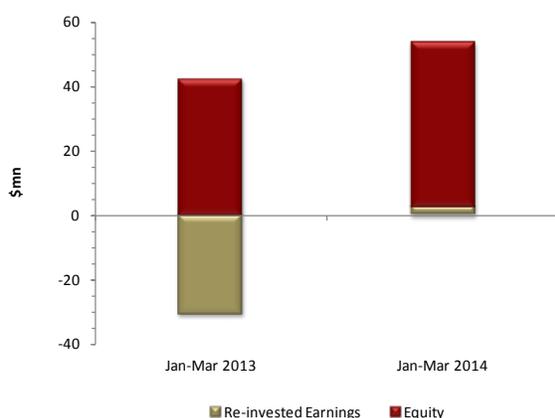
^P - Provisional

The fall-off in banana yields due to bad weather in the latter half of 2013 caused a 6.7% drop in export volume with revenues declining by 5.8% to \$25.9mn due to the offsetting effect of a 0.9% increase in the export price. The continued decline in crude oil production led to a 33.4% decrease in export volume to 134,814 barrels, while export revenue fell by 39.7% to \$27.0mn. The average price declined by 10.5% to US\$99.15 per barrel due to higher oil production in the US, Canada and non-OPEC countries. Meanwhile, an outbreak of viral diseases and heavy rainfall in late 2013 caused a more than 50.0% reduction in papaya export volume, so that earnings declined to only \$2.5mn.

In other developments, net earnings from services improved by 10.1% to \$193.6mn, as higher inflows from tourism outweighed increased expenditures on international transportation. Buoyancy in stay-over arrivals and cruise ship disembarkations ramped up net travel receipts by 5.3% to \$221.6mn. Shipping costs rose with the growth in imports, while a decrease in external payments for miscellaneous services reflected a return to normalcy with the absence of the debt restructuring fees that had inflated the 2013 outlays.

Net outflows on the primary income account surged from \$30.6mn in 2013

Chart 4.4: Change in Foreign Direct Investment Components



mostly to higher foreign direct investment and much lower net loan repayments by the private sector. The improvement in foreign direct investment reflected increased inflows for hotel developments and real estate purchases as well as the swing from losses in 2013 to a small gain in retained earnings of the commercial banks. In other developments of note, deposits held abroad by commercial banks increased, and loan disbursements to the government were buoyed by Venezuelan funds.

to \$106.3mn. Nearly a third of the increase was a reflection of the fact that the commercial banks recorded a small amount of retained earnings in 2014 in contrast to sizeable losses in the comparable period of 2013. Also contributing to the increase was higher profit outflows by Becol and the bi-annual payment of interest on the restructured super bond that resumed in February, in contrast to the same period of the previous year when this payment was capitalised. The surplus on the secondary income account rose by \$2.4mn to \$38.8mn, mostly due to modest growth in net remittance inflows.

The capital account surplus rose by 41.3% to \$45.2mn due to an increase in grants from foreign donors. In contrast to net outflows of \$69.2mn in the first quarter of 2013, the financial account recorded net inflows of \$16.2mn due

Government Operations and Public Debt

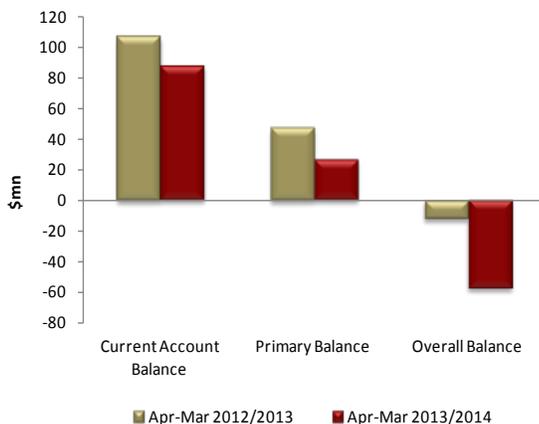
Government expenditure was up by 35.4% in the first three months of the year relative to the same period in 2013 mostly due to the ramping up of capital projects, the first biannual interest payment on the 2038 bond, and outlays on training, workers' emoluments, materials and supplies. Revenues were 27.5% higher mainly due to inflows from grants and the international business companies (IBC) and ships registries. Although the overall deficit widened by \$20.8mn to \$33.4mn, the primary balance swung from a deficit of \$4.1mn to a surplus of \$0.8mn.

Budgetary revenue and expenditure targets for the entire 2013/2014 fiscal year were exceeded by 8.0% and 7.0%, respectively. The primary surplus almost halved to 0.8% of GDP and the overall deficit widened from 0.4%

to 1.8% of GDP with financing coming from external sources. Notwithstanding lower oil receipts, revenues expanded by 12.1% to \$942.1mn due to a surge in grant inflows from the EU, International Development Bank (IDB) and Republic of China/Taiwan (ROC/Taiwan) and higher collections from the personal income tax, business tax, the general sales tax (GST), rent, royalties and property income. The GST was boosted by its imposition on fuel imports in place of the fixed import duty that was previously levied. The receipt of a \$7.0mn dividend from Belize Telemedia Limited (BTL) also boosted property income and receipts from the registration of IBCs and ships pushed income from rent and royalties higher. On the downside, petroleum receipts contracted by \$13.7mn due to declining production, while repayment of old loans returned to normal levels after being bumped up in 2013 with the one-off loan repayments by Belize Sugar Industries (BSI).

With the intensification of public works on infrastructure, total expenditure rose by 17.3% to \$999.7mn (30.7% of GDP), as current and capital spending rose by 9.9% and 53.8%, respectively. Outlays on wages and salaries rose by 2.1%, and a 15.4% rise in subsidies and current transfers reflected the reclassification of teachers' salaries to this line item. Expenditure on goods and services rose

Chart 5:1: Central Government Fiscal Operations



Sources: MOF and CBB

Table 5.1: Central Government Revenue and Expenditure

	\$mn			
	Jan-13 Mar-13	Jan-14 Mar-14	Apr-12 Mar-13	Apr-13 Mar-14
Total Revenue and Grants	206.5	263.3	840.3	942.1
<i>of which:</i> Current Revenue	204.0	216.8	814.4	864.8
<i>of which:</i> Grants	1.0	45.2	21.3	72.0
Total Expenditure	219.1	296.6	852.1	999.7
Current Expenditure	175.0	208.7	707.6	777.4
Capital Expenditure	44.1	87.9	144.5	222.3
Current Balance	29.0	8.1	106.7	87.4
Primary Balance	-4.1	0.8	47.1	26.5
Overall Balance	-12.6	-33.4	-11.8	-57.5

Sources: MOF and CBB estimates

by \$20.5mn, largely due to fees incurred for the restructuring of the super bond, and the increase in interest cost was due to the resumption of the bi-annual interest payment on the restructured bond.

Capital spending and net lending amounted to \$222.3mn (42.3% above

budget) and included \$3.1mn in transfers to Belize Water Services Limited (BWSL). Road infrastructure, which included developments on the south side of Belize City, completion of works on the Southern Highway, the construction of the Macal Bridge, Santa Elena international crossing and the maintenance of highways accounted for

Table 5.2: Summary of Central Government Revenue

	\$mn			
	Jan-13 Mar-13	Jan-14 Mar-14	Apr-12 Mar-13	Apr-13 Mar-14
Current Revenue	204.0	216.8	814.4	864.8
Tax Revenue	186.6	189.0	706.8	751.4
Income and Profits	64.1	62.3	235.9	245.9
Taxes on Property	1.8	1.6	4.9	6.0
Taxes on Goods and Services	77.3	78.5	277.3	305.4
International Trade and Transactions	43.5	46.7	188.8	194.0
Non-Tax Revenue	17.4	27.8	107.6	113.4
Property Income	1.2	0.5	5.7	14.6
Licenses	2.3	3.9	14.6	13.8
Other	13.9	23.4	87.3	85.0
Capital Revenue	1.5	1.2	4.6	5.4
Grants	1.0	45.2	21.3	72.0

Sources: MOF and CBB estimates

Table 5.3: Summary of Central Government Expenditure

	\$mn			
	Jan-13 Mar-13	Jan-14 Mar-14	Apr-12 Mar-13	Apr-13 Mar-14
Current Expenditure	175.0	208.7	707.6	777.4
Wages and Salaries	73.4	77.3	297.0	303.1
Pensions	13.1	12.9	53.7	53.5
Goods and Services	50.6	53.0	179.3	199.8
Interest Payments	8.5	34.2	58.9	84.1
of which: External	5.2	31.2	43.6	67.7
Subsidies and Current Transfers	29.3	31.4	118.8	137.0
Capital Expenditure	44.1	87.9	144.5	222.3
Capital II	18.7	36.3	63.3	102.4
Capital III	24.7	50.8	77.9	116.9
Net Lending	0.8	0.8	3.3	3.1

Sources: MOF and CBB estimates

33.0% and another 15.3% was spent on agricultural projects, mainly in the sugar and banana belt. Land and solid waste management accounted for 7.6%, environmental and social protection projects for 9.6% and 6.7%, respectively, and security and defence equipment for another 7.9%. A medley of disbursements for education, health, tourism, science, technology and housing summed to 8.0%, and the remainder was spent on projects such as the Belize Sports Centre, the establishment of the National Bank of Belize Limited, furniture, equipment and upgrading of office buildings.

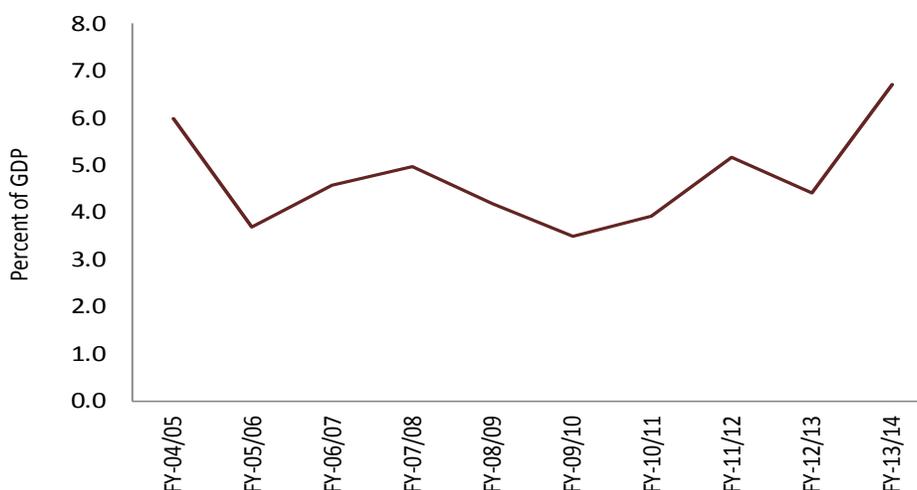
Central Government Domestic Debt

During the first quarter, Central Government's domestic debt dipped by 1.1% to \$381.1mn, due to a \$3.7mn

reduction in the Government's overdraft facility at the Central Bank and \$0.5mn in amortization payments made to the Belize Social Security Board (BSSB) and commercial banks.

At the end of March, the Central Bank held 39.0% of Central Government's domestic debt, of which the short and long term portions were \$51.5mn and \$97.0mn, respectively. A reduction in the holdings of government securities led to a decrease in the share of domestic debt held by the commercial banks, from 44.2% in December 2013 to 43.4%. Non-bank entities increased their holdings of government securities and expanded their share from 16.0% at the end of December 2013 to 17.6% at the end of March.

Chart 5.2: Central Government Development Expenditure



Sources: MOF and CBB estimates

Interest payments summed to \$3.0mn, which included \$2.0mn that was paid to the Central Bank for credit provided through the overdraft and on its holdings of Treasury notes. Some \$0.4mn went to the commercial banks on their Treasury bill holdings, while the balance went to the BSSB. At the end of the quarter, the annual effective interest rate remained relatively stable at 4.3%, compared to the previous year.

Public Sector External Debt

The public sector's external debt rose by 1.5% to \$2,195.3mn during the first quarter, as disbursements of \$54.4mn exceeded amortization payments of \$23.1mn. Except for a small amount to the BWSL for a water and sewage expansion project, all disbursements

were to the Central Government, with bilateral creditors, namely Venezuela, disbursing \$46.1mn, and multilateral creditors providing \$8.1mn.

Central Government amortized \$16.8mn, of which \$10.5mn went to bilateral lenders, including \$8.5mn to the ROC/Taiwan and \$6.3mn to multilateral creditors. The Development Finance Corporation (DFC) and the non-financial public sector repaid \$1.3mn to the Caribbean Development Bank (CDB), and Central Bank repaid \$1.8mn to the IMF for the Emergency Natural Disaster Assistance facility. Commercial suppliers were also paid \$3.2mn.

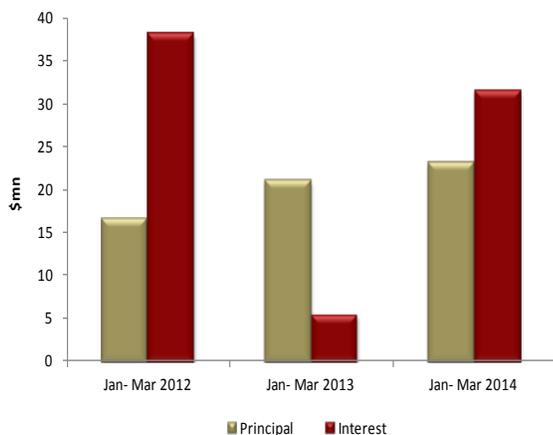
Of the \$31.6mn in interest and other payments, Central Government

Table 5.4: Central Government Domestic Debt

	\$mn		
	Dec 2013	Mar 2014	Changes in Stock
Overdraft	55.1	51.5	-3.7
Loans	8.6	8.1	-0.5
Treasury Bills	175.0	175.0	0.0
Treasury Notes	136.5	136.5	0.0
Defence Bonds	10.0	10.0	0.0
Total	385.2	381.1	-4.2

paid \$26.3mn on the 2038 bond. Additionally, bilateral and multilateral creditors received \$2.6mn and \$2.3mn, respectively, with notable payments going to ROC/Taiwan (\$2.1mn) and the CDB (\$1.8mn). With the resumption of bi-annual interest payments on the restructured super bond, the year-on-year (March 2013 to March 2014) effective interest rate averaged 3.2%, compared to the 2.2% recorded in 2013.

Chart 5.3: Total External Debt Service



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

At the end of the quarter, Central Government held 96.0% of the outstanding external debt and the financial and non-financial public sector accounted for 2.9% and 1.1%, respectively. Within the next twelve months, \$0.5mn of the present portfolio is scheduled to mature; some \$139.7mn will mature during the next ten years, leaving \$2.1bn with a maturity of more than ten years.

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

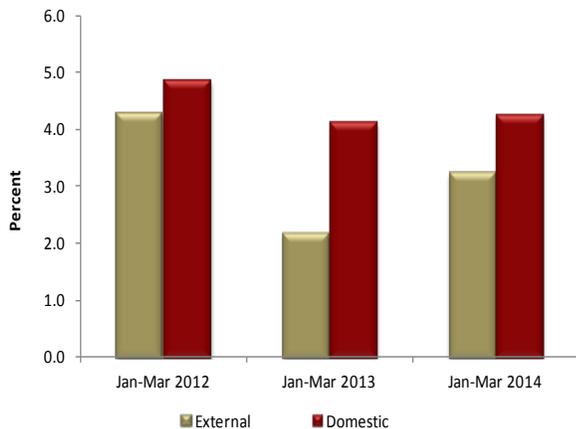


Table 5.5: Public Sector External Debt

\$mn

	DOD at: 31/12/2013	DOD at: 31/03/2014	Change in Debt Stock
Central Government	2,069.7	2,107.3	37.6
Bilateral	480.2	516.1	35.9
Multilateral	536.5	538.3	1.7
Bonds	1,053.0	1,053.0	0.0
Commercial Banks	0.0	0.0	0.0
Export Credit	0.0	0.0	0.0
Non-Financial Public Sector	28.6	24.4	-4.2
Bilateral	2.1	2.1	0.0
Multilateral	23.3	22.3	-1.0
Commercial Banks	3.2	0.0	-3.2
Export Credit	0.0	0.0	0.0
Financial Public Sector	65.4	63.5	-1.9
Bilateral	0.0	0	0.0
Multilateral	65.4	63.5	-1.9
Bonds	0.0	0.0	0.0
Export Credit	0.0	0.0	0.0
Grand Total	2,163.8	2,195.3	31.5

ANNEX I

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

	Position as at Mar-14	Changes During	
		Dec-13 to Mar-14	Dec-12 to Mar-13
Net Foreign Assets	1,176.3	92.8	43.0
Central Bank	859.2	39.2	45.7
Commercial Bank	317.1	53.6	-2.7
Net Domestic Credit	1,867.0	-9.3	-71.6
Central Government (Net)	15.4	-5.4	-36.2
Other Public Sector	18.0	-1.3	-14.6
Private Sector	1,833.6	-2.6	-20.8
Central Bank Foreign Liabilities (Long-term)	55.3	-1.6	-3.4
Other Items (Net)	412.2	-14.3	-30.4
Money Supply (M2)	2,575.8	99.4	5.2

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

Table 6.2: Money Supply

	Position as at Mar-14	Changes During	
		Dec-13 to Mar-14	Dec-12 to Mar-13
Money Supply (M2)	2,575.8	99.4	5.2
Money Supply (M1)	1,214.4	92.5	-8.6
Currency with the Public	210.3	-1.4	0.5
Demand Deposits	849.0	97.5	-13.9
Savings/Chequing Deposits	155.1	-3.6	4.8
Quasi-Money	1,361.4	6.9	13.8
Savings Deposits	436.7	26.0	27.1
Time Deposits	924.7	-19.1	-13.3

Table 6.3: Net Foreign Assets of the Banking System

	Position as at Mar-14	Changes During	
		Dec-13 to Mar-14	Dec-12 to Mar-13
Net Foreign Assets of Banking System	1176.3	92.8	43.0
Net Foreign Assets of Central Bank	859.2	39.2	45.7
Central Bank Foreign Assets	861.4	40.1	45.2
Central Bank Foreign Liabilities (Demand)	2.2	0.9	-0.5
Net Foreign Assets of Commercial Banks	317.1	53.6	-2.7
Commercial Bank Foreign Assets	370.0	79.2	2.3
Commercial Bank Foreign Liabilities (Short-Term)	52.9	25.6	5.0

Table 6.4: Net Domestic Credit

\$mn

	Position as at Mar-14	Changes During	
		Dec-13 to Mar-14	Dec-12 to Mar-13
Total Credit to Central Government	314.1	-13.1	-5.0
From Central Bank	148.5	-5.1	-0.2
Loans and Advances	51.5	-3.7	-1.9
Government Securities ⁽¹⁾	97.0	-1.4	1.7
From Commercial Banks	165.6	-8.0	-4.8
Loans and Advances	4.2	-0.2	-0.5
Government Securities	161.4	-7.8	-4.3
<i>of which:</i> Treasury Bills	161.4	-4.3	-3.9
Treasury Notes	0.0	0.0	0.0
Other	0.0	-3.5	-0.4
Less Central Government Deposits	298.7	-7.7	21.5
With Central Bank	249.5	-17.1	17.9
With Commercial Banks	49.2	9.4	3.6
Net Credit to Central Government	15.4	-5.4	-26.5
Credit to Other Public Sector	18.0	-1.3	2.1
From Central Bank	0.0	0.0	0.0
From Commercial Banks	18.0	-1.3	2.1
<i>of which:</i> Local Government	0.7	-0.2	-0.4
Public Financial Institutions	0.0	0.0	0.0
Public Utilities	9.6	-0.6	2.3
Other Statutory Bodies	7.7	-0.5	0.2
Securities	0.0	0.0	0.0
Plus Credit to the Private Sector	1,833.6	-2.6	-20.2
Loans and Advances	1,832.1	-2.6	-20.7
Securities	1.5	0.0	0.5
Net Domestic Credit of the Banking System⁽²⁾	1,867.0	-9.3	-44.6

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

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

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

\$mn

	Position as at Mar-14	Changes during	
		Dec-13 to Mar-14	Dec-12 to Mar-13
PRIMARY SECTOR	210.2	11.8	-1.2
Agriculture	161.8	9.3	1.9
Sugar	23.7	8.3	-0.8
Citrus	22.1	-1.2	0.2
Bananas	69.0	0.3	0.5
Other	47.0	1.9	2.0
Marine Products	25.2	1.1	-2.1
Forestry	1.7	0.1	0.0
Mining and Exploration	21.5	1.3	-1.0
SECONDARY SECTOR	559.3	-2.0	-0.1
Manufacturing	22.1	-1.5	-7.2
Building and Construction	507.2	1.3	6.2
Utilities	30.0	-1.8	0.9
TERTIARY SECTOR	649.1	-5.6	-12.7
Transport	40.5	0.7	-6.5
Tourism	89.4	-4.0	-1.7
Distribution	183.8	1.8	-5.8
Other ⁽¹⁾	335.4	-4.1	1.3
Personal Loans	431.3	-8.6	-5.0
TOTAL	1849.9	-4.4	-19.0

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

Table 6.6: Commercial Banks' Liquidity Position and Cash Reserves

	\$mn		
	Position as at Mar-14	Changes during Dec-13 to Mar-14	
		Dec-12 to Mar-13	
Holdings of Approved Liquid Assets	918.3	103.0	73.0
Notes and Coins	67.7	-7.0	-0.2
Balances with Central Bank	443.0	41.9	24.9
Money at Call and Foreign Balances (due in 90 days)	232.2	73.1	48.0
Treasury Bills maturing in not more than 90 days	161.4	-4.3	-2.2
Other Approved Assets	14.0	-0.7	2.5
<i>of which: Treasury Notes</i>	0.0	0.0	0.0
Required Liquid Assets	539.6	17.9	15.3
Excess/(Deficiency) Liquid Assets	378.7	85.1	57.7
Daily Average Holdings of Cash Reserves	440.3	49.2	22.3
Required Cash Reserves	199.4	6.6	5.6
Excess/(Deficiency) Cash Reserves	240.9	42.6	16.7
Actual Securities Balances	161.6	-4.4	-3.8
Excess/(Deficiency) Securities	161.6	-4.4	-3.8

Table 6.7: Commercial Banks' Weighted Average Interest Rates

	Percent		
	Position as at Mar-14	Changes during Dec-13 to Mar-14	
		Dec-12 to Mar-13	
Weighted Lending Rates			
Personal Loans	12.32	-0.02	-0.17
Commercial Loans	11.21	-0.01	-0.14
Residential Construction	9.40	-0.29	-0.20
Other	8.86	-0.34	-0.27
Weighted Average	11.02	-0.10	-0.67
Weighted Deposit Rates			
Demand	0.33	-0.05	0.01
Savings/Chequing	2.56	0.01	-0.01
Savings	2.58	0.02	-0.07
Time	3.15	-0.20	-0.21
Weighted Average	1.99	-0.18	-0.10
Weighted Average Spread	9.03	0.08	-0.57

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

	Position as at				Percent
	Dec-11	Dec-12	Dec-13	Mar-14	
Weighted Lending Rates					
Personal Loans	11.84	10.12	10.37	11.24	
Commercial Loans	14.20	10.81	8.08	9.40	
Residential Construction	13.15	10.68	8.17	6.73	
Other	13.77	9.00	7.93	7.93	
Weighted Average	14.36	10.33	9.02	9.45	
Weighted Deposit Rates					
Demand	0.00	0.00	0.00	0.00	
Savings/Chequing	4.87	1.71	1.76	1.90	
Savings	4.65	0.92	1.92	2.03	
Time	8.06	3.48	2.72	2.36	
Weighted Average	8.02	3.10	2.55	2.32	
Weighted Average Spread	6.34	7.23	6.47	7.13	

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

	Year on Year growth (%)	
	Jan-Mar 13 ⁽¹⁾	Jan-Mar 14 ⁽¹⁾
	Over Jan-Mar 12 ^R	Over Jan-Mar 13 ^P
Agriculture, hunting and forestry	-18.0	-9.8
Fishing	38.7	20.6
Manufacturing (including Mining and Quarrying)	-19.6	-17.8
Electricity and Water	-31.3	49.8
Construction	20.3	6.7
Wholesale and Retail	14.0	-2.7
Hotels and Restaurants	16.1	13.1
Transport and Communication	2.9	0.9
Other Private Services Excluding Financial Services Indirectly Measured	-0.2	-1.0
Producers of Government Services	3.1	3.4
All Industries at Basic Prices	-2.1	-0.0
Taxes on Products	16.0	-2.4
GDP at Market Prices	0.1	-0.4

Source: SIB

^R - Revised

^P - Provisional

⁽¹⁾ Constant 2000 prices – changes in percent

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

	\$mn	
	Quarter 1 2013 ^R	Quarter 1 2014 ^P
Agriculture, Hunting and Forestry	70.2	63.3
Fishing	23.8	28.7
Manufacturing (including Mining and Quarrying)	76.9	63.2
Electricity and Water	22.3	33.4
Construction	16.7	17.8
Wholesale and Retail	107.0	104.2
Hotels and Restaurants	34.4	38.9
Transport and Communication	73.6	74.2
Other Private Services Excluding Financial Services Indirectly Measured	105.9	104.8
Producers of Government Services	62.5	64.7
All Industries at Basic Prices	593.4	593.3
Taxes on Products	101.4	99.0
GDP at Market Prices	694.8	692.3

Source: SIB

^R - Revised

^P - Provisional

Table 6.11: Consumer Price Index (CPI) Commodity Group

Major Commodity	Weights	Jan-14	Feb-14	Mar-14	% Change	
					Mar-2014 over Feb-2014	YTD-2014 over YTD-2013
Food and Non-Alcoholic Beverages	195	108.2	107.5	106.6	-0.9	2.5
Alcoholic Beverages and Tobacco	17	100.7	100.7	100.8	0.1	1.2
Clothing and Footwear	83	96.5	96.8	96.8	-0.0	-0.6
Housing, Water, Electricity, Gas, and Other Fuels	265	101.3	102.8	102.9	0.0	1.9
Furnishing, Household Equipment, and Routine Household Maintenance	69	100.4	100.1	100.1	-0.0	0.9
Health	41	107.9	108.5	108.5	0.0	1.7
Transport	136	110.5	107.7	108.3	0.5	2.5
Communication	33	97.4	97.9	97.9	0.0	0.6
Recreation and Culture	69	104.0	104.9	104.9	0.0	2.1
Education	32	100.9	101.2	101.2	0.0	0.8
Restaurants and Hotels	7	104.6	106.7	106.7	0.0	3.1
Miscellaneous Goods and Services	52	99.8	101.1	101.1	0.0	0.2
All Items	1000	103.7	103.7	103.6	-0.1	1.7

Source: SIB

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

	\$'000			
SITC Section	Jan-Mar 2013	Jan-Mar 2014	\$ change	% change
0. Food and Live Animals	47,638	49,474	1,836	3.9
1. Beverages and Tobacco	10,501	14,304	3,803	36.2
2. Crude Materials	3,814	5,455	1,641	43.0
3. Minerals, Fuels and Lubricants	93,507	80,877	(12,630)	(13.5)
<i>of which: Electricity</i>	<i>23,568</i>	<i>5,608</i>	<i>(17,960)</i>	<i>(76.2)</i>
4. Oils and Fats	3,284	3,563	279	8.5
5. Chemical Products	32,818	37,574	4,756	14.5
6. Manufactured Goods	50,301	50,050	(251)	(0.5)
7. Machinery and Transport Equipment	76,931	87,754	10,823	14.1
8. Other Manufactures	25,186	32,978	7,792	30.9
9. Commodities not elsewhere specified	-	555	555	
10. Export Processing Zones	17,970	17,429	(541)	(3.0)
11. Commercial Free Zone	77,811	65,885	(11,926)	(15.3)
12. Personal Goods	1,811	1,891	80	4.4
Total	441,572	447,790	6,218	1.4

Sources: CBB and SIB

Table 6.13: Balance of Payments

	\$mn	
	Jan-Mar 2013 ^R	Jan-Mar 2014 ^P
CURRENT ACCOUNT	107.3	-10.2
Goods: Exports FOB	326.0	268.4
Goods: Imports FOB	400.4	404.6
Trade Balance	-74.4	-136.3
Services: Credit	272.5	289.3
Transportation	13.3	12.8
Travel	227.2	238.5
Other Goods and Services	20.0	-9.8
Government Goods and Services	12.0	5.5
Services: Debit	96.7	95.7
Transportation	34.7	36.4
Travel	16.8	16.9
Other Goods and Services	38.1	37.4
Government Goods and Services	7.1	4.9
Balance on Goods and Services	101.4	57.3
Primary Income: Credit	2.6	2.7
Compensation of Employees	1.2	1.2
Investment Income	1.4	1.5
Primary Income: Debit	33.1	109.0
Compensation of Employees	4.2	2.7
Investment Income	28.9	106.3
Balance on Goods, Services and Primary Income	70.9	-49.0
Secondary Income: Credit	50.3	54.2
Secondary Income: Debit	13.8	15.4
CAPITAL ACCOUNT	32.0	45.2
Capital Account: Credit	32.0	45.2
Capital Account: Debit	0.0	0.0
FINANCIAL ACCOUNT	69.2	-16.2
Direct Investment Abroad	0.2	0.3
Direct Investment in Reporting Economy	12.0	53.8
Portfolio Investment Assets	0.0	0.0
Portfolio Investment Liabilities	-31.8	0.0
Financial Derivatives	0.0	0.0
Other Investment Assets	28.2	78.8
Other Investment Liabilities	-21.0	41.5
NET ERRORS AND OMISSIONS	-24.0	-9.3
OVERALL BALANCE	46.2	42.0
RESERVE ASSETS	46.2	42.0

Source: CBB

^R - Revised^P - Provisional

Table 6.14: Private Sector External Debt by Economic Sector^(1,3)

Economic Sectors	Disbursed Outstanding as at 12/31/2013	Transactions (January - March 2014)			Disbursed Outstanding as at 3/31/2014
		Disbursements	Principal Payments	Interest Payments	
Long Term:					
Agriculture	67,521	0	192	203	67,329
Arts, Entertainment and Recreation	1,700	0	0	0	1,700
Construction	59,286	0	65	1,725	59,221
Education	198	0	0	0	198
Electricity and Gas ⁽²⁾	5,356	0	84	436	5,271
Financial and Insurance Activities	111	0	0	0	111
Fishing	109,787	0	2,395	999	107,392
Information and Communication	940	0	48	19	892
Real Estate Activities	106	0	0	0	106
Tourism Activities	43,410	0	481	309	42,929
Transportation	33,302	0	304	78	32,997
Wholesale and Retail Trade	1,608	0	23	13	1,585
Other	23	0	0	0	23
Total	323,348	0	3,591	3,781	319,733

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

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

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

Table 6.15: Exports of Sugar and Molasses

	Jan-Mar 2013		Jan-Mar 2014	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
Sugar	34,859	36,507	19,449	19,618
E.U.	34,839	36,484	19,426	19,584
USA	0	0	0	0
Caricom	0	0	0	0
Other	20	23	23	34
Molasses	6,318	1,358	2,844	694

Source: SIB

Table 6.16: Export Sales of Citrus Products

	Jan-Mar 2013		Jan-Mar 2014	
	Pound Solid ('000)	Value (\$ '000)	Pound Solid ('000)	Value (\$ '000)
<i>Citrus Concentrates</i>				
U.S.A.				
Orange	4,457.6	10,566	2,519.6	6,600
Grapefruit	0.0	0	0.0	0
Caribbean				
Orange	1,832.1	5,750	1,158.8	2,306
Grapefruit	192.0	668	73.2	263
Europe				
Orange	347.3	1,060	1,185.4	4,826
Grapefruit	901.0	3,628	324.1	1,407
Other				
Orange	11.0	37	0.0	0
Grapefruit	16.6	57	0.0	0
Sub-Total⁽¹⁾	7,757.6	21,766	5,261.0	15,402
Orange	6,648.0	17,412	4,863.8	13,732
Grapefruit	1,109.6	4,353	397.2	1,670
<i>Not-From-Concentrate</i>				
Sub-Total	21.0	123	12.2	68.4
Orange	16.9	96	9.9	54
Grapefruit	4.1	27	2.3	15
Total Citrus Juices	7,778.6	21,889	5,273.3	15,471
Pulp (pounds '000)				
Total⁽¹⁾	248.6	208	237.7	182
Orange	164.2	141	237.7	182
Grapefruit	84.4	67	0.0	0

Source: CPBL

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

Table 6.17: Exports of Marine Products

	Jan-Mar 2013		Jan-Mar 2014	
	Volume ('000 pounds)	Value (\$'000)	Volume ('000 pounds)	Value (\$'000)
Lobster	89	2,499	160	3,876
Shrimp	2,760	11,975	3,375	21,039
Conch	225	2,535	46	501
Other Fish	131	261	27	54
Total	3,204	17,269	3,609	25,471

Sources: CBB and SIB

Table 6.18: Banana Exports

	Jan-Mar 2013	Jan-Mar 2014
Volume (metric tons)	24,187	22,574
Value (\$'000)	27,510	25,910

Source: BGA

Table 6.19: Petroleum Exports

	Jan-Mar 2013	Jan-Mar 2014
Volume (Barrels)	202,357	134,814
Value (\$'000)	44,849	27,047

Source: Petroleum and Geology Department

Table 6.20: Other Major Exports

	Jan-Mar 2013	Jan-Mar 2014
Other Miscellaneous Exports (\$'000)	28,224	27,239
<i>of which:</i>		
Papaya		
Volume ('000 lbs)	13,834	6,431
Value (\$'000)	5,029	2,450

Sources: SIB and CBB

Table 6.21: Central Government Domestic Debt by Creditor ⁽¹⁾

	Disbursed Outstanding Debt 31/12/13 ^R	TRANSACTIONS THROUGH MARCH 2014				Disbursed Outstanding Debt 31/03/14 ^P
		Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	
Overdraft/Loans	55,130	0	0	1,426	(3,665)	51,466
Central Bank	55,130			1,426	(3,665)	51,466
Commercial Banks	0			0	0	0
Treasury Bills	175,000	0	0	401	0	175,000
Central Bank	0			0	0	0
Commercial Banks	165,716			370	(4,303)	161,413
Other	9,284			31	4,303	13,587
Treasury Notes	136,500	0	0	596	0	136,500
Central Bank	88,421			536	(1,406)	87,015
Commercial Banks	0			0	0	0
Other	48,079			60	1,406	49,485
Defence Bonds	10,000	0	0	400	0	10,000
Central Bank	10,000			400	0	10,000
Commercial Banks	0			0	0	0
Other	0			0	0	0
Atlantic Bank Limited	883	0	74	19	0	809
Heritage Bank Limited	3,486	0	127	86	0	3,359
Belize Social Security Board⁽²⁾	1,564	0	264	33	0	1,300
Debt for Nature Swap	2,651	0	0	0	0	2,651
Total	385,215	0	465	2,960	(3,665)	381,085

^R - Revised^P - Provisional⁽¹⁾ Transactions associated with the Universal Health Services (UHS) loan with the Belize Bank Limited are not included in this table, as no action has been taken to enforce the claim.⁽²⁾ Government has outstanding loans with BSSB consisting of (i) Hopeville Housing Project and (ii) loan purchased from Development Finance Corporation as of 30 January 2007.

Table 6.22: Central Government Revenue and Expenditure

	Approved Budget 2013/2014	Jan-13 to Mar-13	Jan-14 to Mar-14	Apr-12 to Mar-13	Apr-13 to Mar-14	Actual YTD as % of Budget
						\$'000
TOTAL REVENUE & GRANTS (1+2+3)	872,469	206,463	263,261	840,322	942,133	108.0%
1). Current Revenue	826,337	204,001	216,810	814,362	864,783	104.7%
Tax Revenue	727,011	186,623	188,973	706,803	751,372	103.4%
Income and Profits	233,782	64,060	62,258	235,864	245,915	105.2%
Taxes on Property	7,154	1,756	1,572	4,897	5,993	83.8%
Taxes on Goods and Services	282,609	77,286	78,475	277,274	305,423	108.1%
International Trade and Transactions	203,465	43,521	46,669	188,768	194,042	95.4%
Non-Tax Revenue	99,326	17,378	27,836	107,559	113,411	114.2%
Property Income	6,870	1,196	472	5,714	14,607	212.6%
Licences	15,818	2,325	3,949	14,560	13,821	87.4%
Other	76,638	13,857	23,415	87,285	84,983	110.9%
2). Capital Revenue	5,051	1,508	1,221	4,619	5,393	106.8%
3). Grants	41,082	955	45,231	21,342	71,957	175.2%
TOTAL EXPENDITURE (1+2)	934,106	219,086	296,646	852,132	999,672	107.0%
1). Current Expenditure	777,863	174,955	208,720	707,633	777,388	99.9%
Wages and Salaries	313,156	73,394	77,325	296,976	303,081	96.8%
Pensions	55,230	13,149	12,879	53,685	53,504	96.9%
Goods and Services	181,535	50,617	52,980	179,276	199,750	110.0%
Interest Payments on Public Debt	95,913	8,508	34,157	58,942	84,060	87.6%
Subsidies and Current Transfers	132,029	29,287	31,378	118,755	136,992	103.8%
2). Capital Expenditure	156,243	44,131	87,925	144,499	222,285	142.3%
Capital II (Local Sources)	67,243	18,668	36,328	63,319	102,358	152.2%
Capital III (Foreign Sources)	85,877	24,689	50,834	77,915	116,850	136.1%
Capital Transfer and Net Lending	3,123	774	763	3,264	3,077	98.5%
CURRENT BALANCE	48,474	29,045	8,089	106,728	87,395	180.3%
Primary Balance	34,276	(4,115)	773	47,132	26,520	77.4%
OVERALL BALANCE	(61,637)	(12,623)	(33,384)	(11,810)	(57,539)	93.4%
Primary less Grants	(6,806)	(5,070)	(44,458)	25,790	(45,437)	667.6%
Overall Balance less Grants	(102,718)	(13,578)	(78,615)	(33,152)	(129,497)	126.1%
FINANCING	61,637	12,623	33,384	11,810	57,539	
Domestic Financing		(25,132)	3,557	(35,065)	(119,312)	
Central Bank		(18,104)	12,009	(40,560)	(113,496)	
Net Borrowing		(227)	(5,071)	(5,650)	(5,440)	
Change in Deposits		(17,877)	17,080	(34,910)	(108,057)	
Commercial Banks		(7,883)	(13,897)	4,234	(15,253)	
Net Borrowing		(4,325)	(4,503)	10,463	(8,969)	
Change in Deposits		(3,558)	(9,394)	(6,229)	(6,284)	
Other Domestic Financing		855	5,445	1,262	9,437	
Financing Abroad		34,185	37,554	54,881	187,304	
Disbursements		132,167	54,379	197,586	251,253	
Amortization		(124,326)	(16,824)	(169,049)	(63,949)	
Net Reduction		26,344	0	26,344	0	
Other		3,570	(7,727)	(8,007)	(10,453)	

Sources: CBB and MOF

Table 6.23: Public Sector External Debt by Creditor

\$'000

	Disbursed Outstanding Debt 31/12/13 ^R	TRANSACTIONS THROUGH MARCH 2014			Parity Change	Disbursed Outstanding Debt 31/03/14 ^P
		Disbursements	Principal Payments	Interest & Other Payments		
CENTRAL GOVERNMENT	2,069,717	54,378	16,824	31,373	44	2,107,315
Banco Nacional de Comercio Exterior	1,588	0	529	49	0	1,059
Government of Venezuela	177,348	46,083	416	146	0	223,015
Kuwait Fund for Arab Economic Development	20,530	228	1,026	339	53	19,785
Republic of China	280,733	0	8,537	2,067	0	272,196
Caribbean Development Bank	206,511	4,373	3,518	1,760	0	207,365
Caricom Development Fund	3,936	0	200	26	0	3,736
European Economic Community	13,071	0	136	13	-21	12,915
Inter-American Development Bank	239,819	266	1,975	416	0	238,109
International Fund for Agriculture Development	2,113	689	0	0	12	2,815
International Bank for Reconstruction and Development	23,766	234	0	0	0	24,000
Opec Fund for International Development	39,166	1,006	400	179	0	39,772
Central American Bank for Economic Integration	8,131	1,500	87	54	0	9,544
Bank of New York	1,053,004	0	0	26,325	0	1,053,004
NON-FINANCIAL PUBLIC SECTOR	28,642	1	4,233	192	3	24,413
Kuwait Fund for Arab Economic Development	2,124	0	0	0	4	2,128
The Bank of Nova Scotia ⁽¹⁾	3,190	0	3,190	15	0	0
European Investment Bank ⁽¹⁾	779	0	0	0	-1	778
Caribbean Development Bank ⁽¹⁾⁽²⁾	22,550	1	1,043	177	0	21,507
FINANCIAL PUBLIC SECTOR	65,408	0	2,079	73	197	63,526
Caribbean Development Bank	8,214	0	274	52	0	7,941
European Economic Community	270	0	0	0	-0	269
International Monetary Fund ⁽³⁾	56,924	0	1,805	21	197	55,316
GRAND TOTAL	2,163,767	54,379	23,137	31,639	244	2,195,253

^R - Revised^P - Provisional⁽¹⁾ Effective 21 June 2011, the nationalization of Belize Electricity Limited caused an increase (\$23.1mn) in debt, which was matched by Government's acquisition of assets of equal value.⁽²⁾ Effective 3 October 2005, loans to BWSL were reclassified as public sector debt as a result of Government of Belize's repurchase of the company.⁽³⁾ International Monetary Fund Special Drawing Rights allocation is included as part of the financial public sector external debt obligation.