



CENTRAL BANK OF BELIZE

QUARTERLY REVIEW



SEPTEMBER 2012

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Quarterly Review

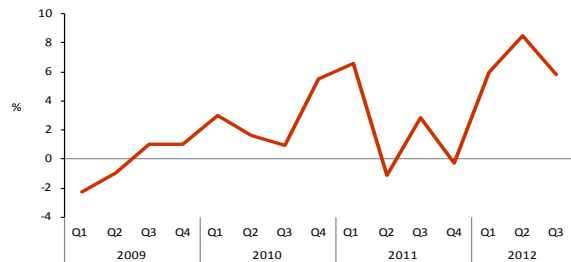
September 2012

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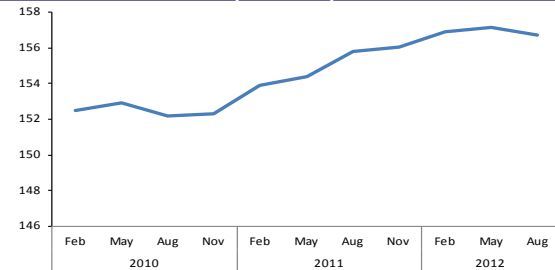
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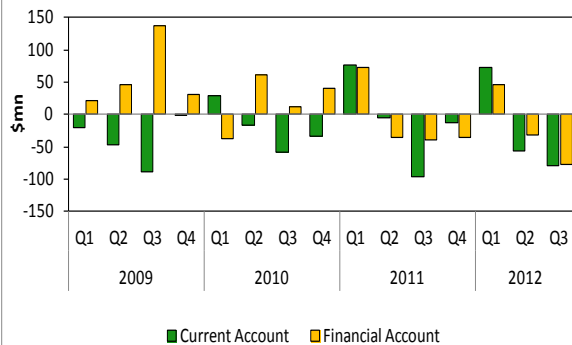
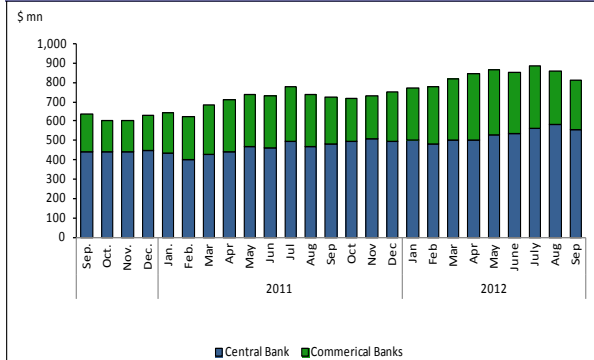


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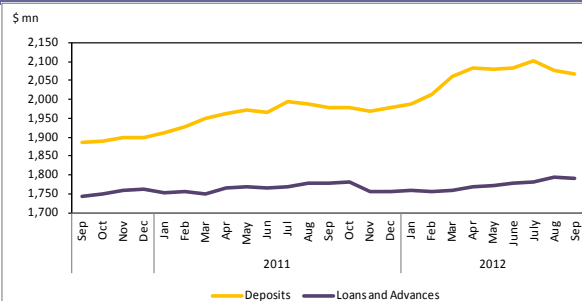
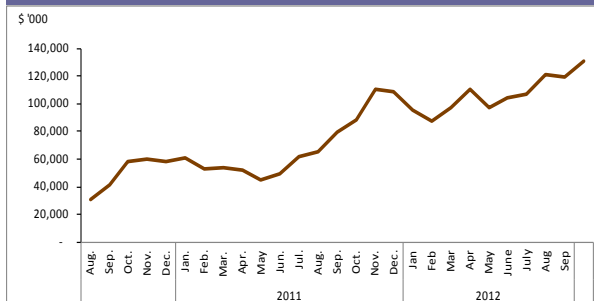
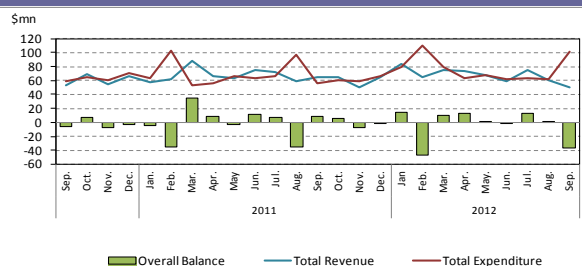


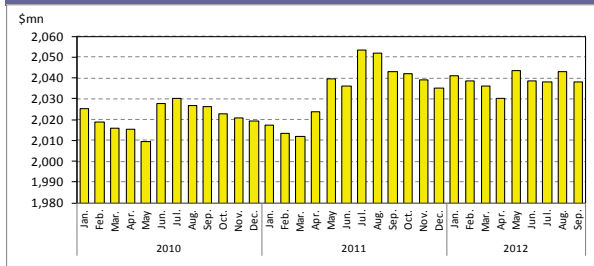
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INTERNATIONAL DEVELOPMENTS

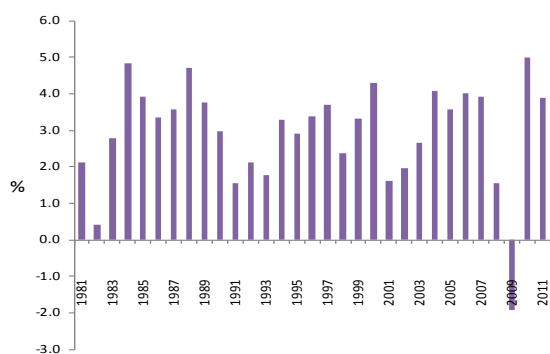
The performance of the US economy in the third quarter was a bright spot, however, the risk of another global downturn loomed with the persistence of financial fragilities that caused the Euro Zone to fall into recession and the emerging market economies to decelerate. Measures to address the debt overhang in some European countries were very slow to implement due to widespread resistance to austerity measures that have been seen to cause significant domestic contractions in countries such as Greece. In addition to a third quarter 0.1% decline in output, the Euro Zone's unemployment rate was 11.6% at the end of September, ranging from highs of 25.8% in Spain to lows of 4.4% in Austria. The most debt burdened economies of the area experienced a worsening of financial conditions and the trade oriented economies in the euro zone struggled as well due to downturns in key export markets. Greece, Portugal, Italy and Spain registered third quarter contractions

of 7.2%, 3.4%, 2.4% and 1.6%, respectively, while the Euro Zone's two largest economies, Germany and France recorded only marginal growth.

After decelerating in the second quarter, the US economy rebounded in the third quarter with a 2.7% annualized increase in GDP. This was attributed to the rebuilding of inventories and higher spending by consumers and the government. The economic upswing caused unemployment to decline to 7.8% but the outlook remains uncertain due to the lack of consensus on a plan to avert the so-called fiscal cliff. In the UK, revenues from the Summer Olympic games countered the effects of the ongoing fiscal tightening and underpinned a 1.0% upswing in the economy. On the other hand, Japan registered a 0.9% contraction in the third quarter as exports and domestic demand weakened.

GDP growth in China slowed to 7.7% in the third quarter as export demand waned and

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



Source: International Monetary Fund

Table 1.1: Selected GDP Growth Rates

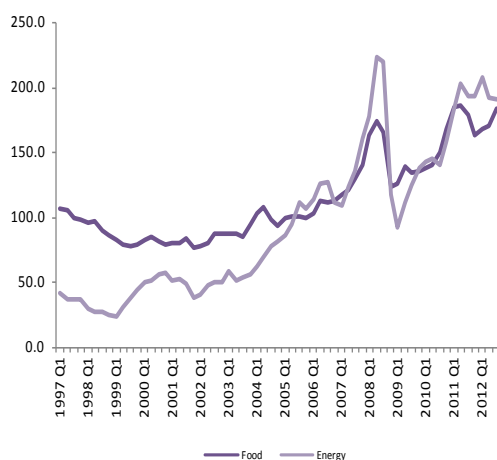
	Percent	
	Jun-12	Sept-12
USA ⁽¹⁾	1.3	2.7
UK ⁽²⁾	-0.4	1.0
Euro Area ⁽²⁾	-0.2	-0.1
Japan ⁽²⁾	0.1	-0.9

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

⁽²⁾ Percentage change compared to the previous quarter

Source: Respective Statistical Bureaus

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



Source: International Monetary Fund

increased speculative activity and falling crude oil stockpiles in the US adds to the risk of price instability in the coming months.

Table 1.2: Annual Inflation for Selected Economies

	Year on Year Change (%)	
	Jun-12	Sept-12
US	1.9	2.0
UK	2.4	2.2
Japan	-0.2	-0.3
China	2.2	1.9

Source: Respective Statistical Bureaus

its real estate market weakened. While growth in emerging and developing economies is generally expected to remain healthy, it is not projected to return to pre-crisis levels as import demand of developed economies (especially in Europe) weakens, and domestic demand remains sluggish due to the monetary and macro prudential policy tightening over the past year.

Notwithstanding an increase in crude oil prices in the month of September, third quarter inflationary pressures eased in advanced and emerging economies due to a slight downturn in commodity prices that resulted from the slowdown in global economic activity. However, the upswing in the West Texas Intermediate oil price from US\$82.30 per barrel in June to US\$94.72 in September against the backdrop of geopolitical tensions,

DOMESTIC OVERVIEW

Domestic developments included a 4.2% increase in broad money during the first three quarters with net foreign assets and net domestic credit of the banking system expanding by 8.3% and 2.2%, respectively. The Central Bank's holdings accounted for the bulk of the growth in net foreign assets as the government's decision to pay 50% of the interest on the super bond thirty days after the August due date reduced its anticipated foreign exchange outflows. Growth in net domestic credit was across the board with the private sector accounting for 58.8% of the increase. During the year, interest rates continued to trend downward as the excess statutory liquidity of the commercial banks expanded by a further 12.7%. While a 128 basis point decline in the time deposit rate underpinned the drop in the weighted average deposit rate to 2.79%, the weighted average lending rate fell to 12.32%, driven by a rate cut of 115 basis points on residential construction loans.

With the banana, citrus and sugarcane crops in recovery mode after natural disasters and boosts also coming from construction, electricity, and tourism, GDP grew by 5.8% in the first three quarters. "Hotels and Restaurants" and "Transportation and Communication" benefitted from an increase in overnight visitors while the re-opening of one of the country's largest shrimp farms

underpinned a 5.3% increase in "Fishing". Although a lack of rainfall in the catchment areas dampened domestic electricity output in the third quarter, "Electricity & Water" was nonetheless able to register an overall 9.3% increase due to the sector's strong expansion in the first half of the year.

The Consumer Price Index declined by 0.3% during the May - August period but was up by 0.6% over the year (August 2011 to August 2012) mostly reflecting higher prices for "Food and Non Alcoholic Beverages" (0.5%), "Recreation and Culture" (2.5%) and "Health" (6.8 %).

Total expenditure by Central Government rose at a slightly faster pace than revenues during the nine month period mostly due to increased outlays on Capital III projects, and as a result, the overall deficit increased year on year from \$27.0mn to \$32.7mn while the primary surplus fell from \$69.1mn to \$52.2mn. Financing for the overall deficit was sourced in almost equal measure from domestic and external sources. Over the review period, the Government's domestic debt increased by \$15.6mn to \$396.8mn while the public sector's external debt fell by \$7.2mn to \$2,037.9mn, as amortization payments of \$60.5mn exceeded multilateral and bilateral disbursements of \$53.2mn.

On the external front, heightened net outflows to foreign owners of capital and lower transfers from abroad resulted in a

widening of the nine month current account deficit to \$61.9mn, relative to the \$26.3mn deficit recorded in the comparable period of 2011. While the capital account posted a higher surplus of \$43.8mn due to an increase in grants, financial transactions resulted in a \$65.4mn rise in the country's net liabilities to foreign entities as foreign direct investment inflows exceeded net private sector loan repayments. Dominating the movements on the financial account was the purchase by American Sugar Refining Limited of 78.6% of Belize Sugar Industries Limited (BSI) shares for US\$64.8mn and the subsequent repayment by BSI of its outstanding external debts. Gross official reserves rose by 15.1% to \$543.4mn, equivalent to 4.5 months of merchandise imports.

MONETARY DEVELOPMENTS

Central Government's decision to pay 50% of the interest on the super bond thirty days after the due date significantly affected monetary developments in September with increased financing from the Central Bank mirroring a drop in its holdings of foreign assets. Sizeable payments for fuel and electricity in August and September also exacerbated the dip in commercial banks' net foreign exchange flows that normally occurs during the third quarter. The contraction in the net foreign assets of the banking system was consequently the main contributor to a 1.1% decline in broad money (M2) during the month. Despite this, the growth in broad money over the January to September period kept pace with the previous year's 4.2% increase as net foreign assets and net domestic credit expanded by 8.3% and 2.2%, respectively.

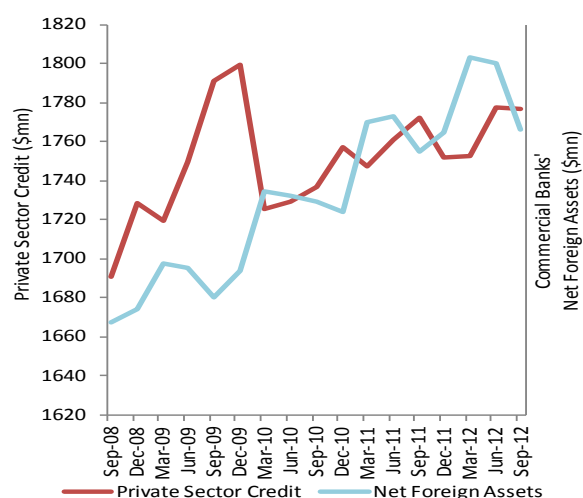
Against a backdrop of high systemic liquidity, commercial banks were reluctant to roll over time deposits, and this resulted in a 1.1% fall in quasi-money, in contrast to the 0.3% increase recorded during the same period of 2011. Inflated by the growth in M2 and shifts from time deposits, narrow money rose by 13.0%, notably exceeding the 5.1% growth averaged during the comparable period of the past five years. Businesses, credit unions, Belize Social Security Board, Belize Telemedia Limited and individuals accounted for most of the \$117.1mn build-up in demand deposits this year.

Net foreign assets were up by \$62.4mn since the beginning of the year, but this mainly reflected a \$60.1mn expansion in the Central Bank's net holdings. The Bank recorded inflows of \$237.0mn that were mainly sourced from domestic oil taxes (24.7%), sugar receipts

Table 2.1: Factors Responsible for Money Supply Movements

\$mn			
		Changes During	
	Position as at Sept 2012	Dec 2011 to Sept 2012	Dec 2010 to Sept 2011
Net Foreign Assets	814.8	62.4	93.7
Central Bank	558.6	60.1	39.7
Commercial Bank	256.2	2.3	54.0
Net Domestic Credit	1,957.4	42.2	2.9
Central Government (Net)	168.0	10.4	-18.5
Other Public Sector	12.3	7.0	6.6
Private Sector	1,777.1	24.8	14.8
Central Bank Foreign Liabilities(Long-term)	66.1	-3.3	1.0
Other Items (net)	411.8	14.8	8.0
Money Supply M2	2,294.3	93.1	87.6

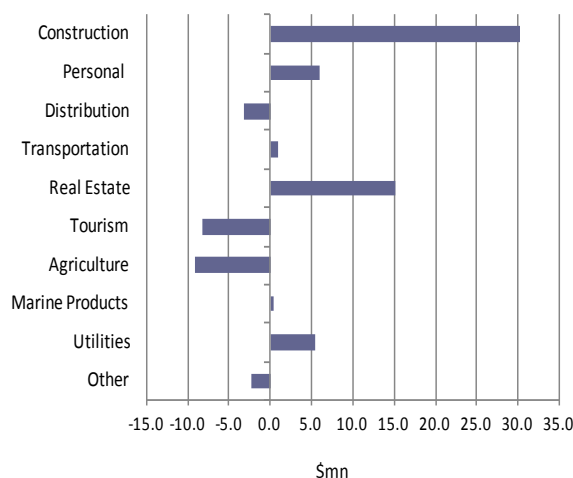
Chart 2.1: Commercial Banks' Net Foreign Assets and Private Sector Credit



(23.7%), loan disbursements (19.6%) and purchases from commercial banks (15.2%). Outflows of \$177.0mn included sales to Central Government of \$140.8mn, approximately 80.0% of which was used for external debt servicing. Meanwhile, after increasing by \$90.1mn in the first four months of the year, the net position of the commercial banks subsequently declined by \$87.8mn as the deficit on the external current account more than doubled. At the end of September, their net foreign asset holdings stood at \$256.3mn, which was \$2.3mn higher than the position at the start of the year. Developments included a \$9.9mn reduction in commercial banks' foreign assets and \$12.2mn contraction in their short term liabilities.

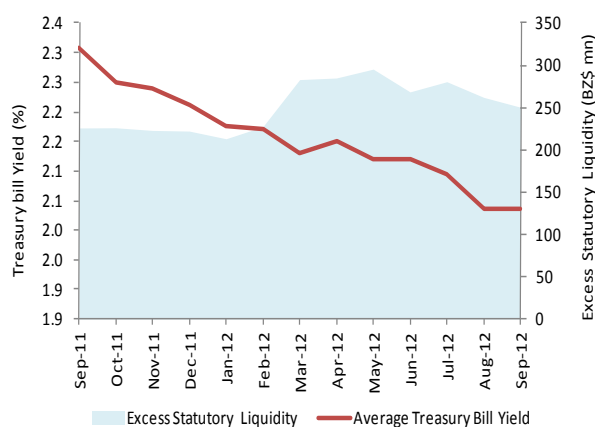
In contrast to the \$4.3mn dip that occurred over the comparable period of 2011, net domestic credit grew by \$42.2mn with across-the-board

Chart 2.2: Changes in Commercial Banks' Loans and Advances December 2011 - September 2012



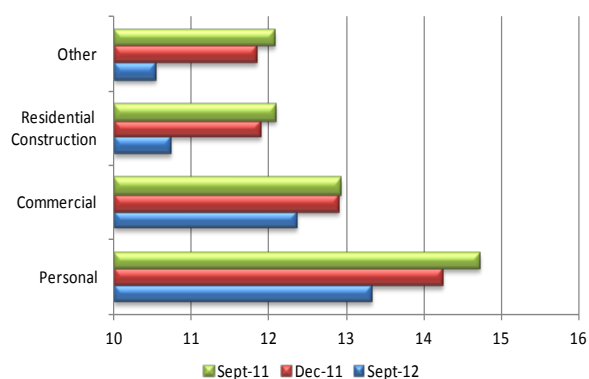
increases in lending to the private sector, Central Government and other public sector bodies of \$24.8mn, \$10.4mn and \$7.0mn, respectively. The growth in net credit to Central Government mostly consisted of a \$14.5mn increase in its overdraft facility at the Central Bank and a drawdown on deposits at the Central Bank to execute the partial payment on the superbond in September. Notwithstanding

Chart 2.3 Excess Liquidity and Average Treasury Bill Yield



\$23.5mn in write-offs of non-performing loans from January through September, private sector credit grew by 1.4%, almost double the 0.8% recorded in the comparable period of 2011. The most notable increases in commercial banks' loans consisted of \$27.3mn for residential and infrastructure construction, \$18.0mn for real estate activities, \$5.9mn for individuals and \$5.5mn for utility companies. In contrast, net repayments were made by entities involved in agriculture (\$9.0mn), tourism (\$8.2mn), merchandise trade (\$3.2mn), entertainment (\$3.0mn) and manufacturing (\$2.5mn). Lending by the five largest credit unions grew by \$23.3mn, which was about twice what was recorded during the same period in 2011, as new loans for individuals, real estate activities, agricultural producers, residential construction and marine producers outpaced repayments on loans for home improvement and manufacturing.

Chart 2.4 : Weighted Average Lending Rates



The uptick in commercial bank lending coupled with higher net foreign exchange outflows in the latter part of the review period led to a slowing in the growth of excess statutory liquidity to 12.7% in comparison with the 33.4% increase in the previous year. Average holdings of approved liquid assets rose by \$57.3mn against a \$29.2mn increase in the required level. Meanwhile, excess cash balances rose by 36.9% to \$131.0mn, which was 70.6% above required levels.

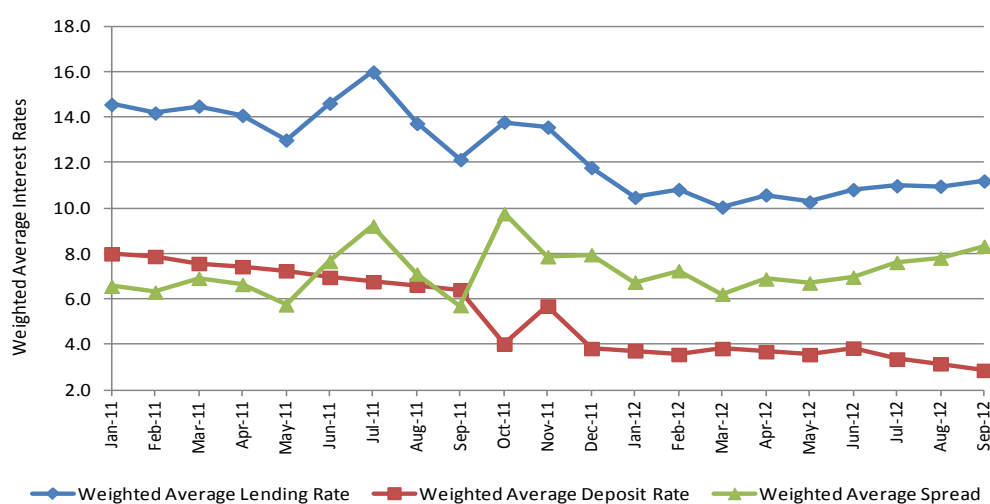
Table 2.2: Net Foreign Assets of the Banking System

	Changes During		
	Position as at Sept 2012	Dec 2011 to Sept 2012	Dec 2010 to Sept 2011
Net Foreign Assets of Banking System	814.8	62.4	93.7
Net Foreign Assets of Central Bank	558.6	60.1	39.7
Central Bank Foreign Assets	560.2	60.0	38.6
Central Bank Foreign Liabilities(Demand)	1.6	-0.1	-1.1
Net Foreign Assets of Commercial Banks	256.2	2.3	54.0
Commercial Bank Foreign Assets	264.5	-9.9	42.6
Commercial Bank Foreign Liab. (Short-Term)	8.3	-12.2	-11.4

The persistence of high levels of liquidity in the banking system underpinned a 79 basis points fall in the weighted average lending rate to 12.23%, with all loan categories recording rate cuts, of which the most notable consisted of 115 basis points for residential construction and 92 basis points for personal loans. At the same time, a reduction of 128 basis points in the time deposit rate was the major contributor to a fall of 86 basis points in the weighted average deposit rate to 2.79%, its lowest level since 1977. As a result, the weighted average spread increased by 7 basis points to 9.44%. New borrowers, however, have benefitted by generally lower interest rates offered on new loans issued during the month. These rates were below 11.0% during the first six months of this year and edged back up to 11.2% in

September. Meanwhile, interest rates offered on new deposits flattened out by at least 240 basis points with the lowering of the floor on savings deposit from 3.5% to 2.5% in October 2011. After hovering between 3.0% and 4.0% for January through August 2012, new deposit rates dipped to 2.9% during September. Over the first nine months of the year, commercial banks' Treasury bill holdings rose by \$22.3mn to \$173.3mn, with the weighted average yield declining from 2.21263% at the last auction in 2011 to 2.02507% in August, the last auction in the third quarter. The latter was 1 basis points lower than the preceding auction and 32 basis points below the average yield recorded in August 2011. The interbank market remained dormant during this period, a reflection of the high systemic liquidity.

Chart 2.5 : Monthly Weighted Average New Interest Rates on Loans and Deposits



DOMESTIC PRODUCTION AND PRICES

After a 7.4% increase in the first semester, GDP growth tapered off slightly resulting in overall growth of 5.8% for the first three quarters of 2012. Much of this was due to the agricultural export crops rebound from natural disasters, tourism, and electricity generation. Despite a drop in papaya production, double digit increases in deliveries of sugarcane, banana and citrus fruit boosted output in “Agriculture, Hunting and Forestry” by 26.5%. “Construction” was buoyant, growing by 12.4%, while an 8.9% growth in stay-over visitors contributed to upswings in “Hotels and Restaurants” and “Transportation & Communication”. “Fishing” rebounded with a 5.3% growth as the country’s largest shrimp farm recommenced operations this year, and output in the “Electricity & Water” subsector remained upbeat, notwithstanding a prolonged drought that limited the generation of hydro-electricity in the third quarter. On the downside, “Manufacturing” contracted by 1.2% due to a 26.9% decline in oil output.

Sugar

With the harvest closing on 7 June 2012, sugarcane deliveries for the crop year amounted to 1,070,278 long tons, surpassing the 2010/11 harvest by 26.8%. Sugar production rose by a less than proportional 16.3% to 114,536 long tons as excessive rains diluted the crop’s sucrose content and caused

a 9.0% decline in the cane/sugar ratio. Even so, sugar production exceeded the 100,000 long ton mark for the first time since the 2005/06 crop. Molasses production also posted a 7.8% gain to 30,955 long tons.

The average price to be paid to farmers for the 2011/12 crop year was adjusted upward from \$68.12 to \$72.12 per long ton of sugarcane. Factored into this price was a negotiated premium above the EU reference price (€335.14 per metric ton) that was facilitated by high world market prices, modest exchange rate gains from the Euro price negotiated on the futures market and the value added premium earned on bagged sugar.

In developments of note during September, a foreign investor, American Sugar Refining Limited, acquired 78.6% of the shares in Belize Sugar Industries Limited, currently the sole processor of sugar in the country, for US\$64.8mn.

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

	Dec-Sept 2010/2011	Dec-Sept 2011/2012
Deliveries of Sugarcane to BSI (long tons)	843,786	1,070,278
Sugar Processed by BSI (long tons)	98,482	114,536
Molasses processed by BSI (long tons)	28,727	30,955
Performance		
Factory Time Efficiency (%)	90.30	95.27
Cane Purity (%)	86.55	85.77
Cane/Sugar	8.57	9.34

Source: Belize Sugar Industries

Citrus

The 2011/12 citrus harvest, which ended on June 29th, was 30.6% higher than the previous crop year, which had ended earlier than usual on May 11, 2011. Orange deliveries rose by 30.5% to 5.8mn boxes, and grapefruit rebounded from hurricane damages to post a 30.8% increase to 0.9mn boxes. Notwithstanding a 1.8% fall in the average juice out-turn per box of fruit, citrus juice production rose by 28.3% to 39.8mn pound solids (ps). At 36.3mn ps, orange concentrate represented 91.7% of juice production, while grapefruit concentrate came in at 3.3mn ps. Grapefruit not-from-concentrate (NFC) accounted for the remaining 0.3mn ps. By-products included 2.9mn pounds of pulp and 2.2mn pounds of oil, most of which was from orange.

Once again, market activities in the United States and Brazil influenced the movement in international concentrate prices and, by extension, prices paid to farmers. Price improvements for orange concentrates resulted from reports of lower juice stocks in Florida and the rebuilding of depleted inventories by Brazilian producers. A smaller grapefruit harvest in Texas combined with lower juice stocks in Florida supported the strengthening of grapefruit prices. Consequently, the estimated prices paid to farmers for the 2011/12 crop is \$2.34 per ps of orange, compared to the \$1.88 of the previous year, and \$2.03 per ps for grapefruit, compared

Table 3.2: Output of Citrus Products

	Oct - Sept 2010/2011	Oct - Sept 2011/2012
Deliveries (boxes)		
Orange	4,447,339	5,805,948
Grapefruit	<u>673,043</u>	<u>880,489</u>
Total	5,120,382	6,686,437
Concentrate Produced (ps)		
Orange	28,046,917	36,299,166
Grapefruit	<u>2,643,698</u>	<u>3,265,412</u>
Total	30,690,615	39,564,578
Not from Concentrate (ps)		
Orange	267,735	0
Grapefruit	<u>132,587</u>	<u>323,157</u>
Total	400,322	323,157
Pulp (pounds)		
Orange	1,734,340	2,628,376
Grapefruit	<u>155,184</u>	<u>318,848</u>
Total	1,889,524	2,947,224
Oil Produced (pounds)		
Orange	1,490,400	2,059,510
Grapefruit	<u>80,800</u>	<u>115,216</u>
Total	1,571,200	2,174,726

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

to the \$1.33 for the 2010/11 crop.

Banana

Banana production grew by 33.9% during the first nine months of the year due to the rehabilitation of storm-damaged acreages and favourable weather. At the end of July, banana acreage stood at 7,162 with 6,971 acres under production and 191 acres under plantilla (trees too young to harvest). The Banana

Growers Association and Fyffes entered the final year of their exclusive marketing contract with negotiations for the extension of this agreement having already begun.

Table 3.3: Banana Production

	40 pound boxes	
	Jan - Sept 2011	Jan - Sept 2012
1st Quarter	953,187	1,375,211
2nd Quarter	1,159,399	1,553,135
3rd Quarter	1,123,770	1,503,544
Total	3,236,357	4,431,890

Source: Banana Grower's Association

Petroleum

With output from the Spanish Lookout and Never Delay oil fields declining by 43.6% and 25.8%, respectively, total oil production contracted by 26.9% to 793,408 barrels, when compared to the same period of 2011. The average daily production over the first three quarters of the year fell to 2,906 barrels per day from 3,975 barrels in the comparable period of 2011. Even with a two month advantage, the Never Delay field's production in 2012 was lower than the 2011 output, an indication of the field's instability.

Tourism

In the first three quarters, most Caribbean countries experienced an increase in stay-over arrivals with the annual growth in visitors

to the region being projected to accelerate from 4.0% in 2011 to approximately 5.0%, despite economic uncertainties in key markets worldwide.

Stay-over visitors to Belize increased by 8.9% in the period reviewed as a 16.7% increase in visitors through the Philip Goldson International Airport outweighed respective declines of 16.9% and 21.2% in arrivals through the land and sea ports. Accounting for 68.2% of all stay-over arrivals, visitors from the US rose by 10.8% and arrivals from Canada (the source of 4.5% of all stay-over visitors) were up by 47.4%. However, reflective of the economic distress in the euro area, long-stay visitors from Europe (the source of 10.3% of total stay-overs) fell by 11.2%. The number of arrivals from other countries was 7.8% lower mainly due to a significant downturn in visitors from Mexico.

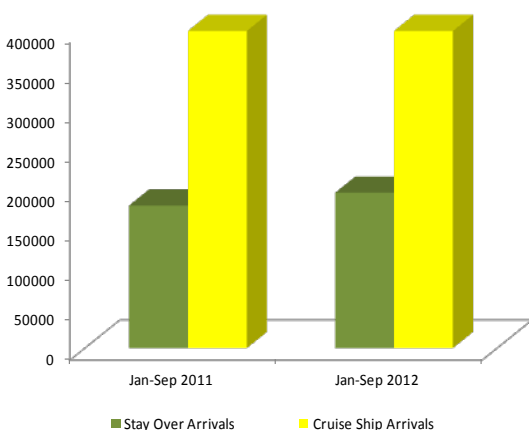
Cruise ship disembarkations were down 8.7% to 409,788 visitors reflecting fewer port calls

Table 3.4: Bona Fide Tourist Arrivals

	Jan - Sept 2011	Jan - Sept 2012
Stay-over Arrivals		
Air	139,306	162,625
Land	31,835	26,460
Sea	8,721	6,871
Total	179,862	195,956
Cruise Ship	448,922	409,788

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

Chart 3.1: Tourist Arrivals



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

and the use of smaller ships for the Belize route (average maximum capacity of 2,419 for 2012 in comparison to 2,608 in 2011). Underpinning this decline were the expansion of routes by North American cruise ships to long-haul, non-traditional destinations in Asia and Brazil, which are substitutes for the Caribbean and the lack of adequate deep water docking facilities in Belize.

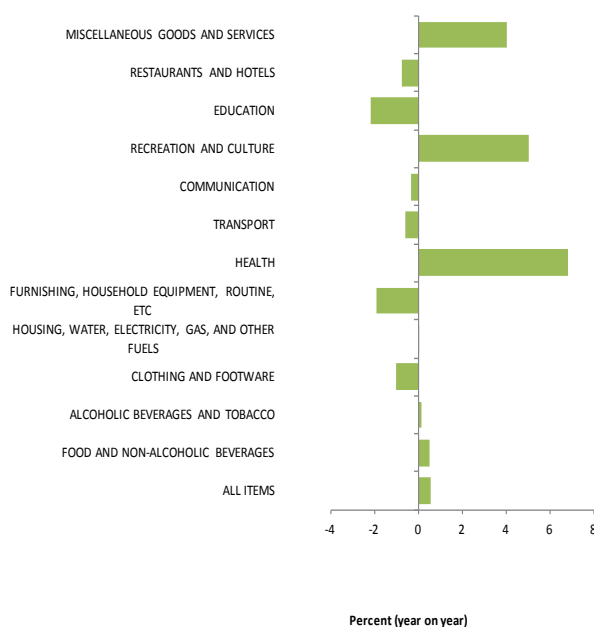
Consumer Price Index

The Consumer Price Index fell by 0.3% during the May to August quarter. It was, however, 0.6% higher over the year (August 2011 to August 2012) as higher prices in the “Recreation & Culture” and “Food & Non Alcoholic Beverages” categories outweighed declines in “Household Goods & Maintenance” and “Transportation & Communication”.

The major impulse behind the 0.5% increase in food prices was the higher cost of meat,

specifically poultry, while the 2.5% price hike in “Recreation and Culture” was underpinned by increases in cost of nightclub admissions. Although minimally impacting overall prices due to their small weight in the CPI basket, the largest price increases were in the “Medical Care” (6.8%) and “Personal Care” (4.1%) categories. On the downside, lower prices for international airfares caused a 0.5% decline in “Transport and Communication” while marginal declines were recorded in both the “Clothing & Footwear” and “Household Goods & Maintenance” categories.

Chart 3.2: Annual Percentage Change in Consumer Price Index



Source: Statistical Institute of Belize

INTERNATIONAL TRADE AND PAYMENTS

An increase in net outflows to foreign owners of capital and lower transfers from abroad contributed to the more than doubling of the external current account deficit to \$61.9mn compared to the first nine months of 2011. A surplus on the capital account and net foreign direct investment inflows covered the shortfall and also facilitated a 15.1% increase in gross official reserves to \$543.4mn (equivalent to 4.5 months of merchandise imports).

The merchandise trade deficit edged up by 1.5% to \$262.1mn as imports grew at a faster pace than exports. Most of the growth in imports was due to a \$110.3mn increase in goods for domestic consumption that included higher outlays on diesel fuel, engine parts and wheat. Exports were \$71.6mn higher, reflecting increases of \$54.5mn in commercial free zone sales and \$21.0mn in re-exports. Domestic exports, on the other hand, dipped by \$3.8mn, as significantly lower petroleum and papaya revenues more than offset revenue gains from other products. Declines in volume eroded earnings from petroleum and papaya while weaker prices accounted for the revenue loss in marine products. Higher volumes drove up receipts from sugar and banana, and earnings from citrus juices were boosted by both higher volumes and stronger prices.

Sugar export volume rose by 18.9% to 97,114

long tons, and earnings, buoyed by higher prices, increased by 30.0% to \$10.7.5mn. While the bulk of sales was to the EU, a US production shortfall bumped up Belize's export quota to this market to 17,081 long tons for 2012. The remaining 100 long tons was sold to Canada. Molasses exports rose by 5.6% to 22,135 long tons, while improved prices due to production shortfalls in major molasses producers such as India and Afghanistan

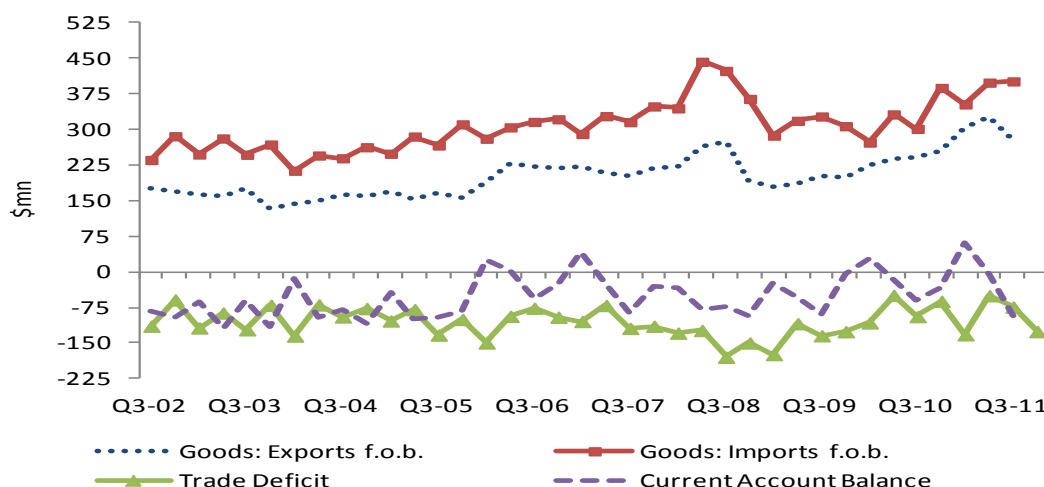
Table 4.1: Current Account Summary

	\$mn	
	2011 ^R Jan-Sept	2012 ^P Jan-Sept
A. CURRENT ACCOUNT	-26.3	-61.9
(I+II+III+IV)		
I. Goods (Trade Balance)	-258.3	-262.1
Exports, f.o.b.	904.8	976.4
Domestic Exports	558.4	554.6
CFZ Gross Sales	305.6	360.1
Re-exports	40.8	61.7
Imports, f.o.b.	1163.1	1238.5
Domestic Imports	899.3	1009.6
CFZ Imports	263.9	228.9
II. Services	253.4	251.1
Transportation	-69.9	-77.8
Travel	323.8	343.3
Other Services	-0.6	-14.4
III. Primary income	-153.4	-173.6
Compensation of Employees	-5.2	-7.3
Investment Income	-148.1	-166.3
IV. Secondary income	132.1	122.7
Government	-4.9	-5.3
Private	137.0	127.9

^P - Provisional

^R - Revised

Chart 4.1: Current Account and Trade Deficit



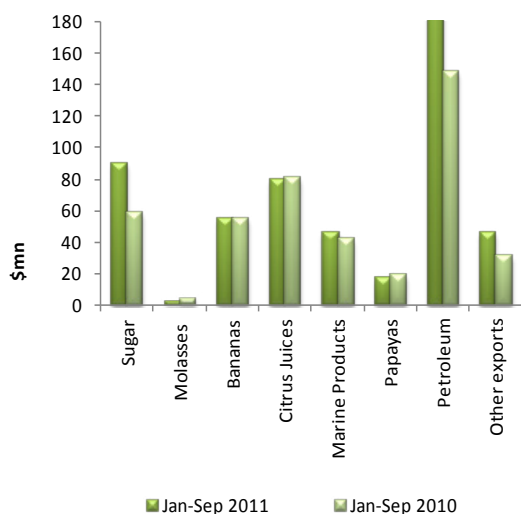
caused revenues to increase by 31.7% to \$3.9mn.

Citrus juice sales grew by 7.6% to 28.0mn pound solids (ps) reflecting export volume increases of 34.4% for grapefruit concentrate and 5.3% for orange concentrate. Revenues expanded by 21.6% to \$97.2mn, as lower juice stocks in the US and Brazil underpinned

a general rally in prices. The Caribbean and the US accounted for 30.7% and 28.6%, respectively, of orange concentrate export volume.

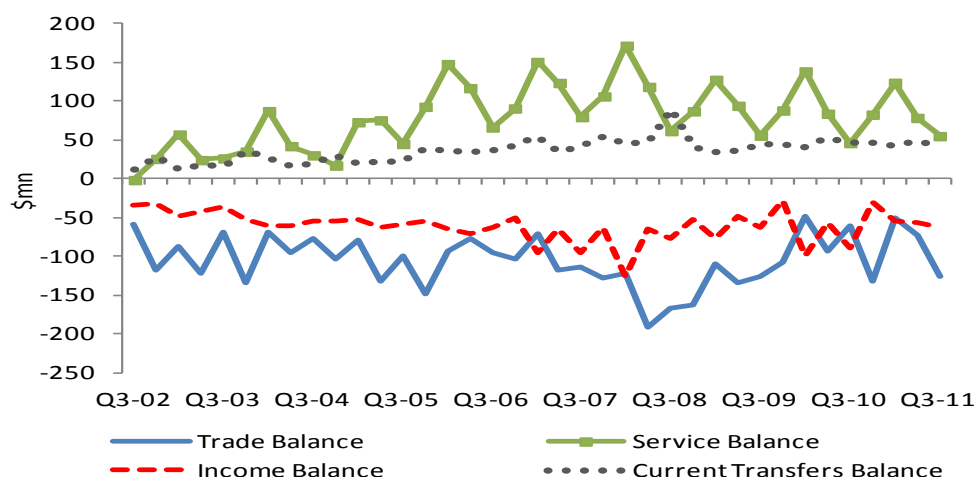
Although marine export volume grew by 28.4% to 12.9mn pounds, receipts were virtually stable at \$44.2mn as a reduction in revenue from lobster offset higher shrimp and conch earnings. Earnings from shrimp rose as improved prices compensated for the decline in volume while conch receipts benefitted from increases in both export volume and unit prices. In contrast, lobster earnings fell by 6.6% due to a significant decline in the average price per pound.

Chart 4.2: Domestic Exports



While banana rebounded with a 33.9% increase in export volume to 78,651 metric tons, the average price per box declined by 2.5% due to the inclusion of third class bananas in the export mix. Revenues,

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



consequently, increased by a slightly less than proportionate 30.9% to \$72.2mn. In the case of papaya, reduced export volume and falling papaya prices due to the recovery of Mexican production from the salmonella outbreak in 2011 caused revenues from this product to plunge by 42.0% to \$11.9mn.

Oil exports declined by 31.7% to 688,796 barrels, as supply constraints allowed only one export shipment per month instead of the customary two. With the added depressant of a 3.2% decline in the average price to US\$103.91 per barrel over the nine month period, revenues were down by 34.0% to \$143.2mn. However, nearing the end of the period, crude oil prices began rising again due to continued geopolitical tensions, declines in crude oil stockpiles in the US and increased speculative activity.

In other developments, the surplus on the

services account declined by 0.9% to \$251.1mn as higher outflows for transportation and other miscellaneous services edged out higher tourism earnings. Net travel receipts rose by 6.0% to \$343.3mn as a \$24.5mn increase in expenditures by stay-over visitors more than offset a \$5.2mn decline in spending by cruise ship tourists. The growth in the volume of international trade boosted net outflows for transportation services, while payments by insurance companies increased net outflows from other services.

Net outflows on the primary income account expanded from \$153.4mn in 2011 to \$173.6mn, as the repatriation of dividends by Fortis (owner of the hydroelectric plants) and reinvested earnings of the commercial banks exceeded the reduction in profit repatriation by the petroleum and tourism industries. A fall in inflows to insurance companies, credit unions, and international and regional

organizations resulted in a 7.1% decline in net receipts on the secondary income account.

Meanwhile, an \$11.5mn rise in grant receipts pushed the capital account surplus up from \$32.3mn to \$43.8mn, and financial transactions resulted in a \$65.4mn rise in the country's net liabilities to foreign owners of capital as \$256.5mn in foreign direct investment inflows outweighed debt repayments, particularly by the private sector. The former included US\$64.8mn paid by American Sugar Refining Limited to acquire 78.6% of the shares in Belize Sugar Industries

Limited (BSI), while the latter reflected the repayment by BSI of all its outstanding external debt using the proceeds from its sale of shares.

Table 4.2: Capital and Financial Account Summary

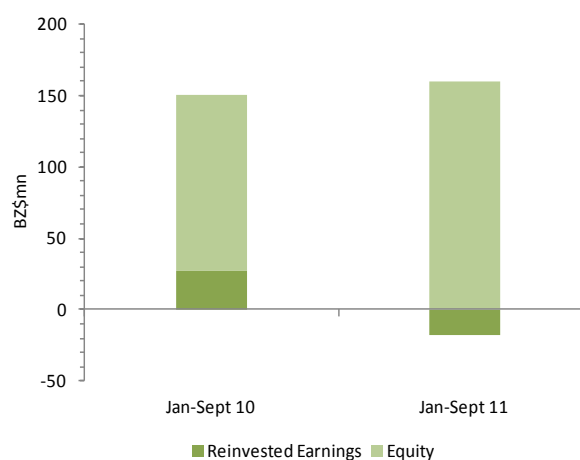
	\$mn	
	2011 ^R Jan-Sept	2012 ^P Jan-Sept
A. CAPITAL & FINANCIAL ACCOUNT		
I. Capital Account	32.3	43.8
II. Financial Account (1+2+3+4)	-1.3	-65.4
1. Direct Investment	-131.6	-256.5
2. Portfolio Investment	23.2	6.9
Monetary Authorities	14.0	0.0
General Government	9.1	6.5
Banks	0.0	0.0
Other Sectors	0.1	0.3
3. Financial Derivatives	0.0	0.0
4. Other Investments	107.1	184.2
Monetary Authorities	0.9	-0.1
General Government	-7.6	-4.3
Banks	53.6	2.7
Other Sectors	60.2	185.8
B. NET ERRORS & OMISSIONS	15.8	24.7
C. OVERALL BALANCE	-23.3	71.2
D. RESERVE ASSETS⁽¹⁾	-23.3	71.2

^P - Provisional

^R - Revised

⁽¹⁾ Positive = increase

Chart 4.4: Change in Foreign Direct Investment Components



GOVERNMENT OPERATIONS & PUBLIC DEBT

Central Government's fiscal outturn weakened slightly over the January to September period with operations yielding a primary surplus of \$52.2mn, a \$16.9mn year-on-year reduction, while the overall deficit widened by \$5.7mn to \$32.7mn. Revenues and grants were \$38.4mn (6.2%) higher, as increases from the General Sales Tax (GST), import duties, licenses and grants more than compensated for lower petroleum and non-tax revenues. Expenditure rose by \$44.0mn mainly due to a \$40.4mn increase in capital outlays.

In the first half of the 2012/2013 fiscal year, the primary surplus edged up by \$0.8mn to \$31.8mn, while the overall deficit narrowed by \$10.9mn to \$10.4mn as a result of the government's decision in September to pay

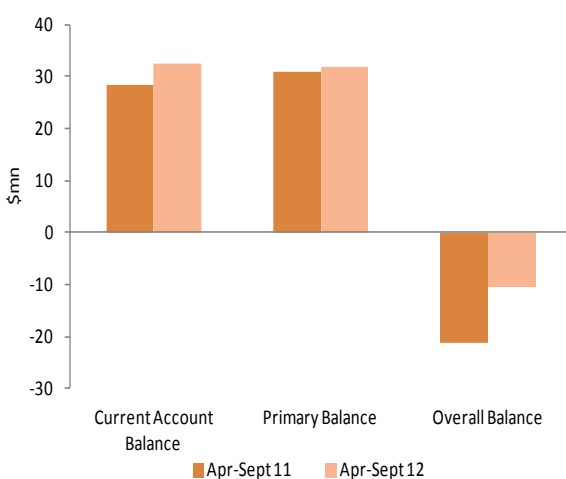
half of the interest that fell due on the super bond in August. The deficit was externally financed.

While slightly below expectations at 47.0% of budget, revenues and grants were \$4.7mn higher than the comparable period of fiscal year 2011/2012. The increased revenues reflected higher collections from the GST, import duties, and grant receipts from the European Union for the Banana Support Programme. On the downside, petroleum revenues fell by \$6.7mn due to declining production and lower prices. The drop in non-tax revenues was due to the non-receipt of Belize Telemedia Limited (BTL) dividends and the non-recurrence of Development Finance Corporation (DFC) repayments of accrued interest on amounts owed to the government.

At \$415.9mn, expenditure was \$6.2mn lower than the same period of the previous fiscal year and 5.7% below budget. Current spending fell by \$8.1mn as respective reductions of \$5.9mn and \$10.1mn in outlays on goods/ services and interest payments outweighed increases in all other categories. The one-time pre-payment for electricity (\$8.0mn) in 2011 explained the relative decline in spending on goods and services this year, while the interest rate savings was a reflection of the partial payment of the amount owed on the super bond.

Capital expenditure was relatively stable at \$63.3mn (39.6% of budget), of which

Chart 5.1: GOB Fiscal Operations



Source: Ministry of Finance & Central Bank of Belize estimates

Table 5.1: Central Government's Revenue and Expenditure

\$mn

	Jan-11 Sept-11	Jan-12 Sept-12	Apr-11 Sept-11	Apr-12 Sept-12
Total Revenue & Grants	614.6	652.9	400.9	405.6
<i>of which: Current Revenue</i>	595.4	603.7	389.1	384.8
<i>of which: Grants</i>	14.7	43.8	9.1	18.7
Total Expenditure	641.6	685.6	422.1	415.9
Current Expenditure	557.0	560.7	360.6	352.5
Capital Expenditure	84.6	124.9	61.5	63.4
Current Balance	38.4	43.0	28.5	32.3
Primary Balance	69.2	52.2	31.0	31.8
Overall Balance	-27.0	-32.7	-21.2	-10.4

Source: Ministry of Finance and Central Bank Belize estimates

\$2.6mn was net lending. Some \$19.4mn went on infrastructure projects such as the completion of works on the Southern Highway, infrastructural developments on the south-side of Belize City, completion of the Kendal Bridge, and maintenance/ rehabilitation of highways. Another \$14.7mn

was spent on agriculture, mainly in the banana belt. Land development and solid waste management accounted for \$7.7mn, while social and environmental protection projects received \$5.6mn and \$5.2mn, respectively. Youth, sports and culture were allotted \$4.2mn. Outlays on education,

Table 5.2: Summary of Central Government's Revenue

\$mn

	Jan-11 Sept-11	Jan-12 Sept-12	Apr-11 Sept-11	Apr-12 Sept-12
Current revenue	595.4	603.7	389.1	384.8
Tax revenue	500.6	515.0	331.0	338.1
Income and profits	178.5	172.4	117.9	109.3
Taxes on property	5.9	4.4	3.3	2.6
Taxes on goods & services	182.5	189.3	115.5	126.5
Int'l trade and transactions	133.7	149.0	94.3	99.7
Non-Tax Revenue	94.8	88.7	58.0	46.7
Property income	16.3	11.9	9.5	4.3
Licenses	9.0	11.7	5.6	7.3
Other	69.5	65.1	42.9	35.1
Capital revenue	4.4	5.4	2.7	2.1
Grants	14.7	43.8	9.1	18.7

Source: Ministry of Finance and Central Bank Belize estimates

Table 5.3: Summary of Central Government's Expenditure (Amended)¹

	\$mn			
	Jan-11 Sept-11	Jan-12 Sept-12	Apr-11 Sept-11	Apr-12 Sept-12
Current Expenditure	557.0	560.6	422.1	415.9
Wages & Salaries	215.5	225.2	144.9	149.1
Pensions	35.5	38.0	23.7	24.4
Goods & Services	136.1	131.6	88.0	82.1
Interest Payments	96.2	84.9	52.2	42.1
of which: External	81.4	71.1	42.6	33.3
Subsidies & current transfers	73.7	80.9	51.8	54.7
Capital Expenditure	84.6	124.9	61.5	63.3
Capital II	50.9	46.1	35.1	25.5
Capital III	28.9	76.3	23.3	36.2
Net lending	4.8	2.6	3.1	1.7

¹. Amended due to errors discovered since initial release on 11 January 2013.
Source: Ministry of Finance and Central Bank of Belize estimates

health, housing, security, energy, science & technology amounted to \$3.2mn, and the remainder was spent on furniture, equipment and upgrading of buildings.

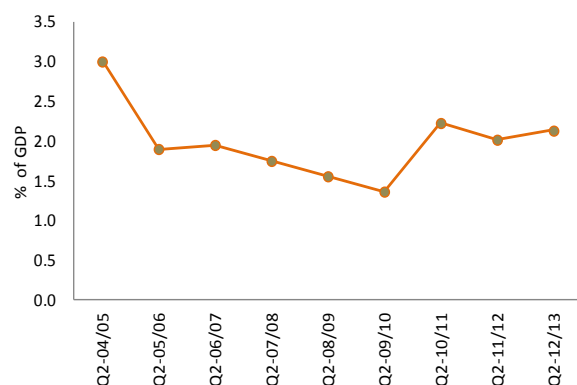
Central Government's Domestic Debt

Central Government's domestic debt rose by 4.1% to \$396.8mn in the first nine

months of the year as a \$14.5mn rise in overdraft financing from the Central Bank and disbursements of \$2.8mn eclipsed amortization payments of \$1.7mn. Repayments went mostly to the commercial banks, Belize Social Security Board (BSSB), the Debt for Nature Swap and the Fort Street Tourism Village. Disbursements included \$2.2mn, which was on-lent by Central Government to the Belize City Council, while another \$0.6mn was from Fort Street Tourism Village for dredging at the mouth of the Belize River.

With its holdings of Treasury bills down to zero and the sale of some of its Treasury notes to non-bank entities, the Central Bank's share of the domestic debt fell from 42.7% in December 2011 to 37.9%. Over the same period, commercial banks' portion rose from

Chart 5.2: GOB Development Expenditure



Source: Ministry of Finance

43.2% at the end of December 2011 to 47.6%, while that of non-bank entities increased from 14.1% to 14.5%.

Interest payments summed to \$13.8mn, with \$10.7mn going to the Central Bank for credit provided through the overdraft facility, as well as on holdings of Treasury bills and notes.

Commercial banks were paid \$2.6mn on their Treasury bill holdings and loans, and the balance went to BSSB, Debt for Nature Swap and Guardian Life.

In secondary market activities, the commercial banks increased their Treasury bill holdings by \$22.4mn, while the Central Bank sold \$4.3mn worth of Treasury notes to non-bank entities and surrendered all its holdings of Treasury bills.

Public Sector External Debt

The public sector external debt contracted by \$7.2mn to \$2,037.9mn in the January to September period as disbursements of \$53.2mn were outweighed by amortization payments of \$60.5mn. Disbursements consisted of \$20.0mn from the ROC/Taiwan for budget support and \$31.7mn from multilateral lenders such as the Inter-American Development Bank (IDB), the OPEC Fund for International Development (OFID) and the Caribbean Development Bank (CDB). CDB funding was channelled into projects such as solid waste management, sustainable tourism, health sector reform, the Kendal Bridge,

Table 5.4: Central Government's Domestic Debt

\$mn

	Dec 2011	Sept 2012	Changes in Stock
Overdraft	48.1	52.6	4.5
Loans	11.3	12.4	1.1
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	381.2	386.8	5.6

Santa Elena/San Ignacio Bypass and the Social Investment Fund.

Central Government repaid \$22.3mn to bilateral creditors, of which \$17.6mn went to ROC/Taiwan. Repayments to multilateral lenders summed to \$18.6mn which included \$7.3mn to the CDB, \$7.8mn to the IDB, \$1.7mn to the International Bank for Reconstruction and Development, and \$1.0mn to the OFID. The Development Finance Corporation (DFC) paid \$1.1mn to the CDB and retired the North

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

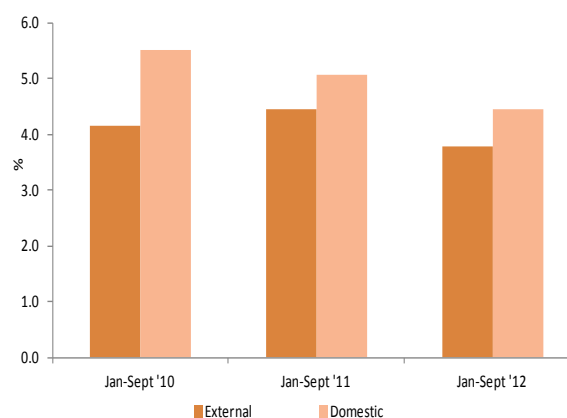


Table 5.5: Public Sector's External Debt

\$mn

	DOD at: 12/31/2011	DOD at: 31/09/12	Change in Debt Stock
Central Government	1,910.5	1,922.6	12.1
Bilateral	343	342.2	-0.8
Multilateral	474	486.9	12.9
Bonds	1,093.5	1,093.5	0.0
Commercial Banks	0.0	0.0	0.0
Export Credit	0.0	0.0	0.0
Rest of NFPS	47.2	39.0	-8.2
Bilateral	3.6	3.2	-0.4
Multilateral	33.1	29.2	-3.9
Commercial Banks	10.6	6.6	-4.0
Export Credit	0.0	0.0	0.0
Financial Public Sector	87.3	76.3	-11.0
Bilateral	0.4	0.3	-0.1
Multilateral	80.4	76.0	-4.4
Bonds	6.5	0.0	-6.5
Export Credit	0.0	0.0	0.0
Grand Total	2,045.0	2,037.9	-7.1

American Securitization debt. The Central Bank repaid \$3.6mn to the International Monetary Fund (IMF) in respect of the Emergency Natural Disaster Assistance (ENDA) facility and the non-financial public sector repaid \$4.0mn each to multilateral lenders and commercial banks, as well as \$0.4mn to the Government of Kuwait.

At \$72.6mn, interest payments were \$11.3mn lower than the amount paid during the comparable period of 2011 due to a fall in the lending rates of some external loans that are tied to LIBOR rates and government's decision to make only a partial interest payment of

\$23.4mn on the super bond in September. As a consequence, the year-on-year (September 2011 to September 2012) effective interest rate averaged 3.77%, compared to the 4.42% recorded in 2011. Holders of the super bond received \$56.5mn which represented 78.1% of the scheduled interest payable in 2012. Payments to bilateral creditors were \$7.4mn, of which \$6.0mn went to ROC/Taiwan, while the \$8.4mn in payments to multilateral lenders went mostly to the CDB.

At the end of the third quarter, Central Government held 94.3% of the outstanding external debt and the financial and non-financial public sector accounted for 3.7% and 1.9%, respectively. Some \$0.9mn of the present portfolio is scheduled to mature during the next twelve months, leaving \$2.0bn with a maturity of more than one year. Disbursements are projected to amount to \$25.2mn during the last quarter of 2012.

ANNEX

Table 6.1: Money Supply

\$mn

	Position as at Sept 2012	Dec 2011 to Sept 2012	Dec 2010 to Sept 2011
Money Supply (M2)	2,294.3	93.1	87.6
Money Supply (M1)	948.0	108.7	83.2
Currency with the Public	171.2	-0.1	-3.9
Demand Deposits	573.4	117.1	66.9
Savings/Cheque Deposits	203.4	-8.3	20.2
Quasi-Money	1,346.3	-15.6	4.4
Savings Deposits	307.8	36.8	52.1
Time Deposits	1,038.5	-52.4	-47.7

Table 6.2: Net Domestic Credit

\$mn

		Changes During	
	Position as at Sept 2012	Dec 2011 to Sept 2012	Dec 2010 to Sept 2011
Total Credit to Central Government	339.3	11.9	14.6
From Central Bank	150.5	-12.1	13.8
Loans and Advances	62.6	14.5	18.4
Gov't Securities ¹	87.9	-26.6	-4.6
From Commercial Banks	188.8	24.0	0.8
Loans and Advances	5.3	1.6	1.7
Gov't Securities	183.5	22.4	-0.9
(of which) Treasury Bills	173.5	22.4	-0.9
Treasury Notes	10.0	0.0	0.0
Other	0.0	0.0	0.0
Less Central Government Deposits	171.3	1.5	33.1
With Central Bank	132.1	-2.8	28.5
With Commercial Banks	39.2	4.3	4.6
Net Credit to Central Government	168.0	10.4	-18.5
Credit to Other Public Sector	12.3	7.0	7.0
From Central Bank	0.0	0.0	0.0
From Commercial Banks	12.3	7.0	7.0
(of which) Local Government	2.9	-0.2	-0.2
Public Financial Institutions	0.0	0.0	0.0
Public Utilities	8.0	8.0	8.0
Other Statutory Bodies	1.0	-1.2	-1.2
Securities	0.4	0.4	0.4
Plus Credit to the Private Sector	1,777.1	24.8	14.8
Loans and Advances	1,776.1	24.8	15.0
Securities	1.0	0.0	-0.2
Net Domestic Credit of the Banking System²	1,957.4	42.2	3.3

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

⁽²⁾ Differences due to rounding

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

\$mn

	Position as at Sept 2012	Changes During Dec 2011 to Sept 2012	Dec 2010 to Sept 2011
PRIMARY SECTOR	182.3	-9.0	-1.0
Agriculture	125.0	-9.1	1.8
Sugar	12.8	-0.6	0.3
Citrus	17.2	0.0	-0.2
Bananas	70.4	-7.8	1.2
Other	24.6	-0.7	0.5
Marine Products	35.7	0.4	-1.4
Forestry	1.5	-0.1	0.2
Mining & Exploration	20.1	-0.2	-1.6
SECONDARY SECTOR	542.1	33.3	-8.3
Manufacturing	32.6	-2.5	-7.8
Building & Construction	474.1	30.3	-4.5
Utilities	35.4	5.5	4.0
TERTIARY SECTOR	653.6	2.7	19.2
Transport	52.6	0.9	-3.0
Tourism	99.9	-8.2	-9.7
Distribution	209.8	-3.2	0.7
Other ⁽¹⁾	291.3	13.2	31.2
Personal Loans	411.4	5.9	5.7
TOTAL	1789.4	32.9	15.6

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

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

\$mn

	Position as at Sept 2012	Changes During	
		Dec 2011 to Sept 2012	Dec 2010 to Sept 2011
Holdings of Approved Liquid Assets	751.1	57.3	93.2
Notes and Coins	59.5	1.6	-13.8
Balances with Central Bank	316.4	48.0	45.6
Money at Call and Foreign Balances (due 90 days)	189.0	-5.6	82.6
Treasury Bills maturing in not more than 90 days	173.2	16.3	0.6
Other Approved assets	13.0	-3.0	-21.8
of which: Treasury Notes	2.5	0.0	-16.6
Required Liquid Assets	501.9	29.2	28.6
Excess/(Deficiency) Liquid Assets	249.2	28.1	64.6
Daily Average holdings of Cash Reserves	316.5	46.1	43.4
Required Cash Reserves	185.5	10.8	10.6
Excess/(Deficiency) Cash Reserves	131.0	35.3	32.8
Actual Securities Balances	173.9	22.4	-0.9
Required Securities Balances	0.0	0.0	-69.5
Excess/(Deficiency) Securities	173.9	22.4	68.6

Table 6.5: Commercial Bank's Weighted Average Interest Rates

Percentages

	Position as at Sept 2012	Changes During	
		Dec 2011 to Sept 2012	Dec 2010 to Sept 2011
Weighted Lending Rates			
Personal Loans	13.32	-0.92	-0.78
Commercial Loans	12.35	-0.56	-0.47
Residential Construction	10.73	-1.15	-1.08
Other	10.53	-1.31	-0.24
Weighted Average	12.23	-0.79	-0.62
Weighted Deposit Rates			
Demand	0.50	0.02	0.13
Savings/ Cheque	2.44	-0.05	-1.17
Savings	2.90	-0.08	-0.33
Time	4.09	-1.28	-1.33
Weighted Average	2.79	-0.86	-1.09
Weighted Average Spread	9.44	0.07	0.47

Table 6.6: Real GDP Growth Rates

	Year on Year growth (%)	
	Jan-Sept 11 Over Jan-Sept 10	Jan-Sept 12 ⁽¹⁾ Over Jan-Sept 11
Agriculture, hunting & forestry	-5.0	26.5
Fishing	27.2	5.3
Manufacturing (incl. mining & quarrying)	4.3	-2.4
Electricity & water	0.6	9.3
Construction	-8.0	12.4
Wholesale & Retail	8.1	3.8
Hotels & Restaurants	2.9	6.2
Transport & communication	3.6	5.6
Other private services exc. FISIM	1.4	1.7
Producers of government services	1.7	4.1
All industries at basic prices	2.6	6.0
Taxes on products	6.4	4.4
Change in GDP at Constant Prices	3.1	5.8
GDP at Constant 2000 prices	1,880.0	1,997.4

Source: Statistical Institute of Belize

⁽¹⁾ Constant 2000 prices - changes in percent

Table 6.7: GDP by Activity at Constant 2000 Prices

	2011			2012		
	Quarter 1	Quarter 2	Quarter 3	Quarter 1	Quarter 2	Quarter 3
Agriculture, hunting & forestry	71.5	53.2	43.9	90.3	72.1	50.9
Fishing	18.4	16.1	11.4	12.8	19.4	16.1
Manufacturing (incl. mining & quarrying)	93.7	70.7	55.3	91.0	71.4	52.1
Electricity & water	22.2	26.6	46.4	35.2	35.5	33.2
Construction	24.2	25.2	25.5	26.1	29.7	28.5
Wholesale & Retail	88.5	92.3	89.9	89.3	96.5	95.1
Hotels & Restaurants	28.8	24.9	17.2	31.8	25.4	18.2
Transport & communication	70.6	71.0	64.8	75.8	74.7	67.4
Other private services exc. FISIM	101.3	101.7	102.2	103.0	103.6	103.6
Producers of government services	60.0	60.6	50.9	63.6	63.5	51.4
All industries at basic prices	579.3	542.4	507.5	618.9	591.9	516.5
Taxes on products	84.8	88.2	85.8	85.7	93.1	91.2
GDP at market prices	664.1	630.5	593.3	704.6	685.0	607.8

Source: Statistical Institute of Belize

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

Major Commodity Group	Weight	Quarterly Change						Annual Change
		May-11	Aug-11	Nov-11	Feb-12	May-12	Aug-12	
Food, Beverage & Tobacco	346.6	-0.0	3.6	0.2	-0.2	-0.2	0.8	0.5
Clothing & Footwear	92	-0.0	-0.6	-0.9	0.7	-0.9	0.0	-1.0
Rent, Water, Fuel, & Power	167.6	0.1	-0.0	0.3	0.6	-0.2	-0.6	0.0
Household goods & maintenance	85.3	-2.4	0.7	2.6	-1.6	0.4	-0.4	-1.9
Medical care	20.1	0.5	-1.7	1.3	0.9	2.6	3.7	6.8
Transport & Communication	170.1	-0.1	-0.2	4.2	1.0	-0.8	-2.2	-0.5
Recreation, Education & Culture	80.4	-0.1	-0.1	-0.6	1.6	1.8	-0.4	2.5
Personal care	37.9	-0.0	0.4	0.3	1.1	2.8	-0.1	4.1
ALL ITEMS	1000	0.3	0.2	0.8	0.5	0.2	-0.3	0.6

Source: Statistical Institute of Belize

Table 6.9: Gross Imports (CIF) by SITC

SITC Section	\$'000	
	Jan-Sept 2011	Jan-Sept 2012
0. Food and Live Animals	125,181	142,201
1. Beverages and Tobacco	17,312	27,982
2. Crude Materials	12,353	11,678
3. Minerals, Fuels and Lubricants	283,889	280,816
<i>of which electricity</i>	48,230	55,535
4. Oils and Fats	8,255	10,656
5. Chemical Products	101,642	110,733
6. Manufactured Goods	146,717	152,663
7. Machinery and Transport Equipment	168,551	247,566
8. Other Manufactures	72,176	78,189
9. Commodities N.E.S	605	1,393
10. Export Processing Zones	54,236	50,013
11. Commercial Free Zone	289,950	251,540
12. Personal Goods	6,304	4,370
Total	1,287,172	1,369,800

Source: Statistical Institute of Belize

Table 6.10: Balance of Payments

\$mn

	Jan - Sept 2012 ^P			Jan - Sept 2011 ^R		
	Credit	Debit	Net	Credit	Debit	Net
Current Account	1680.9	1743.6	-61.9	1590.9	1617.2	-26.3
Goods and Services	1511.1	1522.6	-11.5	1415.7	1420.7	-5.0
Goods	976.4	1238.500	-262.1	904.8	1163.1	-258.3
Services	534.7	283.6	251.1	510.9	257.6	253.4
Transport	32.6	110.4	-77.8	33.4	103.3	-69.9
Travel	397.3	54.0	343.3	375.3	51.5	323.8
Other Goods & Services	63.5	102.8	-39.3	61.6	90.1	-28.4
Government goods and services n.i.e.	41.3	16.4	24.9	40.5	12.6	27.9
Primary Income	7.7	181.3	-173.6	7.1	160.5	-153.4
(1) Compensation of Employees	3.5	10.9	-7.3	3.5	8.8	-5.2
(2) Investment Income	4.2	170.4	-166.3	3.6	151.7	-148.1
Secondary Income	162.1	39.6	122.5	168.1	36.0	132.1
(1) General Government	0.3	5.6	-5.3	1.4	6.3	-4.9
(2) Financial corporations, non-financial corporations and households	161.8	33.8	127.9	166.8	29.8	137.0
Of which: Workers' remittance	111.7	30.9	80.8	109.4	26.9	82.5
Of which: Other current transfers	50.1	3.0	47.1	57.3	2.9	54.5
Capital Account	43.8	0.0	43.8	33.2	0.0	33.2
	Jan - Sept 2012 ^P			Jan - Sept 2011 ^R		
	Net Acquisition of Financial Assets	Net Incurrence of Liabilities	Net	Net Acquisition of Financial Assets	Net Incurrence of Liabilities	Net
Financial Account	-10.2	55.3	-65.4	42.6	43.9	-1.3
Direct Investment	1.5	258.0	-256.5	0.8	132.4	-131.6
Equity and Investment Fund Shares	1.5	258.0	-256.5	0.8	132.4	-131.6
Direct investor in direct investment enterprises	1.5	250.7	-249.1	0.8	149.3	-148.5
Reinvestment of earnings	0.0	7.3	-7.3	0.0	-16.9	16.9
Portfolio Investment	0.3	-6.5	6.9	0.1	-23.1	23.2
a. Central bank	0.0	0.0	0.0	0.0	-14.0	14.0
Equity and Investment fund shares	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	-14.0	14.0
b. General government	0.0	-6.5	6.5	0.0	-9.1	9.1
Equity and Investment fund shares	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	-6.5	6.5	0.0	-9.1	9.1
c. Deposit-taking corporations, except central bank	0.0	0.0	0.0	0.0	0.0	0.0
Equity and Investment fund shares	0.0	0.0	0.0	0.0	0.0	0.0
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0
d. Other sectors	0.3	0.0	0.3	0.1	0.0	0.1
Equity and Investment fund shares	0.3	0.0	0.3	0.1	0.0	0.1
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0
Financial Derivatives	0.0	0.0	0.0	0.0	0.0	0.0
Other investment	-12.0	-196.2	184.2	41.7	-65.4	107.1
a. Central bank	-0.2	-0.1	-0.1	-0.2	-1.1	0.9
Currency and deposits	-0.2	-0.1	-0.1	-0.2	-1.1	0.9
Loans	0.0	0.0	0.0	0.0	0.0	0.0
Other miscellaneous accounts	0.0	0.0	0.0	0.0	0.0	0.0
b. General government	0.0	4.3	-4.3	0.0	7.6	-7.6
Currency and deposits	0.0	0.0	0.0	0.0	-5.0	5.0
Loans	0.0	4.3	-4.3	0.0	12.6	-12.6
Other Misc. accounts	0.0	0.0	0.0	0.0	0.0	0.0
c. Deposit-taking corporations, except central bank	-9.9	-12.6	2.7	42.6	-10.9	53.6
Currency and deposits	-9.9	-0.7	-9.2	42.6	0.2	42.4
Loans	0.0	-12.0	12.0	0.0	-11.1	11.1
Other miscellaneous accounts	0.0	0.0	0.0	0.0	0.0	0.0
d. Other sectors	-2.0	-187.8	185.8	-0.8	-61.0	60.2
Currency and deposits	-1.7	-20.2	18.5	-1.4	-20.3	18.9
Loans	0.0	-178.4	178.4	0.0	-48.2	48.2
Other misc. accounts	-0.3	10.8	-11.1	0.6	7.6	-7.0
NET ERRORS & OMISSIONS	-	-	24.7	-	-	15.8
OVERALL BALANCE/ RESERVE ASSETS	71.2	0.0	71.2	-23.3	0.0	-23.3

Source: Central Bank of Belize

^P: Provisional

^R: Revised

Table 6.11: Extended Balance of Payments Services

		\$mn	
		2012 Jan-Sept	2011 Jan-Sept
Total Services	Net	251.1	253.4
	Credits	534.7	510.9
	Debits	283.6	257.6
Manufacturing Services	Net	0.4	0.1
	Credits	0.4	0.1
	Debits	0.0	0.0
Maintenance and Repair Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Transportation	Net	-77.8	-69.9
	Credits	32.6	33.4
	Debits	110.4	103.3
Travel	Net	343.3	323.8
	Credits	397.3	375.3
	Debits	54.0	51.5
Communication, Computer, and Information Services	Net	11.6	12.1
	Credits	19.1	19.1
	Debits	7.6	7.0
Construction Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Insurance Services	Net	-46.0	-37.0
	Credits	0.3	0.2
	Debits	46.3	37.2
Financial Services	Net	2.4	2.6
	Credits	6.0	5.6
	Debits	3.5	3.1
Royalties and License Fees	Net	0.9	1.8
	Credits	5.0	5.0
	Debits	4.1	3.2
Other Business Services	Net	-7.9	-7.7
	Credits	32.8	31.6
	Debits	40.6	39.3
Personal, Cultural and Recreational Services	Net	-0.6	-0.3
	Credits	0.0	0.0
	Debits	0.6	0.3
Government Services, N.I.E.	Net	24.9	27.9
	Credits	41.3	40.5
	Debits	16.4	12.6

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

Table 6.12: Private Sector External Debt by Economic Sector ⁽¹⁾

\$mn

Economic Sectors	Transactions (January to September 2012)				DOD as at 31/09/2012
	DOD as at 12/31/2011	Disbursements	Principal Payments	Interest Payments	
Agriculture	73,181	0	143	2,125	73,018
Arts, entertainment and recreation	1,700	0	0	0	1,700
Construction	59,804	0	194	5,860	59,609
Education	213	0	16	1	198
Electricity and Gas ⁽²⁾	76,007	0	135	685	75,872
Financial and insurance activities	111	0	0	0	111
Fishing	125,110	65,989	71,016	2,997	120,083
Information and communication	0	0	0	0	0
Real estate activities	106	0	0	0	106
Tourism activities	48,560	0	1,895	1,053	46,665
Transportation	48,659	0	7,444	1,055	41,215
Wholesale and retail trade	1,798	0	76	42	1,722
Total	435,250	65,989	80,919	13,816	420,300

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

⁽²⁾ In compliance with legislation issued on 21st June 2011, the Government of Belize acquired Belize Electricity Ltd. (BEL) as a public entity. BEL is no longer a private sector entity, thus reflecting a reduction in Disbursed Outstanding Debt (DOD) for the Electricity and Gas Sector as of June 2011.

Table 6.13: Central Government's Revenue and Expenditure

\$'000

	Approved Budget 2012/2013	Jan-11 to Sept-11	Jan-12 to Sept-12	Apr-11 to Sept-11	Apr-12 to Sept-12	Actual YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	862,643	614,553	652,908	400,864	405,550	47.0%
1) Current revenue	819,369	595,411	603,657	389,053	384,807	47.0%
Tax revenue	683,285	500,612	514,953	331,041	338,069	49.5%
Income and profits	226,157	178,540	172,374	117,892	109,254	48.3%
Taxes on property	6,873	5,878	4,354	3,341	2,612	38.0%
Taxes on goods and services	263,861	182,517	189,256	115,498	126,538	48.0%
Int'l trade and transactions	186,395	133,676	148,970	94,311	99,665	53.5%
Non-Tax Revenue	136,084	94,800	88,704	58,012	46,738	34.3%
Property income	20,609	16,279	11,908	9,464	4,302	20.9%
Licenses	12,929	9,020	11,701	5,626	7,308	56.5%
Other	102,546	69,501	65,094	42,922	35,128	34.3%
2) Capital revenue	8,075	4,397	5,429	2,729	2,086	25.8%
3) Grants	35,199	14,745	43,822	9,082	18,657	53.0%
TOTAL EXPENDITURE (1+2)	937,857	641,586	685,607	422,092	415,914	44.3%
1) Current Expenditure	777,733	557,007	560,667	360,570	352,506	45.3%
Wages and Salaries	294,743	215,493	225,213	144,873	149,141	50.6%
Pensions	50,826	35,498	38,009	23,665	24,436	48.1%
Goods and Services	170,369	136,132	131,641	88,034	82,129	48.2%
Interest Payments on Public Debt	135,176	96,187	84,908	52,180	42,122	31.2%
Subsidies & current transfers	126,619	73,697	80,896	51,818	54,678	43.2%
2) Capital Expenditure	160,124	84,579	124,940	61,523	63,408	39.6%
Capital II (local sources)	79,330	50,871	46,104	35,054	25,479	32.1%
Capital III (foreign sources)	77,541	28,916	76,267	23,342	36,218	46.7%
Capital Transfer & Net Lending	3,253	4,792	2,569	3,127	1,712	52.6%
CURRENT BALANCE	41,636	38,404	42,990	28,484	32,301	77.6%
Primary Balance	59,963	69,154	52,210	30,951	31,757	53.0%
OVERALL BALANCE	(75,213)	(27,033)	(32,699)	(21,228)	(10,364)	13.8%
PB less Grants	24,764	54,409	8,388	21,870	13,100	52.9%
OB less Grants	(110,413)	(41,778)	(76,521)	(30,310)	(29,021)	26.3%
FINANCING	75,213	27,033	32,699	21,228	10,364	
Domestic Financing		14,404	14,282	(4,855)	(11,843)	
Central Bank		(14,695)	(9,289)	(25,786)	(34,554)	
Net Borrowing		13,828	(12,114)	22,877	(8,994)	
Change in Deposits		(28,523)	2,824	(48,663)	(25,559)	
Commercial Banks		(3,709)	19,757	(3,707)	22,151	
Net Borrowing		846	24,040	(4,762)	24,681	
Change in Deposits		(4,555)	(4,283)	1,055	(2,530)	
Other Domestic Financing		32,808	3,814	24,638	560	
Financing Abroad		15,652	12,583	24,405	17,564	
Disbursements		57,658	53,497	50,136	46,600	
Amortization		(42,006)	(40,913)	(25,731)	(29,036)	
Other		(3,024)	5,834	1,678	4,643	

Source: Ministry of Finance and Central Bank of Belize estimates

(1)

Table 6.14: Central Government's Domestic Debt by Creditor

\$'000

Transactions (January to September 2012)						
	Disbursed Out- standing Debt 31/12/11	Disbursements/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	Disbursed Out- standing Debt 30/09/12
Overdraft / Loans	48,130	0	0	4,090	14,499	62,629
Central Bank	48,130	0	0	4,090	14,499	62,629
Commercial Banks	0	0	0	0	0	0
Treasury Bills	175,000	0	0	2,538	0	175,000
Central Bank	22,331	0	0	252	-4,146	0
Commercial Banks	151,027	0	0	2,268	1,440	173,463
Other	1,642	0	0	18	46	1,537
Treasury Notes	136,800	0	0	5,748	0	136,800
Central Bank	82,228	0	0	5,533	-4,148	77,947
Commercial Banks	10,000	0	0	0	0	10,000
Other	44,572	0	0	214	4,148	48,853
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
Belize Social Security Board⁽²⁾	3,505	0	742	148	0	2,763
Government of Belize (Debt for Nature Swap)	3,054	0	150	88	0	2,904
Heritage Bank Ltd	2,269	2,192	387	252	0	4,074
Atlantic Bank Ltd	1,431	0	201	80	0	1,230
Fort St. Tourism Village	0	571	190	0	0	380
Guardian Life Bze	1,000	0	0	90	0	1,000
Total	381,189	2,763	1,670	13,834	14,499	396,779

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

⁽²⁾ Government of Belize has outstanding loans with Belize Social Security Board BSSB consisting of (1) Hopeville Housing Project and (2) loan purchased from Development Finance Corp (DFC) as of 30th January 2007.

Table 6.15: Public Sector External Debt by Creditor ⁽¹⁾

\$'000

	Transaction (January to September 2012)					
	DOD at: 31/12/2011	Disbursements	Principal Payments	Interest & Other Payments	Parity Change	DOD at: 30/09/2012
CENTRAL GOVERNMENT	1,910,549	53,098	40,913	71,382	-129	1,922,604
Banco Nacional de Comercio Exterior	3,705	0	1,059	209	0	2,647
Government of the United States	749	0	180	19	0	568
Government of Venezuela	37,492	0	1,235	285	0	36,257
Kuwait Fund for Arab Economic Dev	20,412	1,516	2,257	785	-112	19,560
Republic of China	280,740	20,000	17,565	5,990	0	283,175
Caribbean Development Bank	196,985	7,064	7,257	4,438	0	196,792
Caricom Development Fund	2,000	140	0	62	0	2,140
European Economic Community	13,795	0	502	59	-27	13,267
Inter-American Development Bank	220,765	17,998	7,819	2,366	0	230,944
International Fund for Agric. Dev.	2,192	0	276	13	9	1,925
Intl. Bank for Reconstruction & Dev.	19,539	2,031	1,721	100	0	19,848
Opec Fund for Int'l. Development	17,645	4,348	1,000	405	0	20,993
Central American Bank for Econ. Integ.	1,000	0	42	154	0	958
Bear Stearns & Co.	5,916	0	0	0	0	5,916
Bank of New York (New Bond Issue)	1,087,613	0	0	56,493	0	1,087,613
NON-FINANCIAL PUBLIC SECTOR	47,247	96	8,300	965	-56	38,987
Kuwait Fund for Arab Economic Dev	3,585	0	358	72	-23	3,204
Deutsche Bank	422	0	211	8	0	211
Royal Merchant Bank and Finance Co. ⁽²⁾	559	0	559	28	0	0
Bank of Nova Scotia ⁽²⁾	9,571	0	3,190	103	0	6,380
European Investment Bank ⁽²⁾	2,189	0	672	41	-32	1,485
Caribbean Development Bank ⁽²⁾⁽³⁾	30,921	96	3,310	710	0	27,707
FINANCIAL PUBLIC SECTOR	87,330	0	11,274	584	250	76,306
Caribbean Development Bank	10,639	0	1,056	175	0	9,582
European Economic Community	377	0	19	2	10	358
Paine Webber Real Estate Securities Inc.	400	0	100	2	0	300
Belize Mortgage Company ⁽⁴⁾	6,538	0	6,538	227	0	0
International Monetary Fund ⁽⁵⁾	69,377	0	3,561	178	250	66,065
GRAND TOTAL	2,045,126	53,194	60,488	72,930	65	2,037,896

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

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

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

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

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