CENTRAL BANK of BELIZE

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List of Acronyms and Abbreviations

Acronyms:

BEL	Belize Electricity Limited
BGA	Banana Growers Association
BSI	Belize Sugar Industries Limited
BSSB	Belize Social Security Board
BTB	Belize Tourism Board
BTL	Belize Telemedia Limited
BWSL	Belize Water Services Limited
CARICOM	Caribbean Community
CBB	Central Bank of Belize
CDB	Caribbean Development Bank
CFZ	Commercial Free Zone
CGA	Citrus Growers Association
CIF	Cost, Insurance and Freight
COVID-19	Coronavirus Disease 2019
CPBL	Citrus Products of Belize Limited
CPI	Consumer Price Index
DFC	Development Finance Corporation
EU	European Union
FOB	Free On Board
FY	Fiscal Year
GDP	Gross Domestic Product
GST	General Sales Tax
IDB	Inter-American Development Bank
IMF	International Monetary Fund
MOF	Ministry of Finance
OPEC	Organisation of Petroleum Exporting Countries
ROC/Taiwan	Republic of China/Taiwan
SIB	Statistical Institute of Belize
SITC	Standard International Trade Classification
UHS	Universal Health Services
UK	United Kingdom
US	United States
VPCA	Venezuelan Petrocaribe Agreement
UNWTO	World Tourism Organization

Abbreviations and Conventions:

$	Belize dollar unless otherwise stated
bn	billion
mn	million
ps	pound solids

Notes:

1. Since May of 1976, the Belize dollar has been fixed to the US dollar at the rate of US$1.00 = BZ$2.00.
2. The 2020 figures in this report are provisional and the figures for 2019 have been revised.
3. Unless otherwise indicated, the Central Bank of Belize is the source of all tables and charts.
4. Ratios to GDP for 2020 are based on the Central Bank's forecast.

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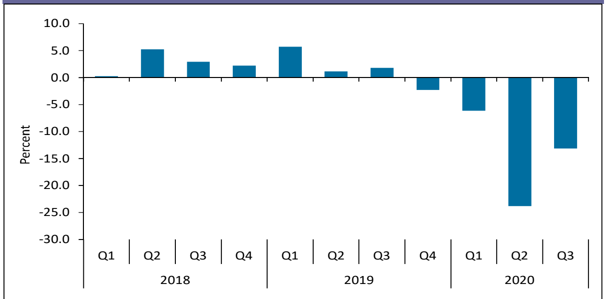

Source: SIB

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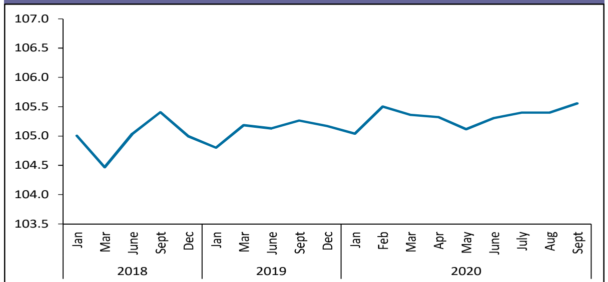

Source: SIB

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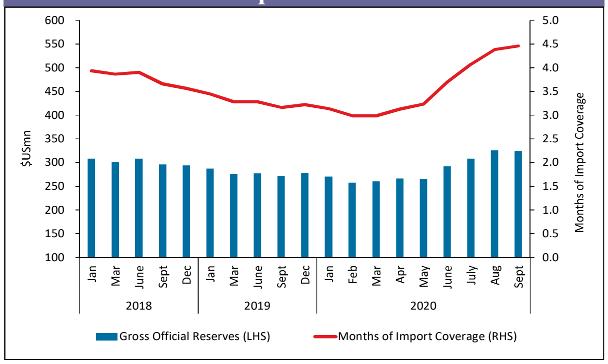

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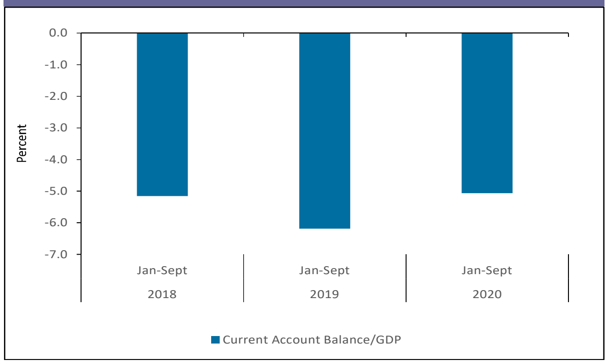

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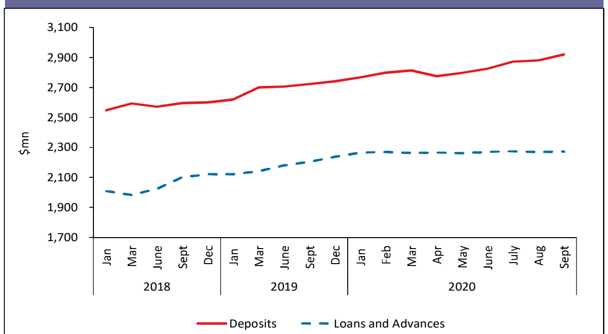

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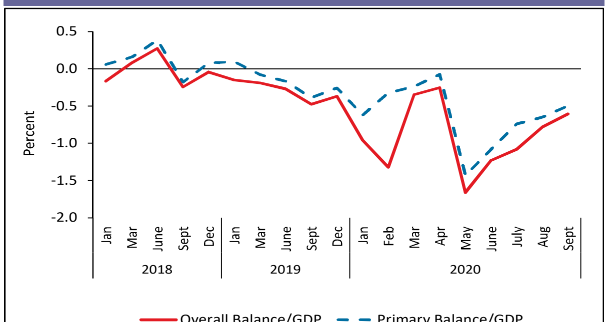

Sources: CBB and MOF

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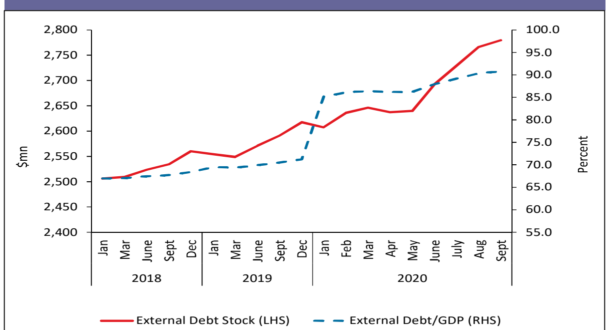

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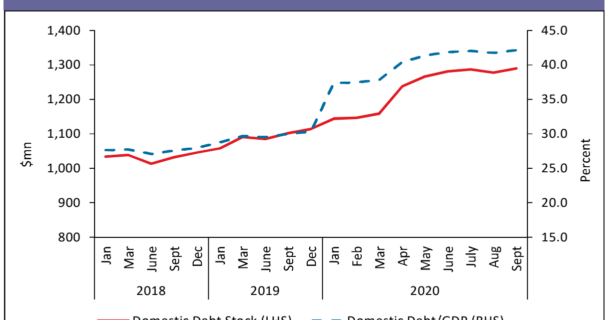


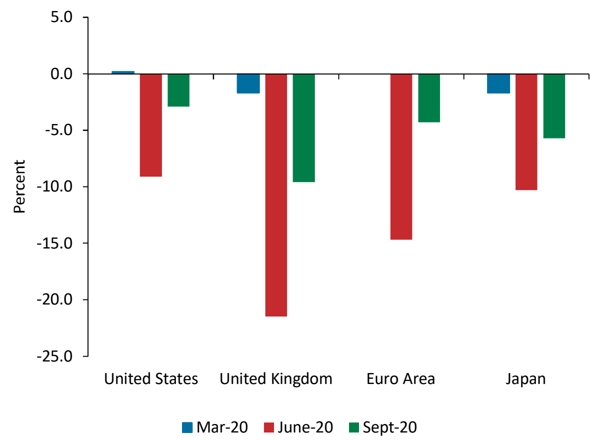
Overview

International Overview

Global activity showed some improvment in the third quarter following the deep unprecendented second-quarter output during the "Great Lockdown" in spring. The partial recovery was supported by the easing of governments' measures to reduce transmission of the coronavirus disease (COVID-19), as well as aggressive monetary and fiscal policy countermeasures in response to the crisis. Notwithstanding, global output remained well below its pre-pandemic level. The performance across countries were uneven and shaped in part to their ability to contain the virus, on the one hand, while resuming activities less dependent on customer-facing operations, on the other hand. As in the second quarter, the services sector continued to be most severely impacted by the pandemic. In August, the International Monetary Fund (IMF) projected a less severe but still deep global contraction of 4.4% for 2020 compared to the 4.9% decline forecasted in June.

Advanced economies recorded a sharp recovery in output. The United States' (US) economy rebounded from a 9.0% year-on-year second-quarter plunge to a milder 2.9% year-on-year third-quarter decline. The improvement in economic momentum was supported by the loosening of lockdown measures, which, in turn, lessened the compression in personal consumption expenditures, fixed investments, and exports. Similarly, the

Chart 1.1: Quarterly GDP
Growth Rates Over the Same Quarter of the Previous Year for Selected Advanced Economies



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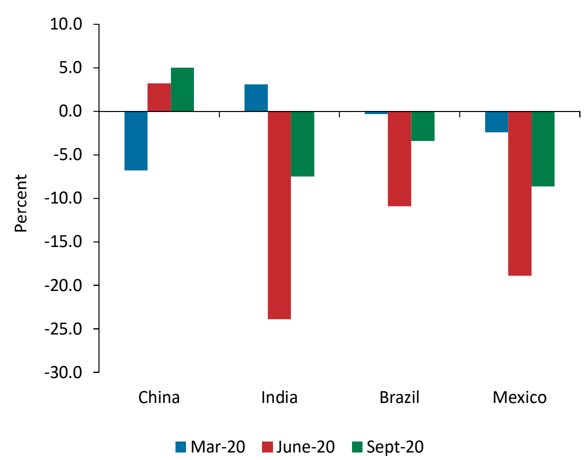


United Kingdom's (UK's) real GDP bounced back from a 21.5% year-on-year decline between April and June to a 9.6% year-on-year fall from July to September. The easing of government restrictions spurred activities in services, manufacturing, and construction sectors. In the euro area, the decline in real activity improved from 14.7% year-on-year in the second quarter to 4.3% year-on-year in the third quarter. France, Spain, and Italy recorded the sharpest GDP expansions relative to the previous quarter among member states. Japan's gradual recovery from a 10.3% real GDP decline in quarter 2 to a 4.6% fall in quarter 3 was helped by marked fiscal and monetary accommodation.

The performance of large emerging economies was somewhat similar. India's economy contracted by 7.5% year-on-year in the third quarter of 2020 compared to a 23.9% year-on-year decline in the previous quarter. Appreciably, the increase in economic momentum was driven by improvements in agriculture, forestry and fishing, manufacturing, and utility service activities. Brazil's real GDP fell by 3.9% year-on-year in quarter 3 versus a 10.9% year-on-year falloff in quarter 2 owing to heightened agricultural output since industrial and services activities weakened. Similarly, the Mexican economy rebounded from an 18.9% year-on-year quarter 2 downturn to an 8.6% year-on-year quarter 3 decline as downturns in manufacturing and service activities eclipsed an expansion in agriculture. In contrast, China's economy expanded by 5.0% from July to September with broader contributions from various sectors as consumer confidence strengthened on account of the gradual relaxation in lockdown measures.

Developments in tourism-dependent and commodities-based Caribbean states were also shaped by adverse COVID-19 events. The Barbadian economy contracted by 18.0% between July and September, as tourism activities remained depressed despite the reopening of the international airport and cessation of nation-wide shutdowns. In The Bahamas, the restart of foreign investment projects and post-hurricane re-construction works stimulated economic activity while international air and sea travel remained closed for most of the period. Jamaica's economy shrunk by 10.7% year-on-year in the third quarter, weighed down by reduced output in services and goods producing industries.

Domestic Overview

Belize's GDP shrank by 13.2% in the third quarter of 2020, following a 23.8% second-quarter collapse. The third quarter performance largely reflected the impact of the partial easing of Government's COVID-19 containment measures, while tight travel restrictions remained in place. The tertiary (services) sector continued to be most severely affected by the indirect effects of the pandemic, down 18.5% relative to the same period last year.

Except for "*Producers of Government Services,*" output in all other major service-based industries declined, with tourism and distributive services being most deeply impacted. The downturn in service activities were partly offset by a 17.8% expansion in primary output, arising from increased sugarcane and citrus deliveries, which boosted "*Agriculture, Hunting, and Forestry,*" and heightened farmed shrimp production, which lifted "*Fishing.*" In addition, secondary sector output expanded by 5.2%, as the resurgence in hydroelectricity generation boosted "*Electricity and Water*" production. From January to September, the economy contracted by 14.4% on account of the accumulated adverse effects of the drought and pandemic shocks.

The unemployment rate was estimated at 13.7% in September following an unprecedented drop in labour utilization after the pandemic outbreak in March. Inflation remained subdued with the Consumer Price Index (CPI), inching up by 0.2% from January to September.

On the external front, the current account deficit narrowed to 5.1% of GDP for the first nine months of 2020, down 2.4 percentage points relative to the corresponding period of 2019. The reduction in the overall payments deficit resulted as the pandemic-induced falloff in tourism and re-export earnings were offset by reduced payments for imports; dividends, interest, and profits; as well as prominent increases in capital and current transfers. Net financial inflows amounted to $192.3mn—sourced mainly from Central Government's external borrowings and foreign direct investment inflows—covered the current account deficit and raised the gross international reserves by $93.2mn to the equivalent of 4.5 months of merchandise imports.

In the fiscal sector, the pandemic effects deepened Central Government's deficits, which, in turn, ramped up the already high public debt level. For the first half of the 2020/2021 fiscal year, Central Government's operations yielded an overall deficit of 5.5% of GDP, as revenues plunged by 25.1% in tandem with output losses. Concurrently, expenditures fell by 5.0%, even though spending on health and social transfers grew. For the first nine months of 2020, the total public sector debt increased by 34.2 points to 133.9% of GDP.

In monetary developments, broad money supply (M2) expanded by 7.3% from January to September. The rapid growth in money supply was fuelled mainly by Central Government's borrowings to finance COVID-19 emergency expenses. Despite a rise in bank liquidity, domestic banks' weighted average interest rate spread began to widen, signalling a tightening in credit conditions. During the third quarter, the 12-month weighted average interest rates on new loans increased by seven basis points to 8.51%, while the corresponding rate on new deposits fell by 18 basis points to 2.04%.

Money and Credit

Money supply grew by 7.3% over the first three quarters of 2020 compared to a 3.4% outturn in the same period of 2019. The excessive growth in money was attributable to a 12.9% ($217.8mn) expansion in narrow money (M1), underpinned by double-digit increases in both demand deposits and currency with the public. Demand deposits increased by 13.9% or $179.6mn on account of portfolio investment shifts to facilitate investments in debt securities being offered by utilities, as well as the rise in foreign currency deposits and the transfer of Government's deposits into the banking system to cover COVID-19 expenses. Furthermore, vault cash expanded by 10.9%, influenced in part by the uncertainty surrounding the impact of the health crisis. In contrast, quasi-money growth was more subdued, rising by only 1.1% ($16.2mn). This outcome resulted as a $56.9mn rise in saving deposits was almost neutralized by a $40.7mn fall in time deposits.

Chart 2.1: Net Foreign Assets of the Banking System

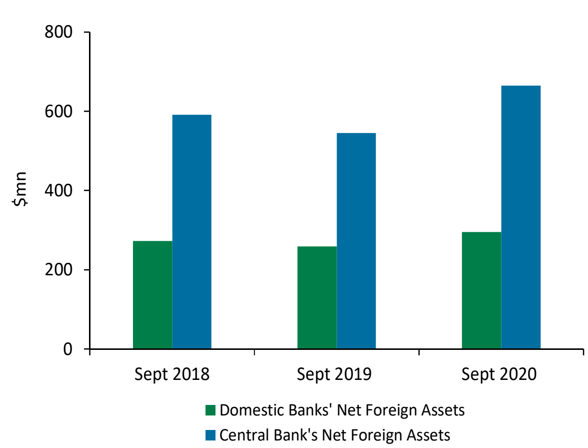
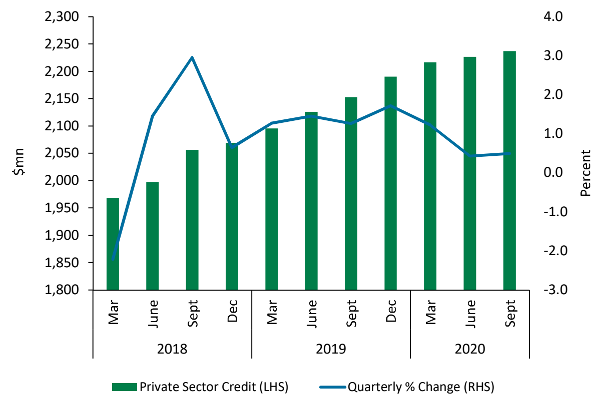


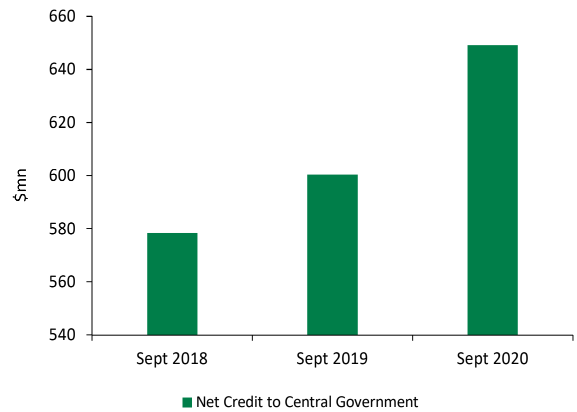
Chart 2.2: Domestic Banks' Private Sector Credit



The COVID-19 shock promulgated a sharp build-up in precautionary foreign asset reserves, while private sector credit slowed. The net foreign assets of the banking system expanded by 18.6% ($150.6mn) to $960.2mn, reflecting the largest increase for the first nine months of the year since 2005. The sharp increase was led by an 18.9% ($105.8mn) upsurge in the Central Bank's net foreign asset holdings to $664.6mn. Of this amount, $79.9mn was received in the third quarter. This boon stemmed mainly from Central Government's COVID-19-related external borrowings as well as the interest payment deferral on the 2034 US dollar bond that fell due in August. Similarly, domestic banks' net foreign asset holdings trended upward, expanding by 17.9% ($44.8mn) to $295.6mn, as foreign currency purchases exceeded sales. While foreign exchange earnings were severely depressed by the effects of the pandemic, overseas payments for goods, services, and profits were moderated by the plunge in aggregate demand and tightened foreign currency management measures.

Net credit from the domestic banking system grew by 2.6% ($73.7mn) over the first three quarters of the year, slowed by a 0.1% decline ($20.5mn) from April to September because of the pandemic. Bolstered by the issuance of $150.0mn in Treasury securities to fund COVID-19 expenses and other budgetary support, net credit to Central Government expanded by 6.8% ($41.5mn) to $649.1mn. Central Government netted $34.9mn from domestic banks who purchased $53.2mn in Treasury securities, comprising $40.8mn in Treasury bills (T-bills) and $12.4mn in Treasury notes (T-notes). This amount was partly offset by a $14.5mn increase in Government's deposits at domestic banks and $3.8mn in loan repayments. In addition, the Central Bank provided $6.6mn in net credit to Central Government through the acquisition of $75.8mn in government securities and advancement of $18.0mn in additional overdraft loans. However, this sum was almost offset by an $87.2mn increase in Government's deposits at the Central Bank, arising primarily from loan proceeds from various internal and external sources. Meanwhile, domestic bank lending to other public sector entities fell by 21.2% ($15.2mn). This outcome resulted as public utilities and other statutory bodies made $13.6mn in amortization payments combined and banks redeemed $6.0mn in debt securities that were issued by public utilities. These transactions were partly offset by a $4.2mn expansion in domestic bank credit to local governments.

Chart 2.3: Net Credit to Central Government



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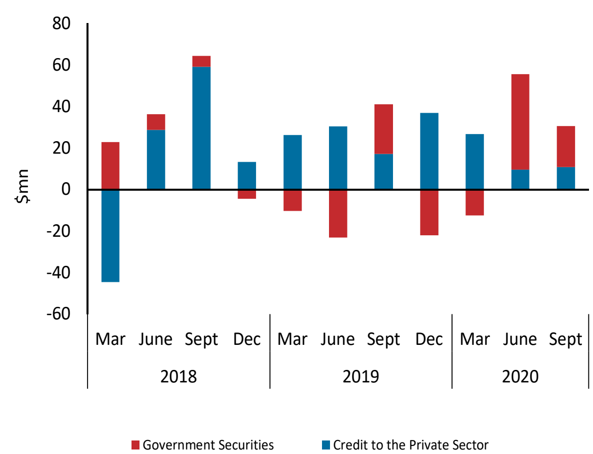
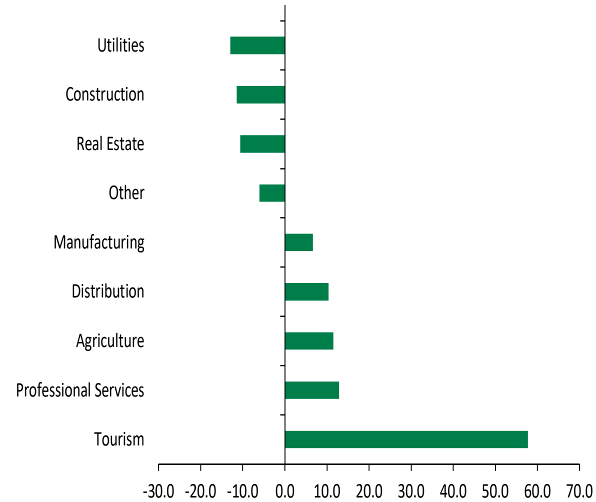


Domestic banks' credit to the private sector slowed to 2.2% ($47.4mn) compared to the 3.8% ($78.8mn) increase over the same period of 2019, tempered by a mere 0.9% expansion between April and September. Notably, the tourism ($57.7mn), professional services ($12.9mn), agriculture ($11.5mn), merchandise trade ($10.4mn), and manufacturing ($6.6mn) loan categories accounted for most of this increase, while the stock of outstanding personal loans recorded the largest decline. Between March and September, domestic banks restructured $635.4mn in outstanding loans, providing much needed liquidity support to COVID-19-affected borrowers. Notwithstanding, domestic banks' non-performing loans (net of specific provisions) to total loans ratio (NPL ratio) remained well below the 5.0% prudential benchmark at 2.9% at September end.

Loan write-offs totalled $12.4mn over the review period, down from $17.2mn in the first three quarters of 2019.

In other credit developments, aggregate credit union lending declined by 4.8% ($32.4mn) from January to September to $646.1mn, as opposed to a 0.6% ($3.8mn) reduction in lending during the analagous period of the previous year. Net repayments were recorded across most loan categories, including those for construction ($11.4mn), personal ($11.2mn), agriculture ($5.6mn), entertainment ($2.6mn), and merchandise trade ($1.2mn). Credit unions restructured

Chart 2.5: Change in Domestic Banks' Loans and Advances, Dec 2019 - Sept 2020



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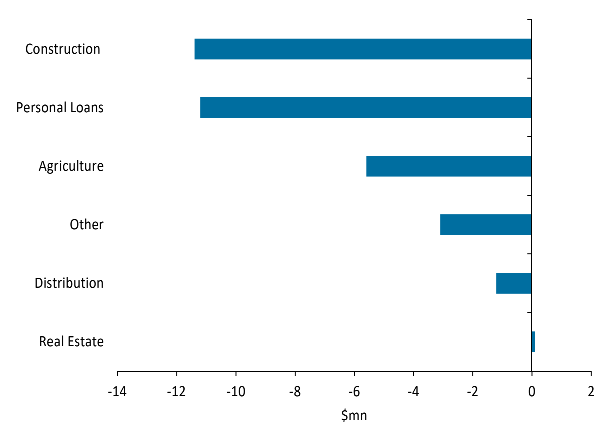
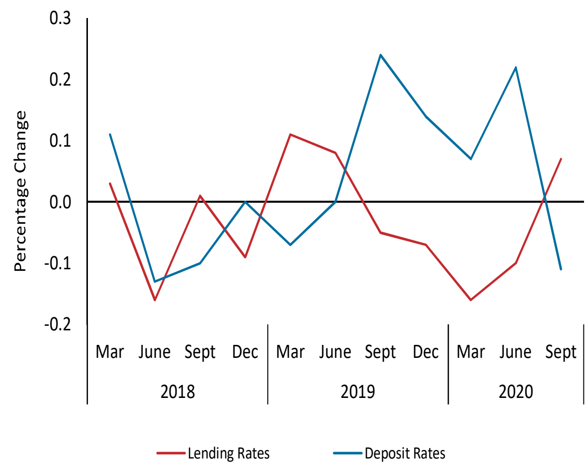


$151.3mn in loans, representing 23.4% of the sector's aggregate loan portfolio through their pandemic relief borrowers' programme. Credit unions' NPL ratio stood favourably at 2.2% at September end, following $3.8mn in loan write-offs through September, which amounted to only 35.5% of the amount written off during the same period in 2019.

Bank liquidity remained elevated, supported by the two-percentage-point reduction in reserve requirements on 1 April and the expansion in domestic banks' foreign assets. Domestic banks' excess statutory liquidity expanded by $159.8mn to $360.6mn, which was 56.8% above the new secondary reserve requirement. Excess cash balances rose by a smaller $87.1mn to $280.9mn, settling at 143.0% above the primary reserve requirement. The disproportionate increase reflected the liquidity draining effects of domestic banks' Treasury security purchases as well as the public's heightened demand for currency over the review period.

Despite the recent liquidity build-up, the 12-month (rolling) weighted average interest rate on new domestic bank loans climbed by seven basis points to 8.51% from July to September. Except for a seven-basis point dip on residential construction loans, lending rates inched up across the other three major loan categories. Accordingly, lending rates on personal, commercial, and other miscellaneous loans increased by five, six, and nine basis points, respectively.

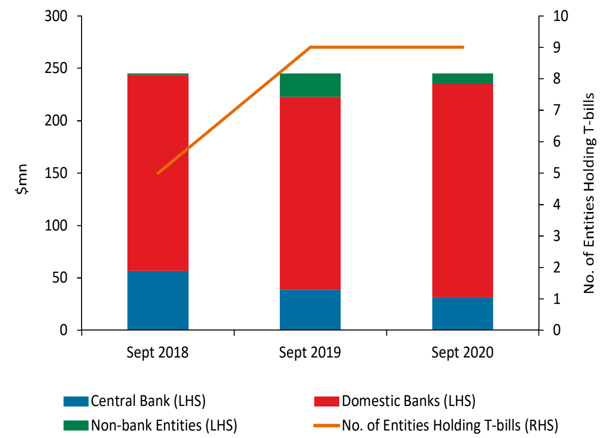
Chart 2.7: Change in Domestic Banks' (Rolling) Weighted Average Interest Rates on New Loans and Deposits



In comparison, the 12-month (rolling) weighted average interest rate on new deposits declined by 18 basis points over the third quarter to 2.04%. Rates fell on savings, time, and demand deposits by five, two, and one basis point, respectively. Only savings/chequing deposits recorded a higher quarterly rate, having risen by nine basis points. As a result, the 12-month weighted average interest rate spread increased by 25 basis points to 6.46% over the three-month period, as the effects of the pandemic shock began to adversely impact credit supply conditions despite the expansion in bank liquidity.

In open market operations, domestic banks expanded their share of outstanding T-bills, by converting idle cash balances into interest bearing assets. Over the first three quarters of 2020, domestic banks added $40.8mn in T-bills to their portfolios. The new acquisitions lifted domestic banks' holdings to $203.3mn, while raising their collective share of total outstanding T-bills by 22.8 percentage points to 83.0%. In contrast, the Central Bank and non-bank entities reduced their T-bill holdings by $43.8mn to $31.7mn and by $12.1mn to $10.0mn, respectively. In turn, the Central Bank and non-bank entities' shares of the principal value of outstanding T-bills narrowed by 17.9 and 4.9 percentage points to 12.9% and 4.1%, respectively. Despite the upswing in domestic banks' demand for short-term securities, the weighted average T-bill yield increased by only three basis points to 1.28169% during the nine-month period.

Chart 2.8: Distribution and Number of Entities Holding Treasury Bills



Box 1: The Central Bank's Policy Response to the COVID-19 Pandemic

At the onset of the COVID-19 pandemic, the Central Bank implemented several monetary, macro-prudential, and foreign exchange policies to support the economy. The Central Bank:

Relieved pressures on borrowers, while ensuring the overall health and stability of the financial system by:

- Lengthening the classification period for non-performing loans from three to six months for affected sectors;
- Encouraging domestic banks and credit unions to provide grace periods for interest and principal payments on loans where commercially viable; and
- Reducing risk weights on loans in the tourism sector from 100% to 50% on 17 March 2020.

Ensured an adequate supply of foreign exchange for essential imports by:

- Encouraging domestic banks to properly manage their foreign exchange holdings;
- Halting the approval of import prepayments and bonded imports during the 30-day state of emergency in April; and
- Amending Direction No. 5, 2020 to increase the date of issuance on Single Administrative Documents from three to six months, as well as to extend the expiry date for approved foreign exchange permits from three to six months on 27 March 2020.

Supported bank lending by:

- Reducing statutory liquid asset and cash reserve requirements by two percentage points to 21.0% and to 6.5% of average deposit liabilities, respectively, on 1 April 2020.

Provided increased support to borrowers and guided the implementation of the 17 March 2020 policies by:

- Broadening the extended repayment period for credit facilities to include all loans;
- Issuing specific guidance for the implementation of the 17 March 2020 policies. These included: (i) limiting the application of forbearance measures to performing loan facilities; (ii) requiring the resumption of debt service payments as the financial circumstances of borrowers improved; and (iii) encouraging banks and credit unions to refrain from increasing interest rates on restructured facilities; and
- Ensuring that the forebearance measures remain in place until 31 December 2020.

Domestic Production and Prices

Belize's GDP was estimated to have contracted by 13.2% from July to September compared to the same quarter in 2019. This decline marked the third consecutive quarterly contraction for 2020, owing to the adverse impact of COVID-19 containment measures on the services sector. This outturn was less severe than the record high 23.8% second-quarter collapse with the easing of Government's restrictions and reflected a recovery in some non-service-based industries activities as well.

Primary and secondary output grew by 17.8% and 5.2%, respectively, in the third quarter of the year. In the former, the strong rebound was driven by increased sugar, citrus, banana, and farmed shrimp production. Meanwhile, in the latter, the modest upswing was attributable to a resurgence in hydroelectricity production as the extended dry spell ended in May. Conversely, output in the tertiary sector contracted by 18.5% with severe declines in tourism and distributive activities, owing to COVID-19 border closures and mobility restrictions.

From January to September, the economy contracted by 14.4%, reflecting the accumulated effects of three consecutive quarters of reduced output. Whereas drought damages suppressed agricultural production, agro-processing activities, and hydroelectricity generation in the first quarter, the adverse effects of COVID-19 lockdown measures depressed manufacturing and service-based activities in the next two quarters.

Despite a strong third-quarter rebound, primary sector output fell by 3.2% over the nine-month period on account of reductions in agricultural and fishing output. Value added output in the "*Agriculture, Hunting, and Forestry*" sub-sector was down 2.4%, as the adverse impact of drought damages to cane harvests in the north outweighed contributions from rebounds in banana and citrus production. "*Fishing*" activities declined by 14.6%, underpinned by lower outturns of farmed shrimp, queen conch, and whole fish, which were partly offset by a rise in the wild catch of spiny lobster.

The combined effects of the drought and shutdowns led to an 8.9% contraction in secondary output. "*Manufacturing*" shrank by 12.8%, owing to scaled-back production

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

	Dec - July 2018/2019	Dec - July 2019/2020
Deliveries of Sugarcane to BSI & Santander (long tons)	1,765,695	1,511,868
Sugar Processed by BSI & Santander (long tons)	197,448	141,760
Molasses processed by BSI & Santander (long tons)	62,563	62,483
Performance		
Factory Time Efficiency (%)	95.77	91.42
Cane Purity (%)	86.34	83.07
Cane/Sugar	8.94	10.66

Sources: BSI and Santander Group

of consumption goods like soft drinks, beer, and rum, in addition to reduced sugar production on account of the weather-induced decline in cane quantity and quality. An unexpected increase in citrus juice production, however, dampened the overall decline. "*Electricity and Water*" fell by 7.1%, weakened largely by the plunge in hydroelectricity generation during the first five months of 2020. "*Construction*" activities fell by 3.4% with the slowdown in public and private investments, prompted by the implementation of lockdown and physical distancing measures.

Down 16.1%, the tertiary sector was most severely impacted by mobility restrictions and international border closures. "*Hotels and Restaurants*" plummeted by 62.8%, reeling from the halt in international tourism since March. Value added from "*Wholesale and Retail Trade*" activities collapsed by 22.0% with the downturn in domestic demand and stoppage in retail free zone re-exports. "*Transport and Communication*" contracted by 14.3%, owing to reduced demand for all modes of transportation services for the movement of passengers and goods. "*Producers of Government Services*" was the only service sub-category that expanded, up 1.9% supported by upticks in government workers' emoluments.

Sugarcane and Sugar

National sugarcane deliveries fell by 14.4% over the 2019/2020 crop year to 1,511,868 long tons. The falloff in sugarcane productivity reflected the effect of unfavourable weather on cane yields and quality, specifically in the northern region. Sugarcane deliveries to the northern mill declined by 32.2% to 878,824 long tons over 187 days of sugarcane harvesting from the 15 January to 21 July. This outcome overshadowed a 35.0% increase in sugarcane deliveries to the western mill, which amounted to 633,044 long tons. The rise in sugarcane supply out west was supported by an expansion in productive acreage, as well as implementation of climate-smart field practices and improvements in mechanical harvesting techniques.

Table 3.2: Output of Citrus Products

	Oct - Sept 2018/2019	Oct - Sept 2019/2020
Deliveries (boxes)		
Orange	2,126,676	2,401,373
Grapefruit	222,288	161,770
Total	2,348,964	2,563,143
Concentrate Produced (ps)		
Orange	12,342,631	13,756,608
Grapefruit	959,639	652,357
Total	13,302,270	14,408,965
Not from Concentrate (ps)		
Orange	250,581	176,881
Grapefruit	11,188	12,550
Total	261,769	189,431
Pulp (pounds)		
Orange	1,139,712	1,527,248
Grapefruit	296,800	169,176
Total	1,436,512	1,696,424
Oil Produced (pounds)		
Orange	649,600	842,700
Grapefruit	33,600	29,100
Total	683,200	871,800

Sources: CGA and CPBL

Total sugar production contracted by 28.2% to 141,760 long tons, worsened by drought effects during the cane growing stage of the crop cycle and excess rains during the final two months of the harvesting period. Sugar production at the northern mill plunged by 44.0% to 86,398 long tons, eclipsing the 27.9% expansion out west to 55,362 long tons. Consequently, the average long tons cane to long ton sugar (TC/TS) ratio contracted by 19.3% to 10.7, as two other key performance indicators, factory time efficiency and cane purity, weakened as well.

Molasses production dipped by 0.1% to 62,483 long tons.

Citrus

Citrus deliveries to the processor increased by 9.1% to 2,563,143 boxes during the 2019/2020 crop year, ending five consecutive crop cycles of negative growth, which were mainly attributable to the detrimental effects of citrus greening. This crop year, which began on 6 November and ended on 29 September, ran for a record-high 330 days, 62 days longer than previous cycle. This harvest period was extended to accommodate oranges that matured later than normal due to the change in weather conditions. Total orange deliveries grew by 12.9% to 2,401,373 boxes, easily compensating for a 27.2% drop in grapefruit deliveries, which amounted to 161,770 boxes.

Total citrus juice production grew by 7.6% to 14.6mn pound solids (ps), reflecting a 1.4% drop in average juice outturn per box of fruit to 5.7ps. Total orange juice production grew by 10.6% to 13.9mn ps with the average juice yield down 2.0% to 5.8ps. Grapefruit juice production contracted by 31.5% to 0.7mn ps following a 5.9% reduction in average juice content.

The manufacturing of citrus by-products also rebounded, with citrus pulp and oil production up by 18.1% to 1.7mn pounds and 27.6% to 0.9mn pounds, respectively.

Banana

Hurricane Nana, a category 1 hurricane, crossed over Southern Belize on 3 September and destroyed approximately 673.6 acres of banana as it moved into the eastern Pacific Ocean. Nevertheless, banana production grew by 9.8% from January to September to 3.8mn box equivalents. The marked growth in productivity reflected harvests from new acreages of banana plantation as well as a full recovery from the effects of dry conditions in 2019. From August 2019 to May 2020, the total acreage of commercial

Table 3.3: Banana Production

40-pound boxes

	Jan - Sept 2019	Jan - Sept 2020
Quarter 1	1,161,038	1,249,880
Quarter 2	1,186,710	1,221,819
Quarter 3	1,086,282	1,297,185
Total	3,434,030	3,768,884

Source: BGA

banana plantation rose by 2.7% to 7,852.4 acres. Of this amount, 7,332.3 acres were under production (93.4%); 245.0 acres were ready to plant (3.1%); and, 275.1 acres (3.5%) were being rehabilitated.

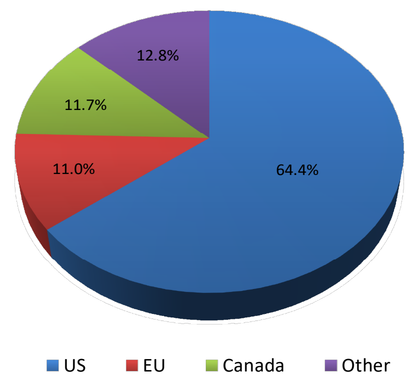
Petroleum

Crude oil extraction contracted by 26.7% to 145,520 barrels, reflecting a 196-barrel reduction in the daily extraction rate to 531 barrels per day. Production at Spanish Lookout accounted for majority of the outturn, accounting for 145,072 barrels or 99.7% of the total. Meanwhile, oil extraction at Never Delay amounted to only 447 barrels and was halted around mid-March as the plunge in oil prices due to the COVID-19 outbreak compromised the financial viability of field operations.

Tourism

Subdued by government restrictions and fear of contracting COVID-19, global international tourist arrivals fell by around 70.0% between January and September compared to the same period of 2019. Despite some recovery in July and August, the recovery pace of international travel was curbed by a resurgence in COVID-19 cases in September. Being the first region to suffer from the pandemic outbreak, the Asia and Pacific countries recorded the steepest decline of 79.0%, while maintaining some of the tightest travel restrictions to date. In comparison, international arrivals to the Americas was down 65.0%, as international travel restrictions were loosened to varying

Chart 3.1: Shares of Stay-Over Arrivals by Source Markets Jan - Sept 2020



Sources: BTB and CBB

degrees in the region, including in the Caribbean.

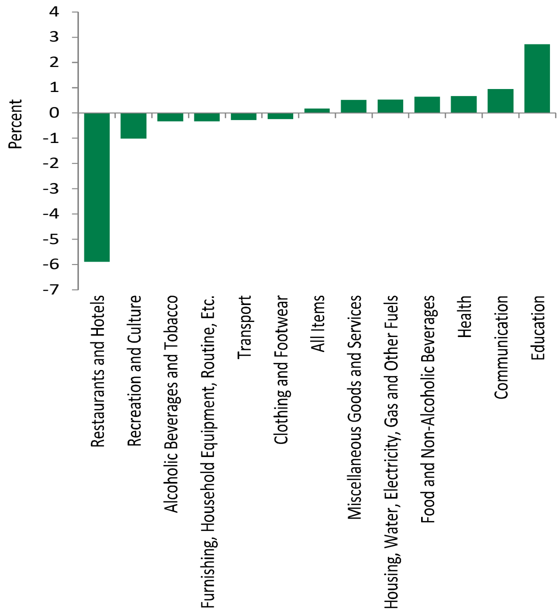
In Belize, international air travel was halted on 23 March, while all land borders were closed to non-essential travel by 3 April. Consequently, overnight arrivals from January through September was down 67.0% to 116,700 persons over the comparative period a year ago.

Cruise sailings to Belize was halted on 13 March. Disembarkations for the year to date amounted to 308,003 persons, reflecting a 61.5% decline.

Consumer Price Index

Inflation remained flat with the general price level (CPI) rising by 0.2% on average from January to September. The soft inflationary pressure was supported by increased prices for residential rent in "*Housing, Water, Electricity, Gas, and Other Fuels*" (0.5%); vegetables in "*Food and Non-Alcoholic Beverages*" (0.6%); and

Chart 3.2: Average Percentage Change in Consumer Price Index
Jan to Sept 2020 over Jan to Sept 2019



Source: SIB

tertiary education in "*Education*" (2.5%). In addition, price upticks for lower weighted items such as postal, insurance services, and pharmaceutical goods raised the price levels in "*Communication*" (0.9%), "*Miscellaneous Goods and Services*" (0.5%), and "*Health*" (0.6%), respectively. These price increases were partly offset by reduced costs for video equipment in "*Recreation and Culture*" (1.0%), refined fuel products in "*Transport*" (0.3%), and accommodations in "*Restaurants and Hotels*" (5.0%).

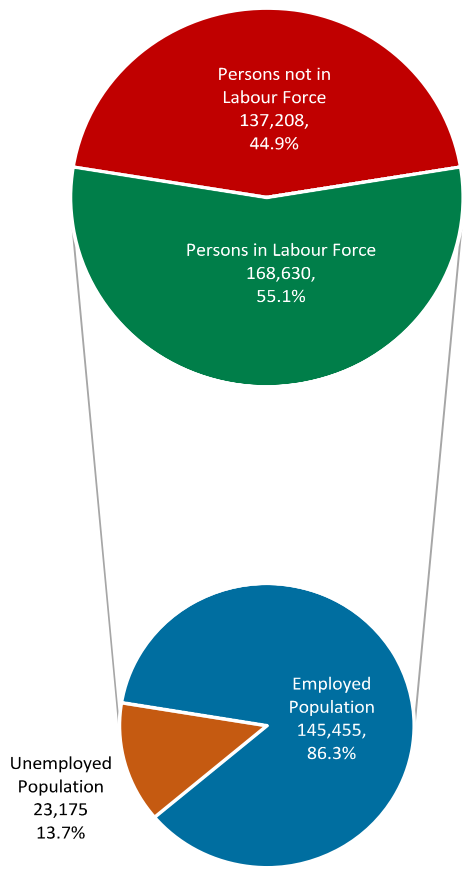
Employment

The Statistical Institute of Belize estimated that approximately 13.7% of the labour force was unemployed in September. The most recent labour survey was implemented using new definitions for headline labour market indicators, including classifications for employed, unemployed, and underemployed persons. The differences in methodological approach yielded significantly distinct results from previous labour surveys.

Using the narrower definition of employment as "*work for pay or profit*" for an hour within a one-week period, 145,455 persons were identified as employed. Work activities remained largely concentrated in service-oriented activities, which accounted for approximately 66.4% of the work force. "*Agriculture and Related Activities*" accounted for 15.8%, while 17.8% were engaged in "*Construction*" and "*Manufacturing*" activities.

Similarly, the definition of unemployment was also tightened, as the criterion to "*seek employment*" within four weeks of the reference period was added to pre-existing conditions of persons who are "*not in employment*" and "*currently available for work.*" The number of unemployed persons stood at 23,175 in September. Using the previous definition, this amount was 64.0% (or 41,198 persons) less than the estimate for the current month, but 16.8% (or 3,326 persons) more than the amount recorded for September 2019. Unemployment was higher among females compared to males at 17.0% versus 11.6% and more likely among youths (14 to 24 years) at 23.0% relative to other age groups.

Chart 3.3: Working Age Population as at September 2020



The agency reported that from March to August, 38,909 persons were classified as "without work" due to COVID-19 with approximately two-thirds dropping out of the labour force under expectations of being rehired by their previous employer. Consequently, the labour force participation rate fell to 55.1%, indicating a sharp rise in labour underutilization as the number of available potential jobseekers skyrocketed in tandem with the April lockdown.

International Trade and Payments

Belize's balance of payments yielded a current account deficit of $154.9mn (5.1% of GDP) for the first nine months of 2020, reflecting a $72.5mn (2.4% of GDP) reduction in the external gap compared to the same period of 2019. This improvement occurred as the falloff in exports of goods and services was more than offset by the reduction in imports and income payments alongside an upturn in transfers. Net financial inflows resulted in net borrowings of $192.3mn, which was more than sufficient to finance the current account deficit. The rise in net liabilities stemmed mainly from heightened Central Government borrowings, as inward foreign direct investments moderated, and domestic banks' foreign assets expanded. The financial surplus contributed to a $93.2mn growth in gross international reserves, which at September-end stood at $648.9mn, the equivalent of 4.5 months of merchandise imports.

Chart 4.1: Trade Deficit in Goods

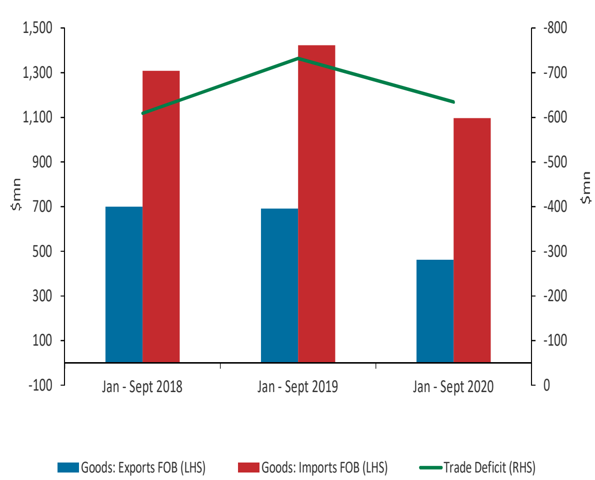


Table 4.1: Balance of Payments Summary

$mn

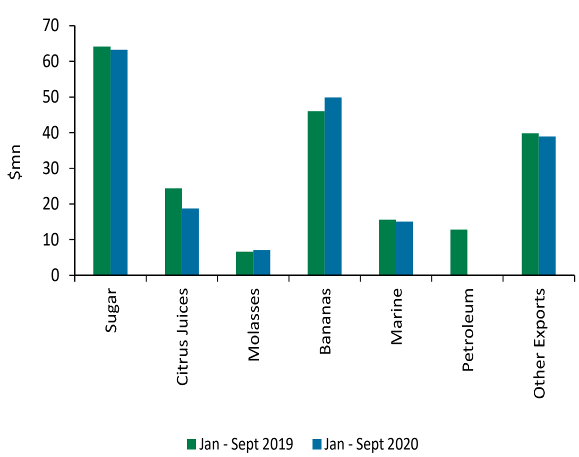
	Jan - Sept 2019[R]	Jan - Sept 2020[P]
A. CURRENT ACCOUNT		
(I+II+III+IV)	-227.4	-154.9
I. Goods (Trade Balance)	-731.7	-634.2
Exports, Free on Board (FOB)	691.4	462.0
Domestic Exports	322.2	286.5
CFZ Re-exports	320.7	135.4
Other Re-exports	48.4	40.1
Imports, FOB	1,423.1	1,096.2
Domestic Imports	1,198.8	944.5
CFZ Imports	224.4	151.7
II. Services	652.9	404.5
Transportation	-53.1	-45.5
Travel	734.9	373.8
Other Services	-28.9	76.2
III. Primary Income	-264.8	-98.1
Compensation of Employees	-5.9	-6.3
Investment Income	-258.9	-91.8
IV. Secondary Income	116.1	172.9
Government	-11.4	9.4
Private	127.5	163.5
B. Capital Account	8.2	27.8
C. Financial Account	-209.5	-192.3
D. NET ERRORS AND OMISSIONS	-39.6	28.0
E. RESERVE ASSETS	-49.4	93.2

R - Revised
P - Provisional

The trade deficit in goods narrowed by $97.5mn during the nine-month period to $634.2mn, as the downturn in imports outpaced the fall in exports. Suppressed by tightening aggregate demand, imports, FOB plunged by $326.9mn (23.0%) to $1,096.2mn. The sharpest decline was recorded in the *"Minerals, Fuels, and Lubricants (inclusive of electricity)"* category, which fell by $148.4mn, dragged down by volume and prices declines of refined petroleum products and electricity. A marked downturn in "*Commercial Free Zone*" followed, down $74.8mn as border closure orders suspended retail distribution activity within free zone areas. Furthermore, "*Machinery and Transport Equipment*" contracted by $47.8mn with reduced purchases of aviation and telecommunication equipment. Meanwhile, "*Manufactured Goods*" contracted by $26.4mn with lower purchases of construction materials. Finally, "*Crude Materials*" narrowed by $10.0mn on account of lower outlays on treated pine lumber and seeds.

Exports, FOB contracted by $229.4mn (33.2%) to $462.0mn, depressed by unfavourable weather events and COVID-19 lockdown measures. Domestic export receipts contracted by $35.7mn (11.1%) to $286.5mn, underscored by lower receipts from the sale of sugar, citrus juices, and marine products, as banana and molasses revenue grew. Inhibited

Chart 4.2: Domestic Exports



Sources: SIB and CBB

by strict border closures and travel restrictions to mitigate the pandemic, the downturn in re-exports was even more severe. Total re-exports fell by $193.6mn (52.5%) to $175.5mn with the re-sale of foreign goods from free zone areas and the rest of the country down by 57.8% to $135.4mn and 17.2% to $40.1mn, respectively.

Sugar export earnings fell by 21.7% to $101.5mn, following the deep plunge in export volume linked to reduced sugar production. Total sugar exports declined by 39.8% in volume to 115,586 long tons. About 90,808 long tons of total export volume (78.6%) valued at $75.8mn went to the European Union (EU) where the average unit price received strengthened by 30.3%. The US was the next major market for sugar exports. Sugar shipments there under the Caribbean Basin Initiative tariff-preference program amounted to 16,240 long tons valued at $16.8mn. The remainder was sold to the Caribbean Community (CARICOM) and Canada, comprising 8,267 long tons and 270 long tons valued at $8.5mn and $0.3mn, respectively. Meanwhile, molasses export receipts grew by 36.0% to $12.4mn, buoyed by a 40.4% price improvement because of reduced global supplies. Molasses export volume had inched down by 3.1% to 43,839 long tons.

Citrus juice exports decreased by 13.6% to $29.3mn, as a marginal 2.6% rise in export volume to 10.3mn ps was overshadowed by tumbling market prices. Orange concentrate receipts was down 10.0% to $26.3mn, despite a 5.8% volume increase to 9.8mn ps. On a somewhat brighter note, sales to the US expanded 66.2% to 4.0mn ps valued at $7.7mn, as the average unit price on that market remained stable. However, export revenue from CARICOM and the EU contracted by 23.1% and 29.9% to $15.5mn and $2.9mn, respectively, on account of double-digit volume and price declines. With regards to grapefruit concentrates, its receipts plunged 37.7% to $2.8mn, precipitated by a 35.8% downturn in sale volume to 0.5mn ps. Not-from-concentrate sales shrunk 13.3% to $0.2mn.

Marine export receipts contracted by 4.7% to $27.1mn, weakened by an 11.3% volume decline to 1.5mn pounds. Lobster was the only marine commodity that recorded improvements in both volume and value of export sales. Lobster earnings increased by 9.8% to $21.4mn, as an 8.5% increase in export volume to 0.8mn pounds was amplified by a 1.1% uptick in average unit price. In contrast, conch receipts almost halved to $3.0mn with its export volume down 38.9% to 0.2mn pounds. Furthermore, farmed shrimp exports shrunk 14.4% to $2.6mn, as its export volume contracted by 15.5% to 0.5mn pounds.

Crude oil receipts nosedived by 62.2% to $4.9mn. With only one shipment to date, crude oil export volume fell by 44.7% to 74,920 barrels. The deep plunge in revenue was exacerbated by a 31.6% drop in the average price per barrel to US$32.64, as West Texas Intermediate crude oil prices tumbled after the COVID-19 pandemic outbreak.

In contrast, banana earnings rose by 8.8% to $67.9mn, bettered by a 9.7% upswing in export volume to 68,378 metric tons.

Net earnings from international trade in services amounted to $404.5mn from January to September, reflecting a 38.0% drop relative the same period last year. Expenditure by visitors netted $373.8mn, marking a 49.1% drop in net travel receipts on account of COVID-19 international travel restrictions and lockdown measures. Meanwhile, net transportation outflows contracted by 14.4% to $45.5mn, while the balances on all other services combined increased by almost fourfold to a surplus of $76.2mn. Whereas the former improved due to increased port revenues pre-

Chart 4.3: Sub-components of Services

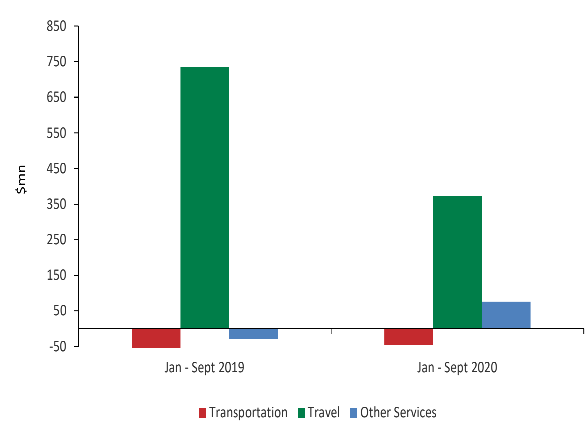
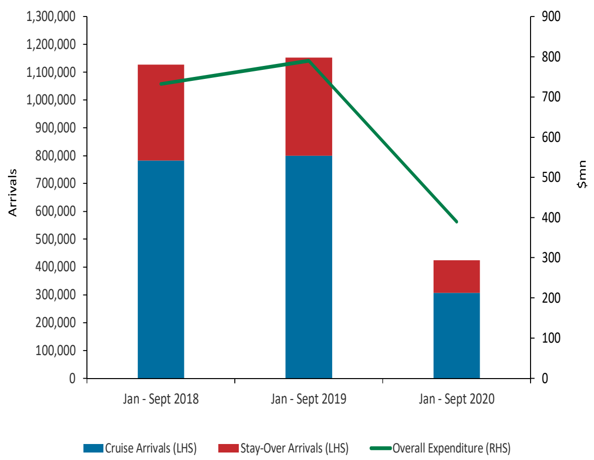


Chart 4.4: Tourism Arrivals and Expenditure



COVID-19, the turnaround in the latter was attributable to increased revenue from business processing services and reduced payments for foreign insurance services, intellectual property, franchise fees, head office expenses, and a host of other business services post-COVID-19.

The balances on primary and secondary incomes swung from a deficit of $148.7mn in the first three quarters of 2019 to a surplus of $74.7mn in the comparable period of 2020. Net outflows on primary income contracted by 62.9% to $98.1mn, owing mainly to reductions in profit repatriations, reinvested earnings, and interest payments on outstanding public and private external debt. Furthermore, net inflows on the secondary income expanded by 48.9% to $172.9mn. The upsurge in net current transfers was driven by a rise in personal remittances, particularly from the US, and marked increases in cash and in-kind donations to the health sector to combat COVID-19.

Table 4.2: Capital and Financial Accounts

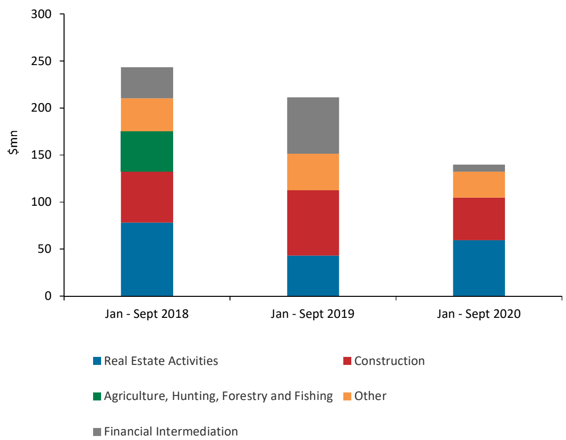
			$mn
		Jan - Sept 2019[R]	**Jan - Sept 2020[P]**
A.	CAPITAL ACCOUNT	8.2	27.8
B.	FINANCIAL ACCOUNT (1+2+3+4)	-209.5	-192.3
	1. Direct Investment in Belize	-148.3	-100.6
	2. Portfolio Investment	-11.0	-13.0
	Monetary Authorities	0.0	0.0
	General Government	-11.0	-13.0
	Banks	0.0	0.0
	Other Sectors	0.0	0.0
	3. Financial Derivatives	0.0	0.0
	4. Other Investments	-50.2	-78.8
	Monetary Authorities	-1.7	-5.2
	General Government	-25.6	-125.9
	Banks	-4.8	44.8
	Other Sectors	-18.0	7.6
C.	NET ERRORS AND OMISSIONS	-39.6	28.0
D.	OVERALL BALANCE	-49.4	93.2
E.	RESERVE ASSETS	-49.4	93.2

R - Revised
P - Provisional

Net capital transfers grew to a surplus of $27.8mn, up from $8.2mn in the comparable period of 2019. Majority of this amount stemmed from bilateral development partners, particularly from Republic of China/Taiwan (ROC/Taiwan) to finance reconstruction projects.

Net financial inflows summed to $192.3mn, supported largely by proceeds from direct investments and public sector borrowings. Direct investments amounted to $100.6mn down from $148.3mn in the same period of 2019. Notwithstanding, foreign direct investments stemmed mainly from increased real estate purchases, as investments into other sectors of the economy slowed after the pandemic

Chart 4.5: Gross Inward Foreign Direct Investments

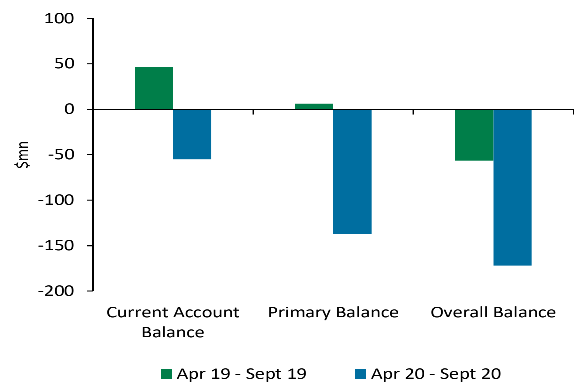


outbreak. General government borrowings summed to $138.9mn, a sizeable portion of which was tied to COVID-19 expenses. Net borrowings were partly offset by a $44.8mn rise in domestic banks' net foreign assets and a $7.6mn reduction in outstanding private sector claims due in part to a reduction in outstanding trade credit.

Government Operations and Public Debt

Government's finances were severely weakened by the COVID-19 pandemic. Central Government's revenue plummeted as full lockdown measures to reduce transmission of the virus took effect, while costs associated with containing and mitigating the adverse effects of the pandemic soared. For the first nine months of 2020, Central Government's primary balance swung to a deficit of 5.7% of GDP ($173.1mn) from a surplus of 0.4% of GDP ($12.6mn) in the same period of 2019. Furthermore, the overall fiscal deficit amounted to 8.2% of GDP ($252.3mn), of which three-fifths was financed from external sources.

Chart 5.1: Central Government's Operations



Sources: MOF and CBB

With the economic fallout from the pandemic setting in at the start of the new fiscal year (FY), damage to Central Government's finances during the current fiscal period was more pronounced. From April to September, Central Government's revenue and grants plunged by 25.1% relative to the first half of the FY 2018/2019 to $441.2mn. Concurrently, total expenditure contracted by 5.0% to $613.1mn, as increased spending on Government's COVID-19 response measures were counterbalanced by expenditure cuts, debt service moratoriums, and falling variable interest rates. Notwithstanding, Central Government's primary balance swung to a deficit of 4.4% of GDP ($136.9mn) from a surplus of 0.2% of GDP ($6.3mn), while deepening its overall deficit to 5.5% of GDP ($171.9mn) from 1.5% of GDP ($56.2mn) relative to the same period of the FY 2019/2020.

Current revenue declined by 28.9% ($168.3mn) to $413.9mn. At only 34.3% of the budgeted amount, the drop in current revenue reflected steep declines across all major tax categories. Tax collections contracted by 27.8% ($147.0mn) to $382.1mn. This downturn was led by an $84.3mn plunge in taxes on goods and services to $211.6mn, stemming from the sudden falloff in domestic consumption. Furthermore, taxes on income and profits fell by $38.3mn to $110.7mn, dragged down by declines in business tax receipts and income tax collections amounting to 32.2% and 16.2%, respectively. Taxes on international trade and transactions shrunk by $23.6mn to $57.1mn, as imports curtailed in tandem with the downturn in aggregate demand. Non-tax revenue

Table 5.1: Central Government's Revenue and Expenditure

$mn

	Jan 2019 to Sept 2019	Jan 2020 to Sept 2020	Apr 2019 to Sept 2019	Apr 2020 to Sept 2020P
Total Revenue and Grants	888.6	726.5	589.0	441.2
Of which: Current Revenue	874.9	694.9	582.2	413.9
Of which: Grants	8.2	19.5	4.4	16.7
Total Expenditure	982.8	978.8	645.2	613.1
Current Expenditure	824.6	766.7	535.3	469.0
Capital Expenditure	158.2	212.1	109.9	144.0
Current Balance	50.2	-71.8	46.9	-55.1
Primary Balance	12.6	-173.1	6.3	-136.9
Overall Balance	-94.2	-252.3	-56.2	-171.9

Source: MOF
P - Provisional

was down 40.1% ($21.3mn) to $31.9mn, reflecting lower license fees and income transfers from quasi-public corporations and government departments.

On the upside, capital revenue grew by $8.2mn to $10.6mn, boosted by heightened land sales. In addition, grants more than tripled to $16.7mn, boosted by multilateral and intergovernmental aid to support the Government's budget and COVID-19-relief measures. It is noteworthy that the ROC/Taiwan donated $8.0mn in cash to support Government's

Table 5.2: Summary of Central Government's Revenue

$mn

	Jan 2019 to Sept 2019	Jan 2020 to Sept 2020	Apr 2019 to Sept 2019	Apr 2020 to Sept 2020P
Current Revenue	874.9	694.9	582.2	413.9
Tax Revenue	796.2	639.9	529.1	382.1
Income and Profits	224.7	184.2	149.0	110.7
Taxes on Property	5.6	5.2	3.5	2.7
Taxes on Goods and Services	446.6	356.3	295.9	211.6
International Trade and Transactions	119.3	94.2	80.7	57.1
Non-Tax Revenue	78.7	55.0	53.2	31.9
Property Income	8.2	7.8	7.6	6.0
Licenses	24.2	14.3	15.2	6.0
Other	46.2	32.9	30.3	19.9
Capital Revenue	5.6	12.1	2.4	10.6
Grants	8.2	19.5	4.4	16.7

Source: MOF
P - Provisional

Table 5.3: Summary of Central Government's Expenditure

$mn

	Jan 2019 to Sept 2019	Jan 2020 to Sept 2020	Apr 2019 to Sept 2019	Apr 2020 to Sept 2020[P]
Current Expenditure	824.6	766.7	535.3	469.0
Wages and Salaries	336.3	345.5	225.5	229.2
Pensions	70.0	66.1	46.2	44.1
Goods and Services	177.8	155.8	109.1	86.0
Interest Payments	106.7	79.2	62.6	35.0
of which: External	78.7	49.7	44.7	16.3
Subsidies and Current Transfers	133.8	120.0	91.9	74.7
Capital Expenditure	158.2	212.1	109.9	144.0
Capital II	68.9	107.8	46.7	82.3
Capital III	77.6	103.7	52.1	61.4
Net Lending	11.7	0.6	11.1	0.4

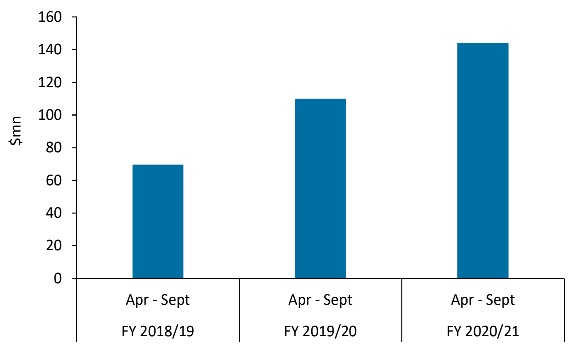
Sources: MOF and CBB
[P] - Provisional

response measures and $2.5mn in kind in the form of medical equipment and supplies.

Total expenditure fell by $32.2mn to $613.1mn, representing 44.2% of budgeted outlays. Current spending contracted by 12.4% ($66.3mn) to $469.0mn. Except for wages and salaries, spending fell in all other major current expenditure categories. While discretionary spending on goods and services fell by $22.2mn, foreign interest payments contracted by $29.0mn, owing to August's interest payment deferral on the US dollar 2034 bond and the drop in the London Inter-Bank Offered Rate (LIBOR), which dampened interest costs on external loans tied to the interest rate index. In addition, domestic subsidies and current transfers narrowed by $13.9mn on account of lower grants to schools, statutory bodies, and other entities. Wage, salaries, and pension costs were contained, rising by only $1.6mn altogether in light of a one-year increment freeze in public officers' wages for the FY 2020/2021, along with reduction in senior public officers' allowances.

Meanwhile, capital expenditure and net lending increased by 31.1% ($34.1mn) to $144.0mn. Of this amount, $70.6mn or 49.0% was spent on COVID-19 measures with $49.7mn and $20.9mn recorded under Capital II and Capital III headings, respectively. Hampered by mobility restrictions and the re-allocation of committed project resources, Capital III spending on public investments slowed to $40.5mn, down 22.2% relative to the corresponding period of the previous

Chart 5.2: Central Government's Capital Expenditure



Source: MOF

Chart 5.3: Gross Financing Gap

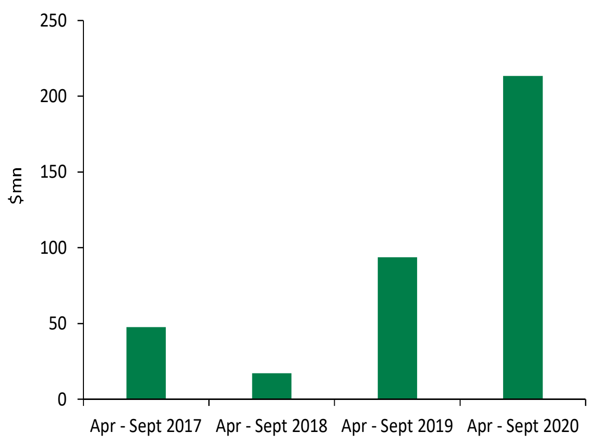


Table 5.4: Central Government's Domestic Debt

$mn

	Dec 2019	Sept 2020	Changes in Stock
Overdraft	56.2	74.2	18.0
Loans	93.2	92.8	-0.4
Treasury Bills	234.0	245.0	11.0
Treasury Notes	720.0	877.8	157.8
Total	1,103.4	1,289.8	186.4

FY. The deepest cutbacks in capital spending were related to infrastructural, environmental, and land management projects.

For the first half of the FY 2020/2021, Central Government's gross financing gap (the overall fiscal deficit plus amortization payments) amounted to $213.4mn, more than doubled the amount recorded in the comparable reporting period of the FY 2019/2020. At 7.0% of GDP, this is the largest financing gap on record since the FY 2005/2006.

Total Public Sector Debt

The COVID-19-induced deterioration in Government finances led to a rapid increase in government borrowings. Hastened by Central Government's financing needs to fund its emergency response to the health crisis, the total public sector debt grew by 9.8% between January and September to $4,098.2mn or 133.9% of GDP. To date, COVID-19-related borrowings to cover immediate emergency expenses, totalled $144.0mn (4.7% of GDP), weakening the country's debt-carrying capacity.

Domestic Debt

Central Government's domestic debt rose by 16.9% ($186.4mn) to $1,289.8mn, raising the domestic debt-to-GDP ratio by 12.4 percentage points to 42.1% of GDP. Almost ninety percent of the increase in outstanding principal ($161.4mn) occurred after the COVID-19 outbreak.

Central Government's domestic borrowings included $157.8mn in T-note issuances and $18.0mn in overdraft advances from the Central Bank. Central Government made five T-note issuances over the review period. These comprised three separate $25.0mn T-note issues in March, April, and June for budgetary support alongside one $75.0mn T-note issue in April to cover COVID-19 expenses. Additionally, residents purchased $7.8mn of the US $30.0mn Fixed-Rate T-note in June for balance of payments support.

Central Government's domestic debt-service payments (interest and principal) summed to $29.9mn. Its interest expense totalled $29.5mn. Of this amount, the Central Bank was paid $14.7mn for use of the overdraft account and on its government securities holdings. Meanwhile, non-bank entities and domestic banks earned $9.2mn and $5.7mn, respectively, on their claims. Principal repayments were minimal, amounting to $0.4mn on credit facilities with the Belize Social Security Board, Fort Street Tourism Village, and Debt for Nature Swap.

The Central Bank's share of Central Government's domestic debt expanded by 1.5 percentage points over the nine-month period, rising from 39.8% at December-end 2019 to 41.3% at September-end 2020. In turn, the portions held by domestic banks and non-bank entities dipped by 1.1 and 0.4 percentage points to 35.1% and 23.6%, respectively.

Chart 5.4: External Debt Service

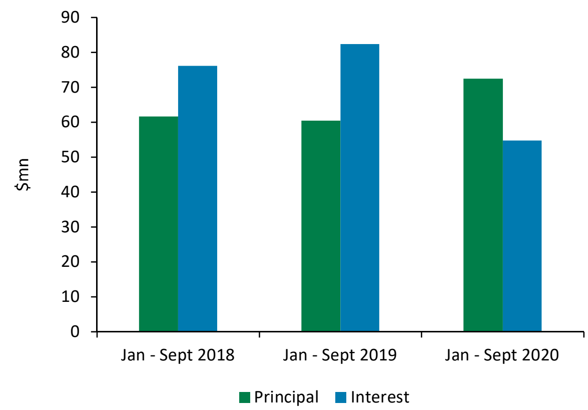
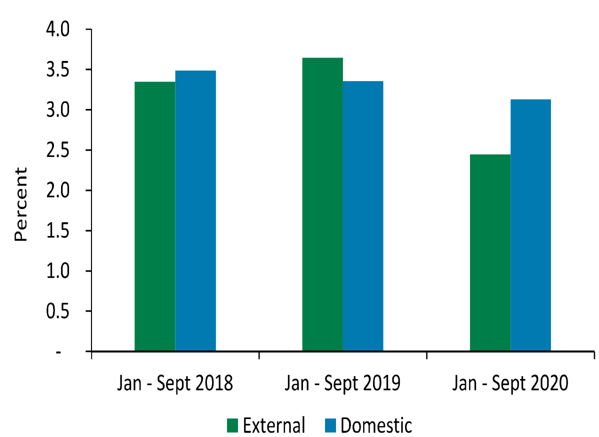


Chart 5.5: Average Interest Rate on Central Government Domestic Debt and Public Sector External Debt



Public Sector External Debt

For the first three quarters of 2020, the outstanding public sector external debt grew by 6.8% ($178.9mn) to $2,808.5mn. As a result, the public sector external debt-to-GDP ratio increased by 20.2 percentage points to 91.7% of GDP, breaching the nominal high-risk threshold of external debt burden.

New disbursements to the public sector totalled $251.0mn over the review period. Of this amount, Central Government received $243.5mn, 53.2% of which was linked to the COVID-19 pandemic. External COVID-19-related borrowings amounted to $129.6mn, comprising $69.0mn to fund immediate COVID-19 expenses, $26.0mn from capitalizing the August interest payment on the US dollar 2034 bond to improve fiscal space, and $34.6mn in proceeds from the US dollar $30.0mn Fixed Rate T-note issue for balance of payments support. In addition, Central Government obtained $20.0mn for budget support and $93.9mn to cover capital investment projects. Other borrowings by public sector units entailed disbursements of $1.1mn and $6.4mn to the non-financial and financial public sectors as well.

External debt-service payments summed to $127.2mn. Accordingly, the external debt-service-to-revenues ratio increased by 1.4 percentage points relative to the same period last year to 17.9%, indicating further tightening in

Table 5.5: COVID-19-Related External Disbursements

Creditor	COVID-19-Related Loans (Jan - Sept 2020)	Amount
IBRD	COVID-19 Disease Emergency Response Support	$19.1mn
IDB	COVID-19 Immediate Public Health Response	$16.9mn
IDB	Safety Net for Vulnerable Population Affected by COVID-19	$24.0mn
CDB	COVID-19 Disease Emergency Response Support	$6.5mn
OFID	COVID-19 Food Assistance Programme	$2.6mn
BOND	Interest Deferral on the 2034 US Dollar Bond	$26.0mn

Table 5.6: External Disbursements for Capital Investment Projects and Budget Support

Creditor	Capital Investment Projects (Jan - Sept 2020)	Amount
ROC/Taiwan	Corozal Sarteneja Road Project	$27.0mn
ROC/Taiwan	Budget Support	$20.0mn
ROC/Taiwan	House of Culture Rejuvenation Project	$3.3mn
Kuwait	Rehabilitation of the Hummingbird Highway	$3.4mn
CDB	Coastal Highway Upgrade Project	$3.3mn
CDB	Education Sector Reform Project	$5.8mn
IDB	George Price Highway Rehabilitation	$10.0mn
IDB	Solid Waste Management Project	$2.0mn
OFID	Caracol Road Project	$16.4mn
OFID	Southside Poverty Alleviation Project	$4.6mn
OFID	Airport Link-Road Project	$4.2mn

government's repayment capacity. Loan amortization payments totalled $72.5mn, up 12.5% relative to same period last year attributable to the ballooning debt stock. Central Government repaid $70.1mn, with bilateral and multilateral creditors receiving $22.9mn and $47.3mn, respectively. Furthermore, the financial and non-financial public sectors amortised $0.9mn and $1.4mn, respectively, in outstanding obligations with multilateral creditors.

Interest and other expenses summed to $54.7mn, down 33.5% relative to the first nine months of 2019. Central

Government's interest pay outs amounted to $50.9mn, excluding the August $26.0mn interest payment on the 2034 US dollar bond deferred to the redemption period of the bond. Notably, bondholders agreed to capitalize interest payments falling due on 20 August 2020, 20 November 2020, and 20 February 2021. In addition, interest costs incurred on multilateral and bilateral loans amounted to $15.8mn and $9.1mn, respectively. As for the financial public sector, the Development Finance Corporation paid $1.2mn to multilateral creditors. Meanwhile, state-owned utilities in the non-financial public sector paid $2.0mn on bilateral loans and $0.7mn on multilateral loans.

The distribution of outstanding public sector debt remained broadly unchanged over the first nine-months of 2020. At September-end, Central Government held 94.8% of the total public sector debt, while the financial and non-financial public sectors held 3.3% and 1.9%, respectively.

Chart 5.6: External Loan Repayments by Major Creditors

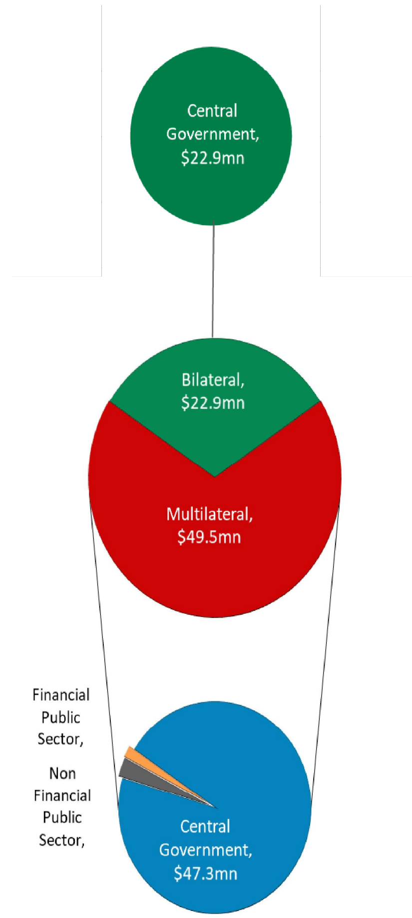
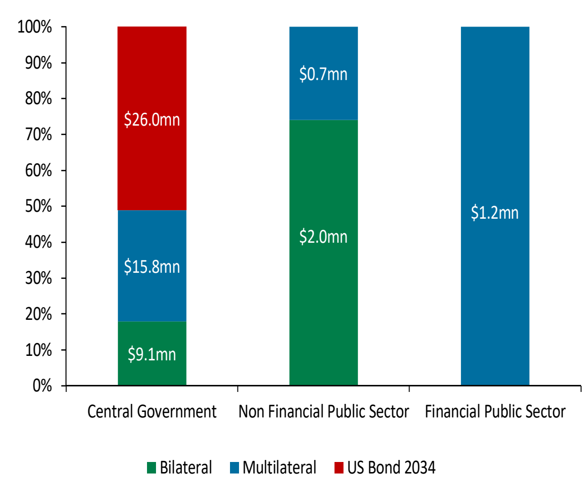


Chart 5.7: External Interest Payments



Box 2: Central Government's Response to COVID-19

Since April, Central Government has implemented a slew of measures in response to the economic and social challenges triggered by the COVID-19 pandemic. These measures included the following:

Provided household income support (cash and in-kind transfers) to the unemployed through these programmes:

- The Unemployment Relief Programme (URP), which was launched to provide direct cash transfers of $150.00 every two weeks for a 12-week period to workers and self-employed persons who were adversely affected from the economic fall-out arising from COVID-19. Phase 1 of the URP saw 44,552 approved from 81,052 applicants. Phase 2 of the URP saw 42,890 approved from 67,555 applicants.
- The Food Assistance Programme (FAP), which was launched to supplement the Food Pantry Programme. Those already receiving benefits from the Food Pantry Programme were able to benefit from the $12.00 waiver fee. A total of 39,129 households qualified under FAP.
- The BOOST cash transfer programme, a pre-COVID-19 social protection programme, which was enhanced post COVID-19.
- The Belize COVID-19 Cash Transfer (BCCAT) programme, which was launched as a temporary measure to reach poor and vulnerable households countrywide.

Provided tax deferments and relief to support afflicted businesses in the following ways:

- Deferred income tax, general sales tax (GST), and business tax payments falling due in March 2020 to April-end 2020.
- Deferred GST and business tax payments falling due in July and August for San Pedro, Shipyard, and surrounding villages affected by targeted lockdown measures to September 2020.
- Granted hoteliers 100% tax credit for accommodation taxes assessed in March 2020.

Offered credit support programmes to rejuvenate business activities through the following facilities:

- The Development Finance Corporation (DFC) launched the Tourism Sector Recovery Loan Programme set at $10.0mn to provide low-cost financing to tourist stakeholders. Under this programme, Government will subsidise 1% of the 7% interest rate charged on loans.

- With an allocation of $28.5mn, the Micro, Small, and Medium-sized Enterprises (MSME) Support Programme was launched to provide loans and cash grants to eligible MSMEs through BELTRAIDE.

Increased its support to the health sector to improve the resiliency of the health system in the following ways:

- Formed the National Oversight Committee in March to build the nation's response capacity primarily in health and other areas.
- Retrofitted designated clinics to prepare for COVID-19 patients.
- Retrofitted Karl Heusner Memorial Hospital and Belize Western Regional Hospital to accommodate COVID-19 wards and flu clinics.
- Procured personal protective equipment, ventilators, and testing equipment.
- Suspended the qualifying condition that a person must be employed upon becoming ill to obtain sickness benefits from Social Security.

Obtained financing for balance of payments support through the following initiatives:

- Issued US $30mn in fixed-rate notes of varying maturities in June to strengthen international reserves.
- Obtained bondholders consent to defer interest payments on the 2034 US dollar bond for interest falling due on August 2020, November 2020, and February 2021 to free-up resources to combat COVID-19.

Implemented several cost cutting measures and identified funding to improve its cash flow to deal with the pandemic by doing the following:

- Reduced monthly de-reservations of funds to ministries and departments from one twelfth to one-twentieth of the approved estimates for FY2020/21.
- Enacted a wage freeze for public workers and teachers for FY2020/21.
- Reduced selected personal allowances for heads of departments and chief executive officers for FY2020/21.
- Repurposed several external loans to fund COVID-19 relief measures.

ANNEX I

Table 6.1: Gross Domestic Product Growth Rates of Selected Countries[1]

Percent

	Mar 2020	June 2020	Sept 2020
Advanced Economies			
USA	0.2	-9.1	-2.9
UK	-1.7	-21.7	-9.6
Euro Area	-3.3	-14.7	-4.3
Japan	-1.7	-9.9	-5.7
Emerging Economies			
China	-6.8	3.2	5.0
India	3.1	-23.9	-7.5
Brazil	-0.3	-11.4	-3.4
Mexico	-2.4	-18.9	-8.6
Caribbean Economies			
Jamaica	-2.3	-18.4	-10.7
Barbados [2]	-3.0	-27.0	-18.0

[1] Percentage change compared to the same quarter of the previous year, unless otherwise stated.
[2] Quarter-on-Quarter percentage change.
Sources: Respective Statistical Bureaus and Central Banks.

Table 6.2: Factors Responsible for Money Supply Movements[1]

$mn

	Position as at Sept 2020	Dec 2019 to Sept 2020	Dec 2018 to Sept 2019
Net Foreign Assets	960.2	150.6	-51.9
Central Bank	664.6	105.8	-47.0
Domestic Bank	295.6	44.8	-4.9
Net Domestic Credit	2,942.8	73.7	125.1
Central Government (Net)	649.1	41.5	21.2
Other Public Sector	56.5	-15.2	25.1
Private Sector	2,237.2	47.4	78.8
Central Bank Foreign Liabilities (Long-term)	50.4	0.9	-1.0
Other Items (Net)	426.3	-10.7	-29.2
Money Supply (M2)	3,426.3	234.0	103.4

[1] Transactions associated with the Universal Health Services (UHS) loan with the Belize Bank Limited are not included in this table.

Table 6.3: Money Supply

			$mn
		Changes During	
	Position as at Sept 2020	Dec 2019 to Sept 2020	Dec 2018 to Sept 2019
Money Supply (M2)	3,426.3	234.0	103.4
Money Supply (M1)	1,899.6	217.8	44.5
Currency with the Public	408.6	40.3	4.1
Demand Deposits	1,470.9	179.6	44.6
Savings/Chequing Deposits	20.1	-2.2	-4.3
Quasi-Money	1,526.6	16.2	58.9
Savings Deposits	841.1	56.9	33.8
Time Deposits	685.6	-40.7	25.1

Table 6.4: Net Foreign Assets of the Banking System

			$mn
		Changes During	
	Position as at Sept 2020	Dec 2019 to Sept 2020	Dec 2018 to Sept 2019
Net Foreign Assets of Banking System	960.2	150.6	-51.8
Net Foreign Assets of Central Bank	664.6	105.8	-47.0
Central Bank Foreign Assets	673.0	112.7	-47.0
Central Bank Foreign Liabilities (Demand)	8.4	6.9	0.0
Net Foreign Assets of Domestic Banks	295.6	44.8	-4.8
Domestic Bank Foreign Assets	324.0	65.8	-4.0
Domestic Bank Foreign Liabilities (Short-term)	28.3	21.0	0.9

Table 6.5: Net Domestic Credit

$mn

	Position as at Sept 2020	Changes During Dec 2019 to Sept 2020	Changes During Dec 2018 to Sept 2019
Total Credit to Central Government	894.8	143.2	39.6
From Central Bank	533.4	93.8	48.9
Loans and Advances	74.2	18.0	37.0
Government Securities[1]	459.2	75.8	11.9
From Domestic Banks	361.4	49.4	-9.3
Loans and Advances	0.0	-3.8	0.2
Government Securities	361.4	53.2	-9.5
Of which: Treasury Bills	203.1	40.8	-3.4
Treasury Notes	158.3	12.4	-6.1
Other	0.0	0.0	0.0
Less Central Government Deposits	245.7	101.7	18.4
With Central Bank	180.9	87.2	-7.5
With Domestic Banks	64.8	14.5	25.9
Net Credit to Central Government	649.1	41.5	21.2
Credit to Other Public Sector	56.5	-15.2	25.1
From Central Bank	0.0	0.0	0.0
From Domestic Banks	56.5	-15.2	25.1
Of which: Local Government	7.8	4.2	1.0
Public Financial Institutions	0.0	0.0	0.0
Public Utilities	35.3	-13.4	9.2
Other Statutory Bodies	1.8	-0.2	0.1
Securities	11.6	-6.0	14.8
Plus Credit to the Private Sector	2,237.2	47.4	78.8
Loans and Advances	2,231.8	47.4	73.8
Securities	5.4	0.0	5.0
Net Domestic Credit of the Banking System[2]	2,942.8	73.7	125.1

[1] Includes Central Bank's holdings of Government Treasury bills and Treasury notes.
[2] Treasury bill holdings reported by domestic banks reflect a mix of par and market values.

Table 6.6: Sectoral Composition of Domestic Banks' Loans and Advances

$mn

	Position as at Sept 2020	Changes During Dec 2019 to Sept 2020	Changes During Dec 2018 to Sept 2019
PRIMARY SECTOR	230.4	9.7	12.4
Agriculture	203.2	11.5	12.5
Sugar	94.0	-1.4	6.9
Citrus	17.2	-3.2	5.2
Bananas	36.3	13.3	-0.1
Other	55.7	2.8	0.5
Marine Products	24.0	-0.6	-0.7
Forestry	1.1	-0.1	0.8
Mining and Exploration	2.1	-1.1	-0.2
SECONDARY SECTOR	623.6	6.6	-108.6
Manufacturing	77.4	6.6	-2.5
Building and Construction(1)	492.5	13.0	-116.4
Utilities	53.7	-13.0	10.3
TERTIARY SECTOR	862.1	76.0	35.1
Transport	45.4	-0.6	-16.6
Tourism	221.7	57.7	20.2
Distribution	180.4	5.4	14.4
Real Estate	329.4	2.1	12.8
Professional Services	72.1	12.9	3.0
Other(2)	13.1	-1.5	1.3
PERSONAL LOANS(3)	556.1	-58.1	145.4
TOTAL	2,272.2	34.2	84.3

(1) In 2020, Personal ($34.2mn) and Distribution ($5.0mn) loans were reclassified as Building & Construction ($24.4mn) and Real Estate ($12.7mn).
(2) Includes Government Services, Financial Institutions, and Entertainment.
(3) In 2019, loans for Building and Construction ($128.4mn) and Transport ($24.4mn) were reclassified as Real Estate ($14.3mn) and Personal Loans ($126.2mn).

Table 6.7: Sectoral Composition of Credit Unions' Loans and Advances

$mn

	Position as at Sept 2020	Changes During Dec 2019 to Sept 2020	Dec 2018 to Sept 2019
PRIMARY SECTOR	55.1	-5.2	-0.2
Agriculture	45.6	-5.6	-1.3
Sugar	6.2	0.1	-0.7
Citrus	1.4	0.0	1.4
Bananas	2.0	-1.9	2.3
Other	36.0	-3.8	-4.3
Marine Products	8.9	-0.1	1.0
Forestry	0.1	0.0	0.1
Mining and Exploration	0.5	0.5	0.0
SECONDARY SECTOR	215.6	-11.2	10.5
Manufacturing	15.4	0.2	-2.3
Building and Construction	196.7	-11.4	9.3
Utilities	3.5	0.0	3.5
TERTIARY SECTOR	142.3	-4.8	0.9
Transport	2.7	0.1	0.0
Tourism	0.9	0.2	0.0
Distribution	21.9	-1.2	7.3
Real Estate	99.7	0.1	-7.0
Residential	3.7	-1.0	-0.2
Commercial	62.3	-1.9	-9.8
Land Acquisition	33.7	3.0	3.0
Other[1]	17.1	-4.0	0.6
PERSONAL LOANS	233.1	-11.2	-15.1
TOTAL	646.1	-32.4	-3.8

[1] Includes Government Services, Financial Institutions, Professional Services, and Entertainment.

Table 6.8: Domestic Banks' Liquidity Position and Cash Reserves

$mn

	Position as at Sept 2020	Changes During Dec 2019 to Sept 2020	Changes During Dec 2018 to Sept 2019
Holdings of Approved Liquid Assets	995.3	141.3	-13.8
Notes and Coins	91.0	-5.4	19.4
Balances with Central Bank	477.2	39.4	-6.8
Money at Call and Foreign Balances (due in 90 days)	199.3	65.0	-4.1
Treasury Bills maturing in not more than 90 days	206.5	26.8	-22.8
Other Approved Assets	21.2	15.4	0.6
Required Liquid Assets	634.7	-18.5	27.5
Excess/(Deficiency) Liquid Assets	360.6	159.8	-41.3
Daily Average Holdings of Cash Reserves	477.4	42.1	-8.5
Required Cash Reserves	196.5	-45.0	10.2
Excess/(Deficiency) Cash Reserves	280.9	87.1	-18.7
Actual Securities Balances	203.3	40.9	-23.3
Excess/(Deficiency) Securities	203.3	40.9	-23.3

Table 6.9: Domestic Banks' Weighted Average Interest Rates

Percent

	Position as at Sept 2020	**Changes During Dec 2019 to Sept 2020**	**Changes During Dec 2018 to Sept 2019**
Weighted Lending Rates			
Personal Loans	10.32	-0.24	-0.64
Commercial Loans	8.68	0.07	0.37
Residential Construction	6.78	0.08	0.31
Other	6.54	-0.07	-0.07
Weighted Average	8.71	-0.05	0.07
Weighted Deposit Rates			
Demand	0.04	0.02	0.00
Savings/Chequing	0.49	0.00	0.02
Savings	2.66	0.02	-0.04
Time	2.22	0.33	-0.01
Weighted Average	1.25	0.11	-0.02
Weighted Average Spread	7.46	-0.15	0.08

Table 6.10: Domestic Banks' Weighted Average Interest Rates on New Loans and Deposits

Percent

	Twelve Month Rolling Averages at			Changes	
	Sept 2020	June 2020	Sept 2019	Sept 2020 over June 2020	Sept 2020 over Sept 2019
Weighted Lending Rates					
Personal Loans	9.75	9.70	9.82	0.05	-0.07
Commercial Loans	8.22	8.16	8.38	0.06	-0.16
Residential Construction	7.85	7.92	7.96	-0.07	-0.11
Other	6.18	6.09	6.23	0.09	-0.05
Weighted Average	8.51	8.44	8.77	0.07	-0.27
Weighted Deposit Rates					
Demand	0.00	0.01	0.01	-0.01	-0.01
Savings/Chequing	0.73	0.64	0.55	0.09	0.18
Savings	2.66	2.71	2.56	-0.05	0.10
Time	2.63	2.65	2.10	-0.02	0.53
Weighted Average	2.04	2.22	1.79	-0.18	0.25
Weighted Average Spread	6.46	6.21	6.98	0.25	-0.52

Table 6.11: Real Gross Domestic Product Growth Rates[1]

	Year on Year Growth (%)	
	Jan - Sept 19 Over Jan - Sept 18	Jan - Sept 20 Over Jan - Sept 19
Agriculture, Hunting and forestry	-1.9	-2.4
Fishing	-7.9	-14.6
Manufacturing (including Mining and Quarrying)	7.3	-12.8
Electricity and Water	-27.1	-7.1
Construction	17.9	-3.4
Wholesale and Retail	-0.0	-22.0
Hotels and Restaurants	1.5	-62.8
Transport and Communication	0.7	-14.3
Other Private Services excluding Financial Services Indirectly Measured	11.3	-10.9
Producers of Government Services	4.9	1.9
All Industries at Basic Prices	2.1	-13.5
Taxes on Products	8.0	-19.8
GDP at Constant 2000 Prices	2.9	-14.4

Source: SIB

[1] *constant 2000 prices– changes in percent*

R - Revised

P - Provisional

Table 6.12: Gross Domestic Product by Activity at Constant 2000 Prices

$mn

	Quarter 1 2019[R]	Quarter 2 2019[R]	Quarter 3 2019[R]	Quarter 1 2020[P]	Quarter 2 2020[P]	Quarter 3 2020[P]
Agriculture, Hunting and Forestry	77.5	74.6	42.5	73.7	66.3	50.0
Fishing	6.9	3.6	4.6	5.6	1.8	5.5
Manufacturing (including Mining and Quarrying)	55.8	55.0	36.1	52.1	42.7	33.3
Electricity and Water	26.9	32.9	27.2	20.3	26.7	33.8
Construction	26.2	24.7	24.7	24.9	22.6	25.5
Wholesale and Retail	146.7	150.1	142.7	135.2	95.4	112.1
Hotels and Restaurants	43.7	28.3	21.4	34.0	0.3	0.4
Transport and Communication	67.2	64.0	53.9	64.8	48.3	45.5
Other Private services excluding Financial Services Indirectly Measured	128.8	134.3	134.0	121.9	117.0	114.8
Producers of Government Services	86.9	87.3	77.8	90.4	89.1	77.3
All Industries at Basic Prices	666.7	655.0	564.8	622.8	510.3	498.1
Taxes on Products	100.9	105.4	101.9	97.6	68.9	80.8
GDP at Constant 2000 Prices	767.6	760.4	666.7	720.4	579.2	578.9

Source: SIB
[R] - Revised
[P] - Provisional

Table 6.13: Consumer Price Index Commodity Group

% Change

Major Commodity	Weights	July 2020	Aug 2020	Sept 2020	Sept 2020 over Aug 2020	YTD 2020 over YTD 2019
Food and Non-Alcoholic Beverages	195	104.8	104.8	107.5	2.6	0.6
Alcoholic Beverages and Tobacco	17	107.2	107.4	107.2	-0.2	-0.3
Clothing and Footwear	83	96.9	98.0	97.3	-0.8	-0.2
Housing, Water, Electricity, Gas, and Other Fuels	265	104.5	105.8	105.5	-0.3	0.5
Furnishing, Household Equipment, and Routine Household Maintenance	69	100.5	100.4	100.0	-0.4	-0.3
Health	41	117.6	117.7	116.8	-0.8	0.6
Transport	136	109.0	109.6	108.0	-1.5	-0.3
Communication	33	101.6	101.3	102.3	0.9	0.9
Recreation and Culture	69	106.1	105.3	105.0	-0.2	-1.0
Education	32	110.3	109.9	108.6	-1.2	2.5
Restaurants and Hotels	7	117.6	115.9	106.1	-8.5	-5.0
Miscellaneous Goods and Services	52	106.5	106.6	106.5	-0.1	0.5
All Items	1,000	105.0	105.5	105.6	0.0	0.2

Source: SIB

Table 6.14: Balance of Payments

		$mn
	Jan - Sept 2019R	**Jan - Sept 2020P**
CURRENT ACCOUNT	-227.4	-154.9
Goods: Exports FOB	691.4	462.0
Goods: Imports FOB	1423.1	1096.2
Trade Balance	-731.7	-634.2
Services: Credit	1,014.1	655.9
Transportation	38.3	46.0
Travel	802.5	403.3
Other Goods and Services	118.9	155.5
Government Goods and Services	54.4	51.1
Services: Debit	361.2	251.4
Transportation	91.5	91.5
Travel	67.6	29.5
Other Goods and Services	178.8	110.3
Government Goods and Services	23.4	20.1
Balance on Goods and Services	-78.8	-229.7
Primary Income: Credit	15.3	11.6
Compensation of Employees	3.5	3.5
Investment Income	11.7	8.0
Primary Income: Debit	280.0	109.7
Compensation of Employees	9.4	9.9
Investment Income	270.6	99.8
Balance on Goods, Services and Primary Income	-343.5	-327.8
Secondary Income: Credit	185.2	235.5
Secondary Income: Debit	57.6	62.6
CAPITAL ACCOUNT	8.2	27.8
Capital Account: Credit	8.2	27.8
Capital Account: Debit	0.0	0.0
FINANCIAL ACCOUNT	-209.5	-192.3
Direct Investment Abroad	3.4	4.9
Direct Investment in Reporting Economy	151.7	105.4
Portfolio Investment Assets	0.0	0.0
Portfolio Investment Liabilities	11.0	13.0
Financial Derivatives	0.0	0.0
Other Investment Assets	-7.7	65.5
Other Investment Liabilities	42.5	144.2
NET ERRORS AND OMISSIONS	-39.6	28.0
OVERALL BALANCE	-49.4	93.2
RESERVE ASSETS	-49.4	93.2

Source: CBB

R - Revised

P - Provisional

Table 6.15: Exports of Sugar and Molasses

	Jan - Sept 2019		Jan - Sept 2020	
	Volume (long tons)	Value ($'000)	Volume (long tons)	Value ($'000)
Sugar	192,025	129,581	115,586	101,450
EU	170,082	108,911	90,808	75,781
USA	12,401	12,434	16,240	16,829
CARICOM	9,463	8,133	8,267	8,536
Other	79	102	270	304
Molasses	45,257	9,096	43,839	12,371

Sources: SIB and Santander Group

Table 6.16: Export Sales of Citrus Products

	Jan - Sept 2019		Jan - Sept 2020	
	Pound Solid ('000)	Value ($'000)	Pound Solid ('000)	Value ($'000)
Citrus Concentrates				
US				
Orange	2,411.2	4,636	4,006.5	7,681
Grapefruit	93.3	606	31.5	208
CARICOM				
Orange	5,435.2	20,178	4,540.8	15,527
Grapefruit	276.9	1,472	230.6	1,201
EU				
Orange	1,312.5	4,086	1,151.8	2,864
Grapefruit	361.9	2,161	229.8	1,360
Other				
Orange	102.0	337	102.3	253
Grapefruit	34.4	204	0.0	0
Sub-Total(1)	10,027.4	33,680	10,293.4	29,094
Orange	9,260.9	29,237	9,801.5	26,325
Grapefruit	766.5	4,443	492.0	2,769
Not-From-Concentrate				
Sub-Total	45.5	231.4	37.7	200.5
Orange	37.2	185	30.0	144
Grapefruit	8.2	47	7.7	56
Total Citrus Juices	10,072.9	33,912	10,331.2	29,295
Pulp (pounds '000)				
Total(1)	550.4	451	965.6	726
Orange	338.4	279	806.9	597
Grapefruit	212.1	172	158.6	129

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

Table 6.17: Exports of Marine Products

	Jan - Sept 2019		Jan - Sept 2020	
	Volume ('000 pounds)	Value ($'000)	Volume ('000 pounds)	Value ($'000)
Lobster	710	19,536.3	770	21,442
Shrimp	538	3,059.2	455	2,618
Conch	378	5,795.8	231	3,036
Other Fish	16	31.4	0	0
Total	1,641	28,422.7	1,456	27,096

Source: SIB

Table 6.18: Banana Exports

	Jan - Sept 2019	Jan - Sept 2020
Volume (metric tons)	62,312	68,378
Value ($'000)	62,399	67,896

Source: BGA

Table 6.19: Petroleum Exports

	Jan - Sept 2019	Jan - Sept 2020
Volume (Barrels)	135,542	74,920
Value ($'000)	12,942	4,890

Source: SIB

Table 6.20: Gross Imports at Cost, Insurance and Freight (CIF) by
Standard International Trade Classification (SITC)

$'000

SITC Section	Jan - Sept 2019	Jan - Sept 2020	$ Change	% Change
0. Food and Live Animals	169,127	169,794	667	0.4
1. Beverages and Tobacco	28,982	31,843	2,861	9.9
2. Crude Materials	25,360	15,395	(9,965)	(39.3)
3. Minerals, Fuels, and Lubricants	299,044	150,638	(148,406)	(49.6)
of which Electricity	78,723	28,711	(50,012)	(63.5)
4. Oils and Fats	14,631	17,451	2,821	19.3
5. Chemical Products	132,179	130,251	(1,928)	(1.5)
6. Manufactured Goods	194,326	167,910	(26,415)	(13.6)
7. Machinery and Transport Equipment	285,448	238,035	(47,414)	(16.6)
8. Other Manufactures	105,552	86,528	(19,024)	(18.0)
9. Commodities not elsewhere specified	17	-	(17)	(100.0)
10. Designated Processing Areas*	25,557	23,824	(1,733)	(6.8)
11. Commercial Free Zone	239,242	164,420	(74,822)	(31.3)
12. Personal Goods	2,459	1,141	(1,318)	(53.6)
Total	1,521,924	1,197,231	(324,693)	(21.3)

Sources: CBB and SIB
* Formerly Export Processing Zones

Table 6.21: Extended Balance of Payment Services Classifications (EBOPS)

$mn

		Jan - Sept 2019	Jan - Sept 2020
Total Services	Net	652.9	404.5
	Credits	1,014.1	655.9
	Debits	361.2	251.4
Manufacturing Services	Net	0.3	0.0
	Credits	0.3	0.0
	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	-53.1	-45.5
	Credits	38.3	46.0
	Debits	91.5	91.5
Travel	Net	734.9	373.8
	Credits	802.5	403.3
	Debits	67.6	29.5
Telecommunications, Computer, and Information Services	Net	19.7	59.4
	Credits	40.9	71.0
	Debits	21.2	11.6
Construction Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Insurance and Pension Services	Net	-39.7	-35.2
	Credits	0.6	0.7
	Debits	40.3	36.0
Financial Services	Net	1.3	-2.1
	Credits	7.4	5.1
	Debits	6.2	7.2
Charges for the use of Intellectual Property, n.i.e.	Net	-13.0	-7.7
	Credits	0.0	0.0
	Debits	13.0	7.7
Other Business Services	Net	-27.9	27.1
	Credits	68.1	74.0
	Debits	95.9	46.8
Personal, Cultural, and Recreational Services	Net	-0.6	3.8
	Credits	1.5	4.8
	Debits	2.1	1.0
Government Services, n.i.e.	Net	31.0	31.0
	Credits	54.4	51.1
	Debits	23.4	20.1

Table 6.22: Bona Fide Tourist Arrivals

	Jan - Sept 2019	Jan - Sept 2020
Stay-Over Arrivals		
Air	285,740	92,748
Land	51,478	18,491
Sea	16,300	5,461
Total	353,517	116,700
Cruise Ship	799,539	308,003

Sources: BTB, CBB, and Department of Immigration and National Security.

Table 6.23: Long-Term Private Sector External Debt by Economic Sector[1,2]

		Transactions (Jan - Sept 2020)			
Economic Sectors	DOD as at 31/12/2019	Disbursements	Principal Payments	Interest Payments	DOD as at 30/09/2020
Agriculture	32,699	0	0	0	32,699
Arts, Entertainment, and Recreation	0	0	0	0	0
Construction	28,292	0	2,691	1,366	25,600
Economic Diversification	113	0	111	3	2
Education	0	0	0	0	0
Electricity and Gas	4,149	1,088	21	1,009	5,216
Financial and Insurance Activities	111	0	0	0	111
Fishing	8,801	0	148	12	8,653
Information and Communication	109	0	109	2	0
Real Estate Activities	0	0	0	0	0
Tourism Activities	40,816	2,209	0	0	43,025
Transportation	38,617	0	598	351	38,019
Wholesale and Retail Trade	2,067	0	188	62	1,879
Other	2,554	0	0	0	2,554
Total	158,329	3,297	3,867	2,806	157,759

(1) The loans only cover that portion of the private sector debt that is reported to the Central Bank of Belize.
(2) At the time of reporting, not all companies have submitted their balance sheets to the Central Bank of Belize.

Table 6.24: International Investment Position

			$mn
	Position as at Dec 2019	Financial Account Transactions (Jan - Sept 2020)	Position as at Sept 2020
Net position	-6,684.6	-192.3	-6,874.6
A. Assets	957.3	70.3	1,118.6
1. Direct Investment Abroad	141.1	4.9	146.0
2. Portfolio Investment	33.1	0.0	36.8
2.1 Equity Securities	26.0	0.0	29.7
2.2 Debt Securities	7.1	0.0	7.0
3. Other Investment	227.4	65.5	286.9
3.1 Trade Credits	-2.9	-2.2	-5.0
3.2 Loans	5.2	-0.5	4.7
3.3 Currency and Deposits	218.9	65.5	284.3
3.4 Other Assets	6.2	-3.3	2.8
4 . Reserve Assets	555.7	93.2	648.9
4.1 Monetary Gold	0.0	0.0	0.0
4.2 Special Drawing Rights	55.9	1.1	56.9
4.3 Reserve Position in the Fund	17.2	0.2	17.4
4.4 Foreign Exchange	463.8	91.9	555.7
4.5 Other Claims	18.9	0.0	18.9
B. Liabilities	7,641.9	262.7	7,904.6
1. Direct Investment	4,665.2	105.4	4,761.2
2. Portfolio Investment	1,064.0	13.0	1,077.0
2.1 Equity Securities	0.0	0.0	0.0
2.2 Debt Securities	1,064.0	13.0	1,077.0
3. Other Investment	1,912.7	144.2	2,061.7
3.1 Trade Credits	37.1	-11.5	25.6
3.2 Loans	1,818.6	129.3	1,947.9
3.3 Currency and Deposits	55.3	30.5	85.8
3.4 Other Liabilities	1.8	0.7	2.5

Table 6.25: Central Government Revenue and Expenditure

$'000

	Approved Budget 2020/2021	Jan 2019 to Sept 2019	Jan 2020 to Sept 2020	Apr 2019 to Sept 2019	Apr 2020 to Sept 2020[P]	Fiscal YTD as % of Budget
TOTAL REVENUE & GRANTS (1+2+3)	1,239,367	888,632	726,494	588,981	441,195	35.6%
1). Current Revenue	1,205,987	874,859	694,895	582,247	413,938	34.3%
Tax Revenue	1,106,710	796,199	639,925	529,092	382,083	34.5%
Income and Profits	308,060	224,703	184,192	149,023	110,698	35.9%
Taxes on Property	8,045	5,623	5,208	3,501	2,708	33.7%
Taxes on Goods and Services	624,938	446,557	356,295	295,912	211,587	33.9%
International Trade and Transactions	167,668	119,316	94,230	80,656	57,090	34.0%
Non-Tax Revenue	99,277	78,660	54,969	53,155	31,855	32.1%
Property Income	14,030	8,219	7,834	7,630	5,967	42.5%
Licences	25,711	24,217	14,260	15,190	5,957	23.2%
Other	35,048	46,223	32,875	30,335	19,932	56.9%
2). Capital Revenue	2,556	5,614	12,062	2,375	10,566	413.3%
3). Grants	30,824	8,159	19,537	4,359	16,690	54.1%
TOTAL EXPENDITURE (1+2)	1,387,101	982,814	978,835	645,220	613,066	44.2%
1). Current Expenditure	1,108,324	824,637	766,741	535,303	469,020	42.3%
Wages and Salaries	453,801	336,284	345,492	225,515	229,247	50.5%
Pensions	95,867	69,994	66,145	46,213	44,111	46.0%
Goods and Services	253,061	177,797	155,837	109,131	85,966	34.0%
Interest Payments on Public Debt	121,455	106,734	79,248	62,564	34,956	28.8%
Subsidies and Current Transfers	184,141	133,827	120,019	91,880	74,740	40.6%
2). Capital Expenditure	278,777	158,177	212,088	109,917	144,046	51.7%
Capital II (Local Sources)	138,770	68,855	107,827	46,705	82,260	59.3%
Capital III (Foreign Sources)	137,708	77,624	103,657	52,084	61,396	44.6%
Capital Transfer and Net Lending	2,299	11,699	604	11,128	390	17.0%
CURRENT BALANCE	97,658	50,222	-71,846	46,944	-55,081	-56.4%
PRIMARY BALANCE	-26,284	12,552	-173,092	6,325	-136,915	520.9%
OVERALL BALANCE	-147,739	-94,182	-252,341	-56,239	-171,871	116.3%
Primary Balance less grants	-57,108	4,393	-192,630	1,967	-153,605	269.0%
Overall Balance less grants	-178,563	-102,341	-271,878	-60,598	-188,561	105.6%
FINANCING	147,739	94,182	255,620	56,239	174,729	
Domestic Financing		38,649	73,771	8,814	34,270	
Central Bank		56,455	6,648	-545	-62,308	
Net Borrowing		48,916	93,885	-6,474	33,893	
Change in Deposits		7,539	-87,237	5,929	-96,201	
Commercial Banks		-35,609	38,701	-8,520	57,066	
Net Borrowing		-9,696	53,195	856	65,677	
Change in Deposits		-25,913	-14,494	-9,376	-8,611	
International Banks		218	0	738	0	
Other Domestic Financing		17,585	28,421	17,141	39,512	
Financing Abroad		14,063	155,375	21,277	126,129	
Disbursements		71,615	214,523	58,808	167,431	
Amortisation		-57,552	-59,148	-37,531	-41,301	
Other		41,469	23,195	26,148	11,472	

Sources: CBB and MOF
[P] - Provisional

Table 6.26: Central Government Domestic Debt by Creditor

$'000

	Disbursed Outstanding Debt 31/12/19 R	*TRANSACTIONS THROUGH SEPTEMBER 2020* Disbursement/ New Issue of Securities	*Amortisation/ Reduction in Securities*	*Interest*	*Net Change in Overdraft/ Securities*	Disbursed Outstanding Debt 30/09/20 P
Overdraft/Loans	56,161	0	0	4,016	18,045	74,206
Central Bank	56,161	0	0	4,016	18,045	74,206
Domestic Banks	0	0	0	0	0	0
Treasury Bills	234,000	0	0	2,158	11,000	245,000
Central Bank	56,507	0	0	538	-24,938	31,569
Domestic Banks	162,280	0	0	1,513	40,719	202,999
Other	15,213	0	0	107	-4,781	10,432
Treasury Notes	720,000	157,800	0	23,335	0	877,800
Central Bank	326,889	103,153	0	10,156	-2,514	427,528
Domestic Banks	145,941	11,000	0	4,159	1,494	158,435
Other	247,170	43,647	0	9,021	1,020	291,837
Belize Bank Limited(1)	91,000	0	0	0	0	91,000
Belize Social Security Board(2)	213	0	41	12	0	172
Fort Street Tourism Village	379	0	303	0	0	76
Debt for Nature Swap	1,598	0	96	23	0	1,502
Total	1,103,351	157,800	440	29,545	29,045	1,289,756

R - Revised

P - Provisional

(1) Caribbean Court of Justice award in November 2017 against the Government of Belize in favor of Belize Bank relating to the loan guarantee.

(2) Government has outstanding loan with BSSB for Hopeville Housing Project.

Table 6.27: Public Sector External Debt by Creditor

$'000

	Disbursed Outstanding Debt 31/12/19R	TRANSACTIONS THROUGH SEPTEMBER 2020 Disbursements	Principal Payments	Interest & Other Payments	Parity Change	Disbursed Outstanding Debt 30/09/20P
CENTRAL GOVERNMENT	2,489,568	214,523	70,148	50,909	-811	2,633,132
Government of Venezuela(1)	429,697	23	0	23	0	429,720
Kuwait Fund for Arab Economic Development	33,239	3,360	1,602	752	-336	34,660
Mega International Commercial Bank Company Ltd.	50,000	0	2,857	2,202	0	47,143
Republic of China	234,676	50,276	18,434	6,072	0	266,518
Caribbean Development Bank	264,204	19,149	16,612	7,761	0	266,741
Caricom Development Fund	873	0	663	22	0	210
European Economic Community	5,075	0	331	21	-115	4,629
Inter-American Development Bank	245,323	54,180	12,406	4,333	0	287,097
International Fund for Agriculture Development	5,031	1,495	158	65	36	6,404
International Bank for Reconstruction and Development	38,523	20,418	1,173	611	0	57,768
OPEC Fund for International Development	94,076	31,022	3,847	2,232	-396	120,855
Central American Bank for Economic Integration	24,847	0	1,065	743	0	23,782
Bank of New York	1,053,004	0	0	25,996	0	1,053,004
Caribbean Community Climate Change Center	11,000	0	11,000	75	0	0
US$30mn Fixed-Rate Notes	0	34,600	0	0	0	34,600
NON-FINANCIAL PUBLIC SECTOR	55,010	1,137	1,439	2,614	0	54,708
Caribbean Development Bank	20,010	1,137	1,439	655	0	19,708
International Cooperation and Development Fund	35,000	0	0	1,959	0	35,000
FINANCIAL PUBLIC SECTOR	85,360	6,373	900	1,201	803	91,636
Caribbean Development Bank	33,630	6,373	883	1,112	0	39,120
European Economic Community	14	0	17	0	3	0
European Investment Bank	2,227	0	0	89	-87	2,140
International Monetary Fund	49,489	0	0	0	886	50,375
GRAND TOTAL	2,629,938	222,033	72,487	54,724	-9	2,779,476

R - Revised
P - Provisional
(1) Since September 2017, debt service payments for oil imports have been suspended due to U.S. sanctions on Petroleos de Venezuela, S.A. Unpaid debt service payments up to the end of September 2020 amount to principal of $51.1mn and interest of $11.4mn.