



CENTRAL BANK
of BELIZE

QUARTERLY REVIEW



SEPTEMBER 2016

VOLUME 40 No. 3

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ISSN 1025 1634 (PRINT)
ISSN 2304 6902 (ONLINE)

Typeset at the Central Bank of Belize

List of Acronyms and Abbreviations

Acronyms:

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

Abbreviations and Conventions:

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

Notes:

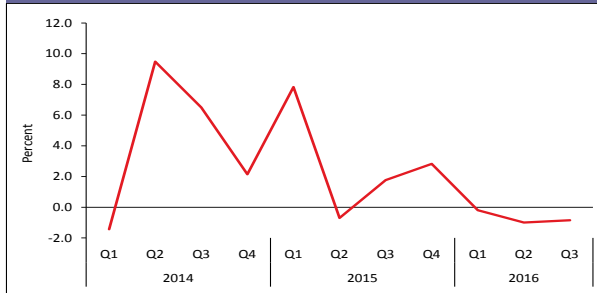
1. Since May of 1976, the Belize dollar has been fixed to the US dollar at the rate of US\$1.00 = BZ\$2.00.
2. The 2016 figures in this report are provisional and the figures for 2015 have been revised.
3. Unless otherwise indicated, the Central Bank of Belize is the source of all tables and charts.
4. Ratios to GDP for 2016 are based on Central Bank's forecast of annual GDP 2016.

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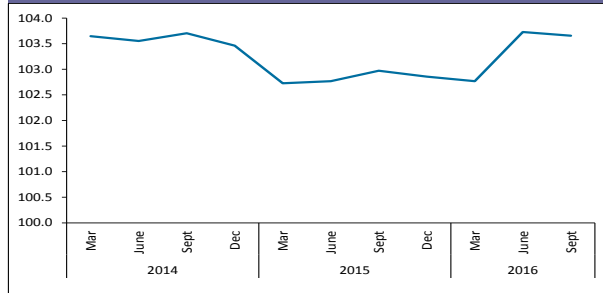
SUMMARY OF ECONOMIC INDICATORS

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



Source: SIB

Chart II: Consumer Price Index (All Items)



Source: SIB

Chart III: Gross International Reserves and Import Cover

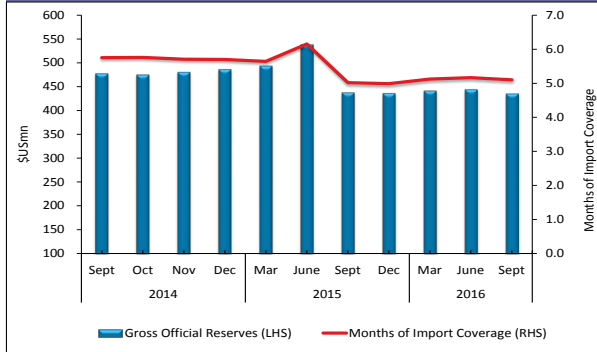


Chart IV: Current Account Balance to GDP

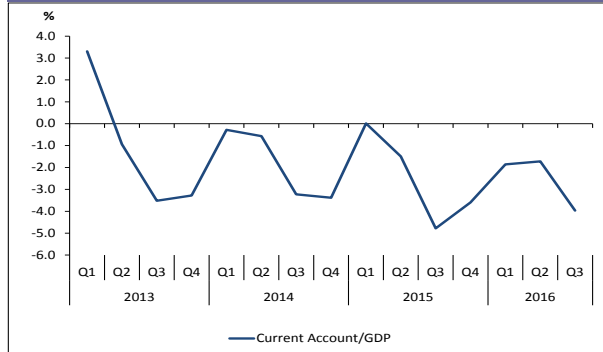


Chart V: Domestic Banks - Deposits and Loans and Advances

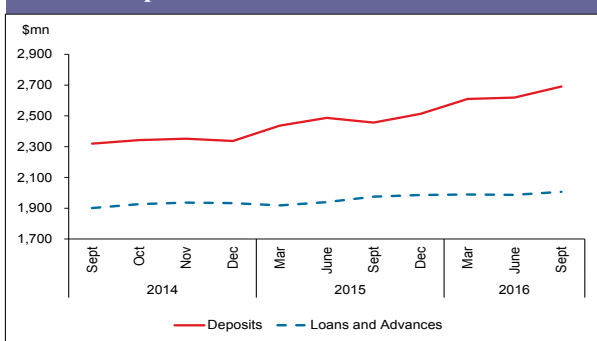
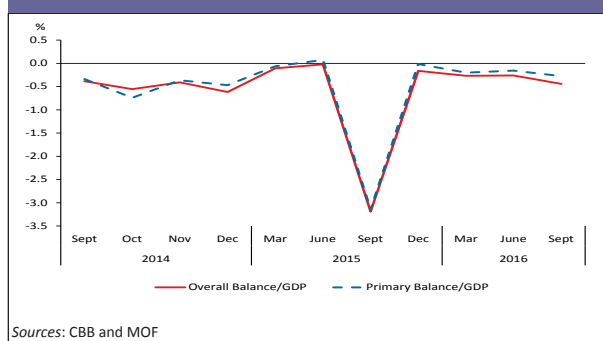


Chart VI: Primary and Overall Balances to GDP



Sources: CBB and MOF

Chart VII: Public Sector External Debt

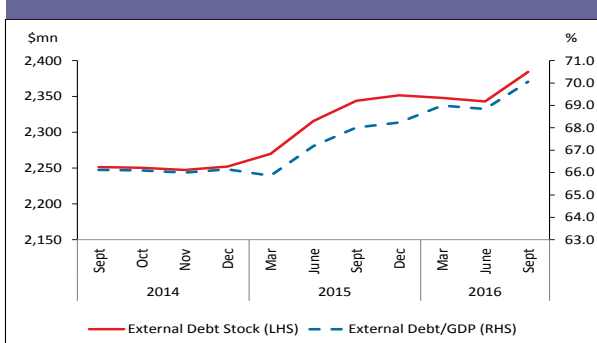
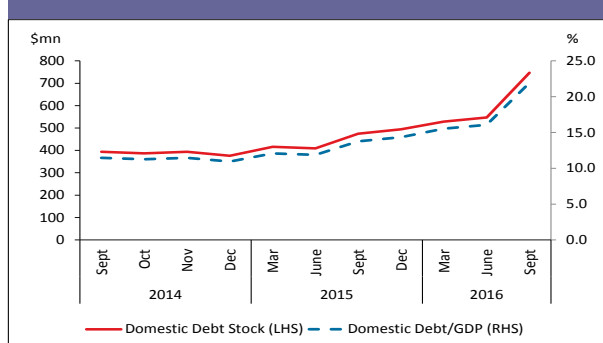


Chart VIII: Central Government Domestic Debt



Overview

The global economy expanded modestly in the third quarter with China continuing to grow steadily, the US recovery strengthening, and the UK and Europe maintaining pace. There was also some easing in the economic contractions occurring in Russia and Brazil, and closer to home, activity in Mexico accelerated slightly. In the Caribbean, service-based economies gained some growth traction, while low oil and metal prices heightened the fiscal and balance of payments challenges faced by those heavily reliant on commodity exportation.

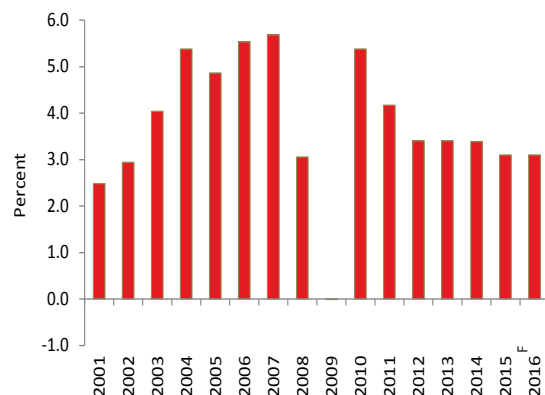
In Belize, a 27.6% shrinkage of output in the primary sector outweighed moderate growth in the secondary and tertiary sectors. The result was three consecutive quarterly contractions that summed to an overall decline of 0.7% in gross domestic product (GDP). The notable developments included sharply lower output of farmed shrimp, citrus, banana and papaya. In contrast, the secondary sector grew by 2.1%, supported by mixed performances from the manufacturing industries. Buoyed by government services and increases in stay-over and cruise ship visitors, activity in the tertiary sector expanded by 3.9% with increases across-the-board.

The average Consumer Price Index for the nine month period was 0.5% higher than that for the similar period of the previous year. This was mainly attributable to

the pass-through of higher fuel costs on transportation services, as well as price hikes for items such as sugar, clothing, outpatient services and health insurance. The unemployment rate also rose from 10.2% in September 2015 to 11.1% in September 2016, as lower employment in services indicative of the low season in tourism more than outweighed modest job gains in other industries.

During the nine-month period, a larger merchandise trade deficit and higher profit outflows outweighed increased earnings from tourism and higher inflows on the secondary income account. The external current account deficit consequently expanded from 6.3% to 7.5% of GDP (\$256.8mn). The deficit was financed by net inflows of \$226.5mn on the capital and financial accounts and a small drawdown of \$1.9mn on the gross international reserves, which ended at \$871.9mn,

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



Source: IMF
F - Forecast

equivalent to 5.1 months of merchandise imports.

Central Government's fiscal outturn improved somewhat, as the primary balance for the January-September period swung from a deficit of \$127.9mn (3.7% of GDP) to a surplus of \$22.3mn (0.6% of GDP), and the overall deficit fell from \$206.4mn (5.9% of GDP) to \$64.6mn (1.9% of GDP), compared to the same period of 2015. The deficit was financed mostly from domestic sources, with Central Government's domestic debt doubling in size to \$746.2mn (21.9% of GDP), while the public sector external debt rose by just 1.3% to \$2,384.3mn (70.1% of GDP).

Over the review period, the broad money supply (M2) registered a robust 6.2% increase driven by a \$214.9mn increase in net domestic credit, while net foreign assets contracted by \$40.5mn. The expansion in credit was dominated by a \$194.5mn increase in net credit to Central Government to facilitate the settlement payments for the acquisition of BTL and cover other budgetary shortfalls. A net increase of \$22.5mn was also recorded in loans to the private sector with new disbursements being channeled mostly into tourism-related activities. Loan write-offs amounted to \$37.8mn, compared to \$12.3mn in the same period of 2015.

The Central Bank and the domestic banks recorded declines in their net foreign asset holdings of \$4.0mn and \$36.5mn,

respectively. In the case of the domestic banks, the contraction reflected the sizeable outflows associated with the acquisition of the local branch of First Caribbean International Bank, lower export earnings and difficulties in cross border flows caused by correspondent banking issues.

The banking system remained very liquid with statutory and cash liquidity exceeding legal requirements by 79.7% and 207.3%, respectively. The weighted average interest rate on new deposits fell by 19 basis points to 1.74%, relative to September 2015, but notwithstanding the substantial amount of liquidity in the system, the 12-month (rolling) weighted average interest rate on new loans rose by six basis points to 9.57%. As a result, the weighted average interest rate spread widened by 24 basis points to 7.83% over the 12-month period. Meanwhile, the average yield on Treasury bills slid by more than two basis points to 0.03363% at the Issue 9 Auction in August, relative to the comparative yield at the end of 2015.

Money and Credit

The broad money supply (M2) increased by 6.2% in the first nine months with net domestic credit expanding by 9.4% (\$214.9mn) and net foreign assets dipping by 3.5% (\$40.5mn). Most of the latter was attributable to domestic banks, which recorded a \$36.5mn decline in contrast to a \$35.8mn increase in the similar period of 2015. Heritage Bank’s acquisition of the domestic branch of First Caribbean International Bank, lower commodity export receipts and disruptions to cross border flows due to international correspondent banking issues were the principal causes. The Central Bank posted a net decline of \$4.0mn, reflecting outflows of \$353.0mn and inflows of \$348.9mn. Inflows from loan disbursements and sugar export receipts were down by \$32.5mn and \$17.5mn, respectively. The notable outflows were for public sector debt servicing and the BTL settlement payments in July.

Chart 2.1: Domestic Banks’ Net Foreign Assets

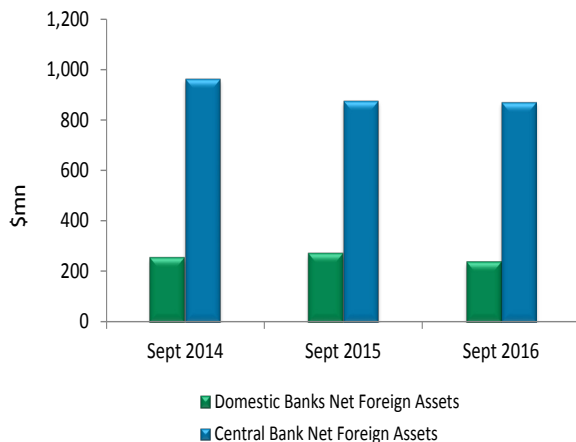
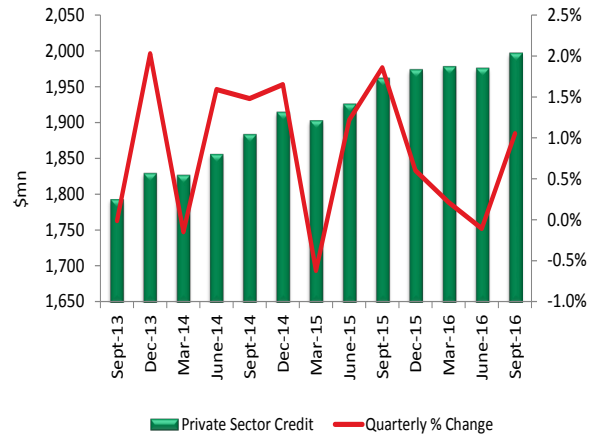


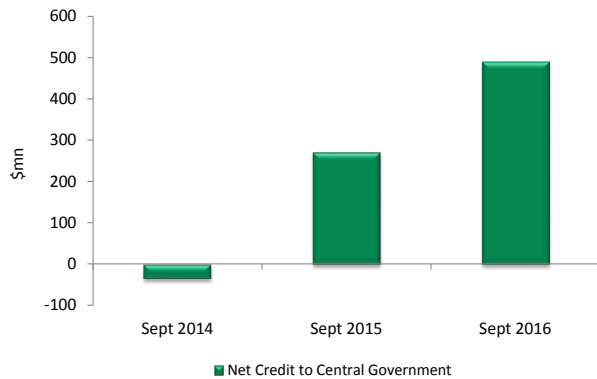
Chart 2.2: Domestic Banks’ Private Sector Credit



To facilitate payments for its acquisition of BTL and cover budgetary shortfalls, Central Government increased the level of its domestic borrowing by a sizeable 65.6% (\$194.5mn) during the period reviewed. New securities valued at \$240.0mn were issued and the domestic banks’ holdings of Treasury notes and Treasury bills subsequently rose by \$78.0mn and \$26.6mn, respectively. For its part, the Central Bank reduced its Treasury bill holdings by \$7.6mn while raising its holdings of Treasury notes by \$96.1mn. Its direct advances to the Government also increased by \$12.9mn, raising the balance on the overdraft facility to \$76.7mn.

Domestic banks’ loans to the private sector rose by 1.1% over the year to date, with the tourism sector accounting for the largest share of disbursements. Funds were also advanced for marine products, manufacturing, transportation services and banana production. In the

Chart 2.3: Net Credit to Central Government



meanwhile, loan write-offs of domestic banks summed to \$37.8mn, up from \$7.5mn in the comparable period of 2015, as the programme to clean up balance sheets continued in accordance with the Central Bank’s directive that had been issued five years earlier. The private sector also benefitted from a \$31.3mn expansion in credit union lending with loans for education, home improvement, residential

construction and land acquisition accounting for the bulk of disbursements over the period reviewed.

Statutory liquidity continued its upward trajectory, rising by \$111.4mn to \$1,158.6mn (79.7% above requirements). Holdings of excess cash reserves grew by \$48.3mn to \$494.0mn (more than double the legal requirement).

At the end of September, the 12-month (rolling) weighted average interest rate on new loans stood at 9.57%, three basis points down from the previous quarter, but up six basis points when compared to September 2015. Rates for personal and other loans declined by 64 and 36 basis points, respectively, while those for residential construction and commercial loans were up 16 basis points and 17 basis points, respectively.

Chart 2.4: Changes in Domestic Banks’ Loans and Advances, Dec 2015 - Sept 2016

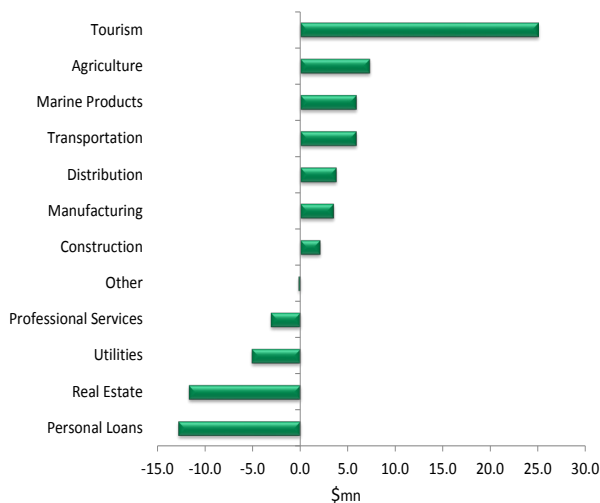


Chart 2.5: Domestic Banks’ Weighted (Rolling) Average Interest Rates on New Loans and Deposits

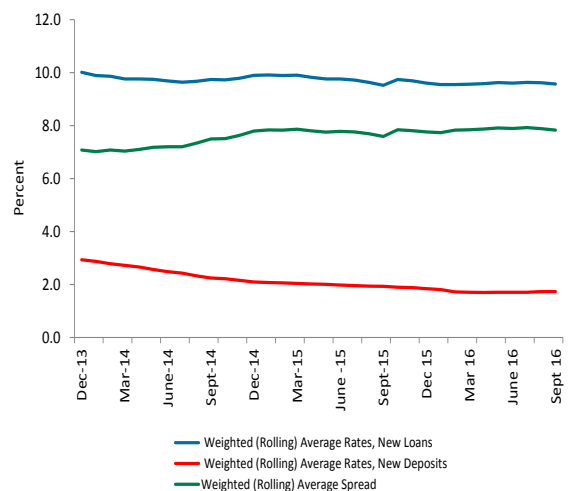
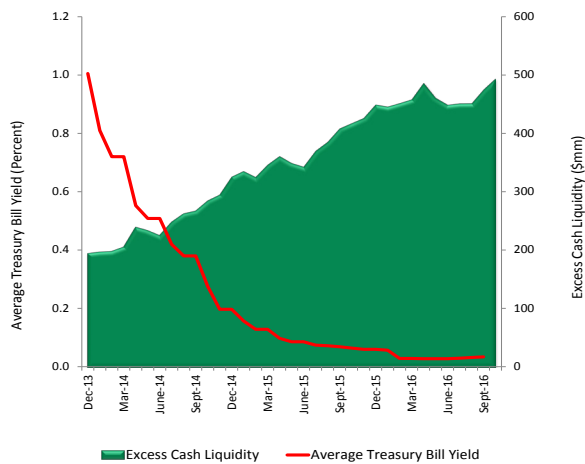


Chart 2.6: Excess Cash Holdings and Average Treasury Bill Yield



In the case of new deposits, while the corresponding 12-month (rolling) weighted average interest rate rose by three basis points during the third quarter to 1.74%, this was 19 basis points lower than the interest rate in September 2015. Except for the interest rate on savings, which rose by 34 basis points, rates generally declined for demand, savings/chequing and time deposits. Consequently, the weighted average interest rate spread widened by 24 basis points to 7.83% over the 12-month period.

At the end of September, domestic banks held \$176.6mn in Treasury bills (82.1% of the total issued), the Central Bank had \$17.4mn, and the remaining \$21.0mn was held by insurance companies and municipal bodies. The average yield on Treasury bills stood at 0.03363% at the Issue 9 Auction, compared to the 0.05901% recorded at the end of 2015.

Domestic Production and Prices

Economic contractions in each of the first three quarters of 2016 summed up to an overall decline of 0.7% in the gross domestic product. The contraction was brought on by a 27.6% reduction in output from the primary sector, which, except for sugar, experienced production declines in all the major export crops and farmed shrimp.

Citrus deliveries and banana recorded double-digit contractions due to losses from disease in the case of the former and weather-induced damages and lower production capacity in the case of the latter. Papaya production also plunged, as the major producer ceased operations in late June. Meanwhile, marine production was decimated, with a 91.7% drop in farmed shrimp production following the onset of Early Mortality Syndrome in 2015. The difficulties in farmed shrimp overshadowed increases in conch and lobster production of 57.4% and 19.6%, respectively.

In contrast, activity in the secondary sector expanded by 2.1%, with increases in electricity generation, construction, and production of beverages and molasses outweighing lower output of crude oil, citrus juices and sugar. The tertiary (services) sector grew by 3.9% with a record increase in visitors boosting activity in “Hotels and Restaurants” (6.6%) and “Transport and Communication” (4.3%) and robust growth in Government

services, which partly reflected the 6.0% wage increase granted to public workers in July of the previous year.

Sugarcane/Sugar

Sugarcane deliveries rose by 24.6% to a record high of 1,455,053 long tons comprised of 1,292,515 long tons from the North and 162,538 long tons from the West. Production of sugar grew by only 2.8% to 143,937 long tons, however, as sugarcane quality was adversely impacted by the delivery of stand-over sugarcane and rainy weather in the North and start-up problems experienced by the new producer in the West. Cane purity fell by 3.4%, and the cane-to-sugar ratio declined by 21.1% to 10.11. Given its inverse relationship with sugar, molasses production increased by 32.3% to 49,706 long tons.

With preferential prices received for shipments of raw sugar to Europe falling

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

	Dec - Sept 2014/2015	Dec - Sept 2015/2016
Deliveries of Sugarcane to BSI and Santander (long tons)	1,167,427	1,455,053
Sugar Processed by BSI and Santander (long tons)	140,051	143,937
Molasses processed by BSI and Santander (long tons)	37,567	49,706
Performance		
Factory Time Efficiency (%)	97.92	93.15
Cane Purity (%)	87.88	84.85
Cane/Sugar	8.35	10.11

Source: BSI

nearer to world market prices, the final price paid to farmers in the North for the 2015/2016 crop was \$52.24 per long ton, compared to the \$75.89 per long ton paid in the previous crop year.

Citrus

Deliveries for the 2015/2016 citrus crop year contracted by 22.8% to 3.6mn boxes mainly due to citrus greening. Orange deliveries fell by 18.1% to 3.2mn boxes, while those of grapefruit fell by 48.6% to 0.4mn boxes.

The average juice outturn per box of fruit worsened by 3.1%, contributing to a 25.2% decline in citrus juice production to 21.3mn pounds solid (ps). While the production of citrus pulp increased by 21.9% to 3.5mn pounds, citrus oil extraction fell by 18.0% to 1.2mn pounds.

Orange juice prices were higher in the US due to lower production by the major producers – US, Brazil and Mexico. The estimated final price paid to farmers for orange consequently rose to \$2.08 per ps for the 2015/2016 crop, compared to \$1.75 per ps for the previous crop. On the other hand, the estimated final price paid to farmers for grapefruit was only marginally higher, inching up to \$2.53 per ps for the 2015/2016 crop from \$2.52 per ps in the previous crop year.

Banana

Banana production fell by 27.7% to 56,760 metric tons due to damages caused by

Table 3.2: Output of Citrus Products

	Oct - Sept 2014/2015	Oct - Sept 2015/2016
Deliveries (boxes)		
Orange	3,963,779	3,246,788
Grapefruit	<u>722,104</u>	<u>370,964</u>
Total	4,685,883	3,617,752
Concentrate Produced (ps)		
Orange	25,274,410	19,542,246
Grapefruit	<u>3,054,389</u>	<u>1,509,438</u>
Total	28,328,799	21,051,684
Not from Concentrate (ps)		
Orange	90,316	233,524
Grapefruit	<u>45,720</u>	<u>0</u>
Total	136,036	233,524
Pulp (pounds)		
Orange	2,678,832	3,386,488
Grapefruit	<u>184,864</u>	<u>104,304</u>
Total	2,863,696	3,490,792
Oil Produced (pounds)		
Orange	1,393,600	1,178,000
Grapefruit	<u>108,000</u>	<u>53,200</u>
Total	1,501,600	1,231,200

Sources: CGA and CPBL

floods in late 2015, the closure of the Meridian farm group due to US sanctions and damages from Hurricane Earl, which hit Belize in August. The year-on-year average yield up to August was down by 16.2% to 451.5 boxes per acre. Acreage under cultivation fell from 8,038 acres in August 2015 to 6,929.9 acres in August 2016 with 6,107.3 acres under production and 779.6 under plantilla (trees too young to harvest).

Table 3.3: Banana Production

	40 pound boxes	
	Jan - Sept 2015	Jan - Sept 2016
1st Quarter	1,507,074	850,662
2nd Quarter	1,449,639	1,139,590
3rd Quarter	1,371,051	1,138,254
Total	4,327,764	3,128,506

Source: BGA

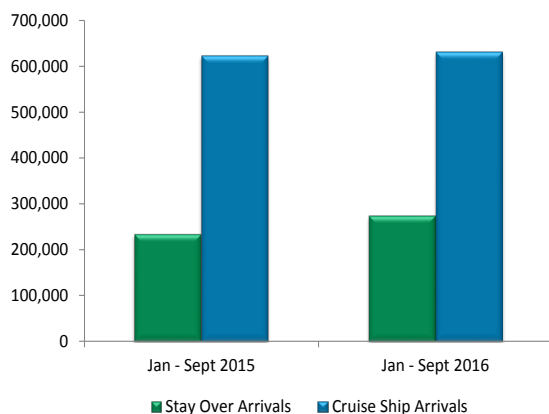
Petroleum

Crude oil production continued its natural decline, falling by 15.0% to 344,369 barrels during the nine-month period. The average extraction rate fell by 226 barrels to 1,257 barrels per day with activity confined to the Spanish Lookout field.

Tourism

Stay-over visitors to Belize grew by 17.1% to 273,010, which outperformed the 4.0% growth reported for the Caribbean for the first nine months of the year. The notable increase was driven by a 22.1% boost in air arrivals that was facilitated by increased airlift capacity, lower international

Chart 3.1: Tourist Arrivals



Sources: BTB, CBB and Immigration Department

Table 3.4: Bona Fide Tourist Arrivals

	Jan - Sept 2015	Jan - Sept 2016
Stay-over Arrivals		
Air	188,333	229,932
Land	39,169	38,343
Sea	5,686	4,736
Total	233,188	273,010
Cruise Ship	623,051	631,456

Sources: BTB, CBB and Immigration Department

airfares and heightened marketing efforts. Overnight arrivals from the US rose by 24.4%, which resulted in the share of visitors from that market rising by 4.2 percentage points to 71.8%. Visitors from the EU rose by 4.2%, while those from Canada fell by 16.0%. As a result, the share of arrivals from the EU and Canada stood at 9.8% and 5.0%, respectively.

Although port calls fell by 12, including four cancellations in August due to Hurricane Earl, cruise ship passenger disembarkations increased by 1.3% to 631,456 visitors due to visits by larger ships.

Consumer Price Index

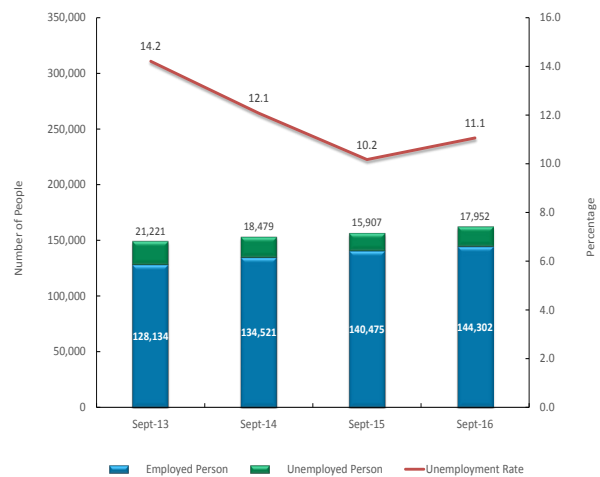
Over the first nine months of the year, the Consumer Price Index (CPI) rose by 0.5% year-on-year. Prices in the major categories of the CPI were higher, except for “Transport” and “Communications”, which fell by 1.9% and 0.1%, respectively. Transport prices declined with lower airfares eclipsing higher fuel prices at the pump. Hikes in rent pushed up “House, Water, Electricity, Gas and Other Fuels” by

0.7%, with higher prices as well for sugar, clothing, outpatient services and health insurance.

Employment

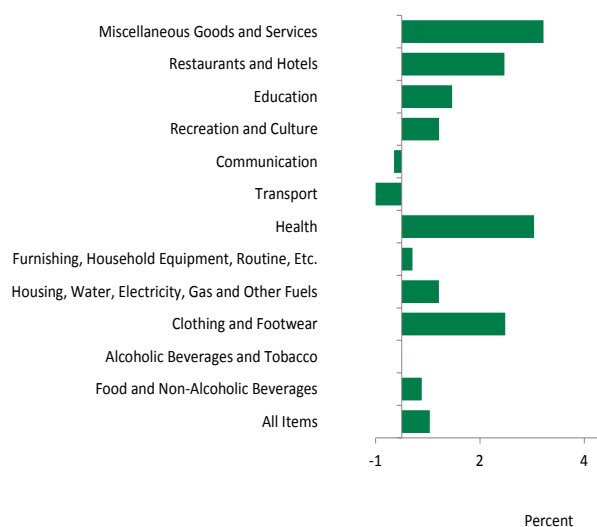
With the labour force outpacing job growth, the unemployment rate rose to 11.1% in September, compared to 10.2% in September 2015. The labour force participation rate rose marginally from 63.4% to 64.1% and contributed to a 3.8% expansion in the labour force to 162,254 persons. While the number of employed persons grew by 2.7% to 144,302 persons, the number of those unemployed increased by 12.9% to 17,952, with most of the job losses occurring in the Belize and Stann Creek Districts. Employment in service industries fell by 0.7%, but rose by 6.5% and 10.5% in the primary and secondary sectors, respectively.

Chart 3.3: Labour Force Statistics



Source: SIB

Chart 3.2: Average Annual Percentage Change in Consumer Price Index Jan to Sept 2015 over Jan to Sept 2016



Source: SIB

International Trade and Payments

The external current account deficit expanded from \$218.1mn (6.3% of GDP) in 2015 to \$256.8mn (7.5% of GDP), as the widening of the merchandise trade deficit and higher profit outflows eclipsed increased earnings from tourism and higher inflows on the secondary income account. This was almost offset by a surplus of \$25.0mn on the capital account and net inflows of \$201.5mn on the financial account, so that the gross international reserves fell by only \$1.9mn to \$871.9mn, the equivalent of 5.1 months of merchandise imports.

With exports and imports declining by 18.5% and 3.0%, respectively, the merchandise trade deficit rose by 20.8% to \$671.8mn. Except for molasses, earnings from all major domestic exports decreased, and re-exports, including commercial free zone (CFZ) sales, also declined by 14.0%. The reduction in imports was attributable to lower outlays on fuel, manufactured

Chart 4.1: External Current Account and Trade Deficit

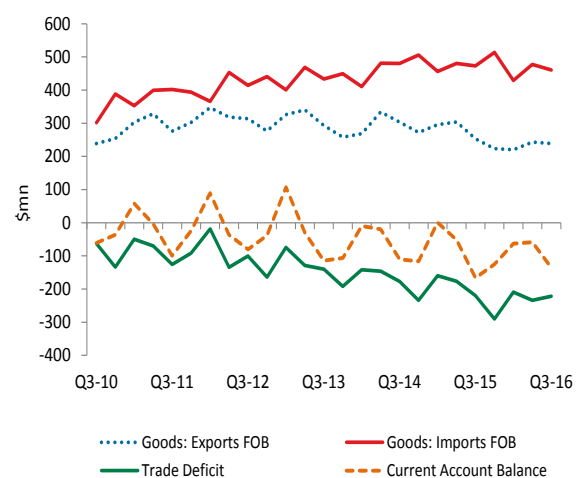


Table 4.1: Balance of Payments Summary

	\$mn	
	Jan-Sept 2015 ^R	Jan-Sept 2016 ^P
A. CURRENT ACCOUNT		
(I+II+III+IV)	-218.1	-256.8
I. Goods (Trade Balance)	-556.3	-671.8
Exports, Free on Board (FOB)	852.7	695.0
Domestic Exports	420.4	323.4
CFZ Gross Sales	338.3	289.8
Re-exports	94.0	81.8
Imports, FOB	1,408.9	1,366.9
Domestic Imports	1,196.3	1,184.8
CFZ Imports	212.7	182.0
II. Services	406.1	482.0
Transportation	-63.1	-60.9
Travel	482.5	531.4
Other Services	-13.2	11.4
III. Primary Income	-172.7	-203.8
Compensation of Employees	-7.6	-5.1
Investment Income	-165.3	-198.6
IV. Secondary Income	104.8	136.8
Government	-6.3	6.3
Private	111.1	130.6
B. Capital Account	16.6	25.0
C. Financial Account	-137.8	-201.5
D. NET ERRORS AND OMISSIONS	-33.5	28.4
E. RESERVE ASSETS	-97.3	-1.9

^R - Revised

^P - Provisional

goods, CFZ goods and inputs for export processing zones.

Although the volume of sugar exports increased by 16.9% to 123,901 long tons, receipts fell by 9.1% to \$102.4mn due to lower prices in the European Union (EU), where 96.2% of the sugar was sold. EU sales

amounted to 119,230 long tons valued at \$97.2mn, while the USA and CARICOM received 2,411 and 2,214 long tons valued at \$2.6mn and \$2.5mn, respectively. Molasses exports grew by 6.9% to 30,551 long tons valued at \$7.0mn.

The volume and value of citrus juice exports decreased by 10.5% to 19.5mn pound solids (ps) and by 3.3% to \$56.7mn. Orange concentrate sales declined by 13.6% to 17.8mn ps, while a 9.3% improvement in average prices caused revenue to decrease by just 5.6% to \$50.3mn. The United States (US) remained the principal market for orange concentrate with 50.6% of the volume. Prices in this market improved by 19.8% due to a smaller harvest in Florida, which is also coping with citrus greening challenges. The Caribbean accounted for 33.6% of orange concentrate sales, but juice prices weakened somewhat in this and other markets. In contrast, grapefruit concentrate sales increased by

38.9% to 1.7mn ps, while earnings grew by just 19.9% to \$6.1mn due to a 13.7% drop in average unit prices. Europe and the Caribbean accounted for 66.1% and 28.7% of export volume.

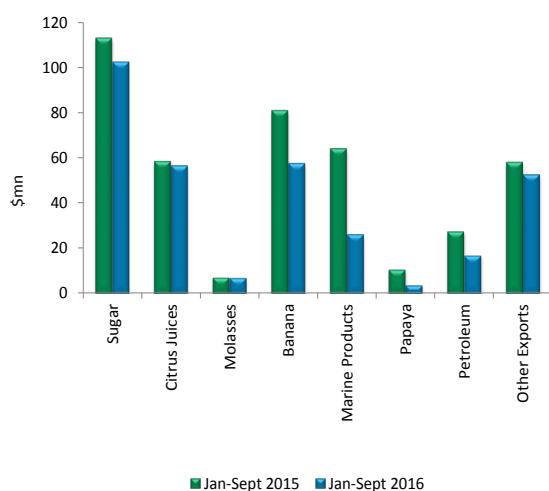
Exports of marine products plunged by 80.4% to 2.0mn pounds due to a 91.3% reduction in farmed shrimp that outweighed increases in lobster and conch volumes. With production reduced to test trials amount, exports of farmed shrimp plummeted from 7.6mn pounds to 0.7mn pounds valued at \$6.5mn. The associated fall in export receipts of 59.9% to \$26.3mn was partly ameliorated by higher prices for conch and shrimp.

With production down, banana exports declined by 27.7% to 56,760 metric tons, while revenues fell by 28.8% to \$57.7mn. Output of papaya plummeted by 73.6% to 7.0mn pounds valued at \$3.7mn, as the largest producer wound up its Belize operations in June, two months earlier than originally scheduled.

Exports of crude oil decreased by 8.2% to 0.3mn barrels, and earnings were down by 39.2% to \$16.7mn with the average price declining from US\$47.35 per barrel in 2015 to US\$31.33 per barrel.

In the case of services, net earnings rose by 18.7% to \$482.0mn during the first nine months of 2016. The increase reflected higher earnings from tourism and other services combined with lower net outflows

Chart 4.2: Domestic Exports



Source: SIB and CBB

for transportation services. Net travel receipts were up by 10.1% to \$531.4mn, driven by increases in overnight arrivals and cruise ship disembarkations of 17.1% and 1.3%, respectively. Concurrently, net outflows for transportation services edged down by \$3.5mn to \$60.9mn due to lower freight volumes and costs. The balance on other services swung from a deficit of \$13.2mn to a surplus of \$11.4mn, partly due to higher earnings by data processing businesses.

Net outflows on the primary income account grew from \$172.7mn to \$203.8mn, reflecting increased profit repatriation by tourist establishments. The surplus on the secondary income account rose from \$104.8mn to \$136.8mn, as an increase in transfers to Government, insurance companies, and religious and non-profit organizations outweighed a reduction in net remittance receipts. The latter

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

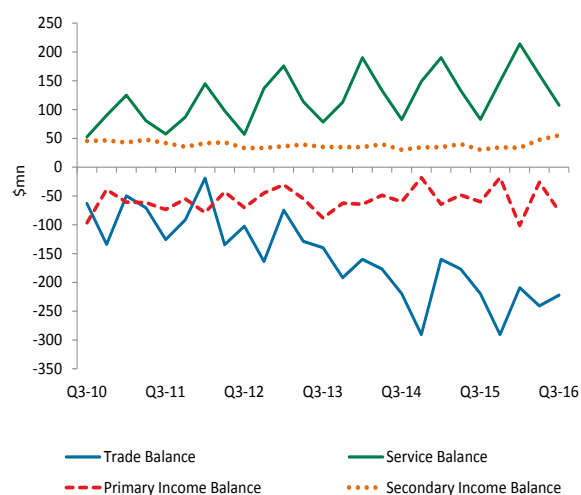


Table 4.2: Capital and Financial Account Summary

	\$mn	
	Jan-Sept 2015 ^R	Jan-Sept 2016 ^P
A. Capital Account	16.6	25.0
B. Financial Account (1+2+3+4)	-137.8	-201.5
1. Direct Investment in Belize	-81.2	-174.4
2. Portfolio Investment	0.0	0.0
Monetary Authorities	0.0	0.0
General Government	0.0	0.0
Banks	0.0	0.0
Other Sectors	0.0	0.0
3. Financial Derivatives	0.0	0.0
4. Other Investments	-56.6	-27.1
Monetary Authorities	-8.2	-1.6
General Government	-91.4	-29.3
Banks	23.4	-36.5
Other Sectors	19.5	40.3
C. NET ERRORS AND OMISSIONS	-33.5	28.4
D. OVERALL BALANCE	-97.3	-1.9
E. RESERVE ASSETS	-97.3	-1.9

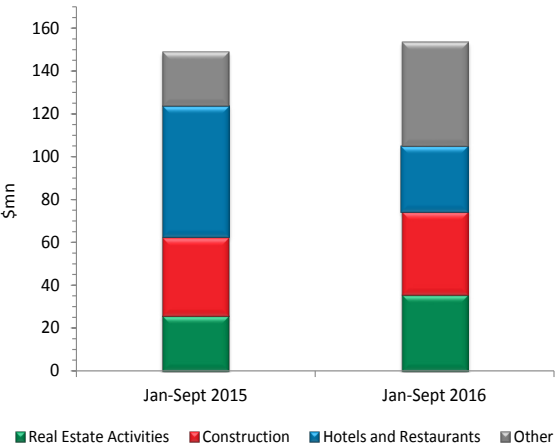
^R - Revised
^P - Provisional

contracted by 9.5%, as a 3.0% increase in inflows was outweighed by a 21.4% spike in outward transfers.

The surplus on the capital account amounted to \$25.0mn compared to the \$16.6mn recorded in the same period of the previous year. The increase reflected grants of \$10.0mn from the Republic of China (Taiwan) for budgetary support, donations from the US, particularly through the Central America Regional Security Initiative (CARSI) program, and development aid from several multilateral donors. The financial account recorded a surplus of \$201.5mn, buoyed largely

by foreign direct investment inflows channeled mainly into tourism-related construction projects, agriculture and real estate. In addition, Government received net loan disbursements of \$29.6mn. On the other hand, the private sector made net loan repayments of \$18.8mn, and the foreign asset holdings of the domestic banks declined by \$57.0mn, largely attributable to the sharp decline in exports receipts and disruptions to international correspondent banking services.

Chart 4.4: Foreign Direct Investment Inflows By Major Activity



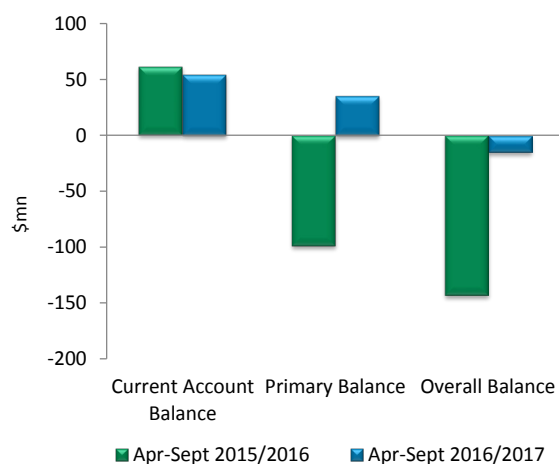
Government Operations and Public Debt

In the first nine months of 2016, Central Government's revenue and grants fell by 0.8% (\$6.6mn), while spending decreased by 14.9% (\$148.4mn). When compared to the same period of 2015, the primary balance swung from a deficit of \$127.9mn (3.7% of GDP) to a surplus of \$22.3mn (0.6% of GDP), and the overall deficit improved from \$206.4mn (5.9% of GDP) to \$64.6mn (1.9% of GDP). The decline in revenues was attributable to lower non-tax revenue from oil production and property income, while the reduction in expenditures reflected a 58.1% fall in capital spending that outweighed a 6.1% increase in current expenditure. The deficit was financed mostly from domestic sources.

Over the first half (April to September) of the 2016/2017 fiscal year (FY), revenue and grants totalled \$537.6mn,

2.9% higher than the same period of the previous FY and 49.4% of the budget. Expenditure summed to \$552.5mn, which was 17.0% lower than the same period of the 2015/2016 FY and 48.0% of the budget. Consequently, the overall deficit decreased from 4.1% of GDP to 0.4% of GDP, and the primary balance shifted from a deficit of 2.8% of GDP to a surplus of 1.0% of GDP. The financing gap (overall deficit plus amortization payments) included the first half of the remaining BTL nationalization payment and was therefore substantial at \$253.6mn. The bulk (73.4%) of this was funded from local sources mostly through the issuance of new government securities. The debt dependency ratio (new borrowings to expenditure), consequently, rose from 20.2% at the end of March 2016 to 53.8%, which is above the critical international threshold of 20.0%.

Chart 5.1: Central Government Fiscal Operations



Sources: MOF and CBB

An increase in tax collections sourced mainly from excise duties outweighed a fall in non-tax revenue thus boosting overall revenues by \$15.0mn. The shift to replace import duties on fuel and the revenue replacement duties (RRD) on CARICOM goods with the excise duty, as well as the increase in the number of goods subject to it, raised collections of excise duties by \$65.3mn and lowered those from import duty and the RRD by \$32.4mn. On the other hand, non-tax revenues declined by 29.4% to \$51.9mn, mainly due to lower

Table 5.1: Central Government Revenue and Expenditure

	\$mn			
	Jan 2015 to Sept 2015	Jan 2016 to Sept 2016	Apr 2015 to Sept 2015	Apr 2016 to Sept 2016
Total Revenue and Grants	792.6	786.0	522.6	537.6
Of which: Current Revenue	771.6	764.9	504.2	518.5
Of which: Grants	16.6	19.0	15.4	17.7
Total Expenditure	999.0	850.6	665.7	552.5
Current Expenditure	673.1	713.9	442.6	464.2
Capital Expenditure	325.9	136.7	223.2	88.3
Current Balance	98.6	51.0	61.6	54.3
Primary Balance	-127.9	22.3	-99.0	35.4
Overall Balance	-206.4	-64.6	-143.1	-14.9

Source: MOF

BTL dividend payments, profit transfers from the Central Bank and receipts from the domestic oil industry.

Expenditure fell by \$113.2mn, with current spending up by 4.9% to \$464.2mn

and capital expenditure down by 60.4% mainly due to sharp declines in externally funded Capital III outlays and capital transfers. The latter had rocketed upward as a result of the one-off repayment of the British Caribbean Bank loan on BTL's

Table 5.2: Summary of Central Government Revenue

	\$mn			
	Jan 2015 to Sept 2015	Jan 2016 to Sept 2016	Apr 2015 to Sept 2015	Apr 2016 to Sept 2016
Current Revenue	771.6	764.9	504.2	518.5
Tax Revenue	671.9	690.0	430.7	466.7
Income and Profits	202.9	197.4	127.7	129.9
Taxes on Property	4.6	5.4	2.8	3.5
Taxes on Goods and Services	271.0	335.0	176.9	242.7
International Trade and Transactions	193.3	152.3	123.3	90.6
Non-Tax Revenue	99.8	74.9	73.5	51.9
Property Income	31.4	19.7	30.6	14.0
Licenses	10.9	9.4	6.8	4.7
Other	57.5	45.8	36.1	33.2
Capital Revenue	4.4	2.2	3.1	1.4
Grants	16.6	19.0	15.4	17.7

Source: MOF

Table 5.3: Summary of Central Government Expenditure

	\$mn			
	Jan 2015 to Sept 2015	Jan 2016 to Sept 2016	Apr 2015 to Sept 2015	Apr 2016 to Sept 2016
Current Expenditure	673.1	713.9	442.6	464.2
Wages and Salaries	274.5	296.4	188.9	199.1
Pensions	51.6	58.1	35.7	38.7
Goods and Services	154.0	153.7	90.5	95.0
Interest Payments	78.5	86.8	44.2	50.3
Of which: External	67.1	72.9	36.0	41.6
Subsidies and Current Transfers	114.6	118.8	83.3	81.2
Capital Expenditure	325.9	136.7	223.2	88.3
Capital II	84.8	71.3	48.5	47.3
Capital III	151.9	63.5	86.0	39.8
Net Lending	89.3	1.8	88.6	1.2

Sources: MOF and CBB estimates

behalf in September 2015. The expansion in current outlays reflected the negotiated 8.0% increase in public officers' wages in July 2015, which underpinned the 3.5% aggregate increase in personal emoluments, pensions and domestic subsidies.

Capital spending and net lending amounted to \$88.3mn, with \$33.8mn (38.8%) being spent on infrastructural projects, such as maintenance or rehabilitation of roads, highways, bridges and drains, as well as works on the south side of Belize City, the Southern Highway and the Santa Elena International Crossing. Outlays on land management and environmental projects amounted to \$7.9mn and \$9.1mn, respectively. Meanwhile, disbursements for education, sports, health, tourism, science, technology, housing, security, agriculture and social projects summed

to \$17.0mn (19.5% of capital spending). The remainder went mostly to the Belize Infrastructure Limited and for the upgrade of public buildings.

Domestic Debt

Central Government's domestic debt doubled to \$746.2mn (21.9% of GDP), during the first nine months of the year, driving up the share of domestic debt to total public debt from 17.4% to 23.8% over the period reviewed. The borrowing surge was to finance the compensation award for the BTL nationalization, as well as to cover debt service payments and other budgetary outlays. Financing was via a \$12.9mn increase in Government's overdraft facility with the Central Bank and the issuance of \$240.0mn in new securities, consisting of \$15.0mn in Treasury bills and \$225.0mn in Treasury notes.

Chart 5.2: Central Government Development Expenditure



Sources: MOF and CBB estimates

Amortization payments totalling \$1.2mn were shared among domestic banks, Belize Social Security Board (BSSB), Fort Street Tourism Village and Debt for Nature Swap. Interest payments amounted to \$13.9mn with the annual effective interest rate falling from an average of 3.6% at the end of December 2015 to 3.0% at the end of September 2016 due to the lowering of rates on the new securities. The Central Bank received \$9.4mn on the overdraft and holdings of securities, non-bank entities got \$3.3mn, and the remainder went to domestic banks.

Table 5.4: Central Government Domestic Debt

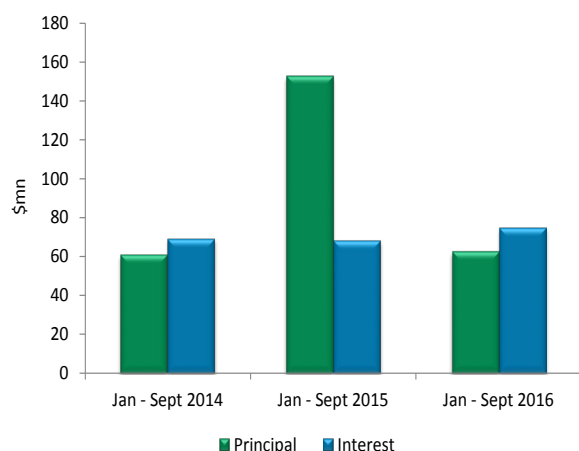
	\$mn		
	Dec 2015	Sept 2016	Changes in Stock
Overdraft	63.8	76.7	12.9
Loans	5.7	4.5	-1.2
Treasury Bills	200.0	215.0	15.0
Treasury Notes	225.0	450.0	225.0
Total	494.4	746.2	251.8

The Central Bank held the largest portion of the domestic debt, although its share fell from 49.7% at the end of December to 46.5% with the sale of \$128.9mn in Treasury notes and \$22.6mn in Treasury bills on the secondary market. Domestic banks increased their holdings of securities from 30.9% at the end of December 2015 to 34.4%. In contrast, non-bank entities shaved their portion down from 19.4% at the end of December 2015 to 19.1%.

Public Sector External Debt

The public external debt rose by 1.3% to \$2,384.3mn (70.1% of GDP) during the review period. Disbursements to Central Government totalled \$85.8mn and, of this amount, \$49.9mn was received from bilateral sources, including \$29.9mn from the Government of Venezuela and \$20.0mn from the Republic of China. Multilateral lenders disbursed \$35.9mn mainly for infrastructural works, including \$20.7mn

Chart 5.3: External Debt Service

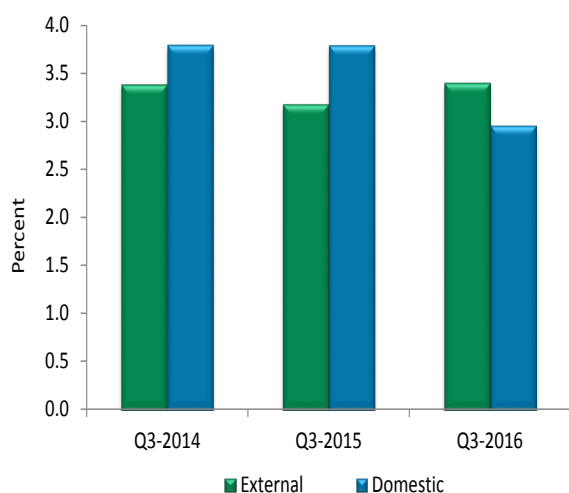


from the Caribbean Development Bank (CDB) and \$6.9mn from the International Bank of Reconstruction and Development (IBRD). In addition, the Development Finance Corporation (DFC) and the non-financial public sector received \$4.5mn and \$2.1mn from the CDB, respectively.

Principal repayments summed to \$62.7mn, including payments by Central Government to its bilateral and multilateral creditors of \$30.7mn and \$29.3mn, respectively, and repayments by the DFC and non-financial public sector to the CDB that summed to \$2.5mn.

Interest and other payments totalled \$74.5mn. Of the total, bond holders received \$52.7mn or 70.7%, while bilateral and multilateral creditors were paid \$10.3mn and \$11.5mn, respectively, on more concessionary loans. At 3.4%, the annualized effective interest rate was higher than the 3.2% averaged at the end of December 2015.

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



At the end of September, Central Government held 96.4% of the public sector external debt, of which the 2038 bond holders and the Government of Venezuela (the two largest creditors) accounted for 44.2% and 16.6%, respectively. The shares held by the financial and non-financial public sectors were much lower at 2.9% and 0.7%, respectively.

Table 5.5: Public Sector External Debt

	\$mn		
	DOD at: 31/12/2015	DOD at: 30/09/2016 ^P	Change in Debt Stock
Central Government	2,273.1	2,299.4	26.3
Bilateral	641.7	661.1	19.4
Multilateral	578.4	585.3	6.9
Bonds	1,053.0	1,053.0	0.0
Non-Financial Public Sector	16.5	16.4	-0.1
Bilateral	0.7	0.3	-0.3
Multilateral	15.8	16.1	0.2
Bonds	0.0	0.0	0.0
Financial Public Sector	64.2	68.5	4.2
Bilateral	0.0	0	0.0
Multilateral	64.2	68.5	4.2
Bonds	0.0	0.0	0.0
Grand Total	2,353.8	2,384.3	30.4

^P - Provisional

ANNEX I

Table A.1: Gross Domestic Product Growth Rates of Selected Countries

	Percent		
	Mar 2016	June 2016	Sept 2016
USA ⁽²⁾	0.8	1.4	3.5
UK ⁽¹⁾	2.0	2.2	2.3
Euro Zone ⁽¹⁾	1.7	1.6	1.6
Japan ⁽²⁾	1.9	0.7	2.2

⁽¹⁾ Percentage change compared to the same quarter of the previous year.

⁽²⁾ Percentage change on an annualized basis.

Source: Respective Statistical Bureaus

Table A.2: Factors Responsible for Money Supply Movements⁽¹⁾

	\$mn		
	Position as at Sept 2016	Changes During Dec 2015 to Sept 2016	Dec 2014 to Sept 2015
Net Foreign Assets	1,109.6	-40.5	-69.4
Central Bank	870.9	-4.0	-105.2
Domestic Bank	238.7	-36.5	35.8
Net Domestic Credit	2,501.3	214.9	257.5
Central Government (Net)	491.0	194.5	214.5
Other Public Sector	8.6	-2.1	-4.4
Private Sector	2,001.7	22.5	47.4
Central Bank Foreign Liabilities (Long-term)	50.0	0.4	-1.6
Other Items (Net)	508.2	-4.9	75.2
Money Supply (M2)	3,052.7	178.9	114.5

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

Table A.3: Money Supply

	Position as at Sept 2016	Changes During	
		Dec 2015 to Sept 2016	Dec 2014 to Sept 2015
Money Supply (M2)	3,052.7	178.9	114.5
Money Supply (M1)	1,522.3	23.9	125.6
Currency with the Public	290.3	-0.9	18.0
Demand Deposits	1,261.2	188.6	102.1
Savings/Chequing Deposits	0.8	-163.8	5.5
Quasi-Money	1,500.4	155.0	-11.1
Savings Deposits	679.2	208.5	22.5
Time Deposits	821.2	-53.5	-33.6

Table A.4: Net Foreign Assets of the Banking System

	Position as at Sept 2016	Changes During	
		Dec 2015 to Sept 2016	Dec 2014 to Sept 2015
Net Foreign Assets of Banking System	1,109.6	-40.5	-69.4
Net Foreign Assets of Central Bank	870.9	-4.0	-105.2
Central Bank Foreign Assets	878.9	-3.6	-98.3
Central Bank Foreign Liabilities (Demand)	8.0	0.4	6.9
Net Foreign Assets of Domestic Banks	238.7	-36.5	35.8
Domestic Bank Foreign Assets	252.3	-57.0	25.0
Domestic Bank Foreign Liabilities (Short-Term)	13.6	-20.5	-10.8

Table A.5: Net Domestic Credit

		\$mn	
	Position as at Sept 2016	Changes During	
		Dec 2015 to Sept 2016	Dec 2014 to Sept 2015
Total Credit to Central Government	604.8	206.3	65.1
From Central Bank	347.3	101.4	84.3
Loans and Advances	76.7	12.9	20.9
Government Securities ⁽¹⁾	270.6	88.5	63.4
From Domestic Banks	257.5	104.9	-19.2
Loans and Advances	2.9	0.3	-0.7
Government Securities	254.6	104.6	-18.5
Of which: Treasury Bills	176.6	26.6	-18.5
Treasury Notes	78.0	78.0	0.0
Other	0.0	0.0	0.0
Less Central Government Deposits	113.8	11.8	-149.4
With Central Bank	81.3	24.8	-149.2
With Domestic Banks	32.5	-13.0	-0.2
Net Credit to Central Government	491.0	194.5	214.5
Credit to Other Public Sector	8.6	-2.1	-4.4
From Central Bank	0.0	0.0	0.0
From Domestic Banks	8.6	-2.1	-4.4
Of which: Local Government	0.3	-0.5	-0.2
Public Financial Institutions	0.0	0.0	0.0
Public Utilities	1.9	-2.2	-3.0
Other Statutory Bodies	3.9	0.0	-1.2
Securities	2.6	0.6	0.0
Plus Credit to the Private Sector	2,001.7	22.5	47.4
Loans and Advances	2,001.3	22.5	47.4
Securities	0.4	0.0	0.0
Net Domestic Credit of the Banking System ⁽²⁾	2,501.3	214.9	257.5

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

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

Table A.6: Sectoral Composition of Domestic Banks' Loans and Advances

		\$mn	
	Position as at Sept 2016	Changes During	
		Dec 2015 to Sept 2016	Dec 2014 to Sept 2015
PRIMARY SECTOR	265.8	13.8	7.4
Agriculture	210.2	7.3	5.4
Sugar	73.6	1.6	4.5
Citrus	11.8	-3.0	-1.2
Bananas	75.7	4.8	2.9
Other	49.1	3.9	-0.8
Marine Products	36.5	5.9	3.4
Forestry	1.1	0.4	-0.9
Mining and Exploration	18.0	0.2	-0.5
SECONDARY SECTOR	630.2	0.5	36.1
Manufacturing	39.6	3.5	10.9
Building and Construction	580.2	2.1	29.7
Utilities	10.4	-5.1	-4.5
TERTIARY SECTOR	693.7	19.1	16.6
Transport	54.4	5.9	4.8
Tourism	121.0	25.0	10.1
Distribution	174.1	3.8	-7.6
Real Estate	281.5	-11.7	13.6
Professional Services	48.9	-3.1	0.7
Other ⁽¹⁾	13.8	-0.8	-5.0
PERSONAL LOANS ⁽²⁾	416.6	-12.8	-17.5
TOTAL	2,006.3	20.6	42.6

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

⁽²⁾ Changes due to reclassification from personal loans mainly to building and construction.

Table A.7: Domestic Banks' Liquidity Position and Cash Reserves

		\$mn	
		Changes During	
	Position as at Sept 2016	Dec 2015 to Sept 2016	Dec 2014 to Sept 2015
Holdings of Approved Liquid Assets	1,158.6	111.4	169.7
Notes and Coins	76.0	-1.0	2.5
Balances with Central Bank	735.6	68.7	99.6
Money at Call and Foreign Balances (due in 90 days)	146.1	1.8	80.8
Treasury Bills maturing in not more than 90 days	176.6	26.6	-18.5
Other Approved Assets	24.3	15.3	5.3
Of which: Treasury Notes	8.8	8.8	0.0
Required Liquid Assets	644.8	50.8	33.2
Excess/(Deficiency) Liquid Assets	513.8	60.6	136.5
Daily Average Holdings of Cash Reserves	732.3	67.1	93.8
Required Cash Reserves	238.3	18.8	12.3
Excess/(Deficiency) Cash Reserves	494.0	48.3	81.5
Actual Securities Balances	176.6	26.6	-18.5
Excess/(Deficiency) Securities	176.6	26.6	-18.5

Table A.8: Domestic Banks' Weighted Average Interest Rates

		Percent	
		Changes During	
	Position as at Sept 2016	Dec 2015 to Sept 2016	Dec 2014 to Sept 2015
Weighted Lending Rates			
Personal Loans	11.56	-0.03	-0.27
Commercial Loans	9.86	-0.16	-0.37
Residential Construction	7.59	-0.36	-0.66
Other	7.41	-0.43	-0.55
Weighted Average	9.85	-0.19	-0.40
Weighted Deposit Rates			
Demand	0.03	-0.07	-0.15
Savings/Chequing	0.62	-1.94	0.00
Savings	2.33	-0.06	0.04
Time	2.28	-0.16	-0.17
Weighted Average	1.26	-0.20	-0.19
Weighted Average Spread	8.59	0.02	-0.21

Table A.9: Domestic Banks' Weighted Average Interest Rates on New Loans and Deposits

	Percent				
	Twelve Month Rolling Averages At			Changes During	
	Sept 2016	June 2016	Sept 2015	Sept 2016 over June 2016	Sept 2016 over Sept 2015
Weighted Lending Rates					
Personal Loans	10.19	10.48	10.83	-0.29	-0.64
Commercial Loans	9.79	9.74	9.62	0.05	0.17
Residential Construction	6.96	6.83	6.80	0.13	0.16
Other	6.55	6.58	6.91	-0.03	-0.36
Weighted Average	9.57	9.60	9.51	-0.03	0.06
Weighted Deposit Rates					
Demand	0.03	0.04	0.04	-0.01	-0.01
Savings/Chequing	0.98	1.00	1.46	-0.02	-0.48
Savings	2.42	2.38	2.08	0.04	0.34
Time	1.90	1.88	2.03	0.02	-0.13
Weighted Average	1.74	1.71	1.93	0.03	-0.19
Weighted Average Spread	7.83	7.89	7.59	-0.06	0.24

Table A.10: Real Gross Domestic Product Growth Rates⁽¹⁾

	Jan-Sept 2015 ^R	Jan-Sept 2016 ^P
Agriculture, Hunting and Forestry	1.6	-9.6
Fishing	-27.2	-77.9
Manufacturing (including Mining and Quarrying)	-12.4	-6.6
Electricity and Water	-0.9	10.5
Construction	11.2	10.0
Wholesale and Retail	7.0	1.9
Hotels and Restaurants	-5.6	6.6
Transport and Communication	3.6	4.3
Other Private Services excluding Financial Services Indirectly Measured	6.4	2.5
Producers of Government Services	14.0	8.3
All Industries at Basic Prices	1.8	-1.3
Taxes on Products	9.0	2.4
GDP at Constant 2000 Prices	2.9	-0.7

Source: SIB

⁽¹⁾ Percentage growth in the first nine months of the year compared to the same period of the previous year

^R - Revised

^P - Provisional

Table A.11: Gross Domestic Product by Activity at Constant 2000 Prices

	\$mn					
	Quarter 1 2015 ^R	Quarter 2 2015 ^R	Quarter 3 2015 ^R	Quarter 1 2016 ^R	Quarter 2 2016 ^R	Quarter 3 2016 ^P
Agriculture, Hunting and Forestry	79.1	75.9	49.0	68.9	73.0	42.5
Fishing	34.4	24.9	13.4	7.0	3.9	5.1
Manufacturing (including Mining and Quarrying)	61.9	56.3	33.7	56.4	52.1	33.4
Electricity and Water	23.9	35.0	40.1	34.4	32.0	43.0
Construction	20.1	20.5	23.4	23.9	23.7	22.7
Wholesale and Retail	111.3	115.5	116.3	115.6	118.0	116.2
Hotels and Restaurants	36.1	26.6	19.6	36.6	29.5	21.6
Transport and Communication	72.6	72.2	67.2	77.0	75.9	68.2
Other Private services excluding Financial Services Indirectly Measured	112.5	113.7	113.2	116.6	116.6	114.5
Producers of Government Services	68.8	71.9	65.8	77.8	77.2	68.8
All Industries at Basic Prices	620.7	612.5	541.8	614.2	602.0	536.0
Taxes on Products	113.7	117.9	119.2	118.9	121.1	119.4
GDP at Constant 2000 Prices	734.5	730.4	661.0	733.1	723.1	655.4

Source: SIB

^R - Revised^P - Provisional

Table A.12: Consumer Price Index (CPI) Commodity Group

Major Commodity	Weights	% Change				
		July 2016	Aug 2016	Sept 2016	Sept 2016 over Aug 2016	YTD-2016 over YTD-2015
Food and Non-Alcoholic Beverages	195	106.2	106.1	106.3	0.2	0.4
Alcoholic Beverages and Tobacco	17	99.3	100.2	100.9	0.7	-0.0
Clothing and Footwear	83	99.0	98.7	98.7	-0.0	2.0
Housing, Water, Electricity, Gas, and Other Fuels	265	103.5	103.0	102.9	-0.1	0.7
Furnishing, Household Equipment, and Routine Household Maintenance	69	101.9	101.9	102.0	0.0	0.2
Health	41	114.5	114.1	114.1	-0.0	2.5
Transport	136	101.6	101.9	101.7	-0.2	-1.9
Communication	33	97.2	100.1	100.1	0.0	-0.1
Recreation and Culture	69	107.0	107.6	107.5	-0.1	0.7
Education	32	103.1	103.4	103.4	0.0	1.0
Restaurants and Hotels	7	106.9	109.8	109.8	0.0	2.0
Miscellaneous Goods and Services	52	106.8	102.8	102.7	-0.0	2.7
All Items	1,000	103.8	103.7	103.7	0.0	0.5

Source: SIB

Table A.13: Gross Imports at Cost, Insurance and Freight (CIF) by Standard International Trade Classification (SITC)

SITC Section	\$'000	
	Jan-Sept 2015	Jan-Sept 2016
0. Food and Live Animals	161,230	174,539
1. Beverages and Tobacco	39,325	41,941
2. Crude Materials	25,465	27,643
3. Minerals, Fuels and Lubricants	212,741	157,239
Of which: Electricity	35,935	18,077
4. Oils and Fats	12,918	10,638
5. Chemical Products	137,686	125,733
6. Manufactured Goods	188,832	177,445
7. Machinery and Transport Equipment	326,224	380,724
8. Other Manufactures	114,483	132,259
9. Commodities not elsewhere specified	9	554
10. Export Processing Zones	87,327	37,473
11. Commercial Free Zone	230,376	220,338
12. Personal Goods	4,303	2,635
Total	1,540,919	1,489,162

Sources: CBB and SIB

Table A.14: Balance of Payments

	\$mn	
	Jan-Sept 2015 ^R	Jan-Sept 2016 ^P
CURRENT ACCOUNT	-218.1	-256.8
Goods: Exports FOB	852.7	695.0
Goods: Imports FOB	1,408.9	1,366.9
Trade Balance	-556.3	-671.8
Services: Credit	729.1	796.4
Transportation	39.6	39.9
Travel	549.3	605.9
Other Goods and Services	97.9	121.7
Government Goods and Services	42.3	28.9
Services: Debit	323.1	314.4
Transportation	102.8	100.7
Travel	66.8	74.5
Other Goods and Services	132.2	119.5
Government Goods and Services	21.2	19.7
Balance on Goods and Services	-150.2	-189.9
Primary Income: Credit	11.2	10.6
Compensation of Employees	3.5	3.5
Investment Income	7.6	7.1
Primary Income: Debit	183.9	214.4
Compensation of Employees	11.1	8.7
Investment Income	172.9	205.7
Balance on Goods, Services and Primary Income	-323.0	-393.7
Secondary Income: Credit	163.8	206.1
Secondary Income: Debit	59.0	69.2
CAPITAL ACCOUNT	16.5	25.0
Capital Account: Credit	16.5	25.0
Capital Account: Debit	0.0	0.0
FINANCIAL ACCOUNT	-137.8	-201.5
Direct Investment Abroad	0.8	3.2
Direct Investment in Reporting Economy	81.9	177.6
Portfolio Investment Assets	0.0	0.0
Portfolio Investment Liabilities	0.0	0.0
Financial Derivatives	0.0	0.0
Other Investment Assets	8.6	-60.6
Other Investment Liabilities	65.3	-33.4
NET ERRORS AND OMISSIONS	-33.5	28.4
OVERALL BALANCE	-97.3	-1.9
RESERVE ASSETS	-97.3	-1.9

Source: CBB

^R - Revised

^P - Provisional

Table A.15: International Investment Position

	\$mn		
	Apr-June 2016	July-Sept 2016	Quarterly Change
Net position	-5,636.8	-5,775.4	-138.6
A. Assets	1,329.4	1,260.9	-68.5
1. Direct Investment Abroad	136.4	136.9	0.5
2. Portfolio Investment	70.0	79.4	9.4
2.1 Equity Securities	11.8	11.8	-0.0
2.2 Debt Securities	58.2	67.6	9.4
3. Other Investment	233.4	172.7	-60.7
3.1 Trade Credits	-1.3	-1.3	0.0
3.2 Loans	8.0	8.1	0.1
3.3 Currency and Deposits	212.1	144.0	-68.2
3.4 Other Assets	14.6	21.9	7.4
4. Reserve Assets	889.5	871.9	-17.6
4.1 Monetary Gold	0.0	0.0	0.0
4.2 Special Drawing Rights	56.0	55.9	-0.1
4.3 Reserve Position in the Fund	17.3	17.3	-0.0
4.4 Foreign Exchange	797.4	779.9	-17.5
4.5 Other Claims	18.8	18.8	0.0
B. Liabilities	6,966.2	7,036.3	70.1
1. Direct Investment	4,259.7	4,287.4	27.7
2. Portfolio Investment	1,053.0	1,053.0	0.0
2.1 Equity Securities	0.0	0.0	0.0
2.2 Debt Securities	1,053.0	1,053.0	0.0
3. Other Investment	1,653.5	1,695.9	42.4
3.1 Trade Credits	0.0	-0.7	-0.7
3.2 Loans	1,608.4	1,642.6	34.2
3.3 Currency and Deposits	41.1	51.7	10.6
3.4 Other Liabilities	4.0	2.3	-1.6

Table A.16: Extended Balance of Payment Services Classifications (EBOPS)

		\$mn	
		Jan - Sept 2015	Jan - Sept 2016
Total Services	Net	406.1	482.0
	Credits	729.1	796.4
	Debits	323.1	314.4
Manufacturing Services	Net	0.0	0.1
	Credits	0.0	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	-63.2	-60.9
	Credits	39.6	39.9
	Debits	102.8	100.7
Travel	Net	482.5	531.4
	Credits	549.3	605.9
	Debits	66.8	74.5
Telecommunications, Computer, and Information Services	Net	5.7	27.8
	Credits	12.8	40.1
	Debits	7.2	12.3
Construction Services	Net	0.0	0.0
	Credits	0.0	0.0
	Debits	0.0	0.0
Insurance and Pension Services	Net	-45.8	-39.4
	Credits	0.4	0.5
	Debits	46.3	39.9
Financial Services	Net	-15.2	-5.5
	Credits	6.3	4.9
	Debits	21.5	10.4
Charges for the Use of Intellectual Property, n.i.e.	Net	-3.7	-3.7
	Credits	0.0	0.0
	Debits	3.7	3.7
Other Business Services	Net	25.4	23.5
	Credits	78.3	76.2
	Debits	52.9	52.6
Personal, Cultural and Recreational Services	Net	-0.6	-0.7
	Credits	0.0	0.0
	Debits	0.6	0.7
Government Services, n.i.e.	Net	21.0	9.2
	Credits	42.3	28.9
	Debits	21.2	19.7

Table A.17: Private Sector External Debt by Economic Sector^(1,3)

Economic Sectors	Disbursed Outstanding as at 31/12/15	TRANSACTIONS THROUGH SEPTEMBER 2016			Disbursed Outstanding as at 30/09/2016
		Disbursements	Principal Payments	Interest Payments	
Long Term:					
Agriculture	58,962	0	106	48	58,856
Arts, Entertainment and Recreation	1,700	0	0	0	1,700
Construction	54,231	0	4,089	4,613	50,142
Economic Diversification	1,000	0	222	40	778
Education	198	0	0	0	198
Electricity and Gas ⁽²⁾	5,173	0	5	395	5,168
Financial and Insurance Activities	111	0	0	0	111
Fishing	94,628	0	5,302	1,657	89,325
Information and Communication	904	0	272	40	632
Real Estate Activities	1,274	0	16	7	1,258
Tourism Activities	40,351	0	88	1	40,263
Transportation	34,887	0	2,807	1,087	32,080
Wholesale and retail trade	1,086	0	0	7	1,086
Other	8	0	7	0	1
Total	294,511	0	12,914	7,894	281,597

⁽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.

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

Table A.18: Exports of Sugar and Molasses

	Jan-Sept 2015		Jan-Sept 2016	
	Volume (long tons)	Value (\$'000)	Volume (long tons)	Value (\$'000)
Sugar	105,985	112,663	123,901	102,409
E.U.	84,781	89,939	119,230	97,239
USA	17,813	19,078	2,411	2,555
Caricom	3,346	3,578	2,214	2,548
Other	45	68	45	68
Molasses	28,588	7,125	30,551	6,970

Source: SIB

Table A.19: Export Sales of Citrus Products

	Jan-Sept 2015		Jan-Sept 2016	
	Pound Solid ('000)	Value (\$'000)	Pound Solid ('000)	Value (\$'000)
Citrus Concentrates				
U.S.A.				
Orange	11,472.4	24,800	8,982.6	23,261
Grapefruit	0.0	0	0.0	0
Caribbean				
Orange	5,888.7	19,331	5,971.9	19,409
Grapefruit	270.7	1,005	499.1	1,849
Europe				
Orange	3,125.6	8,964	2,707.1	7,368
Grapefruit	787.8	3,326	1,147.7	3,944
Other				
Orange	67.6	192	101.5	281
Grapefruit	191.8	738	90.2	289
Sub-Total ⁽¹⁾	21,804.4	58,357	19,499.9	56,401
Orange	20,554.2	53,287	17,763.0	50,320
Grapefruit	1,250.2	5,070	1,736.9	6,081
Not-From-Concentrate				
Sub-Total	45.6	255	45.3	260.7
Orange	36.6	197	36.4	204
Grapefruit	9.1	58	8.9	56
Total Citrus Juices	21,850.0	58,612	19,545.2	56,662
Pulp (pounds '000)				
Total ⁽¹⁾	3,085.9	2,347	2,947.6	2,239
Orange	2,979.9	2,267	2,806.5	2,133
Grapefruit	106.0	81	141.2	105

Source: CPBL

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

Table A.20: Exports of Marine Products

	Jan-Sept 2015		Jan-Sept 2016	
	Volume ('000 pounds)	Value (\$'000)	Volume ('000 pounds)	Value (\$'000)
Lobster	528	14,418	631.2	14,051.2
Shrimp	7,573	45,727	656.4	6,545.9
Conch	281	3245	442	5,301.2
Other Fish	675	821.5	253	367.7
Total	10,119	64,211	1,983	26,266

Sources: SIB and CBB

Table A.21: Banana Exports

	Jan-Sept 2015	Jan-Sept 2016
Volume (metric tons)	78,518	56,760
Value (\$'000)	81,049	57,680

Source: BGA

Table A.22: Petroleum Exports

	Jan-Sept 2015	Jan-Sept 2016
Volume (Barrels)	290,892	267,169
Value (\$'000)	27,549	16,742

Source: Petroleum and Geology Department

Table A.23: Other Major Exports

	Jan-Sept 2015	Jan-Sept 2016
Other Miscellaneous Exports (\$'000)	68,418	56,482
Of which:		
<u>Papaya</u>		
Volume ('000 lbs)	26,797	7,085
Value (\$'000)	10,625	3,761

Sources: SIB and CBB

Table A.24: Central Government Domestic Debt by Creditor ⁽¹⁾

	\$'000					
	Disbursed Outstanding Debt 31/12/15 ^R	TRANSACTIONS THROUGH SEPTEMBER 2016			Disbursed Outstanding Debt 30/09/16 ^P	
		Disbursement/ New Issue of Securities	Amortization/ Reduction in Securities	Interest	Net Change in Overdraft/ Securities	
Overdraft/Loans	63,759	0	0	4,380	12,945	76,704
Central Bank	63,759	0	0	4,380	12,945	76,704
Domestic Banks	0	0	0	0	0	0
Treasury Bills	200,000	15,000	0	50	0	215,000
Central Bank	24,996	15,000	0	3	(22,590)	17,406
Domestic Banks	149,982	0	0	43	26,607	176,589
Other	25,022	0	0	4	(4,017)	21,005
Treasury Notes	225,000	225,000	0	9,238	0	450,000
Central Bank	157,026	225,000	0	5,041	(128,874)	253,152
Domestic Banks	0	0	0	990	77,976	77,976
Other	67,974	0	0	3,207	50,898	118,872
Atlantic Bank Limited	241	0	241	8	0	0
Heritage Bank Limited	2,374	0	475	164	0	1,899
Belize Social Security Board ⁽²⁾	395	0	30	23	0	365
Fort Street Tourism Village	355	0	355	0	0	0
Debt for Nature Swap	2,320	0	86	33	0	2,234
Total	494,445	240,000	1,187	13,897	12,945	746,204

^R - Revised^P - Provisional⁽¹⁾ Transactions associated with the Universal Health Services (UHS) loan with the Belize Bank Limited are not included in this table, as no action has been taken to enforce the claim.⁽²⁾ Government has outstanding loan with BSSB for Hopeville Housing Project.

Table A.25: Central Government Revenue and Expenditure

	Approved Budget 2016/2017	Jan 2015 to Sept 2015	Jan 2016 to Sept 2016	Apr 2015 to Sept 2015	Apr 2016 to Sept 2016 ^P	Fiscal YTD as % of Budget
\$'000						
TOTAL REVENUE & GRANTS (1+2+3)	1,088,540	792,602	786,040	522,595	537,601	49.4%
1). Current Revenue	1,041,042	771,632	764,897	504,176	518,541	49.8%
Tax Revenue	936,597	671,880	690,035	430,704	466,667	49.8%
Income and Profits	256,051	202,889	197,361	127,672	129,911	50.7%
Taxes on Property	5,682	4,636	5,431	2,846	3,459	60.9%
Taxes on Goods and Services	366,187	271,016	334,980	176,879	242,689	66.3%
International Trade and Transactions	308,677	193,339	152,263	123,308	90,609	29.4%
Non-Tax Revenue	104,445	99,752	74,862	73,472	51,873	49.7%
Property Income	20,064	31,359	19,689	30,569	14,032	69.9%
Licences	12,646	10,931	9,422	6,825	4,676	37.0%
Other	71,735	57,462	45,751	36,079	33,165	46.2%
2). Capital Revenue	5,916	4,352	2,172	3,062	1,394	23.6%
3). Grants	41,581	16,617	18,971	15,358	17,666	42.5%
TOTAL EXPENDITURE (1+2)	1,151,104	998,974	850,603	665,742	552,506	48.0%
1). Current Expenditure	959,193	673,054	713,906	442,580	464,200	48.4%
Wages and Salaries	402,731	274,470	296,427	188,932	199,064	49.4%
Pensions	67,169	51,550	58,137	35,740	38,652	57.5%
Goods and Services	224,536	153,973	153,735	90,486	94,967	42.3%
Interest Payments on Public Debt	99,030	78,459	86,824	44,171	50,334	50.8%
Subsidies and Current Transfers	165,726	114,603	118,783	83,250	81,184	49.0%
2). Capital Expenditure	191,911	325,920	136,697	223,162	88,306	46.0%
Capital II (Local Sources)	93,432	84,756	71,347	48,500	47,292	50.6%
Capital III (Foreign Sources)	95,973	151,912	63,533	86,045	39,808	41.5%
Capital Transfer and Net Lending	2,507	89,252	1,816	88,617	1,206	48.1%
CURRENT BALANCE	81,849	98,578	50,991	61,596	54,340	66.4%
Primary Balance	36,465	(127,914)	22,261	(98,976)	35,429	97.2%
OVERALL BALANCE	(62,565)	(206,372)	(64,563)	(143,147)	(14,905)	23.8%
Primary Balance less grants	(5,115)	(144,531)	3,290	(114,333)	17,763	-347.2%
Overall Balance less grants	(104,146)	(222,989)	(83,533)	(158,504)	(32,571)	31.3%
FINANCING	62,565	206,372	64,563	143,147	14,905	
Domestic Financing		243,462	240,413	200,149	179,728	
Central Bank		233,627	77,073	201,697	42,314	
Net Borrowing		84,333	101,482	59,456	73,813	
Change in Deposits		149,294	(24,409)	142,241	(31,499)	
Commercial Banks		(18,909)	116,844	(8,892)	85,575	
Net Borrowing		(19,156)	103,867	(12,872)	92,138	
Change in Deposits		247	12,977	3,980	(6,563)	
Other Domestic Financing		28,744	46,496	7,343	51,839	
Financing Abroad		94,585	30,383	67,987	37,127	
Disbursements		146,837	90,233	103,010	79,104	
Amortization		(52,252)	(59,851)	(35,023)	(41,976)	
Nationalization of BEL		(70,221)	0	(70,221)	0	
Nationalization of BTL		(65,088)	(196,522)	(65,088)	(196,522)	
Other		3,634	(9,711)	10,320	(5,429)	

Sources: CBB and MOF

^P - Provisional

Table A.26: Public Sector External Debt by Creditor

	Disbursed Outstanding Debt 31/12/15 ^R	TRANSACTIONS THROUGH SEPTEMBER 2016			Disbursed Outstanding Debt 30/09/16 ^P	
		Disbursements	Principal Payments	Interest & Other Payments	Parity Change	
CENTRAL GOVERNMENT	2,273,097	85,819	59,936	73,741	432	2,299,411
Government of Venezuela	373,269	29,920	7,872	2,251	0	695,317
Kuwait Fund for Arab Economic Development	19,300	0	956	3,570	145	18,488
Republic of China	249,150	20,000	21,829	4,494	0	247,321
Caribbean Development Bank	227,840	20,696	12,771	5,001	-0	235,764
Caricom Development Fund	2,398	0	589	90	0	1,810
European Economic Community	8,893	0	342	31	265	8,815
Inter-American Development Bank	239,026	3,967	10,947	3,230	0	232,046
International Fund for Agriculture Development	2,685	186	253	25	22	2,640
International Bank for Reconstruction and Development	25,290	6,927	1,721	391	0	30,496
Opec Fund for International Development	47,925	4,123	2,299	1,204	0	49,749
Central American Bank for Economic Integration	24,317	0	357	804	0	23,960
Bank of New York	1,053,004	0	0	52,650	0	1,053,004
NON-FINANCIAL PUBLIC SECTOR	16,499	2,079	2,196	428	4	16,386
Kuwait Fund for Arab Economic Development	658	0	331	11	4	331
Caribbean Development Bank ^{(1) (2)}	15,841	2,079	1,865	417	0	16,055
FINANCIAL PUBLIC SECTOR	64,209	4,500	617	337	366	68,457
Caribbean Development Bank	14,466	4,500	600	336	0	18,366
European Economic Community	149	0	17	1	5	137
International Monetary Fund ⁽³⁾	49,593	0	0	0	361	49,954
GRAND TOTAL	2,353,804	92,398	62,749	74,506	801	2,384,254

^R - Revised

^P - Provisional

⁽¹⁾ Effective 21 June 2011, the nationalization of Belize Electricity Limited caused an increase (\$23.1mn) in debt, which was matched by Government's acquisition of assets of equal value.

⁽²⁾ Effective 3 October 2005, loans to BWSL were reclassified as public sector debt as a result of Government of Belize's repurchase of the company.

⁽³⁾ International Monetary Fund Special Drawing Rights allocation is included as part of the financial public sector external debt obligation.