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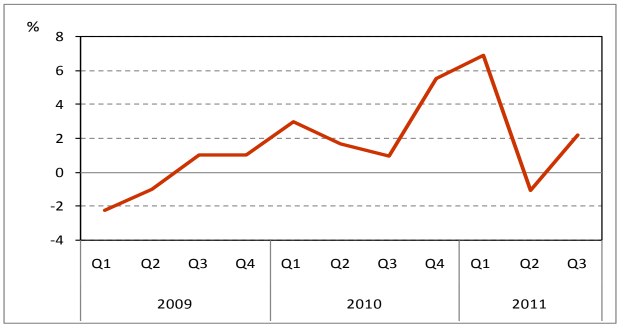

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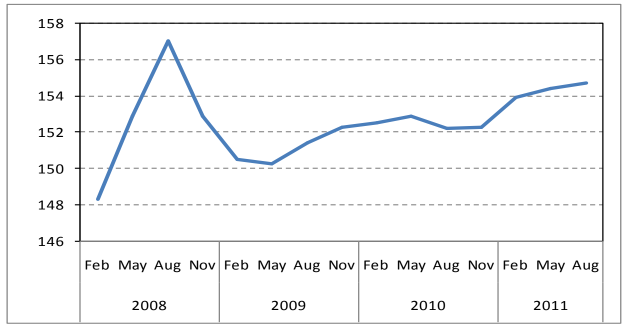

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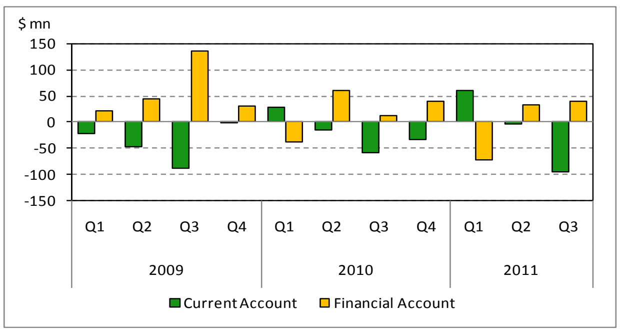

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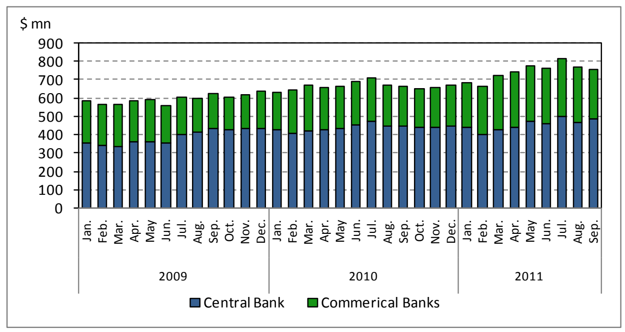

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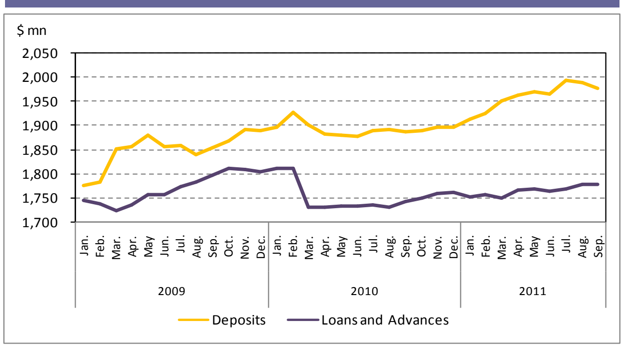

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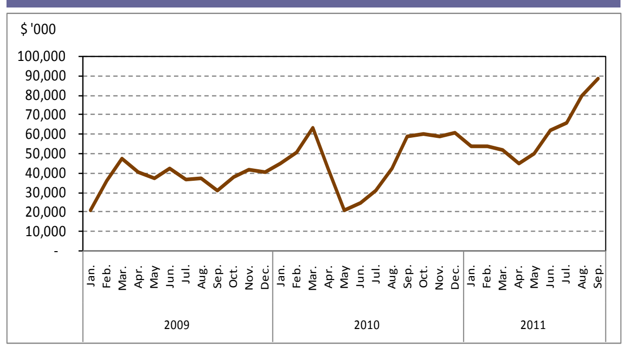

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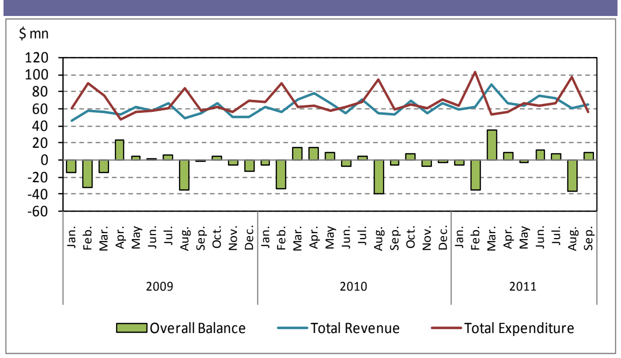

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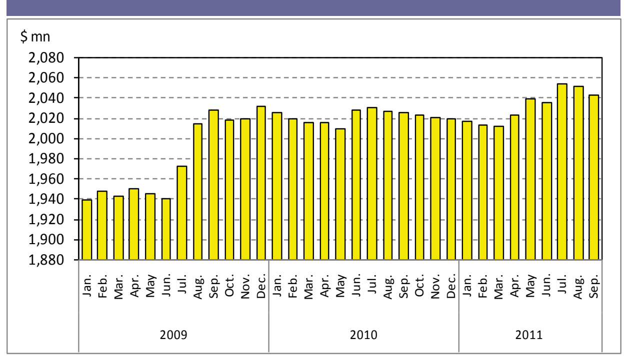


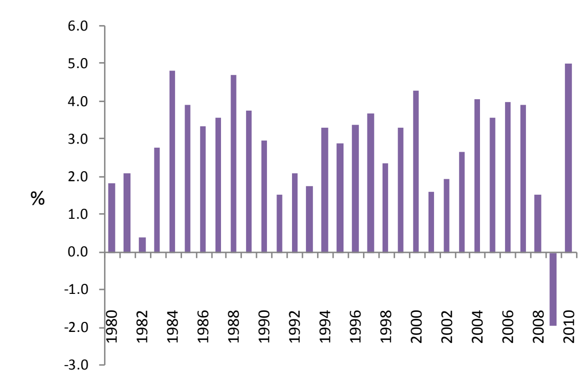
International Developments

Following a strong first quarter showing, world economic activity weakened in the second and third quarters amid increased spillover risks associated with the deepening euro zone crisis, shaky recovery in the US and heightened global financial market volatility. The broad theme of a two-speed global economic recovery was maintained, with balance sheet fragilities and high unemployment providing strong headwinds in advanced economies, while narrow output gaps and capital flows into emerging markets amplified inflationary pressures and threatened macroeconomic stability. In the Caribbean region, growth remained constrained by high sovereign debt, weak tourism flows and persistent financial sector weaknesses.

The US economy registered better-than-expected growth of 2.0% in the third quarter, up from the 1.3% increase recorded in the previous quarter. The solid outturn reflected increases in consumer spending and investments, higher spending by the federal government and faster growth of exports relative to imports. Japan's economy was also more upbeat as positive growth (1.5%) was recorded for the first time in four quarters driven by reconstruction spending as well as the return of exports to pre-earthquake and tsunami levels. In the UK, economic activity remained subdued, improving slightly by 0.5%, against the 0.1% recorded in the second quarter. This marginal growth was linked to the recovery in Japan as Japanese carmakers located in the UK rebuilt inventories that had been decimated due to the supply chain disruptions caused by the March earthquake. The Euro Area also registered a marginal 0.2% increase against the backdrop of a burgeoning debt crisis and associated spillover risks. Dominant players such as Germany and France posted solid gains due to favorable exchange rate movements, strong consumer spending

Chart 1.1: World GDP Growth

(Year on Year Average)



Source: IMF

Table 1.1: Selected GDP Growth Rates

%

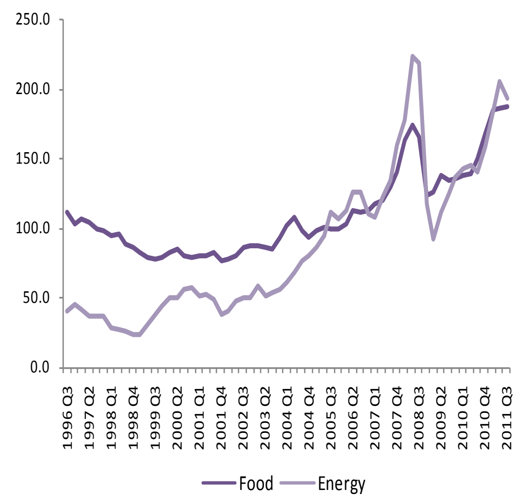
	Jun-11	Sep-11
USA	1.3	2.0
UK	0.1	0.5
Euro Area	0.2	0.2
Japan	-0.3	1.5

Source: Respective Statistical Bureaus and business investments. However, the highly leveraged countries (Portugal, Ireland, Greece, Italy and Spain) performed poorly, further constrained by the lack of political support for medium term fiscal adjustment and growth-enhancing reforms. China reported sterling growth of 9.1% in the third quarter (down slightly from 9.5% in the second quarter) on the back of strong industrial output, retail sales and fixed asset investments.

Commodity price volatility and excess demand pressures in emerging and developing countries dominated inflationary dynamics. Annual inflation (percentage change over the same month of 2010) followed an upward trend and continued to be differentiated across regions. The commodity price surge, which began in late 2010 and moderated over the second and third quarters of 2011, drove annual increases of 3.0%, 3.8% and 5.2% in the Euro area, US, and UK, respectively. The commodity price pass-through also both reflected and exacerbated excess demand pressures in emerging and developing countries as evidenced by China's reported annual inflation rate of 6.1%.

Chart 1.2: Global Commodity Prices

2005=100



Source: IMF

Table 1.2: Annual Inflation for Selected Economies

(% change on the same month of previous year)

	Year on Year Change	
	Sep-10	**Sep-11**
US	1.1	3.8
UK	3.1	5.2
Euro Area	1.8	3.0
Japan	-0.9	0.0
China	3.6	6.1

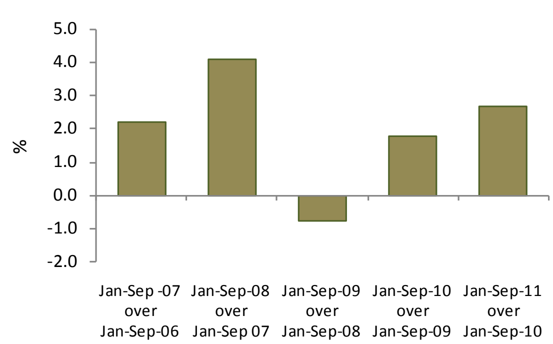
Source: Respective Statistical Bureaus

Domestic Overview

GDP grew by 2.7% in the first three quarters of the year, as compared to a 1.8% increase over the same period of 2010. The improved growth primarily reflected increased manufacture of sugar and citrus juices, as well as heightened cross border trade with Mexico at the Commercial Free Zone (CFZ). A modest increase in stay-over tourist arrivals also underpinned activity in 'Hotels & Restaurants' 'Transport & Communication' and distributive trade, while, on the downside, construction activity continued to falter, the sugarcane harvest was the lowest in 23 years and petroleum output fell in line with the natural downturn in the lifespan of the main wells.

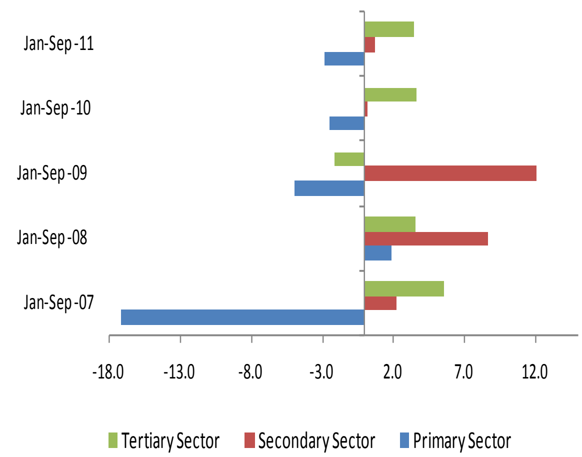
The shift from the 12% GST tax on fuel imports to a fixed rate of duty in April helped to keep the lid on inflationary pressure but could not fully compensate for rising import costs. The Consumer Price Index consequently rose by 1.7% over the August 2010 to August 2011 period. Except for 'Household Goods & Maintenance' and 'Clothing & Footwear', increases were across the board with the largest cost push coming from the 'Transportation & Communication' category.

Chart 2.1: GDP Growth Rates



Source: SIB

Chart 2.2: Sectoral Growth Rates



Source: SIB

Even with imports rising faster than exports, the current account deficit narrowed for the third consecutive year largely due to a sharp fall in profit outflows. Hence, while the capital and financial account surplus almost halved to \$24.9mn, reflecting weaker foreign direct investments and higher net repayments on foreign liabilities, the gross international reserves rose by \$23.3mn to \$459.2mn, the equivalent of 4.2 months of merchandise imports.

Central Government's fiscal position improved markedly over the nine month period with the overall deficit contracting by \$41.8mn to \$8.8mn, while the primary surplus rose from

$37.2mn to $87.3mn. Heightened receipts from petroleum operations and import duties were substantial contributors to an 8.2% growth in revenues. Expenditures rose by a modest 0.8% as capital outlays shrank considerably while the current component continued its upward climb. Similarly, during April to September (the first half of the 2010/2011 fiscal year), revenues rose by 7.0% in line with budget estimates, while expenditures lagged with a 0.9% increase that may be due to capacity constraints since capital outlays failed to keep pace. As a result, the primary surplus nearly doubled from $25.8mn to $49.0mn and the overall deficit shrank from $25.6mn to $3.0mn.

While the improved outturn enabled a build-up in deposit holdings, Central Government's domestic debt stock rose by 5.1% to $386.5mn largely due to higher external debt servicing costs and electricity prepayments. The public sector external debt also rose by $21.6mn to $2,043.0mn, as disbursements of $55.4mn and a reclassification of $21.9mn from private to public sector exceeded amortization payments of $57.3mn.

Broad money grew by 4.2% in the nine month period, driven entirely by a 14.9% expansion in net foreign assets since net domestic credit was down by 0.2% due to a 9.8% contraction in net credit to Central Government. Loans to the private sector rose by 0.8%, a modest upturn that nevertheless was in marked contrast to the sharp decline recorded in the comparable period of 2010. The combination of lackluster credit growth coupled with net foreign inflows significantly boosted commercial bank liquidity over the period reviewed. At the end of September, the banks were holding statutory liquid balances that were 43.5% above legal requirements. Interest rates trended downward in this environment. However, the weighted average deposit rate declined almost twice as fast as the weighted average lending rate, causing the interest rate spread to widen by 47 basis points to 8.64%.

Monetary Developments

Notwithstanding declines in August and September, M2 registered overall growth of 4.2% during the first three quarters of the year that was in contrast to the 0.1% dip recorded for the comparable period of 2010. The growth was attributable to a 14.9% expansion in net foreign assets since net domestic credit declined by 0.2%.

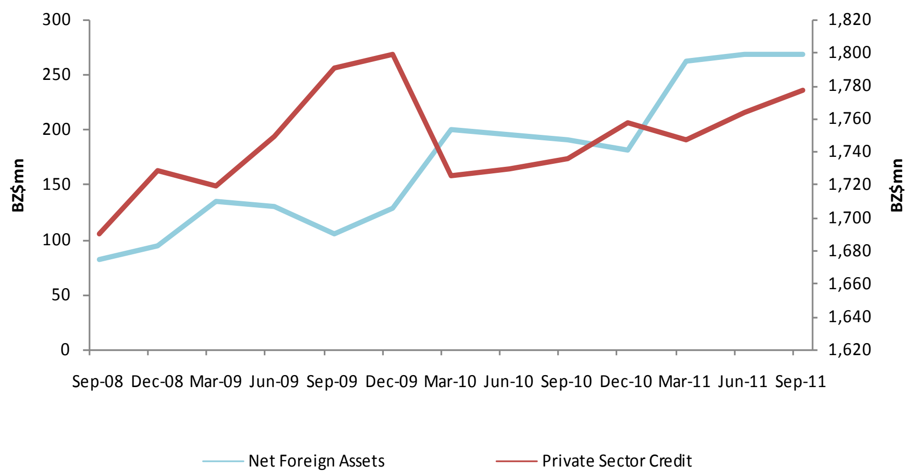
Over the review period, the net foreign asset holdings of the commercial banks and the Central Bank rose by $54.0mn and $39.7mn, respectively. Heightened inflows from CFZ sales facilitated a $42.6mn increase in commercial banks' foreign assets and an $11.4mn reduction in their short-term foreign liabilities. There was however a sharp contraction of $34.9mn in September as commercial banks converted foreign holdings to increase loan loss provisioning and meet cash reserve requirements. For its part, the Central Bank recorded inflows of $226.9mn, with notable amounts coming from taxes and royalties on oil production ($68.7mn), loan disbursements ($49.0mn), sugar export receipts ($39.9mn) and commercial banks. The Central Bank's outflows amounted to $188.3mn, which included foreign exchange sales to Central Government of $151.7mn. External debt servicing accounted for 80.6% of the latter. Over the nine month period, gross international reserves rose by $23.3mn to $459.2mn, the equivalent of 4.2 months of merchandise imports.

Table 3.1: Factors Responsible For Money Supply Movements

BZ$mn

		Changes during	
	Position as at Sep 2011	Dec 2009 to Sep 2010	Dec 2010 to Sep 2011
Net Foreign Assets	**721.4**	**71.3**	**93.7**
Central Bank	485.3	9.9	39.7
Commercial Bank	236.1	61.4	54.0
Net Domestic Credit	**1,946.3**	**-35.0**	**-4.3**
Central Government (Net)	168.7	**27.9**	-18.3
Other Public Sector	5.3	0.0	-0.8
Private Sector	1,772.3	-62.9	14.8
Central Bank Foreign Liabilities (Long-term)	**70.6**	**-0.5**	**1.0**
Other Items (net)	**418.6**	**38.5**	**0.8**
Money Supply M2	**2,178.4**	**-1.7**	**87.6**

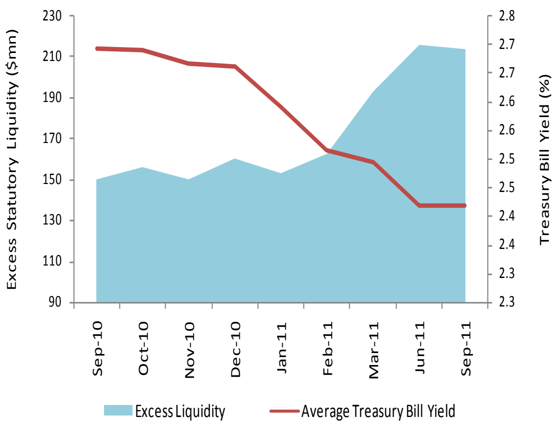
Chart 3.1: Commercial Banks' Net Foreign Assets & Private Sector Credit



Net domestic credit was down by $4.3mn over the entire period as an $18.3mn contraction in net financing for Central Government outweighed a $14.8mn increase in private sector loans. Despite an $18.4mn increase in its overdraft facility with the Central Bank, net credit to Central Government contracted by 9.8% due to a $32.9mn build up in deposits, which were boosted by tax receipts from oil production, loan disbursements (IADB policy-based loan and ROC) and proceeds from the sale of BTL shares.

In a reversal of the 3.5% contraction that occurred during the first nine months of 2010, commercial banks' loans to the private sector expanded by a modest 0.8% and held to typical patterns - dipping in the first quarter before rebounding in the second and maintaining momentum in the third quarter even with a small down tick in September. This growth reflected increases of $5.7mn in personal loans and $19.2mn in loans to the tertiary sector (mostly for real estate and professional services) that eclipsed contractions for the secondary and primary sectors. In the secondary sector, repayments by entities engaged in manufacturing and construction outpaced new disbursements to utility providers. In the primary sector, repayments from entities engaged in mining & exploration, marine production and citrus exceeded new loans for banana, grain, other commodities and sugar production. Over the nine month period, growth in loans and advances by the five largest credit unions decelerated slightly from 4.2% ($13.6mn) in 2010 to 3.4% ($11.7mn) with disbursements for personal consumption, home improvement and land acquisition outweighing repayments from persons engaged in commercial real estate, residential construction and agricultural production.

Chart 3.2: Excess Liquidity and Average Treasury Bill Yieid



While taking a slight dip in September (down $3.5mn), the system continued to register very high levels of excess statutory liquidity due to the sluggishness in credit and higher than average foreign asset growth. Statutory liquid asset holdings were up by $96.2mn during the period reviewed and stood some 43.5% above the required level. Excess cash reserves surged by $8.8mn in September bringing the total increase since the year began to $27.6mn with holdings being 48.6% above the required level. Another indicator of the slackness in the credit market was the modest $0.9mn fall in commercial bank Treasury bill holdings during the year notwithstanding a progressive reduction in their aggregate securities requirements from $97.7mn to $58.8mn (from 6.5% to 3.0% of average deposit liabilities). At the end of September, their Treasury bill holdings amounted to $152.1mn, which was more than double the required level.

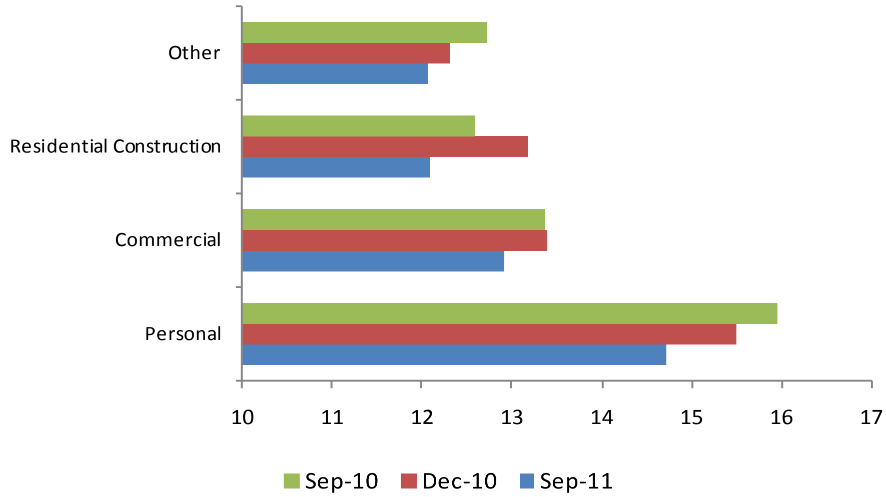
Earlier in the year (February) the Central Bank had reduced its lending rate from 18.0% to 11.0%, which was felt to be more in consonance with market conditions. However, no loans were made to the banks and the interbank market was also dormant for much of the

Table 3.2: Net Foreign Assets of the Banking System

BZ$mn

	Position as at Sep 2011	Changes during Dec 2009 to Sep 2010	Dec 2010 to Sep 2011
Net Foreign Assets of Banking System	**721.4**	**71.3**	**93.7**
Net Foreign Assets of Central Bank	**485.3**	**9.9**	**39.7**
Central Bank Foreign Assets	487.3	10.6	38.6
Central Bank Foreign Liabilities (Demand)	2.0	0.7	-1.1
Net Foreign Assets of Commercial Banks	**236.1**	**61.4**	**54.0**
Commercial Bank Foreign Assets	269.1	16.3	42.6
Commercial Bank Foreign Liab. (Short-Term)	33.0	-45.1	-11.4

Chart 3.3 : Weighted Average Lending Rate



period with loans occurring only in the months of February, March and April. Meanwhile, against the backdrop of rising excess liquidity and weak credit demand, interest rates trended downward with the spread accruing to the banks widening to 8.64%, as the weighted average deposit rate fell almost twice as fast as the weighted average lending rate. The weighted average lending rate fell by 62 basis points to 13.16% due to significant rate declines in construction and personal loans of 108 and 78 basis points, respectively. Similarly, decreases in time deposit and savings/checking rates of 133 and 117 basis points brought the weighted average deposit rate down by 109 basis points to 4.52%.

The prevailing credit and liquidity conditions pushed commercial banks search for yields towards the government securities market. With participation increasing, competitive bids steadily converged, with the average yield on Treasury bills trending downward from 2.66172% to 2.30866%, over the first nine months of the year.

Domestic Production and Prices

Overview

Production of sugar, banana, citrus juices and citrus deliveries increased during the first three quarters, while output declines were modest for petroleum and significant for molasses and sugarcane deliveries.

Sugarcane and Sugar Production

With the factory having been closed since 24 June, there were no sugarcane deliveries in September. Sugarcane deliveries for the 2010/2011 crop were down 24.8% to 843,786 long tons, a 23 year low. Crop yields were reduced by heavy rains in November and December, followed by a prolonged dry period from January to May. This was exacerbated by severe rat infestation in several areas and the premature harvest of some sugarcane fields during the extended 2009/10 crop. In addition, the failure of two steam turbines disrupted processing operations in early February.

The extensive dry period improved the crop's sucrose content to a pol of 13.77%, compared to the 10.82% in 2009/10. Sugar levels were also improved by the implementation of delivery schedules by appointment and test groups which reduced long factory queues. The net result was a 32.7% reduction in the cane/sugar ratio from 12.70 to 8.57 and an 11.7% expansion in sugar production to 98,482 long tons for the crop year.

Table 4.1: Deliveries of Sugarcane and Production of Sugar and Molasses

	Dec-Sep 2009/2010	Dec-Sep 2010/2011
Deliveries of Sugarcane to BSI (long tons)	1,122,765	843,786
Sugar Processed by BSI (long tons)	88,177	98,482
Molasses processed by BSI (long tons)	54,226	28,735
Performance		
Factory Time Efficiency (%)	93.9	90.3
Cane Purity (%)	80.3	86.6
Cane/Sugar	12.7	8.6

Source: Belize Sugar Industries

Table 4.2: Output of Citrus Products

	Nov-Sep 2009/2010	Nov-Sep 2010/2011
Deliveries (boxes)		
Orange	3,851,429	4,447,339
Grapefruit	1,389,753	673,043
Total	5,241,182	5,120,382
Concentrate Produced (ps)		
Orange	22,023,426	28,046,917
Grapefruit	5,023,326	2,643,698
Total	27,046,752	30,690,615
Not from Concentrate (ps)		
Orange	361,622	267,735
Grapefruit	586,630	132,587
Total	948,252	400,322
Pulp (pounds)		
Orange	1,405,740	1,734,340
Grapefruit	0	155,184
Total	1,405,740	1,889,524
Oil Produced (pounds)		
Orange	1,463,200	1,490,400
Grapefruit	220,000	80,800
Total	1,683,200	1,571,200

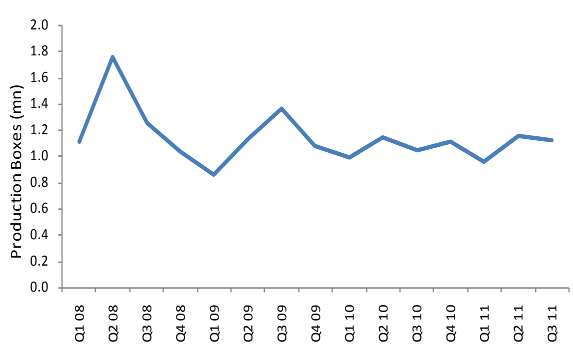
Sources: Citrus Products of Belize Ltd., Belize Citrus Growers Association

Citrus

There were no citrus deliveries in September as the 2010/2011 crop year had ended on May 11th. However, the late flowering of grapefruit trees prompted by the stress caused by Hurricane Richard in late 2010 permitted a harvest of 0.1mn boxes of grapefruit that were processed in August. Citrus deliveries for the 2010/2011 crop year were nonetheless 2.3% lower than the previous crop year as a 51.6% decline in grapefruit deliveries outstripped a 15.5% increase in those of orange.

A higher outturn of pound solids (ps) per box of fruit boosted citrus juice production by 11.1% to 31.1mn ps with the output of orange concentrate up by 27.4% to 28.0mn ps and that of grapefruit down by 47.4% to 2.6mn ps. In contrast, production of not-from-concentrate juices (NFC) decreased by 57.8% to 0.4mn ps with the larger decline occurring in grapefruit juice. Pulp and oil production came in at 1.9mn and 1.6mn pounds, respectively.

Chart 4.1: Banana Production



Source: Banana Growers' Association

Banana

Banana production during September declined by 23.8% to 3.2mn boxes when compared to September 2010. The production losses stemmed from three consecutive days of thunderstorms in the first week of the month. Industry assessments estimate a total loss of approximately $15.0mn and a drag effect on production for up to nine months going forward. As a result, banana output for the first three quarters grew by a marginal 1.6% to 3.2mn boxes.

Petroleum

Petroleum production fell by 3.9% to 1,085,270 barrels for January through September, with the 68,017 barrels extracted from the Never Delay field partially compensating for the 9.9% fall in Spanish lookout production, which was in the declining phase of its life cycle. Output from the Spanish Lookout field averaged 3,726 barrels a day, compared to 4,371 barrels a day in 2010. Total output from the Spanish Lookout field over the 6 years of commercial production amounted to 7.3mn barrels, which is 41.0% of the estimated 18.0mn barrels of recoverable reserves. Daily production for the Never Delay field averaged 318 barrels a day with output up to September amounting to 1.4% of recoverable reserves estimated at 5.0mn barrels.

Tourism

The World Tourism Organisation estimated a 4.5% increase in international tourism for the first half of 2011. However, growth is expected to soften somewhat in the remaining months of the year as advanced economies continue to show signs of weak growth, fiscal problems and persistent high unemployment. Nearly all world regions experienced growth with the exception of the Middle East and North Africa. In the western hemisphere, South America displayed the strongest growth of 15.4%, followed by the Caribbean with 4.2%, North America with 3.6% and Central America with 3.3%.

Maintaining the previous year's upward trend, stay over visitors to Belize grew by 2.4% for January through September, although this was below the projected regional average of 3.0% for 2011. Visitors through the sea ports and international airport expanded by 18.7% and 3.6%, respectively, while those entering through the land borders fell by 6.4%.

US visitors accounted for 67.0% of all stay-over arrivals and registered a 4.9% increase, while arrivals from the EU fell by 5.1%, reducing its share of total long stay tourists to 11.2%. Tourists from other destinations fell by 1.9%, mainly due to a fall in Guatemalan and Mexican arrivals.

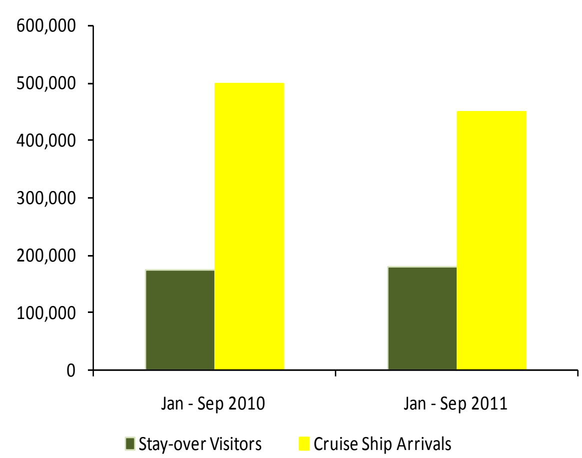
Cruise ship disembarkations fell by 10.0% to 448,922 due to a controversy at the start of the year between local tender operators and the Carnival Cruise Line which resulted in the cancellations of eleven port calls.

Table 4.3: Bona Fide Tourist Arrivals

	Jan-Sep 2010	Jan-Sep 2011
Stay-over Arrivals		
Air	134,524	139,306
Land	34,028	31,835
Sea	7,345	8,934
Total	**175,897**	**180,075**
Cruise Ship	**498,659**	**448,922**

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

Chart 4.2: Tourist Arrivals



Source: Belize Tourism Board

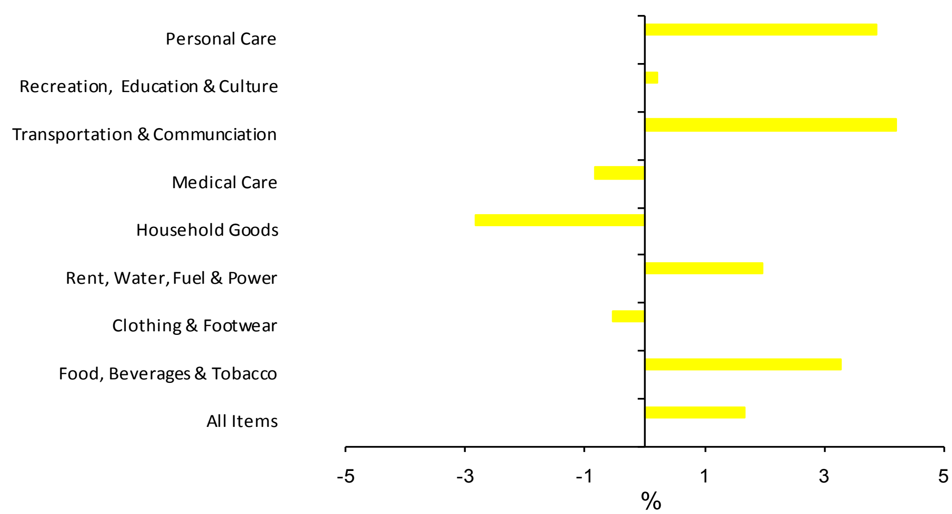
Consumer Price Index

The Consumer Price Index (CPI) increased by 0.2% between May and August and by 1.7% between August 2010 and August 2011.

Upward pressures from rising import prices (as indicated by the 9.3% increase in the US export price index and higher international grain costs) were partially mitigated by the replacement in April of the 12% GST on fuel imports with a fixed rate of import duty. Notwithstanding the latter, 'Transportation and Communications' experienced the sharpest inflation of 4.2% year-on-year, as higher acquisition costs for gasoline and diesel pushed up prices at the pump. 'Rent, Water, Fuel & Power', another fuel dependent category, increased by 2.0%.

Prices for 'Food, Beverage and Tobacco' rose for the first time since the government's zero rating of basic food items and major household durables in April 2010. This cost push was prompted by the rise in international prices for wheat, corn and soybean and the subsequent pass through to local product prices. Higher import prices accounted for the increased costs for 'Personal Care'. On the other hand, price declines of 2.8% in 'Household Goods & Maintenance' and 0.5% in 'Clothing & Footwear' dampened inflationary pressures.

Chart 4.3: Annual Percentage Change in Consumer Price Index



Source: Statistical Institute of Belize

International Trade and Payments

The external current account deficit narrowed by 17.6% to $38.3mn as a sizeable contraction in profit outflows offset a sharp rise in the trade deficit and lower net service inflows. On the other hand, the capital and financial account surplus almost halved to $27.8mn as foreign direct investment declined, commercial banks built up foreign balances abroad while reducing their foreign liabilities, and the private sector's net loan repayments increased. The net result was a 5.3% rise in gross international reserves at the end of September to $459.2mn, the equivalent of 4.2 months of merchandise imports.

Partly indicative of the increase in economic activity, the country's merchandise trade deficit worsened by 21.7% to $249.8mn. Imports for domestic consumption rose by $152.2mn with outlays on all categories increasing except 'Machinery and Transport Equipment'. Purchases of 'Minerals, Fuels and Lubricants' accounted for almost half of the growth in imports as acquisition costs soared with the rise in world crude oil prices. In addition, a $95.2mn expansion in Commercial Free Zone (CFZ) imports reflected the continued bouyancy of cross border trade with Mexico.

Exports rose by $203.0mn with domestic exports and CFZ sales up by $116.7mn and

Table 5.1: Balance of Payments Summary

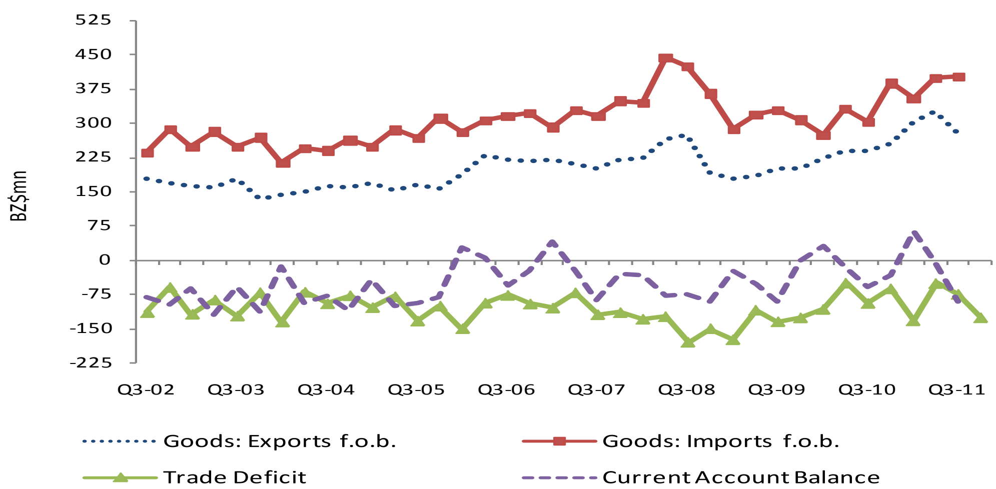
BZ$mn

	2010R Jan-Sept	2011P Jan-Sept
A. CURRENT ACCOUNT (I+II+III+IV)	**-46.4**	**-38.3**
I. Goods (Trade Balance)	**-205.3**	**-249.8**
Exports, f.o.b.	701.2	904.2
Domestic Exports	441.0	557.7
CFZ Gross Sales	234.3	305.7
Re-exports	25.9	40.8
Imports, f.o.b.	906.6	1154.0
Domestic Imports	764.6	916.8
CFZ Imports	142.0	237.2
II. Services	**268.4**	**254.9**
Transportation	-49.4	-69.7
Travel	325.2	325.4
Other Services	-7.5	-0.8
III. Income	**-246.7**	**-176.0**
Compensation of Employees	-5.6	-5.2
Investment Income	-241.1	-170.8
IV. Current Transfers	**137.3**	**132.7**
Government	-4.1	-4.6
Private	141.4	137.3
B. CAPITAL & FINANCIAL ACCOUNT (I+II)	**46.3**	**27.8**
I. Capital Account	**10.7**	**28.1**
II. Financial Account (1+2+3+4)	**35.6**	**-0.3**
1. Direct Investment in Belize	153.1	139.7
2. Portfolio Investment	-12.7	-23.1
Monetary Authorities	-4.3	-14.0
General Government	-8.3	-9.1
Banks	0.0	0.0
Other Sectors	-0.1	-0.0
3. Financial Derivatives	0.0	0.0
4. Other Investments	-104.8	-116.9
Monetary Authorities	0.8	-0.9
General Government	-0.0	-4.8
Banks	-61.3	-53.6
Other Sectors	-44.2	-57.7
C. NET ERRORS & OMISSIONS	**6.5**	**33.7**
D. OVERALL BALANCE	**6.4**	**23.3**
E. RESERVE ASSETS(1)	**-6.4**	**-23.3**

P- indicates Provisional, R- indicates Revised

(1) Minus = increase

Chart 5.1: Current Account vs. Trade Deficit



$71.4mn, respectively. Higher crude oil prices more than compensated for the fall in domestic production and petroleum earnings consequently accounted for more than half of the surge in domestic export receipts. The price for Louisiana Light Sweet crude oil, the new benchmark for Belize's petroleum, was consistently above US$100.00 per barrel in response to speculative activities and fears of shortages sparked by the Libyan crisis, geopolitical tensions in North Africa and the Middle East and growing demand from emerging markets. Consequently, while export volume dipped by 3.2%, revenues rose by 52.7% to $219.3mn as the average price spiked by 60.5% to US$108.8 per barrel; US$18.80 above the threshold price at which the petroleum surcharge becomes available.

Price and volume improvements underpinned higher receipts from sugar. While sugar

Chart 5.2: Domestic Exports

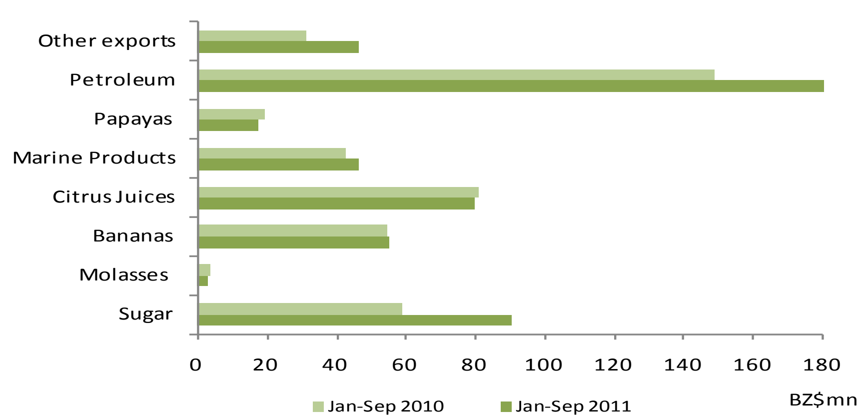
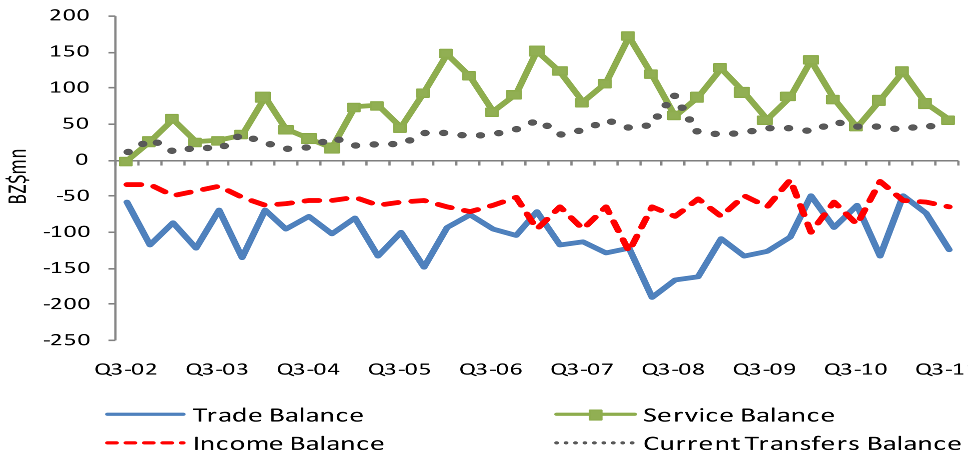


Chart 5.3: Trade, Service, Income and Current Transfers Balances



export volume was up by 13.3%, a 23.8% improvement in the average price raised receipts by 40.2% to $82.7mn. The price improvement was linked to increased sales of value added products, the revival of sales to the US market where the average unit prices were 80.3% higher than those in the EU and exchange rate gains from the Euro price obtained on the futures market. The EU, which offers a Fair Trade premium of US$60 per metric ton remained the dominant market with 83.1% of sales, while the US accounted for 16.8%, and Canada received the residual of 80 long tons.

Revenues from marine products and banana improved slightly as increases in sales volume outweighed lower prices. Reflecting increases that were across the board, the export volume of marine products surged by 13.0%, however, receipts rose by only 9.4% to $46.4mn due to weaker prices for fish, conch and shrimp. A double push from a modest volume increase and stronger prices raised lobster export earnings by 17.6%. Receipts from conch rose as higher volume outweighed a slight reduction in the average unit price, while the advent of two new companies exporting whole fish almost doubled the volume of fish exports and pumped receipts up by 79.0% to $1.9mn. In the case of banana, export volume rose by only 1.6% over the review period partly due to a sharp fall in production during September. Revenues grew by 0.6% to $55.2mn, with prices remaining relatively stable under the three year marketing contract signed with Fyffes.

Receipts from citrus declined as a 19.4% fall in export volume overshadowed price improvements. Although domestic production of citrus juices was up, low beginning juice stocks affected export availability and sale schedules. Revenues, on the other hand, declined by a less than proportional 1.3% to \$79.9mn due to a rally in international citrus juice prices. Notwithstanding improved orange harvests and juice production in Florida and Brazil, demand from the major importing countries boosted orange concentrate prices. Consequently, orange concentrate revenues grew by 7.8% to \$73.6mn as a 24.1% price improvement more than offset a 19.4% volume decline. In like manner, the average grapefruit concentrate price rose by 12.7% due to low beginning US juice stocks and a smaller crop in Florida. In this case, the price hike could not compensate for a 55.8% decline in the volume of grapefruit exports, so revenues fell by 50.2% to \$6.3mn.

Papaya earnings shrank by 11.5% to \$17.5mn due to a 10.5% drop in export volume and a dip in prices. On the other hand, receipts from other miscellaneous exports soared by 47.3% to \$46.4mn due to higher sales of citrus oils, pepper sauces and red kidney beans.

In the case of services, higher payments for international freight ramped up net outflows for transportation by \$20.4mn to \$69.7mn. Helping to offset this was a \$6.7mn increase in net inflows from a medley of business services. Travel receipts were virtually flat at \$325.4mn, as higher expenditure by stay-over tourists was counter balanced by a fall in spending by cruise ship passengers. The result was \$13.5mn decline in the net surplus on the services account (from \$268.4mn to

Chart 5.4: Change in Foreign Direct Investment Components

\$254.9mn).

Net outflows on the income account shrank by 28.7% to \$176.0mn, reflecting lower profit repatriation by the tourism industry and a fall in commercial banks' reinvested earnings. In addition, net inflows from current transfers declined by \$4.6mn to \$132.7mn, due primarily to lower receipts of Fair Trade funds by sugarcane farmers.

A surplus of \$27.8mn was recorded on the capital and financial account in comparison with the \$46.3mn surplus realized during the first three quarters of 2010. While UK debt forgiveness in the second quarter of the year and grant inflows for social programs and reconstruction projects boosted net capital inflows by \$17.3mn to \$28.1mn, the balance on the financial account reversed from a

Chart 5.5: Public and Private External Debt Disbursements and Repayments

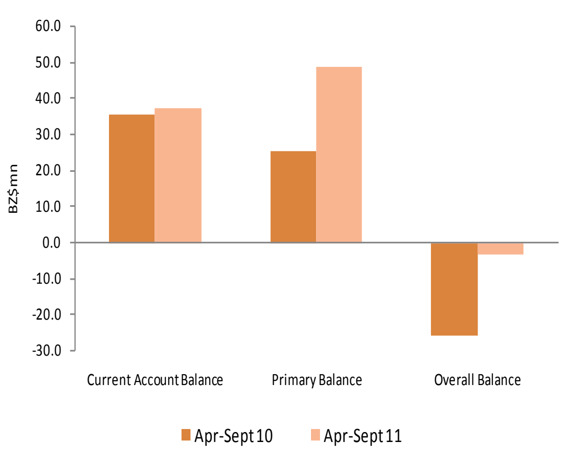
$35.6mn surplus in 2010 to a deficit of $0.3mn. Contributing to this was a 13.4% decline in foreign direct investment, influenced in part by the slow growth in the international business environment. With $14.0mn in long term investments by the Central Bank, outflows for portfolio investment almost doubled to $23.1mn. In addition, net loan repayments by the private sector increased, and commercial banks built up their foreign asset holdings.

Government Operations & Public Debt

For January through September, Central Government's revenue and grants expanded by 8.2% mostly due to higher receipts from the petroleum industry and import duties. Expenditure increased by 0.8% due to higher current spending as capital outlays fell. The fiscal outturn consequently yielded current and primary surpluses of $47.5mn and $87.3mn, respectively, and a reduced overall deficit of $8.8mn compared to the $50.6mn recorded for the same period of 2010.

In the first half of its 2011/2012 fiscal year, Government's operations improved with current and primary surpluses up by 5.4% and 90.1% to $37.6mn and $49.0mn, respectively, while the overall deficit narrowed by $22.6mn to $3.0mn. At 47.7% of budget,

Chart 6.1: GOB Fiscal Operations



Source: Ministry of Finance

revenues were slightly lower than expected mainly due to grant receipts, which stood at 3.9% of anticipated annual inflows. However, when compared to the previous fiscal year, revenues were 7.0% higher as the intake from the petroleum industry and import duties more than compensated for the drop in revenues from the General Sales Tax (GST), business tax and transfers from government departments. The surge in price of crude oil boosted oil receipts by $25.4mn to $54.5mn, which included $7.9mn in windfall taxes. A 19.8% rise in import duties reflected higher imports and the removal of the GST on fuel and its replacement with a fixed tax on fuel imports. As a consequence, receipts from the GST fell by 12.4%. Other noteworthy inflows included BTL dividends and loan repayments from the DFC.

At $405.1mn, expenditure was 4.4% higher than the previous year and 45.5% of budgeted outlays. Current spending rose by 7.0% with increases across all categories. Outlays on wages and salaries, which accounted for 40.3% of current spending, increased by $7.7mn, reflecting new staff additions and the payment of overtime. Spending on goods and services were $9.4mn higher due to prepayments on electricity services and increased payments on contractors and training, while interest payments edged up by $0.7mn. Grants to municipalities and contributions to Caribbean organizations pumped up subsidies and transfers.

Table 6.1: Central Government's Revenue & Expenditure

BZ$mn

	Jan-10 Sep-10	Jan-11 Sep-11	Apr-10 Sep-10	Apr-11 Sep-11
Total Revenue & Grants	569.1	615.8	375.9	402.1
of which: Current Revenue	558.6	603.6	371.6	397.2
of which: Grants	7.5	7.8	2.2	2.1
Total Expenditure	619.7	624.6	401.5	405.1
Current Expenditure	525.3	556.1	336.0	359.6
Capital Expenditure	94.4	68.5	65.5	45.5
Current Balance	33.3	47.5	35.7	37.6
Primary Balance	37.2	87.3	25.8	49.0
Overall Balance	-50.6	-8.8	-25.6	-3.0

Source: Ministry of Finance

Expenditure on development projects totalled $45.5mn, $20.1mn below the same period of the previous fiscal year and 28.4% of the budgeted amount. While spending on locally funded projects was above expectations, spending on externally funded projects was 10.2% of planned outlays. The latter is an indication of some capacity constraints and administrative delays in accessing funds. Of total spending, some $12.2mn went on infrastructure projects such as the completion of the Southern Highway, Poverty Alleviation Project, construction and maintenance of street and drains. Waste management and land development projects received $7.4mn, while $4.2mn went on environmental

Table 6.2: Summary of Central Government's Revenue

BZ$mn

	Jan-10 Sep-10	Jan-11 Sep-11	Apr-10 Sep-10	Apr-11 Sep-11
Current revenue	558.6	603.6	371.6	397.2
Tax revenue	475.4	514.6	320.2	345.1
Income and profits	172.6	190.0	113.1	129.3
Taxes on property	3.6	5.9	2.2	3.3
Taxes on goods & services	179.4	184.1	125.0	117.1
Int'l trade and transactions	119.7	134.7	80.0	95.3
Non-Tax Revenue	83.2	88.9	51.4	52.1
Property income	18.0	16.3	6.9	9.5
Licenses	10.0	9.0	6.6	5.6
Other	55.2	63.6	37.8	37.1
Capital revenue	3.0	4.4	2.0	2.7
Grants	7.5	7.8	2.2	2.1

Source: Ministry of Finance

Table 6.3: Summary of Central Government's Expenditure

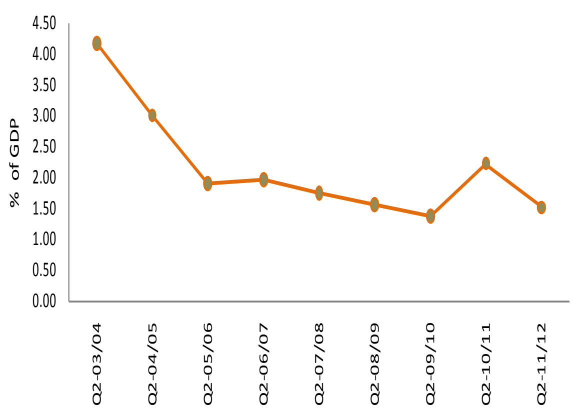
BZ$mn

	Jan-10 Sep-10	Jan-11 Sep-11	Apr-10 Sep-10	Apr-11 Sep-11
Current Expenditure	525.3	556.1	339.0	359.6
Wages & Salaries	206.9	215.4	137.1	144.8
Pensions	33.9	35.5	21.4	23.7
Goods & Services	125.6	135.7	78.2	87.6
Interest Payments	87.9	96.1	54.4	52.1
of which: External	34.4	43.1	4.4	4.3
Subsidies & current transfers	71.0	73.4	47.9	51.5
Capital Expenditure	94.4	68.5	65.5	45.5
Capital II	56.4	47.2	38.9	31.4
Capital III	34.0	16.5	23.4	10.9
Net lending	4.0	4.8	3.2	3.1

Source: Ministry of Finance

protection projects. Youth, sports and culture accounted for $3.4mn. Outlays on education, health, social protection, agriculture, housing, security and defence amounted to $9.2mn with the remainder being spent on furniture, equipment and the upgrading of office buildings.

Chart 6.2: Development Expenditure April to September 2011



Source: Ministry of Finance

Central Government's Domestic Debt

At the end of September, Central Government's domestic debt rose by 5.1% to $386.5mn due to higher overdraft balances and a newly acquired commercial bank loan of $1.5mn, which was on-lent to the San Pedro Town Council to refurbish streets. Higher debt servicing costs and the prepayment of electricity bills bumped up government's overdraft with the Central Bank by $18.4mn to $52.4mn. Amortization payments amounted to $1.7mn with $1.4mn paid to non-bank entities. With the growth in the Central Bank overdraft accounting for most of the debt increase, the share of Central Government's debt held by the Central Bank rose from 41.6% at the end of 2010 to 43.2% at the end of September, while the commercial banks' share stood at 43.0%.

Of the $14.7mn paid in interest, the Central Bank received $3.5mn on short-term credit provided by way of the overdraft and Treasury bills and $5.9mn on long-term government securities. Commercial banks received $3.4mn on their holdings of government debt, while non-bank entities received $1.9mn. With the downward drift in the Treasury bill yield, the annual, effective interest rate for this period was 5.0%, slightly lower than 2010's effective interest rate of 6.2%.

In the secondary market, the Central Bank and non-bank entities took up $0.9mn worth of Treasury bills surrendered by the commercial banks, while non-bank entities purchased $5.2mn worth of Treasury notes from the Central Bank.

Public Sector External Debt

The public sector external debt rose by $21.6mn to $2,043.0mn, as disbursements of $55.4mn, a one-off shift of $21.9mn from private to public sector due to the nationalization of the electricity company and upward valuation adjustments of $1.8mn (due to the depreciation of the US dollar against the SDR, Euro and Kuwait dinar) exceeded amortization payments of $57.3mn.

Notable disbursements included $20.0mn from ROC/Taiwan for budget support, $17.0mn from IDB as the second tranche of a policy based loan and for projects involving solid waste and land management, $12.8mn from CDB for the

Table 6.4: Central Government's Domestic Debt

BZ$mn

	Dec 2010	Sept 2011	Changes in Stock
Overdraft	34.0	53.0	19.0
Loans	12.0	11.7	-0.3
Treasury Bills	175.0	175.0	0.0
Treasury Notes	136.8	136.8	0.0
Defence Bonds	10.0	10.0	0.0
Total	**367.8**	**386.5**	**18.7**

Kendall Bridge, SIF, health reform project and water expansion and $2.5mn from IBRD. Of the $41.9mn amortized by Central Government, $19.9mn was repaid to multilateral creditors and $22.0mn to bilateral lenders. The DFC made its penultimate payment of $9.1mn to the Belize Mortgage Company for the North American Securitization and $1.2mn to CDB, while the non-financial public sector amortized $2.9mn to multilateral lenders, $1.8mn to commercial banks and $0.4mn to the government of Kuwait.

Chart 6.3: Average Interest Rate on Central Government Domestic Debt and Public Sector External Debt

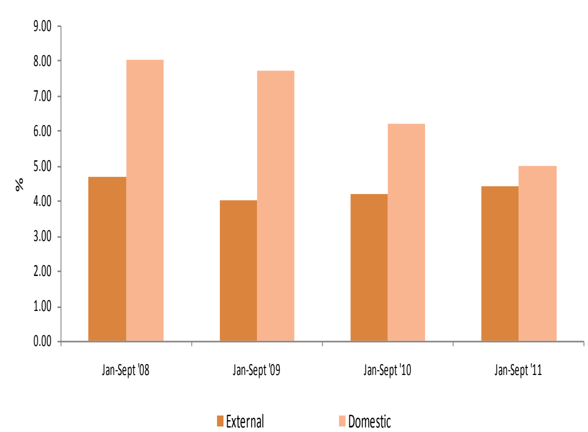


Table 6.5: Public Sector's External Debt

BZ$mn

	DOD at: 31/12/10	DOD at: 9/30/2011	Change in Debt Stock
Central Government	**1,888.2**	**1,902.1**	**13.9**
Bilateral	343.4	341.8	-1.6
Multilateral	451.3	466.7	15.4
Bonds	1,093.5	1,093.5	0.0
Rest of NFPS	**31.6**	**48.6**	**17.1**
Bilateral	4.6	4.3	-0.3
Multilateral	26.1	33.5	7.4
Commercial Banks	0.8	10.8	10.0
Financial Public Sector	**101.6**	**92.2**	**-9.4**
Bilateral	0.6	0.5	-0.1
Multilateral	82.2	82.0	-0.2
Bonds	18.8	9.7	-9.1
Grand Total	**2,021.4**	**2,043.0**	**21.6**

Interest and other payments totaled $83.2mn, of which $66.1mn was for the 'super bond'. Bilateral lenders received $7.7mn, of which $6.2mn went to ROC/Taiwan, while the $9.0mn in payments to multilateral lenders went mostly to CDB and IDB. The year-on-year (September 2010 to September 2011) effective interest rate averaged 4.5%, compared to the 4.2% recorded for 2010.

At the end of September, Central Government held 93.1% of the outstanding debt and the financial and non-financial public sectors accounted for 4.5% and 2.4%, respectively. Within the next twelve months, $29.4mn of the present portfolio is scheduled to mature; some $222.8mn will mature during the next ten years, leaving $1.8bn with a maturity of more than ten years.

ANNEX I

Table 7.1: Money Supply

BZ$mn

	Position as at Sep 2011	Changes during Dec 2009 to Sep 2010	Changes during Dec 2010 to Sep 2011
Money Supply (M2)	**2,178.4**	**-1.7**	**87.6**
Money Supply (M1)	**791.1**	**-13.7**	**83.2**
Currency with the Public	153.9	-8.5	-3.9
Demand Deposits	422.5	-15.5	66.9
Savings/Cheque Deposits	214.7	10.3	20.2
Quasi-Money	**1,387.3**	**12.0**	**4.4**
Savings Deposits	260.7	15.6	52.0
Time Deposits	1,126.6	-3.6	-47.6

Table 7.2: Net Domestic Credit

BZ$mn

	Position as at Sep 2011	Changes during Dec 2009 to Sep 2010	Changes during Dec 2010 to Sep 2011
Total Credit to Central Government	**332.9**	**12.2**	**14.6**
From Central Bank	**166.8**	**-44.1**	**13.8**
Loans and Advances	52.4	-96.4	18.4
Gov't Securities[1]	114.4	52.3	-4.6
From Commercial Banks	**166.1**	**56.3**	**0.8**
Loans and Advances	4.5	-0.3	1.7
Gov't Securities	161.6	56.6	-0.9
(of which) Treasury Bills	151.6	47.6	-0.9
Treasury Notes	10.0	9.0	0.0
Other	0.0	0.0	0.0
Less Central Government Deposits	**164.2**	**-15.7**	**32.9**
With Central Bank	130.6	-14.6	28.5
With Commercial Banks	33.6	-1.1	4.4
Net Credit to Central Government	**168.7**	**27.9**	**-18.3**
Credit to Other Public Sector	**5.3**	**0.0**	**-0.8**
From Central Bank	0.0	0.0	0.0
From Commercial Banks	5.3	0.0	-0.8
(of which) Local Government	3.4	1.9	0.1
Public Financial Institutions	0.0	0.0	0.0
Public Utilities	0.0	0.0	0.0
Other Statutory Bodies	1.9	-1.9	-0.9
Securities	0.0	0.0	0.0
Plus Credit to the Private Sector	**1,772.3**	**-62.9**	**14.8**
Loans and Advances	1,771.3	-62.9	15.0
Securities	1.0	0.0	-0.2
Net Domestic Credit of the Banking System[2]	**1,946.3**	**-35.0**	**-4.3**

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

(2) Differences due to rounding

Table 7.3: Sectoral Composition of Commercial Banks' Loans and Advances

BZ$mn

	Position as at Sep 2011	Changes during Dec 2009 to Sep 2010	Changes during Dec 2010 to Sep 2011
PRIMARY SECTOR	**193.5**	**1.4**	**-1.0**
Agriculture	134.2	-2.6	1.8
Sugar	13.3	-4.2	0.3
Citrus	18.7	0.7	-0.2
Bananas	79.6	0.9	1.2
Other	22.6	0.0	0.5
Marine Products	36.1	4.4	-1.4
Forestry	1.8	-0.8	0.2
Mining & Exploration	21.4	0.4	-1.6
SECONDARY SECTOR	**512.9**	**-38.1**	**-8.3**
Manufacturing	39.4	0.3	-7.8
Building & Construction	443.4	-40.0	-4.5
Utilities	30.1	1.6	4.0
TERTIARY SECTOR	**680.6**	**-24.9**	**19.2**
Transport	54.9	-18.8	-3.0
Tourism	128.1	4.3	-9.7
Distribution	218.4	-0.9	0.7
Other[1]	279.2	-9.5	31.2
Personal Loans	**390.6**	**-1.7**	**5.7**
TOTAL	**1,777.6**	**-63.3**	**15.6**

[1] Includes government services, real estate, financial institutions professional services, and entertainment.

Table 7.4: Commercial Bank's Liquidity Position and Cash Reserves

BZ$mn

	Position as at Sep 2011	Changes during Dec 2009 to Sep 2010	Dec 2010 to Sep 2011
Holdings of Approved Liquid Assets	**704.3**	**49.1**	**96.2**
Notes and Coins	50.8	0.4	-13.8
Balances with Central Bank	271.2	-7.1	45.6
Money at Call and Foreign Balances (due 90 days)	217.8	22.3	82.6
Treasury Bills maturing in not more than 90 days	151.4	47.7	0.6
Other Approved assets	13.1	-14.2	-18.8
of which: Treasury Notes	0.0	-12.8	-16.6
Required Liquid Assets	**490.8**	**4.2**	**42.7**
Excess/(Deficiency) Liquid Assets	**213.5**	**44.9**	**53.5**
Daily Average holdings of Cash Reserves	269.5	-9.0	43.4
Required Cash Reserves	181.4	-27.6	15.8
Excess/(Deficiency) Cash Reserves	**88.1**	**18.6**	**27.6**
Actual Securities Balances	152.1	146.5	-0.9
Required Securities Balances	58.8	128.3	-69.5
Excess/(Deficiency) Securities	**93.3**	**18.2**	**68.6**

Table 7.5: Commercial Bank's Weighted Average Interest Rates

%

	Position as at Sep 2011	Changes during Dec 2009 to Sep 2010	Dec 2010 to Sep 2011
Weighted Lending Rates			
Personal Loans	14.72	0.68	-0.78
Commercial Loans	12.92	-0.15	-0.47
Residential Construction	12.08	-0.68	-1.08
Other	12.06	1.43	-0.26
Weighted Average	**13.16**	**-0.10**	**-0.62**
Weighted Deposit Rates			
Demand	0.61	-0.11	0.13
Savings/ Cheque	3.83	-0.02	-1.17
Savings	4.64	0.02	-0.33
Time	6.09	-0.50	-1.33
Weighted Average	**4.52**	**-0.29**	**-1.09**
Weighted Average Spread	**8.64**	**0.19**	**0.47**

Table 7.6: Real GDP Growth Rates at Constant 2000 Prices (%)

	Quarter-on-quarter growth (%)								
	Q1-09 Over Q1-08	Q2-09 Over Q2-08	Q3-09 Over Q3-08	Q1-10 Over Q1-09	Q2-10 Over Q2-09	Q3-10 Over Q3-09	Q1-11 Over Q1-10	Q2-11 Over Q2-10	Q3-11 Over Q3-10
Agriculture, hunting & forestry	-11.2	-11.5	12.2	2.1	-0.4	-2.9	7.7	-17.1	-5.3
Fishing	4.2	9.8	-11.4	-25.0	9.2	-21.1	-0.8	7.1	14.6
Manufacturing (incl. mining & quarrying)	3.1	13.7	1.7	10.9	-16.9	-7.0	15.9	-3.8	0.0
Electricity & water	2.7	28.1	21.5	4.1	21.2	14.1	33.9	-12.0	-2.9
Construction	28.8	21.2	11.7	5.8	2.2	-10.2	-16.1	-12.6	7.4
Wholesale & Retail	-8.6	-8.8	-7.9	1.2	4.9	3.6	13.6	3.7	7.7
Hotels & Restaurants	-11.1	-6.3	-5.4	9.3	4.3	6.2	-3.3	12.1	1.9
Transport & communication	-2.9	-4.7	-1.4	0.5	3.4	4.5	3.2	4.8	2.5
Other private services exc. FISIM	2.9	2.5	2.5	0.4	0.0	-0.2	1.9	2.7	1.9
Producers of government services	6.7	-2.1	9.7	6.4	16.1	5.6	-0.5	1.6	-3.4
All industries at basic prices	-1.0	0.5	2.6	3.0	1.4	0.8	6.0	-1.3	1.6
Taxes on products	-10.1	-9.4	-8.1	0.4	4.5	2.7	11.9	1.9	6.0
GDP at market prices	-2.2	-1.0	0.6	2.7	1.8	1.1	6.7	-0.9	2.2

Source: Statistical Institute of Belize

Table 7.7: GDP by Activity at Constant 2000 Prices

BZ$mn

	2010			2011		
	Quarter 1	Quarter 2	Quarter 3	Quarter 1	Quarter 2	Quarter 3
Agriculture, hunting & forestry	66.9	64.2	46.8	72.1	53.2	44.3
Fishing	11.1	15.0	10.0	11.0	16.1	11.4
Manufacturing (incl. mining & quarrying)	81.1	74.2	55.5	94.0	71.3	55.5
Electricity & water	16.6	30.2	47.8	22.2	26.6	46.4
Construction	28.9	28.8	23.7	24.2	24.1	25.5
Wholesale & Retail	77.9	89.0	83.5	88.5	92.4	89.9
Hotels & Restaurants	29.8	22.2	16.9	28.8	24.8	17.2
Transport & communication	68.4	67.8	63.2	70.6	70.9	64.8
Other private services exc. FISIM	100.0	100.2	100.5	101.9	103.0	102.5
Producers of government services	60.3	59.7	48.8	60.0	60.7	47.1
All industries at basic prices	541.0	551.3	496.6	573.4	543.1	504.5
Taxes on products	75.8	86.5	80.9	84.8	88.3	85.8
GDP at market prices	616.8	637.9	577.5	658.2	631.4	590.3

Source: Statistical Institute of Belize

Table 7.8: Percent Variation in Consumer Price Index (CPI) Commodity Group

Major Commodity Group	Weight	Year on Year Change (%)					
		May-10	Aug-10	Nov-10	Feb-11	May-11	Aug-11
Food, Beverage & Tobacco	346.6	-2.5	-2.4	-2.1	-2.0	-0.8	3.3
Clothing & Footwear	92	0.2	0.3	0.7	0.5	0.6	-0.5
Rent, Water, Fuel, & Power	167.6	4.6	2.0	1.4	1.2	1.4	2.0
Household goods & maintenance	85.3	-0.4	-1.5	-2.7	-2.6	-4.2	-2.8
Medical care	20.1	0.6	0.6	0.3	0.7	1.1	-0.8
Transport & Communication	170.1	10.1	5.4	3.2	7.8	3.6	4.2
Recreation, Education & Culture	80.4	0.5	1.0	1.2	1.1	0.9	0.2
Personal care	37.9	1.2	0.7	0.1	0.6	3.1	3.9
ALL ITEMS	**1000**	**1.8**	**0.5**	**0.0**	**0.9**	**1.0**	**1.7**

Source: Statistical Institute of Belize

Table 7.9: Gross Imports (CIF) by SITC

BZ$'000

SITC Section	Jan-Sept 2010	Jan-Sept 2011
0. Food and Live Animals	111,627	126,149
1. Beverages and Tobacco	14,550	17,172
2. Crude Materials	8,913	9,805
3. Minerals, Fuels and Lubricants	204,666	282,769
of which electricity	32,574	48,230
4. Oils and Fats	5,135	8,317
5. Chemical Products	88,055	98,522
6. Manufactured Goods	130,883	142,889
7. Machinery and Transport Equipment	169,225	167,741
8. Other Manufactures	66,223	74,845
9. Commodities N.E.S	0	655
10. Export Processing Zones	49,754	85,499
11. Commercial Free Zone	155,366	260,640
12. Personal Goods	2,167	2,122
Total	**1,006,563**	**1,277,124**

Source: Statistical Institute of Belize

Table 7.10: Balance of Payments

BZ$mn

	2010[R] Jan-Sept	2011[P] Jan-Sept
CURRENT ACCOUNT	**-46.4**	**-38.3**
Goods: Exports f.o.b.	701.2	904.2
Goods: Imports f.o.b.	-906.6	-1154.0
Trade Balance	-205.3	-249.8
Services: Credit	506.4	517.4
Transportation	31.2	31.7
Travel	381.2	382.7
Other Goods & Services	49.8	62.3
Gov't Goods & Services	44.2	40.7
Services: Debit	-238.0	-262.5
Transportation	-80.6	-101.5
Travel	-55.9	-57.3
Other Goods & Services	-88.6	-91.1
Gov't Goods & Services	-13.0	-12.6
Balance on Goods & Services	63.0	5.1
Income: Credit	6.8	7.1
Compensation of Employees	3.5	3.5
Investment Income	3.3	3.6
Income: Debit	-253.5	-183.1
Compensation of Employees	-9.2	-8.7
Investment Income	-244.3	-174.4
Balance on Goods, Services & Income	-183.7	-170.9
Current Transfers: Credit	170.9	168.2
Current Transfers: Debit	-33.6	-35.5
CAPITAL ACCOUNT	**10.7**	**28.1**
Capital Account: Credit	12.4	29.0
Capital Account: Debit	-1.7	-0.9
FINANCIAL ACCOUNT	**35.6**	**-0.3**
Direct Investment Abroad	-2.0	-0.8
Direct Investment in Reporting Economy	155.1	140.6
Portfolio Investment Assets	-4.4	-14.0
Portfolio Investment Liabilities	-8.3	-9.1
Financial Derivatives	0.0	0.0
Other Investment Assets	-20.0	-41.7
Other Investment Liabilities	-84.8	-75.2
NET ERRORS & OMISSIONS	**6.5**	**33.7**
OVERALL BALANCE	**6.4**	**23.3**
RESERVE ASSETS[1]	**-6.4**	**-23.3**

[1]*(Minus = Increase)*

P: Provisional

R: Revised

Table 7.11: Extended Balance of Payments Services Classification (EBOPS)

BZ$mn

		Jan-Sep 2010	Jan-Sep 2011
Total Services	**Net**	**268.4**	**254.9**
	Credits	506.4	517.4
	Debits	238.0	262.5
Manufacturing Services	**Net**	**0.0**	**0.0**
	Credits	0.0	0.0
	Debits	0.0	0.0
Maintenance and Repair Services	**Net**	0.1	0.1
	Credits	0.1	0.1
	Debits	0.0	0.0
Transportation	**Net**	**-48.7**	**-70.0**
	Credits	32.0	32.6
	Debits	80.8	102.6
Travel	**Net**	**325.2**	**325.4**
	Credits	381.2	382.7
	Debits	55.9	57.3
Communication, Computer, and Information Services	**Net**	**12.8**	**12.7**
	Credits	20.8	19.7
	Debits	7.9	7.0
Construction Services	**Net**	**0.0**	**0.0**
	Credits	0.0	0.0
	Debits	0.0	0.0
Insurance Services	**Net**	**-37.8**	**-36.9**
	Credits	0.2	0.2
	Debits	38.0	37.1
Financial Services	**Net**	**4.0**	**2.6**
	Credits	7.1	5.6
	Debits	3.1	3.0
Royalties and License Fees	**Net**	**-1.9**	**1.8**
	Credits	0.0	5.0
	Debits	1.9	3.2
Other Business Services	**Net**	**-15.8**	**-8.4**
	Credits	20.9	30.9
	Debits	36.7	39.3
Personal, Cultural and Recreational Services	**Net**	**-0.7**	**-0.3**
	Credits	0.0	0.0
	Debits	0.7	0.3
Government Services, N.I.E.	**Net**	**31.3**	**28.0**
	Credits	44.2	40.7
	Debits	13.0	12.6

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

Table 7.12: International Investment Position

BZ$mn

Item	2009	2010
Net position	**-4,225.1**	**-4,353.8**
A. Assets [(1)]	**726.7**	**774.9**
1.Direct investment abroad	**96.6**	**98.8**
2.Portfolio investment	**47.2**	**56.1**
2.1 Equity securities	0.0	0.0
2.2 Debt securities	47.2	56.1
3.Other investment	**155.6**	**184.0**
3.1 Trade credits	0.0	0.0
3.2 Loans	11.8	12.0
3.3 Currency and deposits	140.5	165.0
3.4 Other assets	3.3	6.9
4 .Reserve assets	**427.3**	**436.0**
4.1 Monetary gold	0.0	0.0
4.2 Special drawing rights	63.2	62.0
4.3 Reserve position in the Fund	13.3	13.0
4.4 Foreign exchange	350.8	361.0
B. Liabilities [(2)]	**4,951.8**	**5,128.7**
1. Direct investment	**2,276.2**	**2,472.7**
2. Portfolio investment	**1,093.5**	**1,093.5**
2.1 Equity securities	0.0	0.0
2.2 Debt securities	1,093.5	1,093.5
3.Other investment	**1,582.1**	**1,562.5**
3.1 Trade credits	0.0	0.0
3.2 Loans	1,543.0	1,536.6
3.3 Currency and deposits	36.4	23.6
3.4 Other liabilities	2.7	2.3

(1) The assets do not include data from the Bank of International Settlements (BIS)

(2) The liabilities do not include data from the IMF's Coordinated Portfolio Investment Survey (CPIS)

Table 7.13: Private Sector External Debt by Economic Sector [1] [2]

BZ$'000

Economic Sectors	DOD as at 31/12/10	Transactions (January to September 2011) Disbursements	Principal Payments	Interest Payments	DOD as at 30/06/11
Agriculture	68,834	9,026	4,002	1,197	73,857
Arts, Entertainment and Recreation	1,731	0	31	0	1,700
Construction	60,063	0	130	6,209	59,933
Education	223	30	32	0	221
Electricity and Gas [3]	108,629	0	9,010	1,458	76,385
Financial and Insurance Activities	111	0	0	0	111
Fishing	142,184	1,200	16,057	6,098	127,327
Real Estate Activities	1,394	0	1,289	96	106
Toursim Activities	43,626	22,988	17,394	1,226	49,220
Transportation	55,449	0	7,338	1,437	48,111
Wholesale and Retail Trade	1,592	0	353	68	1,240
Total [4]	**483,838**	**33,244**	**55,636**	**17,790**	**438,211**

(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 Statutory Instrumeny No. 104 of 2009 dated 28th August 2009, the Governemnt of Belize acquired Belize Telemedia Ltd. (BTL) majority shares.

(3) In compliance with legislation issued on 21st June 2011, the Government of Belize acquired Belize Electricity Ltd. (BEL), so BEL's external debt shifted from private to public sector as of June 2011.

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

Table 7.14: Central Government's Revenue and Expenditure

BZ$'000

	Approved Budget 2011/2012	Jan-10 to Sept-10	Jan-11 to Sept-11	Apr-10 to Sept-10	Apr-11 to Sept-11	Actual YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	**843,630**	**569,106**	**615,750**	**375,857**	**402,061**	**47.7%**
1).Current revenue	784,049	558,589	603,570	371,606	397,212	**50.7%**
Tax revenue	687,267	475,403	514,636	320,198	345,066	**50.2%**
Income and profits	256,742	172,632	189,991	113,050	129,344	**50.4%**
Taxes on property	5,459	3,639	5,878	2,177	3,341	**61.2%**
Taxes on goods and services	226,740	179,395	184,105	124,963	117,085	**51.6%**
Int'l trade and transactions	198,325	119,738	134,661	80,008	95,296	**48.1%**
Non-Tax Revenue	96,783	83,186	88,934	51,408	52,146	**53.9%**
Property income	12,229	17,958	16,279	6,937	9,464	**77.4%**
Licenses	13,619	10,015	9,024	6,638	5,630	**41.3%**
Other	70,935	55,213	63,632	37,833	37,052	**52.2%**
2). Capital revenue	5,286	2,993	4,397	2,035	2,729	**51.6%**
3). Grants	54,295	7,524	7,783	2,217	2,120	**3.9%**
TOTAL EXPENDITURE (1+2)	**889,787**	**619,731**	**624,585**	**401,471**	**405,090**	**45.5%**
1). Current Expenditure	729,553	525,299	556,071	335,951	359,632	**49.3%**
Wages and Salaries	300,368	206,929	215,411	137,069	144,792	**48.2%**
Pensions	48,916	33,944	35,498	21,369	23,665	**48.4%**
Goods and Services	168,444	125,566	135,686	78,237	87,587	**52.0%**
Interest Payments on Public Debt	111,566	87,851	96,086	51,418	52,078	**46.7%**
Subsidies & current transfers	100,259	71,009	73,390	47,858	51,511	**51.4%**
2). Capital Expenditure	160,234	94,433	68,514	65,520	45,458	**28.4%**
Capital II (local sources)	47,994	56,389	47,211	38,908	31,395	**44.6%**
Capital III (foreign sources)	107,281	34,003	16,510	23,374	10,936	**10.2%**
Capital Transfer & Net Lending	4,959	4,040	4,792	3,239	3,127	**63.1%**
CURRENT BALANCE	**54,496**	**33,290**	**47,499**	**35,655**	**37,580**	**69.0%**
Primary Balance	**65,410**	**37,225**	**87,251**	**25,804**	**49,049**	**75.0%**
OVERALL BALANCE	**(46,157)**	**(50,626)**	**(8,835)**	**(25,614)**	**(3,029)**	**6.6%**
PB less Grants	**11,115**	**29,701**	**79,468**	**23,587**	**46,929**	**422.2%**
OB less Grants	**(100,452)**	**(58,150)**	**(16,618)**	**(27,831)**	**(5,149)**	**5.1%**
FINANCING		50,626	8,835	25,614	3,029	**25,614**
Domestic Financing		34,902	13,814	1,345	(5,444)	
Central Bank		(29,576)	(14,695)	(63,082)	(25,785)	
Net Borrowing		(44,126)	13,828	(45,815)	22,877	
Change in Deposits		14,550	(28,523)	(17,267)	(48,662)	
Commercial Banks		57,392	(3,594)	57,749	(3,592)	
Net Borrowing		56,279	846	56,323	(4,762)	
Change in Deposits		1,113	(4,440)	1,426	1,170	
Other Domestic Financing		7,086	32,103	6,678	23,933	
Financing Abroad		7,440	13,158	15,689	22,415	
Disbursements		50,390	55,094	42,410	48,077	
Amortization		(42,950)	(41,936)	(26,721)	(25,662)	
Other		8,284	(18,138)	8,580	(13,942)	

Sources: Ministry of Finance and Central Bank of Belize

Table 7.15: Central Government's Domestic Debt by Creditor [1]

BZ$'000

	Disbursed Outstanding Debt 31/12/10	Transactions (January to September 2011) Disbursements/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	Disbursed Outstanding Debt 30/09/11
Overdraft / Loans	**34,046**	**0**	**0**	**3,060**	**18,984**	**53,030**
Central Bank	34,046	0	0	3,060	18,401	52,447
Commercial Banks	0	0	0	0	583	583
Treasury Bills	**175,000**	**0**	**0**	**3,286**	**0**	**175,000**
Central Bank	21,014	0	0	473	659	21,673
Commercial Banks	152,522	0	0	2,797	(888)	151,634
Other	1,464	0	0	16	229	1,693
Treasury Notes	**136,800**	**0**	**0**	**6,862**	**0**	**136,800**
Central Bank	87,991	0	0	5,061	(5,232)	82,759
Commercial Banks	10,000	0	0	300	0	10,000
Other	38,809	0	0	1,501	5,232	44,041
Defence Bonds	**10,000**	**0**	**0**	**800**	**0**	**10,000**
Central Bank	10,000	0	0	800	0	10,000
Commercial Banks	0	0	0	0	0	0
Other	0	0	0	0	0	0
Atlantic Bank Ltd.	**0**	**1,500**	**0**	**0**	**0**	**1,500**
Heritage Bank Ltd	2,743	0	349	292	0	2,394
Belize Social Security Board [2]	**4,374**	**0**	**646**	**244**	**0**	**3,728**
Fort St Tourism Vlg.	**96**	**0**	**57**	**0**	**0**	**40**
Debt for Nature Swap	**3,747**	**0**	**693**	**45**	**0**	**3,054**
Guardian Life Bze	**1,000**	**0**	**0**	**90**	**0**	**1,000**
Total	**367,806**	**1,500**	**1,744**	**14,680**	**18,984**	**386,546**

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

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

Table 7.16: Public Sector External Debt by Creditor [1]

BZ$'000

	Disbursed Outstanding Debt 31/12/10	Transaction (January to September 2011) Disbursements	Principal Payments	Interest & Other Payments	Parity Change	Disbursed Outstanding Debt 30/09/11
CENTRAL GOVERNMENT	**1,888,214**	**55,094**	**41,936**	**81,591**	**727**	**1,902,099**
Banco Nacional de Comercio Exterior	4,764	0	1,059	273	0	3,705
Government of the United States[2]	1,096	0	172	27	0	924
Government of Venezuela	38,857	57	998	293	0	37,916
Kuwait Fund for Arab Economic Dev	16,930	0	1,597	766	381	15,714
Republic of China	280,884	20,000	17,300	6,202	0	283,584
Caribbean Development Bank	189,383	12,511	7,030	4,648	0	194,863
European Economic Community	14,903	0	423	56	170	14,651
European Investment Bank	91	0	0	0	2	93
Inter-American Development Bank	207,082	16,975	6,786	2,442	-0	217,272
International Fund for Agric. Dev.	1,450	741	70	14	175	2,296
Intl. Bank for Reconstruction & Dev.	22,585	2,463	4,071	136	-0	20,977
Opec Fund for Int'l. Development	14,814	2,347	1,567	460	-0	15,595
Central American Bank for Econ. Integ.	980	0	0	102	0	982
Manufacturers & Traders Trust Co.	865	0	865	25	0	0
Bear Stearns & Co.	5,916	0	0	0	0	5,916
Bank of New York (New Bond Issue)	1,087,613	0	0	66,149	0	1,087,613
NON-FINANCIAL PUBLIC SECTOR	**31,551**	**296**	**5,028**	**892**	**93**	**48,645**
Kuwait Fund for Arab Economic Dev	4,603	0	358	86	93	4,338
Deutsche Bank	844	0	211	16	0	633
Royal Merchant Bank and Finance Co. [3]	0	0	0	0	0	1,159
The Bank of Nova Scotia [3]	0	0	1,595	56	0	9,012
European Investment Bank [3]	0	0	0	0	0	2,171
Intl. Bank for Reconstruction & Dev. [3]	0	0	495	15	0	0
Caribbean Development Bank[4]	26,104	296	2,370	719	0	31,332
FINANCIAL PUBLIC SECTOR	**101,600**	**0**	**10,375**	**1,657**	**984**	**92,209**
Caribbean Development Bank	12,204	0	1,174	224	0	11,030
European Economic Community	423	0	20	2	9	412
Paine Webber Real Estate Securities Inc.	600	0	100	0	0	500
Belize Mortgage Company	18,781	0	9,081	1,058	0	9,700
International Monetary Fund[5]	69,592	0	0	373	975	70,567
GRAND TOTAL	**2,021,365**	**55,391**	**57,340**	**84,140**	**1,805**	**2,042,954**

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

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

(3) The increase in debt is due to the nationalization of BEL effective June 21st 2011, thus GOB took on assets of equal value.

(4) Loans for the Water Company were re-classified as part of the non-financial public sector after the GOB bought the majority shares in the company on 3rd October 2005.

(5) IMF/SDR $17.9mn is included as part of financial public debt stock of external obligation.