



Economic Review

September 2005



Overview

Operating in a less expansive fiscal and monetary policy environment, the economy grew by 3.1% in the first three quarters driven by activity in trade, tourism, and fishing. Notwithstanding a 46.8% expansion in the country's current account deficit, an overall surplus of \$150.9mn was recorded on the balance of payments as inflows from loans and investments eclipsed a substantial increase in the trade deficit and a modest contraction in net earnings from services. The gross international reserves consequently rose to \$257.5mn, the equivalent of 3.1 months worth of imports. With soaring energy costs and higher taxes elevating prices across all major commodity groups, the Consumer Price Index registered increases of 1.5% over the May to August quarter and some 4.4% over the twelve month period from August 2004 to August 2005.

Broad money rose by 4.9%, an increase that was driven by a 188.8% expansion in net foreign assets with external inflows from international bond placements and sale of the Government's shares in BTL not only contributing to the foreign asset build-up but also facilitating a 76.9% contraction in net domestic credit to Central Government. After declining in the first quarter, commercial bank lending accelerated to

yield a 4.6% increase over the nine month period, the latter mostly reflecting strong growth in personal loans during the second and third quarters. Lending for real estate transactions also showed a marked increase some of which was the result of loan reclassifications.

Growth in credit to the private sector along with a 1% increase in statutory reserve requirements and removal of long-term loans to Central Government from the list of commercial bank approved liquid assets that took effect on 1 May helped to bring about a 16.0% contraction in excess statutory liquidity to a level that was yet only slightly below the position in September of the previous year. With liquidity tightening, the weighted average spread accruing to commercial banks rose by 20 basis points to 9.0% as interest rates applied to new loans increased across the board.

For the first two quarters of its 2005/2006 fiscal year, Central Government operations generated current and overall deficits of \$17.5mn and \$55.7mn, respectively. Although short of the target, a primary surplus of \$23.7mn was recorded, a substantial improvement over the \$4.3mn achieved in the first half of the previous



fiscal year. The overall deficit was funded by domestic sources as deposits derived from foreign loan disbursements and income from the sale of BTL shares received prior to the start of the fiscal year were drawn down.

During the January to September period, Central Government's domestic debt contracted by 4.4%, reflecting a \$9.0mn decrease in its overdraft balance and principal payments of \$3.4mn. Over the same period, the public sector's external debt rose by 9.6% as disbursements of \$373.8mn eclipsed amortization payments of \$206.3mn and downward valuation adjustments of \$4.3mn. Interest payments to foreign creditors amounted to \$98.6mn. Largely because of the substantial increase (approximately 275%) in external debt payments, the external debt service ratio was pushed upward from 15.1% to 35.1% at the end of the period under review.



Domestic Production And Prices

Led by trade, tourism and fishing, the gross domestic product (GDP) grew by 3.1% during the first three quarters of the year, compared to 3.8% recorded during the comparable period of 2004.

The performance of the primary sector was mixed as a record breaking citrus crop and strong gains in papaya were overshadowed by contractions in sugarcane and banana resulting in a 5.5% decline in agriculture/hunting/forestry. On the other hand, increased production of farmed shrimp, conch and fish fillet spurred a 4.2% growth in fishing.

Manufacturing rose by 2.4% as the record-breaking production of citrus juices and by-products eclipsed a decline in sugar output. Utilities recorded a 1.5% decline principally due to lower output of electricity and construction activity contracted by 3.1% as large projects such as the Chalillo hydro-electric facility wound down to a gradual close.

Although an active storm season caused a 1.0% decline in cruise ship visitors, the number of stay-over tourists rose by 3.0% enabling continued buoyancy of the sector. The latter contributed to the increase in imports that underpinned a

9.8% expansion in the wholesale and retail sector and also paved the way for increases of 6.1% in hotel and restaurant activities and 3.0% in transport and communications. Government services, on the other hand, contracted by 6.3% in response to the tightening of fiscal policy during the period reviewed.

Domestic prices across all major commodity groups were impacted by soaring energy costs and tax increases. The general price level as measured by the Consumer Price Index consequently grew by 1.5% over the May to August quarter and by 4.4% over the twelve month period of August 2004 to August 2005.

Sugarcane and Sugar Production

After only 184 days of operation, the

Table 1.1 : Deliveries of Sugarcane and Production of Sugar and Molasses

	Nov-Sept 2004/05	Nov-Sept 2003/04
Deliveries of Sugarcane to BSI (long tons)	929,393	1,149,475
Sugar Processed by BSI (long tons)	100,435	116,515
Molasses processed by BSI (long tons)	37,074	41,117
Performance		
Factory Time Efficiency (%)	94.57	92.27
Cane Purity (%)	85.83	85.09
Cane/Sugar	9.25	9.87



2004/2005 crop year closed on May 31 with a drought induced decline in sugarcane yields causing deliveries for the crop year to fall by 19.2% to 929,393 long tons. Yields of farmers and the BSI Cane Growing project fell by 18.8% and 25.1%, respectively.

In a beneficial twist, the prolonged dry raised the sucrose content of the crop (pol of 12.9% versus 11.0% in 2003/2004) and improved the purity of the cane. With factory efficiency also improving, the sugar to cane ratio rose from 9.87 to 9.25 and

sugar production consequently declined by only 13.8% to 100,435 long tons. In other developments, molasses production fell by 9.8% to 37,704 long tons.

At \$50.97, the estimated average final price per long ton of sugarcane was \$4.90 above the 2003/2004 price. Prices were pushed upward by an 8.5% gain in the euro to US dollar exchange rate, lower output in major producing countries such as the United States, India and Thailand and the shift by Brazil of a larger proportion of its harvest into ethanol production.

Table 1.2 : Output of Citrus Products

	Oct-Sept 2004/05	Oct-Sept 2003/04
Deliveries (boxes)		
Orange	6,264,847	4,946,717
Grapefruit	<u>1,527,802</u>	<u>1,478,788</u>
Total	7,792,649	6,425,505
Concentrate Produced (ps)		
Orange	37,688,898	27,902,085
Grapefruit	<u>5,846,097</u>	<u>5,432,33</u>
Total	43,534,995	33,334,422
Non-concentrate (ps)		
Orange	359,979	506,958
Grapefruit	<u>326,452</u>	<u>1,360,776</u>
Total	686,431	1,867,734
Pulp (pounds)		
Orange	1,807,936	586,816
Grapefruit	<u>682,080</u>	<u>38,880</u>
Total	2,490,016	625,696
Oil Produced (pounds)		
Orange	1,727,630	931,937
Grapefruit	<u>164,870</u>	<u>104,260</u>
Total	1,892,500	1,036,197

Sources: Citrus Products of Belize, Citrus Growers Association

Citrus Products

The 2004/2005 citrus crop that ended on June 18 was the largest ever harvested in Belize. Deliveries increased by 21.9% to 7.8mn boxes, with orange and grapefruit up by 27.6% to 6.3mn boxes and by 3.3% to 1.5mn boxes, respectively. Good weather, higher prices, increased usage of fertilizer and agro-chemicals and the pound solid system of payment were all contributing factors. In the case of grapefruit, benefits were also derived from the implementation of a Mexican fruit fly control program that reduces fruit drop.

Citrus juice production increased by 26.3% to 44.2mn pound solids (ps) with output of concentrate expanding by 31.3% to 43.5mn



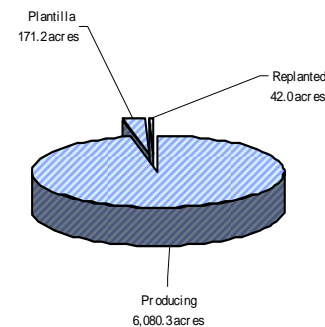
ps while Not-from-concentrate (NFC) output fell to only 0.7mn ps. Boosting the outturn of orange juices was a 5.8% improvement in the average yield of pound solids per box of fruit. This contrasted with grapefruit whose average pound solids per box declined by 12.0%. Output of by-products soared with pulp quadrupling to 2.5mn ps and oil production growing by 82.6% to 1.9mn pounds.

After several years in the doldrums, international prices for citrus products rallied, as adverse weather in several major citrus producing countries (Spain, Brazil, Florida & Cuba) led to a downturn in global production. The estimated final price for orange consequently went up by 24.5% to \$0.9491 per pound solid (pps), while that of grapefruit settled at \$2.4114 pps, equivalent to \$9.72 per box, in comparison with the \$3.84 paid in 2003/2004.

Banana

At 3.1mn boxes, banana production was 9.8% below output in the first nine months of 2004 reflecting the negative effects of unfavourable weather at the start of the year and a reduction in field inputs by growers. The level of output forecasted for the year was subsequently revised downward from 4.5mn boxes to 4.2mn

Chart 1.1: Banana Acreage



boxes. The annual average box price for the industry also fell by another US\$0.20 to US\$6.00 per box, assuming no penalties for fruit quality.

When the year began, 5,707.6 acres contained harvestable trees and 428.2 acres were under plantilla. By September 2005, harvestable acreage had risen to 6,080.3 acres with 171.2 acres under young trees and 42 acres ready for planting.

Tourism

Notwithstanding strong growth in the first half of the year, cruise ship disembarkations fell by 1.0% to 544,704 visitors as an unusually active hurricane season forced the major cruise lines to cancel port calls and shorten cruise itineraries. Up to September, 279 port calls were made, compared to 289 for the same period of



2004. The stay-over tourism market for the January to September period however continued to hold its own with overnight visitors rising by 3.0% to 176,386 visitors. The United States and Europe accounted for 65.5% and 13.9% of the total with visitors from the United States rising by 5.6% to 115,445 and those from the E.U. also increasing by 4.5% to 24,530. Strong growth in the US economy and the more moderate expansion in Europe were positive factors.

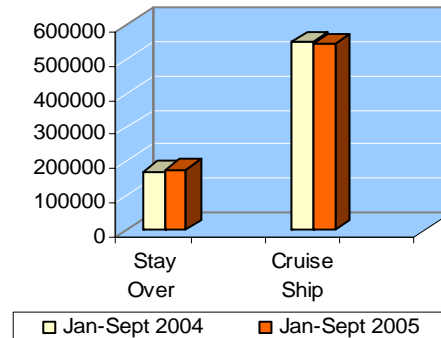
Air travelers accounted for 77.8% of total stay-over visitors and the land borders and seaports accounted for the remaining 19.0% and 3.2%, respectively. While visitors entering through the Phillip Goldson International Airport rose by 7.5%, arrivals by land and sea declined by 9.5% and 12.6%, respectively.

Consumer Price Index

Price increases across all major commodity groups led to increases in the Consumer Price Index of 1.5% over the May to August quarter and of some 4.4% over the twelve months period from August 2004 to August 2005.

The largest annual increase of 6.3% occurred in 'Food, Beverage and Tobacco',

Chart 1.2: Tourist Arrivals

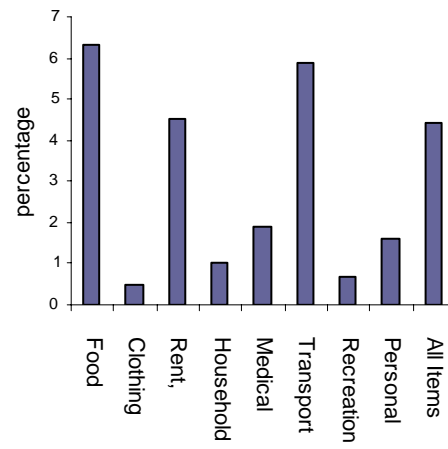


as tax increases markedly drove up the price of cigarettes, beers and soft drinks by 75.7%, 25.3% and 20.0%, respectively. Hikes in fuel acquisition costs pushed up 'Transport and Communication' prices by 5.9%, with diesel and gasoline costs up by 18.4% and 8.9%, respectively, and that of airfares rising by 5.1%. Meanwhile, increases in water rates and the cost of butane/cooking oils pressured 'Rent, Water, Fuel & Power' prices upward by 4.5%. Changes to the professional business tax may also have contributed to the 1.9% and 0.7% increases in 'Medical Care' and 'Recreation, Education & Culture', respectively. Higher import costs as indicated by a 3.2% increase in the US export price index (up to July 2005) contributed to modest price increases in those categories with a high import content such as 'Personal Care' (1.6%), 'Household Goods &



Maintenance' (1.0%) and 'Clothing and Footwear' (0.5%).

Chart 1.3: Annual Percentage Change in Consumer Price Index





International Trade and Payments

Notwithstanding a 46.0% expansion in the current account deficit, the balance of payments recorded an overall surplus of \$150.9mn as inflows from foreign borrowings and investments eclipsed a substantial increase in the trade deficit and a modest contraction in net earnings from services. The gross international reserves consequently rose to \$257.5mn, the equivalent of 3.1 months worth of imports.

Although exports grew moderately, the trade deficit expanded by 29.3% to \$317.9mn due to a sharp rise in imports. Higher payments for fuel, commercial free zone merchandise, telecommunications equipment, and electricity were largely responsible for the 14.6% rise in imports (f.o.b.). Imports of jewelry for resale to tourists, construction equipment, machinery, medicines, fertilizers, insecticides, buses and motorcycles also rose markedly.

With sales from the Commercial Free Zone and other re-exports only marginally improving, an 8.7% rise in domestic exports was the major cause of a 6.6% growth in total exports. Boosting the latter were a doubling of earnings from citrus juices and higher receipts from papayas, molasses and other non traditional exports

Table 2.1: Balance of Payments Summary

	(BZ\$mnn)	
	2005 ^P	2004 ^R
	Jan-Sep	Jan-Sep
A. CURRENT ACCOUNT		
(I+II+III+IV)	-278.5	-190.7
I. Goods (Trade Balance)	-317.9	-245.8
Exports, f.o.b.	482.7	452.8
Domestic Exports	314.8	289.6
CFZ Gross Sales	148.8	147.3
Re-exports	19.1	15.9
Imports, f.o.b.	800.6	698.6
Domestic Imports	682.4	600.8
CFZ Imports	118.2	97.8
II. Services	135.5	159.6
Transportation	-26.9	-21.6
Travel	201.8	194.3
Other Services	-39.4	-13.0
III. Income	-168.4	-174.1
Compensation of Employees	-4.3	-6.3
Investment Income	-164.1	-167.8
IV. Current Transfers	72.3	69.6
Government	3.8	14.7
Private	68.5	54.8
B. CAPITAL & FINANCIAL ACCOUNT	388.5	167.4
(I+II)		
I. Capital Account	1.4	8.0
II. Financial Account (1+2+3)	387.1	159.4
1. Direct Investment in Belize	238.3	159.8
2. Portfolio Investment	110.9	-31.9
Monetary Authorities	0.0	0.0
General Government	111.2	-33.0
Banks	0.0	0.0
Other Sectors	-0.3	1.1
3. Other Investments	37.9	31.5
Monetary Authorities	-2.8	-5.2
General Government	47.1	64.4
Banks	-0.5	-14.6
Other Sectors	-5.9	-13.2
C. NET ERRORS & OMISSIONS	40.9	-13.1
D. OVERALL BALANCE	150.9	-36.5
E. RESERVE ASSETS*	-150.9	36.5

P indicates Provisional, R indicates Revised

* Minus = increase



Chart 2.1: Current Account Deficit vs. Trade Deficit

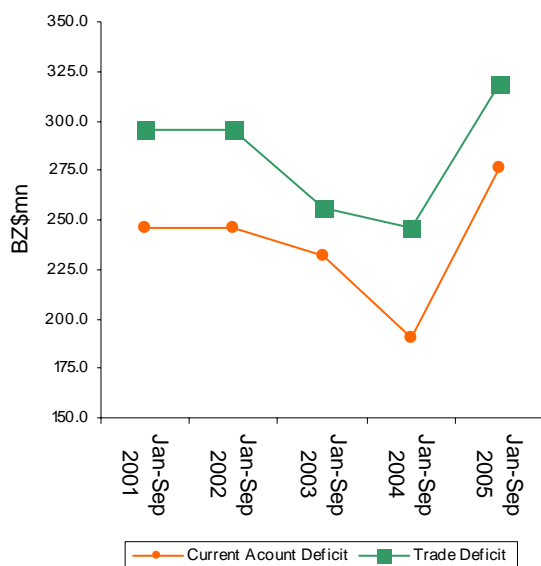
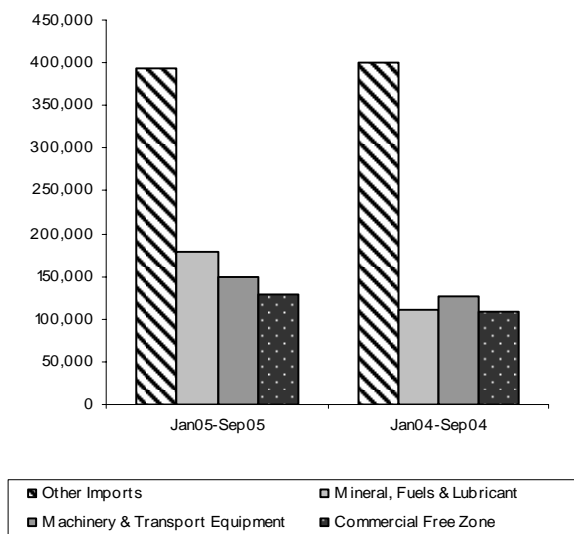


Chart 2.2: Gross Imports



that outweighed revenue declines in sugar, bananas, marine products, sawn woods and garments.

Sugar exports declined by 10.6% and 15.5% in value and volume to \$68.4mn and 85,987 long tons, respectively. Although residual sugar sales to CARICOM was adversely impacted by a production shortfall, the impact on earnings was softened as EU prices rose by 7.7% with an improved euro/US dollar exchange rate and a marginal 2.4% improvement in Caricom prices.

Meanwhile, the simultaneous occurrence of a record breaking harvest and a strong international price rally explained a 40.8% rise in citrus exports to 30.1mn ps and a

more than doubling of receipts to \$65.3mn. Since NFC sales remained minimal, concentrates accounted for 99.2% or 29.9mn ps of the total volume exported. With a 31.5% volume increase, earnings from the sale of orange concentrates rose by 74.0% to \$42.6mn while that of grapefruit tripled to \$21.7mn as its sale volume doubled to 6.2mn ps.

Unfavorable weather early in the year coupled with a reduction in field inputs resulted in a 6.2% reduction in banana exports to 57,896 long tons. This, along with a US\$0.20 reduction in the average price per box and a higher share of second-class fruit in the export mix caused revenues to drop by 7.5% to \$39.6mn.

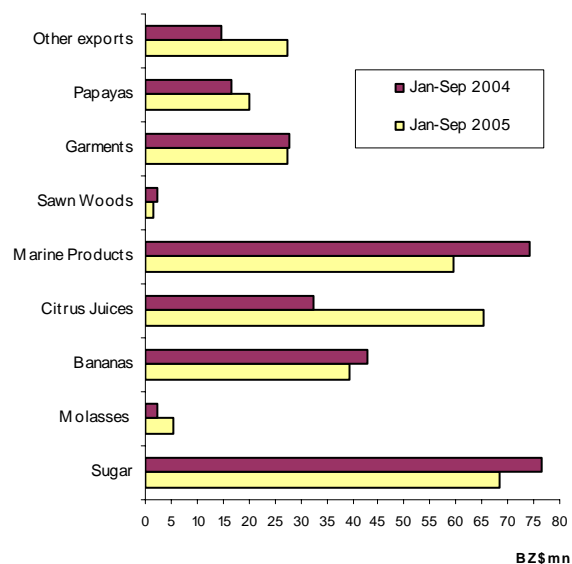


Although marine exports rose by 4.1% to 14.0mn pounds, receipts declined by 20.1% to \$59.4mn largely due to a 28.9% drop in earnings from shrimp to \$42.0mn. Since the volume exported rose by 2.3% to 12.8mn pounds, the latter reflected price declines as Asian producers continue to flood the US market with low cost shrimp. Receipts from lobster slid by \$0.3mn to \$11.7mn as its sale volume contracted by 2.2% while conch and other fish (mainly tilapia) sales were up by \$1.7mn and \$0.7mn, respectively, as export volume increased.

The value of other domestic exports grew strongly (by 25.5% to \$76.9mn) with earnings from papayas, pepper sauce, fresh oranges, red kidney beans, black eye peas, orange and grapefruit oil all increasing. Papaya receipts were up by 22.1% to \$20.2mn reflecting a 15.1% rise in export volume and \$0.02 increase in the average price per pound. Earnings from red kidney beans more than doubled to \$4.6mn and proceeds from grapefruit oil and black eye peas more than tripled to \$5.5mn and \$3.3mn, respectively. In contrast, garment receipts remained virtually unchanged despite a 4.4% decline in export volume and sawn wood exports declined by 31.1% due to a reduction in volume.

Net earnings from services contracted by 15.1% as higher outlays for transportation

Chart 2.3: Domestic Exports

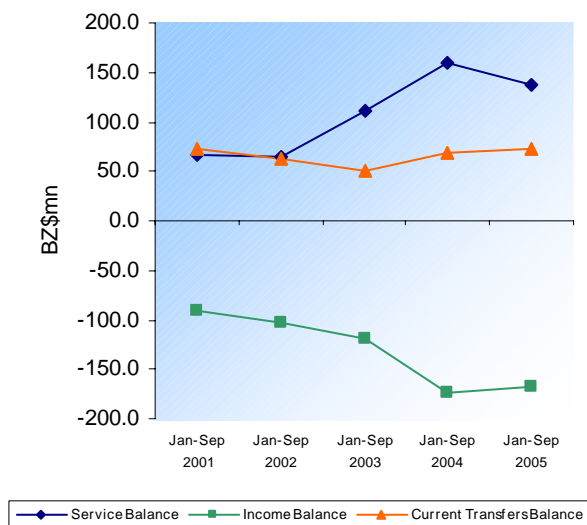


and other services outstripped a 3.9% rise in travel receipts. While transportation payments rose by 24.6% to meet freight charges arising from the expansion in international trade, net outflows on other services nearly tripled with the hike in reinsurance premiums and lump sum payments by the Government for insurance/financial fees associated with two Bear Stearns bond issues, the legal costs incurred in the buy back of BWSL shares and litigation with Innovative Communications Company (ICC).

On the income account, net outflows contracted by 3.3% as earnings of resident workers associated with construction of the US Embassy partially offset payments to non-resident workers while lower profit



Chart 2.4: Services, Income and Current Transfers Balance



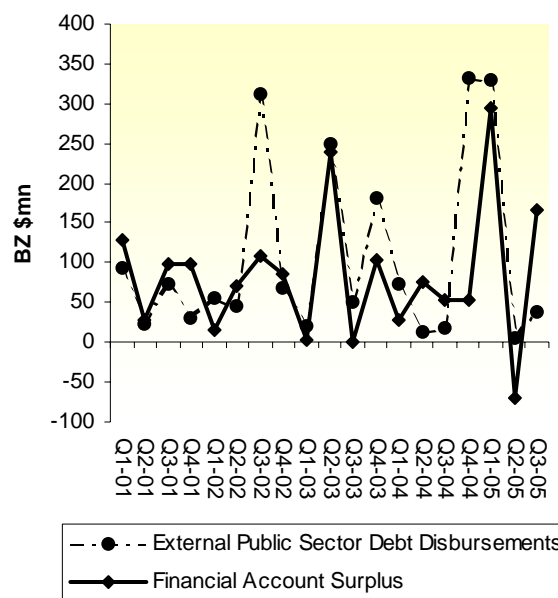
factor were the substantial external loan disbursements to the public sector that summed to \$373.8mn and included \$285.4mn in proceeds from three bond issues during the first quarter. Total principal payments by the public sector amounted to \$220.0mn, of which, \$203.2mn went on loan and bonds and \$13.8mn on securitized mortgages.

remittances and reinvested earnings outweighed higher interest payments on public and private sector debt.

Current transfers rose by 3.9% as inflows to individuals, credit unions, insurance companies, religious and non-profit organizations outweighed the decline in grants received by the government.

Year on year, the surplus on the capital and financial account more than doubled to \$388.5mn. Foreign investment inflows associated with the sale of BTL shares, the construction of the Chalillo Dam, the Las Vegas Hotel and Casino and other miscellaneous investment projects were partly responsible for the rise in financial inflows. However, the most prominent

Chart 2.5: Public Sector Debt Disbursement and Financial Account Surplus





Monetary Developments

Driven mainly by a \$161.0mn (188.8%) growth in net foreign assets, the broad money supply rose by 4.9% during the first nine months of the year. Inflows from loans and the Government's sale of its shares in BTL not only contributed to the foreign asset build-up but also facilitated a 76.9% decline in net domestic credit to Central Government. After robust growth in the first quarter, liquidity in the banking system declined moderately, reflecting higher reserve requirements in the second quarter and a surge in third quarter lending to the private sector.

Money supply

Narrow money fell by 2.4% with declines in demand deposits and currency held by the public of \$5.1mn and \$4.8mn, respectively. The former reflected withdrawals by business enterprises, financial institutions and credit unions and cooperatives that outpaced increased holdings by other organizations.

Quasi-money posted strong growth of 8.4% featuring increases of \$13.4mn in savings deposits and \$57.5mn in time deposits. Business enterprises accounted for 76% of the upward movement in the latter with the Social Security Board and

Table 3.1: Factors Responsible for Money Supply Movements

	Position as at Sep 2005	Changes during		
		June 2005 to Sep 2005	June 2004 to Sep 2004	Dec 2004 to Sep 2005
Net Foreign Assets	246.3	11.6	-44.4	161.0
Central Bank	255.0	32.5	-27.6	151.2
Commercial Bank	(8.7)	-20.9	-16.8	9.8
Net Domestic Credit	1,268.2	-22.4	75.1	-85.5
Central Government (Net)	40.6	-56.0	18.4	-134.9
Other Public Sector	38.6	-4.2	9.3	-8.4
Private Sector	1,189.0	37.8	47.4	57.8
Central Bank Foreign Liabilities (Long-term)	0.0	0.0	0.0	-2.5
Other Items (net)	205.3	1.8	10.2	17.0
Money Supply M2	1,309.2	-12.6	20.5	61.0

International Business Companies making up most of the remainder.

Net Domestic Credit

Net domestic credit contracted by 6.3% with funds from international bond issues and proceeds from sale of its BTL shares contributing to a 76.9% contraction in net credit to Central Government. Included in the latter were a 173.5% (\$123.9mn) growth in Central Government's deposits and a net decline of \$10.5mn in its overdraft position. Loans to statutory bodies also fell by \$8.4mn reflecting repayments by DFC to the Central Bank as well as net repayments to the commercial



banks by the Belize Marketing Board and Belize Tourism Board. Activity in the secondary market for government securities was minimal in the first quarter but the pace picked up in the second with the commercial banks acquiring bills and notes valued at \$26.3mn, some \$13.4mn of which was sold in the third quarter to facilitate an increase in lending.

It was noted that after declining in the first quarter, commercial bank lending accelerated, recording a 4.6% increase over the nine month period that was mostly due to strong growth in personal loans during the second and third quarters. Lending for real estate transactions also showed a marked increase that partly reflected re-classification of loans previously considered to be construction and tourism related. The primary sector was marked by steady growth in loans for mining and a marginal increase in credit for agriculture as loans for banana were almost entirely offset by repayments from other agricultural producers. Credit to the secondary sector was up by \$4.9mn mostly due to loans for beer and soft drink manufacturing and agro processing.

Net Foreign Assets

Inflows from the bond issue and proceeds from the BTL share sale led to a \$161.0mn

Table 3.2: Net Foreign Assets of the Banking System

	Position as at Sep 2005	Changes during		
		Jun 2005 to Sep 2005	Jun 2004 to Sep 2004	Dec 2004 to Sep 2005
Net Foreign Assets of Banking System	246.3	11.6	-44.4	161.0
Net Foreign Assets of Central Bank	255.0	32.5	-27.6	151.2
Central Bank Foreign Assets	257.5	32.4	-28.3	150.9
*Central Bank Foreign Liabilities (Demand)	2.5	-0.1	-0.7	-0.3
Net Foreign Assets of Commercial Banks	(8.7)	-20.9	-16.8	9.8
Commercial Bank Foreign Assets	140.2	-11.4	-28.8	10.9
#Commercial Bank Foreign Liab. (Short-Term)	148.9	9.5	-12.0	1.1

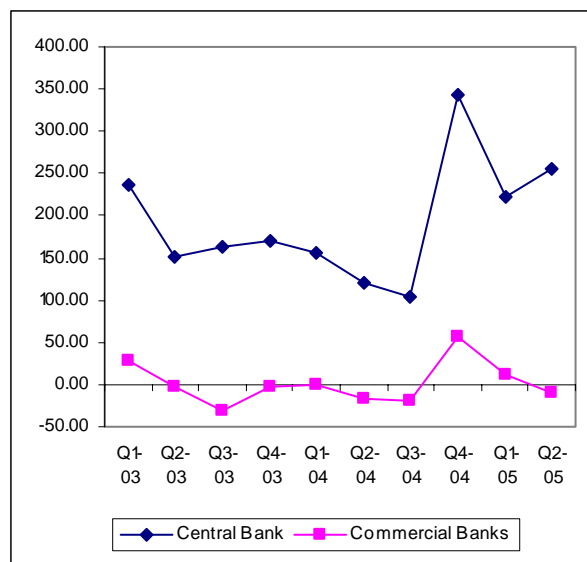
* Does not include Central Bank Long-term Foreign Liabilities of \$0.0mn

Does not include Non-residents Foreign Currency Time Deposits of \$43.3 mn held with Commercial Banks.

rise in net foreign assets of the banking system that included a \$151.2mn improvement in the Central Bank's net foreign position. Proceeds from the bond issue and foreign financing from ROC/Taiwan accounted for 62.0% (\$338.8mn) of total inflows to the Central Bank. Sugar receipts and purchases from the commercial banks contributed another \$114.7mn (21.1%) while proceeds from the sale of BTL shares amounted to \$83.8mn. Outflows were dominated by sales to the public sector that totaled some \$343.3mn, most of which was for external debt servicing. The commercial banks also received \$28.4mn and BEL \$7.9mn for debt servicing and fuel purchases.



Chart 3.1: Net Foreign Asset Holdings of the Central Bank and Commercial Banks



assets with effect from 1 May. Over the period reviewed, excess statutory liquidity consequently contracted by \$13.8mn with holdings of approved liquid assets rising by \$19.3mn against a \$33.1mn increase in the required liquid assets. Among the notable changes were a \$38.3mn rise in balances held with the Central Bank and \$12.1mn rise in short-term foreign balances. Influenced largely by holdings of one bank, the excess cash position of the banks rose from \$1.3mn at the end of December to \$18.5mn at the end of the third quarter.

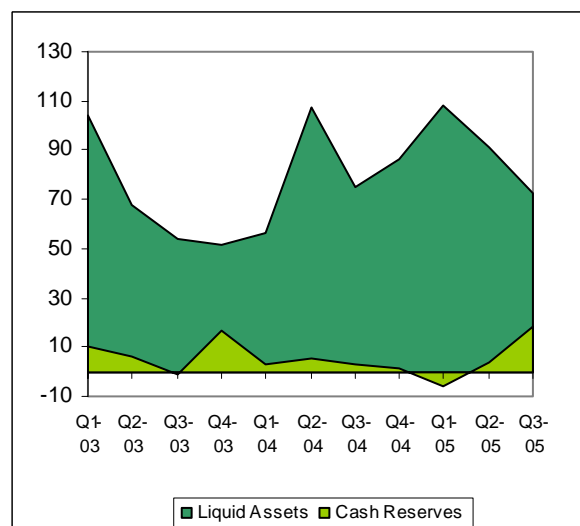
Weighted Average Interest Rates

Commercial bank foreign asset holdings increased by \$10.9mn as export earnings (particularly in the first quarter) and foreign borrowings eclipsed net sales to the Central Bank and outflows for fuel and other imports. Short-term foreign liabilities rose by \$1.1mn reflecting the abovementioned foreign borrowings.

Liquidity

Strong deposit growth in the first quarter was countered by a tightening of monetary policy that included a 1.0% increase in the reserve requirements and removal of some \$22.3mn in long-term loans to Central Government from the list of approved

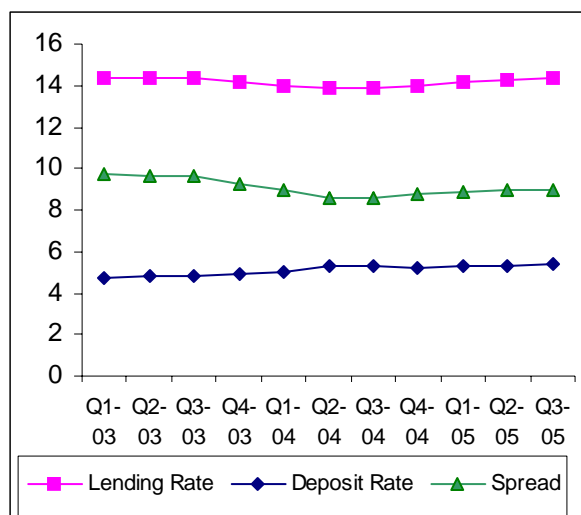
Chart 3.2: Commercial Banks' Excess Statutory Liquidity & Excess Cash Reserves





Against the backdrop of tightening liquidity, the weighted average spread of the commercial banks rose by 20 basis points to 9.0% over the nine-month period. This reflected a 40 basis points increase in the weighted average lending rate as rates applied on new loans increased across all categories. Meanwhile, the weighted average deposit rate rose by 20 basis points to 5.4%.

Chart 3.3: Commercial Banks' Weighted Average Interest Rates





Government Operations

During the first half of the 2005/2006 fiscal year that began on 1 April, Central Government operations generated current and overall deficits of \$17.5mn and \$55.7mn, respectively. A primary surplus (overall deficit less interest payments) of \$23.7mn was recorded, a substantial improvement over the \$4.3mn achieved in the first half of the previous fiscal year. Financing came primarily from domestic sources as deposits derived from external loan disbursements and income from the BTL share sale that was received prior to the start of the fiscal year were drawn down. In the period under review (April to September), amortization payments to external creditors exceeded new loan disbursements by some \$190.9mn.

Current revenue collections of \$259.1mn indicated an outturn of 48.1% of the

Table 4.1: Central Government's Revenue and Expenditure

	Apr - Sep 2005	Apr - Sep 2004
Total Revenue & Grants	269.0	241.3
of which: Current Revenue	259.1	229.5
of which: Grants	1.3	2.9
Total Expenditure	324.7	293.3
Current Expenditure	276.6	230.0
Capital Expenditure	48.1	63.4
Current Balance	-17.5	-0.5
Overall Balance	-55.7	-52.1

Table 4.2: Summary of Government's Revenue

	Apr - Sep 2005	Apr - Sep 2004
Current revenue	259.1	229.5
Tax revenue	235.5	210.1
Income and profits	63.3	49.0
Taxes on property	3.7	2.1
Taxes on goods & services	81.7	69.2
Int'l trade and transactions	86.8	89.8
Non-Tax Revenue	23.6	19.4
Property income	3.3	3.4
Licenses	4.9	3.5
Other	15.4	12.5
Capital revenue	4.2	8.8
Grants	1.3	2.9
Debt services receipts	4.3	0.1

budgeted amount. A 12.1% increase in tax revenue pushed current revenue up by \$29.6mn over that of the comparable period in FY 2004/05. The rise in tax revenue reflected increases in most tax categories except for international trade & transactions, which fell by 3.3% as a result of lower collections of revenue replacement duties that reflected the Government's decision to absorb the impact of higher oil prices during the period. Non-tax revenue rose by 21.8% with receipts from other government departments rising by 30.0%.

At \$276.6mn, current expenditure was 55.2% of the budgeted amount and 20.3% higher than that of the comparable period of FY 2003/04. The increase reflected higher outlays in the major expenditure



Table 4.3: Summary of Government's Expenditure

	Apr - Sep 2005	Apr - Sep 2004
Current Expenditure	276.6	230.0
Wages & Salaries	112.8	106.1
Pensions	21.0	15.2
Goods & Services	45.6	34.9
Interest Payments	79.4	56.4
of which: External	69.5	47.9
Subsidies & current transfers	17.8	17.4
Capital Expenditure	48.1	63.4
Capital II	27.7	28.9
Capital III	13.9	34.5
Net lending	6.5	0.0

categories, with the largest expansion being recorded in interest payments on the public debt.

Capital expenditure declined by 24.1% to \$48.1mn largely due to a 59.6% contraction in outlays under the Capital III budget. Significant outlays under the latter included \$6.6mn for technical and vocational training, \$1.4mn for the Basic Needs Trust Fund, \$1.2mn for hurricane preparedness and \$1.2mn for the Commonwealth Debt Initiative. Also included were funds for the health reform project, the roads & municipal drainage project, land management, community agricultural credit, SIF, the Belize/Spain mixed commission, housing projects, and counterpart funding of Southern Highway.

Of the \$27.7mn expended under the Capital II budget some \$4.5mn was allocated for the University of Belize, \$1.5mn for paving of the Mussel Creek to Willows Bank Junction, \$1.4mn each for the debt for nature swap, printing services, and tertiary level scholarships, \$1.2mn for the soybean project and \$1.1mn for land development. The remainder went to a multiplicity of other projects that included technical and vocational training, town/cities streets & drains, NICH, the GOB debt for nature swap, counterpart funding of SIF and other infrastructure projects.

Central Government's Domestic Debt

During the January to September period, Central Government's domestic debt contracted by 4.4%, reflecting a \$9.0mn decrease in its overdraft balance and principal payments of \$3.4mn. The latter consisted of payments to the Belize Bank, the debt for nature swap and the DFC.

In secondary trading, the Central Bank sold \$18.3mn worth of Treasury Bills including \$17.8mn to the commercial banks and \$0.5mn to private sector entities, while purchasing \$4.0mn worth of Treasury notes from the commercial banks.

A total of \$13.0mn was paid in interest



including \$6.1mn on the overdraft balance with the Central Bank and \$4.1mn shared among holders of Treasury Bills, Treasury Notes and Defence Bonds. In addition to the \$0.4mn paid to the DFC, some \$1.9mn went to the Belize Bank in respect of housing and infrastructure development loans. Smaller payments were assigned to the GOB debt for nature swap, an insurance company and the Belize Social Security Board.

External Public Debt

The public sector's external debt rose by 9.6% during the January to September period as disbursements of \$373.8mn eclipsed amortization payments of \$206.3mn and downward valuation adjustments of \$4.3mn. Interest payments summed to \$98.6mn. At \$304.9mn, total external debt service payments were 275.0% above the amounts paid in the first

three quarters of the previous year and this contributed to the more than doubling in the external debt service ratio (from 15.1% to 35.1%) by the end of September.

All disbursements were to Central Government and included \$273.4mn from Bear Stearns, \$61.1mn from ROC/Taiwan, \$12.8mn from CDB and \$12.3mn from Royal Merchant Bank. Other disbursements from Manufacturers & Traders Trust, the IDB and TIBOM summed to \$13.4mn.

Principal repayments by Central Government totaled \$198.0mn with payments to bond holders accounting for 82.7% and the balance shared among multilateral institutions (6.7%), bilateral lenders (7.7%), commercial creditors (2.1%) and commercial suppliers (0.8%). The financial public sector also made repayments of \$6.6mn that included \$2.6mn to commercial banks, \$3.3mn to multilateral creditors, \$0.6mn to commercial suppliers, and \$0.2mn to bilateral agents. Payments by the non-financial public sector were shared between the Government of Kuwait (\$0.3mn) and CIBC Bank & Trust (\$1.2mn).

Of the \$98.6mn in interest payments, Central Government accounted for 97.7% with payments to bond holders amounting

Table 4.4: Summary of Central Government's Domestic Debt

	September 2005	December 2004
Overdraft	83.0	92.0
Loans	46.6	49.9
Treasury Bills	100.0	100.0
Treasury Notes	24.0	24.0
Defence Bonds	15.0	15.0
Total	268.6	280.9



to \$68.6mn, followed by bilateral lenders and multilateral creditors with \$9.4mn, each. Commercial banks and suppliers also received \$8.6mn and \$0.3mn, respectively. Interest payments by the financial public sector summed to \$1.8mn with \$1.6mn going to multilateral creditors and the remaining \$0.2mn to commercial banks. The non-financial public sector also paid \$0.3mn to CIBC Bank & Trust and \$0.2mn to the Government of Kuwait.

Depreciation of the euro and pound sterling more than offset the appreciation of the Kuwait dinar and led to downward valuation adjustments of \$4.3mn during the period reviewed. Euro and sterling denominated loans were adjusted downward by \$3.5mn and \$1.0mn, respectively, while the Kuwait dinar denominated loans were adjusted upwards by \$0.3mn.

Table 4.5: Financial Flows on Public Sector's External Debt

	Jan - Sep 2005	Jan - Sep 2004
Central Government		
Disbursements	373.8	95.2
Amortization	198.0	36.5
Interest & Other Charges	96.3	74.3
Rest of NFPS		
Disbursements	0.0	0.0
Amortization	1.6	1.7
Interest & Other Charges	0.5	0.8
Financial Public Sector		
Disbursements	0.0	0.2
Amortization	6.6	6.1
Interest & Other Charges	1.8	1.6



ANNEX



ANNEX

Box 1: Major Monetary Policy Developments during period January to September 2005

(11 July) Amendment to the Exchange Controls Regulations to repeal the licensing of Casas de Cambios

(1 July) Commencement of the new Commercial Free Zone Act to make new and better provisions with respect to free zones.

(1 May) Commercial banks' cash and liquid asset ratios were raised from 7% to 8% and from 20% to 21% respectively.

(1 May) The Central Bank disallowed the inclusion of long-term loans to Central Government as part of the commercial banks' approved liquid assets.



Table 5.1: Percent Variation in Consumer Price Index (CPI) by Commodity Group

Major Commodity Group	Weights	Quarterly Change				Annual Change
		Nov-04	Feb-05	May-05	Aug-05	
Food, Beverage & Tobacco	346.6	0.8	0.1	2.6	2.7	6.3
Clothing & Footwear	92.0	-0.3	0.2	0.3	0.3	0.5
Rent, Water, Fuel, & Power	167.6	1.2	0.2	3.0	-0.1	4.5
Household goods & maintenance	85.3	-0.2	0.1	0.6	0.5	1.0
Medical care	20.1	0.2	0.1	0.4	1.2	1.9
Transport & Communication	170.1	0.1	0.4	2.9	2.3	5.9
Recreation, Education & Culture	80.4	0.0	0.3	-0.1	0.5	0.7
Personal care	37.9	0.2	0.3	0.4	0.8	1.6
ALL ITEMS	1000.0	0.5	0.2	2.1	1.5	4.4

Source: Central Statistical Office

Table 5.2: Gross Imports (CIF) by SITC

Bz\$'000

SITC Category	Jan – Sep 2005	Jan – Sep 2004
Food and Live Animals	79,004	84,523
Beverages and Tobacco	7,960	7,655
Crude Materials	7,597	5,873
Minerals, Fuels and Lubricants	178,397	133,859
of which electricity	32,069	21,947
Oils and Fats	2,390	2,157
Chemical Products	62,801	56,310
Manufactured Goods	103,182	99,871
Machinery and Transport Equipment	149,010	125,856
Other Manufactures	68,883	55,144
Commodities N.E.S	16	14
Export Processing Zones	92,331	87,416
Commercial Free Zone	129,923	107,510
Personal Goods	1,665	1,656
Total	883,159	767,842

Source: Central Statistical Office, Central Bank of Belize



Table 5.3: Balance of Payments Summary

	\$mn	
	2005 ^P Jan-Sep	2004 ^R Jan-Sep
CURRENT ACCOUNT	-278.5	-190.7
Goods: Exports f.o.b.	482.7	452.8
Goods: Imports f.o.b.	-800.6	-698.6
<i>Trade Balance</i>	<i>-317.9</i>	<i>-245.8</i>
Services: Credit	385.4	364.8
Transportation	45.0	42.9
Travel	265.6	259.4
Other Goods & Services	48.8	43.7
Gov't Goods & Services	25.9	19.0
Services: Debit	-249.9	-205.3
Transportation	-71.9	-64.5
Travel	-63.9	-65.1
Other Goods & Services	-101.6	-63.1
Gov't Goods & Services	-12.5	-12.6
<i>Balance on Goods & Services</i>	<i>-182.4</i>	<i>-86.2</i>
Income: Credit	9.6	6.6
Compensation of Employees	5.2	3.7
Investment Income	4.4	2.9
Income: Debit	-177.9	-180.7
Compensation of Employees	-9.4	-10.0
Investment Income	-168.5	-170.7
<i>Balance on Goods, Services & Income</i>	<i>-350.8</i>	<i>-260.3</i>
Current Transfers: Credit	94.4	88.1
Current Transfers: Debit	-22.1	-18.5
CAPITAL ACCOUNT	1.4	8.0
Capital Account: Credit	3.1	9.1
Capital Account: Debit	-1.8	-1.1
FINANCIAL ACCOUNT	387.1	159.4
Direct Investment Abroad	0.0	-0.1
Direct Investment in Reporting Economy	238.3	159.9
Portfolio Investment Assets	-0.3	-0.3
Portfolio Investment Liabilities	111.2	-31.5
Financial Derivatives	0.2	0.9
Other Investment Assets	-12.5	3.5
Other Investment Liabilities	50.2	27.1
NET ERRORS & OMISSIONS	40.9	-13.1
OVERALL BALANCE	150.9	-36.5
RESERVE ASSETS*	-150.9	36.5

*(Minus = Increase)
Source: Central Bank of Belize
P: Indicates Provisional
R: Indicated Revised



Table 5.4: Central Government's Revenue and Expenditure

	Approved Budget 2005/2006	Sept 2005	April 05 to Sept 05	April 04 to Sept 04	Actual to date as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	567,088	39,845	269,027	241,307	47.4%
1). Current revenue	539,241	39,000	259,133	229,509	48.1%
Tax revenue	494,188	36,597	235,489	210,095	47.7%
Income and profits	135,579	9,437	63,278	48,961	46.7%
Taxes on property	9,506	257	3,727	2,159	39.2%
Taxes on goods and services	146,159	12,518	81,673	69,166	55.9%
Int'l trade and transactions	202,945	14,385	86,811	89,808	42.8%
Non-Tax Revenue	45,053	2,403	23,644	19,415	52.5%
Property income	3,600	0	3,338	3,419	92.7%
Licenses	12,343	659	4,908	3,535	39.8%
Other	29,110	1,745	15,398	12,461	52.9%
2). Capital revenue	3,500	458	4,226	8,809	120.7%
3). Grants	24,347	296	1,346	2,860	5.5%
4). Debt Service Receipts		92	4,322	128	
TOTAL EXPENDITURE (1+2)	634,094	52,852	324,691	293,371	51.2%
1). Current Expenditure	500,751	45,103	276,626	230,013	55.2%
Wages and Salaries	235,600	18,305	112,831	106,113	47.9%
Pensions	36,425	3,921	21,008	15,205	57.7%
Goods and Services	75,027	8,001	45,624	34,885	60.8%
Interest Payments on Public Debt	118,340	12,340	79,380	56,386	67.1%
Subsidies & current transfers	35,359	2,536	17,784	17,424	50.3%
2). Capital Expenditure	133,343	7,749	48,065	63,358	36.0%
Capital II (local sources)	75,132	4,804	27,679	28,904	36.8%
Capital III (foreign sources)	58,211	2,945	13,916	34,454	23.9%
Capital Transfer & Net Lending	0	0	6,470	0	
CURRENT BALANCE	38,490	-6,103	-17,493	-504	-45.4%
OVERALL BALANCE	-67,006	-13,007	-55,665	-52,064	83.1%
FINANCING	67,006	13,007	55,665	52,064	
Domestic Financing		-29,312	183,785	53,042	
Central Bank		-42,887	147,002	45,505	
Net Borrowing		-24,854	-18,902	-1,225	
Change in Deposits		-18,033	165,904	46,730	
Commercial Banks		14,346	38,633	7,621	
Net Borrowing		14,117	12,742	11,102	
Change in Deposits		229	25,891	-3,481	
Other Domestic Financing		-771	-1,850	-84	
Financing Abroad		-22,186	-190,909	-824	
Disbursements		32,360	44,468	29,152	
Amortization		-19,546	-200,377	-28,826	
Change in Foreign Assets		-35,000	-35,000	-1,150	
Privatization Proceeds		65,000	65,000	0	
Other		-495	-2,211	-154	



Table 5.5: Public Sector External Debt By Creditor

\$ '000

	Disbursed Outstanding Debt 31/12/2004	TRANSACTIONS DURING Jan - Sept 2005				Disbursed Outstanding Debt 30/09/2005
		Disbursement	Amortization	Interest & Other Charges	Valuation Adjustments	
CENTRAL GOVERNMENT	1,623,567	373,832	198,047	96,254	-3314	1,796,040
Banco Nacional de Comercio Exterior	8,999	0	0	546	0	8,999
Fondo de Financ. de las Exportaciones	980	0	109	29	0	871
Government of Great Britain	12,359	0	2,348	0	-996	9,014
Government of Peoples Rep. of China	116	0	58	0	0	58
Government of the United States*	7,792	0	940	184	0	6,853
Government of Trinidad and Tobago	24	0	4	1	0	20
Kuwait Fund for Arab Economic Dev	20,581	0	580	660	207	20,208
Republic of China	198,439	61,115	11,170	7,973	0	248,384
Caribbean Development Bank	84,450	12,800	2,151	2,530	0	95,099
European Economic Community	19,889	0	346	64	-2,338	17,206
European Investment Bank	1,052	0	74	13	-123	855
Inter-American Development Bank	139,385	4,322	3,970	4,546	0	139,737
International Fund for Agric. Dev.	2,060	0	683	81	-76	1,301
Intl. Bank for Reconstruction & Dev.	68,348	886	5,840	1,900	11	63,405
Opec Fund for Int'l. Development	7,833	0	267	258	0	7,566
Allfirst Bank of Maryland	2,940	0	840	157	0	2,100
Bear Stearns & CO. Inc.	450,000	273,366	14,294	40,677	0	709,072
Citibank, Trinidad & Tobago	12,000	0	1,714	591	0	10,286
Citicorp Merchant Bank Ltd.	48,571	0	1,429	4,023	0	47,143
CMFS Note Holders	157,910	0	86,606	8,252	0	71,304
International Bank of Miami	97,868	1,965	0	7,451	0	99,834
KBC Bank NV	5,607	0	1,869	286	0	3,738
Provident Bank & Trust of Belize	408	0	106	17	0	302
Royal Merchant Bank	214,523	12,322	2,977	12,808	0	223,868
Salomon Smith Barney	58,200	0	58,200	2,692	0	0
Belize Estate and Co. Ltd.	1,628	0	977	234	0	651
Caterpillar Financial Services Corp.	1,325	0	309	35	0	1,016
Export Import Bank of the United States	280	0	187	23	0	93
Manufacturers & Traders Trust Co.	0	7,056	0	225	0	7,056
NON-FINANCIAL PUBLIC SECTOR	12,124	0	1,565	491	84	10,644
Kuwait Fund for Arab Economic Dev	8,140	0	348	167	84	7,877
CIBC Bank & Trust Company	3,984	0	1,217	324	0	2,767
FINANCIAL PUBLIC SECTOR	64,581	0	6,638	1,824	-1,049	56,902
Caribbean Development Bank	43,145	0	2,644	1,286	-14	40,493
European Economic Community	640	0	17	3	-70	553
European Investment Bank	11,430	0	612	320	-965	9,855
Citibank, Trinidad & Tobago	1,250	0	1,250	27	0	0
Citicorp Merchant Bank Ltd.	1,250	0	1,250	27	0	0
Paine Webber Real Estate Securities Inc.	1,900	0	100	31	0	1,800
N.V. De Smet S.A. Engineers	2,825	0	565	98	0	2,260
Government of the United States	2,140	0	200	32	0	1,940
GRAND TOTAL	1,700,271	373,832	206,250	98,569	-4,279	1,863,585

* USAID Debt for Nature Swap Agreement as at 2nd August, 2001 was implemented on 30th November, 2001 for BZ \$17,168.



Table 5.6: Central Government Domestic Debt

\$'000

	Transactions To September 2005					Disbursed Outstanding Debt 30/09/05P
	Disbursed Outstanding Debt 31/12/04R	Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	
Overdraft	91,987			6,091	-8,968	83,019
Central Bank	82,498			6,091	-8,242	74,256
Commercial Banks	9,489			0	-726	8,763
Treasury Bills	100,000	0	0	1,861	0	100,000
Central Bank	72,637		0	1,196	-18,287	54,350
Commercial Banks	24,874		0	573	17,826	42,700
Other	2,489		0	92	461	2,950
Treasury Notes	24,000	0	0	1,575	0	24,000
Central Bank	158		0	0	3,842	4,000
Commercial Banks	23,269		0	1,533	-4,000	19,269
Other	573		0	42	158	731
Defence Bonds	15,000	0	0	625	0	15,000
Central Bank	10,000		0	418	0	10,000
Commercial Banks	100		0	1	0	100
BSSB	0		0	0	0	0
Other	4,900		0	206	0	4,900
DFC Loan (Debt Restructuring)	7,931	0	398	439	0	7,533
BSSB Housing Loan	678	0	15	67	0	663
GOB (Debt For Nature Swap)	13,613	0	1,169	309	0	12,444
Cohune Walk Loan Belize Bank	2,700	0	220	295	0	2,480
Infrastructure Dev. Loan Belize Bank	24,000	0	1,587	1,602	0	22,413
Guardian Life Belize \$1mn Loan	1,000	0	0	90	0	1,000
Total	280,909	0	3,389	12,954	-8,968	268,552

P: Indicates Provisional
R: Indicates Revised



Table 5.7: Commercial Banks' Weighted Average Interest Rates

	Position as at Sep 2005	Percentages		
		Changes during		
		June 2005 to Sep 2005	June 2004 to Sep 2004	Dec 2004 to Sep 2005
Weighted Lending Rates				
Personal Loans	16.1	0.1	-0.2	0.6
Commercial Loans	14.3	0.2	0.0	0.4
Residential Construction	13.1	0.2	0.0	0.5
Other	12.0	-0.5	0.0	1.9
Weighted Average	14.4	0.1	-0.1	0.4
Weighted Deposit Rates				
Demand	0.4	0.0	0.0	-0.1
Savings/Cheque	5.1	0.0	-0.1	0.0
Savings	5.1	0.0	0.1	0.0
Time	7.7	-0.1	0.1	0.1
Weighted Average	5.4	0.1	0.0	0.2
Weighted Average Spread	9.0	0.0	-0.1	0.2

Table 5.8: Commercial Banks Liquidity Position and Cash Reserves

	Position as at Sep 2005	\$mn		
		Changes during		
		June 2005 to Sep 2005	June 2004 to Sep 2004	Dec 2004 to Sep 2005
Holdings of Approved Liquid Assets	343.7	-20.5	-21.3	19.3
Notes and Coins	31.7	-1.7	2.3	-2.0
Balances with Central Bank	120.1	14.4	3.3	38.3
Money at Call and Foreign Balances (due 90 days)	115.0	-18.8	-11.8	12.1
Treasury Bills maturing in not more than 90 days	29.8	-13.8	-14.0	3.8
Other Approved assets	47.1	-0.6	-1.1	-32.9
of which: Treasury Notes	19.3	-4.0	0.0	-4.0
Required Liquid Assets	271.0	-1.6	11.1	33.1
Excess/(Deficiency) Liquid Assets	72.7	-18.9	-32.4	-13.8
Daily Average holdings of Cash Reserves	121.7	13.7	0.6	36.9
Required Cash Reserves	103.2	-0.6	3.5	20.0
Excess/(Deficiency) Cash Reserves	18.5	14.3	-2.9	16.9



Table 5.9: Net Domestic Credit

\$mn

	Position as at Sep 2005	Changes during		
		Jun 2005 to Sep 2005	Jun 2004 to Sep 2004	Dec 2004 to Sep 2005
Total Credit to Central Government	235.9	-7.8	2.0	-11.0
From Central Bank	142.7	-1.3	28.5	-22.6
Loans and Advances	74.3	-14.7	3.6	-8.2
Government Securities	68.4	13.4	24.9	-14.4
From Commercial Banks	93.2	-6.5	-26.5	11.6
Loans and Advances	31.2	6.9	-1.6	-2.3
Government Securities	62.0	-13.4	-24.9	13.9
Less Central Government Deposits	195.3	48.2	-16.4	123.9
With Central Bank	177.7	49.7	-4.6	119.5
With Commercial Banks	17.6	-1.5	-11.8	4.4
Net Credit to Central Government	40.6	-56.0	18.4	-134.9
Credit to Other Public Sector	38.6	-4.2	9.3	-8.4
From Central Bank	27.5	-2.5	8.0	-5.0
From Commercial Banks	11.1	-1.7	1.3	-3.4
Plus Credit to the Private Sector	1,189.0	37.8	47.4	57.8
Loans and Advances	1,188.0	37.8	47.4	57.8
Securities	1.0	0.0	0.0	0.0
Net Domestic Credit of the Banking System	1,268.2	-22.4	75.1	-85.5

Table 5.10: Money Supply

	Position as at Sep 2005	Changes during		
		Jun 2005 to Sep 2005	Jun 2004 to Sep 2004	Dec 2004 to Sep 2005
Money Supply (M2)	1,309.2	-12.6	20.5	61.0
Money Supply (M1)	396.8	-25.7	-3.4	-9.9
Currency with the Public	110.5	-7.5	-0.7	-4.8
Demand Deposits	286.3	-18.2	-2.7	-5.1
Savings/Cheque Deposits	0.0	0.0	0.0	0.0
Quasi-Money	912.4	13.1	23.9	70.9
Savings Deposits	211.6	-6.2	-2.2	13.4
* Time Deposits	700.8	19.3	26.1	57.5

**Includes Non-Residents Foreign Currency Time Deposits of \$43.3 mn*



Table 5.11: Sectoral Composition of Commercial Banks' Loans and Advances

\$mn

	Position as at Sep 2005	Changes during		
		June 2005 to Sep 2005	June 2004 to Sep 2004	Dec 2004 to Sep 2005
PRIMARY SECTOR	144.0	1.5	4.7	-1.1
Agriculture	96.3	2.3	2.0	0.1
Sugar	9.6	3.5	7.1	-0.3
Citrus	15.5	-1.1	1.3	-3.5
Bananas	58.8	0.6	-5.7	5.9
Other	12.4	-0.7	-0.7	-2.0
Marine Products	21.3	-2.0	0.7	-3.8
Forestry	1.9	0.1	-0.3	0.1
Mining & Exploration	24.5	1.1	2.3	2.5
SECONDARY SECTOR	344.1	7.1	38.6	4.9
Manufacturing	18.4	-1.7	6.0	3.5
Building & Construction	259.0	6.1	22.7	0.3
Utilities	66.7	2.7	9.9	1.1
TERTIARY SECTOR	512.5	18.4	22.4	17.9
Transport	34.6	0.0	-0.5	-4.1
Tourism	70.2	4.5	7.2	-14.3
Distribution	168.8	9.8	12.6	3.6
Other*	238.9	4.1	3.1	32.7
Personal Loans	229.0	17.5	-18.6	31.9
TOTAL	1,229.6	44.5	47.1	53.6

* Includes government services, real estate, financial institutions, professional services and entertainment.



**Table 5.12: Constant Real Gross Domestic Product by Activity
(2000=100)**

	2005			2005	2004
	First Quarter	Second Quarter	Third Quarter	Jan-Sep	Jan-Sep
Primary Industries	104.6	100.3	75.5	280.5	286.9
Agriculture, hunting & forestry	77.3	64.6	37.5	179.4	189.9
Fishing	27.3	35.7	38.0	101.1	97.0
Secondary Industries	105.4	88.2	61.9	255.4	254.3
Manufacturing (including mining & quarrying)	73.9	52.5	27.3	153.7	150.1
Electricity & Water	12.4	17.7	17.5	47.6	48.3
Construction	19.1	18.0	17.1	54.2	55.9
Tertiary Industries	293.7	292.4	266.6	852.8	820.7
Wholesale and retail trade; repair	79.2	85.7	81.1	246.0	224.0
Hotels and restaurants	32.8	24.6	16.7	74.0	69.7
Transport and Communication	52.4	48.8	44.3	145.5	141.2
Other Private Services exc.FISIM	82.8	83.9	83.6	250.3	239.7
Producers of Government Services	46.6	49.4	41.0	136.9	146.1
All Industries at basic prices	503.8	480.8	404.0	1,388.6	1,362.0
Taxes on products	74.9	81.4	77.1	233.4	212.0
GDP at market prices	578.7	562.2	481.2	1,622.1	1,574.0
GDP seasonally adjusted	539.2	536.9	519.5	1,595.5	1,549.9
% change in GDP at market prices				3.1%	